

# Annual Report & Financial Statements

Omnis Portfolio Investments ICVC

For the year ended 30 September 2023

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\* Collectively, these comprise the Authorised Corporate Director's Report.

## Directory

### The Company and Head Office

Omnis Portfolio Investments ICVC  
26th Floor  
99 Bishopsgate  
London EC2M 3XD  
Incorporated in England and Wales  
under registration number IC000982

Website address: [www.omnisinvestments.com](http://www.omnisinvestments.com)  
(Authorised and regulated by the FCA)

### Directors of the ACD

Peter Davis  
Robert Jeffree CEO  
Grant Hotson (appointed 21 March 2023)  
Douglas Naismith (resigned 9 November 2023)  
Richard Houghton (resigned 9th May 2023)  
Dominic Sheridan (resigned 28 November 2022)

### Registrar

SS&C Financial Services International Limited  
SS&C House  
St Nicholas Lane  
Basildon  
Essex SS15 5FS

### Auditor

Deloitte LLP  
Statutory Auditor  
Saltire Court  
20 Castle Terrace  
Edinburgh EH1 2DB

### Customer Service Centre

Omnis Portfolio Investments ICVC  
PO BOX 10191  
Chelmsford CM99 2AP  
Telephone: 0345 140 0070\*

### Depository

State Street Trustees Limited  
20 Churchill Place  
London E14 5HJ  
(Authorised and regulated by the FCA)

### Authorised Corporate Director ("ACD")

Omnis Investments Limited  
Auckland House  
Lydiard Fields  
Swindon SN5 8UB  
(Authorised and regulated by the FCA)

### Investment Managers

AXA Investment Managers UK Limited  
22 Bishopsgate  
London EC2N 4BQ  
United Kingdom  
(Authorised and regulated by the FCA)

Baring Asset Management Ltd  
20 Old Bailey  
London EC4M 7BF  
(Authorised and regulated by the FCA)

FIL Pensions Management  
Beech Gate, Millfield Lane  
Lower Kingswood, Tadworth  
Surrey KT20 6RP  
(Authorised and regulated by the FCA)

Franklin Templeton Fund Management Limited  
Cannon Place, 78 Cannon Street  
London EC4N 6HL  
(Authorised and regulated by the FCA)

Fulcrum Asset Management LLP  
Marble Arch House  
66 Seymour Street  
London W1H 5BT  
(Authorised and regulated by the FCA)

Federated Hermes Investment Management Limited  
150 Cheapside  
London EC2V 6ET  
(Authorised and regulated by the FCA)

Jupiter Asset Management Limited  
The Zig Zag Building 70 Victoria Street  
London SW1E 6SQ  
(Authorised and regulated by the FCA)

\* Please note that telephone calls may be recorded for monitoring and training purposes, and to confirm investors' instructions.

## Directory (continued)

### Investment Managers (continued)

Schroder Investment Management Limited  
1 London Wall Place  
London EC2Y 5AU  
(Authorised and regulated by the FCA)

Lazard Asset Management Limited  
50 Stratton Street  
London W1J 8LL  
(Authorised and regulated by the FCA)

T. Rowe Price International Limited  
60 Queen Victoria Street  
London EC4N 4TZ  
(Authorised and regulated by the FCA)

Threadneedle Asset Management Limited  
78 Cannon Street  
London EC4N 6AG  
(Authorised and regulated by the FCA)

Veritas Asset Management LLP  
1 Smart's Place, Holborn  
London WC2B 5LW  
(Authorised and regulated by the FCA)

Western Asset Management Company Limited  
10 Exchange Square, Primrose Street  
London EC2A 2EN  
(Authorised and regulated by the FCA)

## Authorised Corporate Director's ("ACD") Report

We are pleased to present the Annual Report & Audited Financial Statements for Omnis Portfolio Investments ICVC ('Investment Company with Variable Capital') for the year ended 30 September 2023.

### Authorised Status

Omnis Portfolio Investments ICVC ("the Company") is an investment company with variable capital incorporated in England and Wales under registered number IC000982 and authorised by the Financial Conduct Authority ("FCA") with effect from 3 September 2013. The Company has an unlimited duration.

Shareholders are not liable for the debts of the Company.

Head office: 26th Floor, 99 Bishopsgate, London EC2M 3XD

The Head Office is the address of the place in the UK for service on the Company of notices or other documents required or authorised to be served on it.

### Structure of the Company

The Company is structured as an umbrella company, in that different Funds may be established from time to time by the ACD with the approval of the FCA. On the introduction of any new Fund or Class, a revised prospectus will be prepared setting out the relevant details of each Fund or Class.

The Company is a UK UCITS scheme.

The assets of each Fund will be treated as separate from those of every other Fund and will be invested in accordance with the investment objective and investment policy applicable to that Fund. Investment of the assets of each of the Funds must comply with the FCA's Collective Investment Schemes Sourcebook ("COLL") and the investment objective and policy of the relevant Fund.

### Cross Holdings

There were no shares in any Fund held by other funds of the Company.

### Base Currency

The base currency of the Company is Pounds Sterling. Each Fund and Class is designated in Pounds Sterling.

### Share Capital

The minimum share capital of the Company is £1 and the maximum is £100,000,000,000. Shares in the Company have no par value. The share capital of the Company at all times equals the sum of the Net Asset Values of each of the Funds.

**Authorised Corporate Director's ("ACD") Report (continued)****Investment Review  
Year to 30 September 2023****Review**

The period under review saw markets endure further volatility as central banks continued to undertake in aggressive rate hiking cycles to combat red hot inflation. Over the last 12 months, interest rates have now reached multi decade highs in some major economies. Inflation has been reducing through 2023, and global economic growth is now gaining focus, the economy has reached an interesting point in where we move to next.

Rewinding to the last quarter of 2022, inflation in the US looked like it had reached its peak and had started to trend downwards. Investors began to wonder if further interest rate rises would still be required, and policymakers considered whether the speed of any rises should remain apace. Inflation in the UK and Eurozone remained stubborn (particularly in the UK) and was not following as quick a reduction as the US. The growing sense of belief in markets that central banks may consider loosening subsequently sent equity markets higher for the first two-thirds of the fourth quarter. The tone set by the Federal Reserve (Fed) and European Central Bank in December meetings, however, suggested that they were not finish with interest rate hikes on the basis that while inflation was declining, it was still uncomfortably high, and further hikes in 2023 would be needed.

Markets ended the year having delivered some of the worst returns seen in decades. 2022 was painful for investors as there were minimal places to hide with drawdowns in most financial asset classes. Not only risky investments – like equities – fell, also assets with safe-haven characteristics – government bonds and short dated bonds – nosedived. An average investor – investing in a 50/50 portfolio of equities and bonds– lost a significant amount in 2022. For such investors this was one of the largest losses on record, more than during the dot.com bubble burst or the financial crisis.

Despite a torrid year for markets, there was an optimistic market mood coming into 2023, buoyed by expectations that many central banks may be able to slow the pace of interest rate rises now that inflation had probably peaked. Other economic data was mixed. Unemployment remained low and US companies continued to create new jobs. Corporate earnings data showed that the economy grew faster than economists forecast. However, retail sales were weaker, which heightened concerns about a possible US recession. Markets in Europe and the UK followed the US in their optimism early in the month of January, with the hopes that the inflation shock from higher energy prices was easing. However, this optimism didn't last long. and global equity and bond markets took a turn for the worse after higher-than-expected US inflation and strong jobs growth fuelled fears that the US Federal Reserve would need to raise interest rates further to contain price rises.

One of the biggest stories of the last 12 months was the crisis that ensued in the US regional banking sector in March, which further rippled into chaos across global banks. Some of the biggest banks in the world saw billions wiped from their market value in what was the largest bank failure since the 2008 financial crisis. US regional banks, Silicon Valley Bank (SVB) and Signature Bank collapsed amid asset-liability management issues. HSBC bought the UK arm of SVB, bringing relief to thousands of UK tech companies and startups worried about not being able to access their money or meet costs. The turmoil continued as Credit Suisse wound up into its own chaos which resulted in Swiss-giant UBS purchasing the bank. The market impact of the situation was negative across most asset classes, however, limited contagion in the months that followed, and confidence in the sector set by central banks was enough to see most losses recovered as we moved into the summer months.

**Authorised Corporate Director's ("ACD") Report (continued)****Outlook**

Markets reverted their attention back to inflation and interest rates as the dust settled following the banking crisis. The summer began with the Fed pausing interest rate hikes following 10 consecutive raises. The annual pace of US inflation eased to its lowest level in more than two years (as of June 2023), but even with the pause, Fed officials suggested further increases may be needed this year. Stocks further climbed higher after a deal on the US debt ceiling was reached, averting a default on the federal government's debt.

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Whilst rate hikes have helped to combat inflation, central bank efforts to slow down the economy were not working with labour markets. In the US, new jobs created remained robust and wages/earnings growth in the UK continued to increase. This began to fuel fears inflation could stay higher for longer. Despite this, central banks began to signal an end to their hiking cycles by pausing rates hikes in the US and UK and a signalling of one last hike in Europe, as we reached September. The economy has now reached an important point, where deteriorating economic growth, falling inflation and multi-decade high interest rates must be balanced to avoid hard recession. Investors are battling between central banks keep interest rates higher-for-longer or whether we return to the 'norm' with inflation at target 2% levels and interest rates head on their way back downwards.

October 2023

**Robert Jeffree**

Chief Investment Officer  
Omnis Investments Limited

*This review should be read in conjunction with the individual Omnis Fund commentaries from the Investment Managers of the Funds below.*

**Certification of Financial Statements by Directors of the Authorised  
Corporate Director  
For the year ended 30 September 2023**

**Director's Certification**

This report has been prepared in accordance with the requirements of COLL, as issued and amended by the FCA. We hereby certify the report on behalf of the Directors of Omnis Investments Limited.

The Directors are of the opinion that it is appropriate to continue to adopt the going concern basis in the preparation of the financial statements as the assets of the Funds consist predominately of securities that are readily realisable and, accordingly, the Funds have adequate resources to continue in operational existence for the foreseeable future.

Grant Hotson

Robert Jeffree

**Director, For and on Behalf of Omnis Investments Limited**

31 January 2024



## Statement of the ACD's Responsibilities

For the year ended 30 September 2023

The Authorised Corporate Director ("ACD") of Omnis Portfolio Investments ICVC ("Company") is responsible for preparing the Annual Report and the Financial Statements in accordance with the Open-Ended Investment Companies Regulations 2001 ("the OEIC Regulations") as amended, the FCA's Collective Investment Schemes Sourcebook ("COLL") and the Company's Instrument of Incorporation.

The OEIC Regulations and COLL require the ACD to prepare Financial Statements for each annual accounting period which:

- are in accordance with United Kingdom Generally Accepted Accounting Practice ("United Kingdom Accounting Standards and applicable law") including Financial Reporting Standards 102 ("FRS 102") applicable in the UK and Republic of Ireland and the Statement of Recommended Practice: "Financial Statements of UK Authorised Funds" issued by the Investment Association (formerly Investment Management Association) ("IMA SORP") in May 2014 and as amended in June 2017; and
- give a true and fair view of the financial position of the funds as at the year ended and the net revenue and the net capital gains or losses on the property of the funds for the year.

In preparing the Financial Statements, the ACD is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards and the IMA SORP have been followed, subject to any material departures disclosed and explained in the Financial Statements; and
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Company will continue in operation.

The ACD is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the Financial Statements comply with the applicable IMA SORP and United Kingdom Accounting Standards and applicable law. The ACD is also responsible for the system of internal controls, for safeguarding the assets of the Company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In accordance with COLL 4.5.8BR, the Annual Report and the audited Financial Statements were approved by the board of directors of the ACD of the Company and authorised for issue on TBC.

### Omnis Investments Limited

31 January 2024

## **Statement of the Depositary's Responsibilities in respect of the Scheme and Report of the Depositary to the Shareholders of the Omnis Portfolio Investments ICVC**

**For the year ended 30 September 2023**

The Depositary must ensure that the Company is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook, the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228), as amended, the Financial Services and Markets Act 2000, as amended, (together "the Regulations"), the Company's Instrument of Incorporation and Prospectus (together "the Scheme documents") as detailed below.

The Depositary must in the context of its role act honestly, fairly, professionally, independently and in the interests of the Company and its investors.

The Depositary is responsible for the safekeeping of all custodial assets and maintaining a record of all other assets of the Company in accordance with the Regulations.

The Depositary must ensure that:

- the Company's cashflows are properly monitored and that cash of the Company is booked into the cash accounts in accordance with the Regulations;
- the sale, issue, repurchase, redemption and cancellation of shares are carried out in accordance with the Regulations;
- the value of shares of the Company are calculated in accordance with the Regulations;
- any consideration relating to transactions in the Company's assets is remitted to the Company within the usual time limits;
- the Company's income is applied in accordance with the Regulations; and
- the instructions of the Authorised Fund Manager ("the AFM") which is the UCITS Management Company, are carried out (unless they conflict with the Regulations).

The Depositary also has a duty to take reasonable care to ensure that Company is managed in accordance with the Regulations and Scheme documents in relation to the investment and borrowing powers applicable to the Company.

Having carried out such procedures as we consider necessary to discharge our responsibilities as Depositary of the Company, it is our opinion, based on the information available to us and the explanations provided, that in all material respects the Company, acting through the AFM:

- (i) has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Company's shares and the application of the Company's income in accordance with the Regulations and the Scheme documents of the Company, and
- (ii) has observed the investment and borrowing powers and restrictions applicable to the Company.

### **State Street Trustees Limited**

Depositary

London

31 January 2024

**Independent Auditor's Report to the Shareholders of the  
Omnis Portfolio Investments ICVC  
For the year ended 30 September 2023**

## Report on the audit of the financial statements

### Opinion

In our opinion the financial statements of Omnis Portfolio Investments ICVC (the 'Company'):

- give a true and fair view of the financial position of the Company and its sub-funds as at 30 September 2023 and of the net revenue and the net capital gains on the property of the Company for the year ended 30 September 2023; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", the Statement of Recommended Practice "Financial Statements of UK Authorised Funds", the rules in the Collective Investment Schemes Sourcebook and the Instrument of Incorporation.

We have audited the financial statements which comprise for each sub-fund:

- the Statement of Total Return;
- the Statement of Change in Net Assets Attributable to Shareholders;
- the Balance Sheet;
- the related notes; and
- the distribution tables.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice), the Statement of Recommended Practice: "Financial Statements of UK Authorised Funds" issued by the Investment Association in May 2014, the Collective Investment Schemes Sourcebook and the Instrument of Incorporation.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the authorised corporate director's (ACD's) use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

**Independent Auditor's Report to Shareholders of the  
Omnis Portfolio Investments ICVC (continued)  
For the year ended 30 September 2023**

Our responsibilities and the responsibilities of the ACD with respect to going concern are described in the relevant sections of this report.

**Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The ACD is responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Responsibilities of Depositary and ACD**

As explained more fully in the depositary's responsibilities statement and the ACD's responsibilities statement, the depositary is responsible for the safeguarding the property of the company and the ACD is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the ACD determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the ACD is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the ACD either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

**Extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

**Independent Auditor's Report to Shareholders of the  
Omnis Portfolio Investments ICVC (continued)**  
For the year ended 30 September 2023

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management and the ACD about their own identification and assessment of the risks of irregularities, including those that are specific to the company's business sector.

We obtained an understanding of the legal and regulatory frameworks that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included the Collective Investment Schemes Sourcebook and relevant tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty. These included The Open-Ended Investment Companies Regulations 2001

We discussed among the audit engagement team, including relevant internal specialists such as valuations specialists, regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the valuation and existence of quoted investments. The quoted investments balance comprises the largest account on the balance sheet, and the majority of the fund's performance derives from its quoted investments. In response, we have:

- agreed quoted investment holdings to independent confirmations; and
- agreed quoted investment valuations to reliable independent sources.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance and reviewing correspondence with HMRC and the FCA.

**Independent Auditor's Report to Shareholders of the  
Omnis Portfolio Investments ICVC (continued)**  
For the year ended 30 September 2023

**Report on other legal and regulatory requirements**

**Opinion on other matters prescribed by the Collective Investment Schemes Sourcebook**

In our opinion:

- proper accounting records for the company and the sub-funds have been kept and the financial statements are in agreement with those records;
- we have received all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit; and
- the information given in the ACD's report for the year ended 30 September 2023 is consistent with the financial statements.

**Use of our report**

This report is made solely to the company's shareholders, as a body, in accordance with Paragraph 4.5.12R of the Collective Investment Schemes Sourcebook of the Financial Conduct Authority. Our audit work has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

**Deloitte LLP**

Statutory Auditor  
Glasgow, United Kingdom  
31 January 2024

## Accounting Policies and Financial Instruments

### For the year ended 30 September 2023

#### 1. Accounting Basis and Policies

##### (a) Basis of accounting

The Financial Statements have been prepared under the historical cost basis, as modified by the revaluation of investments and in accordance with Financial Reporting Standard 102 ("FRS 102") and in accordance with the Statement of Recommended Practice ("SORP") for Financial Statements of UK Authorised Funds issued by the Investment Association in May 2014 and as amended in June 2017.

As described in the Certification of Financial Statements by Directors of the ACD on page 10, the ACD continues to adopt the going concern basis in the preparation of the Financial Statements.

##### (b) Recognition of revenue

Dividends on quoted equities and preference shares are recognised when the securities are quoted ex-dividend and are recognised net of attributable tax credits.

Revenue from unquoted securities is recognised when the dividend is declared.

Rebates of annual management charges ("AMC") on underlying investments are accounted for on an accruals basis and recognised as revenue or capital in line with the treatment of the charge on the underlying Fund.

Revenue from debt securities is accounted for on an effective yield basis. Accrued interest on purchase and sale contracts is recognised as revenue and transferred to revenue or capital as appropriate.

Distributions from Collective Investment Schemes are recognised when the schemes are quoted ex-distribution. Equalisation returned with the distribution is deducted from the cost of the investment and does not form part of the distributable revenue.

Interest on bank and other cash deposits is recognised on an accruals basis.

All revenue includes withholding taxes but excludes irrecoverable tax credits.

Any reported revenue from an offshore fund, in excess of any distribution received in the reporting period, is recognised as revenue no later than the date on which the reporting fund makes this information available.

Returns on derivative transactions have been treated as either revenue or capital depending on the motives and circumstances on acquisition.

##### (c) Treatment of stock and special dividends

The ordinary element of stock dividends received in lieu of cash dividends is credited to capital in the first instance followed by a transfer to revenue of the cash equivalent being offered and this forms part of the distributable revenue.

Special dividends are reviewed on a case by case basis in determining whether the dividend is to be treated as revenue or capital. Amounts recognised as revenue will form part of the distributable revenue. The tax treatment follows the treatment of the principal amount.

**Accounting Policies and Financial Instruments (continued)**

For the year ended 30 September 2023

**1. Accounting Basis and Policies (continued)****(d) Treatment of expenses**

Expenses of the Funds are charged against revenue except for costs associated with the purchase and sale of investments which are allocated to the capital of the Funds.

Rebates on the fees payable to the ACD are accounted for on an accruals basis and recognised as revenue or capital in line with the treatment of the ACD fee on each fund. Rebates on the fees payable to the ACD are netted off against the expense to which they relate.

**(e) Allocation of revenue and expenses to multiple share classes and funds**

Any revenue or expenses not directly attributable to a particular share class or fund will normally be allocated pro-rata to the net assets of the relevant share classes and funds.

**(f) Taxation**

Tax is provided for using tax rates and laws which have been enacted or substantively enacted at the balance sheet date.

Corporation tax is provided for on the income liable to corporation tax less deductible expenses.

Corporation tax is provided for on realised gains on non-reporting offshore funds less deductible expenses. Deferred tax is provided for on unrealised gains on non-reporting offshore funds less deductible expenses.

Where tax has been deducted from revenue that tax can, in some instances, be set off against the corporation tax payable, by way of double tax relief.

Deferred tax is provided using the liability method on all timing differences arising on the treatment of certain items for taxation and accounting purposes, calculated at the rate at which it is anticipated the timing differences will reverse. Deferred tax assets are recognised only when, on the basis of available evidence, it is more likely than not that there will be taxable profits in the future against which the deferred tax asset can be offset.

Overseas capital gains tax is recognised when paid and no provision is made for this.

**(g) Distribution policy**

The net revenue after taxation, as disclosed in the Financial Statements, after adjustment for items of a capital nature, is distributable to shareholders as dividend or interest distributions. Any revenue deficit is deducted from capital at year-end.

In addition, portfolio transaction charges will be charged wholly to the capital of all Funds. Accordingly, the imposition of such charges may constrain the capital growth of every Fund.

The ACD has elected to pay all revenue less expenses charged to revenue and taxation as a final distribution at the end of the annual accounting period.

Interim distributions may be made at the ACD's discretion and in line with the Prospectus.



## Accounting Policies and Financial Instruments (continued)

For the year ended 30 September 2023

### 1. Accounting Basis and Policies (continued)

#### (h) Basis of valuation of investments

Listed investments are valued at close of business bid prices, excluding any accrued interest in the case of fixed interest securities, on the last business day of the accounting period.

Market value is defined by the SORP as fair value which is the bid value of each security.

Collective Investment Schemes are valued at quoted bid prices for dual priced funds and at single prices for single priced funds, on the last business day of the accounting period.

The fair value of derivative instruments is marked to market value. The forward currency contracts are valued at the prevailing forward exchange rates.

The Fair Value of unquoted investments are determined by the ACD based on guidance from an independent valuation firm, reflecting, where appropriate:

- the price of recent transactions;
- a milestone approach;
- probability weighted expected returns;
- the financial performance of the company.

This approach complies with the revised International Private Equity and Venture Capital Valuation Guidelines (IPEVCV) for the valuation of unquoted investments.

In estimating Fair Value, it is assumed that the underlying business activities of the Investments to be ongoing.

The approach used in relation to the individual unquoted investments is set out in the Funds Portfolio Statement.

Suspended investments are valued by the Investment Manager and approved by the ACD, taking into account, where appropriate, latest dealing prices, valuations from reliable sources, financial performance and other relevant factors.

Fair value of infrequently traded investments are determined by the ACD based on guidance from an independent valuation firm.

#### (i) Exchange rates

Transactions in foreign currencies are recorded in sterling at the rates ruling at the dates of the transactions. Assets and liabilities expressed in foreign currencies at the end of the accounting period are translated into sterling at the closing mid-market exchange rates ruling on that date.

#### (j) Dilution adjustment

The ACD may require a dilution adjustment on the sale and redemption of shares if, in its opinion, the existing shareholders (for sales) or remaining shareholders (for redemptions) might otherwise be adversely affected. In particular, the dilution adjustment may be charged in the following circumstances: where the scheme property is in continual decline; on a Fund

## Accounting Policies and Financial Instruments (continued)

For the year ended 30 September 2023

### 1. Accounting Basis and Policies (continued)

#### (j) Dilution adjustment (continued)

experiencing large levels of net sales relative to its size; on 'large deals'; in any case where the ACD is of the opinion that the interests of remaining shareholders require the imposition of a dilution adjustment.

#### (k) Equalisation

Equalisation applies only to shares purchased during the distribution period (Group 2 shares). It represents the accrued revenue included in the purchase price of the shares.

After averaging it is returned with the distribution as a capital repayment. It is not liable to income tax but must be deducted from the cost of the shares for Capital Gains Tax purposes.

#### (l) Derivatives

Some of the Funds may enter into permitted transactions such as derivative contracts or forward foreign currency transactions. Where these transactions are used to protect or enhance revenue, the revenue and expenses are included within net revenue in the Statement of Total Return.

Where the transactions are used to protect or enhance capital, the gains/losses are treated as capital and included within gains/losses on investments in the Statement of Total Return. Any open positions in these types of transactions at the period end are included in the Balance Sheet at their mark to market value.

#### (m) Significant judgements and sources of estimation uncertainty

The area where the ACD considers the judgements and key estimation of uncertainty to be most significant involve assumptions or estimates applied in respect of the valuation of the unquoted investments and infrequently traded instruments (defined above in note 1(h) of the Accounting Policies and Financial Instruments) which are believed to be reasonable at the date of the financial statements. In future, actual experience could differ from those estimates. At the current year end, significant judgements and sources of estimation uncertainty are applicable to Omnis Income & Growth Fund.

### 2. Derivatives and other financial instruments

In pursuing the investment objectives a number of financial instruments are held which may comprise securities and other investments, cash balances and debtors and creditors that arise directly from operations. Derivatives, such as futures or forward currency contracts, may be used in line with the investment policies of the Funds.

The ACD maintains a detailed Risk Management Policy for identifying, measuring and documenting mitigation activities for those risks to which the Funds may be exposed.

Funds that may use derivatives for investment purposes are monitored daily using the absolute Value at Risk ('VaR') approach. This is the maximum expected loss for the Fund over a 20-day holding period at a confidence level of 99%. All of the assets within the fund are taken into account for the VaR calculation, not just derivatives. The absolute VaR may not exceed 20% of the fund's net asset value ('NAV'). VaR is calculated using a factor exposure model, based on two years' historic price data.

**Accounting Policies and Financial Instruments (continued)**

For the year ended 30 September 2023

**2. Derivatives and other financial instruments (continued)**

The global exposure of funds that use derivatives for hedging and efficient portfolio management purposes only are monitored daily using the commitment approach. This involves converting a portfolio's derivative positions into equivalent positions in the underlying asset and monitors any future commitments to which the fund may be obligated. The net exposure of derivatives cannot exceed 100% of the fund's NAV.

Fund	Risk Measurement Method Used	Utilisation of the VaR Limit		
		Lowest	Highest	Average
Omnis Absolute Return Bond Fund	Value at Risk	2.48%	5.24%	2.90%
Omnis Asia Pacific (ex-Japan) Equity Fund	Commitment	N/A	N/A	N/A
Omnis Diversified Returns Fund	Value at Risk	1.50%	5.35%	2.76%
Omnis European Equity Leaders Fund	Commitment	N/A	N/A	N/A
Omnis European Equity Opportunities Fund	Commitment	N/A	N/A	N/A
Omnis Global Bond Fund	Value at Risk	5.64%	8.93%	7.60%
Omnis Global Emerging Markets Equity Leaders Fund	Commitment	N/A	N/A	N/A
Omnis Global Emerging Markets Equity Opportunities Fund	Commitment	N/A	N/A	N/A
Omnis Income & Growth Fund	Commitment	N/A	N/A	N/A
Omnis Japanese Equity Fund	Commitment	N/A	N/A	N/A
Omnis Short-Dated Bond Fund	Value at Risk	1.81%	4.06%	3.08%
Omnis Sterling Corporate Bond Fund	Value at Risk	7.77%	9.50%	8.54%
Omnis Strategic Bond Fund	Value at Risk	4.50%	7.56%	5.46%
Omnis UK All Companies Fund	Commitment	N/A	N/A	N/A
Omnis UK Gilt Fund	Value at Risk	14.02%	18.53%	17.10%
Omnis UK Smaller Companies Fund	Commitment	N/A	N/A	N/A
Omnis US Equity Leaders Fund	Commitment	N/A	N/A	N/A
Omnis US Smaller Companies Fund	Commitment	N/A	N/A	N/A

**(a) Foreign currency risk**

The revenue and capital value of the assets of the Funds can be significantly affected by currency translation movements.

The ACD has identified three principal areas where foreign currency risk could impact the Funds:

- Movements in rates affect the value of investments;
- Movements in rates affect the short-term timing differences; and
- Movements in rates affect the revenue received.

There is the risk that the value of such assets and/or the value of any distributions from such assets may decrease if the underlying currency in which assets are traded falls relative to the base currency in which Shares of the relevant Fund are valued and priced.

**Accounting Policies and Financial Instruments (continued)**

For the year ended 30 September 2023

**2. Derivatives and other financial instruments (continued)****(a) Foreign currency risk (continued)**

The Funds of the Company are not required to hedge their foreign currency risk, although they may do so through foreign currency exchange contracts, forward contracts, currency options and other methods. To the extent that the Funds of the Company do not hedge their foreign currency risk or such hedging is incomplete or unsuccessful, the value of the Funds of the Company's assets and revenue could be adversely affected by currency exchange rate movements. There may also be circumstances in which a hedging transaction may reduce currency gains that would otherwise arise in the valuation of the Funds of the Company in circumstances where no such hedging transactions are undertaken.

**(b) Interest rate risk profile of financial assets and liabilities**

The interest rate risk is the risk that the value of the Funds of the Company's investments will fluctuate due to changes in the interest rate. Cash flows from floating rate securities, bank balances, or bank overdrafts will be affected by the changes in interest rates. As the Funds of the Company's objective is to seek capital growth, these cash flows are considered to be of secondary importance and are not actively managed. The details of each Funds' interest rate risk profile is shown in notes 13, 14 or 15 of the individual fund notes.

The Funds of the Company did not have any long-term financial liabilities at the balance sheet date.

The Omnis Absolute Return Bond Fund, Omnis Diversified Returns Fund, Omnis Global Bond Fund, Omnis Short-Dated Bond Fund, Omnis Sterling Corporate Bond Fund, Omnis Strategic Bond Fund, Omnis UK Gilt Fund invest primarily in interest-bearing securities, although other Funds may also invest in these types of securities to a lesser degree.

**(c) Credit risk**

The Omnis Absolute Return Bond Fund, Omnis Diversified Returns Fund, Omnis Global Bond Fund, Omnis Short-Dated Bond Fund, Omnis Sterling Corporate Bond Fund, Omnis Strategic Bond Fund, Omnis UK Gilt Fund invest primarily in interest-bearing securities, although other Funds may also invest in these types of securities to a lesser degree. If any individual company fails to perform well, then the credit rating of that company may fall and the bonds would fall in price as a result of the perceived increased credit risk. Adhering to investment guidelines and avoiding excessive exposure to one particular issuer can limit credit risk. The ACD closely monitors the ratings of the bonds within the portfolio.

**(d) Liquidity risk**

The primary source of liquidity risk is the liability to shareholders for any cancellation of shares. The assets of the Funds comprise, in the main, of readily realisable securities, but, subject to the Regulations, the Funds of the Company may invest up to and including 10% of the Scheme Property of the Funds of the Company in transferable securities which are not approved securities (essentially transferable securities which are admitted to official listing in an EEA state or traded on or under the rules of an eligible securities market). Such securities and instruments are generally not publicly traded, may be unregistered for securities law purposes and may only be able to be resold in privately negotiated transactions with a limited number of purchasers. The difficulties and delays associated with such transactions could result in the Funds of the Company's inability to realise a favourable price upon disposal of such securities, and at times might make disposition of such securities and instruments impossible. To the

**Accounting Policies and Financial Instruments (continued)**

For the year ended 30 September 2023

**2. Derivatives and other financial instruments (continued)****(d) Liquidity risk (continued)**

extent that Funds of the Company invest in such securities and instruments the terms of which are privately negotiated, the terms of these may contain restrictions regarding resale and transfer.

The Omnis Income & Growth fund deliberately invests more of its assets in approved securities.

In addition, certain listed securities and instruments, particularly securities and instruments of smaller capitalised or less seasoned issuers, may from time to time lack an active secondary market and may be subject to more abrupt or erratic price movements than securities of larger, more established companies or stock market averages in general. In the absence of an active secondary market the Funds of the Company's ability to purchase or sell such securities at a fair price may be delayed.

**(e) Market price risk**

The Funds of the Company invest primarily in equities, bonds and derivatives. The values of these investments are not fixed and may go down as well as up. This may be the result of a specific factor affecting the value of an individual equity or be caused by general market factors (such as government policy or the health of the underlying economy) which can affect the entire portfolio. The Investment Manager seeks to minimise these risks by holding a diversified portfolio in line with the objectives of each Fund. In addition, the management of the Funds of the Company complies with the FCA's COLL sourcebook, which includes rules prohibiting a holding greater than 20% of assets in any one Fund.

**Accounting Policies and Financial Instruments (continued)**

For the year ended 30 September 2023

**2. Derivatives and other financial instruments (continued)****(e) Market price risk (continued)**

If the market prices had increased or decreased by 10% as at the balance sheet date, the net asset values of the Funds would have changed by the following amounts. These calculations are applied to non-derivative securities only.

Fund Name	Increase £'000	Decrease £'000
Omnis Absolute Return Bond Fund	8,833	8,833
Omnis Asia Pacific (ex-Japan) Equity Fund	26,166	26,166
Omnis Diversified Returns Fund	21,816	21,816
Omnis European Equity Leaders Fund	29,471	29,471
Omnis European Equity Opportunities Fund	28,909	28,909
Omnis Global Bond Fund	63,262	63,262
Omnis Global Emerging Markets Equity Leaders Fund	37,928	37,928
Omnis Global Emerging Markets Equity Opportunities Fund	38,283	38,283
Omnis Income & Growth Fund	58,123	58,123
Omnis Japanese Equity Fund	54,847	54,847
Omnis Short-Dated Bond Fund	16,092	16,092
Omnis Sterling Corporate Bond Fund	46,115	46,115
Omnis Strategic Bond Fund	11,267	11,267
Omnis UK All Companies Fund	181,289	181,289
Omnis UK Gilt Fund	132,583	132,583
Omnis UK Smaller Companies Fund	18,722	18,722
Omnis US Equity Leaders Fund	114,413	114,413
Omnis US Smaller Companies Fund	11,749	11,749

**(f) Counterparty risk**

Transactions in securities entered into by the Funds of the Company give rise to exposure to the risk that the counterparties may not be able to fulfil their responsibility by completing their side of the transaction. The Investment Managers minimise this risk by conducting trades through only the most reputable counterparties.

The ACD monitors the Funds' exposure to individual counterparties and applies limits which may not be exceeded.

**(g) Default risk**

The Omnis Absolute Return Bond Fund, Omnis Diversified Returns Fund, Omnis Global Bond Fund, Omnis Short-Dated Bond Fund, Omnis Sterling Corporate Bond Fund, Omnis Strategic Bond Fund, Omnis UK Gilt Fund invest primarily in bonds that are at risk of default at any given time. The risk of default is mitigated by the regular monitoring of bonds internally and externally through ratings agencies. The Investment Manager seeks to minimise these risks by holding a diversified portfolio in line with the objectives of each Fund.

**(h) Derivatives and forward transactions**

All of the Funds may use derivatives for the purposes of Efficient Portfolio Management and, where disclosed below, certain Funds of the Company utilise derivative instruments for investment purposes.

## Accounting Policies and Financial Instruments (continued)

For the year ended 30 September 2023

### 2. Derivatives and other financial instruments (continued)

#### (h) Derivatives and forward transactions (continued)

##### **Omnis Absolute Return Bond Fund**

Currency Option, Credit Default Swap, Futures and Forward Foreign Exchange.

##### **Omnis Diversified Returns Fund**

Currency Option, Interest Rate Swap, Futures and Forward Foreign Exchange.

##### **Omnis European Equity Leaders Fund**

Futures.

##### **Omnis Global Bond Fund**

Interest Rate Swaption, Currency Option, Interest Rate Swap, Credit Default Swap, Futures and Forward Foreign Exchange.

##### **Omnis Global Emerging Markets Equity Leaders Fund**

Forward Foreign Exchange.

##### **Omnis Global Emerging Markets Equity Opportunities Fund**

Forward Foreign Exchange.

##### **Omnis Short-Dated Bond Fund**

Credit Default Swap, Futures and Forward Foreign Exchange.

##### **Omnis Sterling Corporate Bond Fund**

Futures and Forward Foreign Exchange.

##### **Omnis Strategic Bond Fund**

Interest Rate Swap, Futures and Forward Foreign Exchange.

##### **Omnis UK Smaller Companies Fund**

Futures and Contracts for Difference.

#### (i) Fair value of financial assets and financial liabilities

There is no material difference between the value of the financial assets and liabilities, as shown in the balance sheet, and their fair value.

#### (j) Significant judgements and sources of estimation uncertainty

The current holdings in unquoted assets have significantly fallen and with this the estimation uncertainty. There are no significant judgments.

#### (k) Leverage

Leverage is defined as any method by which a Fund increases its exposure through borrowing or the use of derivatives. The leverage employed for each Fund is disclosed in the Notes to the

## **Accounting Policies and Financial Instruments (continued)**

**For the year ended 30 September 2023**

### **2. Derivatives and other financial instruments (continued)**

#### **(k) Leverage (continued)**

Financial Statements and is calculated as the sum of the net asset value and the incremental exposure generated through the use of derivatives (calculated in accordance with the commitment approach (CESR/10-788)) divided by the net asset value.



## Investment Manager's Report

For the year ended 30 September 2023

### Investment Objective

The Fund aims to achieve an annualised return consisting of both income and capital above the rate of cash, measured as GBP SONIA, after all fees and expenses, over a five-year rolling period. There is no guarantee that this will be achieved over this, or any, timeframe and capital is at risk.

### Investment Policy

The Fund intends to invest in a globally diversified portfolio with at least 80% invested in a broad range of fixed income securities such as global government bonds, corporate bonds and currency markets. The fund will invest in bonds issued either in sterling, or in another currency which will be hedged back into sterling.

The Fund may invest up to 60% in sub-investment grade bonds (considered to be Standard & Poor's credit rating of below BBB or equivalent).

The Fund may also invest in other transferable securities, units in collective investment schemes (including schemes managed and operated by the ACD or its associates), money market instruments, warrants, cash, near cash and deposits as detailed in the Prospectus.

Derivatives may be used both for investment purposes and for efficient portfolio management.

### Benchmark

The performance of the Fund will be measured against the GBP SONIA\*, net of fees and expenses, for target return purposes. This index was chosen because it represents the minimum level of return that is expected from the Fund over the stated time period.

### Portfolio Review

Over the period the fund returned 4.76% [source: Return after operating charges as per Comparative Table] and the benchmark returned 4.27% [source: Financial Express, bid to bid, net income reinvested].

\*The index data provided has been licensed for use by its third-party providers who do not accept any liability for errors or omissions. For full disclaimer please see <https://omnisinvestments.com/disclaimers>

In Q4 2022, financial markets rebounded significantly despite ongoing concerns about inflation, central bank policies, the Russian-Ukraine conflict, and a cost-of-living crisis. Risk assets improved due to changing sentiments about central bank rate hikes, near-peaking inflation, and falling European natural gas prices. Q4 2022 was one of the best ever quarters for high yield returns and as such, the fund benefitted from the turnaround in sentiment. As rates volatility subsided we saw BB credit and longer duration assets outperform – this was particularly noticeable in subordinated financials and corporate hybrids. Also, the fund benefitted from regional return differences with its overweight in Europe and the UK being rewarded as they outperformed the US. We adopted a relatively selective but cautious tone ensuring we continued to be in the best part of the issuer's capital structure.

Q1 2023 was marked by China's reopening, leading to a positive start to the year. However, volatility returned due to strong US employment data and potential aggressive Fed rate hikes. The bankruptcy of Silicon Valley Bank and UBS's acquisition of Credit Suisse caused a stir in the banking sector.

**Investment Manager's Report (continued)**

For the year ended 30 September 2023

Following a relatively sanguine start to 2023, market volatility picked up meaningfully through the quarter, with US regional banks and the failure of Credit Suisse taking centre stage. Amidst this backdrop, we remained constructive on sector, region and issuer selection – with particular focus on developed markets vs. emerging markets and capital structure positioning, with the intention to pivot towards senior.

Q2 2023 began with volatility due to fears from the collapse of US regional banks. The collapse of First Republic Bank in May marked the peak of these concerns. However, the containment of regional banking issues allowed central banks to continue their inflation-tightening actions. Despite headline inflation decreasing from its peak, core inflation remained strong across the US, Eurozone, and UK. Markets continued to see volatility come down over the quarter, with concerns around US regional banks fading, and markets finding familiarity in central bank efforts to bring down inflation through further rate hikes. We anticipated that long-running headwinds would still persist, likely stemming from ongoing geopolitical developments and continued intervention from central banks, along with our belief of an impending slowdown - given this, we adopted a more cautious macro stance. We continued to focus on developed markets and emerging markets, in addition to favourable positioning across the cap structure – with a focus on increasing exposure to senior issues.

Q3 2023 saw increased volatility in fixed income markets as investors shifted focus from peaking rates to the duration of restrictive central bank rates. The FOMC raised their median dot for the Fed funds rate in 2024 at the Fed's September meeting. Meanwhile, the ECB raised their deposit rate to an all-time high of 4% in September. Conversely, due to better-than-expected inflation, the BOE paused on rate hikes. Brent Crude oil prices rose by +27.2% to \$95.31/bbl following news that Saudi Arabia and Russia were extending their production cuts until year-end. Meanwhile, there was growing concern about persistent budget deficits and their impact on rates after Fitch Ratings downgraded the US credit rating from AAA to AA+ in August. The last part of the quarter saw a flurry of corporate deals which created opportunities to optimise security selection, which we took advantage of. For example, we increased our exposure to consumer goods producer Arcelik. Within US energy company Range Resources Corp we switched maturities to benefit from an attractive pick-up in spread and capital appreciation.

We switched from Credit Default Swaps (CDS) into cash bonds of auto manufacturer Stellantis and US homebuilder KB Home, benefitting from attractive spread pick-ups in both cases. Given the compressed senior-sub lien relationship within Virgin Media, we moved some of our exposure from unsecured CDS into first-lien bonds. Meanwhile, the return of primary activity within the Collateralized Loan Obligation (CLO) space represented a good opportunity to refill the CLO sleeve with high-coupon and clean portfolios.

Following a credit committee review we sold car park operator Q-Park due to concerns about its high leverage and aggressive financial policy, and also because it was trading at an unattractive valuation. Additionally, we sold our position in construction equipment rental business Loxam as its tight valuations did not compensate for the credit risk it involves.

We were also active within the hedge overlay, focusing on the iTraxx crossover within the options book but, tilted its exposure to be more outright rather than payer spreads. As the market moved wider towards the end of the month, the fund took the opportunity to take profit on some of the Fund's CDS index positions.

Amidst this backdrop, the Fund was able to deliver a positive return, whilst providing some downside protection during periods of heightened volatility – helped by a bias to higher quality debt.

**Investment Manager's Report (continued)**

For the year ended 30 September 2023

From a sector perspective, the Fund's exposure to more defensive sectors such as Banking, Telecommunications and Capital Goods were all positive contributors to absolute performance. However, some of this performance was given back through allocations to Real Estate, Technology and ABS Autos, along with the Fund's dynamic hedge overlay.

From a ratings perspective, the Fund's exposure to BBB and AAA-rated debt added to performance over the period, while short positions in broad BB resulted in some performance being given back.

From a regional perspective, the UK, Western Europe and North America posted positive returns, as did most regions over the period in review.

**Hermes Investment Management Limited**

October 2023

## Material Portfolio Changes

For the year ended 30 September 2023

Purchases		Sales	
Portfolio Name	Cost £'000	Portfolio Name	Proceeds £'000
US Treasury Note 0.125% 31/08/2023	14,606	US Treasury Note 0.125% 31/08/2023	14,350
US Treasury Note 0.75% 31/12/2023	7,075	UK Treasury 0.125% 31/01/2024	7,328
UK Treasury 0.625% 07/06/2025	6,940	US Treasury Note 0.75% 31/12/2023	5,108
UK Treasury 0.125% 31/01/2024	4,664	US Treasury Note 0.25% 15/03/2024	4,794
US Treasury Note 0.25% 15/03/2024	3,983	US Treasury Note 0.25% 31/08/2025	2,243
New Zealand Government Bond 2.75% 15/04/2025	1,062	Elis 1.875% 15/02/2023	1,579
New Zealand Government Bond 0.5% 15/05/2024	1,052	BHP Billiton Finance 6.5% 22/10/2077	1,449
LKQ Italia 3.875% 01/04/2024	702	SIG Combibloc 1.875% 18/06/2023	1,235
Elis 2.25% 22/09/2029	534	New Zealand Government Bond 0.5% 15/05/2024	1,047
Bharti Airtel 4.375% 10/06/2025	483	Vmed O2 UK Financing I 4.5% 15/07/2031	1,030

The above table complements the data provided in the investment managers report by outlining the top 10 portfolio components.

## Comparative Table

As at 30 September 2023

	30/09/23 (p)	A Income 30/09/22 (p)	30/09/21 (p)
<b>Change in net assets per Share</b>			
Opening net asset value per share	88.23	99.32	97.72
Return before operating charges*	4.74	(8.04)	4.38
Operating charges	(0.54)	(0.71)	(0.73)
Return after operating charges	4.20	(8.75)	3.65
Distributions	(2.88)	(2.34)	(2.05)
Closing net asset value per share	89.55	88.23	99.32
*after direct transaction cost of:	0.00	0.00	0.00
<b>Performance</b>			
Return after operating charges	4.76%	(8.81%)	3.74%
<b>Other information</b>			
Closing net asset value (£'000)	91,631	107,744	111,809
Closing number of shares	102,323,740	122,113,283	112,577,885
Operating charges	0.59%	0.74%	0.73%
Direct transaction costs	0.00%	0.00%	0.00%
<b>Prices (p)**</b>			
Highest share price	92.35	99.43	101.32
Lowest share price	88.15	89.93	98.03

\*\*The highest and lowest share prices are based on published price. The opening and closing net asset values per share include accounting adjustments, therefore they may appear higher or lower as a result.

From 25th November 2022, the AMC reduced from 0.65% to 0.50%.

## Performance Information

As at 30 September 2023

### Operating Charge

Date	AMC (%)	Other expenses (%)	Transaction costs (%)	Total operating charge (%)
30/09/23 Share Class A Income	0.50	0.06	0.03	0.59
30/09/22 Share Class A Income	0.65	0.04	0.05	0.74

The Operating Charge is the ratio of the Fund's total disclosable costs (excluding overdraft interest) to the average net assets of the Fund.

From 25th November 2022, the AMC reduced from 0.65% to 0.50%.

## Risk and Reward Profile

As at 30 September 2023

	Typically lower rewards		Typically higher rewards				
	Lower risks			Higher risks			
Share Class A	1	2	3	4	5	6	7

- This indicator is based on historical data and may not be a reliable indication of the future risk profile of the Fund.
- The risk category shown is not guaranteed to remain unchanged and may shift over time.
- The risk and reward indicator table demonstrates where a Fund ranks in terms of its potential risk and return. The higher the rank the greater the potential reward but the greater the risk of losing money. The lowest category does not mean 'risk free'.
- The Fund appears as a "3" on the scale. This is because the Fund invests in a diverse mixture of investments.

### Risk Warning

An investment in an Open Ended Investment Company should be regarded as a medium to long-term investment. Investors should be aware that the price of shares and the income from them may fall as well as rise and investors may not receive back the full amount invested. Past performance is not a guide to future performance. Investments denominated in currencies other than the base currency of a Fund are subject to fluctuation in exchange rates, which may be favourable or unfavourable.

## Portfolio Statement

As at 30 September 2023

Holdings or Nominal Value	Investments	Market value £'000	% of Total Net Assets
<b>Australia 1.36% (2.21%)</b>			
EUR 373,000	Australia & New Zealand Banking Group Ltd 5.101% 03/02/2033	319	0.35
USD 282,000	FMG Resources August 2006 6.125% 15/04/2032	209	0.23
USD 938,000	Macquarie Bank 3.052% 03/03/2036	571	0.62
GBP 182,000	QBE Insurance 2.5% 13/09/2038	145	0.16
		<b>1,244</b>	<b>1.36</b>
<b>Austria 1.00% (0.65%)</b>			
EUR 200,000	BAWAG 5% Perpetual	141	0.15
USD 400,000	Klabn Austria 3.2% 12/01/2031	256	0.28
EUR 180,000	Sappi Papier 3.625% 15/03/2028	137	0.15
USD 170,000	Sappi Papier 7.5% 15/06/2032	128	0.14
USD 400,000	Suzano Austria 3.125% 15/01/2032	251	0.28
		<b>913</b>	<b>1.00</b>
<b>Belgium 0.61% (1.54%)</b>			
EUR 700,000	Solvay 2.5% Perpetual	561	0.61
		<b>561</b>	<b>0.61</b>
<b>Bermuda 0.46% (0.00%)</b>			
USD 538,000	Aircastle 4.25% 15/06/2026	417	0.46
		<b>417</b>	<b>0.46</b>
<b>Brazil 0.34% (0.88%)</b>			
USD 200,000	Banco BTG Pactual 2.75% 11/01/2026	150	0.17
USD 200,000	Itau Unibanco 4.5% 21/11/2029	159	0.17
		<b>309</b>	<b>0.34</b>
<b>Canada 0.42% (0.26%)</b>			
USD 140,000	Enbridge 5.5% 15/07/2077	100	0.11
USD 422,000	Nutrien 2.95% 13/05/2030	288	0.31
		<b>388</b>	<b>0.42</b>
<b>Cayman Islands 0.79% (1.21%)</b>			
USD 200,000	Avolon Funding 5.125% 01/10/2023	164	0.18
USD 170,000	Avolon Funding 5.25% 15/05/2024	138	0.15
USD 370,000	Country Garden 5.125% 17/01/2025	19	0.02
USD 200,000	Logan 6.9% 09/06/2024	11	0.01
USD 427,000	Seagate HDD Cayman 4.091% 01/06/2029	300	0.33
USD 118,000	Seagate HDD Cayman 4.125% 15/01/2031	76	0.08
USD 400,000	Shimao 3.45% 11/01/2031	13	0.02
		<b>721</b>	<b>0.79</b>

**Portfolio Statement (continued)**

As at 30 September 2023

Holdings or Nominal Value	Investments	Market value £'000	% of Total Net Assets
<b>Chile 0.37% (0.84%)</b>			
EUR 138,000	Chile Government International Bond 0.555% 21/01/2029	98	0.11
USD 400,000	Falabella 3.375% 15/01/2032	241	0.26
		<b>339</b>	<b>0.37</b>
<b>China 0.00% (0.24%)</b>			
<b>Cyprus 0.13% (0.10%)</b>			
EUR 150,000	Bank of Cyprus 2.5% 24/06/2027	117	0.13
		<b>117</b>	<b>0.13</b>
<b>Denmark 0.37% (0.30%)</b>			
EUR 100,000	Orsted 1.75% 09/12/3019	73	0.08
GBP 100,000	Orsted 2.5% 18/02/3021	64	0.07
EUR 239,000	TDC Net 6.5% 01/06/2031	205	0.22
		<b>342</b>	<b>0.37</b>
<b>Finland 0.14% (0.46%)</b>			
USD 150,000	Stora Enso 7.25% 15/04/2036	125	0.14
		<b>125</b>	<b>0.14</b>
<b>France 5.12% (6.30%)</b>			
EUR 270,000	AXA 3.625% 10/01/2033	225	0.25
USD 300,000	BNP Paribas 4.625% 13/03/2027	232	0.25
USD 200,000	BNP Paribas 4.625% 31/12/2099	116	0.13
EUR 200,000	Caisse Nationale de Reassurance Mutuelle Agricole Groupama 0.75% 07/07/2028	143	0.16
USD 250,000	Credit Agricole 2.811% 11/01/2041	124	0.14
USD 200,000	Credit Agricole 4.75% Perpetual	124	0.13
EUR 400,000	Crown European 2.875% 01/02/2026	330	0.36
EUR 200,000	Crown European 3.375% 15/05/2025	169	0.18
USD 100,000	Electricite de France (DE Traded) 3.625% 13/10/2025	79	0.09
USD 100,000	Electricite de France (US Traded) 3.625% 13/10/2025	79	0.09
GBP 500,000	Electricite de France SA 6% Perpetual	460	0.50
EUR 57,278	FCT Noria 2021 FRN 4.002% 25/10/2049	49	0.05
EUR 400,000	iliad 1.875% 11/02/2028	291	0.32
EUR 600,000	La Banque Postale 3% Perpetual	328	0.36
EUR 200,000	Lagardere 1.75% 07/10/2027	168	0.18
EUR 200,000	Nexans 5.5% 05/04/2028	177	0.19
EUR 100,000	Rexel 2.125% 15/12/2028	75	0.08
EUR 200,000	Sanofi 1.25% 06/04/2029	153	0.17
USD 400,000	SPCM 3.125% 15/03/2027	289	0.32
USD 312,000	SPCM 3.375% 15/03/2030	206	0.22
EUR 200,000	Valeo 1.5% 18/06/2025	166	0.18



**Portfolio Statement (continued)**

As at 30 September 2023

Holdings or Nominal Value	Investments	Market value £'000	% of Total Net Assets
<b>France 5.12% (6.30%) (continued)</b>			
EUR 500,000	Veolia Environnement 2.5% Perpetual	356	0.39
EUR 100,000	Verallia 1.625% 14/05/2028	76	0.08
EUR 200,000	Verallia 1.875% 10/11/2031	140	0.15
EUR 200,000	Verallia 1.875% 10/11/2031	140	0.15
		<b>4,695</b>	<b>5.12</b>
<b>Germany 2.28% (2.96%)</b>			
EUR 200,000	Commerzbank 1.375% 29/12/2031	144	0.16
GBP 800,000	Commerzbank 1.75% 22/01/2025	752	0.82
EUR 400,000	Commerzbank 4.25% Perpetual	242	0.26
EUR 200,000	Deutsche Bank 4.5% Perpetual	123	0.13
USD 200,000	Deutsche Bank 6% Perpetual	128	0.14
EUR 400,000	Electricite de France 3.625% 13/10/2025	341	0.37
EUR 150,000	Novelis Sheet Ingot 3.375% 15/04/2029	112	0.12
EUR 100,000	Red & Black Auto Germany 10 UG FRN 1% 15/09/2032	87	0.10
EUR 100,000	RED & Black Auto Germany 9 UG FRN 5.346% 15/09/2031	88	0.10
EUR 100,000	ZF Finance 2% 06/05/2027	76	0.08
		<b>2,093</b>	<b>2.28</b>
<b>Greece 0.41% (0.27%)</b>			
EUR 150,000	Alpha Bank 2.5% 23/03/2028	113	0.12
EUR 200,000	Alpha Bank 7.5% 16/06/2027	180	0.20
EUR 100,000	Alpha Services 5.5% 11/06/2031	81	0.09
		<b>374</b>	<b>0.41</b>
<b>Hong Kong 0.00% (0.39%)</b>			
<b>India 1.59% (1.31%)</b>			
USD 1,000,000	Bharti Airtel 4.375% 10/06/2025	798	0.87
USD 200,000	Export-Import Bank of India 2.25% 13/01/2031	127	0.14
USD 450,000	Export-Import Bank of India 2.25% 13/01/2031	285	0.31
USD 400,000	Summit Digital Infrastructure 2.875% 12/08/2031	249	0.27
		<b>1,459</b>	<b>1.59</b>
<b>Ireland 7.29% (5.35%)</b>			
USD 650,000	AerCap Ireland Capital 3.65% 21/07/2027	484	0.53
EUR 726,000	AlbaCore EURO CLO FRN 3.947% 15/12/2034	613	0.67
EUR 550,000	Arbour CLO XII FRN 1% 15/01/2038	477	0.52
GBP 377,000	Ardagh Packaging Finance 4.75% 15/07/2027	299	0.33
EUR 550,000	Aurium CLO XI FRN 1% 18/01/2038	477	0.52
EUR 385,000	Bank of Ireland 1.375% 11/08/2031	296	0.32
EUR 275,000	GE Capital European Funding Unlimited 3.65% 23/08/2032	225	0.25

**Portfolio Statement (continued)**

As at 30 September 2023

Holdings or Nominal Value	Investments	Market value £'000	% of Total Net Assets
<b>Ireland 7.29% (5.35%) (continued)</b>			
EUR 550,000	Indigo Credit Management I FRN 1% 15/10/2037	477	0.52
EUR 500,000	Jubilee CLO 2021-XXV FRN 3.248% 15/10/2035	423	0.46
EUR 800,000	Northwoods Capital 24 Euro FRN 3.248% 15/10/2035	677	0.74
EUR 825,000	Providus Clo VI FRN 3.673% 20/05/2034	698	0.76
EUR 500,000	Rockford Tower Europe CLO 2021-2 FRN 3.377% 24/01/2035	423	0.46
EUR 500,000	Smurfit Kappa Acquisitions ULC 2.75% 01/02/2025	425	0.46
EUR 100,000	Smurfit Kappa Treasury ULC 1% 22/09/2033	63	0.07
EUR 450,000	Sound Point Euro CLO VII Funding FRN 3.409% 25/01/2035	379	0.41
USD 400,000	Zurich Finance Ireland 3% 19/04/2051	247	0.27
		<b>6,683</b>	<b>7.29</b>
<b>Italy 4.36% (2.71%)</b>			
EUR 300,000	Assicurazioni Generali 1.713% 30/06/2032	195	0.21
EUR 100,000	AutoFlorence 3 Srl FRN 4.819% 25/12/2046	87	0.10
EUR 250,000	Banco BPM 1.625% 18/02/2025	206	0.23
EUR 350,000	Enel 1.875% Perpetual	222	0.24
EUR 229,000	Infrastrutture Wireless Italiane 1.625% 21/10/2028	173	0.19
EUR 762,000	Intesa Sanpaolo 4.125% Perpetual	470	0.51
EUR 400,000	Intesa Sanpaolo 4.375% 12/07/2029	342	0.37
USD 400,000	Intesa Sanpaolo 5.017% 26/06/2024	320	0.35
EUR 1,275,000	LKQ Italia 3.875% 01/04/2024	1,101	1.20
EUR 400,000	Nexi 0% 24/02/2028	264	0.29
EUR 100,000	Terna - Rete Elettrica Nazionale 2.375% Perpetual	75	0.08
EUR 150,000	Terna - Rete Elettrica Nazionale 2.375% Perpetual	112	0.12
EUR 437,000	UniCredit 3.875% Perpetual	281	0.31
EUR 200,000	UnipolSai Assicurazioni 6.375% Perpetual	151	0.16
		<b>3,999</b>	<b>4.36</b>
<b>Japan 0.00% (0.28%)</b>			
<b>Luxembourg 3.98% (5.65%)</b>			
EUR 383,000	Altice France 4% 15/02/2028	155	0.17
USD 200,000	Altice France 6% 15/02/2028	78	0.08
EUR 1,000,000	Eurofins Scientific 2.125% 25/07/2024	852	0.93
EUR 200,000	Eurofins Scientific 3.25% Perpetual	159	0.17
EUR 109,000	Logicor Financing 1.5% 13/07/2026	85	0.09
EUR 100,000	Matterhorn Telecom 4% 15/11/2027	81	0.09
USD 200,000	Millicom International Cellular 4.5% 27/04/2031	116	0.13

**Portfolio Statement (continued)**

As at 30 September 2023

Holdings or Nominal Value	Investments	Market value £'000	% of Total Net Assets
<b>Luxembourg 3.98% (5.65%) (continued)</b>			
EUR 114,945	SC Germany Compartment Consumer 2020-1 FRN 3.78% 14/11/2034	100	0.11
EUR 1,114,000	SIG Combibloc 2.125% 18/06/2025	925	1.01
USD 100,000	Telecom Italia Capital 6% 30/09/2034	69	0.08
USD 1,400,000	Telenet Finance Luxembourg Notes 5.5% 01/03/2028	1,031	1.12
		<b>3,651</b>	<b>3.98</b>
<b>Mauritius 0.50% (0.13%)</b>			
USD 371,000	Greenko Power II 4.3% 13/12/2028	260	0.28
USD 250,000	Network i2i 5.65% Perpetual	198	0.22
		<b>458</b>	<b>0.50</b>
<b>Mexico 1.28% (0.57%)</b>			
GBP 300,000	America Movil 5% 27/10/2026	295	0.32
USD 200,000	Banco Mercantil del Norte 6.625% Perpetual	128	0.14
USD 200,000	Banco Mercantil del Norte 6.75% Perpetual	158	0.17
USD 400,000	Cemex 3.875% 11/07/2031	274	0.30
USD 500,000	Orbia Advance 2.875% 11/05/2031	317	0.35
		<b>1,172</b>	<b>1.28</b>
<b>Netherlands 4.95% (3.59%)</b>			
EUR 300,000	ABN AMRO Bank 4.375% Perpetual	237	0.26
EUR 300,000	ABN AMRO Bank 4.75% Perpetual	215	0.23
USD 400,000	AerCap 5.875% 10/10/2079	318	0.35
USD 200,000	Alcoa Nederland 4.125% 31/03/2029	145	0.16
EUR 200,000	Allianz Finance II 0.5% 14/01/2031	138	0.15
USD 300,000	Argentum Netherlands BV for Swiss Re 5.524% Perpetual	219	0.24
EUR 600,000	Cooperatieve Rabobank 3.25% Perpetual	433	0.47
USD 400,000	EDP Finance 1.71% 24/01/2028	277	0.30
EUR 100,000	Goodyear Europe 2.75% 15/08/2028	71	0.08
USD 300,000	ING 4.25% Perpetual	158	0.17
USD 300,000	NXP BV 2.7% 01/05/2025	233	0.25
USD 404,000	NXP BV 3.4% 01/05/2030	283	0.31
USD 122,000	OI European 4.75% 15/02/2030	87	0.09
EUR 300,000	Telefonica Europe 2.376% Perpetual	205	0.22
EUR 246,000	Tennet 2.374% Perpetual	201	0.22
EUR 100,000	Trivium Packaging Finance 3.75% 15/08/2026	80	0.09
USD 300,000	UPC Broadband Finco 4.875% 15/07/2031	199	0.22
EUR 600,000	VZ Secured Financing 3.5% 15/01/2032	400	0.44
EUR 200,000	Wizz Air Finance 1% 19/01/2026	152	0.17
EUR 400,000	WP/AP Telecom IV 3.75% 15/01/2029 3.75% 15/01/2029	298	0.33

**Portfolio Statement (continued)**

As at 30 September 2023

Holdings or Nominal Value	Investments	Market value £'000	% of Total Net Assets
<b>Netherlands 4.95% (3.59%) (continued)</b>			
EUR 100,000	ZF Europe Finance 6.125% 13/03/2029	87	0.10
EUR 148,000	Ziggo Bond 3.375% 28/02/2030	95	0.10
		<b>4,531</b>	<b>4.95</b>
<b>New Zealand 1.12% (0.00%)</b>			
NZD 2,170,000	New Zealand Government Bond 2.75% 15/04/2025	1,022	1.12
		<b>1,022</b>	<b>1.12</b>
<b>Norway 0.65% (0.86%)</b>			
USD 373,000	DNB Bank 4.875% Perpetual	290	0.31
EUR 374,000	Norsk Hydro 1.125% 11/04/2025	309	0.34
		<b>599</b>	<b>0.65</b>
<b>Peru 0.30% (0.27%)</b>			
USD 400,000	Peruvian Government International Bond 2.844% 20/06/2030	277	0.30
		<b>277</b>	<b>0.30</b>
<b>Philippines 0.00% (0.48%)</b>			
<b>Poland 0.20% (0.18%)</b>			
EUR 250,000	Canpack 2.375% 01/11/2027	186	0.20
		<b>186</b>	<b>0.20</b>
<b>Portugal 0.47% (0.37%)</b>			
EUR 300,000	Caixa Geral de Depositos 0.375% 21/09/2027	230	0.25
EUR 300,000	EDP - Energias de Portugal 1.875% 14/03/2082	199	0.22
		<b>429</b>	<b>0.47</b>
<b>Spain 2.17% (1.66%)</b>			
EUR 87,113	Autonoria Spain 2022 FT FRN 7.102% 28/01/2040	76	0.08
EUR 400,000	CaixaBank 3.625% Perpetual	233	0.26
EUR 900,000	Cellnex Telecom 0.75% 20/11/2031	599	0.65
EUR 305,000	Grifols Escrow Issuer 3.875% 15/10/2028	224	0.25
EUR 200,000	Ibercaja Banco 2.75% 23/07/2030	158	0.17
EUR 500,000	International Consolidated Airlines 3.75% 25/03/2029	376	0.41
EUR 400,000	Lorca Telecom 4% 18/09/2027	322	0.35
		<b>1,988</b>	<b>2.17</b>

**Portfolio Statement (continued)**

As at 30 September 2023

Holdings or Nominal Value	Investments	Market value £'000	% of Total Net Assets
<b>Sweden 1.23% (1.13%)</b>			
EUR 474,000	Telia 2.75% 30/06/2083	360	0.39
EUR 200,000	Volvo Car 2% 24/01/2025	167	0.18
EUR 700,000	Volvo Car 2.125% 02/04/2024	599	0.66
		<b>1,126</b>	<b>1.23</b>
<b>Switzerland 0.00% (0.51%)</b>			
<b>Turkey 0.86% (1.19%)</b>			
EUR 200,000	Arcelik 3% 27/05/2026	160	0.17
USD 200,000	Arcelik 8.5% 25/09/2028	164	0.18
USD 200,000	Coca-Cola Icecek 4.5% 20/01/2029	145	0.16
USD 400,000	Turk Telekomunikasyon 4.875% 19/06/2024	318	0.35
		<b>787</b>	<b>0.86</b>
<b>United Kingdom 13.28% (8.89%)</b>			
GBP 113,630	Atlas Funding 2021-1 FRN 4.8347% 25/07/2058	114	0.12
GBP 200,000	Aviva 6.875% Perpetual	172	0.19
EUR 250,000	Barclays 1.875% 08/12/2023	216	0.24
USD 90,000	Barclays Bank 6.278% Perpetual	70	0.08
GBP 100,000	Dowson 2022-1 F 6.803% 20/01/2029	98	0.11
GBP 100,000	GlaxoSmithKline Capital 1.625% 12/05/2035	67	0.07
USD 550,000	HSBC 6.547% 20/06/2034	427	0.47
EUR 672,000	Mondi Finance 1.625% 27/04/2026	548	0.60
USD 400,000	NatWest 4.6% Perpetual	216	0.24
GBP 100,000	Newday Funding Master Issuer - Series 2022- 2 FR 9.0703% 15/07/2030	101	0.11
GBP 150,000	Ocado 3.875% 08/10/2026	124	0.13
GBP 250,000	Pension Insurance 3.625% 21/10/2032	185	0.20
GBP 100,000	Pension Insurance 6.5% 03/07/2024	99	0.11
GBP 200,000	Phoenix 5.75% Perpetual	156	0.17
GBP 100,000	RAC Bond 5.25% 04/11/2027	83	0.09
GBP 830,000	Rothesay Life 3.375% 12/07/2026	758	0.83
GBP 200,000	Rothesay Life 5% Perpetual	129	0.14
EUR 495,000	SSE 4% Perpetual	395	0.43
GBP 100,000	Tesco Corporate Treasury Services 2.75% 27/04/2030	82	0.09
GBP 300,000	Tesco Personal Finance 3.5% 25/07/2025	288	0.31
GBP 530,000	UK Treasury 0.5% 22/10/2061	143	0.16
GBP 7,550,000	UK Treasury 0.625% 07/06/2025	7,066	7.71
GBP 100,000	United Utilities Water Finance 0.875% 28/10/2029	75	0.08
GBP 100,000	United Utilities Water Finance 1.75% 10/02/2038	59	0.06
GBP 637,000	Vmed O2 UK Financing I 4.5% 15/07/2031	498	0.54
		<b>12,169</b>	<b>13.28</b>

**Portfolio Statement (continued)**

As at 30 September 2023

Holdings or Nominal Value	Investments	Market value £'000	% of Total Net Assets
<b>United States 38.37% (37.48%)</b>			
USD 550,000	AbbVie 4.55% 15/03/2035	408	0.45
USD 403,000	AES 2.45% 15/01/2031	254	0.28
USD 900,000	Air Lease 3.625% 01/12/2027	666	0.73
USD 74,000	American Express 5.625% 28/07/2034	57	0.06
EUR 200,000	Ardagh Metal Packaging Finance 3% 01/09/2029	132	0.14
USD 344,000	Ashland 3.375% 01/09/2031	218	0.24
USD 217,000	Ball (Germany quoted) 2.875% 15/08/2030	141	0.15
EUR 1,059,000	Ball 0.875% 15/03/2024	901	0.98
USD 1,030,000	Ball 4% 15/11/2023	837	0.91
USD 491,000	Ball 5.25% 01/07/2025	394	0.43
USD 150,000	Bath & Body Works 6.875% 01/11/2035	109	0.12
USD 37,000	Bath & Body Works 7.6% 15/07/2037	26	0.03
EUR 400,000	Berry Global 1% 15/01/2025	331	0.36
EUR 444,000	Berry Global 1.5% 15/01/2027	346	0.38
USD 750,000	CCO 4.25% 15/01/2034	454	0.50
USD 75,000	CCO 4.5% 01/05/2032	48	0.05
EUR 392,000	Celanese US 0.625% 10/09/2028	271	0.30
USD 600,000	Celanese US 3.5% 08/05/2024	483	0.53
USD 150,000	Centene 2.45% 15/07/2028	104	0.11
USD 213,000	Centene 2.5% 01/03/2031	134	0.15
USD 368,000	Centene 2.625% 01/08/2031	230	0.25
USD 107,000	CF Industries 4.95% 01/06/2043	71	0.08
USD 106,000	CF Industries 5.15% 15/03/2034	80	0.09
USD 750,000	Charter Communications Operating 4.5% 01/02/2024	609	0.66
USD 100,000	Citigroup 4.7% Perpetual	74	0.08
USD 100,000	Clearway Energy Operating 3.75% 15/01/2032	62	0.07
USD 183,000	Clearway Energy Operating 3.75% 15/02/2031	117	0.13
USD 75,000	Cleveland-Cliffs 7% 15/03/2027	60	0.07
USD 158,000	Crown Americas 4.25% 30/09/2026	121	0.13
USD 72,000	DCP Midstream Operating 3.25% 15/02/2032	47	0.05
USD 200,000	DCP Midstream Operating 5.375% 15/07/2025	161	0.18
USD 150,000	Dell 5.4% 10/09/2040	111	0.12
USD 704,000	Dell International EMC 6.02% 15/06/2026	578	0.63
EUR 550,000	Deutsche Postbank Funding Trust I FRN 2.667% Perpetual	330	0.36
USD 54,000	EnLink Midstream Partners 5.05% 01/04/2045	34	0.04
USD 270,000	EnLink Midstream Partners 5.45% 01/06/2047	171	0.19
USD 164,000	EnLink Midstream Partners 5.6% 01/04/2044	111	0.12
USD 150,000	EQT 3.9% 01/10/2027	114	0.12
USD 350,000	First Citizens BancShare 8.8383% Perpetual	289	0.32
GBP 650,000	Ford Motor Credit 2.748% 14/06/2024	624	0.68
USD 50,000	Fresenius Medical Care US Finance II 4.75% 15/10/2024	40	0.04

**Portfolio Statement (continued)**

As at 30 September 2023

Holdings or Nominal Value	Investments	Market value £'000	% of Total Net Assets
<b>United States 38.37% (37.48%) (continued)</b>			
USD 346,000	Fresenius Medical Care US Finance III 3.75% 15/06/2029	241	0.26
EUR 236,000	Graphic Packaging International 2.625% 01/02/2029	177	0.19
USD 273,000	GUSAP III 4.25% 21/01/2030	202	0.22
USD 500,000	Hanesbrands 4.875% 15/05/2026	376	0.41
USD 500,000	HCA 3.125% 15/03/2027	372	0.41
USD 400,000	HCA 5.375% 01/02/2025	324	0.35
EUR 1,000,000	Huntsman International 4.25% 01/04/2025	856	0.93
EUR 1,019,000	IQVIA 2.25% 15/03/2029	740	0.81
USD 442,000	Iron Mountain 4.5% 15/02/2031	296	0.32
USD 218,000	Iron Mountain 5.25% 15/07/2030	155	0.17
USD 50,000	JPMorgan Chas 7.3936% Perpetual	41	0.04
USD 108,000	KB Home 4% 15/06/2031	71	0.08
USD 73,000	KB Home 4.8% 15/11/2029	53	0.06
USD 700,000	Kinder Morgan Energy Partners 4.7% 01/11/2042	445	0.49
GBP 480,000	Kraft Heinz Foods 4.125% 01/07/2027	456	0.50
GBP 200,000	Kraft Heinz Foods 4.125% 01/07/2027	190	0.21
USD 388,000	Levi Strauss 3.5% 01/03/2031	253	0.28
USD 225,000	Liberty Mutual 4.3% 01/02/2061	107	0.12
USD 324,000	Medline Borrower 3.875% 01/04/2029	224	0.24
USD 100,000	Meritage Homes 3.875% 15/04/2029	70	0.08
USD 350,000	Metropolitan Life Global Funding I 2.95% 09/04/2030	242	0.26
USD 191,000	Morgan Stanley	139	0.15
USD 74,000	Morgan Stanley 5.449% 20/07/2029	59	0.06
EUR 1,050,000	Netflix 3% 15/06/2025	893	0.97
EUR 200,000	Netflix 3.625% 15/06/2030	164	0.18
USD 95,000	Novelis 3.875% 15/08/2031	62	0.07
USD 154,000	Novelis 4.75% 30/01/2030	109	0.12
EUR 200,000	Olympus Water US 5.375% 01/10/2029	128	0.14
USD 677,000	OneMain Finance 3.875% 15/09/2028	446	0.49
USD 3,000	OneMain Finance 4% 15/09/2030	2	0.00
USD 550,000	Plains All American Pipelin 8.9736% Perpetual	423	0.46
USD 67,000	Post 4.5% 15/09/2031	46	0.05
USD 130,000	Post 4.625% 15/04/2030	91	0.10
EUR 150,000	PVH 3.125% 15/12/2027	122	0.13
EUR 1,212,000	PVH 3.625% 15/07/2024	1,046	1.14
USD 100,000	Range Resources 4.875% 15/05/2025	79	0.09
USD 94,000	Sealed Air 1.573% 15/10/2026	67	0.07
USD 150,000	Sealed Air 4% 01/12/2027	109	0.12
USD 347,000	Sealed Air Corp/Sealed Air Corp US 6.125% 01/02/2028	275	0.30
EUR 100,000	Silgan (Germany quoted) 2.25% 01/06/2028	74	0.08

**Portfolio Statement (continued)**

As at 30 September 2023

Holdings or Nominal Value	Investments	Market value £'000	% of Total Net Assets
<b>United States 38.37% (37.48%) (continued)</b>			
EUR 480,000	Silgan (Ireland quoted) 2.25% 01/06/2028	353	0.39
EUR 301,000	Southern 1.875% 15/09/2081	207	0.23
USD 200,000	Sprint 7.125% 15/06/2024	165	0.18
USD 75,000	Sprint Spectrum Co 4.738% 20/03/2025	61	0.07
USD 469,000	Steel Dynamics 2.4% 15/06/2025	361	0.39
USD 500,000	Stellantis Finance US 2.691% 15/09/2031	314	0.34
USD 246,000	Taylor Morrison Communities 5.125% 01/08/2030	176	0.19
USD 250,000	Taylor Morrison Communities 5.75% 15/01/2028	190	0.21
USD 300,000	Tenet Healthcare 4.375% 15/01/2030	210	0.23
USD 536,000	TerraForm Power Operating 4.75% 15/01/2030	375	0.41
USD 75,000	Thermo Fisher Scientific 2% 15/10/2031	48	0.05
USD 100,000	T-Mobile USA 2.25% 15/02/2026	75	0.08
USD 501,000	T-Mobile USA 2.25% 15/11/2031	312	0.34
USD 200,000	T-Mobile USA 2.625% 15/02/2029	139	0.15
USD 6,895,000	US Treasury Note 0.25% 15/03/2024	5,520	6.02
USD 3,941,800	US Treasury Note 0.25% 31/08/2025	2,944	3.21
USD 2,750,000	US Treasury Note 0.75% 31/12/2023	2,227	2.43
USD 575,000	VMware 1.4% 15/08/2026	414	0.45
USD 569,000	Western Digital 2.85% 01/02/2029	373	0.41
USD 196,000	Western Digital 3.1% 01/02/2032	117	0.13
		<b>35,154</b>	<b>38.37</b>
<b>Virgin Islands 0.00% (0.33%)</b>			
<b>Swaps 1.60% (0.66%)</b>			
EUR 3,550,000	Goldman Sachs Credit Default Swap EUR 1% 20/12/2025	(280)	(0.31)
EUR 500,000	Goldman Sachs Credit Default Swap EUR 1% 20/12/2028	(10)	(0.01)
EUR 400,000	Goldman Sachs Credit Default Swap EUR 5% 20/12/2028	27	0.03
USD 1,050,000	Goldman Sachs Credit Default Swap USD 1% 20/12/2026	13	0.01
EUR 900,000	JPMorgan Credit Default Swap EUR 1% 20/12/2026	3	0.00
EUR 100,000	JPMorgan Credit Default Swap EUR 1% 20/12/2028	(3)	0.00
EUR 103,000	JPMorgan Credit Default Swap EUR 5% 20/12/2028	10	0.01
EUR 150,000	Merrill Lynch Interest Rate EUR 1% 20/12/2028	(3)	0.00
EUR 110,000	Morgan Stanley Credit Default Swap EUR 1% 20/06/2026	1	0.00
EUR 2,200,000	Morgan Stanley Credit Default Swap EUR 1% 20/12/2026	42	0.05



**Portfolio Statement (continued)**

As at 30 September 2023

Holdings or Nominal Value	Investments	Market value £'000	% of Total Net Assets
<b>Swaps 1.60% (0.66%) (continued)</b>			
EUR 1,300,000	Morgan Stanley Credit Default Swap EUR 1% 20/12/2026	6	0.01
EUR 2,000,000	Morgan Stanley Credit Default Swap EUR 1% 20/12/2026	33	0.04
EUR 2,200,000	Morgan Stanley Credit Default Swap EUR 1% 20/12/2026	28	0.03
EUR 1,150,000	Morgan Stanley Credit Default Swap EUR 1% 20/12/2026	(29)	(0.03)
EUR 2,100,000	Morgan Stanley Credit Default Swap EUR 1% 20/12/2026	29	0.03
EUR 1,150,000	Morgan Stanley Credit Default Swap EUR 1% 20/12/2026	14	0.01
EUR 910,000	Morgan Stanley Credit Default Swap EUR 1% 20/12/2026	10	0.01
EUR 1,600,000	Morgan Stanley Credit Default Swap EUR 1% 20/12/2026	18	0.02
EUR 412,000	Morgan Stanley Credit Default Swap EUR 1% 20/12/2026	(6)	(0.01)
EUR 11,000,000	Morgan Stanley Credit Default Swap EUR 1% 20/12/2028	(45)	(0.05)
EUR 13,000,000	Morgan Stanley Credit Default Swap EUR 1% 20/12/2028	332	0.36
EUR 1,870,000	Morgan Stanley Credit Default Swap EUR 1% 20/12/2028	(49)	(0.05)
EUR 400,000	Morgan Stanley Credit Default Swap EUR 1% 20/12/2028	(2)	0.00
EUR 1,450,000	Morgan Stanley Credit Default Swap EUR 1% 20/12/2028	(101)	(0.11)
EUR 1,650,000	Morgan Stanley Credit Default Swap EUR 5% 20/12/2026	179	0.20
EUR 1,900,000	Morgan Stanley Credit Default Swap EUR 5% 20/12/2026	205	0.22
EUR 178,000	Morgan Stanley Credit Default Swap EUR 5% 20/12/2026	18	0.02
EUR 730,000	Morgan Stanley Credit Default Swap EUR 5% 20/12/2028	96	0.10
EUR 1,350,000	Morgan Stanley Credit Default Swap EUR 5% 20/12/2028	173	0.19
EUR 275,000	Morgan Stanley Credit Default Swap EUR 5% 20/12/2028	25	0.03
EUR 100,000	Morgan Stanley Credit Default Swap EUR 5% 20/12/2028	12	0.01
EUR 680,000	Morgan Stanley Credit Default Swap EUR 5% 20/12/2028	96	0.10
EUR 287,000	Morgan Stanley Credit Default Swap EUR 5% 20/12/2028	6	0.01

**Portfolio Statement (continued)**

As at 30 September 2023

Holdings or Nominal Value	Investments	Market value £'000	% of Total Net Assets
<b>Swaps 1.60% (0.66%) (continued)</b>			
USD 425,000	Morgan Stanley Credit Default Swap USD 1% 20/06/2028	(36)	(0.04)
USD 2,200,000	Morgan Stanley Credit Default Swap USD 1% 20/12/2025	9	0.01
USD 2,000,000	Morgan Stanley Credit Default Swap USD 1% 20/12/2025	7	0.01
USD 2,150,000	Morgan Stanley Credit Default Swap USD 1% 20/12/2026	16	0.02
USD 4,000,000	Morgan Stanley Credit Default Swap USD 1% 20/12/2026	49	0.05
USD 7,800,000	Morgan Stanley Credit Default Swap USD 1% 20/12/2028	350	0.38
USD 100,000	Morgan Stanley Credit Default Swap USD 1% 20/12/2028	(1)	0.00
USD 200,000	Morgan Stanley Credit Default Swap USD 1% 20/12/2028	(31)	(0.03)
USD 285,000	Morgan Stanley Credit Default Swap USD 1% 20/12/2028	(36)	(0.04)
USD 2,100,000	Morgan Stanley Credit Default Swap USD 5% 20/12/2026	192	0.21
USD 1,000,000	Morgan Stanley Credit Default Swap USD 5% 20/12/2026	78	0.08
USD 232,000	Morgan Stanley Credit Default Swap USD 5% 20/12/2027	8	0.01
USD 112,000	Morgan Stanley Credit Default Swap USD 5% 20/12/2027	(27)	(0.03)
USD 196,000	Morgan Stanley Credit Default Swap USD 5% 20/12/2028	8	0.01
USD 960,000	Morgan Stanley Credit Default Swap USD 5% 20/12/2028	76	0.08
USD 225,000	Morgan Stanley Credit Default Swap USD 5% 20/12/2028	14	0.02
USD 138,000	Morgan Stanley Credit Default Swap USD 5% 20/12/2028	14	0.02
USD 300,000	Morgan Stanley Credit Default Swap USD 5% 20/12/2028	9	0.01
USD 312,000	Morgan Stanley Credit Default Swap USD 5% 20/12/2028	21	0.02
USD 200,000	Morgan Stanley Credit Default Swap USD 5% 20/12/2028	4	0.00
USD 9,800,000	Morgan Stanley Credit Default Swap USD 5% 20/12/2028	(105)	(0.11)
		<b>1,467</b>	<b>1.60</b>

**Portfolio Statement (continued)**

As at 30 September 2023

Holdings or Nominal Value	Investments	Market value £'000	% of Total Net Assets
<b>Options 0.14% (0.29%)</b>			
EUR 14,500,000	9M2TFDU HERMES 5.25 Put Option November 2015	29	0.03
EUR (14,500,000)	9M2TFEU HERMES 6 Put Option November 2015	(16)	(0.02)
EUR 11,900,000	9M3BLRU HERMES 4.75 Put Option November 2015	67	0.08
EUR 11,100,000	9M3BLTU HERMES 5 Put Option November 2015	44	0.05
EUR 1,000,000	9M3FR3U HERMES 5.25 Put Option November 2015	2	0.00
		<b>126</b>	<b>0.14</b>
<b>Futures 0.27% (0.80%)</b>			
(4)	German Euro Bund Futures December 2023	9	0.01
(31)	German Euro OAT Futures December 2023	72	0.08
(90)	US Treasury Note 10 Year Futures December 2023	169	0.18
13	US Treasury Note 5 Year Futures December 2023	(12)	(0.01)
(1)	US Treasury Ultra Bond Futures December 2023	7	0.01
		<b>245</b>	<b>0.27</b>
<b>Forward Currency Contracts (1.00%) (0.97%)</b>			
	Bought USD1,100,000 for GBP892,804 Settlement 20/12/2023	8	0.01
	Sold EUR39,000,000 for GBP33,760,350 Settlement 20/12/2023	(175)	(0.19)
	Sold NZD2,100,000 for GBP1,005,764 Settlement 20/12/2023	(27)	(0.03)
	Sold USD56,300,000 for GBP45,384,925 Settlement 20/12/2023	(717)	(0.79)
		<b>(911)</b>	<b>(1.00)</b>
	<b>Portfolio of investments</b>	<b>89,255</b>	<b>97.41</b>
	Net other assets	2,376	2.59
	<b>Net assets</b>	<b>91,631</b>	<b>100.00</b>

All investments are ordinary bonds unless otherwise stated and admitted to official stock exchange listings.

Comparative figures shown above in brackets relate to 30 September 2022.

The investments have been valued in accordance with note 1(h) of the Accounting Policies and Financial Instruments.

Gross purchases for the year (excl. Derivatives): £64,753,000 [2022: £161,069,000] (See note 16).

Total sales net of transaction costs for the year (excl. Derivatives): £73,921,000 [2022: £160,742,000] (See note 16).

**Portfolio Statement (continued)**

As at 30 September 2023

**Bond Ratings as at 30 September 2023**

Bonds Rating	% of Total Net Assets
AAA	16.92
AA	8.65
A	2.25
BBB	35.43
BB	26.95
B	4.19
CCC	0.50
NR	1.51
<b>Bonds</b>	<b>96.40</b>
Uninvested Cash	2.59
Interest Rate Swaps & Forwards	0.60
Futures & Options	0.41
<b>Net Assets</b>	<b>100.00</b>

Bonds not rated are of investment grade, but rating not sought by issuer.

## Statement of Total Return

For the year ended 30 September 2023

	Note	01/10/22 to 30/09/23		01/10/21 to 30/09/22	
		£'000	£'000	£'000	£'000
Income:					
Net capital gains/(losses)	2		2,343		(12,593)
Revenue	3	3,282		2,825	
Expenses	4	(576)		(790)	
Interest payable and similar charges	5	(33)		(7)	
Net revenue before taxation		2,673		2,028	
Taxation	6	(34)		(17)	
Net revenue after taxation			2,639		2,011
Total return before distributions			4,982		(10,582)
Distributions	7		(3,214)		(2,801)
<b>Change in net assets attributable to Shareholders from investment activities</b>			<b>1,768</b>		<b>(13,383)</b>

## Statement of Change in Net Assets Attributable to Shareholders

For the year ended 30 September 2023

	01/10/22 to 30/09/23		01/10/21 to 30/09/22	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to Shareholders</b>		107,744		111,809
Amounts receivable on issue of Shares	2,132		12,631	
Amounts payable on cancellation of Shares	(20,048)		(3,313)	
		(17,916)		9,318
Dilution adjustment		35		—
Change in net assets attributable to Shareholders from investment activities (see above)		1,768		(13,383)
<b>Closing net assets attributable to Shareholders</b>		<b>91,631</b>		<b>107,744</b>

**Balance Sheet**

As at 30 September 2023

	Note	30/09/23		30/09/22	
		£'000	£'000	£'000	£'000
<b>Assets:</b>					
Fixed assets:					
Investments			90,966		102,293
Current assets:					
Debtors	8	1,056		1,490	
Cash and bank balances	9	6,306		12,589	
Total current assets			7,362		14,079
Total assets			98,328		116,372
<b>Liabilities:</b>					
Investment liabilities			(1,711)		(2,811)
Creditors:					
Bank overdrafts	11	(1,360)		(335)	
Distribution payable		(1,529)		(1,728)	
Other creditors	10	(2,097)		(3,754)	
Total creditors			(4,986)		(5,817)
Total liabilities			(6,697)		(8,628)
<b>Net assets attributable to Shareholders</b>			<b>91,631</b>		<b>107,744</b>

## Notes to the Financial Statements

For the year ended 30 September 2023

### 1. Accounting basis and policies

The Fund's financial statements have been prepared on the basis detailed on pages 15 to 18.

### 2. Net capital gains/(losses)

	01/10/22 to 30/09/23 £'000	01/10/21 to 30/09/22 £'000
The net capital gains/(losses) during the year comprise:		
GDR Fee	—	(1)
Brokers commission on futures	(29)	(11)
Currency gains	457	2,081
Derivative contracts	(1,485)	4,363
Forward currency contracts	4,537	(13,637)
Non-derivative securities	(1,166)	(5,329)
Transaction charges	(21)	(59)
Custody charge overpayment	50	—
<b>Net capital gains/(losses)</b>	<b>2,343</b>	<b>(12,593)</b>

### 3. Revenue

	01/10/22 to 30/09/23 £'000	01/10/21 to 30/09/22 £'000
Bank interest	49	9
Futures interest	(7)	(14)
Interest from Debt Securities	3,698	3,104
Overseas dividends	88	54
Revenue from swaps	(542)	(381)
Loan income	(4)	53
<b>Total revenue</b>	<b>3,282</b>	<b>2,825</b>

## Notes to the Financial Statements (continued)

For the year ended 30 September 2023

### 4. Expenses

	01/10/22 to 30/09/23 £'000	01/10/21 to 30/09/22 £'000
<b>Payable to the ACD, associates of the ACD, and agents of either of them</b>		
AMC fees	533	742
	<b>533</b>	<b>742</b>
<b>Payable to the Depository, associates of the Depository and agents of either of them</b>		
Depository fees	15	17
Safe custody fees	8	8
	<b>23</b>	<b>25</b>
<b>Other expenses</b>		
Audit fees	13	13
Professional fees	9	8
Publication fees	(2)	2
	<b>20</b>	<b>23</b>
<b>Total expenses</b>	<b>576</b>	<b>790</b>

Audit fees are £10,600 ex Vat (2022: £9,975).

### 5. Interest payable and similar charges

	01/10/22 to 30/09/23 £'000	01/10/21 to 30/09/22 £'000
Interest	33	7
<b>Total interest payable and similar charges</b>	<b>33</b>	<b>7</b>

### 6. Taxation

#### (a) Analysis of the tax charge in the year

	01/10/22 to 30/09/23 £'000	01/10/21 to 30/09/22 £'000
Corporation tax	7	—
Double tax relief	(7)	—
Irrecoverable overseas tax	34	17
<b>Total taxation for the year (Note 6 (b))</b>	<b>34</b>	<b>17</b>



## Notes to the Financial Statements (continued)

For the year ended 30 September 2023

### 6. Taxation (continued)

#### (b) Factors affecting the tax charge for the year

The tax assessed for the year is different from that calculated when the standard rate of corporation tax for an open ended investment company of 20% (2022: 20%) is applied to the net revenue before taxation. The differences are explained below:

	01/10/22 to 30/09/23 £'000	01/10/21 to 30/09/22 £'000
Net revenue before taxation	2,673	2,028
Net revenue for the year multiplied by the standard rate of corporation tax	535	406
<b>Effects of:</b>		
Double taxation relief	(7)	—
Irrecoverable overseas tax	34	17
Tax deductible interest distributions	(528)	(406)
<b>Total tax charge for the year</b>	<b>34</b>	<b>17</b>

OEICs are exempt from tax on capital gains in the UK. Therefore, any capital return is not included within the reconciliation above.

#### (c) Provision for deferred tax

There is no provision required for deferred taxation at the Balance Sheet date in the current or prior year because no taxable profit is expected to be generated by the fund.

### 7. Distributions

The distributions take account of revenue received on the creation of shares and revenue deducted on the cancellation of shares, and comprise:

	01/10/22 to 30/09/23 £'000	01/10/21 to 30/09/22 £'000
Interim	1,485	1,109
Final	1,529	1,728
Add: Revenue paid on cancellation of shares	213	28
Deduct: Revenue received on creation of shares	(13)	(64)
<b>Net distribution for the year</b>	<b>3,214</b>	<b>2,801</b>
<b>Reconciliation of net revenue after taxation to distributions</b>		
Net revenue after taxation	2,639	2,011
Expenses charged to capital	575	790
<b>Net distribution for the year</b>	<b>3,214</b>	<b>2,801</b>

Details of the distributions per share are set out in the distribution tables on page 56.

## Notes to the Financial Statements (continued)

For the year ended 30 September 2023

### 8. Debtors

	30/09/23 £'000	30/09/22 £'000
Accrued revenue	822	1,027
Amounts receivable for creation of shares	—	13
Sales awaiting settlement	217	440
Loan income	16	8
Prepaid expenses	1	2
<b>Total debtors</b>	<b>1,056</b>	<b>1,490</b>

### 9. Cash and bank balances

	30/09/23 £'000	30/09/22 £'000
Cash and bank balances	2,520	6,561
Amount held at futures clearing houses and brokers	3,786	6,028
<b>Total cash and bank balances</b>	<b>6,306</b>	<b>12,589</b>

### 10. Other creditors

	30/09/23 £'000	30/09/22 £'000
Amounts payable for cancellation of shares	99	670
Purchases awaiting settlement	1,939	2,979
	2,038	3,649
<i>Accrued expenses</i>		
<i>Manager and Agents</i>		
AMC fees	39	60
	39	60
<i>Depositary and Agents</i>		
Depositary fees	2	6
Safe custody fees	1	3
Transaction charges	4	21
	7	30
<i>Other accrued expenses</i>		
Audit fees	13	12
Professional fees	—	1
Publication fees	—	2
	13	15
<b>Total other creditors</b>	<b>2,097</b>	<b>3,754</b>

### 11. Bank overdrafts

	30/09/23 £'000	30/09/22 £'000
Amounts overdrawn at futures clearing houses and brokers	1,360	335
<b>Total bank overdrafts</b>	<b>1,360</b>	<b>335</b>

## Notes to the Financial Statements (continued)

For the year ended 30 September 2023

### 12. Related party transactions

Management fees paid to the ACD, are disclosed in note 4 and amounts due at the year-end are disclosed in note 10.

Monies received and paid by the ACD through the creation and cancellation of shares are disclosed in the Statement of Change in Net Assets Attributable to Shareholders and amounts due at the year-end are disclosed in notes 8 and 10.

The ACD and its associates (including other authorised investment funds managed by the ACD) have no shareholdings in the company at the year-end.

#### Significant shareholdings

As at the balance sheet date, the following had significant shareholdings within the Fund:

Shareholders	30/09/23 (%)	30/09/22 (%)
Sterling ISA Managers (Nominees) Limited	81.72	82.12

### 13. Share Classes

The Share Classes and ACD's Annual Management Charges ("AMC") applicable to each Share Class are as follows:

Share Class A Income	0.50
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Each Share Class has equal rights in the event of the wind up of any fund.

The reconciliation of the opening and closing numbers of shares of each class is shown below:

	30/09/22	Issued	Cancelled	Converted	30/09/23
Share Class A Income	122,113,283	2,363,106	(22,152,649)	—	102,323,740

### 14. Capital commitments and contingent liabilities

There were no contingent liabilities or outstanding commitments at the balance sheet date (2022: nil).

### 15. Derivatives and other financial instruments

The main risks from the Fund's holding of financial instruments, together with the ACD's policy for managing these risks, are disclosed in note 2 on pages 18 to 24 of the report.

#### (a) Foreign currency risk

A proportion of the financial net assets of the Fund are denominated in currencies other than sterling with the effect that the balance sheet and total return can be affected by currency movements.

The Fund holds an insignificant foreign currency exposure at 30 September 2023 (2022: insignificant) therefore a currency table has not been disclosed.

Changes in exchange rates would have no material impact on the valuation of foreign currency financial assets or liabilities as at the balance sheet date. Consequently, no sensitivity analysis has been presented.

**Notes to the Financial Statements (continued)**

For the year ended 30 September 2023

**15. Derivatives and other financial instruments (continued)****(b) Interest rate risk profile of financial assets and liabilities**

The table below shows the interest rate risk profile at the balance sheet date:

	Floating rate financial assets £'000	Fixed rate financial assets £'000	Financial assets not carrying interest £'000	Total £'000
<b>Currency Assets</b>				
<b>30/09/23</b>				
Canadian Dollar	3	—	—	3
Euro	5,741	27,493	2,014	35,248
Japanese Yen	41	—	—	41
New Zealand Dollar	47	1,022	13	1,082
Sterling	4,520	13,269	79,644	97,433
US Dollar	1,466	40,774	1,533	43,773
<b>Total</b>	<b>11,818</b>	<b>82,558</b>	<b>83,204</b>	<b>177,580</b>
<b>30/09/22</b>				
Canadian Dollar	3	—	—	3
Euro	4,315	34,634	2,099	41,048
Sterling	10,171	11,118	90,336	111,625
US Dollar	4,282	46,698	2,758	53,738
<b>Total</b>	<b>18,771</b>	<b>92,450</b>	<b>95,193</b>	<b>206,414</b>
<b>Currency Liabilities</b>				
<b>30/09/23</b>				
Canadian Dollar	39	—	—	39
Euro	1,320	—	36,108	37,428
New Zealand Dollar	—	—	1,032	1,032
Sterling	—	—	1,686	1,686
US Dollar	—	—	45,764	45,764
<b>Total</b>	<b>1,359</b>	<b>—</b>	<b>84,590</b>	<b>85,949</b>
<b>30/09/22</b>				
Canadian Dollar	33	—	—	33
Euro	302	—	43,942	44,244
Sterling	—	—	2,502	2,502
US Dollar	—	—	51,891	51,891
<b>Total</b>	<b>335</b>	<b>—</b>	<b>98,335</b>	<b>98,670</b>

**Notes to the Financial Statements (continued)**

For the year ended 30 September 2023

**15. Derivatives and other financial instruments (continued)****(c) Counterparty risk**

The table below shows the counterparty risk as at the balance sheet date:

		Derivative Exposure £'000	Collateral Posted £'000	Collateral Received £'000	Collateral Asset Class
<b>2023</b>	<b>Counterparty</b>				
	Goldman Sachs	—	260	—	Cash
	JPMorgan	10	—	—	
	Morgan Stanley	2,182	2,630	1,605	Cash
	Royal Bank of Canada	—	1,140	—	Cash
	<b>Counterparty</b>	<b>Derivative Exposure £'000</b>	<b>Collateral Posted £'000</b>	<b>Collateral Received £'000</b>	<b>Collateral Asset Class</b>
<b>2022</b>					
	BNP Capital Markets	20	—	—	
	Goldman Sachs	89	70	—	Cash
	JPMorgan	—	—	2,610	Cash
	Merril Lynch	234	140	—	Cash
	Morgan Stanley	2,152	865	4,476	Cash
	Northern trust	4	—	—	

**(d) Leverage**

There was 184.73% leverage as at 30 September 2023, other than that available to the Fund as a result of its ability to borrow up to 10% of its value on a permanent basis.

	Average Leverage	Highest Leverage	Lowest Leverage	30/09/23
Omnis Absolute Return Bond Fund	216.54%	323.39%	184.73%	184.73%

## Notes to the Financial Statements (continued)

For the year ended 30 September 2023

### 16. Portfolio transaction costs

	01/10/22 to 30/09/23		01/10/21 to 30/09/22	
	£'000	£'000	£'000	£'000
<b>Analysis of total purchase costs</b>				
Purchases in the year before transaction costs:				
Bonds		64,753		161,069
		64,753		161,069
Commissions - Derivatives	2		—	
Total purchase costs		2		—
<b>Gross purchase total</b>		<b>64,755</b>		<b>161,069</b>
<b>Analysis of total sale costs</b>				
Gross sales in the year before transaction costs:				
Bonds		73,921		160,742
		73,921		160,742
Commissions - Derivatives	(2)		—	
Total sale costs		(2)		—
<b>Total sales net of transaction costs</b>		<b>73,919</b>		<b>160,742</b>

The portfolio transaction costs table above includes direct transaction costs suffered by the Fund during the year.

Separately identifiable direct transaction costs (commissions and taxes etc.) are attributable to the Fund's purchase and sale of equity shares. Additionally for equity shares there is a dealing spread cost (the difference between the buying and selling prices) which will be suffered on purchase and sale transactions.

	01/10/22 to 30/09/23	01/10/21 to 30/09/22
	%	%
<b>Transaction costs as percentage of principal amounts</b>		
Purchases - Commissions		
Bonds	0.0000	0.0000
Collective Investment Schemes	0.0000	0.0000
Purchases - Taxes		
Bonds	0.0000	0.0000
Collective Investment Schemes	0.0000	0.0000
Sales - Commissions		
Bonds	0.0000	0.0000
Collective Investment Schemes	0.0000	0.0000
Sales - Taxes		
Bonds	0.0000	0.0000
Collective Investment Schemes	0.0000	0.0000

## Notes to the Financial Statements (continued)

For the year ended 30 September 2023

### 16. Portfolio transaction costs (continued)

	01/10/22 to 30/09/23 %	01/10/21 to 30/09/22 %
Transaction costs as percentage of average net asset value		
Commissions	0.0039	0.0000
Taxes	0.0000	0.0000

At the balance sheet date the average portfolio dealing spread was 0.52% (2022: 0.73%).

### 17. Post balance sheet events

Subsequent to the year end, the net asset value per unit of the fund has increased from 89.55p to 93.33p as at 26 January 2024. This movement takes into account routine transactions but also reflects the market movements of recent months.

### 18. Fair value disclosure

Valuation technique	30/09/23		30/09/22	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
<b>Level 1:</b> The unadjusted quoted price in an active market for identical assets or liabilities	18,157	(12)	15,350	—
<b>Level 2:</b> Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly	72,809	(1,699)	86,943	(2,811)
<b>Level 3:</b> Inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability	—	—	—	—
	<b>90,966</b>	<b>(1,711)</b>	<b>102,293</b>	<b>(2,811)</b>

## Distribution Table

As at 30 September 2023

### Interim Distribution in pence per Share

- Group 1 Shares purchased prior to 1 October 2022  
 Group 2 Shares purchased on or after 1 October 2022 to 31 March 2023

	Net revenue (p)	Equalisation (p)	Distribution paid 31/05/2023 (p)	Distribution paid 31/05/2022 (p)
<b>Share Class A Income</b>				
Group 1	1.3865	—	1.3865	0.9207
Group 2	0.6754	0.7111	1.3865	0.9207

### Final Distribution in pence per Share

- Group 1 Shares purchased prior to 1 April 2023  
 Group 2 Shares purchased on or after 1 April 2023 to 30 September 2023

	Net revenue (p)	Equalisation (p)	Distribution payable 30/11/2023 (p)	Distribution paid 30/11/2022 (p)
<b>Share Class A Income</b>				
Group 1	1.4940	—	1.4940	1.4149
Group 2	0.8902	0.6038	1.4940	1.4149



## Investment Manager's Report

### For the year ended 30 September 2023

### Investment Objective

The Fund aims to achieve a return consisting of both income and capital growth which, after all fees and expenses, exceeds that of the FTSE World Asia Pacific ex Japan TR index over a five-year rolling period.

### Investment Policy

The Fund intends to invest at least 70% in the equity securities of Asian companies, defined as those which are domiciled, incorporated or have a significant exposure to the Asia Pacific region and Australasia (excluding Japan).

The Fund may also invest in other transferable securities (for example, equity securities of other international companies excluding Japan), units in collective investment schemes (including exchange traded funds and other schemes managed and operated by the ACD or its associates), money market instruments, warrants, cash, near cash and deposits as detailed in the Prospectus.

It is envisaged that the investment portfolio of the Fund will be concentrated, typically comprising between 35 and 60 stocks.

Derivatives may be used for the purposes of hedging and efficient portfolio management.

### Benchmark

The performance of the Fund will be measured against the FTSE World Asia Pacific ex-Japan TR Index\* for target return purposes. This index was chosen as it was considered a fair representation of the assets in which the fund will invest, in line with its investment objectives and policy.

### Portfolio Review

Over the period the Fund returned -4.79% [source: Return after operating charges as per Comparative Table] and the benchmark returned 6.42% [source: Financial Express, bid to bid, net income reinvested].

\*The index data provided has been licensed for use by its third-party providers who do not accept any liability for errors or omissions. For full disclaimer please see <https://omnisinvestments.com/disclaimers>

Against the backdrop of high inflation rates and rising interest rates in the US and Europe, a war between Russia and Ukraine and ongoing geopolitical tensions between the US and China, Asia Pacific equity market performance was very volatile during the review period.

China, the largest economy in the region, (although not a component of the index) finally exited the zero-covid policy in the last quarter of 2022. Following the initial reopening surge in Q1 2023, economic growth softened after April. Property sales, consumption, private enterprise investment and export growth were behind expectations. That has affected the Fund's positions in China.

International investors have been reducing exposure to China in reaction to the stronger US Dollar, rising interest rates, concerns about the geopolitical tension and weaker economic growth in China. Although beating expectations and delivering high earnings per share, many of the high-quality company stock prices declined, under-performing the market. One example is Kweichow Moutai, the premium liquor stock. It has beat consensus expectations every quarter and delivered more than 20 percent earnings growth on an annualised basis. However, the share price declined 14.6% in GBP during the review period. Its price to earnings multiple is at a significant discount to other global luxury companies.

## **Investment Manager's Report (continued)**

**For the year ended 30 September 2023**

CSL and Resmed, both active participants in the Australian healthcare sector currently, were two of the largest detractors to Fund performance. The CSL share price fell as the company guided that margin recovery will take longer than previously expected. Resmed is a leading manufacturer of medical devices, focusing on treating respiratory disorders. The share price declined over the past three months, over fears that some obesity related obstructive sleep apnoea (OSA) patients, which account for about two-thirds of the sufferers, could be treated by weight loss drugs, such as Wegovy. We believe there are still good growth opportunities for CPAP (continuous positive airway pressure) machines and masks manufactured by Resmed, given the low penetration rate.

The Fund continued its strategy of investing in quality businesses with durable competitive advantages and growth potential. In reaction to the de-globalisation trend and US and China geopolitical tensions. Korea's capability in large scale EV battery making and solar power panel productions makes it a viable alternative to China for the US government. A bottoming out of the semiconductor market is also positive for Korea.

### **Veritas Asset Management LLP**

October 2023

## Material Portfolio Changes

For the year ended 30 September 2023

Purchases		Sales	
Portfolio Name	Cost £'000	Portfolio Name	Proceeds £'000
State Street GBP Liquidity LVNAV	13,225	CSL	6,970
Alibaba	12,980	JD.com	5,175
Sands China	12,475	ASX	5,080
Taiwan Semiconductor	9,871	Sonic Healthcare	4,724
IDP Education	9,041	Aristocrat Leisure	4,024
Samsung Electronics	8,652	Cochlear	3,531
Hong Kong Exchanges & Clearing	8,527	Medibank	3,359
AIA	7,210	Techtronic Industries	3,258
Worley	5,219	Shenzhen Inovance Technology	3,232
Tencent	4,371	Makalot Industrial	2,970

The above table complements the data provided in the investment managers report by outlining the top 10 portfolio components.

## Comparative Table

As at 30 September 2023

	30/09/23 (p)	A Income 30/09/22 (p)	30/09/21 (p)
<b>Change in net assets per Share</b>			
Opening net asset value per share	119.47	151.68	128.98
Return before operating charges*	(5.72)	(30.30)	24.19
Operating charges	—	(1.01)	(1.10)
Return after operating charges	(5.72)	(31.31)	23.09
Distributions	(0.84)	(0.90)	(0.39)
Closing net asset value per share	112.91	119.47	151.68
*after direct transaction cost of:	0.00	0.15	0.12
<b>Performance</b>			
Return after operating charges	(4.79%)	(20.64%)	17.90%
<b>Other information</b>			
Closing net asset value (£'000)	261,452	227,977	233,858
Closing number of shares	231,560,353	190,829,774	154,175,552
Operating charges	0.75%	0.74%	0.74%
Direct transaction costs	0.08%	0.11%	0.08%
<b>Prices (p)**</b>			
Highest share price	133.25	158.43	162.62
Lowest share price	111.55	121.58	129.21

\*\*The highest and lowest share prices are based on published price. The opening and closing net asset values per share include accounting adjustments, therefore they may appear higher or lower as a result.

**Performance Information**

As at 30 September 2023

**Operating Charge**

Date	AMC (%)	Other expenses (%)	Transaction costs (%)	Total operating charge (%)
30/09/23				
Share Class A Income	0.67	0.08	0.00	0.75
30/09/22				
Share Class A Income	0.67	0.07	0.00	0.74

The Operating Charge is the ratio of the Fund's total disclosable costs (excluding overdraft interest) to the average net assets of the Fund.

**Risk and Reward Profile**

As at 30 September 2023

	Typically lower rewards				Typically higher rewards			
	Lower risks				Higher risks			
Share Class A	1	2	3	4	5	6	7	

- This indicator is based on historical data and may not be a reliable indication of the future risk profile of the Fund.
- The risk category shown is not guaranteed to remain unchanged and may shift over time.
- The risk and reward indicator table demonstrates where a Fund ranks in terms of its potential risk and return. The higher the rank the greater the potential reward but the greater the risk of losing money. The lowest category does not mean 'risk free'.
- The Fund appears as a "6" on the scale. This is because the Fund invests in the shares of companies whose values tend to vary more widely than other asset classes.

**Risk Warning**

An investment in an Open Ended Investment Company should be regarded as a medium to long-term investment. Investors should be aware that the price of shares and the income from them may fall as well as rise and investors may not receive back the full amount invested. Past performance is not a guide to future performance. Investments denominated in currencies other than the base currency of a Fund are subject to fluctuation in exchange rates, which may be favourable or unfavourable.

**Portfolio Statement**

As at 30 September 2023

Holdings or Nominal Value	Investments	Market value £'000	% of Total Net Assets
<b>Australia 26.43% (31.84%)</b>			
30,742	Cochlear	4,150	1.59
90,200	CSL	11,962	4.58
1,500,000	Goodman REIT***	16,997	6.50
600,000	IDP Education	6,780	2.59
201,474	REA	16,430	6.28
20,000	Rio Tinto Ltd	1,201	0.46
275,000	Sonic Healthcare	4,333	1.66
50,000	WiseTech Global	1,720	0.66
600,000	WorleyParsons	5,520	2.11
		<b>69,093</b>	<b>26.43</b>
<b>Cayman Islands 17.00% (0.00%)</b>			
261,612	Airtac International	6,494	2.48
1,720,533	Alibaba	15,407	5.89
267,300	Meituan	3,204	1.23
30,000	PDD ADR*	2,411	0.92
4,200,000	Sands China	10,523	4.03
200,000	Tencent	6,406	2.45
		<b>44,445</b>	<b>17.00</b>
<b>China 3.76% (18.32%)</b>			
48,767	Kweichow Moutai	9,839	3.76
		<b>9,839</b>	<b>3.76</b>
<b>Hong Kong 6.96% (3.97%)</b>			
860,000	AIA	5,740	2.20
2,400,000	HKT Trust & HKT	2,054	0.79
340,000	Hong Kong Exchanges & Clearing	10,393	3.97
		<b>18,187</b>	<b>6.96</b>
<b>India 9.21% (9.94%)</b>			
62,900	Apollo Hospitals Enterprise	3,184	1.22
50,900	Asian Paints	1,590	0.61
100,000	HDFC Bank ADR*	4,835	1.85
250,000	ICICI Bank ADR*	4,736	1.81
300,000	Infosys ADR*	4,205	1.61
120,000	Kotak Mahindra Bank	2,055	0.78
100,000	Tata Consultancy Services	3,478	1.33
		<b>24,083</b>	<b>9.21</b>
<b>Ireland 4.60% (0.00%)</b>			
12,037,150	State Street GBP Liquidity LVNAV	12,037	4.60
		<b>12,037</b>	<b>4.60</b>

**Portfolio Statement (continued)**

As at 30 September 2023

Holdings or Nominal Value	Investments	Market value £'000	% of Total Net Assets
<b>New Zealand 3.62% (3.69%)</b>			
900,000	Fisher & Paykel Healthcare	9,475	3.62
		<b>9,475</b>	<b>3.62</b>
<b>Singapore 0.00% (1.02%)</b>			
<b>South Korea 16.10% (12.58%)</b>			
300,000	Coupang	4,176	1.60
27,000	LG Chem	8,139	3.11
10,662	Samsung Biologics	4,409	1.69
398,000	Samsung Electronics	16,529	6.32
15,000	Samsung SDI	4,663	1.78
60,000	SK Hynix	4,178	1.60
		<b>42,094</b>	<b>16.10</b>
<b>Taiwan 9.77% (7.94%)</b>			
200,000	MediaTek	3,731	1.43
1,646,300	Taiwan Semiconductor Manufacturing	21,811	8.34
		<b>25,542</b>	<b>9.77</b>
<b>United States 2.63% (4.68%)</b>			
550,000	ResMed	6,861	2.63
		<b>6,861</b>	<b>2.63</b>
<b>Portfolio of investments</b>		<b>261,656</b>	<b>100.08</b>
Net other liabilities		(204)	(0.08)
<b>Net assets</b>		<b>261,452</b>	<b>100.00</b>

All investments are ordinary shares unless otherwise stated and admitted to official stock exchange listings.

\*American Depositary Receipts.

\*\*\*Real Estate Investment Trust.

Comparative figures shown above in brackets relate to 30 September 2022.

The investments have been valued in accordance with note 1(h) of the Accounting Policies and Financial Instruments.

Gross purchases for the year: £134,333,000 [2022: £127,992,000] (See note 15).

Total sales net of transaction costs for the year: £68,963,000 [2022: £72,942,000] (See note 15).

## Statement of Total Return

For the year ended 30 September 2023

	Note	01/10/22 to 30/09/23		01/10/21 to 30/09/22	
		£'000	£'000	£'000	£'000
Income:					
Net capital losses	2		(18,284)		(53,683)
Revenue	3	4,303		3,835	
Expenses	4	(1,997)		(1,710)	
Net revenue before taxation		2,306		2,125	
Taxation	5	(380)		(444)	
Net revenue after taxation			1,926		1,681
Total return before distributions			(16,358)		(52,002)
Distributions	6		(1,950)		(1,699)
<b>Change in net assets attributable to Shareholders from investment activities</b>			<b>(18,308)</b>		<b>(53,701)</b>

## Statement of Change in Net Assets Attributable to Shareholders

For the year ended 30 September 2023

	01/10/22 to 30/09/23		01/10/21 to 30/09/22	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to Shareholders</b>		227,977		233,858
Amounts receivable on issue of Shares	64,145		74,608	
Amounts payable on cancellation of Shares	(12,470)		(26,844)	
Dilution adjustment		51,675		47,764
Change in net assets attributable to Shareholders from investment activities (see above)		108		56
		(18,308)		(53,701)
<b>Closing net assets attributable to Shareholders</b>		<b>261,452</b>		<b>227,977</b>



## Balance Sheet

As at 30 September 2023

	Note	30/09/23		30/09/22	
		£'000	£'000	£'000	£'000
<b>Assets:</b>					
Fixed assets:					
Investments			261,656		214,248
Current assets:					
Debtors	7	2,696		509	
Cash and bank balances	8	14		16,949	
Total current assets			2,710		17,458
Total assets			264,366		231,706
<b>Liabilities:</b>					
Investment liabilities			—		—
Creditors:					
Distribution payable		(1,300)		(1,713)	
Other creditors	9	(1,614)		(2,016)	
Total creditors			(2,914)		(3,729)
Total liabilities			(2,914)		(3,729)
<b>Net assets attributable to Shareholders</b>			<b>261,452</b>		<b>227,977</b>

## Notes to the Financial Statements

### For the year ended 30 September 2023

#### 1. Accounting basis and policies

The Fund's financial statements have been prepared on the basis detailed on pages 15 to 18.

#### 2. Net capital losses

	01/10/22 to 30/09/23 £'000	01/10/21 to 30/09/22 £'000
The net capital losses during the year comprise:		
Currency losses	(323)	(341)
Non-derivative securities	(17,965)	(53,357)
Transaction charges	(5)	(6)
Cash transferred from closed Omnis Funds	9	21
<b>Net capital losses</b>	<b>(18,284)</b>	<b>(53,683)</b>

#### 3. Revenue

	01/10/22 to 30/09/23 £'000	01/10/21 to 30/09/22 £'000
Bank interest	29	9
Overseas dividends	4,274	3,826
<b>Total revenue</b>	<b>4,303</b>	<b>3,835</b>

#### 4. Expenses

	01/10/22 to 30/09/23 £'000	01/10/21 to 30/09/22 £'000
<b>Payable to the ACD, associates of the ACD, and agents of either of them</b>		
AMC fees	1,782	1,545
	1,782	1,545
<b>Payable to the Depositary, associates of the Depositary and agents of either of them</b>		
Depositary fees	36	33
Safe custody fees	131	97
	167	130
<b>Other expenses</b>		
Audit fees	10	9
Professional fees*	33	18
Publication fees	(2)	3
ADR fees	1	3
Out of pocket expenses	6	2
	48	35
<b>Total expenses</b>	<b>1,997</b>	<b>1,710</b>

Audit fees are £8,350 ex Vat (2022: £7,875).

\*Includes tax service fee paid to Deloitte LLP (India) £4,204 (2022: £7,875).

## Notes to the Financial Statements (continued)

For the year ended 30 September 2023

### 5. Taxation

#### (a) Analysis of the tax charge in the year

	01/10/22 to 30/09/23 £'000	01/10/21 to 30/09/22 £'000
Irrecoverable overseas tax	357	426
Overseas capital gains tax	23	18
<b>Total taxation for the year (Note 5 (b))</b>	<b>380</b>	<b>444</b>

#### (b) Factors affecting the tax charge for the year

The tax assessed for the year is different from that calculated when the standard rate of corporation tax for an open ended investment company of 20% (2022: 20%) is applied to the net revenue before taxation. The differences are explained below:

	01/10/22 to 30/09/23 £'000	01/10/21 to 30/09/22 £'000
Net revenue before taxation	2,306	2,125
Net revenue for the year multiplied by the standard rate of corporation tax	461	425
<b>Effects of:</b>		
Irrecoverable overseas tax	357	426
Movement in excess management expenses	347	307
Overseas capital gains tax in capital	23	18
Overseas tax expensed	(5)	(4)
Revenue not subject to corporation tax	(803)	(728)
<b>Total tax charge for the year</b>	<b>380</b>	<b>444</b>

OEICs are exempt from tax on capital gains in the UK. Therefore, any capital return is not included within the reconciliation above.

#### (c) Provision for deferred tax

There is no provision required for deferred taxation at the Balance Sheet date in the current or prior year because no taxable profit is expected to be generated by the fund.

#### (d) Factors that may affect future tax charges

At the year-end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £1,365,737 (2022: £1,018,430) in relation to surplus management expenses. It is unlikely that the Fund will generate sufficient taxable profits in the future to utilise this amount and therefore no deferred tax asset has been recognised in the year.

**Notes to the Financial Statements (continued)**

For the year ended 30 September 2023

**6. Distributions**

The distributions take account of revenue received on the creation of shares and revenue deducted on the cancellation of shares, and comprise:

	01/10/22 to 30/09/23 £'000	01/10/21 to 30/09/22 £'000
Interim	642	10
Final	1,300	1,714
Add: Revenue paid on cancellation of shares	44	15
Deduct: Revenue received on creation of shares	(36)	(40)
<b>Net distribution for the year</b>	<b>1,950</b>	<b>1,699</b>
<b>Reconciliation of net revenue after taxation to distributions</b>		
Net revenue after taxation	1,926	1,681
Capital gains tax	24	18
<b>Net distribution for the year</b>	<b>1,950</b>	<b>1,699</b>

Details of the distributions per share are set out in the distribution tables on page 73.

**7. Debtors**

	30/09/23 £'000	30/09/22 £'000
Accrued bank interest	3	3
Accrued revenue	368	343
Amounts receivable for creation of shares	768	162
Sales awaiting settlement	1,556	—
Prepaid expenses	1	1
<b>Total debtors</b>	<b>2,696</b>	<b>509</b>

**8. Cash and bank balances**

	30/09/23 £'000	30/09/22 £'000
Cash and bank balances	14	16,949
<b>Total cash and bank balances</b>	<b>14</b>	<b>16,949</b>

## Notes to the Financial Statements (continued)

For the year ended 30 September 2023

### 9. Other creditors

	30/09/23 £'000	30/09/22 £'000
Amounts payable for cancellation of shares	—	1,625
Overseas capital gains tax payable	225	202
Purchases awaiting settlement	1,202	—
	1,427	1,827
<i>Accrued expenses</i>		
<i>Manager and Agents</i>		
AMC fees	149	135
	149	135
<i>Depositary and Agents</i>		
Depositary fees	6	11
Safe custody fees	21	27
Transaction charges	1	2
	28	40
<i>Other accrued expenses</i>		
Audit fees	10	10
Professional fees	—	1
Publication fees	—	3
	10	14
<b>Total other creditors</b>	<b>1,614</b>	<b>2,016</b>

### 10. Related party transactions

Management fees paid to the ACD, are disclosed in note 4 and amounts due at the year-end are disclosed in note 9.

Monies received and paid by the ACD through the creation and cancellation of shares are disclosed in the Statement of Change in Net Assets Attributable to Shareholders and amounts due at the year-end are disclosed in notes 7 and 9.

The ACD and its associates (including other authorised investment funds managed by the ACD) have no shareholdings in the company at the year-end.

#### Significant shareholdings

As at the balance sheet date, the following had significant shareholdings within the Fund:

Shareholders	30/09/23 (%)	30/09/22 (%)
Sterling ISA Managers (Nominees) Limited	79.79	80.75

### 11. Share Classes

The Share Classes and ACD's Annual Management Charges ("AMC") applicable to each Share Class are as follows:

Share Class A Income	%
	0.67

Each Share Class has equal rights in the event of the wind up of any fund.

## Notes to the Financial Statements (continued)

For the year ended 30 September 2023

### 11. Share Classes (continued)

The reconciliation of the opening and closing numbers of shares of each class is shown below:

	30/09/22	Issued	Cancelled	Converted	30/09/23
Share Class A Income	190,829,774	51,487,936	(10,757,357)	—	231,560,353

### 12. Capital commitments and contingent liabilities

There were no contingent liabilities or outstanding commitments at the balance sheet date (2022: nil).

### 13. Derivatives and other financial instruments

The main risks from the Fund's holding of financial instruments, together with the ACD's policy for managing these risks, are disclosed in note 2 on pages 18 to 24 of the report.

#### (a) Foreign currency risk

A proportion of the financial net assets of the Fund are denominated in currencies other than sterling with the effect that the balance sheet and total return can be affected by currency movements.

The table below shows the foreign currency risk profile at the balance sheet date:

Currency	Net foreign currency exposure	
	30/09/23 £'000	30/09/22 £'000
Australian Dollar	84,416	92,056
Chinese Yuan	9,839	22,148
Hong Kong Dollar	53,730	23,256
Indian Rupee	11,863	12,325
New Taiwan Dollar	32,222	23,670
South Korean Won	37,918	26,423
US Dollar	20,363	14,921
<b>Total foreign currency exposure</b>	<b>250,351</b>	<b>214,799</b>
Sterling	11,101	13,178
<b>Total net assets</b>	<b>261,452</b>	<b>227,977</b>

If GBP to foreign currency exchange rates had strengthened/increased or weakened/decreased by 10% as at the balance sheet date, the net asset value of the fund would have decreased or increased by £25,035,092 (2022: £21,479,889). These calculations assume all other variables remain constant.

#### (b) Interest rate risk profile of financial assets and liabilities

The Fund does not invest in either fixed or floating rate securities and interest rate risk exposure is restricted to interest receivable on bank deposits or payable on bank overdraft positions which will be affected by fluctuations in interest rates.

As at 30 September 2023 4.61% of the Fund's assets were interest bearing (2022: 7.43%).

Changes in interest rates would have no material impact on the valuation of financial assets or liabilities. Consequently, no sensitivity analysis has been presented.

**Notes to the Financial Statements (continued)**  
For the year ended 30 September 2023

**14. Portfolio transaction costs**

	01/10/22 to 30/09/23		01/10/21 to 30/09/22	
	£'000	£'000	£'000	£'000
<b>Analysis of total purchase costs</b>				
Purchases in the year before transaction costs:				
Equities		120,981		127,893
Collective Investment Schemes		13,225		—
		134,206		127,893
Commissions - Equities	55		68	
Taxes - Equities	72		30	
Total purchase costs		127		98
<b>Gross purchase total</b>		<b>134,333</b>		<b>127,991</b>
<b>Analysis of total sale costs</b>				
Gross sales in the year before transaction costs:				
Equities		67,855		73,097
Collective Investment Schemes		1,188		—
		69,043		73,097
Commissions - Equities	(32)		(40)	
Taxes - Equities	(48)		(115)	
Total sale costs		(80)		(155)
<b>Total sales net of transaction costs</b>		<b>68,963</b>		<b>72,942</b>

The portfolio transaction costs table above includes direct transaction costs suffered by the Fund during the year.

Separately identifiable direct transaction costs (commissions and taxes etc.) are attributable to the Fund's purchase and sale of equity shares. Additionally for equity shares there is a dealing spread cost (the difference between the buying and selling prices) which will be suffered on purchase and sale transactions.

	01/10/22 to 30/09/23	01/10/21 to 30/09/22
	%	%
<b>Transaction costs as percentage of principal amounts</b>		
Purchases - Commissions		
Equities	0.0454	0.0535
Collective Investment Schemes	0.0000	0.0000
Purchases - Taxes		
Equities	0.0596	0.0234
Collective Investment Schemes	0.0000	0.0000
Sales - Commissions		
Equities	0.0467	0.0545
Collective Investment Schemes	0.0000	0.0000
Sales - Taxes		
Equities	0.0714	0.1579
Collective Investment Schemes	0.0000	0.0000

## Notes to the Financial Statements (continued)

For the year ended 30 September 2023

### 14. Portfolio transaction costs (continued)

	01/10/22 to 30/09/23 %	01/10/21 to 30/09/22 %
Transaction costs as percentage of average net asset value		
Commissions	0.0327	0.0468
Taxes	0.0451	0.0629

At the balance sheet date the average portfolio dealing spread was 0.18% (2022: 0.17%).

### 15. Post balance sheet events

Subsequent to the year end, the net asset value per unit of the fund has increased from 112.91p to 113.16p as at 26 January 2024. This movement takes into account routine transactions but also reflects the market movements of recent months.

### 16. Fair value disclosure

Valuation technique	30/09/23		30/09/22	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
<b>Level 1:</b> The unadjusted quoted price in an active market for identical assets or liabilities	249,619	—	214,248	—
<b>Level 2:</b> Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly	12,037	—	—	—
<b>Level 3:</b> Inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability	—	—	—	—
	<b>261,656</b>	<b>—</b>	<b>214,248</b>	<b>—</b>



## Distribution Table

As at 30 September 2023

### Interim Distribution in pence per Share

- Group 1 Shares purchased prior to 1 October 2022  
 Group 2 Shares purchased on or after 1 October 2022 to 31 March 2023

	Net revenue (p)	Equalisation (p)	Distribution paid 31/05/2023 (p)	Distribution paid 31/05/2022 (p)
<b>Share Class A Income</b>				
Group 1	0.2821	—	0.2821	0.0055
Group 2	0.2368	0.0453	0.2821	0.0055

### Final Distribution in pence per Share

- Group 1 Shares purchased prior to 1 April 2023  
 Group 2 Shares purchased on or after 1 April 2023 to 30 September 2023

	Net revenue (p)	Equalisation (p)	Distribution payable 30/11/2023 (p)	Distribution paid 30/11/2022 (p)
<b>Share Class A Income</b>				
Group 1	0.5614	—	0.5614	0.8978
Group 2	0.3958	0.1656	0.5614	0.8978

## Investment Manager's Report

For the year ended 30 September 2023

### Investment Objective

The Fund aims to achieve an annualised return consisting of both income and capital of 2% above the rate of cash, measured as GBP SONIA, after all fees and expenses, over a five-year rolling period. There is no guarantee that this will be achieved over this, or any, timeframe and capital is at risk.

### Investment Policy

The Fund intends to invest at least 70% in a diversified and broad range of assets such as equities, fixed income and cash either directly or indirectly (through the use of derivatives).

Indirect exposure to alternative asset classes such as commodities and property may be sought through investment in transferable securities, eligible index derivatives and collective investment schemes (including schemes managed and operated by the ACD or its associates).

The Fund may also invest in other transferable securities, exchange traded funds, money market instruments, warrants, cash, near cash and deposits as detailed in the Prospectus.

Derivatives may be used both for investment purposes and for efficient portfolio management.

### Benchmark

The performance of the Fund will be measured against the GBP SONIA + 2%\*, net of fees and expenses, for target return purposes. This index was chosen because it represents the minimum level of return that is expected from the Fund over the stated time period.

### Portfolio Review

Over the period the fund returned -0.22% [source: Return after operating charges as per Comparative Table] and the benchmark returned 6.01% [source: Financial Express, bid to bid, net income reinvested].

\*The index data provided has been licensed for use by its third-party providers who do not accept any liability for errors or omissions. For full disclaimer please see <https://omnisinvestments.com/disclaimers>

The fourth quarter of 2022 saw a significant rebound in asset returns. Reports of a deceleration in inflation data, the subsequent repricing of monetary policy expectations, and the re-opening of the Chinese economy exerted a powerful positive influence over markets. Additionally, a resulting decline in energy demand stemming from a warmer-than-usual winter caused a significant negative shock to oil prices, contributing to the rebound in asset classes.

The first quarter of 2023 saw a continued rally across asset markets. While, global commodities saw a marked decline. The distribution of gains and losses across asset classes was, however, highly variable throughout the quarter. In January, asset classes saw strong gains, though a reverse was experienced in February as strong US labour market data and upward revisions to inflation caused interest rate expectations to rise and financial conditions to tighten. In addition, the sudden collapse of Silicon Valley Bank gave rise to fears around US financial stability.

The second quarter of 2023 saw developed market equities move further ahead on the back of strong performance in the US and Japan. The US banking sector stabilised, as well as continued upside surprises in US labour market and consumer spending data. Against this backdrop, as well as

**Investment Manager's Report (continued)**

For the year ended 30 September 2023

a boom in valuations for AI-related markets, US equities performed very strongly in May and June. For Europe and China however, the economic picture worsened as global industrial activity continued to slow.

Finally, the third quarter of 2023 saw a simultaneous sell-off across global equity and bond markets as rising US bond yields hit valuations and pushed the dollar to a 10-month high. Global commodities rose over the quarter, driven largely by a +28.8% surge in energy prices surge as oil supply tightened significantly.

Against this backdrop, the portfolio's Discretionary Macro ("DM") strategy experienced losses whilst Dynamic Asset Allocation ("DAA") saw gains.

Within DAA, gains were led primarily by a long exposure to equities, which profited on the back of positive economic activity data in the US.

DM saw overall negative returns from the different sub-strategies. The 'Fixed Income' strategy saw losses from its short duration positions as rates rose across regions in March on the back of financial stability concerns. These losses were slightly offset by gains from the long Latin American rates position as central banks in the region started to cut rates towards the end of the period. The 'Macro Models' saw mixed returns with detractions in the beginning of the period before they were able to capitalize on clearer trends in the macroeconomic data later in the year. 'Volatility' saw negative returns coming from its Volatility Risk Premia position on the back of rates volatility spiking in March, while 'Dynamic Convexity' experienced losses amidst relatively low realised volatility particularly in equities and Foreign Exchange towards the end of the period.

**Fulcrum Asset Management LLP**

October 2023

## Material Portfolio Changes

For the year ended 30 September 2023

Purchases		Sales	
Portfolio Name	Cost £'000	Portfolio Name	Proceeds £'000
UK Treasury 2.25% 07/09/2023	23,488	UK Treasury 2.25% 07/09/2023	23,650
UK Treasury 0.125% 31/01/2024	23,247	France Treasury Bill 0% 08/02/2023	15,431
France Treasury Bill 0% 20/09/2023	14,094	US Treasury 0% 25/11/2022	15,203
US Treasury 0% 10/10/2023	13,857	US Treasury 0% 27/10/2022	14,228
France Treasury Bill 0% 18/01/2023	13,560	France Treasury Bill 0% 20/09/2023	14,198
France Treasury Bill 0% 24/01/2024	12,989	France Treasury Bill 0% 25/01/2023	13,990
France Treasury Bill 0% 29/11/2023	12,953	France Treasury Bill 0% 18/01/2023	13,658
France Treasury Bill 0% 13/04/2023	12,932	France Treasury Bill 0% 04/01/2023	13,519
US Treasury 0% 07/19/2023	12,888	US Treasury 0% 07/19/2023	13,086
France Treasury Bill 0% 04/10/2023	12,887	France Treasury Bill 0% 11/01/2023	13,009

The above table complements the data provided in the investment managers report by outlining the top 10 portfolio components.

## Comparative Table

As at 30 September 2023

	30/09/23 (p)	A Income 30/09/22 (p)	30/09/21 (p)
<b>Change in net assets per Share</b>			
Opening net asset value per share	106.68	103.93	103.82
Return before operating charges*	0.90	3.82	1.18
Operating charges	(1.13)	(1.07)	(1.07)
Return after operating charges	(0.23)	2.75	0.11
Distributions	(1.42)	—	—
Closing net asset value per share	105.03	106.68	103.93
*after direct transaction cost of:	0.09	0.05	0.03
<b>Performance</b>			
Return after operating charges	(0.22%)	2.65%	0.11%
<b>Other information</b>			
Closing net asset value (£'000)	231,520	252,140	253,652
Closing number of shares	220,423,990	236,347,874	244,060,181
Operating charges	1.06%	1.01%	1.02%
Direct transaction costs	0.09%	0.05%	0.03%
<b>Prices (p)**</b>			
Highest share price	108.42	108.36	107.43
Lowest share price	104.72	102.30	103.28

\*\*The highest and lowest share prices are based on published price. The opening and closing net asset values per share include accounting adjustments, therefore they may appear higher or lower as a result.

## Performance Information

As at 30 September 2023

### Operating Charge

Date	AMC (%)	Other expenses (%)	Transaction costs (%)	Total operating charge (%)
30/09/23 Share Class A Income	0.92	0.03	0.11	1.06
30/09/22 Share Class A Income	0.92	0.03	0.06	1.01

The Operating Charge is the ratio of the Fund's total disclosable costs (excluding overdraft interest) to the average net assets of the Fund.

## Risk and Reward Profile

As at 30 September 2023

	Typically lower rewards		Typically higher rewards				
	Lower risks			Higher risks			
Share Class A	1	2	3	4	5	6	7

- This indicator is based on historical data and may not be a reliable indication of the future risk profile of the Fund.
- The risk category shown is not guaranteed to remain unchanged and may shift over time.
- The risk and reward indicator table demonstrates where a Fund ranks in terms of its potential risk and return. The higher the rank the greater the potential reward but the greater the risk of losing money. The lowest category does not mean 'risk free'.
- The Fund appears as a "3" on the scale. This is because the Fund invests in a diverse mixture of investments.

### Risk Warning

An investment in an Open Ended Investment Company should be regarded as a medium to long-term investment. Investors should be aware that the price of shares and the income from them may fall as well as rise and investors may not receive back the full amount invested. Past performance is not a guide to future performance. Investments denominated in currencies other than the base currency of a Fund are subject to fluctuation in exchange rates, which may be favourable or unfavourable.

## Portfolio Statement

As at 30 September 2023

Holdings or Nominal Value	Investments	Market value £'000	% of Total Net Assets
<b>Collective Investment Schemes 9.67% (9.50%)</b>			
<b>Luxembourg 9.67% (9.50%)</b>			
249,279	Fulcrum Thematic Equity Market Neutral	22,386	9.67
		<b>22,386</b>	<b>9.67</b>
<b>Equities 9.77% (5.64%)</b>			
<b>Australia 0.16% (0.07%)</b>			
541	Cochlear	73	0.03
220	Commonwealth Bank of Australia	12	0.01
1,187	CSL	157	0.07
1,290	Macquarie	114	0.05
35	REA	3	0.00
109	Rio Tinto Ltd	7	0.00
		<b>366</b>	<b>0.16</b>
<b>Austria 0.03% (0.00%)</b>			
1,579	OMV AG	62	0.03
44	Verbund	3	0.00
		<b>65</b>	<b>0.03</b>
<b>Belgium 0.02% (0.00%)</b>			
45	Groupe Bruxelles Lambert	3	0.00
262	KBC	13	0.01
38	Melexis NV	3	0.00
1,049	Warehouses De Pauw CVA REIT***	21	0.01
		<b>40</b>	<b>0.02</b>
<b>Brazil 0.10% (0.08%)</b>			
21,321	Banco BTG Pactual	108	0.05
10,446	Engie Brasil Energia	71	0.03
2,879	Equatorial Energia SA	15	0.01
13,523	Marfrig Global Foods	16	0.01
3,073	Rede D'Or Sao Luiz SA	13	0.00
		<b>223</b>	<b>0.10</b>
<b>Canada 1.18% (1.14%)</b>			
142	Boralex Inc. Class A	3	0.00
1,626	Canadian Pacific Kansas City	99	0.04
45	Canadian Pacific Kansas City	3	0.00
15,589	Endeavour Silver	31	0.01
5,177	Energy Fuels	35	0.02
4	Fairfax Financial Holdings Ltd	3	0.00
6,035	First Majestic Silver	25	0.01
2	Fortis	0	0.00
12,029	Fortuna Silver Mines	27	0.01
7,478	Franco-Nevada	818	0.35
122	Gildan Activewear	3	0.00

**Portfolio Statement (continued)**

As at 30 September 2023

Holdings or Nominal Value	Investments	Market value £'000	% of Total Net Assets
<b>Canada 1.18% (1.14%) (continued)</b>			
3,421	Hydro One	72	0.03
5,002	MAG Silver	42	0.02
35	Masonite International	3	0.00
23	Novanta	3	0.00
20,653	Osisko Gold Royalties	199	0.09
4,765	Pan American Silver	56	0.02
1,395	Parkland	33	0.02
409	Royal Bank of Canada	29	0.01
29,966	Sandstorm Gold (New York listing)	114	0.05
10,002	Sandstorm Gold (Toronto listing)	38	0.02
223	Shopify	10	0.01
14,206	Silvercorp Metals	27	0.01
6,547	SilverCrest Metals	24	0.01
208	TELUS Corp	3	0.00
494	Toronto-Dominion Bank	24	0.01
320	Waste Connections	35	0.02
47	West Fraser Timber	3	0.00
29,524	Wheaton Precious Metals	981	0.42
		<b>2,743</b>	<b>1.18</b>
<b>Cayman Islands 0.08% (0.00%)</b>			
2,387	Afya	31	0.02
50	Ambarella Inc.	2	0.00
657	ANTA Sports Products	6	0.00
4	China Modern Dairy	0	0.00
971	Koolearn Technology Holding Ltd.	4	0.00
46,136	Fu Shou Yuan International Group Ltd.	26	0.01
1	Li Ning	0	0.00
7,375	NetEase Inc.	123	0.05
		<b>192</b>	<b>0.08</b>
<b>China 0.02% (0.07%)</b>			
52,944	Beijing Jingneng Clean Energy Co. Ltd. Class H	9	0.00
122,404	China Datang Corp Renewable Power Co. Ltd.	24	0.01
151,399	China Energy Engineering 'H' Shares	14	0.01
		<b>47</b>	<b>0.02</b>
<b>Curacao 0.06% (0.00%)</b>			
3,006	Schlumberger	144	0.06
		<b>144</b>	<b>0.06</b>
<b>Denmark 0.10% (0.00%)</b>			
4	AP Moller - Maersk	6	0.00
52	Chr Hansen	3	0.00
34	DSV Panalpina	5	0.00
959	Netcompany Group A/S	30	0.01



**Portfolio Statement (continued)**

As at 30 September 2023

Holdings or Nominal Value	Investments	Market value £'000	% of Total Net Assets
<b>Denmark 0.10% (0.00%) (continued)</b>			
2,604	Novo Nordisk	196	0.09
44	DONG Energy A/S	2	0.00
		<b>242</b>	<b>0.10</b>
<b>Faroe Islands 0.02% (0.00%)</b>			
942	Bakkafrost	40	0.02
		<b>40</b>	<b>0.02</b>
<b>Finland 0.01% (0.01%)</b>			
1,809	Nordea Bank	16	0.01
		<b>16</b>	<b>0.01</b>
<b>France 0.44% (0.09%)</b>			
884	Arkema	72	0.03
798	BNP Paribas	42	0.02
254	Coface	3	0.00
43	Dassault Aviation	7	0.00
121	Dassault Systemes	4	0.00
6,424	GDF Suez	81	0.03
30	Hermes International	45	0.02
200	LVMH Moet Hennessy Louis Vuitton	124	0.05
527	Pernod Ricard	72	0.03
133	Remy Cointreau	13	0.01
135	Sanofi	12	0.01
1,200	Schneider Electric	163	0.07
7,148	TotalEnergies	386	0.17
115	Veolia Environnement SA	3	0.00
		<b>1,027</b>	<b>0.44</b>
<b>Germany 0.11% (0.03%)</b>			
19	adidas	3	0.00
2,646	Bayer	104	0.05
22	Deutsche Boerse	3	0.00
3,214	Infineon Technologies	88	0.04
39	Rheinmetall AG	8	0.00
1,357	RWE	41	0.02
		<b>247</b>	<b>0.11</b>
<b>Guernsey 0.03% (0.00%)</b>			
1,034	Amdocs	71	0.03
		<b>71</b>	<b>0.03</b>
<b>Hong Kong 0.05% (0.00%)</b>			
23,204	China Resources Enterprise Ltd	104	0.05
		<b>104</b>	<b>0.05</b>

**Portfolio Statement (continued)**

As at 30 September 2023

Holdings or Nominal Value	Investments	Market value £'000	% of Total Net Assets
<b>Ireland 0.06% (0.38%)</b>			
39	Aon	11	0.01
723	Trane Technologies	120	0.05
		<b>131</b>	<b>0.06</b>
<b>Israel 0.11% (0.00%)</b>			
1,112	Monday.com	145	0.06
776	Nice ADR*	108	0.05
		<b>253</b>	<b>0.11</b>
<b>Italy 0.15% (0.01%)</b>			
558	Brunello Cucinelli	35	0.02
1,455	Enel	7	0.00
22,305	Eni	295	0.13
1,771	Intesa Sanpaolo	4	0.00
		<b>341</b>	<b>0.15</b>
<b>Japan 0.51% (0.14%)</b>			
2,169	Capcom Co Ltd	64	0.03
843	Daikin Industries Ltd	109	0.05
1	Hoya	0	0.00
5,071	ITOCHU	151	0.06
1,573	Konami	68	0.03
26,022	Mitsubishi UFJ Financial Group Inc	181	0.08
3,788	Nintendo	130	0.06
1,566	Niterra	29	0.01
12,118	Panasonic Corp	112	0.05
3,133	Recruit	79	0.03
244	Sony Corp	16	0.01
972	Square Enix Holdings Co Ltd	27	0.01
2,335	Toyota Tsusho	113	0.05
3,485	Unicharm	101	0.04
		<b>1,180</b>	<b>0.51</b>
<b>Jersey 0.00% (0.00%)</b>			
109	Experian	3	0.00
1,374	Glencore	6	0.00
		<b>9</b>	<b>0.00</b>
<b>Luxembourg 0.00% (0.00%)</b>			
291	ArcelorMittal	6	0.00
27	Spotify Technology	3	0.00
		<b>9</b>	<b>0.00</b>
<b>Mexico 0.03% (0.00%)</b>			
102,841	America Movil	73	0.03
		<b>73</b>	<b>0.03</b>

**Portfolio Statement (continued)**

As at 30 September 2023

Holdings or Nominal Value	Investments	Market value £'000	% of Total Net Assets
<b>Netherlands 0.15% (0.75%)</b>			
5	Adyen	3	0.00
302	BE Semiconductor Industries	24	0.01
1,615	Elastic	108	0.05
1,544	Expro Group Holdings NV	29	0.01
384	Heineken	28	0.01
963	NXP Semiconductors NV	158	0.07
31	Wolters Kluwer	3	0.00
		<b>353</b>	<b>0.15</b>
<b>Norway 0.11% (0.03%)</b>			
506	Adevinta	4	0.00
4,697	Aker BP	107	0.05
8,189	Aker Solutions	27	0.01
9,090	Kahoot!	24	0.01
2,675	Mowi	39	0.02
728	Salmar	31	0.02
178	Schibsted	3	0.00
272	TOMRA Systems	3	0.00
209	Yara International	7	0.00
		<b>245</b>	<b>0.11</b>
<b>South Africa 0.00% (0.67%)</b>			
<b>South Korea 0.02% (0.00%)</b>			
22	NAVER Corp	3	0.00
413	SK Innovation	37	0.02
		<b>40</b>	<b>0.02</b>
<b>Spain 0.12% (0.03%)</b>			
1,200	Amadeus IT	60	0.03
42,327	Banco Santander	133	0.06
871	CaixaBank SA	3	0.00
95	Cellnex Telecom	3	0.00
188	EDP Renovaveis	2	0.00
1,127	Iberdrola	10	0.00
5,077	Repsol	68	0.03
		<b>279</b>	<b>0.12</b>
<b>Sweden 0.03% (0.01%)</b>			
161	Assa Abloy	3	0.00
513	Atlas Copco 'A' Ordinary Shares	6	0.00
305	Atlas Copco 'B' Ordinary Shares	3	0.00
4,688	Billerud	35	0.02
335	Castellum	3	0.00
185	EQT	3	0.00

**Portfolio Statement (continued)**

As at 30 September 2023

Holdings or Nominal Value	Investments	Market value £'000	% of Total Net Assets
<b>Sweden 0.03% (0.01%) (continued)</b>			
2,078	Nibe Industrier	11	0.01
68	Saab	3	0.00
		<b>67</b>	<b>0.03</b>
<b>Switzerland 0.21% (0.02%)</b>			
1,011	Chubb	172	0.07
2,192	Holcim	115	0.05
12	Kuehne + Nagel International	3	0.00
114	Lonza	43	0.02
785	Nestle	73	0.03
16	Schindler Holding AG	3	0.00
167	Swiss Life	86	0.04
		<b>495</b>	<b>0.21</b>
<b>Taiwan 0.10% (0.00%)</b>			
2,207	Taiwan Semiconductor Manufacturing ADR*	157	0.07
13,606	United Microelectronics ADR*	79	0.03
		<b>236</b>	<b>0.10</b>
<b>United Kingdom 0.57% (0.17%)</b>			
242	Ashtead	12	0.01
290	AstraZeneca	32	0.01
477	Auto Trader	3	0.00
2,643	Big Yellow Group PLC	25	0.01
87,943	BP	467	0.20
194	Compass	4	0.00
132	Computacenter	3	0.00
11,083	Fresnillo	61	0.03
1,757	Future	16	0.01
5,979	HSBC	38	0.02
2,009	Intermediate Capital	28	0.01
68	Intertek	3	0.00
20,796	JD Sports Fashion	31	0.01
73	London Stock Exchange	6	0.00
1,057	National Grid	10	0.00
7,842	Pets at Home	26	0.01
882	QinetiQ	3	0.00
363	RELX	10	0.01
516	Rightmove	3	0.00
359	Rio Tinto	19	0.01
377	Segro REIT***	3	0.00
20,012	Shell	521	0.23
195	Softcat	3	0.00
296	UNITE REIT***	3	0.00
		<b>1,330</b>	<b>0.57</b>

**Portfolio Statement (continued)**

As at 30 September 2023

Holdings or Nominal Value	Investments	Market value £'000	% of Total Net Assets
<b>United States 5.19% (1.94%)</b>			
344	AbbVie	42	0.02
159	Adobe	66	0.03
373	AeroVironment	34	0.01
848	Airbnb	95	0.04
929	Akamai Technologies Inc	81	0.03
9,305	Alkami Technology	139	0.06
471	Allstate	43	0.02
1,444	Alphabet	156	0.07
1,658	Alphabet	178	0.08
1,402	Alteryx	43	0.02
2,620	Amazon.com	273	0.12
56	American Electric Power	3	0.00
88	American Tower	12	0.01
25	American Water Works	2	0.00
345	AMETEK	42	0.02
102	Amgen Inc	22	0.01
12	ANSYS Inc	3	0.00
2,085	Antero Resources Corp	43	0.02
1,267	Apollo Global Management	93	0.04
4,275	Apple	599	0.26
856	Applied Materials	97	0.04
377	AptarGroup	39	0.02
25	Arthur J Gallagher	5	0.00
24	Autodesk Inc	4	0.00
832	Automatic Data Processing	164	0.07
19	AvalonBay Communities REIT***	3	0.00
4,570	Baker Hughes	132	0.06
2,156	Bank of America	48	0.02
247	Berkshire Hathaway	71	0.03
791	BILL	70	0.03
98	BlackRock Inc	52	0.02
31	Booz Allen Hamilton	3	0.00
269	Boston Scientific	12	0.01
1,650	Braze	63	0.03
2,076	Bristol-Myers Squibb	99	0.04
141	Broadcom	96	0.04
20	Broadridge Financial Solutions	3	0.00
50	Cadence Design Systems Inc	10	0.00
63	Centene	3	0.00
2,454	Chevron	339	0.15
26	Chipotle Mexican Grill	39	0.02
38	Church & Dwight	3	0.00
203	Cigna	48	0.02
3,227	Clearwater Analytics Holdings Inc.	51	0.02
69	CME	11	0.00

**Portfolio Statement (continued)**

As at 30 September 2023

Holdings or Nominal Value	Investments	Market value £'000	% of Total Net Assets
<b>United States 5.19% (1.94%) (continued)</b>			
1,619	CNX Resources	30	0.01
1,160	Comcast Corp	42	0.02
4,916	Confluent	119	0.05
40	Crane Co.	3	0.00
391	CVS Caremark Corp	22	0.01
1,336	Delek US Energy Inc.	31	0.01
2,685	Dow	113	0.05
76	DR Horton	7	0.00
2,161	Dynatrace	83	0.04
1,671	Edison International	87	0.04
71	Edwards Lifesciences Corp	4	0.00
104	Elevance Health	37	0.02
425	Eli Lilly	187	0.08
100	Enphase Energy	10	0.00
19	Equifax Inc	3	0.00
18	Equinix REIT***	11	0.00
56	Estee Lauder	7	0.00
364	Expeditors International of Washington	34	0.01
8,002	Extreme Networks	159	0.07
3,957	Exxon Mobil	381	0.16
8	FactSet Research Systems	3	0.00
2,535	Fastly	40	0.02
207	Fiserv	19	0.01
14	FleetCor Technologies	3	0.00
1,975	Hartford Financial Services	115	0.05
16,245	Hecla Mining	52	0.02
557	Hess	70	0.03
407	Home Depot	101	0.04
209	HubSpot	84	0.04
133	Humana	53	0.02
22	Illumina Inc	2	0.00
2,049	Ingersoll Rand	107	0.05
19	Insulet	2	0.00
2,031	Intapp Inc.	56	0.02
38	Interactive Brokers	3	0.00
200	Intuit	84	0.04
5,154	Jamf	74	0.03
1,140	Johnson & Johnson	145	0.06
1,139	JPMorgan Chase	135	0.06
73	KB Home	3	0.00
106	KLA	40	0.02
25	Lam Research	13	0.01
31	Lennar	3	0.00
413	Lowe's	70	0.03
200	Lululemon Athletica	63	0.03

**Portfolio Statement (continued)**

As at 30 September 2023

Holdings or Nominal Value	Investments	Market value £'000	% of Total Net Assets
<b>United States 5.19% (1.94%) (continued)</b>			
94	Marsh & McLennan	15	0.01
323	Mastercard	105	0.05
533	McDonald's	115	0.05
247	McKesson Corp	88	0.04
1,514	Merck	128	0.06
617	Meta Platforms	152	0.07
55	Mettler-Toledo International Inc	50	0.02
1,800	Microchip Technology	115	0.05
277	Micron Technology	15	0.01
2,111	Microsoft	546	0.24
370	Molina Healthcare	99	0.04
416	Morgan Stanley	28	0.01
102	MSCI	43	0.02
121	Netflix	37	0.02
1,792	New Relic	126	0.05
91	Newmont	3	0.00
352	NIKE	28	0.01
3,679	Nutanix	105	0.05
3	NVR	15	0.01
2,404	Okta	160	0.07
45	Omnicom Group Inc	3	0.00
453	Oracle Corp	39	0.02
103	Ovintiv	4	0.00
331	Palo Alto Networks	63	0.03
38	Paychex Inc	4	0.00
2,945	Paycor HCM	55	0.02
196	PayPal	9	0.00
806	PNM Resources	29	0.01
1,342	Procore Technologies Inc.	72	0.03
1,846	Procter & Gamble	221	0.10
113	Progressive	13	0.01
1,511	Prologis REIT***	139	0.06
25	PTC	3	0.00
524	Public Storage	113	0.05
45	PulteGroup	3	0.00
3,849	Q2	102	0.04
514	QUALCOMM	47	0.02
2,183	Rapid7	82	0.04
298	Republic Services	35	0.01
20	Roper Technologies	8	0.00
6,142	Royal Gold	535	0.23
133	S&P Global	40	0.02
1,142	Salesforce	190	0.08
9,328	SEMrush	65	0.03
43	ServiceNow	20	0.01

**Portfolio Statement (continued)**

As at 30 September 2023

Holdings or Nominal Value	Investments	Market value £'000	% of Total Net Assets
<b>United States 5.19% (1.94%) (continued)</b>			
727	Sherwin-Williams	152	0.07
4,753	Smartsheet	157	0.07
92	Spirit Realty Capital Inc.	2	0.00
13,385	Sprinklr	152	0.07
220	Starbucks	16	0.01
25	Take-Two Interactive Software	3	0.00
332	Teledyne Technologies	111	0.05
727	Tesla	149	0.06
1,647	TJX	120	0.05
31	TKO	2	0.00
162	T-Mobile US	19	0.01
7,995	Toast	123	0.05
899	Travelers	120	0.05
9	Tyler Technologies	3	0.00
478	Uber Technologies	18	0.01
7,901	UiPath Inc.	111	0.05
17	Verisk Analytics	3	0.00
643	Verizon Communications	17	0.01
4,203	Vertex	79	0.03
598	Visa	113	0.05
1,286	Voya Financial	70	0.03
1,557	Wal-Mart Stores Inc	204	0.09
219	Waste Management	27	0.01
630	Wells Fargo	21	0.01
324	WEX	50	0.02
39	Workday	7	0.00
12,510	Zeta Global	86	0.04
9,050	Zuora	61	0.03
		<b>12,007</b>	<b>5.19</b>
<b>Government Bonds 74.79% (73.77%)</b>			
<b>France 43.25% (47.66%)</b>			
EUR 12,000,000	France Treasury Bill BTF 0% 04/10/2023	10,408	4.49
EUR 15,100,000	France Treasury Bill BTF 0% 01/11/2023	13,059	5.64
EUR 15,200,000	France Treasury Bill BTF 0% 29/11/2023	13,106	5.66
EUR 15,400,000	France Treasury Bill BTF 0% 24/01/2024	13,203	5.70
EUR 13,600,000	France Treasury Bill BTF 0% 21/02/2024	11,625	5.02
EUR 11,200,000	France Treasury Bill BTF 0% 15/11/2023	9,672	4.18
EUR 11,200,000	France Treasury Bill BTF 0% 13/12/2023	9,644	4.17
EUR 9,350,000	France Treasury Bill BTF 0% 10/01/2024	8,027	3.47
EUR 13,300,000	France Treasury Bill BTF 0% 07/02/2024	11,385	4.92
		<b>100,129</b>	<b>43.25</b>



**Portfolio Statement (continued)**

As at 30 September 2023

Holdings or Nominal Value	Investments	Market value £'000	% of Total Net Assets
<b>United Kingdom 10.07% (5.07%)</b>			
GBP 23,700,000	UK Treasury 0.125% 31/01/2024	23,323	10.07
		<b>23,323</b>	<b>10.07</b>
<b>United States 21.47% (21.04%)</b>			
USD 15,250,000	US Treasury 0% 05/10/2023	12,483	5.39
USD 15,950,000	US Treasury 0.01% 14/12/2023	12,922	5.58
USD 18,000,000	US Treasury 0% 10/10/2023	14,724	6.36
USD 11,900,000	US Treasury 0% 25/01/2024	9,580	4.14
		<b>49,709</b>	<b>21.47</b>
<b>Swaps 0.28% (0.03%)</b>			
BRL 45,966,300	JPMorgan Interest Rate Swap BRL 1% 04/01/2027	162	0.07
BRL 26,836,400	JPMorgan Interest Rate Swap BRL 12.89% 02/01/2025	75	0.03
BRL 87,732,600	JPMorgan Interest Rate Swap BRL 10.43% 02/01/2025	(107)	(0.05)
EUR 7,539,800	JPMorgan Interest Rate Swap EUR 1% 15/09/2025	(23)	(0.01)
GBP 13,884,000	JPMorgan Interest Rate Swap GBP 1% 30/09/2025	(14)	(0.01)
GBP 156,356,000	JPMorgan Interest Rate Swap GBP 5.663% 01/02/2024	62	0.03
GBP 85,238,700	JPMorgan Interest Rate Swap GBP 5.477% 20/12/2025	647	0.28
JPY 239,043,500	JPMorgan Interest Rate Swap JPY 1% 20/12/2033	19	0.01
JPY 92,824,400	JPMorgan Interest Rate Swap JPY 1% 20/12/2053	14	0.01
JPY 470,230,300	JPMorgan Interest Rate Swap JPY 1% 20/12/2028	6	0.00
JPY 2,864,597,800	JPMorgan Interest Rate Swap JPY 1% 20/12/2025	(1)	0.00
NOK 18,518,700	JPMorgan Interest Rate Swap NOK 4.327% 20/12/2028	(2)	0.00
NZD 8,242,600	JPMorgan Interest Rate Swap NZD 4.857% 20/12/2028	(57)	(0.03)
NZD 49,146,800	JPMorgan Interest Rate Swap NZD 5.35% 20/12/2025	(133)	(0.06)
PLN 6,064,800	JPMorgan Interest Rate Swap PLN 1% 20/12/2033	25	0.01
PLN 18,373,800	JPMorgan Interest Rate Swap PLN 3.803% 20/12/2025	(32)	(0.01)

**Portfolio Statement (continued)**

As at 30 September 2023

Holdings or Nominal Value	Investments	Market value £'000	% of Total Net Assets
<b>Swaps 0.28% (0.03%) (continued)</b>			
SEK 134,288,900	JPMorgan Interest Rate Swap SEK 3.977% 20/12/2025	13	0.01
USD 1,514,000	JPMorgan Interest Rate Swap USD 1% 20/12/2028	(10)	0.00
		<b>644</b>	<b>0.28</b>
<b>Options 0.36% ((0.13%))</b>			
USD 28,000	AUDUSD EURO 9AM 63.3 Put October 2023	1	0.00
USD 28,000	AUDUSD EURO 9AM 64 Put October 2023	3	0.00
USD 28,000	AUDUSD EURO 9AM 64.5 Put October 2023	7	0.00
USD 28,000	AUDUSD EURO 9AM 65 Call October 2023	3	0.00
USD 28,000	AUDUSD EURO 9AM 65.5 Call October 2023	1	0.00
USD 28,000	AUDUSD EURO 9AM 66 Call October 2023	0	0.00
USD 28,000	AUDUSD EURO 9AM 66.5 Call October 2023	0	0.00
USD 27,000	CAD CURR 9AM 73.75 Put October 2023	5	0.00
USD 27,000	CAD CURR 9AM 74 Put October 2023	9	0.00
USD 29,000	CAD CURR 9AM 75.75 Call October 2023	0	0.00
USD 27,000	CAD CURR 9AM 74.25 Put October 2023	12	0.01
USD 29,000	CAD CURR 9AM 74.5 Put October 2023	18	0.01
USD 27,000	CAD CURR 9AM 74.75 Call October 2023	0	0.00
USD 27,000	CAD CURR 9AM 75 Call October 2023	0	0.00
USD 27,000	CAD CURR 9AM 75.25 Call October 2023	0	0.00
USD (46,000)	CBOE Volatility Index 14.5 Put October 2023	(7)	0.00
USD (71,000)	CBOE Volatility Index 15 Put October 2023	(16)	(0.01)
USD (71,000)	CBOE Volatility Index 16 Put October 2023	(35)	(0.01)
USD (71,000)	CBOE Volatility Index 17 Put October 2023	(62)	(0.03)
USD (46,000)	CBOE Volatility Index 18 Call October 2023	(51)	(0.02)
USD (25,000)	CBOE Volatility Index 18 Put October 2023	(34)	(0.01)
USD (71,000)	CBOE Volatility Index 20 Call October 2023	(51)	(0.02)
USD (25,000)	CBOE Volatility Index 21 Call October 2023	(15)	(0.01)
USD (46,000)	CBOE Volatility Index 22 Call October 2023	(24)	(0.01)
USD (25,000)	CBOE Volatility Index 24 Call October 2023	(10)	0.00
USD (46,000)	CBOE Volatility Index 26 Call October 2023	(15)	(0.01)
USD (25,000)	CBOE Volatility Index 28 Call October 2023	(7)	0.00
EUR 21,300	EURO STOXX Index Dividend 120 CALL December 2024	409	0.18
EUR (22,000)	EURO STOXX Index Dividend 130 CALL December 2024	(248)	(0.11)
EUR 5,700	EURO STOXX Index Dividend 135 CALL December 2024	72	0.03
EUR (5,700)	EURO STOXX Index Dividend 90 PUT December 2024	(4)	0.00
GBP 230	FTSE 100 Index 7425 Put October 2023	6	0.00
GBP 230	FTSE 100 Index 7550 Put October 2023	13	0.01
GBP 230	FTSE 100 Index 7625 Put October 2023	20	0.01
GBP 230	FTSE 100 Index 7700 Put October 2023	28	0.01

**Portfolio Statement (continued)**

As at 30 September 2023

Holdings or Nominal Value	Investments	Market value £'000	% of Total Net Assets
<b>Options 0.36% ((0.13%)) (continued)</b>			
GBP 230	FTSE 100 Index 7775 Call October 2023	6	0.00
GBP 230	FTSE 100 Index 7825 Call October 2023	4	0.00
GBP 230	FTSE 100 Index 7900 Call October 2023	2	0.00
GBP 4,180	FTSE 100 Index 8000 CALL December 2023	148	0.07
GBP 230	FTSE 100 Index 8000 Call October 2023	1	0.00
USD 16,515,000	FX001856 FULCRUM 81.46 Put USD INR October 2023	0	0.00
USD 16,515,000	FX001857 FULCRUM 83.85 Call USD INR October 2023	9	0.00
USD 23,866,000	FX001873 FULCRUM 7.37 Call USD CNH December 2023	99	0.04
USD (23,866,000)	FX001874 FULCRUM 7.7 Call USD CHN December 2023	(12)	0.00
EUR 7,288,000	FX001881 FULCRUM 1.045 Put EUR USD December 2023	47	0.02
GBP 606,000	FX001883 FULCRUM 1.17 Put GBP USD March 2024	109	0.05
MXN 5,447,000	FX001885 FULCRUM 8.7 Call MXN JPY March 2024	64	0.03
NZD 12,359,000	FX001887 FULCRUM 0.58 Put NZD USD December 2023	15	0.01
NZD 18,475,000	FX001888 FULCRUM 0.58 Put NZD USD November 2023	52	0.02
MXN 3,446,000	FX001892 FULCRUM 9 Call MXN JPY March 2024	19	0.01
EUR (4,387,000)	FX001893 FULCRUM 0.9666 Call EUR CHF October 2023	(19)	(0.01)
EUR (4,387,000)	FX001894 FULCRUM 0.9477 Put EUR CHF October 2023	(1)	0.00
USD 9,178,000	FX001898 FULCRUM 7.4 Call USD CNH October 2023	7	0.00
NZD (18,462,000)	FX001902 FULCRUM 0.565 Put NZD USD November 2023	(18)	(0.01)
EUR 3,595,000	FX001903 FULCRUM 4.72 Call EUR PLN December 2023	29	0.01
USD 7,351,000	FX001904 FULCRUM .93 Call USD CHF November 2023	27	0.01
USD 10,322,000	FX001905 FULCRUM 151 Call USD JPY October 2023	8	0.00
EUR 248,000	FX001906 FULCRUM 1.015 Put EUR USD February 2024	26	0.01
USD (4,850)	S+P EMINI OPTN 4130 Put October 2023	(61)	(0.03)
USD 4,850	S+P EMINI OPTN 4330 Put October 2023	253	0.11
		<b>842</b>	<b>0.36</b>

**Portfolio Statement (continued)**

As at 30 September 2023

Holdings or Nominal Value	Investments	Market value £'000	% of Total Net Assets
<b>Futures (0.36%) ((0.37%))</b>			
81	AUDUSD Currency Futures December 2023	6	0.00
2	Australian Government Bond 10 Year Futures December 2023	(2)	0.00
(165)	Australian Government Bond 3 Year Futures December 2023	66	0.03
164	BP Currency Futures December 2023	(177)	(0.08)
4	CAC 40 Index Futures October 2023	(4)	0.00
90	CAD Currency Futures December 2023	(35)	(0.01)
2	Canadian Government Bond 10 Year Futures December 2023	(1)	0.00
(32)	CBOE VIX Futures November 2023	(52)	(0.02)
14	CBOE VIX Futures October 2023	(14)	(0.01)
5	CHF Currency Futures December 2023	4	0.00
(5)	E-Mini Dow Futures December 2023	25	0.01
(36)	E-mini Russell 2000 Index Futures December 2023	33	0.01
(50)	EURO Currency Futures December 2023	(8)	0.00
(33)	EURO STOXX 50 Index Futures December 2023	0	0.00
68	FTSE 100 Index Futures December 2023	6	0.00
(9)	FTSE/JSE TOP 40 Futures December 2023	7	0.00
(1)	FTSE/MIB Index Futures December 2023	1	0.00
(74)	German Euro BTP Futures December 2023	177	0.08
137	German Euro Bund Futures December 2023	(282)	(0.12)
1	German Euro OAT Futures December 2023	0	0.00
108	German Euro Schatz Futures December 2023	(9)	0.00
3	Hang Seng China Enterprises Index Futures October 2023	0	0.00
(2)	Hang Seng Index Futures October 2023	(2)	0.00
(3)	IBEX 35 Index Futures October 2023	0	0.00
(5)	Japanese Government Bond 10 Year Mini Futures December 2023	33	0.01
346	JPN YEN Currency Futures December 2023	(330)	(0.14)
(10)	KOSPI 200 Index Futures December 2023	17	0.01
(1)	Mini DAX Index Futures December 2023	(1)	0.00
(18)	MSCI Singapore Index Futures October 2023	(4)	0.00
13	MXN Currency Futures December 2023	0	0.00
(2)	NASDAQ 100 E-MINI Futures December 2023	21	0.01
106	NIKKEI 225 MINI Futures December 2023	(61)	(0.03)
8	NOK Currency Futures December 2023	10	0.00
(18)	NZD Currency Futures December 2023	(14)	(0.01)
(14)	OMXS 30 Index Futures October 2023	3	0.00
107	S&P 500 E Mini Index Futures December 2023	(544)	(0.23)
2	S&P/TSX 60 Index Futures December 2023	(8)	0.00
58	S+P 500 ANNL DIV Futures December 2023	51	0.02
5	Swiss Market Index Futures December 2023	(1)	0.00

**Portfolio Statement (continued)**

As at 30 September 2023

Holdings or Nominal Value	Investments	Market value £'000	% of Total Net Assets
<b>Futures (0.36%) ((0.37%)) (continued)</b>			
67	SX5E DIVIDEND Futures December 2023	114	0.05
48	TOPIX Index Futures December 2023	(96)	(0.04)
(106)	UK Long Gilt Futures December 2023	139	0.06
217	US Treasury Note 10 Year Futures December 2023	(19)	(0.01)
164	US Treasury Note 2 Year Futures December 2023	(27)	(0.01)
57	US Treasury Note 5 Year Futures December 2023	(56)	(0.02)
(28)	US Treasury Ultra Bond Futures December 2023	196	0.08
		<b>(838)</b>	<b>(0.36)</b>
<b>Forward Currency Contracts (0.62%) ((4.23%))</b>			
	Bought BRL21,954,471 for USD4,449,625 Settlement 20/12/2023	(88)	(0.04)
	Bought CHF27,412 for USD30,000 Settlement 31/10/2023	0	0.00
	Bought CLP9,127,300 for USD10,000 Settlement 20/12/2023	0	0.00
	Bought CZK17,250,044 for USD743,041 Settlement 31/10/2023	5	0.00
	Bought IDR12,759,959,000 for USD828,000 Settlement 20/12/2023	(2)	0.00
	Bought INR198,330,734 for USD2,379,493 Settlement 20/12/2023	0	0.00
	Bought KRW31,310,225 for USD23,554 Settlement 20/12/2023	0	0.00
	Bought MXN106,234,399 for USD5,987,135 Settlement 31/10/2023	80	0.03
	Bought NOK7,219,412 for USD670,076 Settlement 31/10/2023	7	0.00
	Bought PHP1,139,800 for USD20,000 Settlement 20/12/2023	0	0.00
	Bought PLN3,663,012 for EUR789,282 Settlement 31/10/2023	2	0.00
	Bought PLN87,825 for USD20,000 Settlement 31/10/2023	0	0.00
	Bought SEK219,246 for USD20,000 Settlement 31/10/2023	0	0.00
	Bought SGD5,925,165 for USD4,334,456 Settlement 31/10/2023	10	0.00
	Bought THB56,205,023 for USD1,581,881 Settlement 20/12/2023	(23)	(0.01)
	Bought TWD960,882 for USD30,000 Settlement 20/12/2023	0	0.00
	Bought USD857,000 for BRL4,372,322 Settlement 20/12/2023	(7)	0.00

**Portfolio Statement (continued)**

As at 30 September 2023

Holdings or Nominal Value	Investments	Market value £'000	% of Total Net Assets
	<b>Forward Currency Contracts (0.62%) (4.23%) (continued)</b>		
	Bought USD1,923,882 for CHF1,758,859 Settlement 31/10/2023	(5)	0.00
	Bought USD617,616 for CLP547,220,364 Settlement 20/12/2023	4	0.00
	Bought USD1,571,067 for CNH11,485,909 Settlement 31/10/2023	(5)	0.00
	Bought USD223,405 for HUF83,429,022 Settlement 31/10/2023	(2)	0.00
	Bought USD3,689,619 for IDR56,654,748,546 Settlement 20/12/2023	10	0.00
	Bought USD1,600,818 for INR133,844,548 Settlement 20/12/2023	(4)	0.00
	Bought USD2,745,392 for KRW3,629,363,949 Settlement 20/12/2023	36	0.02
	Bought USD704,000 for MXN12,489,390 Settlement 31/10/2023	(9)	0.00
	Bought USD90,000 for NOK969,646 Settlement 31/10/2023	(1)	0.00
	Bought USD668,122 for PHP38,048,784 Settlement 20/12/2023	(4)	0.00
	Bought USD3,364,721 for PLN14,764,814 Settlement 31/10/2023	(12)	(0.01)
	Bought USD766,506 for SEK8,336,609 Settlement 31/10/2023	(9)	0.00
	Bought USD200,000 for SGD273,947 Settlement 31/10/2023	(1)	0.00
	Bought USD2,369,462 for TWD75,272,873 Settlement 20/12/2023	12	0.01
	Bought USD285,620 for ZAR5,491,827 Settlement 31/10/2023	(4)	0.00
	Bought ZAR382,614 for USD20,000 Settlement 31/10/2023	0	0.00
	Sold CAD70,447 for GBP42,881 Settlement 31/10/2023	0	0.00
	Sold CHF61,836 for GBP55,622 Settlement 31/10/2023	0	0.00
	Sold DKK53,725 for GBP6,272 Settlement 31/10/2023	0	0.00
	Sold EUR14,900,000 for GBP13,164,095 Settlement 04/10/2023	239	0.10
	Sold EUR1,157,004 for GBP1,006,710 Settlement 31/10/2023	2	0.00
	Sold EUR15,100,000 for GBP13,086,993 Settlement 01/11/2023	(24)	(0.01)

**Portfolio Statement (continued)**

As at 30 September 2023

Holdings or Nominal Value	Investments	Market value £'000	% of Total Net Assets
<b>Forward Currency Contracts (0.62%) ((4.23%)) (continued)</b>			
	Sold EUR11,200,000 for GBP9,634,386 Settlement 15/11/2023	(96)	(0.04)
	Sold EUR15,200,000 for GBP13,170,596 Settlement 29/11/2023	(42)	(0.02)
	Sold EUR11,200,000 for GBP9,636,328 Settlement 13/12/2023	(106)	(0.05)
	Sold EUR9,350,000 for GBP8,086,362 Settlement 10/01/2024	(58)	(0.02)
	Sold EUR15,400,000 for GBP13,257,644 Settlement 24/01/2024	(164)	(0.07)
	Sold EUR13,300,000 for GBP11,626,115 Settlement 07/02/2024	28	0.01
	Sold EUR13,600,000 for GBP11,725,749 Settlement 21/02/2024	(141)	(0.06)
	Sold NOK2,679,461 for GBP204,782 Settlement 31/10/2023	(1)	0.00
	Sold USD15,250,000 for GBP12,256,221 Settlement 05/10/2023	(238)	(0.10)
	Sold USD18,000,000 for GBP13,996,750 Settlement 10/10/2023	(750)	(0.32)
	Sold USD26,492,784 for GBP21,814,351 Settlement 31/10/2023	113	0.05
	Sold USD15,950,000 for GBP12,858,353 Settlement 14/12/2023	(203)	(0.09)
	Sold USD11,900,000 for GBP9,747,618 Settlement 25/01/2024	6	0.00
		<b>(1,445)</b>	<b>(0.62)</b>
	<b>Portfolio of investments</b>	<b>217,365</b>	<b>93.89</b>
	Net other assets	14,155	6.11
	<b>Net assets</b>	<b>231,520</b>	<b>100.00</b>

\*American Depositary Receipts.

\*\*\*Real Estate Investment Trust.

Comparative figures shown above in brackets relate to 30 September 2022.

The investments have been valued in accordance with note 1(h) of the Accounting Policies and Financial Instruments.

All investments are ordinary shares unless otherwise stated and admitted to official stock exchange listings.

Gross purchases for the year (excl. Derivatives): £550,147,000 [2022: £506,675,000]. (See note 16).

Total sales net of transaction costs for the year (excl. Derivatives): £552,285,000 [2022: £497,479,000]. (See note 16).

**Portfolio Statement (continued)**

As at 30 September 2023

**Bond Ratings as at 30 September 2023**

Bonds Rating	% of Total Net Assets
AA	74.79
Uninvested Cash	6.11
Equities	9.77
Interest Rate Swaps & Forwards	(0.34)
Futures & Options	0.00
Internal Funds	9.67
<b>Net Assets</b>	<b>100.00</b>

Bonds not rated are of investment grade, but rating not sought by issuer.



## Statement of Total Return

For the year ended 30 September 2023

	Note	01/10/22 to 30/09/23		01/10/21 to 30/09/22	
		£'000	£'000	£'000	£'000
Income:					
Net capital (losses)/gains	2		(3,616)		9,513
Revenue	3	5,523		271	
Expenses	4	(2,299)		(2,493)	
Interest payable and similar charges	5	3		(25)	
Net revenue/(expense) before taxation		3,227		(2,247)	
Taxation	6	(39)		(27)	
Net revenue/(expense) after taxation			3,188		(2,274)
Total return before distributions			(428)		7,239
Distributions	7		(3,188)		—
<b>Change in net assets attributable to Shareholders from investment activities</b>			<b>(3,616)</b>		<b>7,239</b>

## Statement of Change in Net Assets Attributable to Shareholders

For the year ended 30 September 2023

	01/10/22 to 30/09/23		01/10/21 to 30/09/22	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to Shareholders</b>		252,140		253,652
Amounts receivable on issue of Shares	9,054		28,552	
Amounts payable on cancellation of Shares	(26,058)		(37,303)	
		(17,004)		(8,751)
Change in net assets attributable to Shareholders from investment activities (see above)		(3,616)		7,239
<b>Closing net assets attributable to Shareholders</b>		<b>231,520</b>		<b>252,140</b>

## Balance Sheet

As at 30 September 2023

	Note	30/09/23		30/09/22	
		£'000	£'000	£'000	£'000
<b>Assets:</b>					
Fixed assets:					
Investments			222,180		233,917
Current assets:					
Debtors	8	2,855		1,670	
Cash and bank balances	9	24,433		44,050	
Total current assets			27,288		45,720
Total assets			249,468		279,637
<b>Liabilities:</b>					
Investment liabilities					
			(4,815)		(21,578)
Creditors:					
Bank overdrafts	11	(253)		(135)	
Distribution payable		(2,575)		—	
Other creditors	10	(10,305)		(5,784)	
Total creditors			(13,133)		(5,919)
Total liabilities			(17,948)		(27,497)
<b>Net assets attributable to Shareholders</b>					
			<b>231,520</b>		<b>252,140</b>

## Notes to the Financial Statements

For the year ended 30 September 2023

### 1. Accounting basis and policies

The Fund's financial statements have been prepared on the basis detailed on pages 15 to 18.

### 2. Net capital (losses)/gains

	01/10/22 to 30/09/23 £'000	01/10/21 to 30/09/22 £'000
The net capital (losses)/gains during the year comprise:		
Brokers commission on futures	(297)	(439)
Currency losses	(195)	(660)
Derivative contracts	(7,621)	11,768
Forward currency contracts	10,428	(15,663)
Non-derivative securities	(5,673)	14,684
Transaction charges	(266)	(167)
Compensation	8	(10)
<b>Net capital (losses)/gains</b>	<b>(3,616)</b>	<b>9,513</b>

### 3. Revenue

	01/10/22 to 30/09/23 £'000	01/10/21 to 30/09/22 £'000
Bank interest	403	78
Futures interest	265	12
Interest from Debt Securities	4,548	(50)
Offshore funds dividends	8	—
Overseas dividends	328	244
Revenue from swaps	(77)	(34)
Scrip dividends	6	7
UK dividends	42	14
<b>Total revenue</b>	<b>5,523</b>	<b>271</b>

## Notes to the Financial Statements (continued)

For the year ended 30 September 2023

### 4. Expenses

	01/10/22 to 30/09/23 £'000	01/10/21 to 30/09/22 £'000
<b>Payable to the ACD, associates of the ACD, and agents of either of them</b>		
AMC fees	2,223	2,414
	<b>2,223</b>	<b>2,414</b>
<b>Payable to the Depositary, associates of the Depositary and agents of either of them</b>		
Depositary fees	34	36
Safe custody fees	19	19
	<b>53</b>	<b>55</b>
<b>Other expenses</b>		
Audit fees	13	13
Professional fees	10	8
Publication fees	(2)	3
Out of pocket expenses	2	—
	<b>23</b>	<b>24</b>
<b>Total expenses</b>	<b>2,299</b>	<b>2,493</b>

Audit fees are £10,600 ex Vat (2022: £9,975).

### 5. Interest payable and similar charges

	01/10/22 to 30/09/23 £'000	01/10/21 to 30/09/22 £'000
Interest	(3)	25
<b>Total interest payable and similar charges</b>	<b>(3)</b>	<b>25</b>

### 6. Taxation

#### (a) Analysis of the tax charge in the year

	01/10/22 to 30/09/23 £'000	01/10/21 to 30/09/22 £'000
Irrecoverable overseas tax	39	27
<b>Total taxation for the year (Note 6 (b))</b>	<b>39</b>	<b>27</b>

**Notes to the Financial Statements (continued)**  
For the year ended 30 September 2023

**6. Taxation (continued)**

**(b) Factors affecting the tax charge for the year**

The tax assessed for the year is different from that calculated when the standard rate of corporation tax for an open ended investment company of 20% (2022: 20%) is applied to the net revenue/(expense) before taxation. The differences are explained below:

	01/10/22 to 30/09/23 £'000	01/10/21 to 30/09/22 £'000
Net revenue/(expense) before taxation	3,227	(2,247)
Net revenue/(expense) for the year multiplied by the standard rate of corporation tax	645	(449)
<b>Effects of:</b>		
Irrecoverable overseas tax	39	27
Movement in excess management expenses	(572)	499
Non taxable overseas dividends	(64)	(46)
Non taxable scrip dividends	(1)	(1)
Non taxable UK dividends	(8)	(3)
<b>Total tax charge for the year</b>	<b>39</b>	<b>27</b>

OEICs are exempt from tax on capital gains in the UK. Therefore, any capital return is not included within the reconciliation above.

**(c) Provision for deferred tax**

There is no provision required for deferred taxation at the Balance Sheet date in the current or prior year because no taxable profit is expected to be generated by the fund.

**(d) Factors that may affect future tax charges**

At the year-end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £846,610 (2022: £1,418,726) in relation to surplus management expenses. It is unlikely that the Fund will generate sufficient taxable profits in the future to utilise this amount and therefore no deferred tax asset has been recognised in the year.

## Notes to the Financial Statements (continued)

For the year ended 30 September 2023

### 7. Distributions

The distributions take account of revenue received on the creation of shares and revenue deducted on the cancellation of shares, and comprise:

	01/10/22 to 30/09/23 £'000	01/10/21 to 30/09/22 £'000
Interim	571	—
Final	2,575	—
Add: Revenue paid on cancellation of shares	59	—
Deduct: Revenue received on creation of shares	(17)	—
<b>Net distribution for the year</b>	<b>3,188</b>	<b>—</b>
<b>Reconciliation of net revenue after taxation to distributions</b>		
Net revenue/(expense) after taxation	3,188	(2,274)
Revenue deficit	—	2,274
<b>Net distribution for the year</b>	<b>3,188</b>	<b>—</b>

Details of the distributions per share are set out in the distribution tables on page 114.

### 8. Debtors

	30/09/23 £'000	30/09/22 £'000
Accrued bank interest	2	1
Accrued revenue	110	118
Overseas withholding tax recoverable	4	—
Sales awaiting settlement	2,738	1,549
Prepaid expenses	1	2
<b>Total debtors</b>	<b>2,855</b>	<b>1,670</b>

### 9. Cash and bank balances

	30/09/23 £'000	30/09/22 £'000
Cash and bank balances	5,074	11,872
Amount held at futures clearing houses and brokers	19,359	32,178
<b>Total cash and bank balances</b>	<b>24,433</b>	<b>44,050</b>

**Notes to the Financial Statements (continued)**  
For the year ended 30 September 2023

**10. Other creditors**

	30/09/23 £'000	30/09/22 £'000
Amounts payable for cancellation of shares	265	4,342
Purchases awaiting settlement	9,809	1,178
	10,074	5,520
<i>Accrued expenses</i>		
<i>Manager and Agents</i>		
AMC fees	178	196
	178	196
<i>Depositary and Agents</i>		
Depositary fees	6	12
Safe custody fees	3	6
Transaction charges	31	34
	40	52
<i>Other accrued expenses</i>		
Audit fees	13	12
Professional fees	—	1
Publication fees	—	3
	13	16
<b>Total other creditors</b>	<b>10,305</b>	<b>5,784</b>

**11. Bank overdrafts**

	30/09/23 £'000	30/09/22 £'000
Amounts overdrawn at futures clearing houses and brokers	253	135
<b>Total bank overdrafts</b>	<b>253</b>	<b>135</b>

**12. Related party transactions**

Management fees paid to the ACD, are disclosed in note 4 and amounts due at the year-end are disclosed in note 10.

Monies received and paid by the ACD through the creation and cancellation of shares are disclosed in the Statement of Change in Net Assets Attributable to Shareholders and amounts due at the year-end are disclosed in notes 8 and 10.

The ACD and its associates (including other authorised investment funds managed by the ACD) have no shareholdings in the company at the year-end.

**Significant shareholdings**

As at the balance sheet date, the following had significant shareholdings within the Fund:

Shareholders	30/09/23 (%)	30/09/22 (%)
Sterling ISA Managers (Nominees) Limited	81.14	82.00

**Notes to the Financial Statements (continued)**

For the year ended 30 September 2023

**13. Share Classes**

The Share Classes and ACD's Annual Management Charges ("AMC") applicable to each Share Class are as follows:

Share Class A Income	%
	0.92

Each Share Class has equal rights in the event of the wind up of any fund.

The reconciliation of the opening and closing numbers of shares of each class is shown below:

	30/09/22	Issued	Cancelled	Converted	30/09/23
Share Class A Income	236,347,874	8,540,247	(24,464,131)	—	220,423,990

**14. Capital commitments and contingent liabilities**

There were no contingent liabilities or outstanding commitments at the balance sheet date (2022: nil).

**15. Derivatives and other financial instruments**

The main risks from the Fund's holding of financial instruments, together with the ACD's policy for managing these risks, are disclosed in note 2 on pages 18 to 24 of the report.

**(a) Foreign currency risk**

A proportion of the financial net assets of the Fund are denominated in currencies other than sterling with the effect that the balance sheet and total return can be affected by currency movements.



**Notes to the Financial Statements (continued)**  
For the year ended 30 September 2023

**15. Derivatives and other financial instruments (continued)**

**(a) Foreign currency risk (continued)**

The table below shows the foreign currency risk profile at the balance sheet date:

Currency	Net foreign currency exposure	
	30/09/23	30/09/22
	£'000	£'000
Australian Dollar	438	236
Brazilian Real	3,251	9,289
Canadian Dollar	289	78
Chilean Peso	(494)	(890)
Chinese Yuan (Offshore)	(1,292)	(7,788)
Czech Koruna	616	(680)
Danish Krone	279	28
Euro	(87)	9,820
Hong Kong Dollar	349	227
Hungarian Forint	(185)	(2,270)
Indian Rupee	634	(3,899)
Indonesian Rupiah	(2,335)	(2,454)
Israeli Shekel	—	1,350
Japanese Yen	1,311	518
Mexican Peso	4,536	(8,038)
New Taiwan Dollar	(1,904)	(6,710)
New Zealand Dollar	(159)	(22)
Norwegian Krone	647	(481)
Philippine Peso	(534)	(1,473)
Polish Zloty	(2,115)	(8,322)
Singapore Dollar	3,393	6,867
South African Rand	331	4,097
South Korean Won	(2,115)	3,208
Swedish Krona	(529)	(760)
Swiss Franc	(1,110)	(1,752)
Thailand Baht	1,273	70
Turkish Lira	—	(681)
US Dollar	(14,665)	(15,064)
<b>Total foreign currency exposure</b>	<b>(10,177)</b>	<b>(25,496)</b>
Sterling	241,697	277,636
<b>Total net assets</b>	<b>231,520</b>	<b>252,140</b>

If GBP to foreign currency exchange rates had strengthened/increased or weakened/decreased by 10% as at the balance sheet date, the net asset value of the fund would have decreased or increased by £97,499 (2022: £2,549,603). These calculations assume all other variables remain constant.

## Notes to the Financial Statements (continued)

For the year ended 30 September 2023

### 15. Derivatives and other financial instruments (continued)

#### (b) Interest rate risk profile of financial assets and liabilities

The table below shows the interest rate risk profile at the balance sheet date:

	Floating rate financial assets £'000	Fixed rate financial assets £'000	Financial assets not carrying interest £'000	Total £'000
<b>Currency Assets</b>				
<b>30/09/23</b>				
Australian Dollar	6	—	434	440
Brazilian Real	23	—	3,365	3,388
Canadian Dollar	72	—	392	464
Czech Koruna	—	—	616	616
Danish Krone	33	—	252	285
Euro	354	100,129	5,497	105,980
Hong Kong Dollar	41	—	312	353
Indian Rupee	—	—	634	634
Japanese Yen	207	—	1,262	1,469
Mexican Peso	—	—	4,553	4,553
New Zealand Dollar	—	—	67	67
Norwegian Krone	136	—	559	695
Polish Zloty	—	—	25	25
Singapore Dollar	1	—	3,396	3,397
South African Rand	467	—	86	553
South Korean Won	21	—	57	78
Sterling	21,118	23,323	200,339	244,780
Swedish Krona	22	—	100	122
Swiss Franc	186	—	322	508
Thailand Baht	—	—	1,273	1,273
US Dollar	1,752	49,709	16,617	68,078
<b>Total</b>	<b>24,439</b>	<b>173,161</b>	<b>240,158</b>	<b>437,758</b>

**Notes to the Financial Statements (continued)**

For the year ended 30 September 2023

**15. Derivatives and other financial instruments (continued)****(b) Interest rate risk profile of financial assets and liabilities (continued)**

	Floating rate financial assets £'000	Fixed rate financial assets £'000	Financial assets not carrying interest £'000	Total £'000
<b>Currency Assets</b>				
<b>30/09/22</b>				
Australian Dollar	92	—	230	322
Brazilian Real	14	—	9,275	9,289
Canadian Dollar	68	—	282	350
Danish Krone	21	—	7	28
Euro	483	120,167	3,086	123,736
Hong Kong Dollar	16	—	211	227
Indian Rupee	—	—	54	54
Israeli Sheqel	—	—	1,350	1,350
Japanese Yen	65	—	680	745
Mexican Peso	51	—	—	51
New Zealand Dollar	79	—	—	79
Norwegian Krone	156	—	83	239
Polish Zloty	70	—	90	160
Singapore Dollar	3	—	6,864	6,867
South African Rand	496	—	3,601	4,097
South Korean Won	486	—	2,837	3,323
Sterling	38,335	12,783	232,923	284,041
Swedish Krona	45	—	28	73
Swiss Franc	224	—	34	258
Thailand Baht	—	—	70	70
US Dollar	2,450	53,055	12,349	67,854
<b>Total</b>	<b>43,154</b>	<b>186,005</b>	<b>274,054</b>	<b>503,213</b>

**Notes to the Financial Statements (continued)**

For the year ended 30 September 2023

**15. Derivatives and other financial instruments (continued)****(b) Interest rate risk profile of financial assets and liabilities (continued)**

	<b>Floating rate financial liabilities £'000</b>	<b>Fixed rate financial liabilities £'000</b>	<b>Financial liabilities not carrying interest £'000</b>	<b>Total £'000</b>
<b>Currency Liabilities</b>				
<b>30/09/23</b>				
Australian Dollar	—	—	2	2
Brazilian Real	—	—	137	137
Canadian Dollar	124	—	51	175
Chilean Peso	—	—	494	494
Chinese Yuan (Offshore)	—	—	1,292	1,292
Danish Krone	—	—	6	6
Euro	—	—	106,067	106,067
Hong Kong Dollar	—	—	4	4
Hungarian Forint	—	—	185	185
Indonesian Rupiah	—	—	2,335	2,335
Japanese Yen	—	—	158	158
Mexican Peso	17	—	—	17
New Taiwan Dollar	—	—	1,904	1,904
New Zealand Dollar	18	—	208	226
Norwegian Krone	36	—	12	48
Philippine Peso	—	—	534	534
Polish Zloty	25	—	2,115	2,140
Singapore Dollar	—	—	4	4
South African Rand	—	—	222	222
South Korean Won	—	—	2,193	2,193
Sterling	—	—	3,083	3,083
Swedish Krona	27	—	624	651
Swiss Franc	6	—	1,612	1,618
US Dollar	—	—	82,743	82,743
<b>Total</b>	<b>253</b>	<b>—</b>	<b>205,985</b>	<b>206,238</b>

**Notes to the Financial Statements (continued)**

For the year ended 30 September 2023

**15. Derivatives and other financial instruments (continued)****(b) Interest rate risk profile of financial assets and liabilities (continued)**

	Floating rate financial liabilities £'000	Fixed rate financial liabilities £'000	Financial liabilities not carrying interest £'000	Total £'000
<b>Currency Liabilities</b>				
<b>30/09/22</b>				
Australian Dollar	—	—	86	86
Canadian Dollar	135	—	137	272
Chilean Peso	—	—	890	890
Chinese Yuan (Offshore)	—	—	7,788	7,788
Czech Koruna	—	—	680	680
Euro	—	—	113,916	113,916
Hungarian Forint	—	—	2,270	2,270
Indian Rupee	—	—	3,953	3,953
Indonesian Rupiah	—	—	2,454	2,454
Japanese Yen	—	—	227	227
Mexican Peso	—	—	8,089	8,089
New Taiwan Dollar	—	—	6,710	6,710
New Zealand Dollar	—	—	101	101
Norwegian Krone	—	—	720	720
Philippine Peso	—	—	1,473	1,473
Polish Zloty	—	—	8,482	8,482
South Korean Won	—	—	115	115
Sterling	—	—	6,405	6,405
Swedish Krona	—	—	833	833
Swiss Franc	—	—	2,010	2,010
Turkish Lira	—	—	681	681
US Dollar	—	—	82,918	82,918
<b>Total</b>	<b>135</b>	<b>—</b>	<b>250,938</b>	<b>251,073</b>

Changes in interest rates would have no material impact on the valuation of floating rate financial assets or liabilities as at the balance sheet date. Consequently, no sensitivity analysis has been presented.

**(c) Counterparty risk**

The table below shows the counterparty risk as at the balance sheet date:

	Counterparty	Derivative Exposure £'000	Collateral Posted £'000	Collateral Received £'000	Collateral Asset Class
<b>2023</b>					
	JPM	—	19,330	253	Cash
	Goldman Sachs	—	21	—	Cash

## Notes to the Financial Statements (continued)

For the year ended 30 September 2023

### 15. Derivatives and other financial instruments (continued)

#### (c) Counterparty risk (continued)

Counterparty	Derivative Exposure £'000	Collateral Posted £'000	Collateral Received £'000	Collateral Asset Class
<b>2022</b>				
StateStreet	79	—	—	
JPM IB - Bilateral	—	19,783	—	Cash
JPM OTC Clearing	—	3,084	—	Cash
JPM FO NLV	—	800	—	Cash

#### (d) Leverage

There was 356.34% leverage as at 30 September 2023, other than that available to the Fund as a result of its ability to borrow up to 10% of its value on a permanent basis.

	Average Leverage	Highest Leverage	Lowest Leverage	30/09/23
Omnis Diversified Returns Fund	384.56%	584.82%	253.54%	356.34%

**Notes to the Financial Statements (continued)**  
For the year ended 30 September 2023

**16. Portfolio transaction costs**

	01/10/22 to 30/09/23		01/10/21 to 30/09/22	
	£'000	£'000	£'000	£'000
<b>Analysis of total purchase costs</b>				
Purchases in the year before transaction costs:				
Equities		53,790		40,082
Bonds		495,848		461,811
Collective Investment Schemes		439		4,725
		550,077		506,618
Commissions - Equities	19		13	
Commissions - Derivatives	44		26	
Commissions - Collective Investment Scheme	—		1	
Taxes - Equities	52		17	
Total purchase costs		115		57
<b>Gross purchase total</b>		<b>550,192</b>		<b>506,675</b>
<b>Analysis of total sale costs</b>				
Gross sales in the year before transaction costs:				
Equities		45,028		36,925
Bonds		508,771		456,108
Collective Investment Schemes		1,122		4,515
		554,921		497,548
Commissions - Equities	(18)		(10)	
Commissions - Derivatives	(72)		(58)	
Commissions - Collective Investment Schemes	—		(1)	
Taxes - Equities	(5)		(—)	
Total sale costs		(95)		(69)
<b>Total sales net of transaction costs</b>		<b>554,826</b>		<b>497,479</b>

The portfolio transaction costs table above includes direct transaction costs suffered by the Fund during the year.

For the Fund's investment transactions in debt instruments any applicable transaction charges form part of the dealing spread for these instruments.

## Notes to the Financial Statements (continued)

For the year ended 30 September 2023

### 16. Portfolio transaction costs (continued)

	01/10/22 to 30/09/23 %	01/10/21 to 30/09/22 %
<b>Transaction costs as percentage of principal amounts</b>		
Purchases - Commissions		
Equities	0.0346	0.0315
Bonds	0.0000	0.0000
Collective Investment Schemes	0.0000	0.0236
Purchases - Taxes		
Equities	0.0962	0.0423
Bonds	0.0000	0.0000
Collective Investment Schemes	0.0000	0.0000
Sales - Commissions		
Equities	0.0400	0.0278
Bonds	0.0000	0.0000
Collective Investment Schemes	0.0000	0.0238
Sales - Taxes		
Equities	0.0110	0.0013
Bonds	0.0000	0.0000
Collective Investment Schemes	0.0000	0.0000
	<b>01/10/22 to 30/09/23 %</b>	<b>01/10/21 to 30/09/22 %</b>
<b>Transaction costs as percentage of average net asset value</b>		
Commissions	0.0633	0.0415
Taxes	0.0236	0.0065

At the balance sheet date the average portfolio dealing spread was 0.09% (2022: 0.01%).

### 17. Post balance sheet events

Subsequent to the year end, the net asset value per unit of the fund has increased from 105.03p to 107.63p as at 26 January 2024. This movement takes into account routine transactions but also reflects the market movements of recent months.



**Notes to the Financial Statements (continued)**

For the year ended 30 September 2023

**18. Fair value disclosure**

Valuation technique	30/09/23		30/09/22	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
<b>Level 1:</b> The unadjusted quoted price in an active market for identical assets or liabilities	197,706	(2,387)	206,303	(8,123)
<b>Level 2:</b> Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly	24,474	(2,428)	27,614	(13,455)
<b>Level 3:</b> Inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability	—	—	—	—
	<b>222,180</b>	<b>(4,815)</b>	<b>233,917</b>	<b>(21,578)</b>

## Distribution Table

As at 30 September 2023

### Interim Distribution in pence per Share

- Group 1 Shares purchased prior to 1 October 2022  
 Group 2 Shares purchased on or after 1 October 2022 to 31 March 2023

	Net revenue (p)	Equalisation (p)	Distribution paid 31/05/2023 (p)	Distribution paid 31/05/2022 (p)
<b>Share Class A Income</b>				
Group 1	0.2566	—	0.2566	0.0000
Group 2	0.1881	0.0685	0.2566	0.0000

### Final Distribution in pence per Share

- Group 1 Shares purchased prior to 1 April 2023  
 Group 2 Shares purchased on or after 1 April 2023 to 30 September 2023

	Net revenue (p)	Equalisation (p)	Distribution payable 30/11/2023 (p)	Distribution paid 30/11/2022 (p)
<b>Share Class A Income</b>				
Group 1	1.1681	—	1.1681	0.0000
Group 2	0.7050	0.4631	1.1681	0.0000

## Investment Manager's Report

### For the year ended 30 September 2023

### Investment Objective

The Fund aims to achieve a return consisting of both income and capital growth which, after all fees and expenses, exceeds the FTSE World Europe ex UK TR index over a five-year rolling period.

### Investment Policy

The Fund intends to invest at least 80% in the equity securities of European companies defined as those which are domiciled, incorporated or have a significant exposure to Europe, excluding the United Kingdom.

The fund will invest primarily in industry-leading companies delivering reliable earning streams. Exposure to established larger companies will be greater than 50% of the fund. Large companies are defined as those with a market cap of €20 billion or more at the time of the Fund's investment. Companies whose capitalisation no longer meets this definition after investment will continue to be considered large market capitalisation companies.

The Fund may also invest in other transferable securities (for example, equity securities of other international companies), units in collective investment schemes (including schemes managed and operated by the ACD or its associates), money market instruments, warrants, cash and near cash deposits as detailed in the Prospectus.

It is envisaged that the investment portfolio of the Fund will be concentrated, typically comprising between 40 and 80 holdings.

Derivatives may be used for the purposes of hedging and efficient portfolio management.

### Benchmark

The performance of the Fund will be measured against the FTSE World Europe ex UK TR Index\* for target return purposes. This index was chosen as it was considered a fair representation of the assets in which the fund will invest, in line with its investment objectives and policy.

### Portfolio Review

Over the period the fund returned 17.52% [source: Return after operating charges as per Comparative Table] and the benchmark returned 20.51% [source: Financial Express, bid to bid, net income reinvested].

\*The index data provided has been licensed for use by its third-party providers who do not accept any liability for errors or omissions. For full disclaimer please see <https://omnisinvestments.com/disclaimers>

The portfolio generated strong positive returns but underperformed the index over the period. Negative security selection in the industrials and financials sectors was the biggest drag on relative returns. The portfolio's overweight positioning in materials, coupled with weaker performance of holdings within the sector held back returns. Encouragingly, favourable stock picking in the utilities, health care and energy sectors contributed to performance. Returns in technology were mixed as gains from overweight positioning in the sector were partially offset by stock specific detractors.

At a stock level, pharmaceuticals company Roche retreated following the failure of its Alzheimer's drug trial. Roche fell further after issuing profit warning for FY2023. Germany based flavours and fragrances manufacturer Symrise, was hurt due to broker downgrades, citing a slowdown in organic sales growth in the next 12 months. The holding in food business Nestle traded weakly after reporting weaker than expected results for Q4 2022, despite reporting in line FY22 results. Later in

## **Investment Manager's Report (continued)**

**For the year ended 30 September 2023**

the period, the company reported positive first quarter results, with organic sales ahead of estimates. Within financials, Sampo and Deutsche Boerse were among the weak performers. Sampo, a Nordic financial services company focused on non-life insurance, reported weak FY2022 results and disappointed investors by proposing a final dividend that was lower than expected. German exchange Deutsche Boerse was hurt by negative share price reaction after the group offered to buy SimCorp for EUR3.9bn.

Private equity group 3i was the biggest stock specific contributor over the period. The company reported annual revenue growth of 30% for FY22 and signalled a strong start to 2023. Later in the period, the stock gained after issuing positive trading update as its investment portfolios continue to make good progress despite challenging market conditions. Novo Nordisk rallied after the global leader in diabetes care said a major clinical trial had shown its weight loss drug Wegovy is also effective in cutting the risk of stroke and heart attack. Earlier in the quarter, the company raised FY2023 revenue and profit guidance, reflecting higher full year expectations for GLP-1 diabetes products, particularly Ozempic in the US. Another key contributor was TotalEnergies, as shares gained on rising oil and gas prices.

Over the period new positions were taken in:

Lonza- an outsourcing company involved in development and production of drugs

Puma – the world's third largest sportswear manufacturer

Epiroc – a leading underground and surface rock drilling equipment and services provider.

Among key sales were the holdings in Swedish Match and Christian Hansen, after both these businesses received takeover offers. Grifols, the Spanish blood plasma company, was sold on worries that the balance sheet looked very stretched after its recent acquisitions and therefore dividend growth looks unlikely.

### **FIL Pensions Management (sub delegated to FIL Investments International)**

October 2023

## Material Portfolio Changes

For the year ended 30 September 2023

Purchases		Sales	
Portfolio Name	Cost £'000	Portfolio Name	Proceeds £'000
EURO STOXX 50 Index Futures December 2023	6,907	EURO STOXX 50 Index Futures December 2022	10,576
EURO STOXX 50 Index Futures June 2023	6,894	EURO STOXX 50 Index Futures June 2023	7,109
EURO STOXX 50 Index Futures March 2023	6,208	EURO STOXX 50 Index Futures March 2023	6,343
Lonza	4,791	Swedish Match	5,472
Koninklijke DSM	4,550	Schindler	4,288
EURO STOXX 50 Index Futures September 2023	3,953	3i	4,028
Puma	3,943	EURO STOXX 50 Index Futures September 2023	3,953
EURO STOXX 50 Index Futures December 2022	3,942	Enel	3,655
Epiroc	3,728	TotalEnergies	3,496
ASML	3,281	Nestle	3,217

The above table complements the data provided in the investment managers report by outlining the top 10 portfolio components.

## Comparative Table

As at 30 September 2023

	30/09/23 (p)	A Income 30/09/22 (p)	30/09/21 (p)
<b>Change in net assets per Share</b>			
Opening net asset value per share	112.15	121.96	105.77
Return before operating charges*	20.69	(6.70)	18.40
Operating charges	(1.04)	(0.97)	(0.93)
Return after operating charges	19.65	(7.67)	17.47
Distributions	(2.17)	(2.14)	(1.28)
Closing net asset value per share	129.63	112.15	121.96
*after direct transaction cost of:	0.00	0.06	0.17
<b>Performance</b>			
Return after operating charges	17.52%	(6.29%)	16.52%
<b>Other information</b>			
Closing net asset value (£'000)	300,146	275,963	334,887
Closing number of shares	231,539,408	246,062,969	274,590,055
Operating charges	0.80%	0.80%	0.81%
Direct transaction costs	0.00%	0.04%	0.15%
<b>Prices (p)**</b>			
Highest share price	139.46	132.23	129.06
Lowest share price	110.61	108.66	97.71

\*\*The highest and lowest share prices are based on published price. The opening and closing net asset values per share include accounting adjustments, therefore they may appear higher or lower as a result.

**Performance Information**

As at 30 September 2023

**Operating Charge**

Date	AMC (%)	Other expenses (%)	Transaction costs (%)	Total operating charge (%)
30/09/23 Share Class A Income	0.75	0.04	0.01	0.80
30/09/22 Share Class A Income	0.75	0.04	0.01	0.80

The Operating Charge is the ratio of the Fund's total disclosable costs (excluding overdraft interest) to the average net assets of the Fund.

**Risk and Reward Profile**

As at 30 September 2023

	Typically lower rewards			Typically higher rewards			
	Lower risks			Higher risks			
Share Class A	1	2	3	4	5	6	7

- This indicator is based on historical data and may not be a reliable indication of the future risk profile of the Fund.
- The risk category shown is not guaranteed to remain unchanged and may shift over time.
- The risk and reward indicator table demonstrates where a Fund ranks in terms of its potential risk and return. The higher the rank the greater the potential reward but the greater the risk of losing money. The lowest category does not mean 'risk free'.
- The Fund appears as a "6" on the scale. This is because the Fund invests in the shares of companies whose values tend to vary more widely than other asset classes.

**Risk Warning**

An investment in an Open Ended Investment Company should be regarded as a medium to long-term investment. Investors should be aware that the price of shares and the income from them may fall as well as rise and investors may not receive back the full amount invested. Past performance is not a guide to future performance. Investments denominated in currencies other than the base currency of a Fund are subject to fluctuation in exchange rates, which may be favourable or unfavourable.

**Portfolio Statement**

As at 30 September 2023

Holdings or Nominal Value	Investments	Market value £'000	% of Total Net Assets
<b>Belgium 1.50% (2.16%)</b>			
87,737	KBC	4,501	1.50
		<b>4,501</b>	<b>1.50</b>
<b>Denmark 5.95% (5.16%)</b>			
236,606	Novo Nordisk	17,857	5.95
		<b>17,857</b>	<b>5.95</b>
<b>Finland 4.37% (4.31%)</b>			
169,763	Kone	5,905	1.97
202,787	Sampo	7,212	2.40
		<b>13,117</b>	<b>4.37</b>
<b>France 27.37% (27.67%)</b>			
185,686	Dassault Systemes	5,685	1.89
75,626	Edenred	3,889	1.30
58,967	EssilorLuxottica	8,445	2.81
4,168	Hermes International	6,253	2.08
100,698	Legrand	7,626	2.54
30,291	L'Oreal	10,332	3.44
22,162	LVMH Moet Hennessy Louis Vuitton	13,772	4.59
106,431	Sanofi	9,356	3.12
41,673	Sodexo	3,525	1.18
245,445	TotalEnergies	13,264	4.42
		<b>82,147</b>	<b>27.37</b>
<b>Germany 11.06% (10.30%)</b>			
51,900	Deutsche Boerse	7,372	2.46
36,144	MTU Aero Engines	5,385	1.79
71,520	Puma	3,650	1.22
101,529	SAP	10,813	3.60
76,237	Symrise	5,977	1.99
		<b>33,197</b>	<b>11.06</b>
<b>Ireland 2.19% (0.00%)</b>			
0	Fidelity Institutional Liquidity	4	0.00
21,566	Linde	6,582	2.19
		<b>6,586</b>	<b>2.19</b>
<b>Italy 3.47% (4.03%)</b>			
1,017,986	Enel	5,140	1.71
2,496,108	Intesa Sanpaolo	5,283	1.76
		<b>10,423</b>	<b>3.47</b>



**Portfolio Statement (continued)**

As at 30 September 2023

Holdings or Nominal Value	Investments	Market value £'000	% of Total Net Assets
<b>Netherlands 6.29% (5.73%)</b>			
297,857	ABN AMRO Bank	3,472	1.16
31,786	ASML	15,416	5.13
		<b>18,888</b>	<b>6.29</b>
<b>Norway 1.58% (2.25%)</b>			
285,378	DNB Bank	4,737	1.58
		<b>4,737</b>	<b>1.58</b>
<b>Spain 3.45% (3.82%)</b>			
128,939	Amadeus IT	6,404	2.13
753,031	Bankinter	3,947	1.32
		<b>10,351</b>	<b>3.45</b>
<b>Sweden 5.16% (4.77%)</b>			
416,462	Assa Abloy	7,472	2.49
294,511	Epiroc 'B' Shares	3,889	1.30
251,046	EQT	4,110	1.37
		<b>15,471</b>	<b>5.16</b>
<b>Switzerland 22.06% (23.61%)</b>			
66,519	DKSH	3,697	1.23
46,932	DSM-Firmenich AG	3,260	1.09
10,377	Lonza	3,955	1.32
203,061	Nestle	18,866	6.29
8,652	Partners	8,016	2.67
61,500	Roche	13,792	4.59
211,685	SIG	4,292	1.43
20,391	Sika	4,257	1.42
16,128	Zurich Insurance	6,067	2.02
		<b>66,202</b>	<b>22.06</b>
<b>United Kingdom 3.74% (5.23%)</b>			
344,378	3i	7,139	2.38
99,487	Intertek	4,091	1.36
		<b>11,230</b>	<b>3.74</b>
<b>Futures Contracts (0.05%) ((0.19%))</b>			
187	EURO STOXX 50 Index Futures December 2023	(141)	(0.05)
		<b>(141)</b>	<b>(0.05)</b>
<b>Portfolio of investments</b>		<b>294,566</b>	<b>98.14</b>
Net other assets		5,580	1.86
<b>Net assets</b>		<b>300,146</b>	<b>100.00</b>

Comparative figures shown above in brackets relate to 30 September 2022.

All investments are ordinary shares unless otherwise stated and admitted to official stock exchange listings.

**Portfolio Statement (continued)**

**As at 30 September 2023**

The investments have been valued in accordance with note 1(h) of the Accounting Policies and Financial Instruments.

Gross purchases for the year (excl. Derivatives): £60,169,000 [2022: £106,779,000]. (See note 15).

Total sales net of transaction costs for the year (excl. Derivatives): £82,089,000 [2022: £147,151,000]. (See note 15).

## Statement of Total Return

For the year ended 30 September 2023

	Note	01/10/22 to 30/09/23		01/10/21 to 30/09/22	
		£'000	£'000	£'000	£'000
Income:					
Net capital gains/(losses)	2		44,309		(24,796)
Revenue	3	8,773		9,079	
Expenses	4	(2,426)		(2,380)	
Interest payable and similar charges	5	(1)		(32)	
Net revenue before taxation		6,346		6,667	
Taxation	6	(1,247)		(1,382)	
Net revenue after taxation			5,099		5,285
Total return before distributions			49,408		(19,511)
Distributions	7		(5,099)		(5,285)
<b>Change in net assets attributable to Shareholders from investment activities</b>			<b>44,309</b>		<b>(24,796)</b>

## Statement of Change in Net Assets Attributable to Shareholders

For the year ended 30 September 2023

	01/10/22 to 30/09/23		01/10/21 to 30/09/22	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to Shareholders</b>		275,963		334,887
Amounts receivable on issue of Shares	23,483		43,794	
Amounts payable on cancellation of Shares	(43,609)		(78,006)	
Dilution adjustment		(20,126)		(34,212)
Change in net assets attributable to Shareholders from investment activities (see above)		—		84
		44,309		(24,796)
<b>Closing net assets attributable to Shareholders</b>		<b>300,146</b>		<b>275,963</b>

## Balance Sheet

As at 30 September 2023

	Note	30/09/23		30/09/22	
		£'000	£'000	£'000	£'000
<b>Assets:</b>					
Fixed assets:					
Investments			294,707		273,314
Current assets:					
Debtors	8	520		1,204	
Cash and bank balances	9	8,893		8,825	
Total current assets			9,413		10,029
Total assets			304,120		283,343
<b>Liabilities:</b>					
Investment liabilities			(141)		(533)
Creditors:					
Distribution payable		(3,538)		(3,826)	
Other creditors	10	(295)		(3,021)	
Total creditors			(3,833)		(6,847)
Total liabilities			(3,974)		(7,380)
<b>Net assets attributable to Shareholders</b>			<b>300,146</b>		<b>275,963</b>

## Notes to the Financial Statements

For the year ended 30 September 2023

### 1. Accounting basis and policies

The Fund's financial statements have been prepared on the basis detailed on pages 15 to 18.

### 2. Net capital gains/(losses)

	01/10/22 to 30/09/23 £'000	01/10/21 to 30/09/22 £'000
The net capital gains/(losses) during the year comprise:		
Brokers commission on futures	(2)	(2)
Currency (losses)/gains	(174)	204
Derivative contracts	1,168	(994)
Forward currency contracts	12	18
Non-derivative securities	43,316	(24,065)
Transaction charges	(29)	(30)
Cash transferred from closed Omnis Funds	18	73
<b>Net capital gains/(losses)</b>	<b>44,309</b>	<b>(24,796)</b>

### 3. Revenue

	01/10/22 to 30/09/23 £'000	01/10/21 to 30/09/22 £'000
Bank interest	16	1
Futures interest	5	(3)
Overseas dividends	8,233	8,550
Scrip dividends	168	198
UK dividends	351	333
<b>Total revenue</b>	<b>8,773</b>	<b>9,079</b>

## Notes to the Financial Statements (continued)

For the year ended 30 September 2023

### 4. Expenses

	01/10/22 to 30/09/23 £'000	01/10/21 to 30/09/22 £'000
<b>Payable to the ACD, associates of the ACD, and agents of either of them</b>		
AMC fees	2,307	2,259
	<b>2,307</b>	<b>2,259</b>
<b>Payable to the Depositary, associates of the Depositary and agents of either of them</b>		
Depositary fees	40	39
Safe custody fees	62	62
	<b>102</b>	<b>101</b>
<b>Other expenses</b>		
Audit fees	10	8
Professional fees*	8	8
Publication fees	(2)	3
Out of pocket expenses	1	1
	<b>17</b>	<b>20</b>
<b>Total expenses</b>	<b>2,426</b>	<b>2,380</b>

Audit fees are £8,350 ex Vat (2022: £7,875).

\*Includes tax service fee paid to Deloitte LLP (Germany) £1,204 (2022: £0).

### 5. Interest payable and similar charges

	01/10/22 to 30/09/23 £'000	01/10/21 to 30/09/22 £'000
Interest	1	32
<b>Total interest payable and similar charges</b>	<b>1</b>	<b>32</b>

### 6. Taxation

#### (a) Analysis of the tax charge in the year

	01/10/22 to 30/09/23 £'000	01/10/21 to 30/09/22 £'000
Irrecoverable overseas tax	1,247	1,382
<b>Total taxation for the year (Note 6 (b))</b>	<b>1,247</b>	<b>1,382</b>

**Notes to the Financial Statements (continued)**  
For the year ended 30 September 2023

**6. Taxation (continued)**

**(b) Factors affecting the tax charge for the year**

The tax assessed for the year is different from that calculated when the standard rate of corporation tax for an open ended investment company of 20% (2022: 20%) is applied to the net revenue before taxation. The differences are explained below:

	01/10/22 to 30/09/23 £'000	01/10/21 to 30/09/22 £'000
Net revenue before taxation	6,346	6,667
Net revenue for the year multiplied by the standard rate of corporation tax	1,269	1,333
<b>Effects of:</b>		
Irrecoverable overseas tax	1,247	1,382
Movement in excess management expenses	481	483
Non taxable scrip dividends	(34)	(39)
Non taxable UK dividends	(70)	—
Revenue not subject to corporation tax	(1,646)	(1,777)
<b>Total tax charge for the year</b>	<b>1,247</b>	<b>1,382</b>

OEICs are exempt from tax on capital gains in the UK. Therefore, any capital return is not included within the reconciliation above.

**(c) Provision for deferred tax**

There is no provision required for deferred taxation at the Balance Sheet date in the current or prior year because no taxable profit is expected to be generated by the fund.

**(d) Factors that may affect future tax charges**

At the year-end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £1,787,161 (2022: £1,305,919) in relation to surplus management expenses. It is unlikely that the Fund will generate sufficient taxable profits in the future to utilise this amount and therefore no deferred tax asset has been recognised in the year.

## Notes to the Financial Statements (continued)

For the year ended 30 September 2023

### 7. Distributions

The distributions take account of revenue received on the creation of shares and revenue deducted on the cancellation of shares, and comprise:

	01/10/22 to 30/09/23 £'000	01/10/21 to 30/09/22 £'000
Interim	1,522	1,439
Final	3,538	3,826
Add: Revenue paid on cancellation of shares	164	208
Deduct: Revenue received on creation of shares	(125)	(188)
<b>Net distribution for the year</b>	<b>5,099</b>	<b>5,285</b>
<b>Reconciliation of net revenue after taxation to distributions</b>		
Net revenue after taxation	5,099	5,285
<b>Net distribution for the year</b>	<b>5,099</b>	<b>5,285</b>

Details of the distributions per share are set out in the distribution tables on page 134.

### 8. Debtors

	30/09/23 £'000	30/09/22 £'000
Accrued revenue	198	203
Amounts receivable for creation of shares	51	5
Overseas withholding tax recoverable	270	159
Sales awaiting settlement	—	835
Prepaid expenses	1	2
<b>Total debtors</b>	<b>520</b>	<b>1,204</b>

### 9. Cash and bank balances

	30/09/23 £'000	30/09/22 £'000
Cash and bank balances	8,149	7,566
Amount held at futures clearing houses and brokers	744	1,259
<b>Total cash and bank balances</b>	<b>8,893</b>	<b>8,825</b>



## Notes to the Financial Statements (continued)

For the year ended 30 September 2023

### 10. Other creditors

	30/09/23 £'000	30/09/22 £'000
Amounts payable for cancellation of shares	78	2,790
	78	2,790
<i>Accrued expenses</i>		
<i>Manager and Agents</i>		
AMC fees	187	180
	187	180
<i>Depositary and Agents</i>		
Depositary fees	7	13
Safe custody fees	10	20
Transaction charges	3	6
	20	39
<i>Other accrued expenses</i>		
Audit fees	10	9
Professional fees	—	1
Publication fees	—	2
	10	12
<b>Total other creditors</b>	<b>295</b>	<b>3,021</b>

### 11. Related party transactions

Management fees paid to the ACD, are disclosed in note 4 and amounts due at the year-end are disclosed in note 10.

Monies received and paid by the ACD through the creation and cancellation of shares are disclosed in the Statement of Change in Net Assets Attributable to Shareholders and amounts due at the year-end are disclosed in notes 8 and 10.

The ACD and its associates (including other authorised investment funds managed by the ACD) have no shareholdings in the company at the year-end.

#### Significant shareholdings

As at the balance sheet date, the following had significant shareholdings within the Fund:

Shareholders	30/09/23 (%)	30/09/22 (%)
Sterling ISA Managers (Nominees) Limited	80.30	81.24

### 12. Share Classes

The Share Classes and ACD's Annual Management Charges ("AMC") applicable to each Share Class are as follows:

	%
Share Class A Income	0.75

Each Share Class has equal rights in the event of the wind up of any fund.

## Notes to the Financial Statements (continued)

For the year ended 30 September 2023

### 12. Share Classes (continued)

The reconciliation of the opening and closing numbers of shares of each class is shown below:

	30/09/22	Issued	Cancelled	Converted	30/09/23
Share Class A Income	246,062,969	18,711,889	(33,235,450)	—	231,539,408

### 13. Capital commitments and contingent liabilities

There were no contingent liabilities or outstanding commitments at the balance sheet date (2022: nil).

### 14. Derivatives and other financial instruments

The main risks from the Fund's holding of financial instruments, together with the ACD's policy for managing these risks, are disclosed in note 2 on pages 18 to 24 of the report.

#### (a) Foreign currency risk

A proportion of the financial net assets of the Fund are denominated in currencies other than sterling with the effect that the balance sheet and total return can be affected by currency movements.

The table below shows the foreign currency risk profile at the balance sheet date:

Currency	Net foreign currency exposure	
	30/09/23 £'000	30/09/22 £'000
Danish Krone	17,857	14,253
Euro	184,793	175,047
Norwegian Krone	4,737	6,197
Swedish Krona	15,471	13,156
Swiss Franc	62,943	65,157
US Dollar	6,582	—
<b>Total foreign currency exposure</b>	<b>292,383</b>	<b>273,810</b>
Sterling	7,763	2,153
<b>Total net assets</b>	<b>300,146</b>	<b>275,963</b>

If GBP to foreign currency exchange rates had strengthened/increased or weakened/decreased by 10% as at the balance sheet date, the net asset value of the fund would have decreased or increased by £292,383,299 (2022: £27,381,000). These calculations assume all other variables remain constant.

#### (b) Interest rate risk profile of financial assets and liabilities

The Fund does not invest in either fixed or floating rate securities and interest rate risk exposure is restricted to interest receivable on bank deposits or payable on bank overdraft positions which will be affected by fluctuations in interest rates.

As at 30 September 2023, 2.96% of the Fund's assets were interest bearing (2022: 0.53%).

**Notes to the Financial Statements (continued)**

For the year ended 30 September 2023

**14. Derivatives and other financial instruments (continued)****(b) Interest rate risk profile of financial assets and liabilities (continued)**

Changes in interest rates would have no material impact on the valuation of floating rate financial assets or liabilities as at the balance sheet date. Consequently, no sensitivity analysis has been presented.

2023	Counterparty	Derivative Exposure	Collateral Posted	Collateral Received	Collateral Asset Class
		£'000	£'000	£'000	
		—	—	—	
2022	Counterparty	Derivative Exposure	Collateral Posted	Collateral Received	Collateral Asset Class
		£'000	£'000	£'000	
		—	—	—	

**15. Portfolio transaction costs**

	01/10/22 to 30/09/23		01/10/21 to 30/09/22	
	£'000	£'000	£'000	£'000
<b>Analysis of total purchase costs</b>				
Purchases in the year before transaction costs:				
Equities		60,107		61,579
Collective Investment Schemes		—		45,101
		60,107		106,680
Commissions - Equities	26		23	
Commissions - Derivatives	—		1	
Taxes - Equities	36		74	
Taxes - Derivatives	1		1	
Total purchase costs		63		99
<b>Gross purchase total</b>		<b>60,170</b>		<b>106,779</b>
<b>Analysis of total sale costs</b>				
Gross sales in the year before transaction costs:				
Equities		82,121		99,655
Collective Investment Schemes		—		47,531
		82,121		147,186
Commissions - Equities	(31)		(34)	
Commissions - Derivatives	—		(1)	
Taxes - Derivatives	(1)		—	
Total sale costs		(32)		(35)
<b>Total sales net of transaction costs</b>		<b>82,089</b>		<b>147,151</b>

The portfolio transaction costs table above includes direct transaction costs suffered by the Fund during the year.

**Notes to the Financial Statements (continued)**

For the year ended 30 September 2023

**15. Portfolio transaction costs (continued)**

Separately identifiable direct transaction costs (commissions and taxes etc.) are attributable to the Fund's purchase and sale of equity shares. Additionally for equity shares there is a dealing spread cost (the difference between the buying and selling prices) which will be suffered on purchase and sale transactions.

	01/10/22 to 30/09/23 %	01/10/21 to 30/09/22 %
<b>Transaction costs as percentage of principal amounts</b>		
Purchases - Commissions		
Equities	0.0438	0.0376
Collective Investment Schemes	0.0000	0.0000
Purchases - Taxes		
Equities	0.0591	0.1209
Collective Investment Schemes	0.0000	0.0000
Sales - Commissions		
Equities	0.0383	0.0346
Collective Investment Schemes	0.0000	0.0000
Sales - Taxes		
Equities	0.0000	0.0000
Collective Investment Schemes	0.0000	0.0000
	01/10/22 to 30/09/23 %	01/10/21 to 30/09/22 %
<b>Transaction costs as percentage of average net asset value</b>		
Commissions	0.0185	0.0196
Taxes	0.0123	0.0249

At the balance sheet date the average portfolio dealing spread was 0.05% (2022: 0.07%).

**16. Post balance sheet events**

Subsequent to the year end, the net asset value per unit of the fund has increased from 129.63p to 139.71p as at 26 January 2024. This movement takes into account routine transactions but also reflects the market movements of recent months.

**Notes to the Financial Statements (continued)**

For the year ended 30 September 2023

**17. Fair value disclosure**

Valuation technique	30/09/23		30/09/22	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
<b>Level 1:</b> The unadjusted quoted price in an active market for identical assets or liabilities	294,703	(141)	273,310	(533)
<b>Level 2:</b> Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly	4	—	4	—
<b>Level 3:</b> Inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability	—	—	—	—
	<b>294,707</b>	<b>(141)</b>	<b>273,314</b>	<b>(533)</b>

## Distribution Table

As at 30 September 2023

### Interim Distribution in pence per Share

- Group 1 Shares purchased prior to 1 October 2022  
 Group 2 Shares purchased on or after 1 October 2022 to 31 March 2023

	Net revenue (p)	Equalisation (p)	Distribution paid 31/05/2023 (p)	Distribution paid 31/05/2022 (p)
<b>Share Class A Income</b>				
Group 1	0.6462	—	0.6462	0.5847
Group 2	0.4000	0.2462	0.6462	0.5847

### Final Distribution in pence per Share

- Group 1 Shares purchased prior to 1 April 2023  
 Group 2 Shares purchased on or after 1 April 2023 to 30 September 2023

	Net revenue (p)	Equalisation (p)	Distribution payable 30/11/2023 (p)	Distribution paid 30/11/2022 (p)
<b>Share Class A Income</b>				
Group 1	1.5279	—	1.5279	1.5547
Group 2	0.3665	1.1614	1.5279	1.5547

## Investment Manager's Report

For the year ended 30 September 2023

### Investment Objective

The Fund aims to achieve a return consisting of both income and capital growth which, after all fees and expenses, exceeds the FTSE World Europe ex UK TR index over a five-year rolling period.

### Investment Policy

The Fund intends to invest at least 80% in the equity securities of European companies defined as those which are domiciled, incorporated or have a significant exposure to Europe, excluding the United Kingdom. The fund will adopt a flexible approach to investment, investing primarily in companies that are perceived to be undervalued relative to their economic potential. Exposure to small and medium sized companies will be greater than 50% of the fund. Small and medium sized companies are defined as those with a market cap of €20 billion or less at the time of the Fund's investment. Companies whose capitalisation no longer meets this definition after investment will continue to be considered small and medium market capitalisation companies.

The Fund may also invest in other transferable securities (for example, equity securities of other international companies), units in collective investment schemes (including schemes managed and operated by the ACD or its associates), money market instruments, warrants, cash and near cash deposits as detailed in the Prospectus.

It is envisaged that the investment portfolio of the Fund will be concentrated, typically comprising between 40 and 80 holdings.

Derivatives may be used for the purposes of hedging and efficient portfolio management.

### Benchmark

The performance of the Fund will be measured against the FTSE World Europe ex UK TR Index\* for target return purposes. This index was chosen as it was considered a fair representation of the assets in which the fund will invest, in line with its investment objectives and policy.

### Portfolio Review

Over the period the fund returned 11.47% [source: Return after operating charges as per Comparative Table] and the benchmark returned 20.51% [source: Financial Express, bid to bid, net income reinvested].

\*The index data provided has been licensed for use by its third-party providers who do not accept any liability for errors or omissions. For full disclaimer please see <https://omnisinvestments.com/disclaimers>

European equities performed strongly over the first half of the period, as the initial shock from Russia's invasion of Ukraine in February 2022 waned, and as energy prices declined from their post-invasion highs. Fears that Europe's gas supplies over the winter months would be inadequate and force power cuts receded, and the economic environment generally proved to be more resilient than initially feared.

In the second half of the period under review, however, European indices suffered some profit-taking and have fallen back. The European Central Bank has moved more decisively to raise interest rates, in response to rising inflation, while Business and Consumer confidence have weakened sharply. Although unemployment remains low and corporate profitability has proved resilient, forecasts for economic growth in Europe were trimmed.

## **Investment Manager's Report (continued)**

**For the year ended 30 September 2023**

Whilst the portfolio generated positive absolute returns, this performance lagged the return from the benchmark index. Over the period smaller and medium sized companies underperformed relative to larger peers, which had a meaningful negative impact on relative performance given the portfolio's exposure to smaller and mid-sized companies. Our conviction remains that over the medium and long-term smaller companies offer better growth potential and more unique stock selection opportunities for investors.

New purchases included meal kit provider HelloFresh, whose strong market position in the U.S.A., and successful expansion into fresh food deliveries while demonstrating strong cost control, indicate long-term profit growth potential. Shares in D'ieteren, the Belgian holding company whose main asset is the world's leading provider and installer of windscreen replacement glass, were also acquired. D'ieteren's management have made new acquisitions, increased profitability and further progress is anticipated. Essilor-Luxottica, the world's largest designer, manufacturer and retailer of spectacles and lenses, was also added. Corrective lens demand is rising, while the company continues to grow both its market share and improve its own productivity. A holding in Arcadis, the Dutch engineering consultancy, specialising in sustainable civil infrastructure planning, was also acquired. Recent acquisitions in America have broadened Arcadis' scope and increased market share, and provide scope for efficiency gains and cross-selling of services.

### **Baring Asset Management Limited**

October 2023



## Material Portfolio Changes

For the year ended 30 September 2023

Purchases		Sales	
Portfolio Name	Cost £'000	Portfolio Name	Proceeds £'000
Brembo	8,035	Amadeus IT Group	7,411
Storebrand	6,912	Air Liquide	7,210
Bureau Veritas	6,893	Recordati	7,196
Scout24	6,849	Ahold Delhaize	6,992
HelloFresh	6,833	Chr. Hansen	6,921
D'ieteren	6,733	Smurfit Kappa	6,514
Amadeus IT Group	6,701	Baloise Holding	6,508
Moncler	6,689	Deutsche Telekom	6,493
Nexans	6,679	Koninklijke DSM	6,016
CNH Industrial	6,570	Novo Nordisk	5,949

The above table complements the data provided in the investment managers report by outlining the top 10 portfolio components.

## Comparative Table

As at 30 September 2023

	30/09/23 (p)	A Income 30/09/22 (p)	30/09/21 (p)
<b>Change in net assets per Share</b>			
Opening net asset value per share	109.72	140.05	115.38
Return before operating charges*	13.57	(27.34)	26.58
Operating charges	(0.99)	(1.03)	(1.07)
Return after operating charges	12.58	(28.37)	25.51
Distributions	(2.27)	(1.96)	(0.84)
Closing net asset value per share	120.03	109.72	140.05
*after direct transaction cost of:	0.12	0.15	0.38
<b>Performance</b>			
Return after operating charges	11.47%	(20.26%)	22.11%
<b>Other information</b>			
Closing net asset value (£'000)	293,321	264,126	319,696
Closing number of shares	244,362,998	240,730,309	228,266,363
Operating charges	0.79%	0.79%	0.80%
Direct transaction costs	0.09%	0.12%	0.28%
<b>Prices (p)**</b>			
Highest share price	133.38	150.32	150.59
Lowest share price	107.76	111.23	107.63

\*\*The highest and lowest share prices are based on published price. The opening and closing net asset values per share include accounting adjustments, therefore they may appear higher or lower as a result.

**Performance Information**

As at 30 September 2023

**Operating Charge**

Date	AMC (%)	Other expenses (%)	Transaction costs (%)	Total operating charge (%)
30/09/23 Share Class A Income	0.75	0.04	0.00	0.79
30/09/22 Share Class A Income	0.75	0.04	0.00	0.79

The Operating Charge is the ratio of the Fund's total disclosable costs (excluding overdraft interest) to the average net assets of the Fund.

**Risk and Reward Profile**

As at 30 September 2023

	Typically lower rewards				Typically higher rewards		
	Lower risks				Higher risks		
Share Class A	1	2	3	4	5	6	7

- This indicator is based on historical data and may not be a reliable indication of the future risk profile of the Fund.
- The risk category shown is not guaranteed to remain unchanged and may shift over time.
- The risk and reward indicator table demonstrates where a Fund ranks in terms of its potential risk and return. The higher the rank the greater the potential reward but the greater the risk of losing money. The lowest category does not mean 'risk free'.
- The Fund appears as a "6" on the scale. This is because the Fund invests in the shares of companies whose values tend to vary more widely than other asset classes.

**Risk Warning**

An investment in an Open Ended Investment Company should be regarded as a medium to long-term investment. Investors should be aware that the price of shares and the income from them may fall as well as rise and investors may not receive back the full amount invested. Past performance is not a guide to future performance. Investments denominated in currencies other than the base currency of a Fund are subject to fluctuation in exchange rates, which may be favourable or unfavourable.

**Portfolio Statement**

As at 30 September 2023

Holdings or Nominal Value	Investments	Market value £'000	% of Total Net Assets
<b>Austria 4.31% (2.22%)</b>			
181,505	BAWAG	6,843	2.33
277,253	Wienerberger AG	5,810	1.98
		<b>12,653</b>	<b>4.31</b>
<b>Belgium 2.28% (0.00%)</b>			
48,199	D'ieteren	6,681	2.28
		<b>6,681</b>	<b>2.28</b>
<b>Denmark 9.22% (12.01%)</b>			
202,012	Novo Nordisk	15,246	5.20
83,747	Pandora	7,164	2.44
72,984	Royal Unibrew	4,637	1.58
		<b>27,047</b>	<b>9.22</b>
<b>Finland 4.12% (3.98%)</b>			
221,285	Huhtamaki	5,974	2.04
706,648	Metso Outotec	6,116	2.08
		<b>12,090</b>	<b>4.12</b>
<b>France 28.83% (26.01%)</b>			
24,391	Alten	2,636	0.90
267,290	AXA	6,533	2.23
292,947	Bureau Veritas	5,972	2.04
47,488	Capgemini	6,828	2.33
137,622	Danone	6,230	2.12
124,858	Edenred	6,420	2.19
469,312	Elis	6,782	2.31
44,001	EssilorLuxottica	6,302	2.15
19,749	Gaztransport Et Technigaz	1,996	0.68
61,854	Ipsen	6,664	2.27
92,884	Nexans	6,208	2.12
105,373	Publicis	6,557	2.23
31,343	Teleperformance	3,245	1.11
69,710	Vinci	6,350	2.16
252,791	Worldline	5,842	1.99
		<b>84,565</b>	<b>28.83</b>
<b>Germany 12.60% (6.28%)</b>			
58,960	CTS Eventim	2,762	0.94
165,266	Evotec SE	2,708	0.92
289,858	HelloFresh	7,110	2.43
213,937	Infineon Technologies	5,817	1.98
44,197	Merck	6,059	2.07

**Portfolio Statement (continued)**

As at 30 September 2023

Holdings or Nominal Value	Investments	Market value £'000	% of Total Net Assets
<b>Germany 12.60% (6.28%) (continued)</b>			
127,087	Scout24	7,247	2.47
66,872	Symrise	5,243	1.79
		<b>36,946</b>	<b>12.60</b>
<b>Ireland 0.00% (1.87%)</b>			
<b>Italy 8.09% (10.25%)</b>			
585,055	Brembo	5,968	2.04
585,055	Brembo Spa Rights	0	0.00
610,196	FinecoBank Banca Fineco	6,095	2.08
610,763	Infrastrutture Wireless Italiane	5,963	2.03
119,088	Moncler	5,690	1.94
		<b>23,716</b>	<b>8.09</b>
<b>Netherlands 12.38% (18.33%)</b>			
173,068	Arcadis NV	6,392	2.18
16,841	ASM International	5,807	1.98
185,588	ASR Nederland	5,715	1.95
214,560	Koninklijke Vopak NV	6,034	2.06
177,668	QIAGEN	5,907	2.01
64,870	Wolters Kluwer	6,452	2.20
		<b>36,307</b>	<b>12.38</b>
<b>Norway 3.42% (2.13%)</b>			
957,921	Storebrand	6,429	2.19
320,107	TGS NOPEC Geophysical Co. ASA	3,613	1.23
		<b>10,042</b>	<b>3.42</b>
<b>Spain 2.17% (1.05%)</b>			
6,664,251	Banco de Sabadell SA	6,362	2.17
		<b>6,362</b>	<b>2.17</b>
<b>Sweden 3.23% (2.99%)</b>			
176,208	Loomis	3,915	1.34
510,346	Nordnet	5,546	1.89
		<b>9,461</b>	<b>3.23</b>
<b>Switzerland 7.91% (12.79%)</b>			
157,121	Accelleron Industries AG	3,352	1.14
134,316	Julius Baer	7,080	2.41

**Portfolio Statement (continued)**

As at 30 September 2023

Holdings or Nominal Value	Investments	Market value £'000	% of Total Net Assets
<b>Switzerland 7.91% (12.79%) (continued)</b>			
348,705	SIG	7,071	2.41
20,635	Tecan	5,714	1.95
		<b>23,217</b>	<b>7.91</b>
	<b>Portfolio of investments</b>	<b>289,087</b>	<b>98.56</b>
	Net other assets	4,234	1.44
	<b>Net assets</b>	<b>293,321</b>	<b>100.00</b>

All investments are ordinary shares / bonds unless otherwise stated and admitted to official stock exchange listings.

Comparative figures shown above in brackets relate to 30 September 2022.

The investments have been valued in accordance with note 1(h) of the Accounting Policies and Financial Instruments.

Gross purchases for the year: £189,915,000 [2022: £216,604,000]. (See note 15).

Total sales net of transaction costs for the year: £189,997,000 [2022: £195,553,000]. (See note 15).

## Statement of Total Return

For the year ended 30 September 2023

	Note	01/10/22 to 30/09/23		01/10/21 to 30/09/22	
		£'000	£'000	£'000	£'000
Income:					
Net capital gains/(losses)	2		25,018		(69,900)
Revenue	3	8,692		7,883	
Expenses	4	(2,490)		(2,336)	
Interest payable and similar charges	5	—		(5)	
Net revenue before taxation		6,202		5,542	
Taxation	6	(880)		(1,047)	
Net revenue after taxation			5,322		4,495
Total return before distributions			30,340		(65,405)
Distributions	7		(5,805)		(4,495)
<b>Change in net assets attributable to Shareholders from investment activities</b>			<b>24,535</b>		<b>(69,900)</b>

## Statement of Change in Net Assets Attributable to Shareholders

For the year ended 30 September 2023

	01/10/22 to 30/09/23		01/10/21 to 30/09/22	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to Shareholders</b>		264,126		319,696
Amounts receivable on issue of Shares	41,050		52,213	
Amounts payable on cancellation of Shares	(36,419)		(37,883)	
Dilution adjustment		4,631		14,330
Change in net assets attributable to Shareholders from investment activities (see above)		29		—
		24,535		(69,900)
<b>Closing net assets attributable to Shareholders</b>		<b>293,321</b>		<b>264,126</b>

## Balance Sheet

As at 30 September 2023

	Note	30/09/23		30/09/22	
		£'000	£'000	£'000	£'000
<b>Assets:</b>					
Fixed assets:					
Investments			289,087		263,877
Current assets:					
Debtors	8	490		703	
Cash and bank balances	9	9,510		4,762	
Total current assets			10,000		5,465
Total assets			299,087		269,342
<b>Liabilities:</b>					
Creditors:					
Distribution payable		(5,547)		(4,355)	
Other creditors	10	(219)		(861)	
Total creditors			(5,766)		(5,216)
Total liabilities			(5,766)		(5,216)
<b>Net assets attributable to Shareholders</b>					
			<b>293,321</b>		<b>264,126</b>



## Notes to the Financial Statements

For the year ended 30 September 2023

### 1. Accounting basis and policies

The Fund's financial statements have been prepared on the basis detailed on pages 15 to 18.

### 2. Net capital gains/(losses)

	01/10/22 to 30/09/23 £'000	01/10/21 to 30/09/22 £'000
The net capital gains/(losses) during the year comprise:		
Currency losses	(317)	(166)
Forward currency contracts	9	(74)
Non-derivative securities	25,314	(69,734)
Transaction charges	(6)	(4)
Compensation	—	5
Cash transferred from closed Omnis Funds	18	73
<b>Net capital gains/(losses)</b>	<b>25,018</b>	<b>(69,900)</b>

### 3. Revenue

	01/10/22 to 30/09/23 £'000	01/10/21 to 30/09/22 £'000
Bank interest	35	3
Overseas dividends	8,657	7,880
<b>Total revenue</b>	<b>8,692</b>	<b>7,883</b>

### 4. Expenses

	01/10/22 to 30/09/23 £'000	01/10/21 to 30/09/22 £'000
<b>Payable to the ACD, associates of the ACD, and agents of either of them</b>		
AMC fees	2,369	2,210
	2,369	2,210
<b>Payable to the Depositary, associates of the Depositary and agents of either of them</b>		
Depositary fees	40	38
Safe custody fees	66	66
	106	104
<b>Other expenses</b>		
Audit fees	10	8
Professional fees*	6	8
Publication fees	(2)	3
Out of pocket expenses	1	3
	15	22
<b>Total expenses</b>	<b>2,490</b>	<b>2,336</b>

Audit fees are £8,350 ex Vat (2022: £7,875).

\*Includes tax service fee paid to Deloitte LLP (Germany) £1,204 (2022: £0).

## Notes to the Financial Statements (continued)

For the year ended 30 September 2023

### 5. Interest payable and similar charges

	01/10/22 to 30/09/23 £'000	01/10/21 to 30/09/22 £'000
Interest	—	5
<b>Total interest payable and similar charges</b>	<b>—</b>	<b>5</b>

### 6. Taxation

#### (a) Analysis of the tax charge in the year

	01/10/22 to 30/09/23 £'000	01/10/21 to 30/09/22 £'000
Irrecoverable overseas tax	880	1,047
<b>Total taxation for the year (Note 6 (b))</b>	<b>880</b>	<b>1,047</b>

#### (b) Factors affecting the tax charge for the year

The tax assessed for the year is different from that calculated when the standard rate of corporation tax for an open ended investment company of 20% (2022: 20%) is applied to the net revenue before taxation. The differences are explained below:

	01/10/22 to 30/09/23 £'000	01/10/21 to 30/09/22 £'000
Net revenue before taxation	6,202	5,542
Net revenue for the year multiplied by the standard rate of corporation tax	1,240	1,108
<b>Effects of:</b>		
Expenses not deductible for tax purposes	(1)	—
Irrecoverable overseas tax	880	1,047
Movement in excess management expenses	493	473
Non taxable overseas dividends	(1,732)	(1,581)
<b>Total tax charge for the year</b>	<b>880</b>	<b>1,047</b>

OEICs are exempt from tax on capital gains in the UK. Therefore, any capital return is not included within the reconciliation above.

#### (c) Provision for deferred tax

There is no provision required for deferred taxation at the Balance Sheet date in the current or prior year because no taxable profit is expected to be generated by the fund.

#### (d) Factors that may affect future tax charges

At the year-end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £1,647,425 (2022: £1,155,077) in relation to surplus management expenses. It is unlikely that the Fund will generate sufficient taxable profits in the future to utilise this amount and therefore no deferred tax asset has been recognised in the year.

## Notes to the Financial Statements (continued)

For the year ended 30 September 2023

### 7. Distributions

The distributions take account of revenue received on the creation of shares and revenue deducted on the cancellation of shares, and comprise:

	01/10/22 to 30/09/23 £'000	01/10/21 to 30/09/22 £'000
Interim	—	342
Final	5,547	4,355
Add: Revenue paid on cancellation of shares	313	48
Deduct: Revenue received on creation of shares	(55)	(250)
<b>Net distribution for the year</b>	<b>5,805</b>	<b>4,495</b>
<b>Reconciliation of net revenue after taxation to distributions</b>		
Net revenue after taxation	5,322	4,495
Revenue deficit	483	—
<b>Net distribution for the year</b>	<b>5,805</b>	<b>4,495</b>

Details of the distributions per share are set out in the distribution tables on page 152.

### 8. Debtors

	30/09/23 £'000	30/09/22 £'000
Accrued bank interest	3	1
Accrued revenue	97	135
Amounts receivable for creation of shares	174	421
Overseas withholding tax recoverable	215	144
Prepaid expenses	1	2
<b>Total debtors</b>	<b>490</b>	<b>703</b>

### 9. Cash and bank balances

	30/09/23 £'000	30/09/22 £'000
Cash and bank balances	9,510	4,762
<b>Total cash and bank balances</b>	<b>9,510</b>	<b>4,762</b>

## Notes to the Financial Statements (continued)

For the year ended 30 September 2023

### 10. Other creditors

	30/09/23 £'000	30/09/22 £'000
Amounts payable for cancellation of shares	—	637
	—	637
<i>Accrued expenses</i>		
<i>Manager and Agents</i>		
AMC fees	190	175
	190	175
<i>Depositary and Agents</i>		
Depositary fees	7	13
Safe custody fees	11	22
Transaction charges	1	2
	19	37
<i>Other accrued expenses</i>		
Audit fees	10	9
Professional fees	—	1
Publication fees	—	2
	10	12
<b>Total other creditors</b>	<b>219</b>	<b>861</b>

### 11. Related party transactions

Management fees paid to the ACD, are disclosed in note 4 and amounts due at the year-end are disclosed in note 10.

Monies received and paid by the ACD through the creation and cancellation of shares are disclosed in the Statement of Change in Net Assets Attributable to Shareholders and amounts due at the year-end are disclosed in notes 8 and 10.

The ACD and its associates (including other authorised investment funds managed by the ACD) have no shareholdings in the company at the year-end.

#### Significant shareholdings

As at the balance sheet date, the following had significant shareholdings within the Fund:

Shareholders	30/09/23 (%)	30/09/22 (%)
Sterling ISA Managers (Nominees) Limited	80.54	81.58

### 12. Share Classes

The Share Classes and ACD's Annual Management Charges ("AMC") applicable to each Share Class are as follows:

	%
Share Class A Income	0.75

Each Share Class has equal rights in the event of the wind up of any fund.

## Notes to the Financial Statements (continued)

For the year ended 30 September 2023

### 12. Share Classes (continued)

The reconciliation of the opening and closing numbers of shares of each class is shown below:

	30/09/22	Issued	Cancelled	Converted	30/09/23
Share Class A Income	240,730,309	32,964,174	(29,331,485)	—	244,362,998

Each Share Class has equal rights in the event of the wind up of any fund.

The reconciliation of the opening and closing numbers of shares of each class is shown below:

### 13. Capital commitments and contingent liabilities

There were no contingent liabilities or outstanding commitments at the balance sheet date (2022: nil).

### 14. Derivatives and other financial instruments

The main risks from the Fund's holding of financial instruments, together with the ACD's policy for managing these risks, are disclosed in note 2 on pages 18 to 24 of the report.

#### (a) Foreign currency risk

A proportion of the financial net assets of the Fund are denominated in currencies other than sterling with the effect that the balance sheet and total return can be affected by currency movements.

The table below shows the foreign currency risk profile at the balance sheet date:

Currency	Net foreign currency exposure	
	30/09/23 £'000	30/09/22 £'000
Danish Krone	27,048	31,724
Euro	219,540	185,127
Norwegian Krone	10,042	5,628
Swedish Krona	9,461	7,899
Swiss Franc	23,217	33,779
<b>Total foreign currency exposure</b>	<b>289,308</b>	<b>264,157</b>
Sterling	4,013	(31)
<b>Total net assets</b>	<b>293,321</b>	<b>264,126</b>

If GBP to foreign currency exchange rates had strengthened/increased or weakened/decreased by 10% as at the balance sheet date, the net asset value of the fund would have decreased or increased by £28,930,815 (2022: £26,415,677). These calculations assume all other variables remain constant.

#### (b) Interest rate risk profile of financial assets and liabilities

The Fund does not invest in either fixed or floating rate securities and interest rate risk exposure is restricted to interest receivable on bank deposits or payable on bank overdraft positions which will be affected by fluctuations in interest rates.

As at 30 September 2023, 3.24% of the Fund's assets were interest bearing (2022: 1.80%).

**Notes to the Financial Statements (continued)**

For the year ended 30 September 2023

**14. Derivatives and other financial instruments (continued)****(b) Interest rate risk profile of financial assets and liabilities (continued)**

Changes in interest rates would have no material impact on the valuation of floating rate financial assets or liabilities as at the balance sheet date. Consequently, no sensitivity analysis has been presented.

**15. Portfolio transaction costs**

	01/10/22 to 30/09/23		01/10/21 to 30/09/22	
	£'000	£'000	£'000	£'000
<b>Analysis of total purchase costs</b>				
Purchases in the year before transaction costs:				
Equities		189,679		216,327
		189,679		216,327
Commissions - Equities	60		80	
Taxes - Equities	176		197	
Total purchase costs		236		277
<b>Gross purchase total</b>		<b>189,915</b>		<b>216,604</b>
<b>Analysis of total sale costs</b>				
Gross sales in the year before transaction costs:				
Equities		190,056		195,628
		190,056		195,628
Commissions - Equities	(59)		(75)	
Total sale costs		(59)		(75)
<b>Total sales net of transaction costs</b>		<b>189,997</b>		<b>195,553</b>

The portfolio transaction costs table above includes direct transaction costs suffered by the Fund during the year.

Separately identifiable direct transaction costs (commissions and taxes etc.) are attributable to the Fund's purchase and sale of equity shares. Additionally for equity shares there is a dealing spread cost (the difference between the buying and selling prices) which will be suffered on purchase and sale transactions.

<b>Transaction costs as percentage of principal amounts</b>	01/10/22 to 30/09/23	01/10/21 to 30/09/22
	%	%
Purchases - Commissions		
Equities	0.0314	0.0368
Purchases - Taxes		
Equities	0.0929	0.0909
Sales - Commissions		
Equities	0.0309	0.0384
Sales - Taxes		
Equities	0.0000	0.0000

## Notes to the Financial Statements (continued)

For the year ended 30 September 2023

### 15. Portfolio transaction costs (continued)

	01/10/22 to 30/09/23 %	01/10/21 to 30/09/22 %
Transaction costs as percentage of average net asset value		
Commissions	0.0377	0.0526
Taxes	0.0557	0.0669

At the balance sheet date the average portfolio dealing spread was 0.09% (2022: 0.09%).

### 16. Post balance sheet events

Subsequent to the year end, the net asset value per unit of the fund has increased from 97.41p to 124.03p as at 26 January 2024. This movement takes into account routine transactions but also reflects the market movements of recent months.

### 17. Fair value disclosure

Valuation technique	30/09/23		30/09/22	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
<b>Level 1:</b> The unadjusted quoted price in an active market for identical assets or liabilities	289,087	—	263,877	—
<b>Level 2:</b> Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly	—	—	—	—
<b>Level 3:</b> Inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability	—	—	—	—
	<b>289,087</b>	<b>—</b>	<b>263,877</b>	<b>—</b>

## Distribution Table

As at 30 September 2023

### Interim Distribution in pence per Share

- Group 1 Shares purchased prior to 1 October 2022  
 Group 2 Shares purchased on or after 1 October 2022 to 31 March 2023

	Net revenue (p)	Equalisation (p)	Distribution paid 31/05/2023 (p)	Distribution paid 31/05/2022 (p)
<b>Share Class A Income</b>				
Group 1	0.0000	—	0.0000	0.1520
Group 2	0.0000	0.0000	0.0000	0.1520

### Final Distribution in pence per Share

- Group 1 Shares purchased prior to 1 April 2023  
 Group 2 Shares purchased on or after 1 April 2023 to 30 September 2023

	Net revenue (p)	Equalisation (p)	Distribution payable 30/11/2023 (p)	Distribution paid 30/11/2022 (p)
<b>Share Class A Income</b>				
Group 1	2.2700	—	2.2700	1.8091
Group 2	0.5552	1.7148	2.2700	1.8091



## Investment Manager's Report

For the year ended 30 September 2023

### Investment Objective

The Fund aims to achieve a return consisting of a combination of income and capital growth which exceeds that of the ICE BofA Global Broad Market TR Index, after all fees and expenses, over a five-year rolling period.

### Investment Policy

The Fund intends to invest (directly or indirectly) at least 70% in non-Sterling denominated government and non-government fixed and variable interest rate securities.

The Fund may also invest in other transferable securities (for example, Sterling denominated fixed and variable interest rate securities), units in collective investment schemes, (including exchange traded funds and other schemes managed by the ACD or its associates) money market instruments, deposits, warrants, cash, near cash and deposits as detailed in the Prospectus.

Use may also be made of stock lending, temporary borrowing and cash holdings.

Derivatives may be used for both investment purposes and for efficient portfolio management.

### Benchmark

The performance of the Fund will be measured against the ICE BofA Global Broad Market TR Index\* for target return purposes only.

### Portfolio Review

Over the period the fund returned -5.91% [source: Return after operating charges as per Comparative Table] and the benchmark returned -6.91% [source: Financial Express, bid to bid, net income reinvested].

\*The index data provided has been licensed for use by its third-party providers who do not accept any liability for errors or omissions. For full disclaimer please see <https://omnisinvestments.com/disclaimers>

The path of inflation, the global economic outlook and central bank policy rate trajectories were the dominant themes during the review period. These collective developments, combined with increasing concerns regarding the US fiscal position and weak US Treasury (UST) auctions towards the end of the review period saw global government bond yields move higher.

Headline and core inflation across major developed markets (DM) trended lower. This gave policymakers some optimism as central banks continued to tighten monetary policy aggressively. During the review period, the Federal Reserve (Fed) hiked the Federal Funds Target Rate by 225 basis points (bps) to 5.25%-5.50%. The European Central Bank (ECB) hiked policy rates by 325 bps, taking the Deposit Facility rate to 4.00% while the Bank of England hiked the Bank Rate by 300 bps to 5.25%. At the end of the period however, market pricing implied that key DM central banks were at, or were very close to, peak policy rates. Resilient US economic data towards the end of the period subdued fears of a sharp contraction in US economic growth. In contrast, the economic outlook in Europe remains challenging. The Bank of Japan (BoJ) unexpectedly softened its yield curve control (YCC) stance, effectively pledging to cap 10-year Japanese government bond (JGB) yields at 1.0%.

## **Investment Manager's Report (continued)**

**For the year ended 30 September 2023**

An underweight to Japanese duration and tactical UK duration positioning, with a bias to be overweight, added to returns. This was partially offset by an overweight to US duration, which detracted. An overweight to long-dated UK gilts detracted from returns as the yield curve steepened.

In China, despite COVID-related lockdown restrictions easing in Q4 2022, economic activity has proven sluggish during the 2023 year-to-date. This has prompted authorities to announce several rounds of stimulus packages aimed at boosting economic activity, including easing curbs on the ailing property sector. Elsewhere within emerging markets (EM), having tightened monetary policy aggressively in the face of elevated inflation, several central banks switched to the prospect of easing monetary policy. The central banks of Poland and Brazil were among those to begin easing policy rates towards the end of the review period. In aggregate, local EM government bond exposures (including Brazil, Indonesia and Poland) added to returns.

Global corporate bond spreads traded in a wide range. A more supportive macroeconomic backdrop and elevated yield levels offered support to the asset class across the review period. An overweight to corporate bonds added to returns as spreads ended the period lower. An overweight to US Dollar-denominated EM government bonds also added to returns as spreads narrowed. Our tactical positioning in US Agency MBS, switching from underweight to overweight, added to returns as well.

The British pound strengthened on a trade-weighted basis, recovering some of its weakness against the US dollar over the period. Elsewhere, overweight exposures to select emerging market currencies added to returns.

**Western Asset Management Company Limited**

October 2023

## Material Portfolio Changes

For the year ended 30 September 2023

Purchases		Sales	
Portfolio Name	Cost £'000	Portfolio Name	Proceeds £'000
US Treasury 0% 30/11/2023	27,960	US Treasury 0% 30/11/2023	27,623
US Treasury Note 0.5% 30/11/2023	27,558	Fannie Mae Pool 2.5% 15/07/2053	21,976
Fannie Mae Pool 2.5% 15/07/2053	22,546	US Treasury Note 0.25%	
Fannie Mae Pool 2.5% 15/01/2053	18,003	31/08/2025	18,868
Fannie Mae Pool 2.5% 15/10/2051	17,309	Fannie Mae Pool 2.5% 15/10/2051	18,076
Fannie Mae Pool 2.5% 15/03/2053	17,228	Fannie Mae Pool 2.5% 15/01/2053	17,913
US Treasury Note 2.625%		Fannie Mae Pool 2.5% 15/03/2053	16,894
31/05/2027	15,776	US Treasury Note 2.625%	
Fannie Mae Pool 2.5% 15/11/2050	15,517	31/05/2027	15,668
Fannie Mae Pool 3% 15/07/2053	15,364	Fannie Mae Pool 2.5% 15/11/2050	15,281
Fannie Mae Pool 2.5% 01/05/2053	14,796	Japanese Government CPI Linked	
		Bond 0.1% 10/03/2026	15,257
		Fannie Mae Pool 3% 15/07/2053	14,938

The above table complements the data provided in the investment managers report by outlining the top 10 portfolio components.

## Comparative Table

As at 30 September 2023

	30/09/23 (p)	A Income 30/09/22 (p)	30/09/21 (p)
<b>Change in net assets per Share</b>			
Opening net asset value per share	113.63	125.58	133.96
Return before operating charges*	(6.19)	(9.40)	(6.76)
Operating charges	(0.53)	(0.58)	(0.63)
Return after operating charges	(6.72)	(9.98)	(7.39)
Distributions	(2.82)	(1.97)	(0.99)
Closing net asset value per share	104.09	113.63	125.58
*after direct transaction cost of:	0.01	0.01	0.01
<b>Performance</b>			
Return after operating charges	(5.91%)	(7.95%)	(5.52%)
<b>Other information</b>			
Closing net asset value (£'000)	599,079	633,577	611,234
Closing number of shares	575,524,455	557,586,939	486,730,623
Operating charges	0.48%	0.48%	0.50%
Direct transaction costs	0.01%	0.01%	0.01%
<b>Prices (p)**</b>			
Highest share price	115.99	126.27	135.35
Lowest share price	103.09	112.80	121.79

\*\*The highest and lowest share prices are based on published price. The opening and closing net asset values per share include accounting adjustments, therefore they may appear higher or lower as a result.

**Performance Information**

As at 30 September 2023

**Operating Charge**

Date	AMC (%)	Other expenses (%)	Transaction costs (%)	Total operating charge (%)
30/09/23 Share Class A Income	0.45	0.02	0.01	0.48
30/09/22 Share Class A Income	0.45	0.01	0.02	0.48

The Operating Charge is the ratio of the Fund's total disclosable costs (excluding overdraft interest) to the average net assets of the Fund.

**Risk and Reward Profile**

As at 30 September 2023

	Typically lower rewards				Typically higher rewards		
	Lower risks				Higher risks		
Share Class A	1	2	3	4	5	6	7

- This indicator is based on historical data and may not be a reliable indication of the future risk profile of the Fund.
- The risk category shown is not guaranteed to remain unchanged and may shift over time.
- The risk and reward indicator table demonstrates where a Fund ranks in terms of its potential risk and return. The higher the rank the greater the potential reward but the greater the risk of losing money. The lowest category does not mean 'risk free'.
- The Fund appears as a "4" on the scale. This is because the Fund invests in fixed income investments whose values do not fluctuate widely.

**Risk Warning**

An investment in an Open Ended Investment Company should be regarded as a medium to long-term investment. Investors should be aware that the price of shares and the income from them may fall as well as rise and investors may not receive back the full amount invested. Past performance is not a guide to future performance. Investments denominated in currencies other than the base currency of a Fund are subject to fluctuation in exchange rates, which may be favourable or unfavourable.

**Portfolio Statement**

As at 30 September 2023

Holdings or Nominal Value	Investments	Market value £'000	% of Total Net Assets
<b>Bonds 102.79% (98.31%)</b>			
<b>Australia 0.95% (1.01%)</b>			
AUD 1,065,000	Australia Government Bond 1.5% 21/06/2031	459	0.08
USD 220,193	RESIMAC Premier Series 2021-1 FR 5.4597% 10/07/2052	180	0.03
AUD 5,460,000	South Australian Government Financing Authority 1.75% 24/05/2034	2,084	0.35
USD 3,803,000	Westpac Banking 2% 16/01/2025	2,963	0.49
		<b>5,686</b>	<b>0.95</b>
<b>Austria 0.51% (0.00%)</b>			
USD 4,850,000	Suzano Austria 3.125% 15/01/2032	3,039	0.51
		<b>3,039</b>	<b>0.51</b>
<b>Belgium 1.07% (1.06%)</b>			
EUR 3,659,000	European Union 0% 22/04/2031	2,476	0.41
EUR 5,965,000	Kingdom of Belgium Government Bond 1.45% 22/06/2037	3,936	0.66
		<b>6,412</b>	<b>1.07</b>
<b>Bermuda 0.25% (0.37%)</b>			
USD 249,611	Bellemeade Re FR 5.7598% 25/06/2031	204	0.03
USD 500,000	Bellemeade Re FR 6.0598% 25/06/2031	408	0.07
USD 500,000	Bellemeade Re FR 6.4098% 25/06/2031	408	0.07
USD 190,000	NCL 5.875% 15/03/2026	144	0.02
USD 427,523	Radnor RE 2021-1 FR 6.2598% 27/12/2033	350	0.06
		<b>1,514</b>	<b>0.25</b>
<b>Brazil 1.56% (0.00%)</b>			
BRL 5,000,000	Brazil Notas do Tesouro Nacional Serie 6% 15/05/2035	3,559	0.59
BRL 37,000,000	Brazil Notas do Tesouro Nacional Serie F 10% 01/01/2031	5,780	0.97
		<b>9,339</b>	<b>1.56</b>
<b>Canada 2.21% (2.02%)</b>			
CAD 6,782,000	Canadian Government Bond 0.5% 01/09/2025	3,788	0.63
CAD 1,978,000	Canadian Government Bond 1% 01/06/2027	1,066	0.18
CAD 1,694,000	Canadian Government Bond 2% 01/12/2051	704	0.12
CAD 2,938,000	Canadian Government Bond 3.5% 01/12/2045	1,670	0.28
USD 420,000	First Quantum Minerals 8.625% 01/06/2031	342	0.06
EUR 2,135,000	Province of Quebec Canada 0.25% 05/05/2031	1,442	0.24
USD 300,000	Province of Quebec Canada 2.875% 16/10/2024	239	0.04
CAD 2,910,000	Province of Quebec Canada 3.5% 01/12/2045	1,426	0.24
GBP 2,750,000	Royal Bank of Canada 3.625% 14/06/2027	2,551	0.42
		<b>13,228</b>	<b>2.21</b>

**Portfolio Statement (continued)**

As at 30 September 2023

Holdings or Nominal Value	Investments	Market value £'000	% of Total Net Assets
<b>Cayman Islands 0.82% (1.02%)</b>			
USD 500,000	Arbor Realty Commercial Real Estate Notes 2021-FL2 FR 5.7844% 15/05/2036	405	0.07
USD 667,830	BDS 2021-FL7 FR 5.8314% 16/06/2036	538	0.09
USD 258,459	BDS 2021-FL8 FR 5.6814% 18/01/2036	209	0.04
USD 177,961	Blackbird Capital Aircraft Lease Securitization 2016-1 2.487% 16/12/2041	139	0.02
USD 1,270,000	CIFC Funding 2018-I FR 5.7947% 18/04/2031	1,038	0.17
USD 1,107,679	Dryden 53 CLO FR 5.9124% 15/01/2031	906	0.15
USD 247,136	Galaxy XXI CLO FR 5.8277% 20/04/2031	202	0.03
USD 250,000	Goldentree Loan Management US CLO 7 FR 5.8777% 20/04/2034	203	0.03
USD 863,424	HGI CRE CLO 2021-FL1 FR 5.7777% 16/06/2036	693	0.12
USD 503,256	Milos CLO FR 5.8777% 20/10/2030	411	0.07
USD 207,479	Voya CLO 2015-1 FR 5.6947% 18/01/2029	170	0.03
		<b>4,914</b>	<b>0.82</b>
<b>Denmark 0.00% (0.27%)</b>			
<b>France 1.66% (2.49%)</b>			
EUR 3,200,000	BNP Paribas 0.5% 30/05/2028	2,403	0.40
USD 2,446,000	BNP Paribas 2.219% 09/06/2026	1,869	0.31
USD 425,000	BPCE 2.045% 19/10/2027	306	0.05
EUR 6,282,000	French Republic Government Bond OAT 0.75% 25/05/2052	2,572	0.43
EUR 1,817,000	French Republic Government Bond OAT 1.25% 25/05/2036	1,202	0.20
EUR 476,526	French Republic Government Bond OAT 4.5% 25/04/2041	454	0.08
EUR 1,350,000	Orange 5% Perpetual	1,164	0.19
		<b>9,970</b>	<b>1.66</b>
<b>Germany 1.50% (0.35%)</b>			
EUR 3,760,000	Bundesobligation 0% 10/04/2026	3,027	0.51
EUR 230,000	Bundesobligation 0% 16/04/2027	181	0.03
EUR 5,560,000	Bundesrepublik Deutschland Bundesanleihe 0% 15/08/2052	2,081	0.35
EUR 2,290,000	Bundesrepublik Deutschland Bundesanleihe 1.7% 15/08/2032	1,821	0.30
EUR 390,000	Bundesrepublik Deutschland Bundesanleihe 2.5% 04/07/2044	312	0.05
AUD 200,000	Landwirtschaftliche Rentenbank 4.75% 06/05/2026	106	0.02
EUR 300,000	Volkswagen Bank 2.5% 31/07/2026	245	0.04
EUR 2,000,000	Vonovia 1% 16/06/2033	1,184	0.20
		<b>8,957</b>	<b>1.50</b>

**Portfolio Statement (continued)**

As at 30 September 2023

Holdings or Nominal Value	Investments	Market value £'000	% of Total Net Assets
<b>Indonesia 1.10% (1.71%)</b>			
IDR 111,000,000,000	Indonesia Treasury Bond 8.375% 15/04/2039	6,606	1.10
		<b>6,606</b>	<b>1.10</b>
<b>Ireland 0.00% (0.25%)</b>			
<b>Italy 1.57% (1.37%)</b>			
EUR 1,932,000	FCA Bank 0.5% 13/09/2024	1,615	0.27
EUR 5,670,000	Italy Buoni Poliennali Del Tesoro 0.95% 01/12/2031	3,742	0.62
EUR 5,206,000	Italy Buoni Poliennali Del Tesoro 1.5% 30/04/2045	2,470	0.41
EUR 504,000	Italy Buoni Poliennali Del Tesoro 2.05% 01/08/2027	407	0.07
USD 1,629,000	UniCredit 1.982% 03/06/2027	1,177	0.20
		<b>9,411</b>	<b>1.57</b>
<b>Japan 4.68% (6.15%)</b>			
GBP 755,000	Japan Bank for International Cooperation 0.375% 22/07/2026	660	0.11
JPY 1,229,900,000	Japan Government Ten Year Bond 0.1% 20/03/2026	6,758	1.13
JPY 495,350,000	Japan Government Ten Year Bond 0.1% 20/03/2028	2,712	0.45
JPY 944,800,000	Japan Government Thirty Year Bond 0.4% 20/03/2050	3,838	0.64
JPY 2,367,550,000	Japan Government Thirty Year Bond 1.9% 20/09/2042	14,078	2.35
		<b>28,046</b>	<b>4.68</b>
<b>Jersey 0.43% (0.00%)</b>			
USD 4,030,000	Galaxy Pipeline Assets Bidco 2.625% 31/03/2036	2,557	0.43
		<b>2,557</b>	<b>0.43</b>
<b>Luxembourg 1.39% (1.07%)</b>			
EUR 1,049,000	Blackstone Property Partners Europe 1.75% 12/03/2029	712	0.12
EUR 187,000	DH Europe Finance II 0.2% 18/03/2026	148	0.02
EUR 3,107,000	European Financial Stability Facility 0% 20/01/2031	2,113	0.35
EUR 621,000	European Investment Bank 0% 28/03/2028	466	0.08
GBP 1,620,000	European Investment Bank 0.75% 15/11/2024	1,539	0.26
EUR 1,361,000	Logicor Financing 1.625% 15/07/2027	1,011	0.17
EUR 1,100,000	Logicor Financing 2% 17/01/2034	632	0.11



**Portfolio Statement (continued)**

As at 30 September 2023

Holdings or Nominal Value	Investments	Market value £'000	% of Total Net Assets
<b>Luxembourg 1.39% (1.07%) (continued)</b>			
EUR 1,301,000	Medtronic Global 1.125% 07/03/2027	1,026	0.17
EUR 930,000	Segro Capital 1.875% 23/03/2030	683	0.11
		<b>8,330</b>	<b>1.39</b>
<b>Mexico 4.03% (3.80%)</b>			
MXN 270,600,000	Mexican Bonos 7.75% 13/11/2042	10,316	1.72
MXN 105,250,000	Mexican Bonos 8% 05/09/2024	4,818	0.81
EUR 4,020,000	Mexico Government International Bond 2.875% 08/04/2039	2,476	0.41
USD 10,860,000	Mexico Government International Bond 4.6% 23/01/2046	6,547	1.09
		<b>24,157</b>	<b>4.03</b>
<b>Netherlands 0.63% (0.53%)</b>			
GBP 100,000	BNG Bank 1.625% 26/08/2025	93	0.02
EUR 724,000	Enel Finance International 0% 17/06/2024	610	0.10
EUR 285,000	Enel Finance International 0.375% 28/05/2029	201	0.03
EUR 640,000	GSK Consumer Healthcare Capital 1.75% 29/03/2030	478	0.08
EUR 313,000	Heimstaden Bostad Treasury 1% 13/04/2028	198	0.03
USD 2,045,000	NXP BV 3.4% 01/05/2030	1,432	0.24
EUR 100,000	Volkswagen International Finance 3.5% Perpetual	82	0.01
EUR 200,000	Vonovia Finance 1.8% 29/06/2025	165	0.03
EUR 700,000	Vonovia Finance 2.25% 07/04/2030	512	0.09
		<b>3,771</b>	<b>0.63</b>
<b>Norway 0.18% (1.02%)</b>			
GBP 1,234,000	Kommunalbanken 0.25% 15/12/2025	1,107	0.18
		<b>1,107</b>	<b>0.18</b>
<b>Poland 1.67% (1.78%)</b>			
PLN 63,470,000	Republic of Poland Government Bond 1.75% 25/04/2032	8,695	1.45
EUR 1,633,000	Republic of Poland Government International Bond 1.375% 22/10/2027	1,290	0.22
		<b>9,985</b>	<b>1.67</b>
<b>South Africa 1.19% (0.00%)</b>			
ZAR 248,000,000	Republic of South Africa Government Bond 6.5% 28/02/2041	6,089	1.01
ZAR 23,668,000	Republic of South Africa Government Bond 10.5% 21/12/2026	1,058	0.18
		<b>7,147</b>	<b>1.19</b>

**Portfolio Statement (continued)**

As at 30 September 2023

Holdings or Nominal Value	Investments	Market value £'000	% of Total Net Assets
<b>South Africa 0.00% (1.37%)</b>			
<b>Spain 2.25% (2.64%)</b>			
USD 2,800,000	Banco Santander 2.749% 03/12/2030	1,708	0.28
EUR 2,300,000	Cellnex Finance 2% 15/09/2032	1,554	0.26
EUR 10,358,000	Spain Government Bond 0.8% 30/07/2027	8,136	1.36
EUR 1,874,000	Spain Government Bond 0.85% 30/07/2037	1,065	0.18
EUR 1,200,000	Spain Government Bond 2.7% 31/10/2048	773	0.13
USD 350,000	Telefonica Emisiones 4.665% 06/03/2038	230	0.04
		<b>13,466</b>	<b>2.25</b>
<b>Sweden 0.00% (0.13%)</b>			
<b>Switzerland 0.98% (1.48%)</b>			
EUR 370,000	Credit Suisse 1% 24/06/2027	289	0.05
USD 1,359,000	Credit Suisse 2.593% 11/09/2025	1,071	0.18
EUR 1,240,000	Credit Suisse 3.25% 02/04/2026	1,047	0.17
USD 215,000	UBS 1.364% 30/01/2027	156	0.02
EUR 4,070,000	UBS 2.75% 15/06/2027	3,336	0.56
		<b>5,899</b>	<b>0.98</b>
<b>United Arab Emirates 0.26% (1.10%)</b>			
EUR 2,490,000	MDGH GMTN RSC 1% 10/03/2034	1,551	0.26
		<b>1,551</b>	<b>0.26</b>
<b>United Kingdom 2.30% (2.51%)</b>			
USD 247,000	BP Capital Markets 4.375% Perpetual	193	0.03
USD 2,500,000	HSBC 2.871% 22/11/2032	1,568	0.26
EUR 1,546,000	Lloyds Banking 3.5% 01/04/2026	1,319	0.22
USD 3,415,000	Lloyds Banking 3.87% 09/07/2025	2,740	0.46
USD 3,260,000	NatWest 4.269% 22/03/2025	2,642	0.44
GBP 60,000	Santander UK 3.875% 15/10/2029	54	0.01
GBP 3,013,000	UK Treasury 1.25% 31/07/2051	1,369	0.23
GBP 2,390,000	UK Treasury 0.125% 22/03/2068	2,197	0.37
GBP 1,055,194	UK Treasury 1.5% 31/07/2053	503	0.08
GBP 2,138,200	UK Treasury 1.75% 22/01/2049	1,178	0.20
		<b>13,763</b>	<b>2.30</b>
<b>United States 69.60% (62.81%)</b>			
USD 2,000,000	AbbVie 4.25% 21/11/2049	1,292	0.22
USD 70,000	AbbVie 4.875% 14/11/2048	50	0.01
USD 351,000	American Express 3.55% Perpetual	229	0.04
USD 170,000	American Transmission Systems 2.65% 15/01/2032	110	0.02
USD 2,011,000	Anheuser-Busch InBev Worldwide 4.439% 06/10/2048	1,345	0.22
USD 51,000	Anheuser-Busch InBev Worldwide 4.6% 15/04/2048	35	0.01

**Portfolio Statement (continued)**

As at 30 September 2023

Holdings or Nominal Value	Investments	Market value £'000	% of Total Net Assets
<b>United States 69.60% (62.81%) (continued)</b>			
GBP 145,000	AT&T 2.9% 04/12/2026	132	0.02
EUR 600,000	AT&T 3.55% 17/12/2032	478	0.08
GBP 100,000	AT&T 5.5% 15/03/2027	98	0.02
USD 5,220,000	Bank of America 2.572% 20/10/2032	3,278	0.55
USD 1,350,000	Bank of America 3.559% 23/04/2027	1,036	0.17
EUR 121,000	Bank of America 3.648% 31/03/2029	101	0.02
USD 720,000	Barrick North America Finance 5.75% 01/05/2043	566	0.09
USD 4,480,000	Boeing 2.196% 04/02/2026	3,372	0.56
USD 660,000	Boeing 5.805% 01/05/2050	489	0.08
USD 362,000	Bristol-Myers Squibb 3.4% 26/07/2029	269	0.04
USD 772,000	Capital One Financial 2.359% 29/07/2032	429	0.07
USD 340,000	CCO 4.25% 01/02/2031	222	0.04
USD 890,000	CCO 4.25% 15/01/2034	539	0.09
USD 1,880,000	Charter Communications Operating 3.7% 01/04/2051	894	0.15
USD 520,000	Charter Communications Operating / Charter Communications Operating Capital 5.25% 01/04/2053	315	0.05
USD 940,000	Charter Communications Operating / Charter Communications Operating Capital 5.5% 01/04/2063	564	0.09
USD 315,000	Cheniere Energy Partners 3.25% 31/01/2032	205	0.03
USD 387,000	Cheniere Energy Partners 4% 01/03/2031	271	0.05
USD 580,000	Cigna 4.9% 15/12/2048	399	0.07
USD 4,000,000	Citigroup 2.52% 03/11/2032	2,483	0.41
USD 2,119,000	Citigroup 2.666% 29/01/2031	1,403	0.23
USD 420,000	Comcast 4% 01/03/2048	256	0.04
USD 200,000	CSC 3.375% 15/02/2031	110	0.02
USD 1,400,000	CSC 4.5% 15/11/2031	797	0.13
USD 2,473,000	CVS Health 5.05% 25/03/2048	1,683	0.28
USD 3,400,000	Devon Energy 5% 15/06/2045	2,243	0.37
USD 687,000	Diamondback Energy 3.125% 24/03/2031	468	0.08
USD 160,000	Diamondback Energy 3.5% 01/12/2029	116	0.02
USD 210,000	DISH DBS 7.375% 01/07/2028	109	0.02
USD 1,160,000	DISH Network 2.375% 15/03/2024	912	0.15
EUR 140,000	Eli Lilly 1.375% 14/09/2061	57	0.01
USD 640,000	Energy Transfer 5.95% 01/10/2043	458	0.08
USD 3,830,000	Energy Transfer 6.25% 15/04/2049	2,866	0.48
USD 260,000	EQT 3.9% 01/10/2027	197	0.03
USD 215,000	EQT 6.125% 01/02/2025	176	0.03
USD 1,100,000	Fannie Mae or Freddie Mac 1.5% 12/10/2053	647	0.11
USD 9,100,000	Fannie Mae or Freddie Mac 2% 13/10/2052	5,666	0.95
USD 11,400,000	Fannie Mae or Freddie Mac 2.5% 13/10/2052	7,410	1.24
USD 7,100,000	Fannie Mae or Freddie Mac 3% 13/10/2052	4,810	0.80

**Portfolio Statement (continued)**

As at 30 September 2023

Holdings or Nominal Value	Investments	Market value £'000	% of Total Net Assets
<b>United States 69.60% (62.81%) (continued)</b>			
USD 5,000,000	Fannie Mae or Freddie Mac 3.5% 13/10/2052	3,521	0.59
USD 5,800,000	Fannie Mae or Freddie Mac 4% 13/10/2052	4,230	0.71
USD 2,400,000	Fannie Mae or Freddie Mac 4.5% 13/10/2052	1,805	0.30
USD 5,100,000	Fannie Mae or Freddie Mac 5% 13/10/2052	3,941	0.66
USD 8,100,000	Fannie Mae or Freddie Mac 5.5% 12/10/2053	6,412	1.07
USD 6,200,000	Fannie Mae or Freddie Mac 6% 12/10/2053	5,013	0.84
USD 3,500,000	Fannie Mae or Freddie Mac 6.5% 12/10/2053	2,881	0.48
USD 718,482	Fannie Mae Pool 2% 01/07/2050	451	0.08
USD 1,187,333	Fannie Mae Pool 2% 01/12/2050	748	0.12
USD 2,343,427	Fannie Mae Pool 2% 01/02/2051	1,466	0.24
USD 408,752	Fannie Mae Pool 2% 01/02/2051	255	0.04
USD 334,086	Fannie Mae Pool 2% 01/05/2051	209	0.03
USD 681,773	Fannie Mae Pool 2% 01/10/2051	426	0.07
USD 3,182,496	Fannie Mae Pool 2% 01/10/2051	2,014	0.34
USD 88,474	Fannie Mae Pool 2% 01/11/2051	56	0.01
USD 88,749	Fannie Mae Pool 2.5% 01/02/2051	58	0.01
USD 1,681,716	Fannie Mae Pool 2.5% 01/05/2051	1,108	0.19
USD 175,232	Fannie Mae Pool 2.5% 01/05/2051	114	0.02
USD 324,726	Fannie Mae Pool 2.5% 01/08/2051	213	0.04
USD 367,856	Fannie Mae Pool 3% 01/12/2049	252	0.04
USD 478,409	Fannie Mae Pool 3% 01/03/2050	330	0.06
USD 451,975	Fannie Mae Pool 3% 01/03/2052	307	0.05
USD 629,589	Fannie Mae Pool 3.5% 01/04/2052	444	0.07
USD 639,620	Fannie Mae Pool 3.5% 01/04/2052	451	0.08
USD 844,850	Fannie Mae Pool 3.5% 01/06/2052	596	0.10
USD 510,048	Fannie Mae Pool 4% 01/08/2049	379	0.06
USD 1,569,571	Fannie Mae Pool 4% 01/07/2052	1,146	0.19
USD 178,898	Fannie Mae Pool 4.5% 01/11/2048	137	0.02
USD 291,789	Fannie Mae Pool 4.5% 01/11/2052	220	0.04
USD 184,506	Fannie Mae Pool 4.5% 01/11/2052	139	0.02
USD 189,022	Fannie Mae Pool 4.5% 01/11/2052	142	0.02
USD 384,695	Fannie Mae Pool 4.5% 01/03/2053	290	0.05
USD 396,280	Fannie Mae Pool 4.5% 01/04/2053	298	0.05
USD 380,845	Fannie Mae Pool 6% 01/04/2053	309	0.05
USD 84,037	Fannie Mae Pool 6.5% 01/02/2053	69	0.01
USD 91,334	Fannie Mae Pool 6.5% 01/02/2053	75	0.01
USD 808,041	Fannie Mae REMICS 2% 25/01/2051	78	0.01
USD 607,943	Fannie Mae REMICS 2% 25/02/2051	59	0.01
USD 687,663	Fannie Mae REMICS 2.5% 25/11/2050	75	0.01
USD 259,491	Fannie Mae REMICS 3% 25/03/2051	34	0.01
USD 214,901	Fannie Mae REMICS 3.5% 25/03/2051	36	0.01
USD 961,029	Fannie Mae REMICS FNR 2021 3 KI 2.5% 25/02/2051	111	0.02
USD 593,703	Fannie Mae REMICS FNR 2021 3 NI 2.5% 25/02/2051	65	0.01

**Portfolio Statement (continued)**

As at 30 September 2023

Holdings or Nominal Value	Investments	Market value £'000	% of Total Net Assets
<b>United States 69.60% (62.81%) (continued)</b>			
USD 200,000	Ford Motor Credit 2.9% 16/02/2028	139	0.02
USD 310,000	Ford Motor Credit 4.125% 17/08/2027	231	0.04
USD 743,178	Freddie Mac Pool 2% 01/05/2051	465	0.08
USD 730,557	Freddie Mac Pool 2.5% 01/07/2050	484	0.08
USD 129,520	Freddie Mac Pool 2.5% 01/02/2051	85	0.01
USD 2,135,543	Freddie Mac Pool 2.5% 01/05/2051	1,406	0.23
USD 3,605,431	Freddie Mac Pool 2.5% 01/04/2052	2,375	0.40
USD 291,444	Freddie Mac Pool 3% 01/10/2046	203	0.03
USD 478,033	Freddie Mac Pool 3% 01/12/2049	329	0.06
USD 991,636	Freddie Mac Pool 3% 01/05/2050	681	0.11
USD 164,435	Freddie Mac Pool 3% 01/11/2051	112	0.02
USD 836,730	Freddie Mac Pool 3.5% 01/04/2052	590	0.10
USD 829,714	Freddie Mac Pool 3.5% 01/05/2052	585	0.10
USD 941,535	Freddie Mac Pool 3.5% 01/06/2052	664	0.11
USD 301,400	Freddie Mac Pool 4.5% 01/01/2051	230	0.04
USD 381,673	Freddie Mac Pool 4.5% 01/07/2052	288	0.05
USD 95,736	Freddie Mac Pool 4.5% 01/10/2052	72	0.01
USD 193,094	Freddie Mac Pool 4.5% 01/11/2052	145	0.02
USD 284,208	Freddie Mac Pool 4.5% 01/11/2052	214	0.04
USD 188,054	Freddie Mac Pool 4.5% 01/11/2052	142	0.02
USD 194,638	Freddie Mac Pool 4.5% 01/11/2052	147	0.02
USD 478,065	Freddie Mac Pool 6% 01/03/2053	387	0.06
USD 173,248	Freddie Mac Pool 6.5% 01/01/2053	143	0.02
USD 85,220	Freddie Mac Pool 6.5% 01/01/2053	70	0.01
USD 191,710	Freddie Mac Pool 6.5% 01/02/2053	158	0.03
USD 1,012,082	Freddie Mac Pool 6.5% 01/02/2053	836	0.14
USD 393,174	Freddie Mac REMICS 2% 25/09/2050	37	0.01
USD 511,595	Freddie Mac REMICS 2% 25/11/2050	47	0.01
USD 930,944	Freddie Mac REMICS 3% 25/10/2050	123	0.02
USD 329,818	Freddie Mac REMICS 3.5% 25/12/2050	47	0.01
USD 189,250	Freddie Mac REMICS 4% 15/12/2047	26	0.00
USD 401,362	Freddie Mac REMICS 4% 25/12/2050	63	0.01
USD 526,371	Freddie Mac REMICS FHR 5072 IQ 3.5% 25/10/2050	70	0.01
USD 449,537	Freddie Mac REMICS FHR 5072 QI 3.5% 25/10/2050	71	0.01
USD 740,000	Freeport-McMoRan 5.45% 15/03/2043	512	0.09
USD 507,000	GE Capital Funding 4.55% 15/05/2032	383	0.06
USD 70,000	General Motors 6.6% 01/04/2036	56	0.01
USD 586,000	General Motors Financial 3.6% 21/06/2030	401	0.07
USD 1,000,000	Ginnie Mae 2% 23/10/2053	647	0.11
USD 200,000	Ginnie Mae 2.5% 20/10/2052	134	0.02
USD 4,500,000	Ginnie Mae 3% 20/10/2052	3,124	0.52
USD 1,400,000	Ginnie Mae 3.5% 20/10/2052	1,004	0.17
USD 2,600,000	Ginnie Mae 4% 20/10/2052	1,918	0.32

**Portfolio Statement (continued)**

As at 30 September 2023

Holdings or Nominal Value	Investments	Market value £'000	% of Total Net Assets
<b>United States 69.60% (62.81%) (continued)</b>			
USD 3,300,000	Ginnie Mae 4.5% 20/10/2052	2,497	0.42
USD 3,900,000	Ginnie Mae 5% 23/10/2053	3,027	0.51
USD 2,000,000	Ginnie Mae 5.5% 23/10/2053	1,590	0.27
USD 3,800,000	Ginnie Mae 6% 23/10/2053	3,084	0.51
USD 1,100,000	Ginnie Mae 6.5% 23/10/2053	906	0.15
USD 427,729	Ginnie Mae II Pool 2.5% 20/04/2051	287	0.05
USD 249,131	Ginnie Mae II Pool 2.5% 20/09/2051	167	0.03
USD 1,522,705	Ginnie Mae II Pool 2.5% 20/10/2051	1,021	0.17
USD 512,848	Ginnie Mae II Pool 2.5% 20/11/2051	344	0.06
USD 147,306	Ginnie Mae II Pool 2.5% 20/12/2051	99	0.02
USD 361,992	Ginnie Mae II Pool 2.5% 20/08/2052	243	0.04
USD 656,817	Ginnie Mae II Pool 2.5% 20/12/2052	440	0.07
USD 668,899	Ginnie Mae II Pool 2.5% 20/02/2053	449	0.08
USD 103,050	Ginnie Mae II Pool 3% 20/02/2051	72	0.01
USD 660,892	Ginnie Mae II Pool 3% 20/05/2051	461	0.08
USD 1,477,436	Ginnie Mae II Pool 3% 20/09/2051	1,029	0.17
USD 1,378,173	Ginnie Mae II Pool 3% 20/10/2051	959	0.16
USD 259,727	Ginnie Mae II Pool 3% 20/01/2052	180	0.03
USD 654,753	Ginnie Mae II Pool 3% 20/12/2052	455	0.08
USD 2,853,548	Ginnie Mae II Pool 3.5% 20/04/2052	2,047	0.34
USD 774,677	Ginnie Mae II Pool 3.5% 20/12/2052	556	0.09
USD 714,894	Ginnie Mae II Pool 4% 20/03/2048	535	0.09
USD 236,843	Ginnie Mae II Pool 4.5% 20/06/2048	182	0.03
USD 277,064	Ginnie Mae II Pool 4.5% 20/01/2049	213	0.04
USD 66,612	Ginnie Mae II Pool 5% 20/05/2048	53	0.01
USD 162,766	Ginnie Mae II Pool 5% 20/10/2048	129	0.02
USD 131,534	Ginnie Mae II Pool 5% 20/11/2048	104	0.02
USD 187,713	Ginnie Mae II Pool 5% 20/12/2048	148	0.02
USD 125,525	Ginnie Mae II Pool 5% 20/01/2049	99	0.02
USD 95,443	Ginnie Mae II Pool 5% 20/04/2049	75	0.01
USD 380,973	Ginnie Mae II Pool 5% 20/10/2052	296	0.05
USD 481,052	Ginnie Mae II Pool 5% 20/01/2053	376	0.06
USD 949,947	Ginnie Mae II Pool 5.5% 20/11/2052	755	0.13
USD 8,360,000	Goldman Sachs 2.908% 21/07/2042	4,396	0.73
EUR 3,841,000	Goldman Sachs 3.375% 27/03/2025	3,295	0.55
USD 616,966	Government National Mortgage Association 2% 20/10/2050	54	0.01
USD 1,118,512	Government National Mortgage Association 2% 20/11/2050	99	0.02
USD 323,926	Government National Mortgage Association 2% 20/01/2051	32	0.01
USD 174,490	Government National Mortgage Association 2.5% 20/09/2050	20	0.00
USD 509,490	Government National Mortgage Association 2.5% 20/10/2050	55	0.01

**Portfolio Statement (continued)**

As at 30 September 2023

Holdings or Nominal Value	Investments	Market value £'000	% of Total Net Assets
<b>United States 69.60% (62.81%) (continued)</b>			
USD 209,050	Government National Mortgage Association 2.5% 20/12/2050	22	0.00
USD 605,460	Government National Mortgage Association 2.5% 20/01/2051	63	0.01
USD 411,429	Government National Mortgage Association 2.5% 20/02/2051	45	0.01
USD 292,622	Government National Mortgage Association 3% 20/02/2051	36	0.01
USD 558,390	Government National Mortgage Association GNR 2020 167 BI 2.5% 20/11/2050	55	0.01
USD 903,487	Government National Mortgage Association GNR 2020 167 IA 2.5% 20/11/2050	86	0.01
USD 1,971,334	Government National Mortgage Association GNR 2020 173 MI 2.5% 20/11/2050	214	0.04
USD 630,000	Haleon US Capital 3.625% 24/03/2032	442	0.07
USD 150,000	High Street Funding Trust II 4.682% 15/02/2048	90	0.02
USD 1,630,000	Home Depot 2.7% 15/04/2030	1,138	0.19
USD 100,000	Humana 2.15% 03/02/2032	62	0.01
USD 513,000	Humana 3.95% 15/08/2049	303	0.05
GBP 589,000	International Finance 0.25% 15/12/2025	530	0.09
USD 3,991,000	JPMorgan Chase 1.953% 04/02/2032	2,470	0.41
USD 2,410,000	JPMorgan Chase 2.545% 08/11/2032	1,527	0.25
USD 2,116,000	JPMorgan Chase 4.005% 23/04/2029	1,597	0.27
USD 281,000	JPMorgan Chase Commercial Mortgage Securities Trust 2016-NINE 2.8541% 06/09/2038	204	0.03
USD 586,000	Las Vegas Sands 3.2% 08/08/2024	464	0.08
USD 320,000	MetLife 6.4% 15/12/2036	257	0.04
EUR 1,300,000	Morgan Stanley 1.375% 27/10/2026	1,037	0.17
USD 2,430,000	Morgan Stanley 2.511% 20/10/2032	1,522	0.25
USD 1,683,000	Morgan Stanley 4.431% 23/01/2030	1,274	0.21
USD 4,596,000	MPLX 4.5% 15/04/2038	3,044	0.51
EUR 3,120,000	Netflix 3.625% 15/06/2030	2,561	0.43
USD 930,000	Oracle 2.875% 25/03/2031	621	0.10
USD 511,000	Pacific Gas and Electric 2.5% 01/02/2031	317	0.05
EUR 2,974,000	Prologis Euro Finance 1.5% 08/02/2034	1,876	0.31
USD 712,000	Southern California Edison 4.2% 01/03/2029	542	0.09
USD 225,000	Southwest Airlines 5.25% 04/05/2025	182	0.03
USD 660,000	Targa Resources 4.95% 15/04/2052	412	0.07
USD 126,000	Targa Resources Partners 4.875% 01/02/2031	92	0.02
USD 143,000	Targa Resources Partners / Targa Resources Partners Finance 5.5% 01/03/2030	109	0.02
USD 131,000	Texas Instruments 1.75% 04/05/2030	86	0.01
USD 640,000	T-Mobile USA 2.7% 15/03/2032	408	0.07
USD 1,551,000	T-Mobile USA 3.75% 15/04/2027	1,186	0.20

**Portfolio Statement (continued)**

As at 30 September 2023

Holdings or Nominal Value	Investments	Market value £'000	% of Total Net Assets
<b>United States 69.60% (62.81%) (continued)</b>			
USD 1,214,000	T-Mobile USA 3.875% 15/04/2030	882	0.15
USD 1,000,000	United Airlines 4.625% 15/04/2029	703	0.12
USD 290,000	United Rentals North America 3.75% 15/01/2032	192	0.03
USD 1,450,000	United Rentals North America 3.875% 15/02/2031	988	0.17
USD 300,000	United Rentals North America 4% 15/07/2030	209	0.03
USD 200,000	United Rentals North America 5.25% 15/01/2030	151	0.03
USD 118,593,200	US Treasury Note 0.25% 31/08/2025	88,578	14.79
USD 36,670,000	US Treasury Note 0.375% 31/01/2026	27,030	4.51
USD 113,490,000	US Treasury Note 0.375% 31/12/2025	84,033	14.03
USD 35,610,000	US Treasury Note 0.5% 30/11/2023	28,941	4.83
USD 4,210,000	US Treasury Note 0.625% 30/11/2027	2,922	0.49
USD 12,938,000	US Treasury Note 1.25% 15/05/2050	5,004	0.84
USD 1,450,000	US Treasury Note 3.625% 15/02/2053	982	0.16
USD 4,690,000	US Treasury Note 3.625% 15/05/2053	3,179	0.53
USD 1,584,000	Verizon Communications 3.4% 22/03/2041	915	0.15
USD 591,000	Verizon Communications 3.55% 22/03/2051	317	0.05
USD 810,000	WEA Finance / Westfield UK & Europe Finance 4.75% 17/09/2044	426	0.07
EUR 330,000	Wells Fargo 1% 02/02/2027	256	0.04
USD 5,330,000	Wells Fargo 2.572% 11/02/2031	3,521	0.59
USD 2,360,000	Wells Fargo 5.013% 04/04/2051	1,614	0.27
		<b>416,938</b>	<b>69.60</b>
<b>Collective Investment Schemes 2.81% (2.67%)</b>			
<b>Ireland 2.81% (2.67%)</b>			
279,472	FTGF Western Asset US High Yield	16,827	2.81
		<b>16,827</b>	<b>2.81</b>
<b>Corporate Bonds 0.00% (0.23%)</b>			
<b>Luxembourg 0.00% (0.23%)</b>			
<b>Government Bonds 0.00% (0.44%)</b>			
<b>United Kingdom 0.00% (0.44%)</b>			
<b>Swaps 0.04% ((1.65%))</b>			
EUR 11,040,000	Citigroup Interest Rate Swap EUR 2.8% 15/03/2053	83	0.01
USD 7,440,000	Citigroup Interest Rate Swap USD 2.5% 03/08/2053	160	0.03
		<b>243</b>	<b>0.04</b>



**Portfolio Statement (continued)**

As at 30 September 2023

Holdings or Nominal Value	Investments	Market value £'000	% of Total Net Assets
<b>Options (0.05%) (0.00%)</b>			
EUR (140,000)	German Euro Bund 130.5 Put Option October 2023	(287)	(0.05)
EUR 140,000	German Euro Bund 133 Call Option October 2023	12	0.00
		<b>(275)</b>	<b>(0.05)</b>
<b>Futures (0.26%) ((1.86%))</b>			
522	3 MONTH SOFR FUT Futures December 2024	(34)	0.00
146	Australian Government Bond 3 Year Futures December 2023	(67)	(0.01)
82	Canadian Government Bond 10 Year Futures December 2023	(101)	(0.02)
240	German Euro BOBL Futures December 2023	(201)	(0.03)
31	German Euro BTP Futures December 2023	(127)	(0.02)
261	German Euro Bund Futures December 2023	(605)	(0.10)
78	German Euro OAT Futures December 2023	(196)	(0.03)
349	German Euro Schatz Futures December 2023	(68)	(0.01)
(62)	Japanese Government Bond 10 Year Mini Futures December 2023	385	0.06
388	UK Long Gilt Futures December 2023	20	0.00
(103)	US Treasury 10 Year Ultra Futures December 2023	239	0.04
(15)	US Treasury Long Bond Futures December 2023	76	0.01
(1,454)	US Treasury Note 10 Year Futures December 2023	2,335	0.39
60	US Treasury Note 2 Year Futures December 2023	(30)	0.00
2,174	US Treasury Note 5 Year Futures December 2023	(1,596)	(0.27)
244	US Treasury Ultra Bond Futures December 2023	(1,611)	(0.27)
		<b>(1,581)</b>	<b>(0.26)</b>
<b>Forward Currency Contracts (0.93%) ((1.10%))</b>			
	Bought EUR11,576,392 for PLN53,880,000 Settlement 16/11/2023	(41)	(0.01)
	Bought AUD21,362,844 for GBP11,048,143 Settlement 16/11/2023	262	0.04
	Bought CAD23,719,039 for GBP13,931,539 Settlement 16/11/2023	447	0.07
	Bought CHF5,331,848 for GBP4,824,267 Settlement 16/11/2023	(28)	0.00
	Bought DKK15,058,790 for GBP1,750,824 Settlement 16/11/2023	5	0.00
	Bought EUR44,823,454 for GBP38,784,843 Settlement 16/11/2023	158	0.03
	Bought JPY11,105,100,288 for GBP62,161,406 Settlement 16/11/2023	(778)	(0.13)

**Portfolio Statement (continued)**

As at 30 September 2023

Holdings or Nominal Value	Investments	Market value £'000	% of Total Net Assets
<b>Forward Currency Contracts (0.93%) ((1.10%)) (continued)</b>			
	Bought MXN8,130,153 for GBP369,920 Settlement 16/11/2023	11	0.00
	Bought NOK68,696,223 for GBP5,315,166 Settlement 16/11/2023	(21)	0.00
	Bought PLN6,042,420 for GBP1,172,193 Settlement 16/11/2023	(40)	(0.01)
	Bought SEK86,889,531 for GBP6,444,966 Settlement 16/11/2023	118	0.02
	Bought USD9,395,000 for GBP7,543,817 Settlement 16/11/2023	152	0.03
	Sold CNH108,790,000 for GBP11,957,559 Settlement 16/11/2023	(289)	(0.05)
	Sold EUR1,333,000 for GBP1,147,271 Settlement 16/11/2023	(11)	0.00
	Sold USD164,575,631 for GBP129,273,874 Settlement 16/11/2023	(5,530)	(0.92)
		<b>(5,585)</b>	<b>(0.93)</b>
	<b>Portfolio of investments</b>	<b>625,422</b>	<b>104.40</b>
	Net other liabilities	(26,343)	(4.40)
	<b>Net assets</b>	<b>599,079</b>	<b>100.00</b>

All investments are ordinary bonds unless otherwise stated and admitted to official stock exchange listings.

Comparative figures shown above in brackets relate to 30 September 2022.

The investments have been valued in accordance with note 1(h) of the Accounting Policies and Financial Instruments.

Gross purchases for the year (excl. Derivatives): £1,025,413,000 [2022: £861,937,000]. (See note 16).

Total sales net of transaction costs for the year (excl. Derivatives): £986,844,000 [2022: £789,879,000]. (See note 16).

**Portfolio Statement (continued)**

As at 30 September 2023

**Bond Ratings as at 30 September 2023**

Bonds Rating	% of Total Net Assets
AAA	44.70
AA	21.54
A	14.03
BBB	18.34
BB	3.78
B	0.25
CCC	0.15
<b>Bonds</b>	<b>102.79</b>
Uninvested Cash	(4.40)
Interest Rate Swaps & Forwards	(0.89)
Futures & Options	(0.31)
Internal Funds	2.81
<b>Net Assets</b>	<b>100.00</b>

Bonds not rated are of investment grade, but rating not sought by issuer.

## Statement of Total Return

For the year ended 30 September 2023

	Note	01/10/22 to 30/09/23		01/10/21 to 30/09/22	
		£'000	£'000	£'000	£'000
Income:					
Net capital losses	2		(53,809)		(61,643)
Revenue	3	18,696		13,629	
Expenses	4	(2,909)		(2,981)	
Interest payable and similar charges	5	(5)		(14)	
Net revenue before taxation		15,782		10,634	
Taxation	6	(17)		(92)	
Net revenue after taxation			15,765		10,542
Total return before distributions			(38,044)		(51,101)
Distributions	7		(15,765)		(10,542)
<b>Change in net assets attributable to Shareholders from investment activities</b>			<b>(53,809)</b>		<b>(61,643)</b>

## Statement of Change in Net Assets Attributable to Shareholders

For the year ended 30 September 2023

	01/10/22 to 30/09/23		01/10/21 to 30/09/22	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to Shareholders</b>		633,577		611,234
Amounts receivable on issue of Shares	48,517		101,263	
Amounts payable on cancellation of Shares	(29,206)		(17,277)	
		19,311		83,986
Change in net assets attributable to Shareholders from investment activities (see above)		(53,809)		(61,643)
<b>Closing net assets attributable to Shareholders</b>		<b>599,079</b>		<b>633,577</b>

## Balance Sheet

As at 30 September 2023

	Note	30/09/23		30/09/22	
		£'000	£'000	£'000	£'000
<b>Assets:</b>					
Fixed assets:					
Investments			637,081		653,917
Current assets:					
Debtors	8	10,426		13,095	
Cash and bank balances	9	43,921		57,432	
Total current assets			54,347		70,527
Total assets			691,428		724,444
<b>Liabilities:</b>					
Investment liabilities			(11,659)		(39,100)
Creditors:					
Distribution payable		(8,701)		(6,713)	
Other creditors	10	(71,989)		(45,054)	
Total creditors			(80,690)		(51,767)
Total liabilities			(92,349)		(90,867)
<b>Net assets attributable to Shareholders</b>			<b>599,079</b>		<b>633,577</b>

## Notes to the Financial Statements

### For the year ended 30 September 2023

#### 1. Accounting basis and policies

The Fund's financial statements have been prepared on the basis detailed on pages 15 to 18.

#### 2. Net capital losses

	01/10/22 to 30/09/23 £'000	01/10/21 to 30/09/22 £'000
The net capital losses during the year comprise:		
Brokers commission on futures	(87)	(79)
Currency gains/(losses)	1,547	(4,457)
Derivative contracts	(1,045)	(17,831)
Forward currency contracts	(5,013)	(18,834)
Non-derivative securities	(49,158)	(20,442)
Transaction charges	(53)	(77)
Breach Compensation	—	77
<b>Net capital losses</b>	<b>(53,809)</b>	<b>(61,643)</b>

#### 3. Revenue

	01/10/22 to 30/09/23 £'000	01/10/21 to 30/09/22 £'000
Bank interest	194	22
Futures interest	67	339
Interest from Debt Securities	17,005	12,454
Offshore funds dividends	1,391	811
Overseas dividends	39	3
<b>Total revenue</b>	<b>18,696</b>	<b>13,629</b>

**Notes to the Financial Statements (continued)**  
For the year ended 30 September 2023

**4. Expenses**

	01/10/22 to 30/09/23 £'000	01/10/21 to 30/09/22 £'000
<b>Payable to the ACD, associates of the ACD, and agents of either of them</b>		
AMC fees	2,761	2,839
	2,761	2,839
<b>Payable to the Depository, associates of the Depository and agents of either of them</b>		
Depository fees	62	62
Safe custody fees	67	58
	129	120
<b>Other expenses</b>		
Audit fees	11	11
Professional fees	10	8
Publication fees	(2)	3
	19	22
<b>Total expenses</b>	<b>2,909</b>	<b>2,981</b>

Audit fees are £9,350 ex Vat (2022: £8,820).

**5. Interest payable and similar charges**

	01/10/22 to 30/09/23 £'000	01/10/21 to 30/09/22 £'000
Interest	5	14
<b>Total interest payable and similar charges</b>	<b>5</b>	<b>14</b>

**6. Taxation**

**(a) Analysis of the tax charge in the year**

	01/10/22 to 30/09/23 £'000	01/10/21 to 30/09/22 £'000
Corporation tax	3	19
Double tax relief	(3)	(19)
Irrecoverable overseas tax	17	92
<b>Total taxation for the year (Note 6 (b))</b>	<b>17</b>	<b>92</b>

## Notes to the Financial Statements (continued)

For the year ended 30 September 2023

### 6. Taxation (continued)

#### (b) Factors affecting the tax charge for the year

The tax assessed for the year is different from that calculated when the standard rate of corporation tax for an open ended investment company of 20% (2022: 20%) is applied to the net revenue before taxation. The differences are explained below:

	01/10/22 to 30/09/23 £'000	01/10/21 to 30/09/22 £'000
Net revenue before taxation	15,782	10,634
Net revenue for the year multiplied by the standard rate of corporation tax	3,156	2,127
<b>Effects of:</b>		
Double taxation relief	(3)	(19)
Irrecoverable overseas tax	17	92
Relief for indexation on UK Gilts	(43)	—
Tax deductible interest distributions	(3,110)	(2,108)
<b>Total tax charge for the year</b>	<b>17</b>	<b>92</b>

OEICs are exempt from tax on capital gains in the UK. Therefore, any capital return is not included within the reconciliation above.

#### (c) Provision for deferred tax

There is no provision required for deferred taxation at the Balance Sheet date in the current or prior year because no taxable profit is expected to be generated by the fund.

### 7. Distributions

The distributions take account of revenue received on the creation of shares and revenue deducted on the cancellation of shares, and comprise:

	01/10/22 to 30/09/23 £'000	01/10/21 to 30/09/22 £'000
Interim	7,324	3,995
Final	8,701	6,714
Add: Revenue paid on cancellation of shares	104	139
Deduct: Revenue received on creation of shares	(364)	(306)
<b>Net distribution for the year</b>	<b>15,765</b>	<b>10,542</b>
<b>Reconciliation of net revenue after taxation to distributions</b>		
Net revenue after taxation	15,765	10,542
<b>Net distribution for the year</b>	<b>15,765</b>	<b>10,542</b>

Details of the distributions per share are set out in the distribution tables on page 184.



**Notes to the Financial Statements (continued)**  
For the year ended 30 September 2023

**8. Debtors**

	30/09/23 £'000	30/09/22 £'000
Accrued bank interest	4	(2)
Accrued revenue	3,537	3,436
Amounts receivable for creation of shares	752	3,026
Sales awaiting settlement	6,132	6,633
Prepaid expenses	1	2
<b>Total debtors</b>	<b>10,426</b>	<b>13,095</b>

**9. Cash and bank balances**

	30/09/23 £'000	30/09/22 £'000
Cash and bank balances	32,611	20,925
Amount held at futures clearing houses and brokers	11,310	36,507
<b>Total cash and bank balances</b>	<b>43,921</b>	<b>57,432</b>

**10. Other creditors**

	30/09/23 £'000	30/09/22 £'000
Amounts payable for cancellation of shares	—	5,972
Purchases awaiting settlement	71,724	38,765
	71,724	44,737
<i>Accrued expenses</i>		
<i>Manager and Agents</i>		
AMC fees	223	244
	223	244
<i>Depositary and Agents</i>		
Depositary fees	10	21
Safe custody fees	13	19
Transaction charges	8	18
	31	58
<i>Other accrued expenses</i>		
Audit fees	11	11
Professional fees	—	1
Publication fees	—	3
	11	15
<b>Total other creditors</b>	<b>71,989</b>	<b>45,054</b>

**11. Related party transactions**

Management fees paid to the ACD, are disclosed in note 4 and amounts due at the year-end are disclosed in note 10.

Monies received and paid by the ACD through the creation and cancellation of shares are disclosed in the Statement of Change in Net Assets Attributable to Shareholders and amounts due at the year-end are disclosed in notes 8 and 10.

## Notes to the Financial Statements (continued)

### For the year ended 30 September 2023

#### 11. Related party transactions (continued)

The ACD and its associates (including other authorised investment funds managed by the ACD) have no shareholdings in the company at the year-end.

##### Significant shareholdings

As at the balance sheet date, the following had significant shareholdings within the Fund:

Shareholders	30/09/23 (%)	30/09/22 (%)
Sterling ISA Managers (Nominees) Limited	81.55	82.04

#### 12. Share Classes

The Share Classes and ACD's Annual Management Charges ("AMC") applicable to each Share Class are as follows:

	%
Share Class A Income	0.45

Each Share Class has equal rights in the event of the wind up of any fund.

The reconciliation of the opening and closing numbers of shares of each class is shown below:

	30/09/22	Issued	Cancelled	Converted	30/09/23
Share Class A Income	557,586,939	44,469,988	(26,532,472)	—	575,524,455

#### 13. Capital commitments and contingent liabilities

There were no contingent liabilities or outstanding commitments at the balance sheet date (2022: nil).

#### 14. Derivatives and other financial instruments

The main risks from the Fund's holding of financial instruments, together with the ACD's policy for managing these risks, are disclosed in note 2 on pages 18 to 24 of the report.

##### (a) Foreign currency risk

A proportion of the financial net assets of the Fund are denominated in currencies other than sterling with the effect that the balance sheet and total return can be affected by currency movements.

**Notes to the Financial Statements (continued)**  
For the year ended 30 September 2023

**14. Derivatives and other financial instruments (continued)**

**(a) Foreign currency risk (continued)**

The table below shows the foreign currency risk profile at the balance sheet date:

Currency	Net foreign currency exposure	
	30/09/23 £'000	30/09/22 £'000
Australian Dollar	14,633	9,091
Brazilian Real	9,902	—
Canadian Dollar	23,618	25,394
Chinese Yuan (Offshore)	(12,247)	(13,626)
Danish Krone	1,755	1,774
Euro	125,518	131,138
Indonesian Rupiah	6,832	7,438
Japanese Yen	90,526	103,563
Mexican Peso	15,853	13,875
Norwegian Krone	5,294	5,490
Polish Zloty	(142)	7,412
South African Rand	8,044	8,019
Swedish Krona	6,563	542
Swiss Franc	4,814	4,828
US Dollar	286,970	323,538
<b>Total foreign currency exposure</b>	<b>587,933</b>	<b>628,476</b>
Sterling	11,146	5,101
<b>Total net assets</b>	<b>599,079</b>	<b>633,577</b>

If GBP to foreign currency exchange rates had strengthened/increased or weakened/decreased by 10% as at the balance sheet date, the net asset value of the fund would have decreased or increased by £58,793,254 (2022: £62,847,606). These calculations assume all other variables remain constant.

**Notes to the Financial Statements (continued)**

For the year ended 30 September 2023

**14. Derivatives and other financial instruments (continued)****(b) Interest rate risk profile of financial assets and liabilities**

The table below shows the interest rate risk profile at the balance sheet date:

	Floating rate financial assets £'000	Fixed rate financial assets £'000	Financial assets not carrying interest £'000	Total £'000
<b>Currency Assets</b>				
<b>30/09/23</b>				
Australian Dollar	719	2,649	11,332	14,700
Brazilian Real	394	9,339	170	9,903
Canadian Dollar	632	8,655	14,432	23,719
Danish Krone	—	—	1,755	1,755
Euro	4,168	74,268	48,656	127,092
Indonesian Rupiah	—	6,606	226	6,832
Japanese Yen	1,362	27,386	61,779	90,527
Mexican Peso	—	15,134	719	15,853
Norwegian Krone	—	—	5,294	5,294
Polish Zloty	40	8,695	90	8,825
South African Rand	808	7,148	88	8,044
Sterling	18,215	12,011	856	31,082
Swedish Krona	—	—	6,563	6,563
Swiss Franc	17	—	4,797	4,814
US Dollar	23,888	437,575	27,517	488,980
<b>Total</b>	<b>50,243</b>	<b>609,466</b>	<b>184,274</b>	<b>843,983</b>
<b>30/09/22</b>				
Australian Dollar	1,231	2,925	5,218	9,374
Canadian Dollar	2,249	9,765	15,036	27,050
Danish Krone	26	1,725	23	1,774
Euro	9,059	83,293	46,699	139,051
Indonesian Rupiah	250	6,935	253	7,438
Japanese Yen	897	38,310	64,356	103,563
Mexican Peso	245	14,530	320	15,095
Norwegian Krone	55	5,403	32	5,490
Polish Zloty	24	7,300	88	7,412
South African Rand	—	8,694	103	8,797
Sterling	21,551	12,470	4,468	38,489
Swedish Krona	542	—	—	542
Swiss Franc	12	3,432	1,384	4,828
US Dollar	30,546	423,116	28,996	482,658
<b>Total</b>	<b>66,687</b>	<b>617,898</b>	<b>166,976</b>	<b>851,561</b>

**Notes to the Financial Statements (continued)**  
For the year ended 30 September 2023

**14. Derivatives and other financial instruments (continued)**

**(b) Interest rate risk profile of financial assets and liabilities (continued)**

	Floating rate financial liabilities £'000	Fixed rate financial liabilities £'000	Financial liabilities not carrying interest £'000	Total £'000
<b>Currency Liabilities</b>				
<b>30/09/23</b>				
Australian Dollar	—	—	67	67
Brazilian Real	—	—	1	1
Canadian Dollar	—	—	101	101
Chinese Yuan (Offshore)	—	—	12,247	12,247
Euro	—	—	1,574	1,574
Japanese Yen	—	—	1	1
Polish Zloty	—	—	8,967	8,967
Sterling	—	—	19,936	19,936
US Dollar	—	—	202,010	202,010
<b>Total</b>	<b>—</b>	<b>—</b>	<b>244,904</b>	<b>244,904</b>
<b>30/09/22</b>				
Australian Dollar	—	—	283	283
Canadian Dollar	—	—	1,656	1,656
Chinese Yuan (Offshore)	—	—	13,626	13,626
Euro	—	—	7,913	7,913
Mexican Peso	—	—	1,220	1,220
South African Rand	—	—	778	778
Sterling	—	—	33,388	33,388
US Dollar	—	—	159,120	159,120
<b>Total</b>	<b>—</b>	<b>—</b>	<b>217,984</b>	<b>217,984</b>

**(c) Counterparty risk**

The table below shows the counterparty risk as at the balance sheet date:

	Counterparty	Derivative Exposure £'000	Collateral Posted £'000	Collateral Received £'000	Collateral Asset Class
<b>2023</b>	Goldman Sachs	134	—	—	
	Citi	—	11,310	—	Cash
	<b>Counterparty</b>	<b>Derivative Exposure £'000</b>	<b>Collateral Posted £'000</b>	<b>Collateral Received £'000</b>	<b>Collateral Asset Class</b>
<b>2022</b>	Citi	—	226	—	Cash

## Notes to the Financial Statements (continued)

For the year ended 30 September 2023

### 14. Derivatives and other financial instruments (continued)

#### (d) Leverage

There was 165.90% leverage as at 30 September 2023, other than that available to the Fund as a result of its ability to borrow up to 10% of its value on a permanent basis.

	Average Leverage	Highest Leverage	Lowest Leverage	30/09/23
Omnis Global Bond Fund	254.28%	396.43%	131.81%	165.90%

### 15. Portfolio transaction costs

	01/10/22 to 30/09/23 £'000		01/10/21 to 30/09/22 £'000	
<b>Analysis of total purchase costs</b>				
Purchases in the year before transaction costs:				
Bonds		1,024,204		832,074
Collective Investment Schemes		1,168		29,828
		1,025,372		861,902
Commissions - Derivatives	41		35	
Total purchase costs		41		35
<b>Gross purchase total</b>		<b>1,025,413</b>		<b>861,937</b>
<b>Analysis of total sale costs</b>				
Gross sales in the year before transaction costs:				
Bonds		986,883		771,040
Collective Investment Schemes		—		18,873
		986,883		789,913
Commissions - Derivatives	(39)		(34)	
Total sale costs		(39)		(34)
<b>Total sales net of transaction costs</b>		<b>986,844</b>		<b>789,879</b>

The portfolio transaction costs table above includes direct transaction costs suffered by the Fund during the year.

For the Fund's investment transactions in debt instruments any applicable transaction charges form part of the dealing spread for these instruments.

For the Fund's investment in Collective Investment Scheme holdings there will potentially be dealing spread costs applicable to purchases and sales. However, additionally there are indirect transaction costs suffered in those underlying funds, throughout the holding period for the instruments, which are not separately identifiable and do not form part of the analysis above.

## Notes to the Financial Statements (continued)

For the year ended 30 September 2023

### 15. Portfolio transaction costs (continued)

	01/10/22 to 30/09/23 %	01/10/21 to 30/09/22 %
<b>Transaction costs as percentage of principal amounts</b>		
Purchases - Commissions		
Bonds	0.0000	0.0000
Collective Investment Schemes	0.0000	0.0000
Purchases - Taxes		
Bonds	0.0000	0.0000
Collective Investment Schemes	0.0000	0.0000
Sales - Commissions		
Bonds	0.0000	0.0000
Collective Investment Schemes	0.0000	0.0000
Sales - Taxes		
Bonds	0.0000	0.0000
Collective Investment Schemes	0.0000	0.0000
	01/10/22 to 30/09/23 %	01/10/21 to 30/09/22 %
<b>Transaction costs as percentage of average net asset value</b>		
Commissions	0.0000	0.0000
Taxes	0.0000	0.0000

At the balance sheet date the average portfolio dealing spread was 0.22% (2022: 0.31%).

### 16. Post balance sheet events

Subsequent to the year end, the net asset value per unit of the fund has increased from 104.09p to 106.83p as at 26 January 2024. This movement takes into account routine transactions but also reflects the market movements of recent months.

### 17. Fair value disclosure

Valuation technique	30/09/23		30/09/22	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
<b>Level 1:</b> The unadjusted quoted price in an active market for identical assets or liabilities	301,866	(4,923)	331,027	(16,775)
<b>Level 2:</b> Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly	335,217	(6,738)	322,890	(22,325)
<b>Level 3:</b> Inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability	—	—	—	—
	<b>637,083</b>	<b>(11,661)</b>	<b>653,917</b>	<b>(39,100)</b>

## Distribution Table

As at 30 September 2023

### Interim Distribution in pence per Share

- Group 1 Shares purchased prior to 1 October 2022  
 Group 2 Shares purchased on or after 1 October 2022 to 31 March 2023

	Gross revenue (p)	Equalisation (p)	Distribution paid 31/05/2023 (p)	Distribution paid 31/05/2022 (p)
<b>Share Class A Income</b>				
Group 1	1.3073	—	1.3073	0.7661
Group 2	0.6021	0.7052	1.3073	0.7661

### Final Distribution in pence per Share

- Group 1 Shares purchased prior to 1 April 2023  
 Group 2 Shares purchased on or after 1 April 2023 to 30 September 2023

	Gross revenue (p)	Equalisation (p)	Distribution payable 30/11/2023 (p)	Distribution paid 30/11/2022 (p)
<b>Share Class A Income</b>				
Group 1	1.5118	—	1.5118	1.2040
Group 2	0.7337	0.7781	1.5118	1.2040



## Investment Manager's Report

For the year ended 30 September 2023

### Investment Objective

The Fund aims to achieve a return consisting of both income and capital growth which, after all fees and expenses, exceeds that of the MSCI Emerging Markets TR Index over a five-year rolling period.

### Investment Policy

The Fund intends to invest at least 80% in the equity securities of Emerging Markets companies defined as those which are domiciled, incorporated or have a significant exposure to Emerging Markets. The Fund will seek to invest in industry-leading companies delivering reliable earning streams. Exposure to established larger companies will be greater than 50% of the Fund. Large companies are defined as those with a market cap of \$10 billion or more at the time of the Fund's investment. Companies whose capitalisation no longer meets this definition after investment will continue to be considered large market capitalisation companies.

The Fund may also invest in other transferable securities (for example, equity securities of other international companies), units in collective investment schemes (including schemes managed and operated by the ACD or its associates), money market instruments, warrants, cash and near cash deposits as detailed in the Prospectus.

It is envisaged that the investment portfolio of the Fund will be concentrated, typically comprising between 30 and 60 holdings.

Derivatives may be used for the purposes of hedging and for efficient portfolio management.

### Benchmark

The performance of the Fund will be measured against the MSCI Emerging Markets TR Index\* for target return purposes. This index was chosen as it was considered a fair representation of the assets in which the fund will invest, in line with its investment objectives and policy.

### Portfolio Review

Over the period the fund returned 0.65% [source: Return after operating charges as per Comparative Table] and the benchmark returned 2.59% [source: Financial Express, bid to bid, net income reinvested].

\*The index data provided has been licensed for use by its third-party providers who do not accept any liability for errors or omissions. For full disclaimer please see <https://omnisinvestments.com/disclaimers>

Emerging market (EM) equities advanced over the review period. Encouraging economic trends such as receding inflationary pressures, China's surprise economic reopening from its strict zero COVID-19 policy and improving US economic data supported markets in late 2022 and early 2023. Sentiment subsequently reversed due to concerns over tighter financial conditions and apprehensions over China's slow economic recovery. To bolster the economy and market sentiment, China's authorities stepped up policy support. However, US Treasury yields reached near multi-year highs after the US Fed signalled that interest rates could remain higher for longer. A rise in oil prices added to concerns about continued inflationary pressures. Against this backdrop, all regions posted positive returns, with Latin America leading the gains, followed by emerging Asia and Emerging Europe, Middle East, and Africa (EMEA). At a sector level, information technology (IT) and energy were the biggest gainers, while utilities and real estate were among the worst performers.

The portfolio underperformed the index over the period. At the sector level, certain holdings in consumer discretionary, consumer staples and industrials detracted from returns during the period.

**Investment Manager's Report (continued)**

For the year ended 30 September 2023

The underweight allocation to the energy sector further weighed on performance. The overweight exposure to information technology (IT) and strong stock selection in materials contributed to returns.

At a stock level, Chinese consumer names Li Ning (leading domestic sportswear company), Zhongsheng (largest luxury automobile dealer), China Mengniu Dairy (largest dairy producer) and Laobaixing (one of the major drug retailers) were among the top detractors from performance. Among financial names, the position in HDFC Bank, India's largest private lender, was out of favour as investors waited for its recent merger with HDFC Ltd. to settle. The lender recently reported weaker than expected pre-provision operating profits (PPOP). Nevertheless, the long-term investment rationale and growth expectations for the stock remain intact, supported by strong asset quality, a well-capitalised balance sheet and reasonable valuations. Hong Kong based insurer AIA Group suffered as investors looked to reduce the exposure to China. On a positive note, the position in Indian lender Axis Bank outperformed the broader market. The bank has considerable upside potential given its dominant position in its domestic market and improving asset quality.

Elsewhere, India based Eicher Motors (automobile manufacturer) traded lower. Sentiment towards Eicher was weak, with close competitors announcing new launches at aggressive pricing. The outlook for growth however, remains encouraging, particularly for its premium segment, which will continue to grow and gain market share. Technology companies advanced sharply on growing expectations that the semiconductor down-cycle was starting to bottom out. The hype around artificial intelligence (AI) and indications that it could drive demand for high-performance chips also supported several names after US company Nvidia forecast strong revenue growth and said that it was boosting production of its AI chips to meet surging demand. SK Hynix (South Korea), ASML (Netherlands), and Taiwan Semiconductor Manufacturing Co (Taiwan) featured among the key contributors to returns. Among materials, First Quantum Minerals (listed in Canada but with mines in Zambia and Panama) and Southern Copper (Peru) fared well during the period, supported by higher copper prices. Copper has a favourable outlook over the long term, given its extensive use in renewables. In addition, we anticipate an uptick in demand combined with a significant shortfall in supply, due to a decade of underinvestment in the commodity complex and limited projects in the pipeline.

Within financials, the Fund added positions in Indonesian banks as their secular growth from a growing population, favourable demographics and low credit penetration make them attractive. A new position was opened in Brazil, exchange operator B3 SA Brasil Bolsa Balcao, given its strong fundamentals and attractive valuation. We remain confident that B3 will benefit from the prospects of lower interest rates and will continue to reap the benefits of being the only trading exchange in Brazil.

**FIL Pensions Management (sub-delegated to FIL Investments Investment Management (Singapore) Limited)**

October 2023

## Material Portfolio Changes

For the year ended 30 September 2023

Purchases		Sales	
Portfolio Name	Cost £'000	Portfolio Name	Proceeds £'000
Fidelity Institutional Liquidity Fund -		Fidelity Institutional Liquidity Fund -	
The United States Dollar	102,352	The United States Dollar	106,268
Li Ning	10,774	AIA	6,676
B3 - Brasil Bolsa Balcao	8,576	Banco Bradesco Preference Shares	6,011
HCL Technologies	8,482	SK Hynix	5,953
Shenzhou International	6,598	PDD ADR*	5,767
Grupo Aeroportuario del Pacifico	6,431	Southern Copper	5,750
Grupo Mexico	6,084	First Quantum Minerals	5,742
Beijing Oriental Yuhong Waterproof		Meituan	5,653
Technology	6,004	Beijing Oriental Yuhong Waterproof	
Naspers	5,854	Technology	5,335
Woolworths	5,848	Yifeng Pharmacy Chain	4,923

\*American Depositary Receipt.

The above table complements the data provided in the investment managers report by outlining the top 10 portfolio components.

## Comparative Table

As at 30 September 2023

	30/09/23 (p)	A Income 30/09/22 (p)	30/09/21 (p)
<b>Change in net assets per Share</b>			
Opening net asset value per share	111.53	131.17	108.22
Return before operating charges*	1.73	(17.59)	25.10
Operating charges	(1.01)	(1.06)	(1.12)
Return after operating charges	0.72	(18.65)	23.98
Distributions	(1.31)	(0.99)	(1.03)
Closing net asset value per share	110.94	111.53	131.17
*after direct transaction cost of:	0.14	0.15	0.12
<b>Performance</b>			
Return after operating charges	0.65%	(14.22%)	22.16%
<b>Other information</b>			
Closing net asset value (£'000)	377,325	328,493	307,992
Closing number of shares	340,116,013	294,525,835	234,799,444
Operating charges	0.87%	0.85%	0.87%
Direct transaction costs	0.12%	0.12%	0.09%
<b>Prices (p)**</b>			
Highest share price	126.35	136.95	139.56
Lowest share price	104.23	113.11	109.14

\*\*The highest and lowest share prices are based on published price. The opening and closing net asset values per share include accounting adjustments, therefore they may appear higher or lower as a result.

**Performance Information**

As at 30 September 2023

**Operating Charge**

Date	AMC (%)	Other expenses (%)	Transaction costs (%)	Total operating charge (%)
30/09/23				
Share Class A Income	0.75	0.11	0.01	0.87
30/09/22				
Share Class A Income	0.75	0.09	0.01	0.85

The Operating Charge is the ratio of the Fund's total disclosable costs (excluding overdraft interest) to the average net assets of the Fund.

**Risk and Reward Profile**

As at 30 September 2023

	Typically lower rewards			Typically higher rewards			
	Lower risks			Higher risks			
Share Class A	1	2	3	4	5	6	7

- This indicator is based on historical data and may not be a reliable indication of the future risk profile of the Fund.
- The risk category shown is not guaranteed to remain unchanged and may shift over time.
- The risk and reward indicator table demonstrates where a Fund ranks in terms of its potential risk and return. The higher the rank the greater the potential reward but the greater the risk of losing money. The lowest category does not mean 'risk free'.
- The Fund appears as a "6" on the scale. This is because the Fund invests in the shares of companies whose values tend to vary more widely than other asset classes.

**Risk Warning**

An investment in an Open Ended Investment Company should be regarded as a medium to long-term investment. Investors should be aware that the price of shares and the income from them may fall as well as rise and investors may not receive back the full amount invested. Past performance is not a guide to future performance. Investments denominated in currencies other than the base currency of a Fund are subject to fluctuation in exchange rates, which may be favourable or unfavourable.

**Portfolio Statement**

As at 30 September 2023

Holdings or Nominal Value	Investments	Market value £'000	% of Total Net Assets
<b>Argentina 0.00% (0.69%)</b>			
<b>Brazil 5.51% (4.52%)</b>			
4,412,400	B3 - Brasil Bolsa Balcao	8,848	2.35
857,800	Itau Unibanco 'Preference'	3,819	1.01
844,321	Localiza Rent a Car	8,091	2.15
6,191	Localiza Rent a Car 'Right'	12	0.00
		<b>20,770</b>	<b>5.51</b>
<b>Canada 2.04% (2.67%)</b>			
395,819	First Quantum Minerals	7,693	2.04
		<b>7,693</b>	<b>2.04</b>
<b>Cayman Islands 17.58% (1.74%)</b>			
860,000	Alibaba	7,701	2.04
1,395,209	Chailease	6,410	1.70
5,923,000	China Mengniu Dairy	16,265	4.31
3,717,000	Li Ning	12,812	3.40
88,714	PDD ADR*	7,129	1.89
966,400	Shenzhou International	7,562	2.00
3,669,000	Zhongsheng	8,463	2.24
		<b>66,342</b>	<b>17.58</b>
<b>China 3.52% (15.24%)</b>			
382,490	Beijing Oriental Yuhong Waterproof Technology	1,145	0.30
1,636,999	Focus Media Information Technology	1,313	0.35
1,157,903	Laobaixing Pharmacy Chain	3,320	0.88
516,290	Midea	3,212	0.85
1,089,034	Yifeng Pharmacy Chain	4,284	1.14
		<b>13,274</b>	<b>3.52</b>
<b>Hong Kong 3.99% (11.56%)</b>			
1,312,600	AIA	8,760	2.32
793,000	Techtronic Industries	6,305	1.67
		<b>15,065</b>	<b>3.99</b>
<b>India 21.93% (20.53%)</b>			
1,294,277	Axis Bank	13,255	3.51
245,107	Eicher Motors	8,397	2.23
698,460	Havells India	9,549	2.53
752,937	HCL Technologies	9,175	2.43
87,593	HDFC Bank	1,318	0.35
393,480	HDFC Bank ADR*	19,024	5.04
406,957	ICICI Bank ADR*	7,709	2.04
714,816	Infosys ADR*	10,020	2.66
192,681	SRF	4,281	1.14
		<b>82,728</b>	<b>21.93</b>

**Portfolio Statement (continued)**

As at 30 September 2023

Holdings or Nominal Value	Investments	Market value £'000	% of Total Net Assets
<b>Indonesia 4.20% (4.24%)</b>			
28,085,800	Bank Central Asia	13,140	3.48
8,542,600	Bank Mandiri	2,717	0.72
		<b>15,857</b>	<b>4.20</b>
<b>Ireland 2.98% (4.87%)</b>			
1,222	Fidelity Institutional Liquidity Fund - The United States Dollar	11,258	2.98
		<b>11,258</b>	<b>2.98</b>
<b>Luxembourg 0.05% (0.00%)</b>			
66,600	Samsonite International	187	0.05
		<b>187</b>	<b>0.05</b>
<b>Mexico 4.68% (1.06%)</b>			
467,500	Grupo Aeroportuario del Pacifico	6,314	1.67
806,300	Grupo Financiero Banorte	5,553	1.47
1,492,200	Grupo Mexico	5,798	1.54
		<b>17,665</b>	<b>4.68</b>
<b>Netherlands 3.63% (3.51%)</b>			
13,831	ASML	6,708	1.78
1,863,031	Beijing Oriental Yuhong Waterproof Technology	5,575	1.47
502,576	Laobaixing Pharmacy Chain 'C/W 22/07/2024'	1,428	0.38
		<b>13,711</b>	<b>3.63</b>
<b>Peru 0.00% (1.03%)</b>			
<b>Singapore 2.34% (2.53%)</b>			
1,541,400	BOC Aviation	8,812	2.34
		<b>8,812</b>	<b>2.34</b>
<b>South Africa 6.64% (5.44%)</b>			
451,489	Bid	8,291	2.20
94,803	Naspers	12,474	3.30
1,458,539	Woolworths	4,302	1.14
		<b>25,067</b>	<b>6.64</b>
<b>South Korea 6.62% (5.35%)</b>			
116,602	Samsung Electronics	4,843	1.28
9,964	Samsung Electronics GDR**	10,286	2.73
141,284	SK Hynix	9,839	2.61
		<b>24,968</b>	<b>6.62</b>

**Portfolio Statement (continued)**

As at 30 September 2023

Holdings or Nominal Value	Investments	Market value £'000	% of Total Net Assets
<b>Switzerland 0.97% (0.13%)</b>			
584,257	Beijing Oriental Yuhong Waterproof Technology	1,749	0.47
303,890	Midea 'Warrant 28/10/2024'	1,891	0.50
		<b>3,640</b>	<b>0.97</b>
<b>Taiwan 12.13% (16.17%)</b>			
687,333	Advantech	6,019	1.60
577,000	Delta Electronics	4,752	1.26
365,000	MediaTek	6,809	1.80
918,000	Taiwan Semiconductor Manufacturing	12,162	3.22
225,118	Taiwan Semiconductor Manufacturing ADR*	16,019	4.25
		<b>45,761</b>	<b>12.13</b>
<b>United Kingdom 0.83% (0.00%)</b>			
76,800	Beijing Oriental Yuhong Waterproof Technology	230	0.06
1,677,082	Focus Media Information Technology	1,344	0.35
1,957,391	Focus Media Information Technology 'Warrant 06/02/2025'	1,571	0.42
		<b>3,145</b>	<b>0.83</b>
<b>United States 0.88% (0.00%)</b>			
4,147,618	Focus Media Information Technology 'Call Cert 19/02/2021'	3,337	0.88
		<b>3,337</b>	<b>0.88</b>
<b>Forward Currency Contracts 0.00% (0.00%)</b>			
	Bought HKD1,792,811 for USD228,975 Settlement 04/10/2023	0	0.00
	Bought USD396,990 for HKD3,107,295 Settlement 03/10/2023	0	0.00
	Bought USD513,170 for HKD4,015,958 Settlement 03/10/2023	0	0.00
		<b>0</b>	<b>0.00</b>
	<b>Portfolio of investments</b>	<b>379,280</b>	<b>100.52</b>
	Net other liabilities	(1,955)	(0.52)
	<b>Net assets</b>	<b>377,325</b>	<b>100.00</b>

\*American Depositary Receipts.

\*\*Global Depositary Receipt.

Comparative figures shown above in brackets relate to 30 September 2022.



**Portfolio Statement (continued)**

**As at 30 September 2023**

The investments have been valued in accordance with note 1(h) of the Accounting Policies and Financial Instruments.

Gross purchases for the year: £293,304,000 [2022: £303,952,000]. (See note 14).

Total sales net of transaction costs for the year: £243,071,000 [2022: £226,232,000]. (See note 14).

## Statement of Total Return

For the year ended 30 September 2023

	Note	01/10/22 to 30/09/23		01/10/21 to 30/09/22	
		£'000	£'000	£'000	£'000
Income:					
Net capital losses	2		(4,098)		(54,283)
Revenue	3	8,329		6,354	
Expenses	4	(3,202)		(2,818)	
Interest payable and similar charges	5	(1)		—	
Net revenue before taxation		5,126		3,536	
Taxation	6	(1,294)		(655)	
Net revenue after taxation			3,832		2,881
Total return before distributions			(266)		(51,402)
Distributions	7		(4,328)		(2,825)
<b>Change in net assets attributable to Shareholders from investment activities</b>			<b>(4,594)</b>		<b>(54,227)</b>

## Statement of Change in Net Assets Attributable to Shareholders

For the year ended 30 September 2023

	01/10/22 to 30/09/23		01/10/21 to 30/09/22	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to Shareholders</b>		328,493		307,992
Amounts receivable on issue of Shares	71,262		84,314	
Amounts payable on cancellation of Shares	(17,836)		(9,586)	
		53,426		74,728
Change in net assets attributable to Shareholders from investment activities (see above)		(4,594)		(54,227)
<b>Closing net assets attributable to Shareholders</b>		<b>377,325</b>		<b>328,493</b>

**Balance Sheet**

As at 30 September 2023

	Note	30/09/23		30/09/22	
		£'000	£'000	£'000	£'000
<b>Assets:</b>					
Fixed assets:					
Investments			379,280		332,713
Current assets:					
Debtors	8	4,425		997	
Cash and bank balances	9	1,052		1,775	
Total current assets			5,477		2,772
Total assets			384,757		335,485
<b>Liabilities:</b>					
Creditors:					
Distribution payable		(4,306)		(2,807)	
Other creditors	10	(3,126)		(4,185)	
Total creditors			(7,432)		(6,992)
Total liabilities			(7,432)		(6,992)
<b>Net assets attributable to Shareholders</b>					
			<b>377,325</b>		<b>328,493</b>

## Notes to the Financial Statements

For the year ended 30 September 2023

### 1. Accounting basis and policies

The Fund's financial statements have been prepared on the basis detailed on pages 15 to 18.

### 2. Net capital losses

	01/10/22 to 30/09/23 £'000	01/10/21 to 30/09/22 £'000
The net capital losses during the year comprise:		
GDR Fee	(17)	(4)
Currency losses	(317)	(437)
Forward currency contracts	(52)	51
Non-derivative securities	(3,660)	(53,994)
Transaction charges	(52)	(37)
Cash transferred from closed Omnis Funds	—	138
<b>Net capital losses</b>	<b>(4,098)</b>	<b>(54,283)</b>

### 3. Revenue

	01/10/22 to 30/09/23 £'000	01/10/21 to 30/09/22 £'000
Bank interest	10	1
Overseas dividends	8,207	6,353
UK dividends	112	—
<b>Total revenue</b>	<b>8,329</b>	<b>6,354</b>

**Notes to the Financial Statements (continued)**  
For the year ended 30 September 2023

**4. Expenses**

	01/10/22 to 30/09/23 £'000	01/10/21 to 30/09/22 £'000
<b>Payable to the ACD, associates of the ACD, and agents of either of them</b>		
AMC fees	2,798	2,516
	<b>2,798</b>	<b>2,516</b>
<b>Payable to the Depository, associates of the Depository and agents of either of them</b>		
Depository fees	46	42
Safe custody fees	309	200
	<b>355</b>	<b>242</b>
<b>Other expenses</b>		
Audit fees	10	8
Professional fees*	27	25
Publication fees	(3)	3
ADR fees	—	17
Out of pocket expenses	15	7
	<b>49</b>	<b>60</b>
<b>Total expenses</b>	<b>3,202</b>	<b>2,818</b>

Audit fees are £8,350 ex Vat (2022: £7,875).

\*Includes tax service fee paid to Deloitte LLP (India) £9,289 (2022: £0).

**5. Interest payable and similar charges**

	01/10/22 to 30/09/23 £'000	01/10/21 to 30/09/22 £'000
Interest	1	—
<b>Total interest payable and similar charges</b>	<b>1</b>	<b>—</b>

**6. Taxation**

**(a) Analysis of the tax charge in the year**

	01/10/22 to 30/09/23 £'000	01/10/21 to 30/09/22 £'000
Irrecoverable overseas tax	799	711
Overseas capital gains tax	495	(56)
<b>Total taxation for the year (Note 6 (b))</b>	<b>1,294</b>	<b>655</b>

**Notes to the Financial Statements (continued)**

For the year ended 30 September 2023

**6. Taxation (continued)****(b) Factors affecting the tax charge for the year**

The tax assessed for the year is different from that calculated when the standard rate of corporation tax for an open ended investment company of 20% (2022: 20%) is applied to the net revenue before taxation. The differences are explained below:

	01/10/22 to 30/09/23 £'000	01/10/21 to 30/09/22 £'000
Net revenue before taxation	5,126	3,536
Net revenue for the year multiplied by the standard rate of corporation tax	1,025	707
<b>Effects of:</b>		
Irrecoverable overseas tax	799	711
Movement in excess management expenses	545	471
Overseas capital gains tax in capital	495	(56)
Overseas tax expensed	(16)	(11)
Revenue not subject to corporation tax	(1,554)	(1,167)
<b>Total tax charge for the year</b>	<b>1,294</b>	<b>655</b>

OEICs are exempt from tax on capital gains in the UK. Therefore, any capital return is not included within the reconciliation above.

**(c) Provision for deferred tax**

There is no provision required for deferred taxation at the Balance Sheet date in the current or prior year because no taxable profit is expected to be generated by the fund.

**(d) Factors that may affect future tax charges**

At the year-end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £1,785,366 (2022: £1,239,921) in relation to surplus management expenses. It is unlikely that the Fund will generate sufficient taxable profits in the future to utilise this amount and therefore no deferred tax asset has been recognised in the year.

**Notes to the Financial Statements (continued)**

For the year ended 30 September 2023

**7. Distributions**

The distributions take account of revenue received on the creation of shares and revenue deducted on the cancellation of shares, and comprise:

	01/10/22 to 30/09/23 £'000	01/10/21 to 30/09/22 £'000
Interim	134	94
Final	4,306	2,808
Add: Revenue paid on cancellation of shares	18	30
Deduct: Revenue received on creation of shares	(130)	(107)
<b>Net distribution for the year</b>	<b>4,328</b>	<b>2,825</b>
<b>Reconciliation of net revenue after taxation to distributions</b>		
Net revenue after taxation	3,832	2,881
Net movement in revenue account	1	—
Capital gains tax	495	(56)
<b>Net distribution for the year</b>	<b>4,328</b>	<b>2,825</b>

Details of the distributions per share are set out in the distribution tables on page 205.

**8. Debtors**

	30/09/23 £'000	30/09/22 £'000
Accrued revenue	508	272
Amounts receivable for creation of shares	791	46
Overseas withholding tax recoverable	4	14
Sales awaiting settlement	3,121	665
Prepaid expenses	1	—
<b>Total debtors</b>	<b>4,425</b>	<b>997</b>

**9. Cash and bank balances**

	30/09/23 £'000	30/09/22 £'000
Cash and bank balances	1,052	1,775
<b>Total cash and bank balances</b>	<b>1,052</b>	<b>1,775</b>

## Notes to the Financial Statements (continued)

For the year ended 30 September 2023

### 10. Other creditors

	30/09/23 £'000	30/09/22 £'000
Amounts payable for cancellation of shares	—	3,179
Overseas capital gains tax payable	882	567
Purchases awaiting settlement	1,937	124
	2,819	3,870
<i>Accrued expenses</i>		
<i>Manager and Agents</i>		
AMC fees	227	217
	227	217
<i>Depositary and Agents</i>		
Depositary fees	8	14
Safe custody fees	54	62
Transaction charges	8	9
	70	85
<i>Other accrued expenses</i>		
Audit fees	10	9
Professional fees	—	1
Publication fees	—	3
	10	13
<b>Total other creditors</b>	<b>3,126</b>	<b>4,185</b>

### 11. Related party transactions

Management fees paid to the ACD, are disclosed in note 4 and amounts due at the year-end are disclosed in note 10.

Monies received and paid by the ACD through the creation and cancellation of shares are disclosed in the Statement of Change in Net Assets Attributable to Shareholders and amounts due at the year-end are disclosed in notes 8 and 10.

The ACD and its associates (including other authorised investment funds managed by the ACD) have no shareholdings in the company at the year-end.

#### Significant shareholdings

As at the balance sheet date, the following had significant shareholdings within the Fund:

Shareholders	30/09/23 (%)	30/09/22 (%)
Sterling ISA Managers (Nominees) Limited	80.30	81.27

### 12. Share Classes

The Share Classes and ACD's Annual Management Charges ("AMC") applicable to each Share Class are as follows:

Share Class A Income	0.75
----------------------	------

Each Share Class has equal rights in the event of the wind up of any fund.



**Notes to the Financial Statements (continued)**

For the year ended 30 September 2023

**12. Share Classes (continued)**

The reconciliation of the opening and closing numbers of shares of each class is shown below:

	30/09/22	Issued	Cancelled	Converted	30/09/23
Share Class A Income	294,525,835	61,277,511	(15,687,333)	—	340,116,013

**13. Capital commitments and contingent liabilities**

There were no contingent liabilities or outstanding commitments at the balance sheet date (2022: nil).

**14. Derivatives and other financial instruments**

The main risks from the Fund's holding of financial instruments, together with the ACD's policy for managing these risks, are disclosed in note 2 on pages 18 to 24 of the report.

**(a) Foreign currency risk**

A proportion of the financial net assets of the Fund are denominated in currencies other than sterling with the effect that the balance sheet and total return can be affected by currency movements.

The table below shows the foreign currency risk profile at the balance sheet date:

Currency	Net foreign currency exposure	
	30/09/23 £'000	30/09/22 £'000
Brazilian Real	20,923	14,837
Canadian Dollar	6,735	8,786
Chinese Yuan	13,274	12,325
Euro	6,712	6,580
Hong Kong Dollar	77,026	82,568
Indian Rupee	46,174	31,618
Indonesian Rupiah	16,533	13,928
Mexican Peso	17,665	3,470
New Taiwan Dollar	36,205	38,387
South African Rand	25,243	17,886
South Korean Won	15,057	10,090
US Dollar	100,314	94,642
<b>Total foreign currency exposure</b>	<b>381,861</b>	<b>335,117</b>
Sterling	(4,536)	(6,624)
<b>Total net assets</b>	<b>377,325</b>	<b>328,493</b>

If GBP to foreign currency exchange rates had strengthened/increased or weakened/decreased by 10% as at the balance sheet date, the net asset value of the fund would have decreased or increased by £38,186,125 (2022: £33,511,705). These calculations assume all other variables remain constant.

**(b) Interest rate risk profile of financial assets and liabilities**

The Fund does not invest in either fixed or floating rate securities and interest rate risk exposure is restricted to interest receivable on bank deposits or payable on bank overdraft positions which will be affected by fluctuations in interest rates.

**Notes to the Financial Statements (continued)**

For the year ended 30 September 2023

**14. Derivatives and other financial instruments (continued)****(b) Interest rate risk profile of financial assets and liabilities (continued)**

As at 30 September 2023 0.28% of the Fund's assets were interest bearing (2022: 0.54%).

Changes in interest rates would have no material impact on the valuation of financial assets or liabilities. Consequently, no sensitivity analysis has been presented.

**(c) Counterparty risk**

The table below shows the counterparty risk as at the balance sheet date:

	Counterparty	Derivative Exposure	Collateral Posted	Collateral Received	Collateral Asset Class
		£'000	£'000	£'000	
<b>2023</b>	National Australia Bank	326	—	—	
	UBS	196	—	—	
	Counterparty	Derivative Exposure	Collateral Posted	Collateral Received	Collateral Asset Class
		£'000	£'000	£'000	
<b>2022*</b>	National Australia Bank	—	—	—	
	UBS	—	—	—	

\*The Fund did not have any Counterparty figures in prior year.

**Notes to the Financial Statements (continued)**

For the year ended 30 September 2023

**15. Portfolio transaction costs**

	01/10/22 to 30/09/23		01/10/21 to 30/09/22	
	£'000	£'000	£'000	£'000
<b>Analysis of total purchase costs</b>				
Purchases in the year before transaction costs:				
Equities		190,692		197,154
Collective Investment Schemes		102,352		106,557
		293,044		303,711
Commissions - Equities	134		113	
Taxes - Equities	126		128	
Total purchase costs		260		241
<b>Gross purchase total</b>		<b>293,304</b>		<b>303,952</b>
<b>Analysis of total sale costs</b>				
Gross sales in the year before transaction costs:				
Equities		136,993		121,394
Collective Investment Schemes		106,268		104,998
		243,261		226,392
Commissions - Equities	(69)		(69)	
Taxes - Equities	(121)		(91)	
Total sale costs		(190)		(160)
<b>Total sales net of transaction costs</b>		<b>243,071</b>		<b>226,232</b>

The portfolio transaction costs table above includes direct transaction costs suffered by the Fund during the year.

	01/10/22 to 30/09/23	01/10/21 to 30/09/22
	%	%
<b>Transaction costs as percentage of principal amounts</b>		
Purchases - Commissions		
Equities	0.0702	0.0571
Collective Investment Schemes	0.0000	0.0000
Purchases - Taxes		
Equities	0.0662	0.0651
Collective Investment Schemes	0.0000	0.0000
Sales - Commissions		
Equities	0.0501	0.0571
Collective Investment Schemes	0.0000	0.0000
Sales - Taxes		
Equities	0.0887	0.0753
Collective Investment Schemes	0.0000	0.0000

## Notes to the Financial Statements (continued)

For the year ended 30 September 2023

### 15. Portfolio transaction costs (continued)

	01/10/22 to 30/09/23 %	01/10/21 to 30/09/22 %
Transaction costs as percentage of average net asset value		
Commissions	0.0542	0.0542
Taxes	0.0660	0.0653

At the balance sheet date the average portfolio dealing spread was 0.15% (2022: 0.15%).

### 16. Post balance sheet events

Subsequent to the year end, the net asset value per unit of the fund has decreased from 110.94p to 107.63p as at 26 January 2024. This movement takes into account routine transactions but also reflects the market movements of recent months.

### 17. Fair value disclosure

Valuation technique	30/09/23		30/09/22	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
<b>Level 1:</b> The unadjusted quoted price in an active market for identical assets or liabilities	368,022	—	316,714	—
<b>Level 2:</b> Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly	11,258	—	15,999	—
<b>Level 3:</b> Inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability	—	—	—	—
	<b>379,280</b>	<b>—</b>	<b>332,713</b>	<b>—</b>

## Distribution Table

As at 30 September 2023

### Interim Distribution in pence per Share

- Group 1 Shares purchased prior to 1 October 2022  
 Group 2 Shares purchased on or after 1 October 2022 to 31 March 2023

	Net revenue (p)	Equalisation (p)	Distribution paid 31/05/2023 (p)	Distribution paid 31/05/2022 (p)
<b>Share Class A Income</b>				
Group 1	0.0406	—	0.0406	0.0342
Group 2	0.0392	0.0014	0.0406	0.0342

### Final Distribution in pence per Share

- Group 1 Shares purchased prior to 1 April 2023  
 Group 2 Shares purchased on or after 1 April 2023 to 30 September 2023

	Net revenue (p)	Equalisation (p)	Distribution payable 30/11/2023 (p)	Distribution paid 30/11/2022 (p)
<b>Share Class A Income</b>				
Group 1	1.2661	—	1.2661	0.9532
Group 2	0.6808	0.5853	1.2661	0.9532

**Investment Manager's Report**  
For the year ended 30 September 2023

### **Investment Objective**

The Fund aims to achieve a return consisting of both income and capital growth which, after all fees and expenses, exceeds the MSCI Emerging Markets TR Index over a five-year rolling period.

### **Investment Policy**

The Fund intends to invest at least 80% in the equity securities of Emerging Markets companies defined as those which are domiciled, incorporated or have a significant exposure to Emerging markets.

The fund will adopt a flexible approach to investment, seeking to invest in companies that are undervalued relative to their economic potential. Exposure to small and medium size companies will be greater than 50% of the Fund. Small and medium sized companies are defined as those with a market cap of \$10 billion or less at the time of the Fund's investment. Companies whose capitalisation no longer meets this definition after investment will continue to be considered small and medium market capitalisation companies.

The Fund may also invest in other transferable securities (for example, equity securities of other international companies), units in collective investment schemes (including schemes managed and operated by the ACD or its associates), money market instruments, warrants, cash and near cash deposits as detailed in the Prospectus.

It is envisaged that the investment portfolio of the Fund will be concentrated, typically comprising between 40 and 80 holdings.

Derivatives may be used for the purposes of hedging and efficient portfolio management.

### **Benchmark**

The performance of the Fund will be measured against the MSCI Emerging Markets TR Index\* for target return purposes. This index was chosen as it was considered a fair representation of the assets in which the fund will invest, in line with its investment objectives and policy.

### **Portfolio Review**

Over the period the Fund returned 8.10% [source: Return after operating charges as per Comparative Table] and the benchmark returned 2.59% [source: Financial Express, bid to bid, net income reinvested].

\*The index data provided has been licensed for use by its third-party providers who do not accept any liability for errors or omissions. For full disclaimer please see <https://omnisinvestments.com/disclaimers>

#### *Portfolio Review – Somerset Capital – 1st October 2022 – 12th February 2023*

During the final months of 2022, a relaxation of the zero-Covid policy in China. The State Council released 20 Measures on 11th November which eased restrictions on a policy was increasingly unsustainable both in economic and social terms. Elsewhere, the market took comfort from another round of policy support to the real estate sector which helped to restore market confidence.

The Fund had a strong end to the year as China accelerated its re-opening (targeting 8th January 2023), continuing a late year-end rally that capped off 2022 as an otherwise dismal year for Global and Emerging Market equities. Higher interest rates and a strong US dollar were a headwinds the high quality companies with strong future growth profiles, within the Fund. The Fund's relative

**Investment Manager's Report (continued)**

For the year ended 30 September 2023

underperformance in Q4 22 was driven by macroeconomic factors: significant exposure to the semiconductor industry when the cycle reversed post Covid and holdings in Brazil hit by continued political uncertainty pre- and post- the October elections.

In 2023, Emerging markets had a strong start to the year, as China's re-opening continued the rally from late 2022 and global investor sentiment began to turn positive. Much of the rally has been driven by local investors with Global investors remaining on the side-lines.

Chinese holdings performed strongly as China reversed its zero-Covid policy. Top performers included Tencent Holdings (largest online music platform), China MeiDong (luxury auto dealer), Shenzhen Kedali (largest supplier of lithium battery parts) as well as China Overseas Property (property manager) and Mega Lifesciences (pharmaceutical company). In addition, the Taiwanese semiconductor holding TSMC was the top contributor to performance.

In Brazil, we held high quality companies, such as Petro Rio, the independent oil and gas producer. It was one of the top contributors to performance over the period. Brazil benefits from positive real rates and strengthening currencies (vs the USD), despite the political turmoil since Lula came to office as he veered sharply towards a more interventionist approach.

**The fund was moved to management under Lazard Asset Management's Stewardship on 13th February 2023.**

*Portfolio Review – Lazard Asset Management – 13th February 2023 – 31st March 2023*

Lazard began transitioning the portfolio on 13th February and completed this by 31st March 2023.

Since Lazard's appointment to manage the fund, market enthusiasm over the potential demand for artificial intelligence (AI) applications spurred a rerating of technology hardware and infrastructure stocks, benefitting Quanta Computer, a Taiwanese manufacturer of notebook computers and cloud computing/network system solutions and Wiwynn Corporation, a Taiwanese manufacturer of computer servers and storage devices. Stock selection in the information technology, communication services and consumer discretionary sectors was positive as well as in Taiwan, China, and Greece, and a higher-than-benchmark exposure to the energy sector also added to portfolio returns.

Elsewhere, shares of UPL faltered after the India-based agrochemicals maker reported disappointing fiscal fourth-quarter results due to higher-than-normal inventories, steep declines in prices, and an increase in Chinese agrochemical exports. Taiwanese pharmaceutical company Lotus underperformed as investors took profit following strong growth in earnings. Stock selection in the financials and materials sector was negative as well as in India, South Korea, and Indonesia. Lower-than-benchmark exposure in India detracted from relative performance.

Significant new holdings for the Fund include:

- Yageo, an industry leading Taiwanese manufacturer of resistors and related passive electronic components.
- Alpek, a Mexican chemical manufacturer
- ICTS, a global port management company based in the Philippines.
- Cury Construtora, a mid-income Brazilian homebuilder. Its business model is focused, operating in the sweet spot between the luxury and low-income segment, and only in Rio de Janeiro and São Paulo, with 87% of buyers using some form of government-supported financing.

**Investment Manager's Report (continued)**  
For the year ended 30 September 2023

•Banco ABC Brasil.

**Lazard Asset Management Limited (sub delegated to Lazard Asset Management LLC)**  
October 2023



## Material Portfolio Changes

For the year ended 30 September 2023

Purchases		Sales	
Portfolio Name	Cost £'000	Portfolio Name	Proceeds £'000
UPL	13,197	Milkyway Chemical Supply Chain	
Lenovo	12,606	Service	16,845
Samsung Electronics	11,179	Heineken	15,251
China Construction Bank	9,824	Tencent	13,009
ENN Natural Gas	9,816	Porto Seguro	12,429
Lotus Pharmaceutical	9,121	SK Hynix	12,213
Tingyi Cayman Islands	8,194	JD.com	11,885
Gree Electric Appliances of Zhuhai	8,179	Varun Beverages	11,441
Ping An Insurance Group Co of China	7,774	Petro Rio	10,511
Qifu Technology ADR*	7,711	Mega Lifesciences	10,473
		Shenzhen Kedali Industry	10,456

\*American Depositary Receipt.

The above table complements the data provided in the investment managers report by outlining the top 10 portfolio components.

## Comparative Table

As at 30 September 2023

	30/09/23 (p)	A Income 30/09/22 (p)	30/09/21 (p)
<b>Change in net assets per Share</b>			
Opening net asset value per share	92.30	114.12	89.47
Return before operating charges*	8.36	(20.22)	26.86
Operating charges	(0.88)	(0.94)	(1.01)
Return after operating charges	7.48	(21.16)	25.85
Distributions	(2.37)	(0.66)	(1.20)
Closing net asset value per share	97.41	92.30	114.12
*after direct transaction cost of:	0.36	0.39	0.47
<b>Performance</b>			
Return after operating charges	8.10%	(18.54%)	28.89%
<b>Other information</b>			
Closing net asset value (£'000)	382,453	323,190	308,483
Closing number of shares	392,631,187	350,138,161	270,325,476
Operating charges	0.91%	0.90%	0.92%
Direct transaction costs	0.38%	0.37%	0.42%
<b>Prices (p)**</b>			
Highest share price	103.56	118.79	120.18
Lowest share price	84.57	92.88	90.03

\*\*The highest and lowest share prices are based on published price. The opening and closing net asset values per share include accounting adjustments, therefore they may appear higher or lower as a result.

**Performance Information**

As at 30 September 2023

**Operating Charge**

Date	AMC (%)	Other expenses (%)	Transaction costs (%)	Total operating charge (%)
30/09/23 Share Class A Income	0.75	0.14	0.02	0.91
30/09/22 Share Class A Income	0.75	0.14	0.01	0.90

The Operating Charge is the ratio of the Fund's total disclosable costs (excluding overdraft interest) to the average net assets of the Fund.

**Risk and Reward Profile**

As at 30 September 2023

	Typically lower rewards				Typically higher rewards		
	Lower risks				Higher risks		
Share Class A	1	2	3	4	5	6	7

- This indicator is based on historical data and may not be a reliable indication of the future risk profile of the Fund.
- The risk category shown is not guaranteed to remain unchanged and may shift over time.
- The risk and reward indicator table demonstrates where a Fund ranks in terms of its potential risk and return. The higher the rank the greater the potential reward but the greater the risk of losing money. The lowest category does not mean 'risk free'.
- The Fund appears as a "6" on the scale. This is because the Fund invests in the shares of companies whose values tend to vary more widely than other asset classes.

**Risk Warning**

An investment in an Open Ended Investment Company should be regarded as a medium to long-term investment. Investors should be aware that the price of shares and the income from them may fall as well as rise and investors may not receive back the full amount invested. Past performance is not a guide to future performance. Investments denominated in currencies other than the base currency of a Fund are subject to fluctuation in exchange rates, which may be favourable or unfavourable.

**Portfolio Statement**

As at 30 September 2023

Holdings or Nominal Value	Investments	Market value £'000	% of Total Net Assets
<b>Equities 100.10% (97.03%)</b>			
<b>Brazil 9.02% (8.42%)</b>			
90,807	Banco ABC Brasil	223	0.06
1,741,200	Banco ABC Brasil 'Preference'	5,652	1.48
888,800	BB Seguridade Participacoes	4,540	1.19
2,837,900	CCR	5,988	1.56
1,049,700	Cury Construtora e Incorporadora	2,787	0.73
800,700	Engie Brasil Energia	5,430	1.42
1,016,300	Petroreconcavo	3,482	0.91
2,075,600	Vibra Energia	6,408	1.67
		<b>34,510</b>	<b>9.02</b>
<b>Canada 1.42% (0.00%)</b>			
352,539	Parex Resources	5,424	1.42
		<b>5,424</b>	<b>1.42</b>
<b>Cayman Islands 4.35% (0.00%)</b>			
353,100	ASMP T	2,590	0.68
522,864	Bizlink	3,583	0.94
445,726	Qifu Technology ADR*	5,609	1.46
4,258,000	Tingyi Cayman Islands	4,864	1.27
		<b>16,646</b>	<b>4.35</b>
<b>China 14.22% (26.38%)</b>			
18,732,000	China Construction Bank	8,661	2.26
1,232,500	China Merchants Bank	4,216	1.10
4,244,596	ENN Natural Gas	8,285	2.17
1,861,198	Gree Electric Appliances of Zhuhai	7,579	1.98
3,121,344	Huayu Automotive Systems	6,572	1.72
1,304,000	Ping An Insurance Group Co of China	6,111	1.60
3,018,400	Sinopharm	7,168	1.87
5,195,000	Weichai Power	5,793	1.52
		<b>54,385</b>	<b>14.22</b>
<b>Egypt 0.93% (0.00%)</b>			
1,241,010	Commercial International Bank Egypt	1,974	0.52
1,472,952	Commercial International Bank Egypt GDR**	1,588	0.41
		<b>3,562</b>	<b>0.93</b>
<b>Greece 3.95% (0.00%)</b>			
115,838	JUMBO	2,610	0.69
1,594,887	National Bank of Greece	7,388	1.93
369,735	OPAP	5,087	1.33
		<b>15,085</b>	<b>3.95</b>

**Portfolio Statement (continued)**

As at 30 September 2023

Holdings or Nominal Value	Investments	Market value £'000	% of Total Net Assets
<b>Hong Kong 3.60% (7.72%)</b>			
16,336,000	Lenovo	13,774	3.60
		<b>13,774</b>	<b>3.60</b>
<b>Hungary 2.51% (0.00%)</b>			
787,704	MOL Hungarian Oil & Gas	4,902	1.28
157,334	OTP Bank	4,696	1.23
		<b>9,598</b>	<b>2.51</b>
<b>India 10.62% (13.91%)</b>			
105,196	Bajaj Auto	5,255	1.37
1,312,606	Bharat Petroleum	4,491	1.18
3,394,448	Equitas Small Finance Bank	2,996	0.78
4,339,077	Indus Towers	8,205	2.15
2,297,127	Petronet LNG	5,449	1.43
174,876	Raymond	3,109	0.81
1,823,532	UPL	11,093	2.90
		<b>40,598</b>	<b>10.62</b>
<b>Indonesia 0.98% (2.35%)</b>			
18,851,200	Telkom Indonesia	3,748	0.98
		<b>3,748</b>	<b>0.98</b>
<b>Luxembourg 1.27% (0.00%)</b>			
148,067	Ternium ADR*	4,839	1.27
		<b>4,839</b>	<b>1.27</b>
<b>Malaysia 1.99% (1.86%)</b>			
39,026,800	Hibiscus Petroleum	7,627	1.99
		<b>7,627</b>	<b>1.99</b>
<b>Mexico 3.19% (2.13%)</b>			
6,804,500	Alpek	4,748	1.24
7,715,600	Genera	7,438	1.95
		<b>12,186</b>	<b>3.19</b>
<b>Netherlands 0.00% (4.55%)</b>			
<b>Nigeria 0.00% (0.15%)</b>			
<b>Philippines 1.04% (0.00%)</b>			
1,330,180	International Container Terminal Services	3,991	1.04
		<b>3,991</b>	<b>1.04</b>

**Portfolio Statement (continued)**

As at 30 September 2023

Holdings or Nominal Value	Investments	Market value £'000	% of Total Net Assets
<b>Poland 0.00% (2.21%)</b>			
<b>Portugal 1.98% (0.00%)</b>			
623,094	Galp Energia	7,583	1.98
		<b>7,583</b>	<b>1.98</b>
<b>Singapore 1.41% (2.94%)</b>			
942,600	BOC Aviation	5,389	1.41
		<b>5,389</b>	<b>1.41</b>
<b>South Africa 3.78% (4.83%)</b>			
362,868	Bidvest	4,305	1.13
745,082	JSE	2,989	0.78
4,345,512	Life Healthcare	3,829	1.00
378,377	Nedbank	3,329	0.87
		<b>14,452</b>	<b>3.78</b>
<b>South Korea 12.43% (5.00%)</b>			
46,960	BGF retail	4,017	1.05
147,048	Coway	3,683	0.96
52,047	Dentium	3,375	0.88
118,525	Doosan Bobcat	3,663	0.96
77,824	F&F Co	5,340	1.40
173,222	Hana Financial	4,459	1.17
104,815	Kia	5,180	1.35
190,618	KT	3,837	1.00
163,447	MegaStudyEdu	5,012	1.31
216,024	Samsung Electronics	8,971	2.35
		<b>47,537</b>	<b>12.43</b>
<b>Taiwan 18.27% (7.28%)</b>			
2,114,000	ASE Technology	5,875	1.54
360,000	Globalwafers	4,144	1.08
264,414	Lotes	5,523	1.44
1,227,000	Lotus Pharmaceutical	7,427	1.94
258,000	MediaTek	4,813	1.26
444,000	Novatek Microelectronics	4,767	1.25
400,880	Poya International	4,904	1.28
714,000	Simplo Technology	6,062	1.59
1,684,000	Taiwan Semiconductor Manufacturing	22,311	5.83
306,000	Yageo	4,062	1.06
		<b>69,888</b>	<b>18.27</b>
<b>Thailand 3.14% (4.11%)</b>			
1,540,800	Kasikornbank	4,368	1.14
7,669,200	Mega Lifesciences	7,636	2.00
		<b>12,004</b>	<b>3.14</b>

**Portfolio Statement (continued)**

As at 30 September 2023

Holdings or Nominal Value	Investments	Market value £'000	% of Total Net Assets
	<b>United States 0.00% (0.25%)</b>		
	<b>Vietnam 0.00% (2.94%)</b>		
	<b>Forward Currency Contracts 0.00% (0.00%)</b>		
	<b>Portfolio of investments</b>	<b>382,826</b>	<b>100.10</b>
	Net other liabilities	(373)	(0.10)
	<b>Net assets</b>	<b>382,453</b>	<b>100.00</b>

All investments are ordinary bonds unless otherwise stated and admitted to official stock exchange listings.

\*American Depositary Receipts.

\*\*Global Depositary Receipt.

Comparative figures shown above in brackets relate to 30 September 2022.

The investments have been valued in accordance with note 1(h) of the Accounting Policies and Financial Instruments.

Gross purchases for the year (excl. Derivatives): £453,012,000 [2022: £399,961,000]. (See note 15).

Total sales net of transaction costs for the year (excl. Derivatives): £405,451,000 [2022: £321,520,000]. (See note 15).

## Statement of Total Return

For the year ended 30 September 2023

	Note	01/10/22 to 30/09/23		01/10/21 to 30/09/22	
		£'000	£'000	£'000	£'000
Income:					
Net capital gains/(losses)	2		20,733		(68,812)
Revenue	3	14,004		5,649	
Expenses	4	(3,291)		(2,971)	
Interest payable and similar charges	5	(4)		(1)	
Net revenue before taxation		10,709		2,677	
Taxation	6	(2,172)		(1,135)	
Net revenue after taxation			8,537		1,542
Total return before distributions			29,270		(67,270)
Distributions	7		(9,235)		(2,241)
<b>Change in net assets attributable to Shareholders from investment activities</b>			<b>20,035</b>		<b>(69,511)</b>

## Statement of Change in Net Assets Attributable to Shareholders

For the year ended 30 September 2023

	01/10/22 to 30/09/23		01/10/21 to 30/09/22	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to Shareholders</b>		323,190		308,483
Amounts receivable on issue of Shares	50,460		95,793	
Amounts payable on cancellation of Shares	(11,232)		(11,602)	
Dilution adjustment		39,228		84,191
Change in net assets attributable to Shareholders from investment activities (see above)		—		27
		20,035		(69,511)
<b>Closing net assets attributable to Shareholders</b>		<b>382,453</b>		<b>323,190</b>



## Balance Sheet

As at 30 September 2023

	Note	30/09/23		30/09/22	
		£'000	£'000	£'000	£'000
<b>Assets:</b>					
Fixed assets:					
Investments			382,826		313,589
Current assets:					
Debtors	8	1,337		1,409	
Cash and bank balances	9	8,279		15,842	
Total current assets			9,616		17,251
Total assets			392,442		330,840
<b>Liabilities:</b>					
Creditors:					
Bank overdrafts	11	(611)		(683)	
Distribution payable		(8,775)		(2,310)	
Other creditors	10	(603)		(4,657)	
Total creditors			(9,989)		(7,650)
Total liabilities			(9,989)		(7,650)
<b>Net assets attributable to Shareholders</b>			<b>382,453</b>		<b>323,190</b>

## Notes to the Financial Statements

### For the year ended 30 September 2023

#### 1. Accounting basis and policies

The Fund's financial statements have been prepared on the basis detailed on pages 15 to 18.

#### 2. Net capital gains/(losses)

	01/10/22 to 30/09/23 £'000	01/10/21 to 30/09/22 £'000
The net capital gains/(losses) during the year comprise:		
Currency losses	(890)	(575)
Forward currency contracts	(4)	(23)
Non-derivative securities	21,682	(68,307)
Transaction charges	(55)	(46)
Cash transferred from closed Omnis Funds	—	139
<b>Net capital gains/(losses)</b>	<b>20,733</b>	<b>(68,812)</b>

#### 3. Revenue

	01/10/22 to 30/09/23 £'000	01/10/21 to 30/09/22 £'000
Bank interest	42	6
Overseas dividends	13,748	5,643
Scrip dividends	214	—
<b>Total revenue</b>	<b>14,004</b>	<b>5,649</b>

#### 4. Expenses

	01/10/22 to 30/09/23 £'000	01/10/21 to 30/09/22 £'000
<b>Payable to the ACD, associates of the ACD, and agents of either of them</b>		
AMC fees	2,770	2,503
	2,770	2,503
<b>Payable to the Depository, associates of the Depository and agents of either of them</b>		
Depository fees	45	42
Safe custody fees	415	369
	460	411
<b>Other expenses</b>		
Audit fees	10	8
Professional fees*	42	29
Publication fees	(2)	3
Out of pocket expenses	11	17
	61	57
<b>Total expenses</b>	<b>3,291</b>	<b>2,971</b>

Audit fees are £8,350 ex Vat (2022: £7,875).

\*Includes tax service fee paid to Deloitte LLP (India) £18,313 (2022: £0).

## Notes to the Financial Statements (continued)

For the year ended 30 September 2023

### 5. Interest payable and similar charges

	01/10/22 to 30/09/23 £'000	01/10/21 to 30/09/22 £'000
Interest	4	1
<b>Total interest payable and similar charges</b>	<b>4</b>	<b>1</b>

### 6. Taxation

#### (a) Analysis of the tax charge in the year

	01/10/22 to 30/09/23 £'000	01/10/21 to 30/09/22 £'000
Irrecoverable overseas tax	1,475	436
Overseas capital gains tax	697	699
<b>Total taxation for the year (Note 6 (b))</b>	<b>2,172</b>	<b>1,135</b>

#### (b) Factors affecting the tax charge for the year

The tax assessed for the year is different from that calculated when the standard rate of corporation tax for an open ended investment company of 20% (2022: 20%) is applied to the net revenue before taxation. The differences are explained below:

	01/10/22 to 30/09/23 £'000	01/10/21 to 30/09/22 £'000
Net revenue before taxation	10,709	2,677
Net revenue for the year multiplied by the standard rate of corporation tax	2,142	535
<b>Effects of:</b>		
Irrecoverable overseas tax	1,475	436
Movement in excess management expenses	534	532
Non taxable overseas dividends	(2,611)	(1,056)
Non taxable scrip dividends	(43)	—
Overseas capital gains tax in capital	697	699
Overseas tax expensed	(22)	(11)
<b>Total tax charge for the year</b>	<b>2,172</b>	<b>1,135</b>

OEICs are exempt from tax on capital gains in the UK. Therefore, any capital return is not included within the reconciliation above.

#### (c) Provision for deferred tax

There is no provision required for deferred taxation at the Balance Sheet date in the current or prior year because no taxable profit is expected to be generated by the fund.

#### (d) Factors that may affect future tax charges

At the year-end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £1,842,329 (2022: £1,308,353) in relation to surplus management expenses. It is unlikely that the Fund will generate sufficient taxable profits in the future to utilise this amount and therefore no deferred tax asset has been recognised in the year.

**Notes to the Financial Statements (continued)**

For the year ended 30 September 2023

**7. Distributions**

The distributions take account of revenue received on the creation of shares and revenue deducted on the cancellation of shares, and comprise:

	01/10/22 to 30/09/23 £'000	01/10/21 to 30/09/22 £'000
Interim	519	—
Final	8,775	2,310
Add: Revenue paid on cancellation of shares	55	23
Deduct: Revenue received on creation of shares	(114)	(92)
<b>Net distribution for the year</b>	<b>9,235</b>	<b>2,241</b>
<b>Reconciliation of net revenue after taxation to distributions</b>		
Net revenue after taxation	8,537	1,542
Net movement in revenue account	1	—
Capital gains tax	697	699
<b>Net distribution for the year</b>	<b>9,235</b>	<b>2,241</b>

Details of the distributions per share are set out in the distribution tables on page 226.

**8. Debtors**

	30/09/23 £'000	30/09/22 £'000
Accrued bank interest	3	2
Accrued revenue	1,190	807
Amounts due for rebates from underlying funds	—	23
Amounts receivable for creation of shares	140	82
Overseas withholding tax recoverable	3	3
Sales awaiting settlement	—	490
Prepaid expenses	1	2
<b>Total debtors</b>	<b>1,337</b>	<b>1,409</b>

**9. Cash and bank balances**

	30/09/23 £'000	30/09/22 £'000
Cash and bank balances	8,279	15,842
<b>Total cash and bank balances</b>	<b>8,279</b>	<b>15,842</b>

**Notes to the Financial Statements (continued)**

For the year ended 30 September 2023

**10. Other creditors**

	30/09/23 £'000	30/09/22 £'000
Amounts payable for cancellation of shares	108	2,800
Overseas capital gains tax payable	160	1,088
Purchases awaiting settlement	—	391
	268	4,279
<i>Accrued expenses</i>		
<i>Manager and Agents</i>		
AMC fees	240	214
	240	214
<i>Depositary and Agents</i>		
Depositary fees	8	14
Safe custody fees	74	118
Transaction charges	3	18
	85	150
<i>Other accrued expenses</i>		
Audit fees	10	10
Professional fees	—	1
Publication fees	—	3
	10	14
<b>Total other creditors</b>	<b>603</b>	<b>4,657</b>

**11. Bank overdrafts**

	30/09/23 £'000	30/09/22 £'000
Bank overdrafts	611	683
<b>Total bank overdrafts</b>	<b>611</b>	<b>683</b>

**12. Related party transactions**

Management fees paid to the ACD, are disclosed in note 4 and amounts due at the year-end are disclosed in note 10.

Monies received and paid by the ACD through the creation and cancellation of shares are disclosed in the Statement of Change in Net Assets Attributable to Shareholders and amounts due at the year-end are disclosed in notes 8 and 10.

The ACD and its associates (including other authorised investment funds managed by the ACD) have no shareholdings in the company at the year-end.

**Significant shareholdings**

As at the balance sheet date, the following had significant shareholdings within the Fund:

Shareholders	30/09/23 (%)	30/09/22 (%)
Sterling ISA Managers (Nominees) Limited	80.42	81.46

**Notes to the Financial Statements (continued)**

For the year ended 30 September 2023

**13. Share Classes**

The Share Classes and ACD's Annual Management Charges ("AMC") applicable to each Share Class are as follows:

Share Class A Income	%
	0.75

Each Share Class has equal rights in the event of the wind up of any fund.

The reconciliation of the opening and closing numbers of shares of each class is shown below:

	30/09/22	Issued	Cancelled	Converted	30/09/23
Share Class A Income	350,138,161	53,983,466	(11,490,440)	—	392,631,187

**14. Capital commitments and contingent liabilities**

There were no contingent liabilities or outstanding commitments at the balance sheet date (2022: nil).

**15. Derivatives and other financial instruments**

The main risks from the Fund's holding of financial instruments, together with the ACD's policy for managing these risks, are disclosed in note 2 on pages 18 to 24 of the report.

**(a) Foreign currency risk**

A proportion of the financial net assets of the Fund are denominated in currencies other than sterling with the effect that the balance sheet and total return can be affected by currency movements.

**Notes to the Financial Statements (continued)**

For the year ended 30 September 2023

**15. Derivatives and other financial instruments (continued)****(a) Foreign currency risk (continued)**

The table below shows the foreign currency risk profile at the balance sheet date:

Currency	Net foreign currency exposure	
	30/09/23 £'000	30/09/22 £'000
Brazilian Real	34,881	27,387
Canadian Dollar	5,493	—
Chinese Yuan	23,044	47,442
Chinese Yuan (Offshore)	(611)	(683)
Egyptian Pound	1,991	—
Euro	22,672	14,713
Hong Kong Dollar	58,811	71,529
Hungarian Forint	9,598	—
Indian Rupee	40,656	44,933
Indonesian Rupiah	3,748	7,604
Malaysian Ringgit	7,661	5,964
Mexican Peso	12,186	6,876
New Taiwan Dollar	73,572	25,643
Nigerian Naira	—	479
Philippine Peso	3,991	—
Polish Zloty	—	7,129
South African Rand	14,514	15,596
South Korean Won	47,538	16,158
Thailand Baht	12,020	13,292
US Dollar	12,354	1,016
Vietnamese Dong	—	9,522
<b>Total foreign currency exposure</b>	<b>384,119</b>	<b>314,600</b>
Sterling	(1,666)	8,590
<b>Total net assets</b>	<b>382,453</b>	<b>323,190</b>

If GBP to foreign currency exchange rates had strengthened/increased or weakened/decreased by 10% as at the balance sheet date, the net asset value of the fund would have decreased or increased by £38,412,000 (2022: £31,460,000). These calculations assume all other variables remain constant.

**(b) Interest rate risk profile of financial assets and liabilities**

The Fund does not invest in either fixed or floating rate securities and interest rate risk exposure is restricted to interest receivable on bank deposits or payable on bank overdraft positions which will be affected by fluctuations in interest rates.

As at 30 September 2023 2.16% of the Fund's assets were interest bearing (2022: 4.90%).

Changes in interest rates would have no material impact on the valuation of financial assets or liabilities. Consequently, no sensitivity analysis has been presented.

## Notes to the Financial Statements (continued)

For the year ended 30 September 2023

### 15. Derivatives and other financial instruments (continued)

#### (c) Counterparty risk

The table below shows the counterparty risk as at the balance sheet date:

2023	Counterparty	Derivative Exposure	Collateral Posted	Collateral Received	Collateral Asset Class
		£'000	£'000	£'000	
	State Street Bank and Trust	—	—	—	
2022	Counterparty	Derivative Exposure	Collateral Posted	Collateral Received	Collateral Asset Class
		£'000	£'000	£'000	
	State Street Bank and Trust	4	—	—	

### 16. Portfolio transaction costs

	01/10/22 to 30/09/23		01/10/21 to 30/09/22	
	£'000	£'000	£'000	£'000
<b>Analysis of total purchase costs</b>				
Purchases in the year before transaction costs:				
Equities		452,441		399,415
		452,441		399,415
Commissions - Equities	343		286	
Taxes - Equities	228		260	
Total purchase costs		571		546
<b>Gross purchase total</b>		<b>453,012</b>		<b>399,961</b>
<b>Analysis of total sale costs</b>				
Gross sales in the year before transaction costs:				
Equities		406,268		322,215
		406,268		322,215
Commissions - Equities	(330)		(220)	
Taxes - Equities	(487)		(475)	
Total sale costs		(817)		(695)
<b>Total sales net of transaction costs</b>		<b>405,451</b>		<b>321,520</b>

The portfolio transaction costs table above includes direct transaction costs suffered by the Fund during the year.

Separately identifiable direct transaction costs (commissions and taxes etc.) are attributable to the Fund's purchase and sale of equity shares. Additionally for equity shares there is a dealing spread cost (the difference between the buying and selling prices) which will be suffered on purchase and sale transactions.



## Notes to the Financial Statements (continued)

For the year ended 30 September 2023

### 16. Portfolio transaction costs (continued)

	01/10/22 to 30/09/23 %	01/10/21 to 30/09/22 %
<b>Transaction costs as percentage of principal amounts</b>		
Purchases - Commissions		
Equities	0.0757	0.0716
Purchases - Taxes		
Equities	0.0502	0.0650
Sales - Commissions		
Equities	0.0814	0.0681
Sales - Taxes		
Equities	0.1201	0.1474
<b>Transaction costs as percentage of average net asset value</b>		
Commissions	0.1821	0.1519
Taxes	0.1935	0.2207

At the balance sheet date the average portfolio dealing spread was 0.25% (2022: 0.18%).

### 17. Post balance sheet events

Subsequent to the year end, the net asset value per unit of the fund has increased from 97.41p to 100.06p as at 26 January 2024. This movement takes into account routine transactions but also reflects the market movements of recent months.

### 18. Fair value disclosure

Valuation technique	30/09/23		30/09/22	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
<b>Level 1:</b> The unadjusted quoted price in an active market for identical assets or liabilities	382,826	—	313,585	—
<b>Level 2:</b> Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly	—	—	4	—
<b>Level 3:</b> Inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability	—	—	-	—
	<b>382,826</b>	<b>—</b>	<b>313,589</b>	<b>—</b>

The level 3 holdings prices were not readily available through published sources, and as such required to be manually calculated or had to be sourced from a third party. The valuation techniques and the ACD's policy is disclosed in note 1(h).

## Distribution Table

As at 30 September 2023

### Interim Distribution in pence per Share

- Group 1 Shares purchased prior to 1 October 2022  
 Group 2 Shares purchased on or after 1 October 2022 to 31 March 2023

	Net revenue (p)	Equalisation (p)	Distribution paid 31/05/2023 (p)	Distribution paid 31/05/2022 (p)
<b>Share Class A Income</b>				
Group 1	0.1334	—	0.1334	0.0000
Group 2	0.1192	0.0142	0.1334	0.0000

### Final Distribution in pence per Share

- Group 1 Shares purchased prior to 1 April 2023  
 Group 2 Shares purchased on or after 1 April 2023 to 30 September 2023

	Net revenue (p)	Equalisation (p)	Distribution payable 30/11/2023 (p)	Distribution paid 30/11/2022 (p)
<b>Share Class A Income</b>				
Group 1	2.2350	—	2.2350	0.6598
Group 2	1.2796	0.9554	2.2350	0.6598

## Investment Manager's Report

For the year ended 30 September 2023

### Investment Objective

The Fund aims to achieve a return consisting of both income and capital growth which exceeds that of the FTSE All-Share Index TR Index, after all fees and expenses, over a five-year rolling period.

### Investment Policy

The Fund aims to invest at least 70% in UK listed securities including companies which are listed but not incorporated in the UK.

The Fund may invest in transferable securities, unlisted securities, money market instruments, warrants, units in collective investment schemes (including exchange traded funds and other schemes managed by the ACD or its associates), cash, near cash and deposits as detailed in the Prospectus.

The Fund may make use of derivatives for the purposes of efficient portfolio management.

### Benchmark

The performance of the Fund will be measured against the FTSE AllShare TR Index\* for target return purposes. This index was chosen as it was considered a fair representation of the assets in which the fund will invest, in line with its investment objectives and policy.

### Portfolio Review

Over the period the fund returned 18.73% [source: Return after operating charges as per Comparative Table] and the benchmark returned 13.84% [source: Financial Express, bid to bid, net income reinvested]. During the period the fund generated net income of 2.28p per share.

\*The index data provided has been licensed for use by its third-party providers who do not accept any liability for errors or omissions. For full disclaimer please see <https://omnisinvestments.com/disclaimers>

The fund is run with a value style (seeking lowly valued shares) and during the period we saw the value style outperform the growth style. Investors believe that long-term interest rates have moved higher because the consensus view has shifted from expecting an imminent recession to believing that a deep recession can be avoided. This economic outcome would mean higher interest rates for longer which would be good for value investing.

The biggest contribution to returns came from positions in Babcock and Centrica. Babcock's results were roughly in line with the updated guidance given in April, but management gave medium term targets for the first time. They are expecting mid-single digit organic revenue growth and strong margin growth. The balance sheet has been repaired and they have committed to restarting a dividend this year. Crucially, the cost over-run for the Type 31 (General purpose Frigate for the Royal Navy) has not worsened. Centrica reported results which demonstrated that their turnaround is making progress. Free cashflow was exceptionally strong and net cash now represents approximately a third of the market capitalisation.

The biggest detractors were Nokia and Imperial Brands. Nokia fell due to concerns over how prolonged the downturn will be in spending on network equipment by mobile phone operators. Imperial Brands fell due to worries over the strength of their reduced harm products (vapours, e-cigarettes, heated tobacco).

**Investment Manager's Report (continued)**

**For the year ended 30 September 2023**

New positions were added in Rio Tinto, Hargreaves Lansdown, Computacenter and Mondi. All of these businesses are lowly valued due to fears over the prospect of falling profits due to an economic downturn or greater competition, but offer an attractive risk reward outlook.

**Jupiter Asset Management Limited**

October 2023

## Material Portfolio Changes

For the year ended 30 September 2023

Purchases		Sales	
Portfolio Name	Cost £'000	Portfolio Name	Proceeds £'000
Rio Tinto	14,506	Standard Chartered	9,824
Hargreaves Lansdown	9,649	Pearson	9,028
Computacenter	9,490	Centrica	7,468
Mondi	8,822	H&R Block	5,929
Hays	8,154	BAE Systems	5,912
Western Union	5,796	HSBC	3,931
Land Securities REIT*	5,331	BP	2,726
Vodafone	5,285	Smiths	2,270
Volkswagen Preference Shares	4,863	NatWest	2,088
Smith & Nephew	4,807	Kyndryl	1,659

\*Real Estate Investment Trust.

The above table complements the data provided in the investment managers report by outlining the top 10 portfolio components.

## Comparative Table

As at 30 September 2023

	30/09/23 (p)	A Income 30/09/22 (p)	30/09/21 (p)
<b>Change in net assets per Share</b>			
Opening net asset value per share	61.09	66.48	50.06
Return before operating charges*	12.02	(2.63)	18.35
Operating charges	(0.58)	(0.58)	(0.53)
Return after operating charges	11.44	(3.21)	17.82
Distributions	(2.28)	(2.18)	(1.40)
Closing net asset value per share	70.25	61.09	66.48
*after direct transaction cost of:	0.07	0.09	0.14
<b>Performance</b>			
Return after operating charges	18.73%	(4.83%)	35.60%
<b>Other information</b>			
Closing net asset value (£'000)	585,922	444,908	487,759
Closing number of shares	834,105,904	728,290,676	733,726,362
Operating charges	0.84%	0.84%	0.84%
Direct transaction costs	0.10%	0.13%	0.22%
<b>Prices (p)**</b>			
Highest share price	75.65	72.20	69.67
Lowest share price	61.08	62.58	48.64

\*\*The highest and lowest share prices are based on published price. The opening and closing net asset values per share include accounting adjustments, therefore they may appear higher or lower as a result.

## Comparative Table

As at 30 September 2023

	30/09/23 (p)	A Accumulation 30/09/22 (p)	30/09/21 (p)
<b>Change in net assets per Share</b>			
Opening net asset value per share	71.96	75.70	55.82
Return before operating charges*	14.17	(3.08)	20.48
Operating charges	(0.69)	(0.66)	(0.60)
Return after operating charges	13.48	(3.74)	19.88
Distributions	(2.71)	(2.50)	(1.56)
Retained distributions on accumulation shares	2.71	2.50	1.56
Closing net asset value per share	85.44	71.96	75.70
*after direct transaction cost of:	0.08	0.10	0.15
<b>Performance</b>			
Return after operating charges	18.73%	(4.94%)	35.61%
<b>Other information</b>			
Closing net asset value (£'000)	9,551	12,937	12,893
Closing number of shares	11,179,418	17,978,927	17,032,871
Operating charges	0.84%	0.84%	0.84%
Direct transaction costs	0.10%	0.13%	0.22%
<b>Prices (p)**</b>			
Highest share price	89.11	83.07	78.34
Lowest share price	71.95	72.25	54.22

\*\*The highest and lowest share prices are based on published price. The opening and closing net asset values per share include accounting adjustments, therefore they may appear higher or lower as a result.

**Performance Information**

As at 30 September 2023

**Operating Charges**

Date	AMC (%)	Other expenses (%)	Transaction costs (%)	Total operating charge (%)
<b>30/09/23</b>				
Share Class A Income	0.80	0.04	0.00	0.84
Share Class A Accumulation	0.80	0.04	0.00	0.84
<b>30/09/22</b>				
Share Class A Income	0.80	0.04	0.00	0.84
Share Class A Accumulation	0.80	0.04	0.00	0.84

The Operating Charge is the ratio of the Fund's total disclosable costs (excluding overdraft interest) to the average net assets of the Fund.

**Risk and Reward Profile**

As at 30 September 2023

	Typically lower rewards				Typically higher rewards		
	←				→		
	Lower risks				Higher risks		
Share Class A	1	2	3	4	5	<b>6</b>	7

- This indicator is based on historical data and may not be a reliable indication of the future risk profile of the Fund.
- The risk category shown is not guaranteed to remain unchanged and may shift over time.
- The risk and reward indicator table demonstrates where a Fund ranks in terms of its potential risk and return. The higher the rank the greater the potential reward but the greater the risk of losing money. The lowest category does not mean 'risk free'.
- The Fund appears as a "6" on the scale. This is because the Fund invests in the shares of companies whose values tend to vary more widely than other asset classes.
- The Fund is expected to invest up to 10% of its assets in securities that are not readily tradeable (unlisted securities), which are fair valued by the ACD and may be less liquid than listed securities.

**Risk Warning**

An investment in an Open Ended Investment Company should be regarded as a medium to long-term investment. Investors should be aware that the price of shares and the income from them may fall as well as rise and investors may not receive back the full amount invested. Past performance is not a guide to future performance. Investments denominated in currencies other than the base currency of a Fund are subject to fluctuation in exchange rates, which may be favourable or unfavourable.



## Portfolio Statement

As at 30 September 2023

Holdings or Nominal Value	Investments	Market value £'000	% of Total Net Assets
<b>Aerospace &amp; Defence 4.86% (5.55%)</b>			
3,500,000	Babcock International	14,469	2.43
1,100,000	BAE Systems	10,976	1.84
1,100,000	QinetiQ	3,507	0.59
		<b>28,952</b>	<b>4.86</b>
<b>Automobiles &amp; Parts 3.90% (3.22%)</b>			
230,000	Continental	13,319	2.23
105,000	Volkswagen 'Preference'	9,928	1.67
		<b>23,247</b>	<b>3.90</b>
<b>Banks 9.90% (13.12%)</b>			
8,200,000	Barclays	13,033	2.19
2,900,000	HSBC	18,702	3.14
4,000,000	NatWest	9,424	1.58
2,350,000	Standard Chartered	17,813	2.99
		<b>58,972</b>	<b>9.90</b>
<b>Chemicals 0.35% (0.00%)</b>			
600,000	Synthomer	1,386	0.23
2,250,000	Synthomer (Rights)	675	0.12
		<b>2,061</b>	<b>0.35</b>
<b>Construction &amp; Materials 0.90% (1.18%)</b>			
3,600,000	Forterra	5,357	0.90
		<b>5,357</b>	<b>0.90</b>
<b>Consumer Services 0.00% (1.41%)</b>			
<b>Gas, Water &amp; Multi-utilities 2.96% (2.32%)</b>			
11,392,037	Centrica	17,595	2.96
		<b>17,595</b>	<b>2.96</b>
<b>General Industrials 2.31% (1.45%)</b>			
650,000	Mondi	8,921	1.50
6,239	RM2 International~	0	0.00
300,000	Smiths	4,859	0.81
		<b>13,780</b>	<b>2.31</b>
<b>Industrial Metals &amp; Mining 2.43% (0.00%)</b>			
280,000	Rio Tinto	14,487	2.43
		<b>14,487</b>	<b>2.43</b>
<b>Industrial Support Services 3.58% (1.45%)</b>			
7,644,420	Hays	8,348	1.40
1,200,000	Western Union	12,958	2.18
		<b>21,306</b>	<b>3.58</b>

**Portfolio Statement (continued)**

As at 30 September 2023

Holdings or Nominal Value	Investments	Market value £'000	% of Total Net Assets
<b>Industrial Transportation 2.19% (1.41%)</b>			
5,000,000	International Distributions Services	13,040	2.19
		<b>13,040</b>	<b>2.19</b>
<b>Investment Banking &amp; Brokerage 5.60% (4.43%)</b>			
4,700,000	Ashmore	8,827	1.48
1,200,000	Hargreaves Lansdown	9,278	1.56
6,000,000	M&G	11,838	1.99
2,000,000	TP ICAP	3,402	0.57
		<b>33,345</b>	<b>5.60</b>
<b>Leisure Goods 1.09% (1.64%)</b>			
240,000	Harley-Davidson	6,501	1.09
		<b>6,501</b>	<b>1.09</b>
<b>Life Insurance 2.23% (3.03%)</b>			
3,400,000	Aviva	13,253	2.23
		<b>13,253</b>	<b>2.23</b>
<b>Media 4.23% (6.34%)</b>			
17,000,000	ITV	12,005	2.02
1,800,000	WPP	13,194	2.21
		<b>25,199</b>	<b>4.23</b>
<b>Medical Equipment &amp; Services 1.66% (1.15%)</b>			
966,229	Smith & Nephew	9,885	1.66
		<b>9,885</b>	<b>1.66</b>
<b>Multiline Retail 0.00% (1.93%)</b>			
<b>Oil, Gas &amp; Coal 9.91% (11.68%)</b>			
6,300,000	BP	33,478	5.62
980,000	Shell	25,539	4.29
		<b>59,017</b>	<b>9.91</b>
<b>Personal Care, Drug &amp; Grocery Stores 2.48% (0.00%)</b>			
5,600,000	Tesco	14,795	2.48
		<b>14,795</b>	<b>2.48</b>
<b>Personal Goods 1.12% (1.16%)</b>			
70,000	Ralph Lauren	6,657	1.12
		<b>6,657</b>	<b>1.12</b>

**Portfolio Statement (continued)**

As at 30 September 2023

Holdings or Nominal Value	Investments	Market value £'000	% of Total Net Assets
<b>Personal Products 0.00% (2.48%)</b>			
<b>Pharmaceuticals &amp; Biotechnology 6.45% (7.85%)</b>			
330,000	Bayer	13,019	2.19
1,700,000	GSK	25,360	4.26
		<b>38,379</b>	<b>6.45</b>
<b>Precious Metals &amp; Mining 1.00% (1.51%)</b>			
500,000	Barrick Gold	5,956	1.00
		<b>5,956</b>	<b>1.00</b>
<b>Real Estate Investment Trusts 3.23% (2.48%)</b>			
15,405,622	Hammerson REIT	3,876	0.65
2,600,000	Land Securities REIT	15,335	2.58
		<b>19,211</b>	<b>3.23</b>
<b>Retailers 1.76% (0.00%)</b>			
4,700,000	Kingfisher	10,495	1.76
		<b>10,495</b>	<b>1.76</b>
<b>Software &amp; Computer Services 4.92% (2.51%)</b>			
500,000	Computacenter	12,650	2.12
955,935	Kyndryl	11,818	1.98
2,000,000	Moneysupermarket.com	4,852	0.82
		<b>29,320</b>	<b>4.92</b>
<b>Technology Hardware &amp; Equipment 2.10% (1.87%)</b>			
430,000	Intel	12,507	2.10
		<b>12,507</b>	<b>2.10</b>
<b>Telecommunications Equipment 1.98% (2.12%)</b>			
3,800,000	Nokia	11,784	1.98
		<b>11,784</b>	<b>1.98</b>
<b>Telecommunications Service Providers 4.38% (4.77%)</b>			
10,500,000	BT	12,253	2.06
18,000,000	Vodafone	13,828	2.32
		<b>26,081</b>	<b>4.38</b>
<b>Tobacco 3.22% (4.66%)</b>			
1,150,000	Imperial Brands	19,171	3.22
		<b>19,171</b>	<b>3.22</b>
<b>Travel &amp; Leisure 5.88% (4.17%)</b>			
2,700,000	easyJet	11,537	1.94
10,000,000	Firstgroup	15,090	2.53
3,700,000	Mitchells & Butlers	8,362	1.41
		<b>34,989</b>	<b>5.88</b>

**Portfolio Statement (continued)**

As at 30 September 2023

Holdings or Nominal Value	Investments	Market value £'000	% of Total Net Assets
<b>Unquoted 0.99% (1.39%)</b>			
2,224,347	Atom Bank [Price basis A]	1,635	0.28
376,202	Cambridge Innovation Capital [Price basis D]	439	0.07
108,973	Carrick Therapeutics [Price basis A/C]	116	0.02
528,164	Carrick Therapeutics 'A Preference' [Price basis A/C]	599	0.10
71,032	Carrick Therapeutics 'B2 Preference' [Price basis A/C]	81	0.01
55,401	Econic Technologies 'B Preference' [Price basis A/C]	0	0.00
66,667	Econic Technologies 'C Preference' [Price basis A/C]	0	0.00
970,253	Federated Wireless 'B Preference' [Price basis A/C]	1,359	0.23
1,044,294	Freevolt Group Limited [Price basis C]	0	0.00
57,814,570	Lignia Wood '1P Preference' [Price basis D]	0	0.00
25,000,000	Lignia Wood 'Preference' [Price basis D]	0	0.00
60,533	NovaBiotics 'Preference' [Price basis D]	0	0.00
2,129,565	Rutherford Health [Price basis D]	0	0.00
75,681	Ultraleap 'C Preference' [Price basis A/C]	775	0.13
79,239	Ultraleap 'Preference' [Price basis A/C]	686	0.12
261,780	Viamet Pharmaceuticals 'E Preference' [Price basis D]	201	0.03
		<b>5,891</b>	<b>0.99</b>
	<b>Portfolio of investments</b>	<b>581,233</b>	<b>97.61</b>
	Net other assets	14,240	2.39
	<b>Net assets</b>	<b>595,473</b>	<b>100.00</b>

All investments are ordinary shares unless otherwise stated and admitted to official stock exchange listings.

~Suspended.

Comparative figures shown above in brackets relate to 30 September 2022.

The investments have been valued in accordance with note 1(h) of the Accounting Policies and Financial Instruments.

The basis used to defined the Fair Value of the Unquoted Assets held at the year-end was as follows:

Price basis A: the price of recent transactions;

Price basis B: a milestone approach;

Price basis C: probability weighted expected returns;

Price basis D: the financial performance of the company.

Fair Value is defined consistently with the definition contained in International Financial Reporting Standard 13: Fair Value Measurement; which states that Fair Value is "the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date" ("Fair Value"). In estimating Fair Value, it is assumed that the underlying business activities of the Investments to be ongoing.

Gross purchases for the year: £116,584,000 [2022: £151,292,000]. (See note 15).

Total sales net of transaction costs for the year: £56,126,000 [2022: £136,109,000]. (See note 15).

## Statement of Total Return

For the year ended 30 September 2023

	Note	01/10/22 to 30/09/23		01/10/21 to 30/09/22	
		£'000	£'000	£'000	£'000
Income:					
Net capital gains/(losses)	2		71,505		(38,345)
Revenue	3	23,570		20,610	
Expenses	4	(4,656)		(4,219)	
Interest payable and similar charges	5	—		(2)	
Net revenue before taxation		18,914		16,389	
Taxation	6	(635)		(549)	
Net revenue after taxation			18,279		15,840
Total return before distributions			89,784		(22,505)
Distributions	7		(18,279)		(15,839)
<b>Change in net assets attributable to Shareholders from investment activities</b>			<b>71,505</b>		<b>(38,344)</b>

## Statement of Change in Net Assets Attributable to Shareholders

For the year ended 30 September 2023

	01/10/22 to 30/09/23		01/10/21 to 30/09/22	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to Shareholders</b>		457,845		500,652
Amounts receivable on issue of Shares	97,734		72,711	
Amounts payable on cancellation of Shares	(32,013)		(77,672)	
Dilution adjustment		65,721		(4,961)
Change in net assets attributable to Shareholders from investment activities (see above)		—		42
Retained distributions on accumulation Shares		71,505		(38,344)
		402		456
<b>Closing net assets attributable to Shareholders</b>		<b>595,473</b>		<b>457,845</b>

## Balance Sheet

As at 30 September 2023

	Note	30/09/23		30/09/22	
		£'000	£'000	£'000	£'000
<b>Assets:</b>					
Fixed assets:					
Investments			581,233		449,987
Current assets:					
Debtors	8	3,558		2,652	
Cash and bank balances	9	21,462		19,121	
Total current assets			25,020		21,773
Total assets			606,253		471,760
<b>Liabilities:</b>					
Creditors:					
Distribution payable		(9,498)		(9,024)	
Other creditors	10	(1,282)		(4,891)	
Total creditors			(10,780)		(13,915)
Total liabilities			(10,780)		(13,915)
<b>Net assets attributable to Shareholders</b>			<b>595,473</b>		<b>457,845</b>

## Notes to the Financial Statements

For the year ended 30 September 2023

### 1. Accounting basis and policies

The Fund's financial statements have been prepared on the basis detailed on pages 15 to 18.

### 2. Net capital gains/(losses)

	01/10/22 to 30/09/23 £'000	01/10/21 to 30/09/22 £'000
The net capital gains/(losses) during the year comprise:		
Currency losses	(12)	(85)
Non-derivative securities	71,522	(38,253)
Transaction charges	(5)	(7)
<b>Net capital gains/(losses)</b>	<b>71,505</b>	<b>(38,345)</b>

### 3. Revenue

	01/10/22 to 30/09/23 £'000	01/10/21 to 30/09/22 £'000
Bank interest	96	11
Overseas dividends	3,762	2,819
Scrip dividends	280	—
UK dividends	18,525	17,284
UK property income dividends	907	496
<b>Total revenue</b>	<b>23,570</b>	<b>20,610</b>

### 4. Expenses

	01/10/22 to 30/09/23 £'000	01/10/21 to 30/09/22 £'000
<b>Payable to the ACD, associates of the ACD, and agents of either of them</b>		
AMC fees	4,462	4,009
	4,462	4,009
<b>Payable to the Depositary, associates of the Depositary and agents of either of them</b>		
Depositary fees	57	54
Safe custody fees	35	30
	92	84
<b>Other expenses</b>		
Audit fees	7	15*
Professional fees	86	91
Publication fees	9	9
Out of pocket expenses	—	11
	102	126
<b>Total expenses</b>	<b>4,656</b>	<b>4,219</b>

Audit fees are £10,600 ex Vat (2022: £12,500).

\*Prior year figure was overstated by £3,000, which was adjusted reducing the current year figure from £10,000 to £7,000.

## Notes to the Financial Statements (continued)

For the year ended 30 September 2023

### 5. Interest payable and similar charges

	01/10/22 to 30/09/23 £'000	01/10/21 to 30/09/22 £'000
Interest	—	2
<b>Total interest payable and similar charges</b>	<b>—</b>	<b>2</b>

### 6. Taxation

#### (a) Analysis of the tax charge in the year

	01/10/22 to 30/09/23 £'000	01/10/21 to 30/09/22 £'000
Irrecoverable overseas tax	635	549
<b>Total taxation for the year (Note 6 (b))</b>	<b>635</b>	<b>549</b>

#### (b) Factors affecting the tax charge for the year

The tax assessed for the year is different from that calculated when the standard rate of corporation tax for an open ended investment company of 20% (2022: 20%) is applied to the net revenue before taxation. The differences are explained below:

	01/10/22 to 30/09/23 £'000	01/10/21 to 30/09/22 £'000
Net revenue before taxation	18,914	16,389
Net revenue for the year multiplied by the standard rate of corporation tax	3,783	3,278
<b>Effects of:</b>		
Irrecoverable overseas tax	635	549
Movement in excess management expenses	726	750
Non taxable overseas dividends	(748)	(571)
Non taxable scrip dividends	(56)	—
Non taxable UK dividends	(3,705)	(3,457)
<b>Total tax charge for the year</b>	<b>635</b>	<b>549</b>

OEICs are exempt from tax on capital gains in the UK. Therefore, any capital return is not included within the reconciliation above.

#### (c) Provision for deferred tax

There is no provision required for deferred taxation at the Balance Sheet date in the current or prior year because no taxable profit is expected to be generated by the fund.

#### (d) Factors that may affect future tax charges

At the year-end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £4,358,651 (2022: £3,632,717) in relation to surplus management expenses. It is unlikely that the Fund will generate sufficient taxable profits in the future to utilise this amount and therefore no deferred tax asset has been recognised in the year.



**Notes to the Financial Statements (continued)**

For the year ended 30 September 2023

**7. Distributions**

The distributions take account of revenue received on the creation of shares and revenue deducted on the cancellation of shares, and comprise:

	01/10/22 to 30/09/23 £'000	01/10/21 to 30/09/22 £'000
Interim	9,065	6,803
Final	9,650	9,281
Add: Revenue paid on cancellation of shares	254	407
Deduct: Revenue received on creation of shares	(690)	(652)
<b>Net distribution for the year</b>	<b>18,279</b>	<b>15,839</b>
<b>Reconciliation of net revenue after taxation to distributions</b>		
Net revenue after taxation	18,279	15,840
Net movement in revenue account	—	(1)
<b>Net distribution for the year</b>	<b>18,279</b>	<b>15,839</b>

Details of the distributions per share are set out in the distribution tables on page 246.

**8. Debtors**

	30/09/23 £'000	30/09/22 £'000
Accrued bank interest	10	3
Accrued revenue	1,780	713
Amounts receivable for creation of shares	374	1,921
Overseas withholding tax recoverable	64	13
Sales awaiting settlement	1,329	—
Prepaid expenses	1	2
<b>Total debtors</b>	<b>3,558</b>	<b>2,652</b>

**9. Cash and bank balances**

	30/09/23 £'000	30/09/22 £'000
Cash and bank balances	21,462	19,121
<b>Total cash and bank balances</b>	<b>21,462</b>	<b>19,121</b>

## Notes to the Financial Statements (continued)

For the year ended 30 September 2023

### 10. Other creditors

	30/09/23 £'000	30/09/22 £'000
Amounts payable for cancellation of shares	252	1,806
Purchases awaiting settlement	556	2,664
	808	4,470
<i>Accrued expenses</i>		
<i>Manager and Agents</i>		
AMC fees	398	330
	398	330
<i>Depositary and Agents</i>		
Depositary fees	10	18
Safe custody fees	6	10
Transaction charges	1	1
	17	29
<i>Other accrued expenses</i>		
Audit fees	7	15
Professional fees	52	45
Publication fees	—	2
	59	62
<b>Total other creditors</b>	<b>1,282</b>	<b>4,891</b>

### 11. Related party transactions

Management fees paid to the ACD, are disclosed in note 4 and amounts due at the year-end are disclosed in note 10.

Monies received and paid by the ACD through the creation and cancellation of shares are disclosed in the Statement of Change in Net Assets Attributable to Shareholders and amounts due at the year-end are disclosed in notes 8 and 10.

The ACD and its associates (including other authorised investment funds managed by the ACD) have no shareholdings in the company at the year-end.

#### Significant shareholdings

As at the balance sheet date, the following had significant shareholdings within the Fund:

Shareholders	30/09/23 (%)	30/09/22 (%)
Sterling ISA Managers (Nominees) Limited	80.19	81.90

### 12. Share Classes

The Share Classes and ACD's Annual Management Charges ("AMC") applicable to each Share Class are as follows:

Share Class A Income	0.80
Share Class A Accumulation	0.80

Each Share Class has equal rights in the event of the wind up of any fund.

**Notes to the Financial Statements (continued)**

For the year ended 30 September 2023

**12. Share Classes (continued)**

The reconciliation of the opening and closing numbers of shares of each class is shown below:

	30/09/22	Issued	Cancelled	Converted	30/09/23
Share Class A Income	728,290,676	139,772,732	(33,957,504)	—	834,105,904
Share Class A Accumulation	17,978,927	2,661,768	(9,461,277)	—	11,179,418

**13. Capital commitments and contingent liabilities**

There were no contingent liabilities or outstanding commitments at the balance sheet date (2022: nil).

**14. Derivatives and other financial instruments**

The main risks from the Fund's holding of financial instruments, together with the ACD's policy for managing these risks, are disclosed in note 2 on pages 18 to 24 of the report.

**(a) Foreign currency risk**

A proportion of the financial net assets of the Fund are denominated in currencies other than sterling with the effect that the balance sheet and total return can be affected by currency movements.

The table below shows the foreign currency risk profile at the balance sheet date:

Currency	Net foreign currency exposure	
	30/09/23 £'000	30/09/22 £'000
Euro	48,464	38,559
US Dollar	59,653	52,214
<b>Total foreign currency exposure</b>	<b>108,117</b>	<b>90,773</b>
Sterling	487,356	367,072
<b>Total net assets</b>	<b>595,473</b>	<b>457,845</b>

If GBP to foreign currency exchange rates had strengthened/increased or weakened/decreased by 10% as at the balance sheet date, the net asset value of the fund would have decreased or increased by £10,811,696 (2022: £9,077,339). These calculations assume all other variables remain constant.

**(b) Interest rate risk profile of financial assets and liabilities**

The Fund does not invest in either fixed or floating rate securities and interest rate risk exposure is restricted to interest receivable on bank deposits or payable on bank overdraft positions which will be affected by fluctuations in interest rates.

As at 30 September 2023 3.60% of the Fund's assets were interest bearing (2022: 4.18%).

Changes in interest rates would have no material impact on the valuation of financial assets or liabilities. Consequently, no sensitivity analysis has been presented.

## Notes to the Financial Statements (continued)

For the year ended 30 September 2023

### 15. Portfolio transaction costs

	01/10/22 to 30/09/23		01/10/21 to 30/09/22	
	£'000	£'000	£'000	£'000
<b>Analysis of total purchase costs</b>				
Purchases in the year before transaction costs:				
Equities		116,043		150,687
		116,043		150,687
Commissions - Equities	49		62	
Taxes - Equities	492		542	
Total purchase costs		541		604
<b>Gross purchase total</b>		<b>116,584</b>		<b>151,291</b>
<b>Analysis of total sale costs</b>				
Gross sales in the year before transaction costs:				
Equities		56,148		136,158
		56,148		136,158
Commissions - Equities	(22)		(48)	
Taxes - Equities	-		-	
Total sale costs		(22)		(49)
<b>Total sales net of transaction costs</b>		<b>56,126</b>		<b>136,109</b>

The portfolio transaction costs table above includes direct transaction costs suffered by the Fund during the year.

	01/10/22 to 30/09/23	01/10/21 to 30/09/22
	%	%
<b>Transaction costs as percentage of principal amounts</b>		
Purchases - Commissions		
Equities	0.0418	0.0413
Purchases - Taxes		
Equities	0.4218	0.3597
Sales - Commissions		
Equities	0.0401	0.0354
Sales - Taxes		
Equities	0.0004	0.0004
<b>Transaction costs as percentage of average net asset value</b>		
Commissions	0.0127	0.0220
Taxes	0.0881	0.1084

At the balance sheet date the average portfolio dealing spread was 0.03% (2022: 0.02%).

**Notes to the Financial Statements (continued)**

For the year ended 30 September 2023

**16. Post balance sheet events**

Subsequent to the year end, the net asset value per unit of the fund has increased from 70.25p to 72.13p on A Income Shares and increased from 85.44p to 87.72p on A Accumulation Shares as at 26 January 2024. This movement takes into account routine transactions but also reflects the market movements of recent months.

**17. Fair value disclosure**

Valuation technique	30/09/23		30/09/22	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
<b>Level 1:</b> The unadjusted quoted price in an active market for identical assets or liabilities	575,342	—	443,643	—
<b>Level 2:</b> Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly	—	—	—	—
<b>Level 3:</b> Inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability	5,891	—	6,344	—
	<b>581,233</b>	<b>—</b>	<b>449,987</b>	<b>—</b>

The level 3 holdings prices were not readily available through published sources, and as such required to be manually calculated or had to be sourced from a third party. The valuation techniques and the ACD's policy is disclosed in note 1(h).

## Distribution Table

### As at 30 September 2023

#### Interim Distribution in pence per Share

- Group 1 Shares purchased prior to 1 October 2022  
 Group 2 Shares purchased on or after 1 October 2022 to 31 March 2023

	Net revenue (p)	Equalisation (p)	Distribution paid 31/05/2023 (p)	Distribution paid 31/05/2022 (p)
<b>Share Class A Income</b>				
Group 1	1.1409	—	1.1409	0.9398
Group 2	0.6343	0.5066	1.1409	0.9398
<b>Share Class A Accumulation</b>				
Group 1	1.3438	—	1.3438	1.0706
Group 2	0.8176	0.5262	1.3438	1.0706

#### Final Distribution in pence per Share

- Group 1 Shares purchased prior to 1 April 2023  
 Group 2 Shares purchased on or after 1 April 2023 to 30 September 2023

	Net revenue (p)	Equalisation (p)	Distribution payable 30/11/2023 (p)	Distribution paid 30/11/2022 (p)
<b>Share Class A Income</b>				
Group 1	1.1387	—	1.1387	1.2390
Group 2	0.5821	0.5566	1.1387	1.2390
<b>Share Class A Accumulation</b>				
Group 1	1.3621	—	1.3621	1.4301
Group 2	0.7705	0.5916	1.3621	1.4301

## Investment Manager's Report

For the year ended 30 September 2023

### Investment Objective

The Fund aims to achieve a return consisting of both income and capital growth which, after all fees and expenses, exceeds that of the FTSE World Japan TR index over a five-year rolling period.

### Investment Policy

The Fund intends to invest at least 80% in the equity securities of Japanese companies, defined as those which are domiciled, incorporated or have a significant exposure to Japan.

The Fund may also invest in other transferable securities (for example, equity securities of other international companies), units in collective investment schemes (including exchange traded funds and other schemes managed and operated by the ACD or its associates), money market instruments, warrants, cash, near cash and deposits as detailed in the Prospectus.

It is envisaged that the investment portfolio of the Fund will be concentrated, typically comprising between 65 and 85 stocks.

Derivatives may be used for the purposes of hedging and efficient portfolio management.

### Benchmark

The performance of the Fund will be measured against the FTSE World Japan TR Index\* for target return purposes. This index was chosen as it was considered a fair representation of the assets in which the fund will invest, in line with its investment objectives and policy.

### Portfolio Review

Over the period the Fund returned 14.93% [source: Return after operating charges as per Comparative Table] and the benchmark returned 14.96% [source: Financial Express, bid to bid, net income reinvested].

\*The index data provided has been licensed for use by its third-party providers who do not accept any liability for errors or omissions. For full disclaimer please see <https://omnisinvestments.com/disclaimers>

Market leadership has changed several times throughout the period but, overall, investors have tended to favour value1 stocks over growth stocks in an environment where Japanese Government Bond (JGB) and US Treasury Bond yields have risen significantly. This trend has been positive tailwind to the fund's performance. Much more of a constant theme during this period has been the stronger relative performance of larger-cap stocks vs smaller companies. Given the Fund's structural bias to be overweight smaller and mid-sized companies vs the FTSE Japan benchmark, this has been a headwind to relative performance.

The strongest market influence came from developments in monetary policy, with resilient inflation data and stronger wage growth allowing the Bank of Japan (BOJ) to commence a process of "policy normalisation", which effectively marks the end of a prolonged period of ultra-low interest rates and their yield curve control policy. This year's market rally has been driven by greater interest from foreign investors, attracted by positive momentum in the Japanese macroeconomy and expected continuation of improvements brought about by corporate governance reforms driven, in part, by The Tokyo Stock Exchange.

Financial stocks generally performed well in this environment, with the portfolio's holdings in Sumitomo Mitsui Financial Group and insurance company T&D Holdings contributing positively. General trading companies also performed well, perhaps buoyed by news that Warren Buffett was

## Investment Manager's Report (continued)

For the year ended 30 September 2023

building stakes in this sector. The portfolio holds a position in Mitsui & Co, which contributed strongly to performance. Another positive contribution to performance came from the portfolio's holding in Ibiden, a mid-cap electronic component maker, which specialises in providing foundational materials used in the construction of powerful central and graphics processing units.

In contrast, Seven & I Holdings, one of Japan's largest retailer groups operating Seven Eleven convenience stores, disappointed the market due to weaker than expected earnings. Elsewhere in the portfolio, Ship Healthcare Holdings, a small-cap medical wholesaler, and Aeon Financial Services, a small-cap non-bank financial, also detracted due to weaker progress in their earnings outlook.

During the year a number of new positions were added to the Fund, continuing to focus on those companies benefiting from strong pricing power and solid volume recovery, as well as 'value' stocks with company-specific catalysts, led by governance improvement, which should result in share price appreciation. One of new holdings is Kyoritsu Maintenance, a small cap service company that operates reasonably-priced hotels under the Dormy Inn brand. A position was also taken in Doshisha, a small-sized company engaging in wholesale business of lifestyle-related products.

Looking at value stocks with a company-specific catalyst, INFRONEER Holdings, a mid-size general constructor with exposure to road paving and infrastructure management services, was also added.

<sup>1</sup>The term "value stocks" refers to shares that appear to trade at a lower price than justified by company fundamentals, such as dividends, earnings, sales and book value.

**Schroder Investment Management Limited sub delegated to Schroder Investment Management (Japan) Limited**

October 2023



## Material Portfolio Changes

For the year ended 30 September 2023

Purchases		Sales	
Portfolio Name	Cost £'000	Portfolio Name	Proceeds £'000
INFRONEER	8,994	ITOCHU	10,802
Mitsui Chemicals	8,173	KDDI	9,325
Suzuki Motor	7,654	Mitsui Fudosan	8,183
AGC	5,953	Asahi	6,731
Doshisha	5,794	Rinnai	5,644
Asahi	5,402	Hoya	5,302
Daiei Kankyo	5,018	Yokogawa Electric	5,167
Roland	4,859	Kureha	5,130
Tazmo	4,580	Digital Garage	4,920
Fujikura	4,501	Koito Manufacturing	4,667

The above table complements the data provided in the investment managers report by outlining the top 10 portfolio components.

## Comparative Table

As at 30 September 2023

	30/09/23 (p)	A Income 30/09/22 (p)	30/09/21 (p)
<b>Change in net assets per Share</b>			
Opening net asset value per share	93.19	105.33	89.69
Return before operating charges*	13.91	(9.80)	17.74
Operating charges	—	(0.68)	(0.69)
Return after operating charges	13.91	(10.48)	17.05
Distributions	(1.65)	(1.66)	(1.41)
Closing net asset value per share	105.45	93.19	105.33
*after direct transaction cost of:	0.00	0.01	0.01
<b>Performance</b>			
Return after operating charges	14.93%	(9.95%)	19.01%
<b>Other information</b>			
Closing net asset value (£'000)	559,014	475,691	461,320
Closing number of shares	530,100,305	510,446,668	437,986,070
Operating charges	0.70%	0.70%	0.71%
Direct transaction costs	0.01%	0.01%	0.01%
<b>Prices (p)**</b>			
Highest share price	109.76	104.54	108.38
Lowest share price	91.82	89.90	88.04

\*\*The highest and lowest share prices are based on published price. The opening and closing net asset values per share include accounting adjustments, therefore they may appear higher or lower as a result.

**Performance Information**

As at 30 September 2023

**Operating Charge**

Date	AMC (%)	Other expenses (%)	Transaction costs (%)	Total operating charge (%)
30/09/23 Share Class A Income	0.66	0.03	0.01	0.70
30/09/22 Share Class A Income	0.66	0.03	0.01	0.70

The Operating Charge is the ratio of the Fund's total disclosable costs (excluding overdraft interest) to the average net assets of the Fund.

**Risk and Reward Profile**

As at 30 September 2023

	Typically lower rewards				Typically higher rewards		
	Lower risks				Higher risks		
Share Class A	1	2	3	4	5	6	7

- This indicator is based on historical data and may not be a reliable indication of the future risk profile of the Fund.
- The risk category shown is not guaranteed to remain unchanged and may shift over time.
- The risk and reward indicator table demonstrates where a Fund ranks in terms of its potential risk and return. The higher the rank the greater the potential reward but the greater the risk of losing money. The lowest category does not mean 'risk free'.
- The Fund appears as a "6" on the scale. This is because the Fund invests in the shares of companies whose values tend to vary more widely than other asset classes.

**Risk Warning**

An investment in an Open Ended Investment Company should be regarded as a medium to long-term investment. Investors should be aware that the price of shares and the income from them may fall as well as rise and investors may not receive back the full amount invested. Past performance is not a guide to future performance. Investments denominated in currencies other than the base currency of a Fund are subject to fluctuation in exchange rates, which may be favourable or unfavourable.

**Portfolio Statement**

As at 30 September 2023

Holdings or Nominal Value	Investments	Market value £'000	% of Total Net Assets
<b>Automobiles &amp; Parts 22.08% (10.37%)</b>			
236,900	Bridgestone	7,575	1.36
465,300	Isuzu Motors	4,803	0.86
20,581,700	Nippon Telegraph & Telephone	19,945	3.57
547,800	Niterra	10,175	1.82
1,460,600	Ricoh	10,333	1.85
598,000	Rohm	9,242	1.65
189,800	Suzuki Motor	6,268	1.12
220,500	TDK	6,708	1.20
129,700	Toyota Industries	8,371	1.50
2,316,700	Toyota Motor	34,050	6.09
325,700	TPR Co. Ltd.	3,262	0.58
310,600	Yokowo	2,684	0.48
		<b>123,416</b>	<b>22.08</b>
<b>Banks 4.18% (3.20%)</b>			
579,100	Sumitomo Mitsui Financial	23,360	4.18
		<b>23,360</b>	<b>4.18</b>
<b>Beverages 2.88% (2.00%)</b>			
524,900	Asahi	16,098	2.88
		<b>16,098</b>	<b>2.88</b>
<b>Chemicals 3.61% (2.78%)</b>			
407,300	Mitsui Chemicals	8,661	1.55
309,200	Nippon Soda	9,303	1.67
67,100	NOF	2,197	0.39
		<b>20,161</b>	<b>3.61</b>
<b>Construction &amp; Materials 7.12% (6.39%)</b>			
403,400	Aica Kogyo	7,373	1.32
232,300	Fukushima Galilei	6,179	1.11
1,408,100	INFRONEER	11,964	2.14
622,100	Nippon Densetsu Kogyo	7,497	1.34
761,200	Sanki Engineering	6,779	1.21
		<b>39,792</b>	<b>7.12</b>
<b>Electronic &amp; Electrical Equipment 1.86% (5.34%)</b>			
679,100	Fujikura Ltd	4,473	0.80
189,500	Kohoku Kogyo	5,899	1.06
		<b>10,372</b>	<b>1.86</b>
<b>Finance &amp; Credit Services 0.69% (3.43%)</b>			
429,200	AEON Financial Service	3,036	0.54
69,800	Integral	828	0.15
		<b>3,864</b>	<b>0.69</b>

**Portfolio Statement (continued)**

As at 30 September 2023

Holdings or Nominal Value	Investments	Market value £'000	% of Total Net Assets
<b>Gas, Water &amp; Multi-utilities 1.10% (1.41%)</b>			
504,600	Nippon Gas	6,139	1.10
		<b>6,139</b>	<b>1.10</b>
<b>General Industrials 6.42% (3.80%)</b>			
330,400	AGC	9,511	1.70
489,100	Doshisha	5,983	1.07
401,000	Hitachi	20,418	3.65
		<b>35,912</b>	<b>6.42</b>
<b>Household Goods &amp; Home Construction 0.00% (1.22%)</b>			
<b>Industrial Engineering 6.04% (7.95%)</b>			
1,183,800	Amada	9,775	1.75
387,800	Hosokawa Micron	8,698	1.56
282,700	Miura	4,666	0.83
701,400	Rheon Automatic Machinery	5,133	0.92
14,900	SMC	5,479	0.98
		<b>33,751</b>	<b>6.04</b>
<b>Industrial Support Services 6.91% (4.87%)</b>			
536,000	Mitsui	15,953	2.85
335,300	Nichias	5,633	1.01
399,800	Recruit	10,115	1.81
517,200	Trusco Nakayama	6,954	1.24
		<b>38,655</b>	<b>6.91</b>
<b>Industrial Transportation 2.11% (4.83%)</b>			
404,700	Park24	4,206	0.75
268,300	Sankyu	7,617	1.36
		<b>11,823</b>	<b>2.11</b>
<b>Investment Banking &amp; Brokerage 2.85% (0.00%)</b>			
1,040,500	ORIX	15,953	2.85
		<b>15,953</b>	<b>2.85</b>
<b>Leisure Goods 1.60% (1.21%)</b>			
252,900	Bandai Namco	4,215	0.76
209,400	Roland	4,708	0.84
		<b>8,923</b>	<b>1.60</b>
<b>Life Insurance 2.13% (1.56%)</b>			
878,600	T&D	11,903	2.13
		<b>11,903</b>	<b>2.13</b>

**Portfolio Statement (continued)**

As at 30 September 2023

Holdings or Nominal Value	Investments	Market value £'000	% of Total Net Assets
<b>Media 0.73% (1.61%)</b>			
146,200	Toho	4,091	0.73
		<b>4,091</b>	<b>0.73</b>
<b>Medical Equipment &amp; Services 1.64% (2.87%)</b>			
310,200	Nihon Kohden	6,286	1.13
229,800	Ship Healthcare	2,858	0.51
		<b>9,144</b>	<b>1.64</b>
<b>Multiline Retail 0.00% (3.28%)</b>			
<b>Non-Life Insurance 2.52% (2.86%)</b>			
742,100	Tokio Marine	14,114	2.52
		<b>14,114</b>	<b>2.52</b>
<b>Oil, Gas &amp; Coal 0.00% (1.00%)</b>			
<b>Personal Care, Drug &amp; Grocery Stores 3.45% (0.00%)</b>			
186,500	Paltac	4,802	0.86
450,400	Seven & i	14,476	2.59
		<b>19,278</b>	<b>3.45</b>
<b>Personal Products 0.00% (1.13%)</b>			
<b>Pharmaceuticals &amp; Biotechnology 3.98% (4.20%)</b>			
746,900	Astellas Pharma	8,505	1.52
540,800	Takeda Pharmaceutical	13,771	2.46
		<b>22,276</b>	<b>3.98</b>
<b>Precious Metals &amp; Mining 0.00% (1.18%)</b>			
<b>Real Estate Investment &amp; Services 1.23% (2.73%)</b>			
380,200	Mitsui Fudosan	6,868	1.23
		<b>6,868</b>	<b>1.23</b>
<b>Software &amp; Computer Services 5.35% (4.30%)</b>			
764,200	LY	1,743	0.31
696,300	NEC Networks & System Integration	7,501	1.34
414,300	Nomura Research Institute	8,846	1.58
204,400	Otsuka	7,103	1.27
338,700	WingArc1st	4,738	0.85
		<b>29,931</b>	<b>5.35</b>
<b>Technology Hardware &amp; Equipment 5.77% (7.07%)</b>			
36,400	Disco	5,512	0.99
273,200	Ibiden	11,944	2.14
127,300	Megachips	2,915	0.52

**Portfolio Statement (continued)**

As at 30 September 2023

Holdings or Nominal Value	Investments	Market value £'000	% of Total Net Assets
<b>Technology Hardware &amp; Equipment 5.77% (7.07%) (continued)</b>			
379,700	Mimasu Semiconductor Industry	5,789	1.03
378,300	Tazmo	6,071	1.09
		<b>32,231</b>	<b>5.77</b>
<b>Telecommunications Equipment 0.00% (1.08%)</b>			
<b>Telecommunications Service Providers 0.00% (5.54%)</b>			
<b>Travel &amp; Leisure 0.88% (0.00%)</b>			
145,100	Kyoritsu Maintenance	4,944	0.88
		<b>4,944</b>	<b>0.88</b>
<b>Waste &amp; Disposal Services 0.98% (0.00%)</b>			
475,100	Daiei Kankyo	5,475	0.98
		<b>5,475</b>	<b>0.98</b>
	<b>Portfolio of investments</b>	<b>548,474</b>	<b>98.11</b>
	Net other assets	10,540	1.89
	<b>Net assets</b>	<b>559,014</b>	<b>100.00</b>

All investments are ordinary bonds unless otherwise stated and admitted to official stock exchange listings.

Comparative figures shown above in brackets relate to 30 September 2022.

The investments have been valued in accordance with note 1(h) of the Accounting Policies and Financial Instruments.

Gross purchases for the year: £147,234,000 [2022: £186,002,000] (See note 15).

Total sales net of transaction costs for the year: £135,790,000 [2022: £106,750,000] (See note 15).

## Statement of Total Return

For the year ended 30 September 2023

	Note	01/10/22 to 30/09/23		01/10/21 to 30/09/22	
		£'000	£'000	£'000	£'000
Income:					
Net capital gains/(losses)	2		64,474		(57,202)
Revenue	3	13,762		13,334	
Expenses	4	(3,615)		(3,416)	
Interest payable and similar charges	5	(21)		(16)	
Net revenue before taxation		10,126		9,902	
Taxation	6	(1,449)		(1,371)	
Net revenue after taxation			8,677		8,531
Total return before distributions			73,151		(48,671)
Distributions	7		(8,677)		(8,531)
<b>Change in net assets attributable to Shareholders from investment activities</b>			<b>64,474</b>		<b>(57,202)</b>

## Statement of Change in Net Assets Attributable to Shareholders

For the year ended 30 September 2023

	01/10/22 to 30/09/23		01/10/21 to 30/09/22	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to Shareholders</b>		475,691		461,320
Amounts receivable on issue of Shares	40,708		118,251	
Amounts payable on cancellation of Shares	(21,859)		(46,756)	
Dilution adjustment		18,849		71,495
Change in net assets attributable to Shareholders from investment activities (see above)		—		78
		64,474		(57,202)
<b>Closing net assets attributable to Shareholders</b>		<b>559,014</b>		<b>475,691</b>



## Balance Sheet

As at 30 September 2023

	Note	30/09/23		30/09/22	
		£'000	£'000	£'000	£'000
<b>Assets:</b>					
Fixed assets:					
Investments			548,474		471,941
Current assets:					
Debtors	8	5,995		6,448	
Cash and bank balances	9	11,839		8,211	
Total current assets			17,834		14,659
Total assets			566,308		486,600
<b>Liabilities:</b>					
Creditors:					
Distribution payable		(4,313)		(4,335)	
Other creditors	10	(2,981)		(6,574)	
Total creditors			(7,294)		(10,909)
Total liabilities			(7,294)		(10,909)
<b>Net assets attributable to Shareholders</b>			<b>559,014</b>		<b>475,691</b>

## Notes to the Financial Statements

### For the year ended 30 September 2023

#### 1. Accounting basis and policies

The Fund's financial statements have been prepared on the basis detailed on pages 15 to 18.

#### 2. Net capital gains/(losses)

	01/10/22 to 30/09/23 £'000	01/10/21 to 30/09/22 £'000
The net capital gains/(losses) during the year comprise:		
Currency losses	(600)	(343)
Non-derivative securities	65,091	(56,879)
Transaction charges	(35)	(25)
Cash transferred from closed Omnis Funds	18	45
<b>Net capital gains/(losses)</b>	<b>64,474</b>	<b>(57,202)</b>

#### 3. Revenue

	01/10/22 to 30/09/23 £'000	01/10/21 to 30/09/22 £'000
Bank interest	19	3
Overseas dividends	13,743	13,331
<b>Total revenue</b>	<b>13,762</b>	<b>13,334</b>

#### 4. Expenses

	01/10/22 to 30/09/23 £'000	01/10/21 to 30/09/22 £'000
<b>Payable to the ACD, associates of the ACD, and agents of either of them</b>		
AMC fees	3,442	3,246
	3,442	3,246
<b>Payable to the Depositary, associates of the Depositary and agents of either of them</b>		
Depositary fees	55	54
Safe custody fees	101	97
	156	151
<b>Other expenses</b>		
Audit fees	10	8
Professional fees	10	8
Publication fees	(3)	3
	17	19
<b>Total expenses</b>	<b>3,615</b>	<b>3,416</b>

Audit fees are £8,350 ex Vat (2022: £7,875).

## Notes to the Financial Statements (continued)

For the year ended 30 September 2023

### 5. Interest payable and similar charges

	01/10/22 to 30/09/23 £'000	01/10/21 to 30/09/22 £'000
Interest	21	16
<b>Total interest payable and similar charges</b>	<b>21</b>	<b>16</b>

### 6. Taxation

#### (a) Analysis of the tax charge in the year

	01/10/22 to 30/09/23 £'000	01/10/21 to 30/09/22 £'000
Irrecoverable overseas tax	1,449	1,371
<b>Total taxation for the year (Note 6 (b))</b>	<b>1,449</b>	<b>1,371</b>

#### (b) Factors affecting the tax charge for the year

The tax assessed for the year is different from that calculated when the standard rate of corporation tax for an open ended investment company of 20% (2022: 20%) is applied to the net revenue before taxation. The differences are explained below:

	01/10/22 to 30/09/23 £'000	01/10/21 to 30/09/22 £'000
Net revenue before taxation	10,126	9,902
Net revenue for the year multiplied by the standard rate of corporation tax	2,025	1,980
<b>Effects of:</b>		
Irrecoverable overseas tax	1,449	1,371
Movement in excess management expenses	724	686
Revenue not subject to corporation tax	(2,749)	(2,666)
<b>Total tax charge for the year</b>	<b>1,449</b>	<b>1,371</b>

OEICs are exempt from tax on capital gains in the UK. Therefore, any capital return is not included within the reconciliation above.

#### (c) Provision for deferred tax

There is no provision required for deferred taxation at the Balance Sheet date in the current or prior year because no taxable profit is expected to be generated by the fund.

#### (d) Factors that may affect future tax charges

At the year-end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £2,947,139 (2022: £2,223,344) in relation to surplus management expenses. It is unlikely that the Fund will generate sufficient taxable profits in the future to utilise this amount and therefore no deferred tax asset has been recognised in the year.

**Notes to the Financial Statements (continued)**

For the year ended 30 September 2023

**7. Distributions**

The distributions take account of revenue received on the creation of shares and revenue deducted on the cancellation of shares, and comprise:

	01/10/22 to 30/09/23 £'000	01/10/21 to 30/09/22 £'000
Interim	4,378	4,162
Final	4,313	4,335
Add: Revenue paid on cancellation of shares	2	48
Deduct: Revenue received on creation of shares	(16)	(14)
<b>Net distribution for the year</b>	<b>8,677</b>	<b>8,531</b>
<b>Reconciliation of net revenue after taxation to distributions</b>		
Net revenue after taxation	8,677	8,531
<b>Net distribution for the year</b>	<b>8,677</b>	<b>8,531</b>

Details of the distributions per share are set out in the distribution tables on page 265.

**8. Debtors**

	30/09/23 £'000	30/09/22 £'000
Accrued bank interest	1	1
Accrued revenue	5,141	5,215
Sales awaiting settlement	852	1,230
Prepaid expenses	1	2
<b>Total debtors</b>	<b>5,995</b>	<b>6,448</b>

**9. Cash and bank balances**

	30/09/23 £'000	30/09/22 £'000
Cash and bank balances	11,839	8,211
<b>Total cash and bank balances</b>	<b>11,839</b>	<b>8,211</b>

## Notes to the Financial Statements (continued)

For the year ended 30 September 2023

### 10. Other creditors

	30/09/23 £'000	30/09/22 £'000
Amounts payable for cancellation of shares	545	5,403
Purchases awaiting settlement	2,084	830
	2,629	6,233
<i>Accrued expenses</i>		
<i>Manager and Agents</i>		
AMC fees	310	273
	310	273
<i>Depositary and Agents</i>		
Depositary fees	9	18
Safe custody fees	18	32
Transaction charges	5	4
	32	54
<i>Other accrued expenses</i>		
Audit fees	10	10
Professional fees	—	1
Publication fees	—	3
	10	14
<b>Total other creditors</b>	<b>2,981</b>	<b>6,574</b>

### 11. Related party transactions

Management fees paid to the ACD, are disclosed in note 4 and amounts due at the year-end are disclosed in note 10.

Monies received and paid by the ACD through the creation and cancellation of shares are disclosed in the Statement of Change in Net Assets Attributable to Shareholders and amounts due at the year-end are disclosed in notes 8 and 10.

The ACD and its associates (including other authorised investment funds managed by the ACD) have no shareholdings in the company at the year-end.

#### Significant shareholdings

As at the balance sheet date, the following had significant shareholdings within the Fund:

Shareholders	30/09/23 (%)	30/09/22 (%)
Sterling ISA Managers (Nominees) Limited	80.22	81.88

### 12. Share Classes

The Share Classes and ACD's Annual Management Charges ("AMC") applicable to each Share Class are as follows:

Share Class A Income	0.66
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Each Share Class has equal rights in the event of the wind up of any fund.

## Notes to the Financial Statements (continued)

For the year ended 30 September 2023

### 12. Share Classes (continued)

The reconciliation of the opening and closing numbers of shares of each class is shown below:

	30/09/22	Issued	Cancelled	Converted	30/09/23
Share Class A Income	510,446,668	41,421,740	(21,768,103)	—	530,100,305

### 13. Capital commitments and contingent liabilities

There were no contingent liabilities or outstanding commitments at the balance sheet date (2022: nil).

### 14. Derivatives and other financial instruments

The main risks from the Fund's holding of financial instruments, together with the ACD's policy for managing these risks, are disclosed in note 2 on pages 18 to 24 of the report.

#### (a) Foreign currency risk

A proportion of the financial net assets of the Fund are denominated in currencies other than sterling with the effect that the balance sheet and total return can be affected by currency movements.

The table below shows the foreign currency risk profile at the balance sheet date:

Currency	Net foreign currency exposure	
	30/09/23 £'000	30/09/22 £'000
Japanese Yen	563,666	481,133
US Dollar	16	7
<b>Total foreign currency exposure</b>	<b>563,682</b>	<b>481,140</b>
Sterling	(4,668)	(5,449)
<b>Total net assets</b>	<b>559,014</b>	<b>475,691</b>

If GBP to foreign currency exchange rates had strengthened/increased or weakened/decreased by 10% as at the balance sheet date, the net asset value of the fund would have decreased or increased by £56,368,246 (2022: £48,114,000). These calculations assume all other variables remain constant.

#### (b) Interest rate risk profile of financial assets and liabilities

The Fund does not invest in either fixed or floating rate securities and interest rate risk exposure is restricted to interest receivable on bank deposits or payable on bank overdraft positions which will be affected by fluctuations in interest rates.

As at 30 September 2023 2.12% of the Fund's assets were interest bearing (2022: 1.73%).

Changes in interest rates would have no material impact on the valuation of financial assets or liabilities. Consequently, no sensitivity analysis has been presented.

**Notes to the Financial Statements (continued)**  
For the year ended 30 September 2023

**15. Portfolio transaction costs**

	01/10/22 to 30/09/23		01/10/21 to 30/09/22	
	£'000	£'000	£'000	£'000
<b>Analysis of total purchase costs</b>				
Purchases in the year before transaction costs:				
Equities		147,196		185,961
		147,196		185,961
Commissions - Equities	38		41	
Total purchase costs		38		41
<b>Gross purchase total</b>		<b>147,234</b>		<b>186,002</b>
<b>Analysis of total sale costs</b>				
Gross sales in the year before transaction costs:				
Equities		135,823		106,773
		135,823		106,773
Commissions - Equities	(33)		(23)	
Total sale costs		(33)		(23)
<b>Total sales net of transaction costs</b>		<b>135,790</b>		<b>106,750</b>

The portfolio transaction costs table above includes direct transaction costs suffered by the Fund during the year.

Separately identifiable direct transaction costs (commissions and taxes etc.) are attributable to the Fund's purchase and sale of equity shares. Additionally for equity shares there is a dealing spread cost (the difference between the buying and selling prices) which will be suffered on purchase and sale transactions.

	01/10/22 to 30/09/23	01/10/21 to 30/09/22
	%	%
<b>Transaction costs as percentage of principal amounts</b>		
Purchases - Commissions		
Equities	0.0258	0.0221
Purchases - Taxes		
Equities	0.0000	0.0000
Sales - Commissions		
Equities	0.0244	0.0211
Sales - Taxes		
Equities	0.0000	0.0000
<b>Transaction costs as percentage of average net asset value</b>		
Commissions	0.0136	0.0129
Taxes	0.0000	0.0000

At the balance sheet date the average portfolio dealing spread was 0.23% (2022: 0.30%).

**Notes to the Financial Statements (continued)**

For the year ended 30 September 2023

**16. Post balance sheet events**

Subsequent to the year end, the net asset value per unit of the fund has increased from 105.45p to 108.05p as at 26 January 2024. This movement takes into account routine transactions but also reflects the market movements of recent months.

**17. Fair value disclosure**

Valuation technique	30/09/23		30/09/22	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
<b>Level 1:</b> The unadjusted quoted price in an active market for identical assets or liabilities	548,474	—	471,941	—
<b>Level 2:</b> Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly	—	—	—	—
<b>Level 3:</b> Inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability	—	—	—	—
	<b>548,474</b>	<b>—</b>	<b>471,941</b>	<b>—</b>



## Distribution Table

As at 30 September 2023

### Interim Distribution in pence per Share

- Group 1 Shares purchased prior to 1 October 2022  
 Group 2 Shares purchased on or after 1 October 2022 to 31 March 2023

	Net revenue (p)	Equalisation (p)	Distribution paid 31/05/2023 (p)	Distribution paid 31/05/2022 (p)
<b>Share Class A Income</b>				
Group 1	0.8374	—	0.8374	0.8114
Group 2	0.8130	0.0244	0.8374	0.8114

### Final Distribution in pence per Share

- Group 1 Shares purchased prior to 1 April 2023  
 Group 2 Shares purchased on or after 1 April 2023 to 30 September 2023

	Net revenue (p)	Equalisation (p)	Distribution payable 30/11/2023 (p)	Distribution paid 30/11/2022 (p)
<b>Share Class A Income</b>				
Group 1	0.8136	—	0.8136	0.8492
Group 2	0.7790	0.0346	0.8136	0.8492

## Investment Manager's Report

For the year ended 30 September 2023

### Investment Objective

The Fund aims to achieve an annualised return consisting of both income and capital above the ICE BofA 1-5-year Sterling Non-Gilt Index by 1%, before all fees and expenses, over a five-year rolling period. There is no guarantee that this will be achieved over this, or any, timeframe and capital is at risk.

### Investment Policy

The fund intends to invest either directly, or indirectly through collective investments schemes (up to a maximum of 10%), at least 80% in bonds (including index-linked bonds) with shorter maturities (less than 5 years) issued by governments, government agencies and companies worldwide (including emerging markets).

The fund will invest in bonds issued either in sterling, or in another currency which will be hedged back into sterling. The Fund may invest 60% in subinvestment grade bonds (considered to be Standard & Poor's credit rating of below BBB or equivalent).

The Fund may also invest in transferable securities, money market instruments, warrants, cash, near cash and deposits as detailed in the Prospectus.

Exposure to collective investment schemes may include schemes managed and operated by the ACD or its associates.

Derivatives may be used both for investment purposes and for efficient portfolio management.

### Benchmark

The performance of the Fund will be measured against the ICE BofA Merrill Lynch 1-5-year Sterling Non-Gilt Index plus 1% (minus OCF)\* for target return purposes. This index was chosen as it was considered a fair representation of the assets in which the fund will invest, in line with its investment objectives and policy.

### Portfolio Review

Over the period the Fund returned 6.89% [source: Return after operating charges as per Comparative Table] and the benchmark returned 7.65% [source: Financial Express, bid to bid, net income reinvested].

\*The index data provided has been licensed for use by its third-party providers who do not accept any liability for errors or omissions. For full disclaimer please see <https://omnisinvestments.com/disclaimers>

During the period the fund generated net income of 3.59p per share.

As credit spreads widened and yields rose in September 2022, with sterling assets significantly underperforming following the UK's 'mini-Budget', the Fund increased exposure to the sterling investment grade market to benefit from very attractive valuations. As a result, the overall exposure to investment grade markets increased to over 50% of the Fund while exposure to sovereign debt decreased. The allocation to short-dated inflation-linked bonds declined substantially as inflation started to moderate. The exposure to high-yield and emerging markets increased with the average rating of the portfolio moving to BBB- from BBB.

With credit spreads substantially tightening in the fourth quarter of 2022 and January 2023, valuations started to look expensive in light of heightened recession risk. Exposure to high-yield and

**Investment Manager's Report (continued)****For the year ended 30 September 2023**

emerging markets was reduced significantly between the end of January 2023 and the end of September 2023, focusing on European high-yield. As a result the average credit rating of the portfolio moved up to BBB+.

These sales were switched into sovereign debt and investment grade markets with a focus on nominal bonds rather than index-linked bonds to benefit from inflation further moderating over the course of the year. The main focus was in the sterling investment grade market as it offered very attractive yields. This further increased the overall exposure to investment grade markets to almost two thirds. The spread duration of the Fund decreased by lowering the allocation to three-to-five-year maturity instruments while increasing zero-to-one-year maturity instruments. An additional move to reduce risk was to reduce the exposure to cyclical companies.

The duration of the Fund was actively managed throughout the period to benefit from this very volatile environment.

**AXA Investment Managers UK Limited**

October 2023

## Material Portfolio Changes

For the year ended 30 September 2023

Purchases		Sales	
Portfolio Name	Cost £'000	Portfolio Name	Proceeds £'000
UK Treasury 0.75% 22/07/2023	8,092	UK Treasury 0.75% 22/07/2023	8,164
UK Treasury 2.25% 07/09/2023	6,647	UK Treasury 2.25% 07/09/2023	6,696
UK Treasury 3.5% 22/10/2025	5,602	UK Treasury 1.25% 22/07/2027	6,050
UK Treasury 0.125% 31/01/2024	4,369	AXA US Short Duration High Yield	5,158
AXA US Short Duration High Yield	3,644	Deutsche Bundesrepublik Inflation	
US Treasury Note 4.75%		Linked Bond 0.1% 15/04/2023	4,953
31/07/2025	3,259	United States Treasury Inflation	
UK Treasury 4.5% 07/06/2028	3,188	Indexed Bonds 0.125% 15/01/2023	3,712
Kreditanstalt fuer Wiederaufbau		UK Treasury 0.125% 22/03/2024	2,870
1.25% 29/12/2023	2,251	Hammerson 6% 23/02/2026	1,337
UK Treasury 2.75% 07/09/2024	1,651	UK Treasury 4.25% 7/12/2027	1,311
Danske Bank 6.5% 23/08/2028	1,647	Bundesrepublik Deutschland	
		Bundesanleihe 1.5% 15/05/2023	1,305

The above table complements the data provided in the investment managers report by outlining the top 10 portfolio components.

## Comparative Table

As at 30 September 2023

	30/09/23 (p)	A Income 30/09/22 (p)	30/09/21 (p)
<b>Change in net assets per Share</b>			
Opening net asset value per share	90.61	99.85	99.54
Return before operating charges*	6.62	(6.13)	2.89
Operating charges	(0.38)	(0.40)	(0.41)
Return after operating charges	6.24	(6.53)	2.48
Distributions	(3.59)	(2.71)	(2.17)
Closing net asset value per share	93.26	90.61	99.85
*after direct transaction cost of:	0.00	0.00	0.00
<b>Performance</b>			
Return after operating charges	6.89%	(6.54%)	2.49%
<b>Other information</b>			
Closing net asset value (£'000)	161,204	123,058	119,565
Closing number of shares	172,862,554	135,814,420	119,743,445
Operating charges	0.40%	0.41%	0.40%
Direct transaction costs	0.00%	0.00%	0.00%
<b>Prices (p)**</b>			
Highest share price	96.24	100.11	101.81
Lowest share price	90.47	92.34	99.76

\*\*The highest and lowest share prices are based on published price. The opening and closing net asset values per share include accounting adjustments, therefore they may appear higher or lower as a result.

**Performance Information**

As at 30 September 2023

**Operating Charge**

Date	AMC (%)	Other expenses (%)	Transaction costs (%)	Total operating charge (%)
30/09/23 Share Class A Income	0.35	0.04	0.01	0.40
30/09/22 Share Class A Income	0.35	0.04	0.02	0.41

The Operating Charge is the ratio of the Fund's total disclosable costs (excluding overdraft interest) to the average net assets of the Fund.

**Risk and Reward Profile**

As at 30 September 2023

	Typically lower rewards		Typically higher rewards				
	Lower risks			Higher risks			
Share Class A	1	2	3	4	5	6	7

- This indicator is based on historical data and may not be a reliable indication of the future risk profile of the Fund.
- The risk category shown is not guaranteed to remain unchanged and may shift over time.
- The risk and reward indicator table demonstrates where a Fund ranks in terms of its potential risk and return. The higher the rank the greater the potential reward but the greater the risk of losing money. The lowest category does not mean 'risk free'.
- The Fund appears as a "3" on the scale. This is because the Fund invests in fixed income investments whose values do not fluctuate widely.

**Risk Warning**

An investment in an Open Ended Investment Company should be regarded as a medium to long-term investment. Investors should be aware that the price of shares and the income from them may fall as well as rise and investors may not receive back the full amount invested. Past performance is not a guide to future performance. Investments denominated in currencies other than the base currency of a Fund are subject to fluctuation in exchange rates, which may be favourable or unfavourable.

## Portfolio Statement

As at 30 September 2023

Holdings or Nominal Value	Investments	Market value £'000	% of Total Net Assets
<b>Bonds 98.31% (95.83%)</b>			
<b>Australia 2.35% (1.33%)</b>			
GBP 1,663,000	National Australia Bank 1.699% 15/09/2031	1,411	0.87
GBP 700,000	Vicinity Centres Trust 3.375% 07/04/2026	657	0.41
GBP 1,850,000	Westfield America Management 2.125% 30/03/2025	1,725	1.07
		<b>3,793</b>	<b>2.35</b>
<b>Austria 0.53% (0.00%)</b>			
EUR 1,000,000	Raiffeisen Bank International 4.75% 26/01/2027	851	0.53
		<b>851</b>	<b>0.53</b>
<b>Belgium 0.40% (1.09%)</b>			
EUR 735,000	Azelis Finance 5.75% 15/03/2028	638	0.40
		<b>638</b>	<b>0.40</b>
<b>Bermuda 1.05% (0.89%)</b>			
GBP 476,000	Hiscox 6% 22/09/2027	473	0.29
USD 746,000	Tengizchevroil Finance 2.625% 15/08/2025	550	0.34
USD 850,000	Triton Container International 1.15% 07/06/2024	669	0.42
		<b>1,692</b>	<b>1.05</b>
<b>Brazil 0.87% (1.84%)</b>			
USD 999,000	Banco do Brasil 3.25% 30/09/2026	748	0.46
USD 800,000	BRF 4.75% 22/05/2024	654	0.41
		<b>1,402</b>	<b>0.87</b>
<b>Canada 1.84% (1.11%)</b>			
GBP 1,600,000	CPPIB Capital 6% 07/06/2025	1,614	1.00
USD 800,000	Element Fleet Management 3.85% 15/06/2025	624	0.39
GBP 805,000	Toronto-Dominion Bank 2.875% 05/04/2027	730	0.45
		<b>2,968</b>	<b>1.84</b>
<b>Cayman Islands 0.47% (0.92%)</b>			
USD 940,000	QNB Finance 3.5% 28/03/2024	759	0.47
		<b>759</b>	<b>0.47</b>
<b>China 0.00% (0.54%)</b>			
<b>Colombia 0.00% (0.48%)</b>			
<b>Denmark 1.44% (0.00%)</b>			
GBP 679,000	Danske Bank 4.625% 13/04/2027	656	0.40
GBP 1,650,000	Danske Bank 6.5% 23/08/2028	1,673	1.04
		<b>2,329</b>	<b>1.44</b>

**Portfolio Statement (continued)**

As at 30 September 2023

Holdings or Nominal Value	Investments	Market value £'000	% of Total Net Assets
<b>Dominican Republic 0.40% (0.56%)</b>			
USD 800,000	Dominican Republic International Bond 5.5% 27/01/2025	646	0.40
		<b>646</b>	<b>0.40</b>
<b>Egypt 0.00% (0.37%)</b>			
<b>Finland 0.70% (0.57%)</b>			
EUR 1,632,000	Balder Finland 1% 18/01/2027	1,134	0.70
		<b>1,134</b>	<b>0.70</b>
<b>France 6.26% (5.77%)</b>			
EUR 839,000	Afflelou 4.25% 19/05/2026	687	0.43
EUR 773,000	Altice France 2.125% 15/02/2025	631	0.39
GBP 600,000	BNP Paribas 6% 18/08/2029	603	0.37
GBP 1,200,000	BNP Paribas 2% 24/05/2031	1,045	0.65
EUR 800,000	BPCE 0.5% 14/01/2028	608	0.38
GBP 1,000,000	BPCE 2.5% 30/11/2032	824	0.51
EUR 2,200,000	Credit Agricole 0.625% 12/01/2028	1,681	1.04
EUR 200,000	Elis 4.125% 24/05/2027	170	0.11
EUR 800,000	Nexans 5.5% 05/04/2028	707	0.44
EUR 807,000	Picard 3.875% 01/07/2026	648	0.40
EUR 455,000	RCI Banque 0.5% 14/07/2025	369	0.23
EUR 652,000	RCI Banque 4.625% 13/07/2026	566	0.35
EUR 790,000	RCI Banque 4.875% 14/06/2028	686	0.43
EUR 1,000,000	Societe Generale 1.25% 15/02/2024	858	0.53
		<b>10,083</b>	<b>6.26</b>
<b>Germany 5.16% (6.61%)</b>			
EUR 1,500,000	Bundesrepublik Deutschland	1,292	0.80
EUR 700,000	Commerzbank 1.125% 22/06/2026	559	0.35
EUR 500,000	DEMIRE Deutsche Mittelstand Real Estate 1.875% 15/10/2024	307	0.19
GBP 1,200,000	Deutsche Bank 4% 24/06/2026	1,139	0.71
EUR 600,000	Deutsche Bank 5.375% 11/01/2029	519	0.32
EUR 400,000	Hamburg Commercial Bank 0.5% 22/09/2026	312	0.19
EUR 1,050,000	Hamburg Commercial Bank 4.875% 17/03/2025	905	0.56
GBP 2,300,000	KFW 1.25% 29/12/2023	2,277	1.41
EUR 850,000	ProGroup 3% 31/03/2026	681	0.42
EUR 400,000	ZF Finance 3% 21/09/2025	331	0.21
		<b>8,322</b>	<b>5.16</b>
<b>Ireland 2.42% (2.94%)</b>			
USD 1,000,000	AerCap Ireland Capital 4.875% 16/01/2024	816	0.51
EUR 670,000	AIB 1.25% 28/05/2024	570	0.35
EUR 1,178,000	AIB 2.25% 04/04/2028	935	0.58



**Portfolio Statement (continued)**

As at 30 September 2023

Holdings or Nominal Value	Investments	Market value £'000	% of Total Net Assets
<b>Ireland 2.42% (2.94%) (continued)</b>			
EUR 1,062,000	Bank of Ireland 1% 25/11/2025	885	0.55
EUR 797,000	Bank of Ireland 4.875% 16/07/2028	695	0.43
		<b>3,901</b>	<b>2.42</b>
<b>Isle Of Man 0.52% (0.45%)</b>			
EUR 1,000,000	Playtech 4.25% 07/03/2026	838	0.52
		<b>838</b>	<b>0.52</b>
<b>Italy 3.90% (4.69%)</b>			
EUR 917,000	Banco BPM 3.375% 19/01/2032	701	0.43
EUR 1,090,000	doValue 5% 04/08/2025	903	0.56
EUR 227,000	Intesa Sanpaolo 0.75% 04/12/2024	189	0.12
EUR 670,000	Intesa Sanpaolo 1.5% 10/04/2024	573	0.36
GBP 1,096,000	Intesa Sanpaolo 6.5% 14/03/2029	1,064	0.66
EUR 362,000	Limacorporate FRN 8.233% 01/02/2028	316	0.20
EUR 1,068,000	Rekeep 7.25% 01/02/2026	834	0.52
EUR 800,000	UniCredit 0.325% 19/01/2026	634	0.39
EUR 1,388,000	UniCredit 0.925% 18/01/2028	1,065	0.66
		<b>6,279</b>	<b>3.90</b>
<b>Jersey 1.01% (0.68%)</b>			
GBP 908,000	CPUK Finance 5.876% 28/08/2027	885	0.55
GBP 740,000	Heathrow Funding 7.125% 14/02/2024	741	0.46
		<b>1,626</b>	<b>1.01</b>
<b>Kazakhstan 0.00% (0.45%)</b>			
<b>Luxembourg 3.38% (2.41%)</b>			
GBP 886,000	B&M European Value Retail 3.625% 15/07/2025	853	0.53
EUR 846,000	ContourGlobal Power 2.75% 01/01/2026	674	0.42
GBP 1,600,000	European Investment Bank 0.75% 15/11/2024	1,520	0.94
EUR 1,036,000	Logicor Financing 0.625% 17/11/2025	811	0.50
EUR 1,000,000	Logicor Financing 0.75% 15/07/2024	837	0.52
EUR 900,000	PLT VII Finance 4.625% 05/01/2026	754	0.47
		<b>5,449</b>	<b>3.38</b>
<b>Netherlands 4.81% (3.70%)</b>			
GBP 1,000,000	ABN AMRO Bank 5.125% 22/02/2028	961	0.60
EUR 145,000	Citycon Treasury 1.25% 08/09/2026	107	0.07
EUR 1,080,000	Citycon Treasury 2.5% 01/10/2024	911	0.56
EUR 1,124,000	Enel Finance International 0.25% 17/11/2025	900	0.56
GBP 1,100,000	Mercedes-Benz International Finance 5.625% 17/08/2026	1,105	0.69
EUR 450,000	OCI 3.625% 15/10/2025	381	0.24
USD 1,020,000	Prosus 3.257% 19/01/2027	741	0.46
USD 800,000	Suzano International Finance 5.5% 17/01/2027	645	0.40

**Portfolio Statement (continued)**

As at 30 September 2023

Holdings or Nominal Value	Investments	Market value £'000	% of Total Net Assets
<b>Netherlands 4.81% (3.70%) (continued)</b>			
GBP 678,000	Toyota Motor Finance Netherlands 4.625% 08/06/2026	663	0.41
GBP 1,100,000	Volkswagen Financial Services 3.25% 13/04/2027	992	0.61
EUR 400,000	ZF Europe Finance 1.25% 23/10/2023	346	0.21
		<b>7,752</b>	<b>4.81</b>
<b>Nigeria 0.00% (0.38%)</b>			
<b>Norway 1.48% (1.84%)</b>			
EUR 750,000	Adevinta 2.625% 15/11/2025	636	0.39
GBP 1,084,000	DNB Bank 2.625% 10/06/2026	1,026	0.64
GBP 763,000	DNB Bank 4% 17/08/2027	718	0.45
		<b>2,380</b>	<b>1.48</b>
<b>Portugal 0.53% (0.62%)</b>			
EUR 1,100,000	Banco Comercial Portugues 1.125% 12/02/2027	854	0.53
		<b>854</b>	<b>0.53</b>
<b>Romania 0.57% (0.00%)</b>			
EUR 1,100,000	RCS & RDS 2.5% 05/02/2025	916	0.57
		<b>916</b>	<b>0.57</b>
<b>South Korea 0.28% (0.39%)</b>			
USD 585,000	Mirae Asset Securities 2.625% 30/07/2025	445	0.28
		<b>445</b>	<b>0.28</b>
<b>Spain 3.88% (3.36%)</b>			
GBP 1,400,000	Abertis Infraestructuras 3.375% 27/11/2026	1,290	0.80
GBP 1,500,000	Banco Bilbao Vizcaya Argentaria 3.104% 15/07/2031	1,333	0.83
EUR 300,000	Banco de Sabadell 2.625% 24/03/2026	250	0.15
EUR 600,000	Banco de Sabadell 5.25% 07/02/2029	511	0.32
GBP 800,000	Banco Santander 1.375% 31/07/2024	770	0.48
GBP 800,000	Banco Santander 3.125% 06/10/2026	747	0.46
GBP 1,000,000	CaixaBank 1.5% 03/12/2026	896	0.56
GBP 500,000	CaixaBank 3.5% 06/04/2028	450	0.28
		<b>6,247</b>	<b>3.88</b>
<b>Sweden 2.46% (0.74%)</b>			
EUR 757,000	Intrum 4.875% 15/08/2025	593	0.37
GBP 1,000,000	Svenska Handelsbanken 4.625% 23/08/2032	919	0.57
GBP 1,189,000	Swedbank 7.272% 15/11/2032	1,178	0.73
GBP 1,251,000	Volvo Treasury 6.125% 22/06/2028	1,276	0.79
		<b>3,966</b>	<b>2.46</b>

**Portfolio Statement (continued)**

As at 30 September 2023

Holdings or Nominal Value	Investments	Market value £'000	% of Total Net Assets
<b>United Arab Emirates 0.25% (0.75%)</b>			
GBP 462,000	First Abu Dhabi Bank 0.875% 09/12/2025	410	0.25
		<b>410</b>	<b>0.25</b>
<b>United Kingdom 34.16% (32.43%)</b>			
GBP 1,200,000	ABP Finance 6.25% 14/12/2026	1,202	0.75
GBP 1,700,000	Anglian Water Osprey Financing 4% 08/03/2026	1,542	0.96
GBP 602,000	Arqiva Financing 7.21% 30/06/2028	618	0.38
GBP 1,900,000	Babcock International 1.875% 05/10/2026	1,681	1.04
GBP 368,000	Barclays 8.407% 14/11/2032	375	0.23
EUR 645,000	Barclays 0.877% 28/01/2028	494	0.31
GBP 600,000	Barclays 3% 08/05/2026	552	0.34
GBP 600,000	Barclays 3.25% 12/02/2027	542	0.34
USD 956,000	Bidvest 3.625% 23/09/2026	694	0.43
GBP 1,270,000	BUPA Finance 5% 08/12/2026	1,215	0.75
GBP 1,500,000	Close Brothers 2% 11/09/2031	1,240	0.77
GBP 205,000	7.75% 14/06/2028	208	0.13
GBP 1,010,000	Co-Operative 5.125% 17/05/2024	996	0.62
USD 1,200,000	Haleon UK Capital 3.125% 24/03/2025	943	0.58
GBP 1,231,000	6.5% 09/06/2028	1,234	0.77
EUR 1,134,000	INEOS Quattro Finance 2 2.5% 15/01/2026	897	0.56
EUR 850,000	International Game Technology 3.5% 15/06/2026	702	0.43
GBP 735,000	Investec 1.875% 16/07/2028	600	0.37
GBP 715,000	Iron Mountain 3.875% 15/11/2025	675	0.42
GBP 800,000	Just 9% 26/10/2026	841	0.52
GBP 870,000	Land Securities Capital Markets 1.974% 08/02/2024	858	0.53
GBP 1,600,000	Lloyds Banking 1.985% 15/12/2031	1,372	0.85
GBP 650,000	Marks & Spencer 3.75% 19/05/2026	608	0.38
GBP 670,919	Marston's Issuer 6.5892% 15/10/2027	625	0.39
GBP 363,368	Mitchells & Butlers Finance 6.013% 15/12/2028	333	0.21
GBP 38,452	Mitchells & Butlers Finance 5.965% 15/12/2023	38	0.02
GBP 870,000	Mobico 2.5% 11/11/2023	866	0.54
GBP 867,000	Nationwide Building Society 6.125% 21/08/2028	877	0.54
GBP 404,000	Nationwide Building Society 6.178% 07/12/2027	400	0.25
GBP 1,445,000	NatWest 2.105% 28/11/2031	1,231	0.76
GBP 478,000	NatWest Markets 6.375% 08/11/2027	483	0.30
GBP 822,000	6.625% 22/06/2026	833	0.52
GBP 764,000	Ocado 3.875% 08/10/2026	630	0.39
GBP 1,250,000	Pension Insurance 8% 23/11/2026	1,279	0.79
GBP 700,000	Pinewood Finance 3.25% 30/09/2025	655	0.41
GBP 737,000	Rothesay Life 5.5% 17/09/2029	723	0.45
GBP 800,000	Rothesay Life 8% 30/10/2025	809	0.50
GBP 958,000	Santander 7.098% 16/11/2027	966	0.60
EUR 841,000	Sherwood Financing 4.5% 15/11/2026	637	0.39
GBP 1,050,000	Society of Lloyd's 4.75% 30/10/2024	1,029	0.64

**Portfolio Statement (continued)**

As at 30 September 2023

Holdings or Nominal Value	Investments	Market value £'000	% of Total Net Assets
<b>United Kingdom 34.16% (32.43%) (continued)</b>			
GBP 1,037,000	Stagecoach 4% 29/09/2025	978	0.61
GBP 1,350,000	Tritax Big Box REIT 2.625% 14/12/2026	1,213	0.75
GBP 3,200,000	UK Treasury 4.5% 07/06/2028	3,201	1.99
GBP 875,000	UK Treasury 0.125% 22/03/2024	1,341	0.83
GBP 3,600,000	UK Treasury 0.125% 31/01/2024	3,543	2.20
GBP 3,037,340	UK Treasury 1.25% 22/07/2027	2,711	1.68
GBP 1,700,000	UK Treasury 2.75% 07/09/2024	1,665	1.03
GBP 5,800,000	UK Treasury 3.5% 22/10/2025	5,645	3.50
GBP 498,000	Virgin Money 7.625% 23/08/2029	505	0.31
GBP 1,080,000	Virgin Money 7.875% 14/12/2028	1,078	0.67
GBP 800,000	Whitbread 2.375% 31/05/2027	692	0.43
		<b>55,075</b>	<b>34.16</b>
<b>United States 17.19% (17.36%)</b>			
USD 800,000	AES 3.3% 15/07/2025	621	0.39
USD 1,100,000	AT&T 2.3% 01/06/2027	796	0.49
USD 1,610,000	Athene Global Funding 2.5% 14/01/2025	1,247	0.77
EUR 750,000	Avantor Funding 2.625% 01/11/2025	621	0.39
USD 850,000	Aviation Capital 5.5% 15/12/2024	685	0.42
USD 1,300,000	Bank of America 0.981% 25/09/2025	1,008	0.63
GBP 913,000	Caterpillar Financial Services 5.72% 17/08/2026	923	0.57
USD 800,000	Charter Communications Operating 4.908% 23/07/2025	641	0.40
EUR 826,000	Citigroup 1.25% 06/07/2026	678	0.42
GBP 1,118,000	Equitable Financial Life 6.375% 02/06/2028	1,137	0.71
USD 800,000	First Horizon 4% 26/05/2025	618	0.38
EUR 1,050,000	Ford Motor Credit 3.021% 06/03/2024	902	0.56
GBP 1,200,000	General Motors Financial 1.55% 30/07/2027	1,015	0.63
USD 670,000	Goldman Sachs 3.85% 08/07/2024	539	0.33
USD 1,000,000	Hewlett Packard Enterprise 5.25% 01/07/2028	797	0.49
USD 1,100,000	KeyCorp 3.878% 23/05/2025	868	0.54
USD 900,000	Lowe's 4.8% 01/04/2026	724	0.45
USD 1,000,000	Marriott International 5.55% 15/10/2028	807	0.50
USD 850,000	Microchip Technology 0.972% 15/02/2024	682	0.42
USD 1,200,000	Morgan Stanley 1.593% 04/05/2027	874	0.54
GBP 673,000	Nestle 2.125% 04/04/2027	608	0.38
USD 900,000	NextEra Energy Capital 6.051% 01/03/2025	738	0.46
GBP 982,000	Pacific Life Global Funding II 5% 12/01/2028	956	0.59
USD 1,350,000	Penske Truck Leasing Co / PTL Finance 1.2% 15/11/2025	993	0.62
GBP 823,000	Protective Life Global Funding 5.248% 13/01/2028	805	0.50
GBP 417,000	Realty Income 1.875% 14/01/2027	366	0.23
USD 900,000	PerkinElmer 0.85% 15/09/2024	700	0.43
USD 1,100,000	T-Mobile USA 3.75% 15/04/2027	841	0.52
USD 4,200,000	US Treasury Note 4.75% 31/07/2025	3,418	2.12

**Portfolio Statement (continued)**

As at 30 September 2023

Holdings or Nominal Value	Investments	Market value £'000	% of Total Net Assets
<b>United States 17.19% (17.36%) (continued)</b>			
USD 900,000	VMware 1% 15/08/2024	706	0.44
USD 850,000	Warnermedia 3.638% 15/03/2025	671	0.42
USD 900,000	Williams 5.4% 02/03/2026	731	0.45
		<b>27,716</b>	<b>17.19</b>
<b>Uruguay 0.00% (0.56%)</b>			
<b>Collective Investment Schemes 1.52% (2.92%)</b>			
<b>United Kingdom 1.52% (2.92%)</b>			
1,611,157	AXA US Short Duration High Yield	2,452	1.52
		<b>2,452</b>	<b>1.52</b>
<b>Swaps (0.14%) (0.35%)</b>			
EUR 5,130,632	Barclays Bank Credit Default Swap EUR 1% 20/06/2028	(223)	(0.14)
		<b>(223)</b>	<b>(0.14)</b>
<b>Futures (0.19%) ((0.00%))</b>			
87	German Euro BOBL Futures December 2023	(118)	(0.07)
(39)	UK Long Gilt Futures December 2023	1	0.00
265	US Treasury Note 2 Year Futures December 2023	(195)	(0.12)
		<b>(312)</b>	<b>(0.19)</b>
<b>Forward Currency Contracts (0.80%) ((1.85%))</b>			
	Bought EUR150,000 for GBP130,165 Settlement 02/11/2023	0	0.00
	Bought USD320,000 for GBP261,385 Settlement 02/11/2023	1	0.00
	Sold EUR45,195,000 for GBP38,788,336 Settlement 03/10/2023	(416)	(0.26)
	Sold EUR45,200,000 for GBP39,229,166 Settlement 02/11/2023	(20)	(0.01)
	Sold USD35,970,000 for GBP28,695,235 Settlement 03/10/2023	(775)	(0.48)
	Sold USD36,200,000 for GBP29,579,997 Settlement 02/11/2023	(73)	(0.05)
		<b>(1,283)</b>	<b>(0.80)</b>
	<b>Portfolio of investments</b>	<b>159,105</b>	<b>98.70</b>
	Net other assets	2,099	1.30
	<b>Net assets</b>	<b>161,204</b>	<b>100.00</b>

All investments are ordinary bonds unless otherwise stated and admitted to official stock exchange listings.

Comparative figures shown above in brackets relate to 30 September 2022.

**Portfolio Statement (continued)**

As at 30 September 2023

The investments have been valued in accordance with note 1(h) of the Accounting Policies and Financial Instruments.

Gross purchases for the year (excl. Derivatives): £120,707,000 [2022: £112,938,000] (See note 15).

Total sales net of transaction costs for the year (excl. Derivatives): £84,238,000 [2022: £104,542,000] (See note 15).

**Bond Ratings as at 30 September 2023**

Bonds Rating	% of Total Net Assets
AAA	6.28
AA	14.12
A	15.47
BBB	46.31
BB	12.75
B	3.19
CCC	0.19
<b>Bonds</b>	<b>98.31</b>
Uninvested Cash	1.30
Interest Rate Swaps & Forwards	(0.94)
Futures	(0.19)
Internal Funds	1.52
<b>Net Assets</b>	<b>100.00</b>

Bonds not rated are of investment grade, but rating not sought by issuer.

## Statement of Total Return

For the year ended 30 September 2023

	Note	01/10/22 to 30/09/23		01/10/21 to 30/09/22	
		£'000	£'000	£'000	£'000
Income:					
Net capital gains/(losses)	2		3,853		(11,314)
Revenue	3	5,507		3,414	
Expenses	4	(553)		(481)	
Interest payable and similar charges	5	(4)		(5)	
Net revenue before taxation		4,950		2,928	
Taxation	6	—		—	
Net revenue after taxation			4,950		2,928
Total return before distributions			8,803		(8,386)
Distributions	7		(5,503)		(3,409)
<b>Change in net assets attributable to Shareholders from investment activities</b>			<b>3,300</b>		<b>(11,795)</b>

## Statement of Change in Net Assets Attributable to Shareholders

For the year ended 30 September 2023

	01/10/22 to 30/09/23		01/10/21 to 30/09/22	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to Shareholders</b>		123,058		119,565
Amounts receivable on issue of Shares	38,384		20,519	
Amounts payable on cancellation of Shares	(3,614)		(5,231)	
Dilution adjustment		34,770		15,288
Change in net assets attributable to Shareholders from investment activities (see above)		76		—
		3,300		(11,795)
<b>Closing net assets attributable to Shareholders</b>		<b>161,204</b>		<b>123,058</b>

## Balance Sheet

As at 30 September 2023

	Note	30/09/23		30/09/22	
		£'000	£'000	£'000	£'000
<b>Assets:</b>					
Fixed assets:					
Investments			160,925		130,923
Current assets:					
Debtors	8	3,054		11,235	
Cash and bank balances	9	2,623		2,095	
Total current assets			5,677		13,330
Total assets			166,602		144,253
<b>Liabilities:</b>					
Investment liabilities					
			(1,820)		(11,245)
Creditors:					
Bank overdrafts	11	—		(646)	
Distribution payable		(3,335)		(2,175)	
Other creditors	10	(243)		(7,129)	
Total creditors			(3,578)		(9,950)
Total liabilities			(5,398)		(21,195)
<b>Net assets attributable to Shareholders</b>					
			<b>161,204</b>		<b>123,058</b>



## Notes to the Financial Statements

For the year ended 30 September 2023

### 1. Accounting basis and policies

The Fund's financial statements have been prepared on the basis detailed on pages 15 to 18.

### 2. Net capital gains/(losses)

	01/10/22 to 30/09/23 £'000	01/10/21 to 30/09/22 £'000
The net capital gains/(losses) during the year comprise:		
Brokers commission on futures	(13)	(6)
Currency (losses)/gains	(979)	995
Derivative contracts	(880)	1,387
Forward currency contracts	3,613	(7,879)
Non-derivative securities	2,137	(5,793)
Transaction charges	(25)	(18)
<b>Net capital gains/(losses)</b>	<b>3,853</b>	<b>(11,314)</b>

### 3. Revenue

	01/10/22 to 30/09/23 £'000	01/10/21 to 30/09/22 £'000
Bank interest	12	2
Futures interest	11	—
Interest from Debt Securities	5,510	3,390
Interest income from Collective Investment Schemes	192	63
Rebates received from underlying funds	23	17
Revenue from swaps	(241)	(58)
<b>Total revenue</b>	<b>5,507</b>	<b>3,414</b>

## Notes to the Financial Statements (continued)

For the year ended 30 September 2023

### 4. Expenses

	01/10/22 to 30/09/23 £'000	01/10/21 to 30/09/22 £'000
<b>Payable to the ACD, associates of the ACD, and agents of either of them</b>		
AMC fees	500	429
	500	429
<b>Payable to the Depository, associates of the Depository and agents of either of them</b>		
Depository fees	21	19
Safe custody fees	12	11
	33	30
<b>Other expenses</b>		
Audit fees	13	13
Professional fees	9	7
Publication fees	(2)	2
	20	22
<b>Total expenses</b>	<b>553</b>	<b>481</b>

Audit fees are £10,600 ex Vat (2022: £9,975).

### 5. Interest payable and similar charges

	01/10/22 to 30/09/23 £'000	01/10/21 to 30/09/22 £'000
Interest	4	5
<b>Total interest payable and similar charges</b>	<b>4</b>	<b>5</b>

### 6. Taxation

#### (a) Analysis of the tax charge in the year

	01/10/22 to 30/09/23 £'000	01/10/21 to 30/09/22 £'000
<b>Total taxation for the year (Note 6 (b))</b>	<b>—</b>	<b>—</b>

## Notes to the Financial Statements (continued)

For the year ended 30 September 2023

### 6. Taxation (continued)

#### (b) Factors affecting the tax charge for the year

The tax assessed for the year is different from that calculated when the standard rate of corporation tax for an open ended investment company of 20% (2022: 20%) is applied to the net revenue before taxation. The differences are explained below:

	01/10/22 to 30/09/23 £'000	01/10/21 to 30/09/22 £'000
Net revenue before taxation	4,950	2,928
Net revenue for the year multiplied by the standard rate of corporation tax	990	586
<b>Effects of:</b>		
Relief for indexation on UK Gilts	(38)	—
Tax deductible interest distributions	(952)	(586)
<b>Total tax charge for the year</b>	<b>—</b>	<b>—</b>

OEICs are exempt from tax on capital gains in the UK. Therefore, any capital return is not included within the reconciliation above.

#### (c) Provision for deferred tax

There is no provision required for deferred taxation at the Balance Sheet date in the current or prior year because no taxable profit is expected to be generated by the fund.

### 7. Distributions

The distributions take account of revenue received on the creation of shares and revenue deducted on the cancellation of shares, and comprise:

	01/10/22 to 30/09/23 £'000	01/10/21 to 30/09/22 £'000
Interim	2,524	1,384
Final	3,335	2,175
Add: Revenue paid on cancellation of shares	38	35
Deduct: Revenue received on creation of shares	(394)	(185)
<b>Net distribution for the year</b>	<b>5,503</b>	<b>3,409</b>
<b>Reconciliation of net revenue after taxation to distributions</b>		
Net revenue after taxation	4,950	2,928
Expenses charged to capital	553	481
<b>Net distribution for the year</b>	<b>5,503</b>	<b>3,409</b>

Details of the distributions per share are set out in the distribution tables on page 289.

## Notes to the Financial Statements (continued)

For the year ended 30 September 2023

### 8. Debtors

	30/09/23 £'000	30/09/22 £'000
Accrued revenue	1,996	1,139
Amounts due for rebates from underlying funds	2	2
Amounts receivable for creation of shares	49	6,543
Sales awaiting settlement	1,006	3,549
Prepaid expenses	1	2
<b>Total debtors</b>	<b>3,054</b>	<b>11,235</b>

### 9. Cash and bank balances

	30/09/23 £'000	30/09/22 £'000
Cash and bank balances	1,807	1,923
Amount held at futures clearing houses and brokers	816	172
<b>Total cash and bank balances</b>	<b>2,623</b>	<b>2,095</b>

### 10. Other creditors

	30/09/23 £'000	30/09/22 £'000
Amounts payable for cancellation of shares	111	19
Purchases awaiting settlement	62	7,042
	173	7,061
<i>Accrued expenses</i>		
<i>Manager and Agents</i>		
AMC fees	47	35
	47	35
<i>Depositary and Agents</i>		
Depositary fees	4	6
Safe custody fees	2	4
Transaction charges	4	8
	10	18
<i>Other accrued expenses</i>		
Audit fees	13	12
Publication fees	—	3
	13	15
<b>Total other creditors</b>	<b>243</b>	<b>7,129</b>

### 11. Bank overdrafts

	30/09/23 £'000	30/09/22 £'000
Bank overdrafts	—	646
<b>Total bank overdrafts</b>	<b>—</b>	<b>646</b>

## Notes to the Financial Statements (continued)

For the year ended 30 September 2023

### 12. Related party transactions

Management fees paid to the ACD, are disclosed in note 4 and amounts due at the year-end are disclosed in note 10.

Monies received and paid by the ACD through the creation and cancellation of shares are disclosed in the Statement of Change in Net Assets Attributable to Shareholders and amounts due at the year-end are disclosed in notes 8 and 10.

The ACD and its associates (including other authorised investment funds managed by the ACD) have no shareholdings in the company at the year-end.

#### Significant shareholdings

As at the balance sheet date, the following had significant shareholdings within the Fund:

Shareholders	30/09/23 (%)	30/09/22 (%)
Sterling ISA Managers (Nominees) Limited	80.08	82.07

### 13. Share Classes

The Share Classes and ACD's Annual Management Charges ("AMC") applicable to each Share Class are as follows:

	%
Share Class A Income	0.35

Each Share Class has equal rights in the event of the wind up of any fund.

The reconciliation of the opening and closing numbers of shares of each class is shown below:

	30/09/22	Issued	Cancelled	Converted	30/09/23
Share Class A Income	135,814,420	40,941,300	(3,893,166)	—	172,862,554

### 14. Derivatives and other financial instruments

The main risks from the Fund's holding of financial instruments, together with the ACD's policy for managing these risks, are disclosed in note 2 on pages 18 to 24 of the report.

#### (a) Foreign currency risk

A proportion of the financial net assets of the Fund are denominated in currencies other than sterling with the effect that the balance sheet and total return can be affected by currency movements.

The table below shows the foreign currency risk profile at the balance sheet date:

Currency	Net foreign currency exposure	
	30/09/23	30/09/22
	£'000	£'000
Euro	(39,135)	(40,825)
US Dollar	(29,561)	(30,080)
<b>Total foreign currency exposure</b>	<b>(68,696)</b>	<b>(70,905)</b>
Sterling	229,900	193,963
<b>Total net assets</b>	<b>161,204</b>	<b>123,058</b>

If GBP to foreign currency exchange rates had strengthened/increased or weakened/decreased by 10% as at the balance sheet date, the net asset value of the fund

**Notes to the Financial Statements (continued)**

For the year ended 30 September 2023

**14. Derivatives and other financial instruments (continued)****(a) Foreign currency risk (continued)**

would have decreased or increased by £6,869,617 (2022: £7,090,000). These calculations assume all other variables remain constant.

**(b) Interest rate risk profile of financial assets and liabilities**

The table below shows the interest rate risk profile at the balance sheet date:

	Floating rate financial assets £'000	Fixed rate financial assets £'000	Financial assets not carrying interest £'000	Total £'000
<b>Currency Assets</b>				
<b>30/09/23</b>				
Euro	697	38,374	458	39,529
Sterling	1,591	91,140	140,745	233,476
US Dollar	557	28,639	298	29,494
<b>Total</b>	<b>2,845</b>	<b>158,153</b>	<b>141,501</b>	<b>302,499</b>
<b>30/09/22</b>				
Euro	2,204	38,593	11,728	52,525
Sterling	—	48,634	155,027	203,661
US Dollar	549	29,866	205	30,620
<b>Total</b>	<b>2,753</b>	<b>117,093</b>	<b>166,960</b>	<b>286,806</b>
	Floating rate financial liabilities £'000	Fixed rate financial liabilities £'000	Financial liabilities not carrying interest £'000	Total £'000
<b>Currency Liabilities</b>				
<b>30/09/23</b>				
Euro	—	—	78,664	78,664
Sterling	—	—	3,576	3,576
US Dollar	—	—	59,055	59,055
<b>Total</b>	<b>—</b>	<b>—</b>	<b>141,295</b>	<b>141,295</b>
<b>30/09/22</b>				
Euro	—	—	93,350	93,350
Sterling	474	—	9,224	9,698
US Dollar	—	—	60,700	60,700
<b>Total</b>	<b>474</b>	<b>—</b>	<b>163,274</b>	<b>163,748</b>

**(c) Counterparty risk**

The table below shows the counterparty risk as at the balance sheet date:

	Counterparty	Derivative Exposure £'000	Collateral Posted £'000	Collateral Received £'000	Collateral Asset Class
<b>2023</b>					
	BNP Paribas	1	—	—	
	Goldman Sachs	—	816	—	Bonds

**Notes to the Financial Statements (continued)**  
For the year ended 30 September 2023

**14. Derivatives and other financial instruments (continued)**

**(c) Counterparty risk (continued)**

Counterparty	Derivative Exposure £'000	Collateral Posted £'000	Collateral Received £'000	Collateral Asset Class
<b>2022</b>				
Barclays	430	3,757	—	Bonds
NatWest	—	—	141	Bonds

**(d) Leverage**

There was 120.60% leverage as at 30 September 2023, other than that available to the Fund as a result of its ability to borrow up to 10% of its value on a permanent basis.

	Average Leverage	Highest Leverage	Lowest Leverage	30/09/23
Omnis Short-Dated Bond Fund	74.74%	135.55%	43.97%	120.60%

**15. Portfolio transaction costs**

	01/10/22 to 30/09/23 £'000		01/10/21 to 30/09/22 £'000	
<b>Analysis of total purchase costs</b>				
Purchases in the year before transaction costs:				
Bonds		117,063		96,303
Collective Investment Schemes		3,644		16,635
		120,707		112,938
<b>Gross purchase total</b>		<b>120,707</b>		<b>112,938</b>
<b>Analysis of total sale costs</b>				
Gross sales in the year before transaction costs:				
Bonds		79,080		86,038
Collective Investment Schemes		5,158		18,504
		84,238		104,542
<b>Total sales net of transaction costs</b>		<b>84,238</b>		<b>104,542</b>

The portfolio transaction costs table above includes direct transaction costs suffered by the Fund during the year.

## Notes to the Financial Statements (continued)

For the year ended 30 September 2023

### 15. Portfolio transaction costs (continued)

	01/10/22 to 30/09/23 %	01/10/21 to 30/09/22 %
<b>Transaction costs as percentage of principal amounts</b>		
Purchases - Commissions		
Bonds	0.0000	0.0000
Collective Investment Schemes	0.0000	0.0000
Purchases - Taxes		
Bonds	0.0000	0.0000
Collective Investment Schemes	0.0000	0.0000
Sales - Commissions		
Bonds	0.0000	0.0000
Collective Investment Schemes	0.0000	0.0000
Sales - Taxes		
Bonds	0.0000	0.0000
Collective Investment Schemes	0.0000	0.0000
	01/10/22 to 30/09/23 %	01/10/21 to 30/09/22 %
<b>Transaction costs as percentage of average net asset value</b>		
Commissions	0.0000	0.0000
Taxes	0.0000	0.0000

At the balance sheet date the average portfolio dealing spread was 0.35% (2022: 0.60%).

### 16. Post balance sheet events

Subsequent to the year end, the net asset value per unit of the fund has increased from 93.26p to 96.51p as at 26 January 2024. This movement takes into account routine transactions but also reflects the market movements of recent months.

### 17. Fair value disclosure

Valuation technique	30/09/23		30/09/22	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
<b>Level 1:</b> The unadjusted quoted price in an active market for identical assets or liabilities	22,817	(313)	20,298	(1)
<b>Level 2:</b> Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly	138,108	(1,507)	110,625	(11,244)
<b>Level 3:</b> Inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability	—	—	—	—
	<b>160,925</b>	<b>(1,820)</b>	<b>130,923</b>	<b>(11,245)</b>



## Distribution Table

As at 30 September 2023

### Interim Distribution in pence per Share

- Group 1 Shares purchased prior to 1 October 2022  
 Group 2 Shares purchased on or after 1 October 2022 to 31 March 2023

	Net revenue (p)	Equalisation (p)	Distribution paid 31/05/2023 (p)	Distribution paid 31/05/2022 (p)
<b>Share Class A Income</b>				
Group 1	1.6638	—	1.6638	1.1052
Group 2	0.5025	1.1613	1.6638	1.1052

### Final Distribution in pence per Share

- Group 1 Shares purchased prior to 1 April 2023  
 Group 2 Shares purchased on or after 1 April 2023 to 30 September 2023

	Net revenue (p)	Equalisation (p)	Distribution payable 30/11/2023 (p)	Distribution paid 30/11/2022 (p)
<b>Share Class A Income</b>				
Group 1	1.9294	—	1.9294	1.6015
Group 2	1.1379	0.7915	1.9294	1.6015

## **Investment Manager's Report**

### **For the year ended 30 September 2023**

### **Investment Objective**

The Fund aims to achieve a return consisting primarily of income and some capital growth which exceeds that of the ICE BofA Sterling Corporate Bond TR Index, after all fees and expenses, over a five-year rolling period.

### **Investment Policy**

The Fund intends to invest at least 80% in sterling denominated and sterling hedged corporate bond securities, rated BBB or higher.

The Fund may also invest in other transferable securities, units in collective investment schemes (including exchange traded funds and other schemes managed and operated by the ACD or its associates), money market instruments, warrants, cash, near cash and deposits as detailed in the Prospectus.

Derivatives may be used both for investment purposes and for efficient portfolio management.

### **Benchmark**

The performance of the Fund will be measured against the ICE BofA Sterling Corporate Bond TR Index\* for target return purposes.

This index was chosen as it was considered a fair representation of the assets in which the fund will invest, in line with its investment objectives and policy.

### **Portfolio Review**

Over the period the Fund returned 8.65% [source: Return after operating charges as per Comparative Table] and the benchmark returned 8.92% [source: Financial Express, bid to bid, net income reinvested].

\*The index data provided has been licensed for use by its third-party providers who do not accept any liability for errors or omissions. For full disclaimer please see <https://omnisinvestments.com/disclaimers>

The 12 months in review constituted a volatile but ultimately positive period for sterling investment grade (IG) corporate bonds. The yields offered by underlying UK government bonds, or 'gilts', rose significantly (meaning that their prices fell) but the impact of this on corporate bond prices was offset by tightening credit spreads (the yield difference between corporate and risk-free government bonds).

Interest-rate-related effects detracted from fund performance overall. In particular, an overweight in the 15–25-year segment of the yield curve proved disadvantageous as yields on long-dated bonds rose by more than shorter-dated counterparts.

Credit strategies helped performance in aggregate. An overweight in credit risk (or 'beta'), including exposure to high-yield bonds, added value as credit spreads tightened. The Fund's industry positioning was strongly beneficial, mainly because a significant underweight in housing associations meant the Fund was underweight in real estate; a sector which greatly underperformed the benchmark. Overweights in consumer goods, services, technology and media were also favourable, while the overweight in utilities and underweight in consumer non-cyclical hindered performance.

**Investment Manager's Report (continued)**

For the year ended 30 September 2023

Credit selection proved unfavourable. The largest detractor at the issuer level was European real estate company Aroundtown, which underperformed in the fourth quarter (Q4) of 2022 after the issuer suggested it would not 'call' (redeem ahead of the maturity date) a hybrid bond at the earliest opportunity. The position in Aroundtown added value over the remainder of the period, but not enough to overturn the earlier weakness. Other notable detractors included Southern Water Services; Warner Bros Discovery; logistics property group P3; and US telecommunications firm AT&T. Top contributors included HSBC, Netflix, and British American Tobacco.

With regards to Fund positioning, the portfolio's duration (interest-rate sensitivity) was kept a little higher than that of the benchmark, a stance which had negligible impact on performance overall.

At the sector level, the biggest moves in terms of contribution to spread duration (sensitivity to changes in credit spreads) were increasing the overweight to utilities and moving slightly underweight in banks and financial services. The large underweight in real estate (including housing associations) was widened, while the modest overweights in food & beverage and media were trimmed somewhat.

Large individual purchases over the period included new issues from banking groups Crédit Agricole, HSBC, Santander, Morgan Stanley and ING; utilities EDF, Wessex Water and Suez (a green bond); as well as tech company IBM, insurer MetLife, oil major BP and pharmaceutical giant Pfizer. Sales included exiting London Power Networks; Toronto-Dominion Bank; Berkshire Hathaway (investment); LVMH (luxury goods); Fidelity National Information Services (payments processing); Paragon (housing); Axa; Deutsche Telekom; Citigroup; and Iqvia (healthcare IT).

**Threadneedle Asset Management Limited**

October 2023

## Material Portfolio Changes

For the year ended 30 September 2023

Purchases		Sales	
Portfolio Name	Cost £'000	Portfolio Name	Proceeds £'000
UK Treasury 4.125% 29/01/2027	42,538	UK Treasury 4.125% 29/01/2027	29,965
UK Treasury 1.75% 07/09/2037	17,806	UK Treasury 0.375% 22/10/2026	25,832
UK Treasury 1.25% 22/10/2041	11,902	UK Treasury 1.75% 07/09/2037	17,480
UK Treasury 0.375% 22/10/2026	8,224	UK Treasury 0.625% 22/10/2050	7,419
UK Treasury 0.625% 31/07/2035	7,725	UK Treasury 0.625% 31/07/2035	5,237
International Business Machines 4.875% 06/02/2038	6,172	Bank of America 1.667% 02/06/2029	4,641
UK Treasury 0.875% 31/01/2046	5,911	ING 1% 07/12/2028	4,511
Credit Agricole 4.875% 23/10/2029	5,760	UK Treasury 1.25% 22/10/2041	4,209
HSBC 8.201% 16/11/2034	5,561	London Power Networks 6.125% 07/06/2027	3,641
HSBC 6.8% 14/09/2031	4,630	HSBC 4.75% 24/02/2046	3,374

The above table complements the data provided in the investment managers report by outlining the top 10 portfolio components.

## Comparative Table

As at 30 September 2023

	30/09/23 (p)	A Income 30/09/22 (p)	30/09/21 (p)
<b>Change in net assets per Share</b>			
Opening net asset value per share	78.86	108.76	110.76
Return before operating charges*	6.82	(26.73)	1.29
Operating charges	—	(0.46)	(0.52)
Return after operating charges	6.82	(27.19)	0.77
Distributions	(3.42)	(2.71)	(2.77)
Closing net asset value per share	82.26	78.86	108.76
*after direct transaction cost of:	0.00	0.00	0.00
<b>Performance</b>			
Return after operating charges	8.65%	(25.00%)	0.70%
<b>Other information</b>			
Closing net asset value (£'000)	467,715	411,042	476,010
Closing number of shares	568,594,901	521,211,743	437,677,172
Operating charges	0.46%	0.46%	0.46%
Direct transaction costs	0.00%	0.00%	0.00%
<b>Prices (p)**</b>			
Highest share price	90.63	112.19	116.46
Lowest share price	75.63	78.96	109.20

\*\*The highest and lowest share prices are based on published price. The opening and closing net asset values per share include accounting adjustments, therefore they may appear higher or lower as a result.

**Performance Information**

As at 30 September 2023

**Operating Charge**

Date	AMC (%)	Other expenses (%)	Transaction costs (%)	Total operating charge (%)
30/09/23 Share Class A Income	0.43	0.02	0.01	0.46
30/09/22 Share Class A Income	0.43	0.03	0.00	0.46

The Operating Charge is the ratio of the Fund's total disclosable costs (excluding overdraft interest) to the average net assets of the Fund.

**Risk and Reward Profile**

As at 30 September 2023

	Typically lower rewards				Typically higher rewards		
	Lower risks				Higher risks		
Share Class A	1	2	3	4	5	6	7

- This indicator is based on historical data and may not be a reliable indication of the future risk profile of the Fund.
- The risk category shown is not guaranteed to remain unchanged and may shift over time.
- The risk and reward indicator table demonstrates where a Fund ranks in terms of its potential risk and return. The higher the rank the greater the potential reward but the greater the risk of losing money. The lowest category does not mean 'risk free'.
- The Fund appears as a "4" on the scale. This is because the Fund invests in assets that typically carry medium risk and offer medium rewards compared with other categories of assets.

**Risk Warning**

An investment in an Open Ended Investment Company should be regarded as a medium to long-term investment. Investors should be aware that the price of shares and the income from them may fall as well as rise and investors may not receive back the full amount invested. Past performance is not a guide to future performance. Investments denominated in currencies other than the base currency of a Fund are subject to fluctuation in exchange rates, which may be favourable or unfavourable.

## Portfolio Statement

As at 30 September 2023

Holdings or Nominal Value	Investments	Market value £'000	% of Total Net Assets
<b>Australia 2.10% (1.97%)</b>			
GBP 2,100,000	APA Infrastructure 2.5% 15/03/2036	1,362	0.29
GBP 3,860,000	APA Infrastructure 3.5% 22/03/2030	3,243	0.69
GBP 2,272,000	Australia & New Zealand Banking 1.809% 16/09/2031	1,941	0.42
USD 2,216,000	NBN 5.75% 06/10/2028	1,822	0.39
USD 1,900,000	SGSP Australia Assets 3.25% 29/07/2026	1,453	0.31
		<b>9,821</b>	<b>2.10</b>
<b>Belgium 0.55% (1.29%)</b>			
GBP 1,300,000	KBC 1.25% 21/09/2027	1,129	0.24
GBP 1,500,000	KBC 5.5% 20/09/2028	1,460	0.31
		<b>2,589</b>	<b>0.55</b>
<b>Bermuda 1.45% (1.79%)</b>			
USD 8,140,000	Bacardi 4.7% 15/05/2028	6,336	1.35
USD 659,000	Bacardi 5.3% 15/05/2048	466	0.10
		<b>6,802</b>	<b>1.45</b>
<b>Canada 0.00% (0.72%)</b>			
<b>Cayman Islands 1.20% (1.48%)</b>			
GBP 1,503,000	Southern Water Services Finance 2.375% 28/05/2028	1,238	0.27
GBP 4,949,000	Southern Water Services Finance 3% 28/05/2037	3,165	0.68
GBP 1,200,000	Southern Water Services Finance 6.64% 31/03/2026	1,188	0.25
		<b>5,591</b>	<b>1.20</b>
<b>Denmark 0.87% (0.43%)</b>			
GBP 1,529,000	Danske Bank 4.625% 13/04/2027	1,477	0.32
GBP 2,553,000	Danske Bank 6.5% 23/08/2028	2,588	0.55
		<b>4,065</b>	<b>0.87</b>
<b>France 5.93% (4.89%)</b>			
GBP 3,000,000	Banque Federative du Credit Mutuel 1.875% 26/10/2028	2,499	0.53
GBP 1,300,000	BNP Paribas 5.75% 13/06/2032	1,255	0.27
GBP 2,300,000	BNP Paribas 6% 18/08/2029	2,312	0.50
EUR 1,800,000	BPCE 2.125% 13/10/2046	1,133	0.24
GBP 1,600,000	Credit Agricole 1.874% 09/12/2031	1,363	0.29
GBP 5,700,000	Credit Agricole 4.875% 23/10/2029	5,418	1.16
GBP 1,450,000	Credit Agricole 7.5% Perpetual	1,365	0.29
GBP 850,000	Electricite de France 5.125% 22/09/2050	667	0.14
GBP 5,800,000	Electricite de France 5.5% 17/10/2041	4,981	1.07
GBP 400,000	Electricite de France 5.625% 25/01/2053	335	0.07
GBP 1,600,000	Electricite de France 6% 23/01/2114	1,316	0.28

**Portfolio Statement (continued)**

As at 30 September 2023

Holdings or Nominal Value	Investments	Market value £'000	% of Total Net Assets
<b>France 5.93% (4.89%) (continued)</b>			
USD 2,800,000	Electricite de France 6.9% 23/05/2053	2,254	0.48
GBP 1,400,000	La Banque Postale 5.625% 21/09/2028	1,345	0.29
GBP 1,500,000	Societe Generale 6.25% 22/06/2033	1,510	0.32
		<b>27,753</b>	<b>5.93</b>
<b>Germany 4.61% (3.19%)</b>			
EUR 1,000,000	Bayer 7% 25/09/2083	859	0.18
EUR 1,200,000	Commerzbank 1.375% 29/12/2031	867	0.19
GBP 1,100,000	Commerzbank 8.625% 28/02/2033	1,101	0.24
GBP 3,300,000	Deutsche Bank 1.875% 22/12/2028	2,690	0.57
GBP 3,500,000	Deutsche Bank 6.125% 12/12/2030	3,252	0.70
GBP 2,395,000	Kreditanstalt fuer Wiederaufbau 0.75% 07/12/2027	2,031	0.43
GBP 6,240,000	Kreditanstalt fuer Wiederaufbau 0.875% 15/09/2026	5,554	1.19
EUR 1,700,000	Mahle 2.375% 14/05/2028	1,124	0.24
EUR 200,000	Vier Gas Transport 0.125% 10/09/2029	137	0.03
EUR 100,000	Vier Gas Transport 0.5% 10/09/2034	57	0.01
EUR 2,300,000	Vier Gas Transport 4.625% 26/09/2032	2,010	0.43
EUR 2,200,000	Vonovia 5% 23/11/2030	1,877	0.40
		<b>21,559</b>	<b>4.61</b>
<b>Ireland 3.02% (2.65%)</b>			
EUR 1,930,000	AIB 2.875% 30/05/2031	1,546	0.33
GBP 970,000	Bank of Ireland 7.594% 06/12/2032	961	0.20
GBP 6,630,000	GE Capital UK Funding 5.875% 18/01/2033	6,504	1.39
EUR 2,510,000	Permanent TSB 6.625% 25/04/2028	2,201	0.47
GBP 3,327,000	Zurich Finance Ireland Designated Activity 5.125% 23/11/2052	2,933	0.63
		<b>14,145</b>	<b>3.02</b>
<b>Italy 0.78% (0.64%)</b>			
EUR 1,757,000	Autostrade per l'Italia 2.25% 25/01/2032	1,219	0.26
GBP 2,070,000	Intesa Sanpaolo 2.625% 11/03/2036	1,340	0.29
GBP 1,141,000	Intesa Sanpaolo 6.625% 31/05/2033	1,104	0.23
		<b>3,663</b>	<b>0.78</b>
<b>Jersey 0.54% (1.08%)</b>			
GBP 651,000	Glencore Finance Europe 3.125% 26/03/2026	611	0.13
GBP 1,121,000	Jersey International Bond 2.875% 06/05/2052	687	0.15
GBP 1,320,000	Porterbrook Rail Finance 4.625% 04/04/2029	1,226	0.26
		<b>2,524</b>	<b>0.54</b>
<b>Luxembourg 2.77% (3.46%)</b>			
GBP 3,708,000	Aroundtown 3% 16/10/2029	2,515	0.54
GBP 2,763,000	Aroundtown 3.625% 10/04/2031	1,809	0.39



**Portfolio Statement (continued)**

As at 30 September 2023

Holdings or Nominal Value	Investments	Market value £'000	% of Total Net Assets
<b>Luxembourg 2.77% (3.46%) (continued)</b>			
GBP 901,000	CPI Property 2.75% 22/01/2028	637	0.14
GBP 5,156,000	European Investment Bank 0.875% 15/05/2026	4,647	0.99
EUR 3,569,000	P3 1.625% 26/01/2029	2,453	0.52
EUR 1,500,000	Prologis International Funding II 0.75% 23/03/2033	888	0.19
		<b>12,949</b>	<b>2.77</b>
<b>Mexico 0.14% (0.24%)</b>			
EUR 984,000	Petroleos Mexicanos 4.75% 26/02/2029	644	0.14
		<b>644</b>	<b>0.14</b>
<b>Netherlands 5.86% (6.25%)</b>			
GBP 2,770,000	Cooperatieve Rabobank 4.625% 23/05/2029	2,515	0.54
GBP 1,500,000	E.ON International Finance 6.125% 06/07/2039	1,474	0.32
GBP 6,100,000	E.ON International Finance 6.25% 03/06/2030	6,225	1.33
GBP 3,200,000	E.ON International Finance 6.375% 07/06/2032	3,293	0.70
GBP 1,050,000	E.ON International Finance 6.75% 27/01/2039	1,090	0.23
GBP 2,900,000	ING 6.25% 20/05/2033	2,762	0.59
EUR 706,000	Sagax Euro Mtn NL 0.75% 26/01/2028	488	0.11
GBP 1,325,000	Shell International Finance 1.75% 10/09/2052	576	0.12
EUR 700,000	Telefonica Europe 7.125% Perpetual	623	0.13
EUR 2,600,000	Triodos Bank 2.25% 05/02/2032	1,671	0.36
GBP 2,100,000	Volkswagen Financial Services 1.375% 14/09/2028	1,675	0.36
GBP 4,200,000	Volkswagen Financial Services 2.125% 18/01/2028	3,550	0.76
EUR 2,800,000	Vonovia Finance 1.625% 07/10/2039	1,446	0.31
		<b>27,388</b>	<b>5.86</b>
<b>Spain 0.82% (0.76%)</b>			
GBP 3,600,000	Banco Santander 5.125% 25/01/2030	3,392	0.73
GBP 450,000	Telefonica Emisiones 5.445% 08/10/2029	439	0.09
		<b>3,831</b>	<b>0.82</b>
<b>Sweden 0.22% (0.17%)</b>			
EUR 1,385,000	Sagax 1.125% 30/01/2027	1,040	0.22
		<b>1,040</b>	<b>0.22</b>
<b>Switzerland 1.67% (2.45%)</b>			
GBP 2,205,000	UBS 1.125% 15/12/2025	1,982	0.42
GBP 1,499,000	UBS 2.125% 15/11/2029	1,222	0.26
GBP 5,385,000	UBS 2.25% 09/06/2028	4,630	0.99
		<b>7,834</b>	<b>1.67</b>

**Portfolio Statement (continued)**

As at 30 September 2023

Holdings or Nominal Value	Investments	Market value £'000	% of Total Net Assets
<b>United Kingdom 46.84% (43.19%)</b>			
GBP 2,400,000	Anglian Water Osprey Financing 2% 31/07/2028	1,821	0.39
GBP 910,000	Anglian Water Services Financing 2.625% 15/06/2027	810	0.17
GBP 3,120,000	Anglo American Capital 3.375% 11/03/2029	2,720	0.58
GBP 1,700,000	Annington Funding 2.924% 06/10/2051	885	0.19
GBP 1,676,000	Arqiva Financing 7.21% 30/06/2028	1,721	0.37
GBP 2,605,000	Aviva 4.375% 12/09/2049	2,263	0.48
GBP 666,000	Aviva 5.125% 04/06/2050	589	0.13
USD 6,521,000	Barclays 5.746% 09/08/2033	4,913	1.05
USD 1,300,000	Barclays 6.692% 13/09/2034	1,038	0.22
GBP 857,000	Barclays 8.407% 14/11/2032	874	0.19
GBP 995,000	Barclays Bank 5.75% 14/09/2026	986	0.21
GBP 6,130,000	BAT International Finance 2.25% 26/06/2028	5,176	1.11
GBP 2,316,000	Blend Funding 2.922% 05/04/2054	1,333	0.29
GBP 1,242,000	Blend Funding 3.459% 21/09/2047	860	0.18
GBP 2,197,000	BP Capital Markets 5.773% 25/05/2038	2,160	0.46
GBP 1,092,000	British Telecommunications 5.75% 13/02/2041	996	0.21
GBP 976,000	Bromford Housing 3.125% 03/05/2048	636	0.14
GBP 2,200,000	Bunzl Finance 1.5% 30/10/2030	1,656	0.35
GBP 2,176,000	BUPA Finance 4% Perpetual	1,325	0.28
GBP 830,000	BUPA Finance 4.125% 14/06/2035	613	0.13
GBP 6,060,000	Cadent Finance 2.625% 22/09/2038	3,794	0.81
GBP 3,580,000	Cadent Finance 2.75% 22/09/2046	1,984	0.42
GBP 725,000	Catalyst Housing 3.125% 31/10/2047	454	0.10
GBP 425,000	Centrica 4.25% 12/09/2044	320	0.07
GBP 1,779,000	Church Commissioners for England 3.625% 14/07/2052	1,259	0.27
GBP 1,500,000	Clarion Funding 1.875% 07/09/2051	662	0.14
GBP 1,382,000	Co-Operative Bank Finance 6% 06/04/2027	1,258	0.27
GBP 2,100,000	Diageo Finance 1.25% 28/03/2033	1,481	0.32
GBP 962,000	Diageo Finance 2.75% 08/06/2038	690	0.15
EUR 1,400,000	DS Smith 0.875% 12/09/2026	1,095	0.23
GBP 4,102,000	DS Smith 2.875% 26/07/2029	3,457	0.74
GBP 1,730,000	Eastern Power Networks 8.5% 31/03/2025	1,775	0.38
GBP 1,561,000	ENW Finance 4.893% 24/11/2032	1,458	0.31
GBP 1,620,000	Eversholt Funding 3.529% 07/08/2042	1,149	0.25
GBP 810,000	Experian Finance 3.25% 07/04/2032	682	0.15
GBP 1,000,000	Guinness Partnership 4% 24/10/2044	773	0.17
GBP 1,489,000	Haleon UK Capital 3.375% 29/03/2038	1,122	0.24
GBP 1,585,000	Heathrow Funding 2.75% 09/08/2049	867	0.19
GBP 600,000	Heathrow Funding 4.625% 31/10/2046	466	0.10
GBP 1,651,000	Home 3.125% 27/03/2043	1,082	0.23
USD 4,060,000	HSBC 5.402% 11/08/2033	3,058	0.65
GBP 4,616,000	HSBC 6.8% 14/09/2031	4,657	1.00
GBP 5,515,000	HSBC 8.201% 16/11/2034	5,698	1.22

**Portfolio Statement (continued)**

As at 30 September 2023

Holdings or Nominal Value	Investments	Market value £'000	% of Total Net Assets
<b>United Kingdom 46.84% (43.19%) (continued)</b>			
GBP 4,679,000	Imperial Brands Finance 5.5% 28/09/2026	4,591	0.98
GBP 800,000	InterContinental Hotels 3.375% 08/10/2028	703	0.15
GBP 2,104,000	Jigsaw Funding 3.375% 05/05/2052	1,414	0.30
GBP 5,512,000	Legal & General 3.75% 26/11/2049	4,569	0.98
GBP 2,335,000	Legal & General 5.125% 14/11/2048	2,152	0.46
GBP 944,000	Libra Longhurst Group Treasury NO 2 3.25% 15/05/2043	631	0.13
GBP 1,385,000	M&G 6.25% 20/10/2068	1,143	0.24
GBP 1,597,000	M&G 6.34% 19/12/2063	1,355	0.29
GBP 735,000	Marks & Spencer 6% 12/06/2025	727	0.16
GBP 345,424	Marston's Issuer 6.5892% 15/10/2027	322	0.07
GBP 515,720	Mitchells & Butlers Finance 5.574% 15/12/2030	491	0.11
GBP 1,424,677	Mitchells & Butlers Finance 6.013% 15/12/2028	1,307	0.28
GBP 2,773,000	Motability Operations 1.5% 20/01/2041	1,518	0.32
GBP 1,323,000	Motability Operations 2.125% 18/01/2042	789	0.17
GBP 1,081,000	Motability Operations 5.625% 11/09/2035	1,069	0.23
GBP 838,000	National Gas Transmission 1.125% 14/01/2033	540	0.12
GBP 916,000	National Gas Transmission 1.625% 14/01/2043	439	0.09
GBP 869,000	National Gas Transmission 5.75% 05/04/2035	825	0.18
GBP 1,710,000	National Grid Electricity Distribution 3.5% 16/10/2026	1,598	0.34
GBP 3,309,000	National Grid Electricity Distribution East Midlands 1.75% 09/09/2031	2,462	0.53
GBP 4,152,000	National Grid Electricity Distribution South Wales 1.625% 07/10/2035	2,619	0.56
GBP 2,017,000	National Grid Electricity Distribution South West 5.875% 25/03/2027	2,027	0.43
GBP 2,600,000	National Grid Electricity Transmission 1.125% 07/07/2028	2,116	0.45
GBP 4,503,000	National Grid Electricity Transmission 2% 16/09/2038	2,700	0.58
GBP 960,000	Nationwide Building Society 6.125% 21/08/2028	971	0.21
GBP 2,018,000	Nats En Route 1.375% 31/03/2031	1,692	0.36
GBP 406,000	Nats En Route 1.75% 30/09/2033	288	0.06
GBP 1,273,000	NatWest 2.105% 28/11/2031	1,084	0.23
GBP 3,640,000	NatWest 3.619% 29/03/2029	3,231	0.69
GBP 1,825,000	NatWest Markets 6.375% 08/11/2027	1,844	0.39
GBP 3,320,000	NewRiver REIT 3.5% 07/03/2028	2,812	0.60
GBP 3,260,000	NGG Finance 5.625% 18/06/2073	3,109	0.66
GBP 1,567,000	NIE Finance 5.875% 01/12/2032	1,566	0.33
GBP 145,000	Northern Gas Networks Finance 4.875% 30/06/2027	141	0.03
GBP 754,000	Northern Powergrid Northeast 1.875% 16/06/2062	320	0.07
GBP 2,100,000	Northumbrian Water Finance 2.375% 05/10/2027	1,825	0.39

**Portfolio Statement (continued)**

As at 30 September 2023

Holdings or Nominal Value	Investments	Market value £'000	% of Total Net Assets
<b>United Kingdom 46.84% (43.19%) (continued)</b>			
GBP 2,654,000	Northumbrian Water Finance 4.5% 14/02/2031	2,385	0.51
GBP 2,271,000	Northumbrian Water Finance 6.375% 28/10/2034	2,237	0.48
GBP 750,000	Orbit Capital 2% 24/11/2038	453	0.10
GBP 485,000	Peabody Capital No 2 4.625% 12/12/2053	385	0.08
GBP 1,521,000	Peabody Capital No. 2 2.75% 02/03/2034	1,152	0.25
GBP 1,255,000	Pension Insurance 5.625% 20/09/2030	1,113	0.24
GBP 1,900,000	Phoenix 5.625% 28/04/2031	1,670	0.36
GBP 1,524,000	Places For People Treasury 2.5% 26/01/2036	1,038	0.22
GBP 2,039,000	Rentokil Initial 5% 27/06/2032	1,898	0.41
GBP 668,000	RHP Finance 3.25% 05/02/2048	454	0.10
GBP 1,500,000	RL Finance Bonds NO 6 10.125% 31/12/2099	1,463	0.31
GBP 847,000	Saltaire Finance 1.527% 23/11/2051	384	0.08
GBP 1,008,000	Saltaire Finance 4.809% 14/03/2053	937	0.20
GBP 1,800,000	Santander 7.482% 29/08/2029	1,848	0.40
GBP 1,300,000	Scottish Hydro Electric Transmission 1.5% 24/03/2028	1,096	0.23
GBP 1,481,000	Scottish Hydro Electric Transmission 2.25% 27/09/2035	1,026	0.22
GBP 1,690,000	Severn Trent Utilities Finance 2% 02/06/2040	959	0.21
GBP 1,605,000	Severn Trent Utilities Finance 2.625% 22/02/2033	1,222	0.26
GBP 1,064,000	Severn Trent Utilities Finance 4.625% 30/11/2034	945	0.20
GBP 950,000	Southern Electric Power Distribution 4.625% 20/02/2037	822	0.18
GBP 2,641,000	Southern Gas Networks 1.25% 02/12/2031	1,824	0.39
GBP 4,446,000	Southern Gas Networks 3.1% 15/09/2036	3,155	0.67
GBP 1,204,000	SP Transmission 2% 13/11/2031	944	0.20
GBP 2,400,000	Suez 6.625% 05/10/2043	2,382	0.51
GBP 1,396,000	Telereal Securitisation 1.9632% 10/12/2033	1,248	0.27
GBP 878,306	Tesco Property Finance 1 7.6227% 13/07/2039	936	0.20
GBP 1,127,534	Tesco Property Finance 3 5.744% 13/04/2040	1,045	0.22
0	Tesco Property Finance 3 5.744% 13/04/2040	0	0.00
GBP 1,430,000	Thames Water Kemble Finance 4.625% 19/05/2026	872	0.19
GBP 1,878,000	Thames Water Utilities Finance 2.375% 22/04/2040	1,008	0.22
GBP 2,675,000	Thames Water Utilities Finance 2.625% 24/01/2032	1,964	0.42
GBP 1,760,000	UK Treasury 0.5% 31/01/2029	1,439	0.31
GBP 2,465,915	UK Treasury 0.625% 22/10/2050	911	0.19
GBP 3,405,000	UK Treasury 0.625% 31/07/2035	2,191	0.47
GBP 7,918,000	UK Treasury 0.875% 31/01/2046	3,653	0.78
GBP 13,416,460	UK Treasury 1.25% 22/10/2041	7,732	1.65
GBP 846,000	UK Treasury 1.25% 31/07/2051	384	0.08
GBP 7,000,000	UK Treasury 1.75% 07/09/2037	4,923	1.05
GBP 12,593,000	UK Treasury 4.125% 29/01/2027	12,409	2.65

**Portfolio Statement (continued)**

As at 30 September 2023

Holdings or Nominal Value	Investments	Market value £'000	% of Total Net Assets
<b>United Kingdom 46.84% (43.19%) (continued)</b>			
GBP 4,868,700	UK Treasury 4.5% 07/06/2028	4,871	1.04
GBP 1,275,000	UNITE 3.5% 15/10/2028	1,122	0.24
GBP 1,022,000	United Utilities Water Finance 1.75% 10/02/2038	603	0.13
GBP 715,000	United Utilities Water Finance 1.875% 03/06/2042	382	0.08
GBP 1,624,000	University of Oxford 2.544% 08/12/2117	766	0.16
GBP 1,436,000	Virgin Money 2.625% 19/08/2031	1,229	0.26
GBP 1,300,000	Virgin Money 4% 03/09/2027	1,188	0.25
GBP 627,000	Virgin Money 5.125% 11/12/2030	589	0.13
GBP 992,000	Virgin Money 7.625% 23/08/2029	1,007	0.22
GBP 2,530,000	Vodafone 3% 12/08/2056	1,349	0.29
GBP 1,406,000	Wellcome Trust 1.5% 14/07/2071	499	0.11
GBP 2,838,000	Wessex Water Services Finance 5.125% 31/10/2032	2,618	0.56
GBP 1,300,000	WPP Finance 2013 2.875% 14/09/2046	720	0.15
		<b>219,056</b>	<b>46.84</b>

<b>United States 19.22% (21.16%)</b>			
USD 1,529,000	Amgen 5.65% 02/03/2053	1,166	0.25
USD 2,607,000	Amgen 5.75% 02/03/2063	1,962	0.42
GBP 8,880,000	AT&T 4.25% 01/06/2043	6,643	1.42
GBP 500,000	AT&T 4.875% 01/06/2044	402	0.09
GBP 300,000	AT&T 7% 30/04/2040	310	0.07
GBP 7,575,000	Bank of America 1.667% 02/06/2029	6,265	1.34
GBP 4,247,000	Bank of America 3.584% 27/04/2031	3,678	0.79
USD 2,029,000	Broadcom 4.15% 15/04/2032	1,438	0.31
USD 477,000	Deutsche Bank 7.079% 10/02/2034	352	0.07
GBP 3,083,000	Digital Stout Holding 3.3% 19/07/2029	2,602	0.56
GBP 3,525,000	Digital Stout Holding 3.75% 17/10/2030	2,965	0.63
GBP 500,000	Fiserv 2.25% 01/07/2025	471	0.10
GBP 3,808,000	Fiserv 3% 01/07/2031	3,120	0.67
GBP 1,699,000	Ford Motor Credit 4.535% 06/03/2025	1,620	0.35
GBP 730,000	General Electric 4.875% 18/09/2037	616	0.13
GBP 1,674,000	Goldman Sachs 1.5% 07/12/2027	1,411	0.30
GBP 4,680,000	International Bank for Reconstruction & Development 0.25% 23/09/2027	3,910	0.84
GBP 4,382,000	International Business Machines 4.875% 06/02/2038	3,854	0.82
USD 1,630,000	JPMorgan Chase 2.58% 22/04/2032	1,050	0.22
USD 3,280,000	JPMorgan Chase 4.912% 25/07/2033	2,468	0.53
GBP 5,538,000	Kraft Heinz Foods 4.125% 01/07/2027	5,256	1.12
GBP 1,756,000	Metropolitan Life Global Funding I 0.625% 08/12/2027	1,438	0.31
GBP 4,388,000	Metropolitan Life Global Funding I 5% 10/01/2030	4,233	0.90
GBP 4,367,000	Morgan Stanley 5.789% 18/11/2033	4,222	0.90
EUR 1,914,000	Netflix 3.625% 15/06/2030	1,571	0.34

**Portfolio Statement (continued)**

As at 30 September 2023

Holdings or Nominal Value	Investments	Market value £'000	% of Total Net Assets
<b>United States 19.22% (21.16%) (continued)</b>			
GBP 3,031,000	New York Life Global Funding 0.75% 14/12/2028	2,423	0.52
GBP 1,965,000	New York Life Global Funding 1.25% 17/12/2026	1,729	0.37
USD 1,680,000	Pacific Gas and Electric 4.95% 01/07/2050	1,017	0.22
GBP 5,022,000	PepsiCo 3.55% 22/07/2034	4,289	0.92
GBP 3,205,000	Time Warner Cable 5.25% 15/07/2042	2,534	0.54
USD 316,000	UnitedHealth 6.05% 15/02/2063	261	0.06
GBP 1,860,000	Verizon Communications 1.875% 03/11/2038	1,083	0.23
GBP 2,039,000	Verizon Communications German Listed 1.875% 19/09/2030	1,587	0.34
GBP 2,543,000	Verizon Communications US Listed 1.875% 19/09/2030	1,979	0.42
USD 2,574,000	Warnermedia 5.141% 15/03/2052	1,555	0.33
USD 2,626,000	Warnermedia 5.391% 15/03/2062	1,581	0.34
GBP 1,467,000	Wells Fargo 2.125% 24/09/2031	1,105	0.24
GBP 1,425,000	Wells Fargo 2.5% 02/05/2029	1,180	0.25
GBP 945,000	Wells Fargo 3.5% 12/09/2029	820	0.17
GBP 530,000	Welltower OP 4.5% 01/12/2034	438	0.09
GBP 3,522,000	Welltower OP 4.8% 20/11/2028	3,293	0.70
		<b>89,897</b>	<b>19.22</b>
<b>Swaps (0.09%) (0.00%)</b>			
EUR 41,300,000	Morgan Stanley Credit Default Swap EUR 1% 20/06/2028	(418)	(0.09)
		<b>(418)</b>	<b>(0.09)</b>
<b>Futures 0.28% (0.40%)</b>			
(11)	EURO-BUXL 30 Year Bond Futures December 2023	84	0.02
(5)	German Euro BOBL Futures December 2023	6	0.00
(114)	German Euro Bund Futures December 2023	295	0.06
177	UK Long Gilt Futures December 2023	(8)	0.00
(115)	US Treasury 10 Year Ultra Futures December 2023	307	0.06
(76)	US Treasury Note 5 Year Futures December 2023	33	0.01
(80)	US Treasury Ultra Bond Futures December 2023	603	0.13
		<b>1,320</b>	<b>0.28</b>
<b>Forward Currency Contracts (0.40%) (0.47%)</b>			
	Bought EUR194,412 for GBP168,198 Settlement 04/10/2023	0	0.00
	Bought USD11,124,530 for GBP9,018,233 Settlement 04/10/2023	96	0.02

**Portfolio Statement (continued)**

As at 30 September 2023

Holdings or Nominal Value	Investments	Market value £'000	% of Total Net Assets
<b>Forward Currency Contracts (0.40%) ((0.47%)) (continued)</b>			
	Sold EUR30,134,411 for GBP25,856,560 Settlement 04/10/2023	(284)	(0.06)
	Sold USD55,261,125 for GBP43,564,349 Settlement 04/10/2023	(1,711)	(0.36)
		<b>(1,899)</b>	<b>(0.40)</b>
	<b>Portfolio of investments</b>	<b>460,154</b>	<b>98.38</b>
	Net other assets	7,561	1.62
	<b>Net assets</b>	<b>467,715</b>	<b>100.00</b>

All investments are ordinary bonds unless otherwise stated and admitted to official stock exchange listings.

Comparative figures shown above in brackets relate to 30 September 2022.

Gross purchases for the year (excl. Derivatives): £260,592,000 [2022: £262,184,000]. (See note 16).

Total sales net of transaction costs for the year (excl. Derivatives): £214,518,000 [2022: £188,859,000]. (See note 16).

**Bond Ratings as at 30 September 2023**

Bonds Rating	% of Total Net Assets
AAA	3.56
AA	11.59
A	20.94
BBB	59.25
BB	3.06
B	0.19
<b>Bonds</b>	<b>98.59</b>
Uninvested Cash	1.62
Interest Rate Swaps & Forwards	(0.49)
Futures	0.28
<b>Net Assets</b>	<b>100.00</b>

Bonds not rated are of investment grade, but rating not sought by issuer.

## Statement of Total Return

For the year ended 30 September 2023

	Note	01/10/22 to 30/09/23		01/10/21 to 30/09/22	
		£'000	£'000	£'000	£'000
Income:					
Net capital gains/(losses)	2		19,324		(142,774)
Revenue	3	19,282		12,728	
Expenses	4	(2,168)		(2,137)	
Interest payable and similar charges	5	(15)		(4)	
Net revenue before taxation		17,099		10,587	
Taxation	6	—		—	
Net revenue after taxation			17,099		10,587
Total return before distributions			36,423		(132,187)
Distributions	7		(19,266)		(12,725)
<b>Change in net assets attributable to Shareholders from investment activities</b>			<b>17,157</b>		<b>(144,912)</b>

## Statement of Change in Net Assets Attributable to Shareholders

For the year ended 30 September 2023

	01/10/22 to 30/09/23		01/10/21 to 30/09/22	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to Shareholders</b>		411,042		476,010
Amounts receivable on issue of Shares	52,975		89,107	
Amounts payable on cancellation of Shares	(13,516)		(9,163)	
Dilution adjustment		39,459		79,944
Change in net assets attributable to Shareholders from investment activities (see above)		57		—
		17,157		(144,912)
<b>Closing net assets attributable to Shareholders</b>		<b>467,715</b>		<b>411,042</b>



## Balance Sheet

As at 30 September 2023

	Note	30/09/23		30/09/22	
		£'000	£'000	£'000	£'000
<b>Assets:</b>					
Fixed assets:					
Investments			462,575		405,774
Current assets:					
Debtors	8	8,613		14,036	
Cash and bank balances	9	19,135		18,812	
Total current assets			27,748		32,848
Total assets			490,323		438,622
<b>Liabilities:</b>					
Investment liabilities			(2,421)		(4,024)
Creditors:					
Bank overdrafts	11	(1,106)		(4,509)	
Distribution payable		(10,107)		(7,338)	
Other creditors	10	(8,974)		(11,709)	
Total creditors			(20,187)		(23,556)
Total liabilities			(22,608)		(27,580)
<b>Net assets attributable to Shareholders</b>			<b>467,715</b>		<b>411,042</b>

## Notes to the Financial Statements

### For the year ended 30 September 2023

#### 1. Accounting basis and policies

The Fund's financial statements have been prepared on the basis detailed on pages 15 to 18.

#### 2. Net capital gains/(losses)

	01/10/22 to 30/09/23 £'000	01/10/21 to 30/09/22 £'000
The net capital gains/(losses) during the year comprise:		
Brokers commission on futures	(8)	(5)
Currency (losses)/gains	(1,207)	67
Derivative contracts	3,101	3,383
Forward currency contracts	4,967	(5,229)
Non-derivative securities	12,501	(140,971)
Transaction charges	(31)	(19)
Class action	1	—
<b>Net capital gains/(losses)</b>	<b>19,324</b>	<b>(142,774)</b>

#### 3. Revenue

	01/10/22 to 30/09/23 £'000	01/10/21 to 30/09/22 £'000
Bank interest	34	4
Futures interest	(33)	(32)
Interest from Debt Securities	19,504	12,756
Revenue from swaps	(223)	—
<b>Total revenue</b>	<b>19,282</b>	<b>12,728</b>

**Notes to the Financial Statements (continued)**  
For the year ended 30 September 2023

**4. Expenses**

	01/10/22 to 30/09/23 £'000	01/10/21 to 30/09/22 £'000
<b>Payable to the ACD, associates of the ACD, and agents of either of them</b>		
AMC fees	2,053	2,015
	<b>2,053</b>	<b>2,015</b>
<b>Payable to the Depository, associates of the Depository and agents of either of them</b>		
Depository fees	53	52
Safe custody fees	41	46
	<b>94</b>	<b>98</b>
<b>Other expenses</b>		
Audit fees	13	13
Professional fees	10	8
Publication fees	(2)	3
	<b>21</b>	<b>24</b>
<b>Total expenses</b>	<b>2,168</b>	<b>2,137</b>

Audit fees are £10,600 ex Vat (2022: £9,975).

**5. Interest payable and similar charges**

	01/10/22 to 30/09/23 £'000	01/10/21 to 30/09/22 £'000
Interest	15	4
<b>Total interest payable and similar charges</b>	<b>15</b>	<b>4</b>

**6. Taxation**

**(a) Analysis of the tax charge in the year**

	01/10/22 to 30/09/23 £'000	01/10/21 to 30/09/22 £'000
<b>Total taxation for the year (Note 6 (b))</b>	<b>—</b>	<b>—</b>

## Notes to the Financial Statements (continued)

For the year ended 30 September 2023

### 6. Taxation (continued)

#### (b) Factors affecting the tax charge for the year

The tax assessed for the year is different from that calculated when the standard rate of corporation tax for an open ended investment company of 20% (2022: 20%) is applied to the net revenue before taxation. The differences are explained below:

	01/10/22 to 30/09/23 £'000	01/10/21 to 30/09/22 £'000
Net revenue before taxation	17,099	10,587
Net revenue for the year multiplied by the standard rate of corporation tax	3,420	2,117
<b>Effects of:</b>		
Tax deductible interest distributions	(3,420)	(2,117)
<b>Total tax charge for the year</b>	<b>—</b>	<b>—</b>

OEICs are exempt from tax on capital gains in the UK. Therefore, any capital return is not included within the reconciliation above.

#### (c) Provision for deferred tax

There is no provision required for deferred taxation at the Balance Sheet date in the current or prior year because no taxable profit is expected to be generated by the fund.

### 7. Distributions

The distributions take account of revenue received on the creation of shares and revenue deducted on the cancellation of shares, and comprise:

	01/10/22 to 30/09/23 £'000	01/10/21 to 30/09/22 £'000
Interim	9,316	6,047
Final	10,106	7,338
Add: Revenue paid on cancellation of shares	172	26
Deduct: Revenue received on creation of shares	(328)	(686)
<b>Net distribution for the year</b>	<b>19,266</b>	<b>12,725</b>
<b>Reconciliation of net revenue after taxation to distributions</b>		
Net revenue after taxation	17,099	10,587
Expenses charged to capital	2,166	2,137
Net movement in revenue account	—	1
Undistributed Revenue	1	—
<b>Net distribution for the year</b>	<b>19,266</b>	<b>12,725</b>

Details of the distributions per share are set out in the distribution tables on page 315.

**Notes to the Financial Statements (continued)**  
For the year ended 30 September 2023

**8. Debtors**

	30/09/23 £'000	30/09/22 £'000
Accrued bank interest	3	1
Accrued revenue	7,773	5,860
Amounts receivable for creation of shares	190	6,464
Sales awaiting settlement	646	1,709
Prepaid expenses	1	2
<b>Total debtors</b>	<b>8,613</b>	<b>14,036</b>

**9. Cash and bank balances**

	30/09/23 £'000	30/09/22 £'000
Cash and bank balances	14,694	11,488
Amount held at futures clearing houses and brokers	4,441	7,324
<b>Total cash and bank balances</b>	<b>19,135</b>	<b>18,812</b>

**10. Other creditors**

	30/09/23 £'000	30/09/22 £'000
Amounts payable for cancellation of shares	20	—
Purchases awaiting settlement	8,751	11,490
	8,771	11,490
<i>Accrued expenses</i>		
<i>Manager and Agents</i>		
AMC fees	170	154
	170	154
<i>Depositary and Agents</i>		
Depositary fees	9	17
Safe custody fees	7	23
Transaction charges	4	9
	20	49
<i>Other accrued expenses</i>		
Audit fees	13	12
Professional fees	—	1
Publication fees	—	3
	13	16
<b>Total other creditors</b>	<b>8,974</b>	<b>11,709</b>

**11. Bank overdrafts**

	30/09/23 £'000	30/09/22 £'000
Amounts overdrawn at futures clearing houses and brokers	1,106	4,509
<b>Total bank overdrafts</b>	<b>1,106</b>	<b>4,509</b>

## Notes to the Financial Statements (continued)

### For the year ended 30 September 2023

#### 12. Related party transactions

Management fees paid to the ACD, are disclosed in note 4 and amounts due at the year-end are disclosed in note 10.

Monies received and paid by the ACD through the creation and cancellation of shares are disclosed in the Statement of Change in Net Assets Attributable to Shareholders and amounts due at the year-end are disclosed in notes 8 and 10.

The ACD and its associates (including other authorised investment funds managed by the ACD) have no shareholdings in the company at the year-end.

#### Significant shareholdings

As at the balance sheet date, the following had significant shareholdings within the Fund:

Shareholders	30/09/23 (%)	30/09/22 (%)
Sterling ISA Managers (Nominees) Limited	81.06	81.90

#### 13. Share Classes

The Share Classes and ACD's Annual Management Charges ("AMC") applicable to each Share Class are as follows:

Share Class A Income	%
	0.43

Each Share Class has equal rights in the event of the wind up of any fund.

The reconciliation of the opening and closing numbers of shares of each class is shown below:

	30/09/22	Issued	Cancelled	Converted	30/09/23
Share Class A Income	521,211,743	63,353,434	(15,970,276)	—	568,594,901

#### 14. Capital commitments and contingent liabilities

There were no contingent liabilities or outstanding commitments at the balance sheet date (2022: nil).

#### 15. Derivatives and other financial instruments

The main risks from the Fund's holding of financial instruments, together with the ACD's policy for managing these risks, are disclosed in note 2 on pages 18 to 24 of the report.

##### (a) Foreign currency risk

A proportion of the financial net assets of the Fund are denominated in currencies other than sterling with the effect that the balance sheet and total return can be affected by currency movements.

The Fund holds an insignificant foreign currency exposure at 30 September 2023 (2022: insignificant) therefore a currency table has not been disclosed.

Changes in exchange rates would have no material impact on the valuation of foreign currency financial assets or liabilities as at the balance sheet date. Consequently, no sensitivity analysis has been presented.

If GBP to foreign currency exchange rates had strengthened/increased or weakened/decreased by 10% as at the balance sheet date, the net asset value of the fund

**Notes to the Financial Statements (continued)**

For the year ended 30 September 2023

**15. Derivatives and other financial instruments (continued)****(a) Foreign currency risk (continued)**

would have decreased or increased by £7,136,307 (2022: £1,282,000). These calculations assume all other variables remain constant.

**(b) Interest rate risk profile of financial assets and liabilities**

The table below shows the interest rate risk profile at the balance sheet date:

	Floating rate financial assets £'000	Fixed rate financial assets £'000	Financial assets not carrying interest £'000	Total £'000
<b>Currency Assets</b>				
<b>30/09/23</b>				
Euro	701	24,949	829	26,479
Sterling	16,326	402,011	67,647	485,984
US Dollar	2,095	34,189	1,700	37,984
<b>Total</b>	<b>19,122</b>	<b>461,149</b>	<b>70,176</b>	<b>550,447</b>
<b>30/09/22</b>				
Euro	3,731	27,583	1,275	32,589
Sterling	13,379	344,638	77,221	435,238
US Dollar	1,702	29,811	1,878	33,391
<b>Total</b>	<b>18,812</b>	<b>402,032</b>	<b>80,374</b>	<b>501,218</b>
	Floating rate financial liabilities £'000	Fixed rate financial liabilities £'000	Financial liabilities not carrying interest £'000	Total £'000
<b>Currency Liabilities</b>				
<b>30/09/23</b>				
Euro	—	—	26,390	26,390
Sterling	1,093	—	17,274	18,367
US Dollar	—	—	37,975	37,975
<b>Total</b>	<b>1,093</b>	<b>—</b>	<b>81,639</b>	<b>82,732</b>
<b>30/09/22</b>				
Euro	—	—	32,657	32,657
Sterling	4,509	—	19,783	24,292
US Dollar	—	—	33,227	33,227
<b>Total</b>	<b>4,509</b>	<b>—</b>	<b>85,667</b>	<b>90,176</b>

Changes in interest rates would have no material impact on the valuation of floating rate financial assets or liabilities as at the balance sheet date. Consequently, no sensitivity analysis has been presented.

## Notes to the Financial Statements (continued)

For the year ended 30 September 2023

### 15. Derivatives and other financial instruments (continued)

#### (c) Counterparty risk

The table below shows the counterparty risk as at the balance sheet date:

	Counterparty	Derivative Exposure £'000	Collateral Posted £'000	Collateral Received £'000	Collateral Asset Class
<b>2023</b>	Citi	—	1,940	—	Cash
	UBS	1,320	1,185	1,105	Cash
	Morgan Stanley	—	1,316	—	Cash
	<b>Counterparty</b>	<b>Derivative Exposure £'000</b>	<b>Collateral Posted £'000</b>	<b>Collateral Received £'000</b>	<b>Collateral Asset Class</b>
<b>2022</b>	Citi	—	1,800	—	Cash
	HSBC	—	820	—	Cash
	UBS	1,648	—	—	

#### (d) Leverage

There was 36.17% leverage as at 30 September 2023, other than that available to the Fund as a result of its ability to borrow up to 10% of its value on a permanent basis.

	Average Leverage	Highest Leverage	Lowest Leverage	30/09/23
Omnis Sterling Corporate Bond Fund	33.51%	70.61%	19.29%	36.17%





**Notes to the Financial Statements (continued)**

For the year ended 30 September 2023

**17. Post balance sheet events**

Subsequent to the year end, the net asset value per unit of the fund has increased from 82.26p to 87.86p as at 26 January 2024. This movement takes into account routine transactions but also reflects the market movements of recent months.

**18. Fair value disclosure**

Valuation technique	30/09/23		30/09/22	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
<b>Level 1:</b> The unadjusted quoted price in an active market for identical assets or liabilities	39,841	(8)	35,928	(736)
<b>Level 2:</b> Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly	422,734	(2,413)	369,846	(3,288)
<b>Level 3:</b> Inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability	—	—	—	—
	<b>462,575</b>	<b>(2,421)</b>	<b>405,774</b>	<b>(4,024)</b>

## Distribution Table

As at 30 September 2023

### Interim Distribution in pence per Share

- Group 1 Shares purchased prior to 1 October 2022  
 Group 2 Shares purchased on or after 1 October 2022 to 31 March 2023

	Gross revenue (p)	Equalisation (p)	Distribution paid 31/05/2023 (p)	Distribution paid 31/05/2022 (p)
<b>Share Class A Income</b>				
Group 1	1.6410	—	1.6410	1.2973
Group 2	0.9771	0.6639	1.6410	1.2973

### Final Distribution in pence per Share

- Group 1 Shares purchased prior to 1 April 2023  
 Group 2 Shares purchased on or after 1 April 2023 to 30 September 2023

	Gross revenue (p)	Equalisation (p)	Distribution payable 30/11/2023 (p)	Distribution paid 30/11/2022 (p)
<b>Share Class A Income</b>				
Group 1	1.7775	—	1.7775	1.4078
Group 2	0.9590	0.8185	1.7775	1.4078

## Investment Manager's Report

For the year ended 30 September 2023

### Investment Objective

The Fund aims to achieve a return consisting primarily of income and some capital growth which exceeds that of the ICE BofA Global Broad Market TR Index (GBP Hedged), after all fees and expenses, over a five-year rolling period.

### Investment Policy

The Fund will obtain global exposure by investing at least 70% in a broad range of Sterling-denominated (or hedged back to Sterling) debt instruments, which may include developed and emerging market government bonds, inflation linked bonds, investment grade and high yield corporate bonds. The Fund may also obtain exposure to transferable securities, money market instruments, collective investment schemes (including exchange traded funds and other schemes managed and operated by the ACD or its associates) cash, near cash and deposits as detailed in the Prospectus.

Derivatives may be used both for investment purposes and for efficient portfolio management.

### Benchmark

The performance of the Fund will be measured against the ICE BofA Global Broad Market TR Index (GBP Hedged)\* for target return purposes. This index was chosen as it was considered a fair representation of the assets in which the fund will invest, in line with its investment objectives and policy.

### Portfolio Review

Over the period the fund returned 4.63% [source: Return after operating charges as per Comparative Table] and the benchmark returned 0.29% [source: Financial Express, bid to bid, net income reinvested].

\*The index data provided has been licensed for use by its third-party providers who do not accept any liability for errors or omissions. For full disclaimer please see <https://omnisinvestments.com/disclaimers>

During the period the fund generated net income of 4.36p per share.

The Fund posted positive returns over the year outperforming government bonds but underperforming high yield bonds. The returns were largely commensurate with investment grade bonds. The review period started on a positive note as investors were hopeful that monetary policy tightening may be coming to an end. China's economic re-opening and a fall in natural gas prices in Europe led to expectations of an improvement in global growth. However, markets witnessed substantial volatility later due to monetary policy concerns amid persistent inflation dynamics. This along with banking sector crisis led by Silicon Valley Bank in the US and Credit Suisse in Europe, the US government's debt ceiling crisis in May and the Fitch's downgrade of the US debt rating more recently, in August, also weighed on investor sentiment.

Credit strategy was the primary driver of positive returns amid tighter credit spreads and higher overall yields. Corporate bonds outperformed sovereign bonds as investors downgraded recession risks. Within the corporate bond markets, high yield bonds outperformed investment grade bonds. Stable corporate fundamentals and positive market technicals supported tighter credit spreads. At a sector level, the exposure to financials, consumer cyclical, technology and communication names outperformed real estate and basic industry. From an issuer perspective, the exposure to European utility companies, such as Electricite De France and Enel were among the top contributors to returns. The broad exposure to financial names such as Intesa Sanpaolo and HSBC also significantly

**Investment Manager's Report (continued)**

For the year ended 30 September 2023

added value. Conversely, the exposure to real estate names, such as CPI Property Group, Sino Ocean Land Treasure, Aroundtown and Shimao Group Holdings hampered returns.

Meanwhile, the fund's US-dollar and euro interest rate risk weighed on returns as US Treasuries and German bunds sold-off over the period. The US Federal Reserve (Fed) increased interest rates and consequently, the 10-year US Treasury yields reached their highest level of this cycle so far, to a 16-year high of above 4.5%. Similarly, German bunds were also hit as the European Central Bank (ECB) raised interest rates as inflation remained above its target range. However, these losses were partially offset by the sterling duration due to favourable positioning across the UK Government bond (Gilts) sovereign yield curve. The exposure to Australian dollar duration position also added value.

On the positioning front, the Fund maintains a defensive stance on credit and looks to use any strength in spreads to trim credit risk and rotate the proceeds into pockets of value. Over the year, the allocation to high yield bonds and emerging market debt, was reduced while selectively adding exposure to investment grade bonds. European corporate bonds, within the investment grade markets, are favoured given their attractive valuations relative to other regions. Meanwhile, there is a positive view on duration over the medium term as sovereign bond yields are still inverted and appear attractive following an aggressive central bank hiking cycle. Yields are expected to gradually fall and curves to steepen, as developed markets head into recession, making duration risk increasingly appealing compared to spread risk.

**FIL Pensions Management (sub delegated to FIL Investments International)**

October 2023

## Material Portfolio Changes

For the year ended 30 September 2023

Purchases		Sales	
Portfolio Name	Cost £'000	Portfolio Name	Proceeds £'000
UK Treasury 0.75% 22/07/2023	39,630	UK Treasury 0.75% 22/07/2023	49,993
UK Treasury 0% 23/10/2023	14,163	UK Treasury 0% 23/10/2023	4,809
New Zealand Government 3.5% 14/04/2033	6,201	Japan Treasury Discount Bill 0.01% 25/11/2022	4,480
Mexican Bonos 7.75% 29/05/2031	1,581	UK Treasury 0.125% 10/08/2031	1,620
UK Treasury 0.125% 10/08/2031	1,464	Mexican Bonos 7.75% 29/05/2031	1,585
Brazil Notas do Tesouro Nacional 10% 01/01/2033	1,455	Brazil Notas do Tesouro Nacional 10% 01/01/2033	1,479
New Zealand Government 4.25% 15/05/2034	1,395	Mexico Government International Bond 4.875% 19/05/2033	906
UK Treasury Bill 0% 18/02/2023	1,333	European Union 3% 04/03/2053	892
Mexican Bonos 8% 24/05/2035	1,329	Amazon.com	857
US Treasury Inflation Indexed Bonds 1.375% 15/07/2033	1,144	Electricite de France 4.75% 12/10/2034	854

The above table complements the data provided in the investment managers report by outlining the top 10 portfolio components.

## Comparative Table

As at 30 September 2023

	30/09/23 (p)	A Accumulation 30/09/22 (p)	30/09/21 (p)
<b>Change in net assets per Share</b>			
Opening net asset value per share	94.73	115.87	111.94
Return before operating charges*	5.01	(20.45)	4.69
Operating charges	(0.62)	(0.69)	(0.76)
Return after operating charges	4.39	(21.14)	3.93
Distributions	(4.36)	(3.39)	(3.04)
Retained distributions on accumulation shares	4.36	3.39	3.04
Closing net asset value per share	99.12	94.73	115.87
*after direct transaction cost of:	0.00	0.00	0.00
<b>Performance</b>			
Return after operating charges	4.63%	(18.24%)	3.51%
<b>Other information</b>			
Closing net asset value (£'000)	113,186	89,945	88,444
Closing number of shares	114,193,639	94,947,004	76,331,330
Operating charges	0.62%	0.64%	0.66%
Direct transaction costs	0.00%	0.00%	0.00%
<b>Prices (p)**</b>			
Highest share price	103.57	116.08	117.53
Lowest share price	93.90	94.96	112.11

\*\*The highest and lowest share prices are based on published price. The opening and closing net asset values per share include accounting adjustments, therefore they may appear higher or lower as a result.

## Performance Information

As at 30 September 2023

### Operating Charge

Date	AMC (%)	Other expenses (%)	Transaction costs (%)	Total operating charge (%)
30/09/23 Share Class A Accumulation	0.50	0.05	0.07	0.62
30/09/22 Share Class A Accumulation	0.50	0.05	0.09	0.64

The Operating Charge is the ratio of the Fund's total disclosable costs (excluding overdraft interest) to the average net assets of the Fund.

## Risk and Reward Profile

As at 30 September 2023

	Typically lower rewards				Typically higher rewards		
	Lower risks			Higher risks			
Share Class A	1	2	3	4	5	6	7

- This indicator is based on historical data and may not be a reliable indication of the future risk profile of the Fund.
- The risk category shown is not guaranteed to remain unchanged and may shift over time.
- The risk and reward indicator table demonstrates where a Fund ranks in terms of its potential risk and return. The higher the rank the greater the potential reward but the greater the risk of losing money. The lowest category does not mean 'risk free'.
- The Fund appears as a "4" on the scale. This is because the Fund invests in fixed income investments whose values do not fluctuate widely.

### Risk Warning

An investment in an Open Ended Investment Company should be regarded as a medium to long-term investment. Investors should be aware that the price of shares and the income from them may fall as well as rise and investors may not receive back the full amount invested. Past performance is not a guide to future performance. Investments denominated in currencies other than the base currency of a Fund are subject to fluctuation in exchange rates, which may be favourable or unfavourable.



## Portfolio Statement

As at 30 September 2023

Holdings or Nominal Value	Investments	Market value £'000	% of Total Net Assets
<b>Argentina 0.11% (0.11%)</b>			
USD 205,502	Argentine Republic Government International Bond 0.5% 09/07/2030	48	0.04
USD 22,573	Argentine Republic Government International Bond 1% 09/07/2029	5	0.00
USD 376,496	Argentine Republic Government International Bond 1.5% 09/07/2035	76	0.07
		<b>129</b>	<b>0.11</b>
<b>Australia 0.08% (0.20%)</b>			
USD 118,000	BHP Billiton Finance USA 5.5% 08/09/2053	92	0.08
		<b>92</b>	<b>0.08</b>
<b>Austria 0.51% (0.00%)</b>			
EUR 257,000	Benteler International 9.375% 15/05/2028	226	0.20
EUR 400,000	Erste Group Bank 8.5% 31/12/2099	347	0.31
		<b>573</b>	<b>0.51</b>
<b>Brazil 0.13% (0.00%)</b>			
USD 400,000	Light Servicos de Eletricidade SA/Light Energia SA 4.375% 18/06/2026	145	0.13
		<b>145</b>	<b>0.13</b>
<b>Bulgaria 0.41% (0.00%)</b>			
EUR 550,000	Bulgaria Government International Bond 4.5% 27/01/2033	460	0.41
		<b>460</b>	<b>0.41</b>
<b>Canada 1.08% (0.26%)</b>			
GBP 244,000	Bank of Nova Scotia 1.375% 05/12/2023	242	0.21
GBP 604,000	Royal Bank of Canada 5% 24/01/2028	582	0.52
USD 487,000	Toronto-Dominion Bank/The 8.125% 31/10/2082	396	0.35
		<b>1,220</b>	<b>1.08</b>
<b>Cayman Islands 0.45% (0.09%)</b>			
USD 225,000	Country Garden 3.3% 12/01/2031	10	0.01
USD 206,000	Gaci First Investment Co 4.875% 14/02/2035	153	0.13
USD 219,000	Gaci First Investment Co 5.125% 14/02/2053	145	0.13
USD 7,857	Global Aircraft Leasing 6.5% 15/09/2024	6	0.01
USD 275,000	IHS 6.25% 29/11/2028	171	0.15
USD 237,854	Modern Land China Co Ltd 9% 30/12/2026	4	0.00
USD 200,000	Redsun Properties 9.7% 16/04/2023	7	0.01
USD 400,000	Shimao 3.45% 11/01/2031	13	0.01
		<b>509</b>	<b>0.45</b>

**Portfolio Statement (continued)**

As at 30 September 2023

Holdings or Nominal Value	Investments	Market value £'000	% of Total Net Assets
<b>Chile 0.55% (0.12%)</b>			
USD 825,000	Chile Government International Bond 4.95% 05/01/2036	619	0.55
		<b>619</b>	<b>0.55</b>
<b>China 0.00% (0.92%)</b>			
<b>Colombia 0.00% (0.20%)</b>			
<b>Czech Republic 0.34% (0.26%)</b>			
USD 475,000	Energopro 8.5% 04/02/2027	382	0.34
		<b>382</b>	<b>0.34</b>
<b>Denmark 0.36% (0.39%)</b>			
EUR 100,000	Orsted 1.5% 18/02/3021	63	0.06
EUR 407,000	Orsted AS 5.25% 08/12/3022	340	0.30
		<b>403</b>	<b>0.36</b>
<b>Ecuador 0.10% (0.00%)</b>			
USD 381,504	Ecuador Government International Bond 2.5% 31/07/2035	115	0.10
		<b>115</b>	<b>0.10</b>
<b>Egypt 0.36% (0.52%)</b>			
USD 400,000	Egypt Government International Bond 7.3% 30/09/2033	181	0.16
USD 225,000	Egypt Government International Bond 7.6003% 01/03/2029	118	0.11
USD 200,000	Egypt Government International Bond 7.6003% 01/03/2029	105	0.09
		<b>404</b>	<b>0.36</b>
<b>El Salvador 0.00% (0.10%)</b>			
<b>Finland 0.00% (0.28%)</b>			
<b>France 3.58% (5.23%)</b>			
EUR 460,000	AXA 5.5% 11/07/2043	390	0.34
GBP 300,000	BNP Paribas 2% 24/05/2031	261	0.23
USD 463,000	BNP Paribas 7.75% Perpetual	359	0.32
EUR 400,000	BPCE 4.75% 14/06/2034	341	0.30
EUR 400,000	Electricite de France SA 4.625% 25/01/2043	317	0.28
GBP 200,000	Electricite de France SA 6% Perpetual	184	0.16
EUR 400,000	Electricite de France SA 7.5% Perpetual	353	0.31
EUR 200,000	Faurecia 7.25% 15/06/2026	179	0.16
EUR 300,000	Holding d'Infrastructures de Transport SASU 4.25% 18/03/2030	253	0.22
EUR 500,000	Societe Generale 5.625% 02/06/2033	418	0.37
EUR 500,000	Societe Generale SA 7.875% Perpetual	415	0.37

**Portfolio Statement (continued)**

As at 30 September 2023

Holdings or Nominal Value	Investments	Market value £'000	% of Total Net Assets
<b>France 3.58% (5.23%) (continued)</b>			
EUR 300,000	Unibail-Rodamco-Westfield 7.25% Perpetual	234	0.21
EUR 400,000	Valeo 5.375% 28/05/2027	347	0.31
		<b>4,051</b>	<b>3.58</b>
<b>Gabon 0.11% (0.13%)</b>			
USD 200,000	Gabon Government International Bond 7% 24/11/2031	121	0.11
		<b>121</b>	<b>0.11</b>
<b>Georgia 0.13% (0.18%)</b>			
USD 200,000	TBC Bank 8.894% Perpetual	147	0.13
		<b>147</b>	<b>0.13</b>
<b>Germany 5.18% (5.01%)</b>			
EUR 400,000	Allianz 2.6% Perpetual	226	0.20
USD 600,000	Allianz 3.2% Perpetual	355	0.31
EUR 200,000	BASF SE 4.5% 08/03/2035	172	0.15
EUR 561,000	Bayer 4.625% 26/05/2033	481	0.43
GBP 500,000	Commerzbank 8.625% 28/02/2033	500	0.44
EUR 101,000	Ctec II 5.25% 15/02/2030	73	0.07
GBP 500,000	Deutsche Bank 6.125% 12/12/2030	465	0.41
EUR 200,000	Deutsche Bank AG 10% Perpetual	172	0.15
EUR 338,000	Fresenius Se + Co Kgaa	296	0.26
EUR 400,000	Hannover Rueck SE 5.875% 26/08/2043	352	0.31
EUR 1,038,000	Kreditanstalt fuer Wiederaufbau 0% 15/06/2026	822	0.73
GBP 828,000	Kreditanstalt fuer Wiederaufbau 1.125% 04/07/2025	772	0.68
USD 400,000	Muenchener Rueckversicherungs-Gesellschaft in Muenchen 5.875% 23/05/2042	316	0.28
EUR 409,000	RWE AG 4.125% 13/02/2035	337	0.30
EUR 300,000	Vonovia 0.75% 01/09/2032	179	0.16
EUR 200,000	Vonovia 1.625% 01/09/2051	82	0.07
EUR 300,000	ZF Finance GmbH 5.75% 03/08/2026	260	0.23
		<b>5,860</b>	<b>5.18</b>
<b>Ghana 0.09% (0.10%)</b>			
USD 270,000	Ghana Government International Bond 7.875% 11/02/2035	99	0.09
		<b>99</b>	<b>0.09</b>

**Portfolio Statement (continued)**

As at 30 September 2023

Holdings or Nominal Value	Investments	Market value £'000	% of Total Net Assets
<b>Gibraltar 0.00% (0.18%)</b>			
<b>Greece 0.93% (0.31%)</b>			
EUR 382,000	Alpha Bank 6.875% 27/06/2029	332	0.29
EUR 417,000	Alpha Services and Holdings SA 11.875% Perpetual	366	0.33
EUR 400,000	Piraeus Bank 7.25% 13/07/2028	351	0.31
		<b>1,049</b>	<b>0.93</b>
<b>Hong Kong 0.00% (1.38%)</b>			
USD 200,000	Yango Justice International 10.25% 15/09/2022*	1	0.00
		<b>1</b>	<b>0.00</b>
<b>Hungary 0.37% (0.21%)</b>			
EUR 503,000	Hungary Government International Bond 5.375% 12/09/2033	421	0.37
		<b>421</b>	<b>0.37</b>
<b>India 0.18% (0.00%)</b>			
USD 342,000	Adani Electricity Mumbai Ltd 3.949% 12/02/2030	206	0.18
		<b>206</b>	<b>0.18</b>
<b>Ireland 2.43% (1.16%)</b>			
EUR 217,000	Bank of Ireland 7.5% Perpetual	185	0.16
EUR 350,000	Bank of Ireland Group 6.75% 01/03/2033	311	0.28
EUR 670,000	Energia Group Roi Financeco 6.875% 31/07/2028	570	0.50
EUR 427,000	ESB Finance 4.25% 03/03/2036	366	0.32
EUR 434,000	Hammerson Ireland Finance 1.75% 03/06/2027	320	0.28
EUR 215,000	Permanent TSB 6.625% 25/04/2028	189	0.17
EUR 326,000	Permanent TSB 6.625% 30/06/2029	286	0.25
EUR 300,000	Roadster Finance 1.625% 09/12/2024	244	0.22
EUR 400,000	Roadster Finance 2.375% 08/12/2027	283	0.25
		<b>2,754</b>	<b>2.43</b>
<b>Israel 0.00% (0.26%)</b>			
<b>Italy 5.14% (5.23%)</b>			
EUR 325,000	Aeroporti di Roma 4.875% 10/07/2033	272	0.24
EUR 333,000	Assicurazioni Generali 5.8% 06/07/2032	295	0.26
EUR 242,000	Autostrade per l'Italia 5.125% 14/06/2033	205	0.18
EUR 340,000	Autostrade per l'Italia SpA 4.75% 24/01/2031	286	0.25
EUR 300,000	Banca Monte dei Paschi di Siena 10.5% 23/07/2029	261	0.23
EUR 266,000	Banco BPM 7% Perpetual	205	0.18

**Portfolio Statement (continued)**

As at 30 September 2023

Holdings or Nominal Value	Investments	Market value £'000	% of Total Net Assets
<b>Italy 5.14% (5.23%) (continued)</b>			
EUR 325,000	BPER Banca 3.875% 25/07/2032	249	0.22
EUR 439,000	BPER Banca 5.75% 11/09/2029	373	0.33
EUR 266,000	Enel 3.5% Perpetual	222	0.20
EUR 46,000	Enel 5.451% Perpetual	40	0.04
EUR 461,000	Enel SpA 6.625% Perpetual	402	0.36
EUR 275,099	Erna FRN 2.395% 25/07/2031	234	0.21
EUR 275,000	EVOCA FRN 4.517% 01/11/2026	232	0.21
USD 380,000	Intesa Sanpaolo 6.625% 20/06/2033	292	0.26
GBP 567,000	Intesa Sanpaolo 6.625% 31/05/2033	548	0.48
EUR 323,000	Intesa Sanpaolo SpA 5.625% 08/03/2033	275	0.24
EUR 725,000	Italy Buoni Poliennali Del Tesoro 0.95% 01/06/2032	469	0.41
EUR 500,000	Nexi 0% 24/02/2028	330	0.29
EUR 599,000	Poste Italiane 2.625% Perpetual	398	0.35
EUR 300,000	UnipolSai Assicurazioni 6.375% Perpetual	226	0.20
		<b>5,814</b>	<b>5.14</b>
<b>Japan 0.00% (6.05%)</b>			
<b>Jersey 1.75% (1.16%)</b>			
GBP 246,000	AA Bond 3.25% 31/07/2028	197	0.17
GBP 300,000	AA Bond Co Ltd 6.5% 31/01/2026	264	0.23
GBP 558,000	AA Bond Co Ltd 7.375% 31/07/2029	522	0.46
GBP 474,000	CPUK Finance 5.876% 28/08/2027	462	0.41
GBP 348,000	HSBC Bank Capital Funding Sterling 1 5.844% Perpetual	347	0.31
USD 310,000	Petrofac 9.75% 15/11/2026	195	0.17
		<b>1,987</b>	<b>1.75</b>
<b>Kenya 0.11% (0.27%)</b>			
USD 200,000	Republic of Kenya Government International Bond 8% 22/05/2032	127	0.11
		<b>127</b>	<b>0.11</b>
<b>Lebanon 0.00% (0.02%)</b>			
<b>Luxembourg 1.91% (4.26%)</b>			
USD 441,729	Acu Petroleo Luxembourg 7.5% 13/01/2032	330	0.29
EUR 110,000	Aroundtown 2.875% Perpetual	36	0.03
GBP 275,000	Blackstone Property Partners Europe 2.625% 20/10/2028	213	0.19
EUR 201,000	Cirsa Finance International Sarl 10.375% 30/11/2027	188	0.17
EUR 118,000	CPI Property 4.875% Perpetual	35	0.03
EUR 200,000	CPI Property Private Placement 4.875% Perpetual	61	0.05
EUR 175,000	Garfunkelux Holdco 3 6.75% 01/11/2025	116	0.10

**Portfolio Statement (continued)**

As at 30 September 2023

Holdings or Nominal Value	Investments	Market value £'000	% of Total Net Assets
<b>Luxembourg 1.91% (4.26%) (continued)</b>			
EUR 754,000	Prologis International Funding II SA 4.625% 21/02/2035	616	0.55
EUR 244,000	Rossini FRN 4.142% 30/10/2025	211	0.19
EUR 300,000	TLG Finance 3.375% Perpetual	114	0.10
EUR 300,000	Vivion Investments 3% 08/08/2024	237	0.21
		<b>2,157</b>	<b>1.91</b>
<b>Macao 0.00% (0.31%)</b>			
<b>Mexico 1.28% (1.02%)</b>			
MXN 30,775,000	Mexican Bonos 8% 24/05/2035	1,253	1.11
USD 268,000	Mexico Government International Bond 6.338% 04/05/2053	200	0.17
		<b>1,453</b>	<b>1.28</b>
<b>Netherlands 5.26% (5.33%)</b>			
EUR 300,000	Abertis Infraestructuras Finance 3.248% Perpetual	238	0.21
EUR 925,000	BMW Finance 3.5% 19/10/2024	798	0.71
EUR 910,000	EDP Finance 0.375% 16/09/2026	709	0.63
EUR 400,000	ING 4.75% 23/05/2034	342	0.30
USD 475,000	JAB 4.5% 08/04/2052	273	0.24
EUR 403,000	LeasePlan 7.375% Perpetual	346	0.31
EUR 380,000	NN 6% 03/11/2043	319	0.28
USD 43,000	Nostrum Oil & Gas Finance BV 5% 30/06/2026	26	0.02
USD 275,000	Prosus 4.193% 19/01/2032	180	0.16
EUR 231,000	Q-Park Holding I 2% 01/03/2027	172	0.15
EUR 200,000	Sartorius Finance 4.5% 14/09/2032	171	0.15
EUR 200,000	Sartorius Finance 4.875% 14/09/2035	171	0.15
EUR 200,000	Telefonica Europe 2.376% Perpetual	136	0.12
EUR 300,000	Telefonica Europe 6.75% 31/12/2099	257	0.23
EUR 200,000	Telefonica Europe 7.125% Perpetual	178	0.16
EUR 358,000	Teva Pharmaceutical Finance Netherlands II 4.375% 09/05/2030	265	0.23
GBP 300,000	Volkswagen Financial Services 3.25% 13/04/2027	271	0.24
GBP 200,000	Volkswagen Financial Services NV 1.875% 03/12/2024	190	0.17
EUR 300,000	Volkswagen International Finance 7.875% 31/12/2099	264	0.23
EUR 300,000	Wintershall Dea Finance 2 3% Perpetual	208	0.18
EUR 250,000	Wp/ap Telecom III 5.5% 15/01/2030	177	0.16
EUR 300,000	ZF Europe Finance 6.125% 13/03/2029	260	0.23
		<b>5,951</b>	<b>5.26</b>

**Portfolio Statement (continued)**

As at 30 September 2023

Holdings or Nominal Value	Investments	Market value £'000	% of Total Net Assets
<b>New Zealand 6.09% (0.00%)</b>			
NZD 13,359,000	New Zealand Government Bond 3.5% 14/04/2033	5,708	5.05
NZD 2,623,000	New Zealand Government Bond 4.25% 15/05/2034	1,180	1.04
		<b>6,888</b>	<b>6.09</b>
<b>Nigeria 0.11% (0.35%)</b>			
USD 200,000	Nigeria Government International Bond 7.375% 28/09/2033	121	0.11
		<b>121</b>	<b>0.11</b>
<b>Norway 0.00% (0.38%)</b>			
<b>Panama 0.16% (0.00%)</b>			
USD 227,000	Panama Government International Bond 6.875% 31/01/2036	186	0.16
		<b>186</b>	<b>0.16</b>
<b>Peru 0.22% (0.00%)</b>			
USD 303,000	Hunt Oil Co of Peru Sucursal Del Peru 8.55% 18/09/2033	250	0.22
		<b>250</b>	<b>0.22</b>
<b>Portugal 0.42% (0.22%)</b>			
EUR 300,000	Banco Comercial Portugues 4% 17/05/2032	221	0.19
EUR 300,000	EDP - Energias de Portugal SA 5.943% 23/04/2083	258	0.23
		<b>479</b>	<b>0.42</b>
<b>Romania 0.00% (0.10%)</b>			
<b>Serbia 0.28% (0.29%)</b>			
USD 400,000	Serbia International Bond 6.5% 26/09/2033	312	0.28
		<b>312</b>	<b>0.28</b>
<b>Singapore 0.47% (0.00%)</b>			
EUR 645,000	Temasek Financial I Ltd 3.5% 15/02/2033	537	0.47
		<b>537</b>	<b>0.47</b>
<b>South Africa 0.31% (0.72%)</b>			
USD 250,000	Republic of South Africa Government International Bond 5.875% 20/04/2032	173	0.15
USD 275,000	Republic of South Africa Government International Bond 7.3% 20/04/2052	178	0.16
		<b>351</b>	<b>0.31</b>

**Portfolio Statement (continued)**

As at 30 September 2023

Holdings or Nominal Value	Investments	Market value £'000	% of Total Net Assets
<b>Spain 3.48% (1.59%)</b>			
USD 375,000	AI Candelaria Spain 5.75% 15/06/2033	218	0.19
USD 700,000	Banco Bilbao Vizcaya Argentaria 9.375% 31/12/2099	565	0.50
EUR 600,000	Banco de Credito Social Cooperativo 7.5% 14/09/2029	514	0.45
EUR 300,000	Banco de Credito Social Cooperativo 8% 22/09/2026	265	0.23
EUR 500,000	Banco de Sabadell SA 5.125% 10/11/2028	436	0.39
GBP 300,000	Banco Santander 2.25% 04/10/2032	246	0.22
EUR 400,000	Bankinter 4.375% 03/05/2030	342	0.30
USD 475,000	CaixaBank 6.684% 13/09/2027	389	0.34
EUR 300,000	CaixaBank SA 6.25% 23/02/2033	261	0.23
EUR 479,000	EDP Servicios Financieros Espana 4.375% 04/04/2032	414	0.37
USD 500,000	EnfraGen Energia 5.375% 30/12/2030	290	0.26
		<b>3,940</b>	<b>3.48</b>
<b>Sweden 0.86% (0.84%)</b>			
EUR 172,000	Akelius Residential Property 2.249% 17/05/2081	123	0.11
EUR 300,000	Fastighets AB Balder 3.5% 23/02/2028	246	0.22
EUR 227,000	Heimstaden Bostad 3.625% Perpetual	90	0.08
USD 200,000	Swedbank AB 7.625% Perpetual	152	0.13
EUR 412,000	Verisure Holding AB 7.125% 01/02/2028	362	0.32
		<b>973</b>	<b>0.86</b>
<b>Switzerland 0.56% (0.42%)</b>			
EUR 351,000	Credit Suisse Group AG 7.75% 01/03/2029	336	0.30
EUR 357,000	UBS Group AG 4.75% 17/03/2032	301	0.26
		<b>637</b>	<b>0.56</b>
<b>Turkey 0.24% (0.65%)</b>			
USD 200,000	Turkey Government International Bond 4.875% 16/04/2043	103	0.09
USD 200,000	Yapi ve Kredi Bankasi 13.875% Perpetual	167	0.15
		<b>270</b>	<b>0.24</b>
<b>United Arab Emirates 0.59% (0.79%)</b>			
USD 600,000	Abu Dhabi National Oil 0.7% 04/06/2024	472	0.42
USD 250,000	GEMS MENASA 7.125% 31/07/2026	199	0.17
		<b>671</b>	<b>0.59</b>
<b>United Kingdom 23.63% (21.34%)</b>			
EUR 316,000	Allwyn Entertainment Financing 7.25% 30/04/2030	277	0.24
USD 396,000	Anglo American Capital 4.75% 16/03/2052	244	0.22



**Portfolio Statement (continued)**

As at 30 September 2023

Holdings or Nominal Value	Investments	Market value £'000	% of Total Net Assets
<b>United Kingdom 23.63% (21.34%) (continued)</b>			
GBP 215,000	Arqiva Financing 7.21% 30/06/2028	221	0.19
GBP 264,000	Aviva 6.875% Perpetual	227	0.20
GBP 263,000	Barclays 8.407% 14/11/2032	268	0.24
GBP 189,000	Bellis Acquisition 3.25% 16/02/2026	164	0.14
GBP 104,000	Berkeley 2.5% 11/08/2031	70	0.06
EUR 263,000	BP Capital Markets 3.625% Perpetual	198	0.17
GBP 400,000	BUPA Finance 4% Perpetual	244	0.22
GBP 200,000	Canary Wharf Group Investment Holdings 2.625% 23/04/2025	167	0.15
EUR 400,000	Channel Link Enterprises Finance 2.706% 30/06/2050	315	0.28
GBP 300,000	Channel Link Enterprises Finance 3.043% 30/06/2050	252	0.22
GBP 371,000	Co-Operative Bank Finance 6% 06/04/2027	338	0.30
GBP 375,000	Co-Operative Bank Finance 9% 27/11/2025	371	0.33
EUR 359,000	DS Smith 4.5% 27/07/2030	305	0.27
USD 425,000	Endeavour Mining 5% 14/10/2026	309	0.27
USD 250,000	Energian 6.5% 30/04/2027	185	0.16
USD 200,000	EnQuest 11.625% 01/11/2027	154	0.14
GBP 311,150	Greene King Finance 3.593% 15/03/2035	260	0.23
USD 200,000	Harbour Energy 5.5% 15/10/2026	152	0.13
EUR 50,000	HBOS 4.5% 18/03/2030	42	0.04
EUR 566,000	HSBC 4.856% 23/05/2033	482	0.43
GBP 377,000	HSBC 6.8% 14/09/2031	380	0.34
GBP 400,000	Iceland 4.375% 15/05/2028	314	0.28
GBP 214,000	Iceland Bondco 10.875% 15/12/2027	219	0.19
GBP 219,000	Income Contingent Student Loans 1 2002- 2006 2.5% 24/07/2056	142	0.13
GBP 29,864	Income Contingent Student Loans 2 2007- 2009 FRN 3.5612% 24/07/2058	30	0.03
EUR 103,000	INEOS Quattro Finance 1 3.75% 15/07/2026	80	0.07
EUR 287,000	INEOS Quattro Finance 2 2.5% 15/01/2026	227	0.20
GBP 140,554	Intu Debenture 5.562% 31/12/2027	57	0.05
GBP 205,000	Investec 9.125% 06/03/2033	208	0.18
GBP 201,000	Just 5% Perpetual	130	0.11
GBP 146,000	National Gas Transmission 1.125% 14/01/2033	94	0.08
GBP 458,000	National Gas Transmission 1.625% 14/01/2043	220	0.19
EUR 611,000	National Grid 4.275% 16/01/2035	503	0.44
GBP 401,000	RAC Bond 5.25% 04/11/2027	331	0.29
EUR 540,000	Reckitt Benckiser Treasury Services 3.875% 14/09/2033	458	0.40
USD 51,523	SCC Power 4% 17/05/2032	5	0.00
USD 95,122	SCC Power 8% 31/12/2028	30	0.03
EUR 403,000	SIG 5.25% 30/11/2026	292	0.26
EUR 278,000	SSE 4% Perpetual	222	0.20

**Portfolio Statement (continued)**

As at 30 September 2023

Holdings or Nominal Value	Investments	Market value £'000	% of Total Net Assets
<b>United Kingdom 23.63% (21.34%) (continued)</b>			
GBP 300,000	Thames Water Utilities Cayman Finance 4% 19/06/2025	279	0.25
EUR 317,000	Thames Water Utilities Finance 4.375% 18/01/2031	243	0.21
GBP 300,000	Thames Water Utilities Finance 6.5% 09/02/2032	279	0.25
USD 242,000	Tullow Oil 10.25% 15/05/2026	171	0.15
GBP 9,500,000	UK Treasury 0% 23/10/2023	9,471	8.37
GBP 800,000	UK Treasury 0% 11/12/2023	792	0.70
GBP 950,000	UK Treasury 0% 13/11/2023	944	0.83
GBP 1,350,000	UK Treasury 0% 18/12/2023	1,334	1.18
GBP 650,000	UK Treasury 0% 27/12/2023	642	0.57
GBP 700,000	UK Treasury 0.01% 20/11/2023	695	0.61
GBP 513,000	UK Treasury 0.875% 31/07/2033	369	0.33
GBP 460,000	UK Treasury 4.125% 29/01/2027	453	0.40
EUR 349,000	Victoria 3.625% 24/08/2026	238	0.21
EUR 140,000	Virgin Media Finance 3.75% 15/07/2030	97	0.09
GBP 311,000	Virgin Money 7.625% 23/08/2029	316	0.28
GBP 261,000	Vodafone 8% 30/08/2086	259	0.23
GBP 502,000	Wessex Water Services Finance 1.25% 12/01/2036	285	0.25
GBP 350,000	Westfield Stratford City Finance NO 2 1.642% 04/08/2026	305	0.27
GBP 390,000	Yorkshire Building Society 7.375% 12/09/2027	392	0.35
		<b>26,751</b>	<b>23.63</b>
<b>United States 28.66% (32.09%)</b>			
USD 344,000	American Airlines Inc 7.25% 15/02/2028	268	0.24
USD 227,000	Amgen 5.65% 02/03/2053	173	0.15
USD 362,000	Amgen Inc 5.25% 02/03/2033	283	0.25
USD 1,100,000	AT&T Inc 5.539% 20/02/2026	893	0.79
USD 188,000	Beacon Roofing Supply 6.5% 01/08/2030	148	0.13
USD 298,545	British Airways 2020-1 Class A Pass Through Trust 4.25% 15/11/2032	220	0.19
USD 417,000	Broadcom 4.15% 15/04/2032	295	0.26
USD 513,000	CBRE Services 5.95% 15/08/2034	395	0.35
USD 333,000	CCO Holdings LLC / CCO Holdings Capital Corp 7.375% 01/03/2031	262	0.23
USD 425,000	Charter Communications Operating 3.5% 01/03/2042	215	0.19
USD 400,000	Chemours 4.625% 15/11/2029	264	0.23
USD 390,000	Citigroup 6.174% 25/05/2034	305	0.27
USD 283,000	Crestwood Midstream Partners LP / Crestwood Midstream Finance Corp 7.375% 01/02/2031	235	0.21
USD 530,000	CVS Health Corp 5.25% 21/02/2033	410	0.36

**Portfolio Statement (continued)**

As at 30 September 2023

Holdings or Nominal Value	Investments	Market value £'000	% of Total Net Assets
<b>United States 28.66% (32.09%) (continued)</b>			
USD 475,000	Delta Air Lines SkyMiles IP 4.75% 20/10/2028	370	0.33
USD 100,000	Dow Chemical Co/The 6.9% 15/05/2053	86	0.08
EUR 374,000	Duke Energy 3.85% 15/06/2034	288	0.25
USD 219,000	Fidelity National Information Services 5.1% 15/07/2032	169	0.15
USD 467,000	Ford Motor Credit Co LLC 7.35% 06/03/2030	387	0.34
USD 233,000	Global Partners 7% 01/08/2027	186	0.16
USD 408,000	Goldman Sachs 2.383% 21/07/2032	254	0.22
USD 400,000	Hess Midstream Operations 5.5% 15/10/2030	294	0.26
EUR 450,000	International Business Machines Corp 4% 06/02/2043	356	0.31
USD 394,000	Keurig Dr Pepper 4.5% 15/04/2052	253	0.22
USD 400,000	Kosmos Energy 7.75% 01/05/2027	302	0.27
USD 474,000	LifePoint Health 9.875% 15/08/2030	375	0.33
USD 475,000	Lowe's 4.25% 01/04/2052	287	0.25
USD 166,000	Mauser Packaging Solutions Holding Co 7.875% 15/08/2026	131	0.12
USD 825,000	McKesson Corp 5.25% 15/02/2026	667	0.59
USD 377,000	Metropolitan Life Global Funding I 5.15% 28/03/2033	291	0.26
USD 350,000	Micron Technology 5.875% 15/09/2033	272	0.24
USD 62,583	Mosaic Solar Loan Trust 2018-1 2% 22/06/2043	41	0.04
USD 250,000	Mosaic Solar Loan Trust 2022-2 5.95% 21/01/2053	185	0.16
USD 6,287	Mosaic Solar Loans 2017-2 L17-1 2% 22/06/2043	5	0.00
USD 6,287	Mosaic Solar Loans 2017-2 L17-2 2% 22/06/2043	5	0.00
USD 225,000	MPLX LP 5.65% 01/03/2053	157	0.14
GBP 314,000	MPT Operating Partnership 3.692% 05/06/2028	210	0.19
USD 400,000	Newmont 2.6% 15/07/2032	256	0.23
USD 226,000	OneMain Finance 9% 15/01/2029	184	0.16
USD 431,000	ONEOK Inc 6.1% 15/11/2032	348	0.31
USD 364,000	Oracle Corp 5.55% 06/02/2053	260	0.23
USD 575,000	Public Service Electric and Gas Co 4.65% 15/03/2033	442	0.39
EUR 457,000	Southern 1.875% 15/09/2081	314	0.28
USD 117,000	Star Parent 9% 01/10/2030	97	0.09
USD 200,000	Tenneco 8% 17/11/2028	133	0.12
USD 470,000	Time Warner Cable 5.875% 15/11/2040	319	0.28
USD 391,000	United Rentals North America Inc 6% 15/12/2029	311	0.28

**Portfolio Statement (continued)**

As at 30 September 2023

Holdings or Nominal Value	Investments	Market value £'000	% of Total Net Assets
<b>United States 28.66% (32.09%) (continued)</b>			
USD 1,050,000	United States Treasury Note/Bond 0.875% 15/11/2030	669	0.59
USD 1,200,000	United States Treasury Note/Bond 1.125% 15/02/2031	775	0.68
USD 550,000	United States Treasury Note/Bond 1.25% 15/08/2031	352	0.31
USD 198,000	United States Treasury Note/Bond 1.375% 15/08/2050	79	0.07
USD 1,000,000	United States Treasury Note/Bond 1.375% 15/11/2031	642	0.57
USD 1,050,000	United States Treasury Note/Bond 1.5% 15/02/2030	713	0.63
USD 700,000	United States Treasury Note/Bond 1.5% 31/10/2024	550	0.49
USD 1,100,000	United States Treasury Note/Bond 1.625% 15/05/2031	731	0.65
USD 1,550,000	United States Treasury Note/Bond 1.875% 15/02/2032	1,031	0.91
USD 500,000	United States Treasury Note/Bond 2.125% 31/05/2026	382	0.34
USD 1,570,000	United States Treasury Note/Bond 2.25% 15/02/2027	1,187	1.05
USD 160,000	United States Treasury Note/Bond 2.25% 30/04/2024	129	0.11
USD 2,207,500	United States Treasury Note/Bond 2.375% 15/11/2049	1,156	1.02
USD 1,750,000	United States Treasury Note/Bond 2.875% 15/05/2032	1,258	1.11
USD 700,000	United States Treasury Note/Bond 2.875% 31/10/2023	572	0.51
USD 3,250,000	United States Treasury Note/Bond 3% 31/10/2025	2,556	2.26
USD 575,000	UnitedHealth Group Inc 4.5% 15/04/2033	435	0.38
USD 312,000	Uniti Group LP / Uniti Group Finance Inc / CSL Capital LLC 10.5% 15/02/2028	250	0.22
USD 190,000	US Bancorp 4.967% 22/07/2033	135	0.12
USD 1,050,000	US Treasury Inflation Indexed Bonds 0.75% 15/07/2028	975	0.86
USD 2,700,000	US Treasury Inflation Indexed Bonds 0.875% 15/01/2029	2,484	2.19
USD 1,500,000	US Treasury Inflation Indexed Bonds 1.375% 15/07/2033	1,135	1.00
USD 700,000	US Treasury Note 4.125% 15/11/2032	553	0.49
USD 218,000	Vital Energy 9.75% 15/10/2030	182	0.16
USD 282,000	VT Topco 8.5% 15/08/2030	227	0.20

**Portfolio Statement (continued)**

As at 30 September 2023

Holdings or Nominal Value	Investments	Market value £'000	% of Total Net Assets
<b>United States 28.66% (32.09%) (continued)</b>			
USD 309,000	Western Midstream Operating 4.3% 01/02/2030	221	0.20
USD 482,000	Western Midstream Operating 5.5% 01/02/2050	305	0.27
USD 300,000	Wolfspeed Inc 1.875% 01/12/2029	160	0.14
		<b>32,445</b>	<b>28.66</b>
<b>Virgin Islands 0.54% (0.42%)</b>			
EUR 765,000	Sinochem Offshore Capital 0.75% 25/11/2025	603	0.53
USD 200,000	Sino-Ocean Land Treasure IV 4.75% 05/08/2029	7	0.01
		<b>610</b>	<b>0.54</b>
<b>Swaps (0.17%) ((0.44%))</b>			
EUR 350,000	Goldman Sachs Credit Default Swap EUR 1% 20/06/2028	(2)	0.00
BRL 5,000,000	JPMorgan Interest Rate Swap BRL 11.445% 04/01/2027	1	0.00
BRL 9,000,000	JPMorgan Interest Rate Swap BRL 11.53% 04/01/2027	6	0.01
EUR 7,053,000	Morgan Stanley Credit Default Swap EUR 1% 20/12/2028	(184)	(0.16)
USD 1,566,000	Morgan Stanley Credit Default Swap USD 1% 20/12/2028	(10)	(0.01)
BRL 6,800,000	Morgan Stanley Interest Rate Swap BRL 10.049% 04/01/2027	(21)	(0.02)
CAD 1,500,000	Morgan Stanley Interest Rate Swap CAD 1% 29/08/2033	18	0.02
CHF 800,000	Morgan Stanley Interest Rate Swap EUR 1% 27/03/2033	(4)	0.00
EUR 500,000	Morgan Stanley Interest Rate Swap EUR 2.97% 20/03/2033	(8)	(0.01)
EUR 900,000	Morgan Stanley Interest Rate Swap EUR 3.1% 17/07/2033	(19)	(0.02)
GBP 510,000	Morgan Stanley Interest Rate Swap GBP 3.354% 09/02/2033	(42)	(0.04)
JPY 116,400,000	Morgan Stanley Interest Rate Swap JPY 0.683% 24/07/2033	(16)	(0.01)
SEK 4,300,000	Morgan Stanley Interest Rate Swap SEK 1% 03/05/2032	26	0.02
SEK 2,600,000	Morgan Stanley Interest Rate Swap SEK 1% 09/05/2032	12	0.01
USD 4,250,000	Morgan Stanley Interest Rate Swap USD 1% 04/08/2033	126	0.11
USD 1,550,000	Morgan Stanley Interest Rate Swap USD 1% 09/02/2053	232	0.20

**Portfolio Statement (continued)**

As at 30 September 2023

Holdings or Nominal Value	Investments	Market value £'000	% of Total Net Assets
<b>Swaps (0.17%) ((0.44%)) (continued)</b>			
USD 6,750,000	Morgan Stanley Interest Rate Swap USD 3.585% 09/02/2028	(236)	(0.21)
USD 18,000,000	Morgan Stanley Interest Rate Swap USD 4.822% 04/08/2025	(73)	(0.06)
		<b>(194)</b>	<b>(0.17)</b>
<b>Futures (0.48%) ((0.21%))</b>			
(16)	Australian Government Bond 10 Year Futures December 2023	24	0.02
8	Canadian Government Bond 10 Year Futures December 2023	(17)	(0.02)
6	EURO-BUXL 30 Year Bond Futures December 2023	(43)	(0.04)
62	German Euro BOBL Futures December 2023	(46)	(0.04)
(23)	German Euro Bund Futures December 2023	33	0.03
(3)	German Euro OAT Futures December 2023	8	0.01
(8)	German Euro Schatz Futures December 2023	2	0.00
91	UK Long Gilt Futures December 2023	(72)	(0.06)
104	US Treasury 10 Year Ultra Futures December 2023	(281)	(0.25)
(6)	US Treasury Long Bond Futures December 2023	32	0.03
64	US Treasury Note 10 Year Futures December 2023	(97)	(0.09)
(17)	US Treasury Note 2 Year Futures December 2023	10	0.01
164	US Treasury Note 5 Year Futures December 2023	(154)	(0.14)
(9)	US Treasury Ultra Bond Futures December 2023	65	0.06
		<b>(536)</b>	<b>(0.48)</b>
<b>Forward Currency Contracts (1.92%) ((5.48%))</b>			
	Bought AUD3,485,000 for USD2,265,395 Settlement 08/11/2023	(11)	(0.01)
	Bought CAD3,808,000 for USD2,848,515 Settlement 08/11/2023	(25)	(0.02)
	Bought CLP5,139,000 for USD5,958 Settlement 16/11/2023	0	0.00
	Bought EUR4,043,000 for USD4,405,721 Settlement 08/11/2023	(97)	(0.09)
	Bought JPY103,447,000 for USD733,401 Settlement 08/11/2023	(30)	(0.03)
	Bought KRW685,000 for USD525 Settlement 16/11/2023	0	0.00

**Portfolio Statement (continued)**

As at 30 September 2023

Holdings or Nominal Value	Investments	Market value £'000	% of Total Net Assets
<b>Forward Currency Contracts (1.92%) (5.48%) (continued)</b>			
	Bought NOK81,682,000 for USD7,853,282 Settlement 08/11/2023	(139)	(0.12)
	Bought NZD5,634,000 for USD3,401,149 Settlement 08/11/2023	(13)	(0.01)
	Bought SEK22,849,000 for USD2,098,717 Settlement 08/11/2023	6	0.01
	Bought USD1,977,157 for AUD3,052,000 Settlement 08/11/2023	4	0.00
	Bought USD40,101 for BRL198,000 Settlement 16/11/2023	1	0.00
	Bought USD5,752,959 for CAD7,740,000 Settlement 08/11/2023	21	0.02
	Bought USD2,938,704 for EUR2,731,000 Settlement 08/11/2023	35	0.03
	Bought USD2,892,542 for JPY411,276,000 Settlement 08/11/2023	99	0.09
	Bought USD220 for MYR1,000 Settlement 16/11/2023	0	0.00
	Bought USD3,811,375 for NOK39,678,000 Settlement 08/11/2023	64	0.06
	Bought USD4,713,399 for NZD7,731,000 Settlement 08/11/2023	56	0.05
	Bought USD3,382,500 for SEK36,673,000 Settlement 08/11/2023	2	0.00
	Bought EUR422,623 for GBP367,378 Settlement 03/10/2023	(1)	0.00
	Bought EUR474,497 for GBP410,692 Settlement 04/10/2023	1	0.00
	Bought EUR5,538,000 for GBP4,783,610 Settlement 16/11/2023	28	0.02
	Bought EUR335,962 for GBP291,175 Settlement 05/10/2023	0	0.00
	Bought ILS3,000 for GBP634 Settlement 16/11/2023	0	0.00
	Bought JPY6,967,000 for GBP38,514 Settlement 16/11/2023	0	0.00
	Bought MXN1,221,000 for GBP55,000 Settlement 16/11/2023	2	0.00
	Bought NZD690,000 for GBP325,764 Settlement 16/11/2023	14	0.01
	Bought PLN150,000 for GBP28,873 Settlement 16/11/2023	(1)	0.00
	Bought USD225,154 for GBP184,261 Settlement 04/10/2023	0	0.00

**Portfolio Statement (continued)**

As at 30 September 2023

Holdings or Nominal Value	Investments	Market value £'000	% of Total Net Assets
<b>Forward Currency Contracts (1.92%) (5.48%) (continued)</b>			
	Bought USD4,365,737 for GBP3,432,000 Settlement 08/11/2023	144	0.13
	Bought USD5,785,000 for GBP4,628,738 Settlement 16/11/2023	110	0.10
	Sold AUD139,000 for GBP71,692 Settlement 16/11/2023	(2)	0.00
	Sold CAD101,000 for GBP59,103 Settlement 16/11/2023	(2)	0.00
	Sold EUR5,482 for GBP4,766 Settlement 03/10/2023	0	0.00
	Sold EUR45,096,531 for GBP39,119,279 Settlement 16/11/2023	(102)	(0.09)
	Sold HKD78,000 for GBP7,832 Settlement 16/11/2023	0	0.00
	Sold HUF21,102,000 for GBP46,310 Settlement 16/11/2023	(1)	0.00
	Sold MXN29,461,000 for GBP1,330,075 Settlement 16/11/2023	(48)	(0.04)
	Sold NZD15,059,000 for GBP7,156,713 Settlement 16/11/2023	(255)	(0.23)
	Sold SGD16,000 for GBP9,353 Settlement 16/11/2023	0	0.00
	Sold ZAR111,000 for GBP4,584 Settlement 16/11/2023	0	0.00
	Sold SEK655,000 for GBP48,433 Settlement 16/11/2023	(1)	0.00
	Sold CHF21,000 for GBP19,023 Settlement 16/11/2023	0	0.00
	Sold THB1,172,000 for GBP26,355 Settlement 16/11/2023	0	0.00
	Sold USD31,412 for GBP25,693 Settlement 02/10/2023	0	0.00
	Sold USD3,561,226 for GBP2,863,000 Settlement 08/11/2023	(54)	(0.05)
	Sold USD57,449,000 for GBP45,073,947 Settlement 16/11/2023	(1,982)	(1.75)
		<b>(2,177)</b>	<b>(1.92)</b>
	<b>Portfolio of investments</b>	<b>109,763</b>	<b>96.98</b>
	Net other assets	3,423	3.02
	<b>Net assets</b>	<b>113,186</b>	<b>100.00</b>

All investments are ordinary bonds unless otherwise stated and admitted to official stock exchange listings.

Comparative figures shown above in brackets relate to 30 September 2022.



**Portfolio Statement (continued)****As at 30 September 2023**

\*Defaulted.

The investments have been valued in accordance with note 1(h) of the Accounting Policies and Financial Instruments.

Gross purchases for the year (excl. Derivatives): £176,172,000 [2022: £118,551,000] (See note 16).

Total sales net of transaction costs for the year (excl. Derivatives): £152,659,000 [2022: £101,929,000] (See note 16).

**Portfolio Statement (continued)**

As at 30 September 2023

**Bond Ratings as at 30 September 2023**

Bonds Rating	% of Total Net Assets
AAA	23.81
AA	13.66
A	9.69
BBB	28.61
BB	13.79
B	7.78
CCC	0.74
CC	0.03
C	0.14
D	0.09
NR	1.21
<b>Bonds</b>	<b>99.55</b>
Uninvested Cash	3.02
Interest Rate Swaps & Forwards	(2.09)
Futures	(0.48)
<b>Net Assets</b>	<b>100.00</b>

Bonds not rated are of investment grade, but rating not sought by issuer.

## Statement of Total Return

For the year ended 30 September 2023

	Note	01/10/22 to 30/09/23		01/10/21 to 30/09/22	
		£'000	£'000	£'000	£'000
Income:					
Net capital losses	2		(67)		(20,811)
Revenue	3	4,607		2,899	
Expenses	4	(573)		(505)	
Interest payable and similar charges	5	(2)		(20)	
Net revenue before taxation		4,032		2,374	
Taxation	6	(3)		—	
Net revenue after taxation			4,029		2,374
Total return before distributions			3,962		(18,437)
Distributions	7		(4,601)		(2,879)
<b>Change in net assets attributable to Shareholders from investment activities</b>			<b>(639)</b>		<b>(21,316)</b>

## Statement of Change in Net Assets Attributable to Shareholders

For the year ended 30 September 2023

	01/10/22 to 30/09/23		01/10/21 to 30/09/22	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to Shareholders</b>		89,945		88,444
Amounts receivable on issue of Shares	25,503		23,807	
Amounts payable on cancellation of Shares	(6,357)		(3,950)	
		19,146		19,857
Change in net assets attributable to Shareholders from investment activities (see above)		(639)		(21,316)
Retained distributions on accumulation Shares		4,734		2,960
<b>Closing net assets attributable to Shareholders</b>		<b>113,186</b>		<b>89,945</b>

## Balance Sheet

As at 30 September 2023

	Note	30/09/23		30/09/22	
		£'000	£'000	£'000	£'000
<b>Assets:</b>					
Fixed assets:					
Investments			113,852		94,367
Current assets:					
Debtors	8	1,923		1,600	
Cash and bank balances	9	3,038		3,327	
Total current assets			4,961		4,927
Total assets			118,813		99,294
<b>Liabilities:</b>					
Investment liabilities			(4,089)		(8,629)
Creditors:					
Bank overdrafts	11	—		(81)	
Other creditors	10	(1,538)		(639)	
Total creditors			(1,538)		(720)
Total liabilities			(5,627)		(9,349)
<b>Net assets attributable to Shareholders</b>			<b>113,186</b>		<b>89,945</b>

## Notes to the Financial Statements

For the year ended 30 September 2023

### 1. Accounting basis and policies

The Fund's financial statements have been prepared on the basis detailed on pages 15 to 18.

### 2. Net capital losses

	01/10/22 to 30/09/23 £'000	01/10/21 to 30/09/22 £'000
The net capital losses during the year comprise:		
Brokers commission on futures	(14)	(13)
Currency losses	(570)	(313)
Derivative contracts	(1,829)	(149)
Forward currency contracts	5,078	(7,101)
Non-derivative securities	(2,657)	(13,154)
Transaction charges	(75)	(81)
<b>Net capital losses</b>	<b>(67)</b>	<b>(20,811)</b>

### 3. Revenue

	01/10/22 to 30/09/23 £'000	01/10/21 to 30/09/22 £'000
Bank interest	26	24
Futures interest	17	58
Interest from Debt Securities	4,810	2,979
Overseas dividends	7	—
Revenue from swaps	(253)	(162)
<b>Total revenue</b>	<b>4,607</b>	<b>2,899</b>

## Notes to the Financial Statements (continued)

For the year ended 30 September 2023

### 4. Expenses

	01/10/22 to 30/09/23 £'000	01/10/21 to 30/09/22 £'000
<b>Payable to the ACD, associates of the ACD, and agents of either of them</b>		
AMC fees	526	455
	<b>526</b>	<b>455</b>
<b>Payable to the Depositary, associates of the Depositary and agents of either of them</b>		
Depositary fees	16	14
Safe custody fees	8	8
	<b>24</b>	<b>22</b>
<b>Other expenses</b>		
Audit fees	13	13
Professional fees*	12	12
Publication fees	(2)	3
	<b>23</b>	<b>28</b>
<b>Total expenses</b>	<b>573</b>	<b>505</b>

Audit fees are £10,600 ex Vat (2022: £9,975).

\*Includes tax service fee paid to Deloitte LLP (India) £1,875 (2022: £9,975).

### 5. Interest payable and similar charges

	01/10/22 to 30/09/23 £'000	01/10/21 to 30/09/22 £'000
Interest	2	20
<b>Total interest payable and similar charges</b>	<b>2</b>	<b>20</b>

### 6. Taxation

#### (a) Analysis of the tax charge in the year

	01/10/22 to 30/09/23 £'000	01/10/21 to 30/09/22 £'000
Corporation tax	1	—
Double tax relief	(1)	—
Irrecoverable overseas tax	3	—
<b>Total taxation for the year (Note 6 (b))</b>	<b>3</b>	<b>—</b>

## Notes to the Financial Statements (continued)

For the year ended 30 September 2023

### 6. Taxation (continued)

#### (b) Factors affecting the tax charge for the year

The tax assessed for the year is different from that calculated when the standard rate of corporation tax for an open ended investment company of 20% (2022: 20%) is applied to the net revenue before taxation. The differences are explained below:

	01/10/22 to 30/09/23 £'000	01/10/21 to 30/09/22 £'000
Net revenue before taxation	4,032	2,374
Net revenue for the year multiplied by the standard rate of corporation tax	806	475
<b>Effects of:</b>		
Double taxation relief	(1)	—
Irrecoverable overseas tax	3	—
Tax deductible interest distributions	(805)	(475)
<b>Total tax charge for the year</b>	<b>3</b>	<b>—</b>

OEICs are exempt from tax on capital gains in the UK. Therefore, any capital return is not included within the reconciliation above.

#### (c) Provision for deferred tax

There is no provision required for deferred taxation at the Balance Sheet date in the current or prior year because no taxable profit is expected to be generated by the fund.

### 7. Distributions

The distributions take account of revenue received on the creation of shares and revenue deducted on the cancellation of shares, and comprise:

	01/10/22 to 30/09/23 £'000	01/10/21 to 30/09/22 £'000
First interim	997	608
Second interim	1,166	625
Third interim	1,269	833
Final	1,301	894
Add: Revenue paid on cancellation of shares	29	15
Deduct: Revenue received on creation of shares	(161)	(96)
<b>Net distribution for the year</b>	<b>4,601</b>	<b>2,879</b>
<b>Reconciliation of net revenue after taxation to distributions</b>		
Net revenue after taxation	4,029	2,374
Expenses charged to capital	572	505
<b>Net distribution for the year</b>	<b>4,601</b>	<b>2,879</b>

Details of the distributions per share are set out in the distribution tables on page 353.

## Notes to the Financial Statements (continued)

For the year ended 30 September 2023

### 8. Debtors

	30/09/23 £'000	30/09/22 £'000
Accrued revenue	1,555	1,124
Amounts receivable for creation of shares	113	386
Sales awaiting settlement	254	88
Prepaid expenses	1	2
<b>Total debtors</b>	<b>1,923</b>	<b>1,600</b>

### 9. Cash and bank balances

	30/09/23 £'000	30/09/22 £'000
Cash and bank balances	990	2,007
Amount held at futures clearing houses and brokers	2,048	1,320
<b>Total cash and bank balances</b>	<b>3,038</b>	<b>3,327</b>

### 10. Other creditors

	30/09/23 £'000	30/09/22 £'000
Amounts payable for cancellation of shares	187	307
Interest payable	10	9
Purchases awaiting settlement	1,268	231
	1,465	547
<i>Accrued expenses</i>		
<i>Manager and Agents</i>		
AMC fees	47	38
	47	38
<i>Depositary and Agents</i>		
Depositary fees	3	5
Safe custody fees	1	4
Transaction charges	9	30
	13	39
<i>Other accrued expenses</i>		
Audit fees	13	12
Professional fees	—	1
Publication fees	—	2
	13	15
<b>Total other creditors</b>	<b>1,538</b>	<b>639</b>

### 11. Bank overdrafts

	30/09/23 £'000	30/09/22 £'000
Bank overdrafts	—	81
<b>Total bank overdrafts</b>	<b>—</b>	<b>81</b>



## Notes to the Financial Statements (continued)

### For the year ended 30 September 2023

#### 12. Related party transactions

Management fees paid to the ACD, are disclosed in note 4 and amounts due at the year-end are disclosed in note 10.

Monies received and paid by the ACD through the creation and cancellation of shares are disclosed in the Statement of Change in Net Assets Attributable to Shareholders and amounts due at the year-end are disclosed in notes 8 and 10.

The ACD and its associates (including other authorised investment funds managed by the ACD) have no shareholdings in the company at the year-end.

#### Significant shareholdings

As at the balance sheet date, the following had significant shareholdings within the Fund:

Shareholders	30/09/23 (%)	30/09/22 (%)
Sterling ISA Managers (Nominees) Limited	74.10	73.64

#### 13. Share Classes

The Share Classes and ACD's Annual Management Charges ("AMC") applicable to each Share Class are as follows:

Share Class A Accumulation	%
	0.50

Each Share Class has equal rights in the event of the wind up of any fund.

The reconciliation of the opening and closing numbers of shares of each class is shown below:

	30/09/22	Issued	Cancelled	Converted	30/09/23
Share Class A Accumulation	94,947,004	25,610,724	(6,364,089)	—	114,193,639

#### 14. Capital commitments and contingent liabilities

There were no contingent liabilities or outstanding commitments at the balance sheet date (2022: nil).

#### 15. Derivatives and other financial instruments

The main risks from the Fund's holding of financial instruments, together with the ACD's policy for managing these risks, are disclosed in note 2 on pages 18 to 24 of the report.

##### (a) Foreign currency risk

A proportion of the financial net assets of the Fund are denominated in currencies other than sterling with the effect that the balance sheet and total return can be affected by currency movements.

The Fund holds an insignificant foreign currency exposure at 30 September 2023 (2022: insignificant) therefore a currency table has not been disclosed.

Changes in exchange rates would have no material impact on the valuation of foreign currency financial assets or liabilities as at the balance sheet date. Consequently, no sensitivity analysis has been presented.

**Notes to the Financial Statements (continued)**

For the year ended 30 September 2023

**15. Derivatives and other financial instruments (continued)****(b) Interest rate risk profile of financial assets and liabilities**

The table below shows the interest rate risk profile at the balance sheet date:

	Floating rate financial assets £'000	Fixed rate financial assets £'000	Financial assets not carrying interest £'000	Total £'000
<b>Currency Assets</b>				
<b>30/09/23</b>				
Australian Dollar	26	—	180	206
Brazilian Real	—	—	7	7
Canadian Dollar	31	—	18	49
Chilean Peso	—	—	5	5
Euro	930	33,528	876	35,334
Israeli Sheqel	—	—	1	1
Mexican Peso	—	1,254	37	1,291
New Zealand Dollar	—	6,888	127	7,015
Norwegian Krone	—	—	3,237	3,237
Polish Zloty	1	—	28	29
Sterling	2,698	27,967	81,707	112,372
Swedish Krona	—	—	39	39
US Dollar	59	42,333	1,004	43,396
<b>Total</b>	<b>3,745</b>	<b>111,970</b>	<b>87,266</b>	<b>202,981</b>

**Notes to the Financial Statements (continued)**

For the year ended 30 September 2023

**15. Derivatives and other financial instruments (continued)****(b) Interest rate risk profile of financial assets and liabilities (continued)**

	Floating rate financial assets £'000	Fixed rate financial assets £'000	Financial assets not carrying interest £'000	Total £'000
<b>Currency Assets</b>				
<b>30/09/22</b>				
Australian Dollar	115	—	101	216
Canadian Dollar	130	—	17	147
Chilean Peso	—	—	345	345
Euro	794	23,936	1,418	26,148
Hong Kong Dollar	9	—	435	444
Hungarian Forint	—	—	161	161
Indonesian Rupiah	—	—	93	93
Israeli Sheqel	6	—	380	386
Japanese Yen	5	5,268	—	5,273
Malaysian Ringgit	—	—	329	329
Mexican Peso	6	—	(2)	4
New Zealand Dollar	—	—	339	339
Norwegian Krone	—	—	465	465
Peruvian Nouveau Sol	—	—	114	114
Polish Zloty	1	—	355	356
Singapore Dollar	10	—	333	343
South African Rand	5	—	341	346
South Korean Won	—	—	184	184
Sterling	2,863	20,294	66,907	90,064
Swedish Krona	—	—	126	126
Swiss Franc	19	—	730	749
Thailand Baht	—	—	37	37
US Dollar	168	40,948	865	41,981
<b>Total</b>	<b>4,131</b>	<b>90,446</b>	<b>74,073</b>	<b>168,650</b>

**Notes to the Financial Statements (continued)**

For the year ended 30 September 2023

**15. Derivatives and other financial instruments (continued)****(b) Interest rate risk profile of financial assets and liabilities (continued)**

	<b>Floating rate financial liabilities £'000</b>	<b>Fixed rate financial liabilities £'000</b>	<b>Financial liabilities not carrying interest £'000</b>	<b>Total £'000</b>
<b>Currency Liabilities</b>				
<b>30/09/23</b>				
Brazilian Real	—	—	53	53
Canadian Dollar	—	—	2,463	2,463
Euro	—	—	33,288	33,288
Hong Kong Dollar	—	—	8	8
Hungarian Forint	—	—	47	47
Japanese Yen	—	—	1,693	1,693
Mexican Peso	—	—	1,322	1,322
New Zealand Dollar	—	—	8,104	8,104
Singapore Dollar	—	—	10	10
South African Rand	—	—	5	5
Sterling	—	—	674	674
Swedish Krona	—	—	1,094	1,094
Swiss Franc	—	—	23	23
Thailand Baht	—	—	26	26
US Dollar	—	—	40,985	40,985
<b>Total</b>	<b>—</b>	<b>—</b>	<b>89,795</b>	<b>89,795</b>

**Notes to the Financial Statements (continued)**

For the year ended 30 September 2023

**15. Derivatives and other financial instruments (continued)****(b) Interest rate risk profile of financial assets and liabilities (continued)**

	Floating rate financial liabilities £'000	Fixed rate financial liabilities £'000	Financial liabilities not carrying interest £'000	Total £'000
<b>Currency Liabilities</b>				
<b>30/09/22</b>				
Australian Dollar	—	—	14	14
Brazilian Real	—	—	282	282
Canadian Dollar	—	—	116	116
Colombian Peso	—	—	224	224
Czech Koruna	—	—	33	33
Euro	80	—	26,080	26,160
Hong Kong Dollar	—	—	438	438
Hungarian Forint	—	—	315	315
Japanese Yen	—	—	5,607	5,607
Malaysian Ringgit	—	—	152	152
Mexican Peso	—	—	348	348
New Taiwan Dollar	—	—	467	467
Philippine Peso	—	—	130	130
Singapore Dollar	1	—	287	288
South African Rand	—	—	18	18
South Korean Won	—	—	140	140
Sterling	—	—	1,505	1,505
Swedish Krona	—	—	269	269
Swiss Franc	—	—	345	345
Thailand Baht	—	—	395	395
US Dollar	—	—	41,459	41,459
<b>Total</b>	<b>81</b>	<b>—</b>	<b>78,624</b>	<b>78,705</b>

**(c) Counterparty risk**

The table below shows the counterparty risk as at the balance sheet date:

	Counterparty	Derivative Exposure £'000	Collateral Posted £'000	Collateral Received £'000	Collateral Asset Class
<b>2023</b>					
	Bank of America	13	—	—	
	JPMorgan Securities	7	—	—	
	JPMorgan	100	—	—	
	UBS	5	1,772	7	Cash
	Morgan Stanley	—	40	—	Cash
	Merrill Lynch	—	243	—	Cash

## Notes to the Financial Statements (continued)

For the year ended 30 September 2023

### 15. Derivatives and other financial instruments (continued)

#### (c) Counterparty risk (continued)

Counterparty	Derivative Exposure £'000	Collateral Posted £'000	Collateral Received £'000	Collateral Asset Class
<b>2022</b>				
Bank of America	2	—	90	Cash
Barclays	9	—	—	
BNP Paribas	10	—	—	
HSBC	175	110	—	Cash
Morgan Stanley	—	—	20	Cash
Royal Bank of Canada (UK)	129	—	—	

#### (d) Leverage

There was 253.08% leverage as at 30 September 2023, other than that available to the Fund as a result of its ability to borrow up to 10% of its value on a permanent basis.

	Average Leverage	Highest Leverage	Lowest Leverage	30/09/23
Omnis Strategic Bond Fund	261.52%	493.72%	168.71%	253.08%

### 16. Portfolio transaction costs

	01/10/22 to 30/09/23 £'000		01/10/21 to 30/09/22 £'000	
<b>Analysis of total purchase costs</b>				
Purchases in the year before transaction costs:				
Bonds		176,169		118,549
		176,169		118,549
Commissions - Derivatives	1		1	
Taxes - Derivatives	2		1	
Total purchase costs		3		2
<b>Gross purchase total</b>		<b>176,172</b>		<b>118,551</b>
<b>Analysis of total sale costs</b>				
Gross sales in the year before transaction costs:				
Equities		2		—
Bonds		152,660		101,931
		152,662		101,931
Commissions - Derivatives	(1)		(1)	
Taxes - Derivatives	(2)		(1)	
Total sale costs		(3)		(2)
<b>Total sales net of transaction costs</b>		<b>152,659</b>		<b>101,929</b>

The portfolio transaction costs table above includes direct transaction costs suffered by the Fund during the year.

**Notes to the Financial Statements (continued)**

For the year ended 30 September 2023

**16. Portfolio transaction costs (continued)**

For the Fund's investment transactions in debt instruments any applicable transaction charges form part of the dealing spread for these instruments.

Separately identifiable direct transaction costs (commissions and taxes etc.) are attributable to the Fund's purchase and sale of equity shares. Additionally for equity shares there is a dealing spread cost (the difference between the buying and selling prices) which will be suffered on purchase and sale transactions.

	01/10/22 to 30/09/23 %	01/10/21 to 30/09/22 %
<b>Transaction costs as percentage of principal amounts</b>		
Purchases - Commissions		
Equities	0.0000	0.0000
Bonds	0.0000	0.0000
Purchases - Taxes		
Equities	0.0000	0.0000
Bonds	0.0000	0.0000
Sales - Commissions		
Equities	0.0601	0.0000
Bonds	0.0000	0.0000
Sales - Taxes		
Equities	0.0000	0.0000
Bonds	0.0000	0.0000
	01/10/22 to 30/09/23 %	01/10/21 to 30/09/22 %
<b>Transaction costs as percentage of average net asset value</b>		
Commissions	0.0019	0.0026
Taxes	0.0038	0.0016

At the balance sheet date the average portfolio dealing spread was 0.47% (2022: 0.76%).

**17. Post balance sheet events**

Subsequent to the year end, the net asset value per unit of the fund has increased from 99.12 to 106.36 as at 26 January 2024. This movement takes into account routine transactions but also reflects the market movements of recent months.

**Notes to the Financial Statements (continued)**

For the year ended 30 September 2023

**18. Fair value disclosure**

Valuation technique	30/09/23		30/09/22	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
<b>Level 1:</b> The unadjusted quoted price in an active market for identical assets or liabilities	33,568	(710)	34,951	(610)
<b>Level 2:</b> Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly	80,284	(3,379)	59,416	(8,019)
<b>Level 3:</b> Inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability	—	—	—	—
	<b>113,852</b>	<b>(4,089)</b>	<b>94,367</b>	<b>(8,629)</b>



## Distribution Table

As at 30 September 2023

### First Distribution in pence per Share

- Group 1 Shares purchased prior to 1 October 2022  
 Group 2 Shares purchased on or after 1 October 2022 to 31 December 2022

	Gross revenue (p)	Equalisation (p)	Distribution paid 28/02/2023 (p)	Distribution paid 28/02/2022 (p)
<b>Share Class A Accumulation</b>				
Group 1	0.9969	—	0.9969	0.7590
Group 2	0.5656	0.4313	0.9969	0.7590

### Interim Distribution in pence per Share

- Group 1 Shares purchased prior to 1 January 2022  
 Group 2 Shares purchased on or after 1 January 2022 to 31 March 2023

	Gross revenue (p)	Equalisation (p)	Distribution paid 31/05/2023 (p)	Distribution paid 31/05/2022 (p)
<b>Share Class A Accumulation</b>				
Group 1	1.0700	—	1.0700	0.7492
Group 2	0.3922	0.6778	1.0700	0.7492

### Third Distribution in pence per Share

- Group 1 Shares purchased prior to 1 April 2023  
 Group 2 Shares purchased on or after 1 April 2023 to 30 June 2023

	Gross revenue (p)	Equalisation (p)	Distribution paid 31/08/2023 (p)	Distribution paid 31/08/2022 (p)
<b>Share Class A Accumulation</b>				
Group 1	1.1496	—	1.1496	0.9405
Group 2	0.5703	0.5793	1.1496	0.9405

### Final Distribution in pence per Share

- Group 1 Shares purchased prior to 1 July 2023  
 Group 2 Shares purchased on or after 1 July 2023 to 30 September 2023

	Gross revenue (p)	Equalisation (p)	Distribution payable 30/11/2023 (p)	Distribution paid 30/11/2022 (p)
<b>Share Class A Accumulation</b>				
Group 1	1.1392	—	1.1392	0.9413
Group 2	0.4700	0.6692	1.1392	0.9413

## Investment Manager's Report

For the year ended 30 September 2023

### Investment Objective

The Fund aims to achieve a return consisting of both income and capital growth which, after all fees and expenses, exceeds that of the FTSE All-Share TR Index over a five-year rolling period.

### Investment Policy

The Fund intends to invest at least 80% in the equity securities of UK companies, defined as those which are domiciled, incorporated or have a significant exposure to the UK.

The Fund may also invest in other transferable securities (for example international equities), units in collective investment schemes (including exchange traded funds and other schemes managed and operated by the ACD or its associates), money market instruments, warrants, cash, near cash and deposits as detailed in the Prospectus.

It is envisaged that the investment portfolio of the Fund will be concentrated, typically comprising between 35 and 60 stocks.

Derivatives may be used for the purposes of hedging and for efficient portfolio management.

### Benchmark

The performance of the Fund will be measured against the FTSE All-Share TR Index\* for target return purposes. This index was chosen as it was considered a fair representation of the assets in which the fund will invest, in line with its investment objectives and policy.

### Portfolio Review

Over the period the fund returned 13.13% [source: Return after operating charges as per Comparative Table] and the benchmark returned 13.84% [source: Financial Express, bid to bid, net income reinvested].

\*The index data provided has been licensed for use by its third-party providers who do not accept any liability for errors or omissions. For full disclaimer please see <https://omnisinvestments.com/disclaimers>

The largest relative contributors to returns at the sector level were an overweight to, and stock selection in, retailers and food producers, a lack of exposure to closed-ended investments, and stock selection in industrial engineering. Conversely, the largest detractors were an underweight to banks, and underweight to, and stock selection in, aerospace and defence, and an overweight to, and stock selection in, industrial support services.

Despite negative headlines this year, the domestic retailer has fared well. Consumer confidence has continued to climb since the bond market declines caused by the mini-budget pandemonium in 2022, and interest rates and inflation now look like they have potentially peaked. In contrast to many developed markets, the selloff in long dated gilts moderated through Q3 2023 which stabilised market interest rates, and consumers also saw mortgage rates fall alongside the energy price cap. Considering this general UK optimism, domestic areas of the market recovered amid resilient consumer confidence and a broad market agreement that base rates have now peaked.

In the Small and mid-cap space, a number of consumer discretionary areas recovered well including housebuilders Bellway and Taylor Wimpey. Furthermore, select consumer names including pub groups, retailers, and travel names were all supported by prospects of improved consumer budgets. Trade kitchen manufacturer and supplier Howden Group had a particularly strong year, earning

**Investment Manager's Report (continued)**

For the year ended 30 September 2023

promotion into the FTSE 100 at the end of September 2023. Retailers AB Foods, Dunelm, and Next also performed strongly for the Fund.

The lack of exposure to HSBC hurt relative performance. HSBC shares rallied over 45% in the period and account for 5% of the index. In a period where global interest rates are ascending from near-zero levels, banks are set to profit from an increase in net interest margins. The Fund has exposure to this theme through NatWest, believing HSBC is subject to excessive external risk from global regulators resulting in a relatively opaque business model. These risks are moderated with a bank like NatWest given its domestic operating model and strong capital adequacy characteristics.

Stock specific events with Spirent Communications and Watches of Switzerland also both weighed on relative returns, impacted by deferral of global technology spend and Rolex's strengthening competitive position, respectively.

New positions were started over the period in bank NatWest, polymer supplier Victrex, testing and assurance business Intertek, and recruiter Page Group.

**Franklin Templeton Fund Management Limited**

October 2023

## Material Portfolio Changes

For the year ended 30 September 2023

Purchases		Sales	
Portfolio Name	Cost £'000	Portfolio Name	Proceeds £'000
NatWest	32,951	Spectris	31,813
Victrex	28,179	Dunelm	30,226
Intertek	25,095	Ferguson	29,965
Pagegroup	20,582	Rotork	25,894
LondonMetric Property	12,652	AstraZeneca	13,189
GSK	7,595	Shell	5,928
Watches of Switzerland	7,563	Associated British Foods	5,810
Derwent London	6,281	Diageo	5,700
Reckitt Benckiser	6,234	Sage	5,599
Spirent Communications	5,957	Paragon Banking	4,922

The above table complements the data provided in the investment managers report by outlining the top 10 portfolio components.

## Comparative Table

As at 30 September 2023

	30/09/23 (p)	A Income 30/09/22 (p)	30/09/21 (p)
<b>Change in net assets per Share</b>			
Opening net asset value per share	89.98	102.00	83.41
Return before operating charges*	12.44	(7.77)	22.38
Operating charges	(0.63)	(0.64)	(0.61)
Return after operating charges	11.81	(8.41)	21.77
Distributions	(3.57)	(3.61)	(3.18)
Closing net asset value per share	98.22	89.98	102.00
*after direct transaction cost of:	0.07	0.11	0.14
<b>Performance</b>			
Return after operating charges	13.13%	(8.25%)	26.10%
<b>Other information</b>			
Closing net asset value (£'000)	1,807,120	1,651,481	1,779,803
Closing number of shares	1,839,871,266	1,835,440,442	1,744,951,126
Operating charges	0.62%	0.62%	0.63%
Direct transaction costs	0.07%	0.11%	0.14%
<b>Prices (p)**</b>			
Highest share price	107.85	108.20	106.37
Lowest share price	89.10	91.94	79.15

\*\*The highest and lowest share prices are based on published price. The opening and closing net asset values per share include accounting adjustments, therefore they may appear higher or lower as a result.

**Performance Information**

As at 30 September 2023

**Operating Charge**

Date	AMC (%)	Other expenses (%)	Transaction costs (%)	Total operating charge (%)
30/09/23				
Share Class A Income	0.61	0.01	0.00	0.62
30/09/22				
Share Class A Income	0.61	0.01	0.00	0.62

The Operating Charge is the ratio of the Fund's total disclosable costs (excluding overdraft interest) to the average net assets of the Fund.

**Risk and Reward Profile**

As at 30 September 2023

	Typically lower rewards				Typically higher rewards			
	Lower risks				Higher risks			
Share Class A	1	2	3	4	5	6	7	

- This indicator is based on historical data and may not be a reliable indication of the future risk profile of the Fund.
- The risk category shown is not guaranteed to remain unchanged and may shift over time.
- The risk and reward indicator table demonstrates where a Fund ranks in terms of its potential risk and return. The higher the rank the greater the potential reward but the greater the risk of losing money. The lowest category does not mean 'risk free'.
- The Fund appears as a "6" on the scale. This is because the Fund invests in the shares of companies whose values tend to vary more widely than other asset classes.

**Risk Warning**

An investment in an Open Ended Investment Company should be regarded as a medium to long-term investment. Investors should be aware that the price of shares and the income from them may fall as well as rise and investors may not receive back the full amount invested. Past performance is not a guide to future performance. Investments denominated in currencies other than the base currency of a Fund are subject to fluctuation in exchange rates, which may be favourable or unfavourable.

## Portfolio Statement

As at 30 September 2023

Holdings or Nominal Value	Investments	Market value £'000	% of Total Net Assets
<b>Aerospace &amp; Defence 1.32% (1.52%)</b>			
7,500,000	QinetiQ	23,910	1.32
		<b>23,910</b>	<b>1.32</b>
<b>Banks 2.91% (1.24%)</b>			
2,813,000	Close Brothers	24,923	1.38
11,765,000	NatWest	27,719	1.53
		<b>52,642</b>	<b>2.91</b>
<b>Beverages 3.03% (4.02%)</b>			
2,900,000	Britvic	25,288	1.40
970,000	Diageo	29,430	1.63
		<b>54,718</b>	<b>3.03</b>
<b>Chemicals 1.23% (0.00%)</b>			
1,585,000	Victrex	22,269	1.23
		<b>22,269</b>	<b>1.23</b>
<b>Construction &amp; Materials 3.29% (2.63%)</b>			
906,000	CRH	41,150	2.28
5,532,000	Genuit	18,228	1.01
		<b>59,378</b>	<b>3.29</b>
<b>Electricity 1.53% (1.59%)</b>			
1,721,000	SSE	27,708	1.53
		<b>27,708</b>	<b>1.53</b>
<b>Electronic &amp; Electrical Equipment 0.00% (2.53%)</b>			
<b>Finance &amp; Credit Services 1.27% (1.23%)</b>			
4,670,000	Paragon Banking	22,976	1.27
		<b>22,976</b>	<b>1.27</b>
<b>Food Producers 3.59% (2.68%)</b>			
1,584,000	Associated British Foods	32,757	1.81
905,000	Cranswick	32,146	1.78
		<b>64,903</b>	<b>3.59</b>
<b>Gas, Water &amp; Multi-utilities 2.41% (2.40%)</b>			
4,450,000	National Grid	43,610	2.41
		<b>43,610</b>	<b>2.41</b>
<b>General Industrials 4.36% (4.72%)</b>			
920,000	Bunzl	26,919	1.49
8,900,000	DS Smith	25,552	1.41
1,623,900	Smiths	26,299	1.46
		<b>78,770</b>	<b>4.36</b>

**Portfolio Statement (continued)**

As at 30 September 2023

Holdings or Nominal Value	Investments	Market value £'000	% of Total Net Assets
<b>Household Goods &amp; Home Construction 1.65% (1.14%)</b>			
1,303,000	Bellway	29,761	1.65
		<b>29,761</b>	<b>1.65</b>
<b>Industrial Engineering 2.81% (1.05%)</b>			
4,050,000	Bodycote	26,426	1.46
5,600,000	Vesuvius	24,315	1.35
		<b>50,741</b>	<b>2.81</b>
<b>Industrial Metals &amp; Mining 4.75% (6.56%)</b>			
1,340,000	Anglo American	30,358	1.68
1,073,000	Rio Tinto	55,517	3.07
		<b>85,875</b>	<b>4.75</b>
<b>Industrial Support Services 9.97% (9.71%)</b>			
613,000	DCC	28,253	1.56
2,770,000	Electrocomponents	20,371	1.13
1,000,000	Experian	26,910	1.49
2,533,000	Grafton	22,898	1.27
595,000	Intertek	24,467	1.35
4,900,000	Pagegroup PLC	20,541	1.14
5,700,000	RWS	13,657	0.75
15,504,119	Serco	23,101	1.28
		<b>180,198</b>	<b>9.97</b>
<b>Investment Banking &amp; Brokerage 4.22% (4.28%)</b>			
12,481,000	Ashmore	23,439	1.30
1,785,000	Intermediate Capital	24,687	1.36
1,450,000	Liontrust Asset Management	8,802	0.49
2,330,000	St James's Place	19,390	1.07
		<b>76,318</b>	<b>4.22</b>
<b>Life Insurance 2.65% (2.98%)</b>			
11,330,000	Legal & General	25,209	1.40
4,684,000	Phoenix	22,586	1.25
		<b>47,795</b>	<b>2.65</b>
<b>Media 6.16% (5.99%)</b>			
4,250,000	Informa	31,892	1.76
1,919,000	RELX	53,252	2.95
3,565,000	WPP	26,132	1.45
		<b>111,276</b>	<b>6.16</b>
<b>Medical Equipment &amp; Services 1.33% (1.37%)</b>			
2,350,000	Smith & Nephew	24,040	1.33
		<b>24,040</b>	<b>1.33</b>



**Portfolio Statement (continued)**

As at 30 September 2023

Holdings or Nominal Value	Investments	Market value £'000	% of Total Net Assets
<b>Multiline Retail 0.00% (3.26%)</b>			
<b>Oil, Gas &amp; Coal 11.17% (10.69%)</b>			
19,640,000	BP	104,367	5.78
3,740,000	Shell	97,464	5.39
		<b>201,831</b>	<b>11.17</b>
<b>Personal Care, Drug &amp; Grocery Stores 9.03% (0.00%)</b>			
702,000	Reckitt Benckiser	40,674	2.25
12,800,000	Tesco	33,817	1.87
2,185,000	Unilever	88,755	4.91
		<b>163,246</b>	<b>9.03</b>
<b>Personal Goods 1.00% (0.96%)</b>			
3,387,000	Watches of Switzerland	18,087	1.00
		<b>18,087</b>	<b>1.00</b>
<b>Personal Products 0.00% (8.98%)</b>			
<b>Pharmaceuticals &amp; Biotechnology 8.09% (8.14%)</b>			
792,000	AstraZeneca	87,928	4.87
3,900,000	GSK	58,180	3.22
		<b>146,108</b>	<b>8.09</b>
<b>Real Estate Investment Trusts 2.66% (1.87%)</b>			
1,232,000	Derwent London	23,741	1.32
14,100,000	LondonMetric Property	24,252	1.34
		<b>47,993</b>	<b>2.66</b>
<b>Retailers 2.90% (0.00%)</b>			
3,250,000	Howden Joinery	23,933	1.32
391,000	Next	28,527	1.58
		<b>52,460</b>	<b>2.90</b>
<b>Software &amp; Computer Services 1.48% (1.40%)</b>			
2,710,000	Sage	26,802	1.48
		<b>26,802</b>	<b>1.48</b>
<b>Telecommunications Equipment 0.92% (0.00%)</b>			
11,970,441	Spirent Communications	16,519	0.92
		<b>16,519</b>	<b>0.92</b>

**Portfolio Statement (continued)**

As at 30 September 2023

Holdings or Nominal Value	Investments	Market value £'000	% of Total Net Assets
<b>Telecommunications Service Providers 0.00% (1.40%)</b>			
<b>Tobacco 4.59% (5.83%)</b>			
2,100,000	British American Tobacco	54,117	2.99
1,730,000	Imperial Brands	28,839	1.60
		<b>82,956</b>	<b>4.59</b>
	<b>Portfolio of investments</b>	<b>1,812,890</b>	<b>100.32</b>
	Net other assets	(5,770)	(0.32)
	<b>Net assets</b>	<b>1,807,120</b>	<b>100.00</b>

All investments are ordinary shares unless otherwise stated and admitted to official stock exchange listings.

Comparative figures shown above in brackets relate to 30 September 2022.

The investments have been valued in accordance with note 1(h) of the Accounting Policies and Financial Instruments.

Gross purchases for the year: £206,457,000 [2022: £353,008,000] (See note 14).

Total sales net of transaction costs for the year: £202,717,000 [2022: £261,305,000] (See note 14).

## Statement of Total Return

For the year ended 30 September 2023

	Note	01/10/22 to 30/09/23		01/10/21 to 30/09/22	
		£'000	£'000	£'000	£'000
Income:					
Net capital gains/(losses)	2		154,875		(219,685)
Revenue	3	76,766		76,119	
Expenses	4	(11,477)		(11,366)	
Net revenue before taxation		65,289		64,753	
Taxation	5	—		—	
Net revenue after taxation			65,289		64,753
Total return before distributions			220,164		(154,932)
Distributions	6		(65,289)		(64,753)
<b>Change in net assets attributable to Shareholders from investment activities</b>			<b>154,875</b>		<b>(219,685)</b>

## Statement of Change in Net Assets Attributable to Shareholders

For the year ended 30 September 2023

	01/10/22 to 30/09/23		01/10/21 to 30/09/22	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to Shareholders</b>		1,651,481		1,779,803
Amounts receivable on issue of Shares	81,459		162,286	
Amounts payable on cancellation of Shares	(80,695)		(70,923)	
		764		91,363
Change in net assets attributable to Shareholders from investment activities (see above)		154,875		(219,685)
<b>Closing net assets attributable to Shareholders</b>		<b>1,807,120</b>		<b>1,651,481</b>

**Balance Sheet**

As at 30 September 2023

	Note	30/09/23		30/09/22	
		£'000	£'000	£'000	£'000
<b>Assets:</b>					
Fixed assets:					
Investments			1,812,890		1,654,271
Current assets:					
Debtors	7	6,164		9,365	
Cash and bank balances	8	24,627		27,234	
Total current assets			30,791		36,599
Total assets			1,843,681		1,690,870
<b>Liabilities:</b>					
Creditors:					
Distribution payable		(35,502)		(38,408)	
Other creditors	9	(1,059)		(981)	
Total creditors			(36,561)		(39,389)
Total liabilities			(36,561)		(39,389)
<b>Net assets attributable to Shareholders</b>			<b>1,807,120</b>		<b>1,651,481</b>

## Notes to the Financial Statements

For the year ended 30 September 2023

### 1. Accounting basis and policies

The Fund's financial statements have been prepared on the basis detailed on pages 15 to 18.

### 2. Net capital gains/(losses)

	01/10/22 to 30/09/23 £'000	01/10/21 to 30/09/22 £'000
The net capital gains/(losses) during the year comprise:		
Non-derivative securities	154,880	(219,687)
Transaction charges	(5)	(12)
Costs reclassification	—	14
<b>Net capital gains/(losses)</b>	<b>154,875</b>	<b>(219,685)</b>

### 3. Revenue

	01/10/22 to 30/09/23 £'000	01/10/21 to 30/09/22 £'000
Bank interest	95	12
Overseas dividends	3,337	12,130
UK dividends	71,320	62,591
UK property income dividends	2,014	1,386
<b>Total revenue</b>	<b>76,766</b>	<b>76,119</b>

### 4. Expenses

	01/10/22 to 30/09/23 £'000	01/10/21 to 30/09/22 £'000
<b>Payable to the ACD, associates of the ACD, and agents of either of them</b>		
AMC fees	11,229	11,116
	11,229	11,116
<b>Payable to the Depositary, associates of the Depositary and agents of either of them</b>		
Depositary fees	134	133
Safe custody fees	90	92
	224	225
<b>Other expenses</b>		
Audit fees	10	9
Professional fees	16	13
Publication fees	(2)	3
	24	25
<b>Total expenses</b>	<b>11,477</b>	<b>11,366</b>

Audit fees are £8,350 ex Vat (2022: £7,875).

## Notes to the Financial Statements (continued)

For the year ended 30 September 2023

### 5. Taxation

#### (a) Analysis of the tax charge in the year

	01/10/22 to 30/09/23 £'000	01/10/21 to 30/09/22 £'000
<b>Total taxation for the year (Note 5 (b))</b>	—	—

#### (b) Factors affecting the tax charge for the year

The tax assessed for the year is different from that calculated when the standard rate of corporation tax for an open ended investment company of 20% (2022: 20%) is applied to the net revenue before taxation. The differences are explained below:

	01/10/22 to 30/09/23 £'000	01/10/21 to 30/09/22 £'000
Net revenue before taxation	65,289	64,753
Net revenue for the year multiplied by the standard rate of corporation tax	13,058	12,951
<b>Effects of:</b>		
Movement in excess management expenses	1,929	2,043
Non taxable overseas dividends	(665)	(2,427)
Non taxable property revenue from UK REITS - non PID	(58)	(49)
Non taxable UK dividends	(14,264)	(12,518)
<b>Total tax charge for the year</b>	—	—

OEICs are exempt from tax on capital gains in the UK. Therefore, any capital return is not included within the reconciliation above.

#### (c) Provision for deferred tax

There is no provision required for deferred taxation at the Balance Sheet date in the current or prior year because no taxable profit is expected to be generated by the fund.

#### (d) Factors that may affect future tax charges

At the year-end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £8,300,826 (2022: £6,371,639) in relation to surplus management expenses. It is unlikely that the Fund will generate sufficient taxable profits in the future to utilise this amount and therefore no deferred tax asset has been recognised in the year.

**Notes to the Financial Statements (continued)**

For the year ended 30 September 2023

**6. Distributions**

The distributions take account of revenue received on the creation of shares and revenue deducted on the cancellation of shares, and comprise:

	01/10/22 to 30/09/23 £'000	01/10/21 to 30/09/22 £'000
Interim	29,961	27,336
Final	35,502	38,408
Add: Revenue paid on cancellation of shares	618	242
Deduct: Revenue received on creation of shares	(792)	(1,233)
<b>Net distribution for the year</b>	<b>65,289</b>	<b>64,753</b>
<b>Reconciliation of net revenue after taxation to distributions</b>		
Net revenue after taxation	65,289	64,753
<b>Net distribution for the year</b>	<b>65,289</b>	<b>64,753</b>

Details of the distributions per share are set out in the distribution tables on page 372.

**7. Debtors**

	30/09/23 £'000	30/09/22 £'000
Accrued bank interest	11	4
Accrued revenue	5,798	3,392
Amounts receivable for creation of shares	354	5,967
Prepaid expenses	1	2
<b>Total debtors</b>	<b>6,164</b>	<b>9,365</b>

**8. Cash and bank balances**

	30/09/23 £'000	30/09/22 £'000
Cash and bank balances	24,627	27,234
<b>Total cash and bank balances</b>	<b>24,627</b>	<b>27,234</b>

## Notes to the Financial Statements (continued)

For the year ended 30 September 2023

### 9. Other creditors

	30/09/23 £'000	30/09/22 £'000
Amounts payable for cancellation of shares	90	—
	90	—
<i>Accrued expenses</i>		
<i>Manager and Agents</i>		
AMC fees	921	890
	921	890
<i>Depositary and Agents</i>		
Depositary fees	22	44
Safe custody fees	15	31
Transaction charges	1	3
	38	78
<i>Other accrued expenses</i>		
Audit fees	10	9
Professional fees	—	1
Publication fees	—	3
	10	13
<b>Total other creditors</b>	<b>1,059</b>	<b>981</b>

### 10. Related party transactions

Management fees paid to the ACD, are disclosed in note 4 and amounts due at the year-end are disclosed in note 9.

Monies received and paid by the ACD through the creation and cancellation of shares are disclosed in the Statement of Change in Net Assets Attributable to Shareholders and amounts due at the year-end are disclosed in notes 7 and 9.

The ACD and its associates (including other authorised investment funds managed by the ACD) have no shareholdings in the company at the year-end.

#### Significant shareholdings

As at the balance sheet date, the following had significant shareholdings within the Fund:

Shareholders	30/09/23 (%)	30/09/22 (%)
Sterling ISA Managers (Nominees) Limited	81.02	81.23

### 11. Share Classes

The Share Classes and ACD's Annual Management Charges ("AMC") applicable to each Share Class are as follows:

	%
Share Class A Income	0.61

Each Share Class has equal rights in the event of the wind up of any fund.



## Notes to the Financial Statements (continued)

For the year ended 30 September 2023

### 11. Share Classes (continued)

The reconciliation of the opening and closing numbers of shares of each class is shown below:

	30/09/22	Issued	Cancelled	Converted	30/09/23
Share Class A Income	1,835,440,442	83,231,631	(78,800,807)	—	1,839,871,266

### 12. Capital commitments and contingent liabilities

There were no contingent liabilities or outstanding commitments at the balance sheet date (2022: nil).

### 13. Derivatives and other financial instruments

The main risks from the Fund's holding of financial instruments, together with the ACD's policy for managing these risks, are disclosed in note 2 on pages 18 to 24 of the report.

#### (a) Foreign currency risk

A proportion of the financial net assets of the Fund are denominated in currencies other than sterling with the effect that the balance sheet and total return can be affected by currency movements.

The Fund holds an insignificant foreign currency exposure at 30 September 2023 (2022: insignificant) therefore a currency table has not been disclosed.

Changes in exchange rates would have no material impact on the valuation of foreign currency financial assets or liabilities as at the balance sheet date. Consequently, no sensitivity analysis has been presented.

#### (b) Interest rate risk profile of financial assets and liabilities

The Fund does not invest in either fixed or floating rate securities and interest rate risk exposure is restricted to interest receivable on bank deposits or payable on bank overdraft positions which will be affected by fluctuations in interest rates.

As at 30 September 2023 1.36% of the Fund's assets were interest bearing (2022: 1.65%).

Changes in interest rates would have no material impact on the valuation of financial assets or liabilities. Consequently, no sensitivity analysis has been presented.

## Notes to the Financial Statements (continued)

For the year ended 30 September 2023

### 14. Portfolio transaction costs

	01/10/22 to 30/09/23		01/10/21 to 30/09/22	
	£'000	£'000	£'000	£'000
<b>Analysis of total purchase costs</b>				
Purchases in the year before transaction costs:				
Equities		205,295		351,102
		205,295		351,102
Commissions - Equities	107		180	
Taxes - Equities	1,055		1,726	
Total purchase costs		1,162		1,906
<b>Gross purchase total</b>		<b>206,457</b>		<b>353,008</b>
<b>Analysis of total sale costs</b>				
Gross sales in the year before transaction costs:				
Equities		202,817		261,433
		202,817		261,433
Commissions - Equities	(100)		(128)	
Total sale costs		(100)		(128)
<b>Total sales net of transaction costs</b>		<b>202,717</b>		<b>261,305</b>

The portfolio transaction costs table above includes direct transaction costs suffered by the Fund during the year.

Separately identifiable direct transaction costs (commissions and taxes etc.) are attributable to the Fund's purchase and sale of equity shares. Additionally for equity shares there is a dealing spread cost (the difference between the buying and selling prices) which will be suffered on purchase and sale transactions.

	01/10/22 to 30/09/23	01/10/21 to 30/09/22
	%	%
<b>Transaction costs as percentage of principal amounts</b>		
Purchases - Commissions		
Equities	0.0519	0.0512
Purchases - Taxes		
Equities	0.5110	0.4916
Sales - Commissions		
Equities	0.0493	0.0489
Sales - Taxes		
Equities	0.0001	0.0001
<b>Transaction costs as percentage of average net asset value</b>		
Commissions	0.0112	0.0169
Taxes	0.0573	0.0947

At the balance sheet date the average portfolio dealing spread was 0.01% (2022: 0.02%).

**Notes to the Financial Statements (continued)**

For the year ended 30 September 2023

**15. Post balance sheet events**

Subsequent to the year end, the net asset value per unit of the fund has increased from 98.22p to 102.28p as at 26 January 2024. This movement takes into account routine transactions but also reflects the market movements of recent months.

**16. Fair value disclosure**

Valuation technique	30/09/23		30/09/22	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
<b>Level 1:</b> The unadjusted quoted price in an active market for identical assets or liabilities	1,812,890	—	1,654,271	—
<b>Level 2:</b> Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly	—	—	—	—
<b>Level 3:</b> Inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability	—	—	—	—
	<b>1,812,890</b>	<b>—</b>	<b>1,654,271</b>	<b>—</b>

## Distribution Table

As at 30 September 2023

### Interim Distribution in pence per Share

- Group 1 Shares purchased prior to 1 October 2022  
 Group 2 Shares purchased on or after 1 October 2022 to 31 March 2023

	Net revenue (p)	Equalisation (p)	Distribution paid 31/05/2023 (p)	Distribution paid 31/05/2022 (p)
<b>Share Class A Income</b>				
Group 1	1.6440	—	1.6440	1.5205
Group 2	0.8803	0.7637	1.6440	1.5205

### Final Distribution in pence per Share

- Group 1 Shares purchased prior to 1 April 2023  
 Group 2 Shares purchased on or after 1 April 2023 to 30 September 2023

	Net revenue (p)	Equalisation (p)	Distribution payable 30/11/2023 (p)	Distribution paid 30/11/2022 (p)
<b>Share Class A Income</b>				
Group 1	1.9296	—	1.9296	2.0926
Group 2	0.9036	1.0260	1.9296	2.0926

## Investment Manager's Report

For the year ended 30 September 2023

### Investment Objective

The Fund aims to achieve a return consisting primarily of income and some capital growth which exceeds that of the ICE BofA UK Gilt TR Index, after all fees and expenses, over a five-year rolling period.

### Investment Policy

The Fund intends to invest at least 95% in sterling denominated (or hedged back to sterling) AA-rated, government-backed securities, with at least 75% invested in UK government securities (Gilts).

The Fund may also invest in other transferable securities, units in collective investment schemes (including exchange traded funds and other schemes managed and operated by the ACD or its associates), money market instruments, warrants, cash, near cash and deposits as detailed in the Prospectus.

Derivatives may be used both for investment purposes and for efficient portfolio management.

### Benchmark

The performance of the Fund will be measured against the ICE BofA UK Gilt TR Index\* for target return purposes. This index was chosen as it was considered a fair representation of the assets in which the fund will invest, in line with its investment objectives and policy.

### Portfolio Review

Over the period the fund returned -2.77% [source: Return after operating charges as per Comparative Table] and the benchmark returned -2.97% [source: Financial Express, bid to bid, net income reinvested].

\*The index data provided has been licensed for use by its third-party providers who do not accept any liability for errors or omissions. For full disclaimer please see <https://omnisinvestments.com/disclaimers>

The Fund started the period slightly underweight in duration (which measures sensitivity to changes in interest rates) relative to the benchmark.

Yields (which move inversely to price) of UK government bonds (gilts) were initially volatile amid concerns over the uncosted tax-cutting measures announced in September 2022 by (then) Chancellor Kwasi Kwarteng. Subsequently, The Fund moved to an overweight duration position. This proved beneficial, as gilt yields fell amid relief over the appointment of Jeremy Hunt as chancellor; he reversed his predecessor's stimulus measures which had so unnerved markets in September 2022. Markets also welcomed the appointment of Rishi Sunak, who was perceived to be more fiscally prudent than his predecessor, as prime minister. The preference for longer-dated bonds also added value, as these assets outperformed.

In January, our overweight duration position proved beneficial as yields fell on signs of cooling inflation, which fuelled hopes that key central banks might slow the pace of interest-rate rises, however this overweight in duration detracted during February as yields rose on the back of strong US and European labour-market and inflation data, which caused concern that interest rates may be kept higher for longer.

## **Investment Manager's Report (continued)**

**For the year ended 30 September 2023**

The collapse of two US lenders and the forced takeover of Credit Suisse in March increased fears of wider troubles in the banking sector and prompted a flight to safety. The crisis also lowered interest-rate expectations. The overweight duration position proved beneficial, and the Fund took some profits during this rally.

Yields rose further over the second quarter of 2023, as the expectations of interest-rate cuts that had been priced in during the banking crisis melted away due to elevated inflation in the UK and a tight labour market. The Fund took advantage of the sell-off in gilts to increase duration. Despite a high level of volatility Gilts rallied in July as the UK's inflation circumstances finally appeared to be improving.

Early in August, the Fund switched 2049 gilts into 2033s in a curve steepener trade (selling long-dated bonds while buying short-dated bonds to take advantage of an anticipated widening in the yield spread between short and long maturities due to expectations of higher interest rates).

The Fund lowered duration modestly in the second half of September as data indicated that inflationary pressures could ease further, but finished September with overall duration of 0.65 years long.

### **Threadneedle Asset Management Limited**

October 2023

## Material Portfolio Changes

For the year ended 30 September 2023

Purchases		Sales	
Portfolio Name	Cost £'000	Portfolio Name	Proceeds £'000
UK Treasury 4.125% 29/01/2027	256,292	UK Treasury 0.25% 31/01/2025	172,912
UK Treasury 1.25% 22/10/2041	160,077	UK Treasury 0.625% 31/07/2035	163,721
UK Treasury 3.5% 22/10/2025	159,349	UK Treasury 1.25% 22/10/2041	161,652
UK Treasury 0.875% 31/07/2033	157,988	UK Treasury 3.5% 22/10/2025	131,604
UK Treasury 0.5% 31/01/2029	147,582	UK Treasury 0.875% 31/07/2033	123,724
UK Treasury 3.75% 29/01/2038	139,566	UK Treasury 4.125% 29/01/2027	106,490
UK Treasury 3.5% 22/01/2045	115,887	UK Treasury 3.5% 22/01/2045	89,453
UK Treasury 0.625% 31/07/2035	113,073	UK Treasury 3.75% 29/01/2038	78,825
UK Treasury 0.375% 22/10/2026	107,764	UK Treasury 0.375% 22/10/2026	78,490
UK Treasury 1.75% 07/09/2037	94,399	UK Treasury 0.125% 31/01/2023	77,911

The above table complements the data provided in the investment managers report by outlining the top 10 portfolio components.

## Comparative Table

As at 30 September 2023

	30/09/23 (p)	A Income 30/09/22 (p)	30/09/21 (p)
<b>Change in net assets per Share</b>			
Opening net asset value per share	76.97	106.38	115.16
Return before operating charges*	(1.85)	(27.83)	(7.69)
Operating charges	(0.28)	(0.35)	(0.40)
Return after operating charges	(2.13)	(28.18)	(8.09)
Distributions	(2.81)	(1.23)	(0.69)
Closing net asset value per share	72.03	76.97	106.38
*after direct transaction cost of:	0.00	0.00	0.00
<b>Performance</b>			
Return after operating charges	(2.77%)	(26.49%)	(7.03%)
<b>Other information</b>			
Closing net asset value (£'000)	1,327,415	1,187,495	1,324,801
Closing number of shares	1,842,937,998	1,542,721,169	1,245,298,634
Operating charges	0.36%	0.36%	0.36%
Direct transaction costs	0.00%	0.00%	0.00%
<b>Prices (p)**</b>			
Highest share price	84.67	113.50	116.73
Lowest share price	71.49	74.38	105.46

\*\*The highest and lowest share prices are based on published price. The opening and closing net asset values per share include accounting adjustments, therefore they may appear higher or lower as a result.



## Performance Information

As at 30 September 2023

### Operating Charge

Date	AMC (%)	Other expenses (%)	Transaction costs (%)	Total operating charge (%)
30/09/23 Share Class A Income	0.34	0.02	0.00	0.36
30/09/22 Share Class A Income	0.34	0.02	0.00	0.36

The Operating Charge is the ratio of the Fund's total disclosable costs (excluding overdraft interest) to the average net assets of the Fund.

## Risk and Reward Profile

As at 30 September 2023

	Typically lower rewards				Typically higher rewards		
	Lower risks				Higher risks		
Share Class A	1	2	3	4	5	6	7

- This indicator is based on historical data and may not be a reliable indication of the future risk profile of the Fund.
- The risk category shown is not guaranteed to remain unchanged and may shift over time.
- The risk and reward indicator table demonstrates where a Fund ranks in terms of its potential risk and return. The higher the rank the greater the potential reward but the greater the risk of losing money. The lowest category does not mean 'risk free'.
- The Fund appears as a "4" on the scale. This is because the Fund invests in assets that typically carry medium risk and offer medium rewards compared with other categories of assets.

### Risk Warning

An investment in an Open Ended Investment Company should be regarded as a medium to long-term investment. Investors should be aware that the price of shares and the income from them may fall as well as rise and investors may not receive back the full amount invested. Past performance is not a guide to future performance. Investments denominated in currencies other than the base currency of a Fund are subject to fluctuation in exchange rates, which may be favourable or unfavourable.

## Portfolio Statement

As at 30 September 2023

Holdings or Nominal Value	Investments	Market value £'000	% of Total Net Assets
<b>Corporate Bonds 5.83% (5.93%)</b>			
GBP 12,755,000	Asian Infrastructure Investment Bank 4.375% 11/06/2026	12,456	0.94
GBP 6,865,000	BNG Bank 2% 12/04/2024	6,719	0.51
GBP 4,750,000	CPPIB Capital 1.125% 14/12/2029	3,804	0.29
GBP 6,950,000	CPPIB Capital 1.25% 07/12/2027	5,968	0.45
GBP 3,940,000	CPPIB Capital 1.625% 22/10/2071	1,451	0.11
GBP 4,650,000	European Investment Bank 0.75% 15/11/2024	4,418	0.33
GBP 6,575,000	European Investment Bank 1% 21/09/2026	5,880	0.44
GBP 8,757,000	Inter-American Development Bank 2.125% 15/12/2028	7,696	0.58
GBP 8,339,000	International Bank for Reconstruction & Development 0.625% 14/07/2028	6,891	0.52
GBP 4,275,000	International Bank for Reconstruction & Development 0.875% 13/12/2024	4,046	0.30
GBP 3,313,000	International Finance Facility for Immunisation 2.75% 07/06/2025	3,167	0.24
GBP 3,289,000	Kreditanstalt fuer Wiederaufbau 1.125% 04/07/2025	3,067	0.23
GBP 5,125,000	LCR Finance 4.5% 07/12/2028	5,055	0.38
GBP 5,481,000	Oesterreichische Kontrollbank 1.25% 15/12/2023	5,434	0.41
GBP 3,140,000	University College London 1.625% 04/06/2061	1,355	0.10
		<b>77,407</b>	<b>5.83</b>
<b>Government Bonds 94.05% (94.28%)</b>			
GBP 2,307,000	Jersey International Bond 2.875% 06/05/2052	1,415	0.10
GBP 152,544,000	UK Treasury 1.75% 07/09/2037	107,277	8.08
GBP 126,637,000	UK Treasury 1.25% 22/10/2041	72,985	5.50
GBP 117,794,000	UK Treasury 0.625% 31/07/2035	75,804	5.71
GBP 86,785,000	UK Treasury 0.875% 31/01/2046	40,044	3.02
GBP 102,586,200	UK Treasury 1.25% 31/07/2051	46,599	3.51
GBP 164,244,000	UK Treasury 0.5% 31/01/2029	134,326	10.12
GBP 145,587,000	UK Treasury 4.125% 29/01/2027	143,462	10.81
GBP 182,055,000	UK Treasury 0.375% 22/10/2026	161,031	12.13
GBP 48,206,000	UK Treasury 0.5% 22/10/2061	12,970	0.98
GBP 146,775,000	UK Treasury 0.875% 31/07/2033	105,488	7.95
GBP 24,094,000	UK Treasury 1.5% 22/07/2047	12,734	0.96
GBP 24,853,000	UK Treasury 1.5% 31/07/2053	11,852	0.89
GBP 23,308,000	UK Treasury 2.5% 22/07/2065	14,008	1.05
GBP 73,501,000	UK Treasury 3.5% 22/01/2045	60,101	4.53
GBP 27,650,000	UK Treasury 3.5% 22/10/2025	26,910	2.03
GBP 63,980,000	UK Treasury 3.75% 29/01/2038	57,525	4.33
GBP 16,344,000	UK Treasury 4% 22/01/2060	14,176	1.07
GBP 25,281,130	UK Treasury 4% 22/10/2063	21,887	1.65

**Portfolio Statement (continued)**

As at 30 September 2023

Holdings or Nominal Value	Investments	Market value £'000	% of Total Net Assets
<b>Government Bonds 94.05% (94.28%) (continued)</b>			
GBP 99,889,000	UK Treasury 4.25% 07/12/2049	90,642	6.83
GBP 39,363,000	UK Treasury 4.25% 07/09/2039	37,188	2.80
		<b>1,248,424</b>	<b>94.05</b>
	<b>Portfolio of investments</b>	<b>1,325,831</b>	<b>99.88</b>
	Net other assets	1,584	0.12
	<b>Net assets</b>	<b>1,327,415</b>	<b>100.00</b>

All investments are ordinary bonds unless otherwise stated and admitted to official stock exchange listings.

Comparative figures shown above in brackets relate to 30 September 2022.

The investments have been valued in accordance with note 1(h) of the Accounting Policies and Financial Instruments.

Gross purchases for the year: £1,976,629,000 [2022: £2,545,258,000] (See note 14).

Total sales net of transaction costs for the year: £1,769,913,000 [2022: £2,268,361,000] (See note 14).

**Bond Ratings as at 30 September 2023**

Bonds Rating	% of Total Net Assets
AAA	4.70
AA	95.18
<b>Bonds</b>	<b>99.88</b>
Uninvested Cash	0.12
<b>Net Assets</b>	<b>100.00</b>

Bonds not rated are of investment grade, but rating not sought by issuer.

## Statement of Total Return

For the year ended 30 September 2023

	Note	01/10/22 to 30/09/23		01/10/21 to 30/09/22	
		£'000	£'000	£'000	£'000
Income:					
Net capital losses	2		(87,248)		(410,726)
Revenue	3	47,559		16,962	
Expenses	4	(4,642)		(4,765)	
Net revenue before taxation		42,917		12,197	
Taxation	5	—		—	
Net revenue after taxation			42,917		12,197
Total return before distributions			(44,331)		(398,529)
Distributions	6		(47,558)		(16,962)
<b>Change in net assets attributable to Shareholders from investment activities</b>			<b>(91,889)</b>		<b>(415,491)</b>

## Statement of Change in Net Assets Attributable to Shareholders

For the year ended 30 September 2023

	01/10/22 to 30/09/23		01/10/21 to 30/09/22	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to Shareholders</b>		1,187,495		1,324,801
Amounts receivable on issue of Shares	252,779		306,034	
Amounts payable on cancellation of Shares	(20,970)		(27,849)	
		231,809		278,185
Change in net assets attributable to Shareholders from investment activities (see above)		(91,889)		(415,491)
<b>Closing net assets attributable to Shareholders</b>		<b>1,327,415</b>		<b>1,187,495</b>

## Balance Sheet

As at 30 September 2023

	Note	30/09/23		30/09/22	
		£'000	£'000	£'000	£'000
<b>Assets:</b>					
Fixed assets:					
Investments			1,325,831		1,189,975
Current assets:					
Debtors	7	40,207		60,714	
Cash and bank balances	8	22,250		8,059	
Total current assets			62,457		68,773
Total assets			1,388,288		1,258,748
<b>Liabilities:</b>					
Creditors:					
Distribution payable		(27,158)		(11,472)	
Other creditors	9	(33,715)		(59,781)	
Total creditors			(60,873)		(71,253)
Total liabilities			(60,873)		(71,253)
<b>Net assets attributable to Shareholders</b>			<b>1,327,415</b>		<b>1,187,495</b>

## Notes to the Financial Statements

### For the year ended 30 September 2023

#### 1. Accounting basis and policies

The Fund's financial statements have been prepared on the basis detailed on pages 15 to 18.

#### 2. Net capital losses

	01/10/22 to 30/09/23 £'000	01/10/21 to 30/09/22 £'000
The net capital losses during the year comprise:		
Currency (losses)/gains	(2)	5
Non-derivative securities	(87,240)	(410,724)
Transaction charges	(7)	(7)
Class Action	1	—
<b>Net capital losses</b>	<b>(87,248)</b>	<b>(410,726)</b>

#### 3. Revenue

	01/10/22 to 30/09/23 £'000	01/10/21 to 30/09/22 £'000
Bank interest	28	1
Interest from Debt Securities	47,531	16,961
<b>Total revenue</b>	<b>47,559</b>	<b>16,962</b>

#### 4. Expenses

	01/10/22 to 30/09/23 £'000	01/10/21 to 30/09/22 £'000
<b>Payable to the ACD, associates of the ACD, and agents of either of them</b>		
AMC fees	4,451	4,561
	4,451	4,561
<b>Payable to the Depositary, associates of the Depositary and agents of either of them</b>		
Depositary fees	103	105
Safe custody fees	67	74
	170	179
<b>Other expenses</b>		
Audit fees	11	10
Professional fees	7	11
Publication fees	3	4
	21	25
<b>Total expenses</b>	<b>4,642</b>	<b>4,765</b>

Audit fees are £9,200 ex Vat (2022: £8,650).

**Notes to the Financial Statements (continued)**  
For the year ended 30 September 2023

## 5. Taxation

### (a) Analysis of the tax charge in the year

	01/10/22 to 30/09/23 £'000	01/10/21 to 30/09/22 £'000
<b>Total taxation for the year (Note 5 (b))</b>	—	—

### (b) Factors affecting the tax charge for the year

The tax assessed for the year is different from that calculated when the standard rate of corporation tax for an open ended investment company of 20% (2022: 20%) is applied to the net revenue before taxation. The differences are explained below:

	01/10/22 to 30/09/23 £'000	01/10/21 to 30/09/22 £'000
Net revenue before taxation	42,917	12,197
Net revenue for the year multiplied by the standard rate of corporation tax	8,583	2,439
<b>Effects of:</b>		
Tax deductible interest distributions	(8,583)	(2,439)
<b>Total tax charge for the year</b>	—	—

OEICs are exempt from tax on capital gains in the UK. Therefore, any capital return is not included within the reconciliation above.

### (c) Provision for deferred tax

There is no provision required for deferred taxation at the Balance Sheet date in the current or prior year because no taxable profit is expected to be generated by the fund.

## 6. Distributions

The distributions take account of revenue received on the creation of shares and revenue deducted on the cancellation of shares, and comprise:

	01/10/22 to 30/09/23 £'000	01/10/21 to 30/09/22 £'000
Interim	22,798	6,617
Final	27,159	11,472
Add: Revenue paid on cancellation of shares	112	75
Deduct: Revenue received on creation of shares	(2,511)	(1,202)
<b>Net distribution for the year</b>	<b>47,558</b>	<b>16,962</b>
<b>Reconciliation of net revenue after taxation to distributions</b>		
Net revenue after taxation	42,917	12,197
Expenses charged to capital	4,642	4,765
Net movement in revenue account	(1)	—
<b>Net distribution for the year</b>	<b>47,558</b>	<b>16,962</b>

Details of the distributions per share are set out in the distribution tables on page 389.

## Notes to the Financial Statements (continued)

For the year ended 30 September 2023

### 7. Debtors

	30/09/23 £'000	30/09/22 £'000
Accrued revenue	7,792	4,180
Amounts receivable for creation of shares	3,324	37,219
Sales awaiting settlement	29,090	19,313
Prepaid expenses	1	2
<b>Total debtors</b>	<b>40,207</b>	<b>60,714</b>

### 8. Cash and bank balances

	30/09/23 £'000	30/09/22 £'000
Cash and bank balances	22,250	8,059
<b>Total cash and bank balances</b>	<b>22,250</b>	<b>8,059</b>

### 9. Other creditors

	30/09/23 £'000	30/09/22 £'000
Purchases awaiting settlement	33,299	59,355
	33,299	59,355
<i>Accrued expenses</i>		
<i>Manager and Agents</i>		
AMC fees	375	338
	375	338
<i>Depositary and Agents</i>		
Depositary fees	17	34
Safe custody fees	12	37
Transaction charges	1	3
	30	74
<i>Other accrued expenses</i>		
Audit fees	11	10
Professional fees	—	1
Publication fees	—	3
	11	14
<b>Total other creditors</b>	<b>33,715</b>	<b>59,781</b>

### 10. Related party transactions

Management fees paid to the ACD, are disclosed in note 4 and amounts due at the year-end are disclosed in note 9.

Monies received and paid by the ACD through the creation and cancellation of shares are disclosed in the Statement of Change in Net Assets Attributable to Shareholders and amounts due at the year-end are disclosed in notes 7 and 9.

The ACD and its associates (including other authorised investment funds managed by the ACD) have no shareholdings in the company at the year-end.



## Notes to the Financial Statements (continued)

For the year ended 30 September 2023

### 10. Related party transactions (continued)

#### Significant shareholdings

As at the balance sheet date, the following had significant shareholdings within the Fund:

Shareholders	30/09/23 (%)	30/09/22 (%)
Sterling ISA Managers (Nominees) Limited	81.46	82.49

### 11. Share Classes

The Share Classes and ACD's Annual Management Charges ("AMC") applicable to each Share Class are as follows:

	%
Share Class A Income	0.34

Each Share Class has equal rights in the event of the wind up of any fund.

The reconciliation of the opening and closing numbers of shares of each class is shown below:

	30/09/22	Issued	Cancelled	Converted	30/09/23
Share Class A Income	1,542,721,169	326,738,957	(26,522,128)	—	1,842,937,998

### 12. Capital commitments and contingent liabilities

There were no contingent liabilities or outstanding commitments at the balance sheet date (2022: nil).

### 13. Derivatives and other financial instruments

The main risks from the Fund's holding of financial instruments, together with the ACD's policy for managing these risks, are disclosed in note 2 on pages 18 to 24 of the report.

#### (a) Foreign currency risk

A proportion of the financial net assets of the Fund are denominated in currencies other than sterling with the effect that the balance sheet and total return can be affected by currency movements.

The Fund holds an insignificant foreign currency exposure at 30 September 2023 (2022: insignificant) therefore a currency table has not been disclosed.

Changes in exchange rates would have no material impact on the valuation of foreign currency financial assets or liabilities as at the balance sheet date. Consequently, no sensitivity analysis has been presented.

## Notes to the Financial Statements (continued)

For the year ended 30 September 2023

### 13. Derivatives and other financial instruments (continued)

#### (b) Interest rate risk profile of financial assets and liabilities

The table below shows the interest rate risk profile at the balance sheet date:

	Floating rate financial assets £'000	Fixed rate financial assets £'000	Financial assets not carrying interest £'000	Total £'000
<b>Currency Assets</b>				
<b>30/09/23</b>				
Sterling	22,231	1,325,831	40,206	1,388,268
US Dollar	19	—	—	19
<b>Total</b>	<b>22,250</b>	<b>1,325,831</b>	<b>40,206</b>	<b>1,388,287</b>
<b>30/09/22</b>				
Sterling	8,033	1,189,975	60,714	1,258,722
US Dollar	26	—	—	26
<b>Total</b>	<b>8,059</b>	<b>1,189,975</b>	<b>60,714</b>	<b>1,258,748</b>
<b>Currency Liabilities</b>				
<b>30/09/23</b>				
Sterling	—	—	60,872	60,872
<b>Total</b>	<b>—</b>	<b>—</b>	<b>60,872</b>	<b>60,872</b>
<b>30/09/22</b>				
Sterling	—	—	71,253	71,253
<b>Total</b>	<b>—</b>	<b>—</b>	<b>71,253</b>	<b>71,253</b>

Changes in interest rates would have no material impact on the valuation of floating rate financial assets or liabilities as at the balance sheet date. Consequently, no sensitivity analysis has been presented.

#### (c) Leverage

There was 0.00% leverage as at 30 September 2023, other than that available to the Fund as a result of its ability to borrow up to 10% of its value on a permanent basis.

	Average Leverage	Highest Leverage	Lowest Leverage	30/09/23
Omnis UK Gilt Fund	—%	1.00%	—%	—%

**Notes to the Financial Statements (continued)**  
For the year ended 30 September 2023

**14. Portfolio transaction costs**

	01/10/22 to 30/09/23		01/10/21 to 30/09/22	
	£'000	£'000	£'000	£'000
<b>Analysis of total purchase costs</b>				
Purchases in the year before transaction costs:				
Bonds		1,976,629		2,545,258
		1,976,629		2,545,258
<b>Gross purchase total</b>		<b>1,976,629</b>		<b>2,545,258</b>
<b>Analysis of total sale costs</b>				
Gross sales in the year before transaction costs:				
Bonds		1,769,913		2,268,361
		1,769,913		2,268,361
<b>Total sales net of transaction costs</b>		<b>1,769,913</b>		<b>2,268,361</b>

The portfolio transaction costs table above includes direct transaction costs suffered by the Fund during the year.

For the Fund's investment transactions in debt instruments any applicable transaction charges form part of the dealing spread for these instruments.

	01/10/22 to 30/09/23	01/10/21 to 30/09/22
	%	%
<b>Transaction costs as percentage of principal amounts</b>		
Purchases - Commissions		
Bonds	0.0000	0.0000
Purchases - Taxes		
Bonds	0.0000	0.0000
Sales - Commissions		
Bonds	0.0000	0.0000
Sales - Taxes		
Bonds	0.0000	0.0000
<b>Transaction costs as percentage of average net asset value</b>		
Commissions	0.0000	0.0000
Taxes	0.0000	0.0000

At the balance sheet date the average portfolio dealing spread was 0.09% (2022: 0.26%).

**15. Post balance sheet events**

Subsequent to the year end, the net asset value per unit of the fund has increased from 72.03p to 75.48p as at 26 January 2024. This movement takes into account routine transactions but also reflects the market movements of recent months.

**Notes to the Financial Statements (continued)**  
For the year ended 30 September 2023

**16. Fair value disclosure**

Valuation technique	30/09/23		30/09/22	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
<b>Level 1:</b> The unadjusted quoted price in an active market for identical assets or liabilities	1,247,009	—	1,117,958	—
<b>Level 2:</b> Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly	78,822	—	72,017	—
<b>Level 3:</b> Inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability	—	—	—	—
	<b>1,325,831</b>	<b>—</b>	<b>1,189,975</b>	<b>—</b>

## Distribution Table

As at 30 September 2023

### Interim Distribution in pence per Share

- Group 1 Shares purchased prior to 1 October 2022  
 Group 2 Shares purchased on or after 1 October 2022 to 31 March 2023

	Gross revenue (p)	Equalisation (p)	Distribution paid 31/05/2023 (p)	Distribution paid 31/05/2022 (p)
<b>Share Class A Income</b>				
Group 1	1.3334	—	1.3334	0.4897
Group 2	0.6355	0.6979	1.3334	0.4897

### Final Distribution in pence per Share

- Group 1 Shares purchased prior to 1 April 2023  
 Group 2 Shares purchased on or after 1 April 2023 to 30 September 2023

	Gross revenue (p)	Equalisation (p)	Distribution payable 30/11/2023 (p)	Distribution paid 30/11/2022 (p)
<b>Share Class A Income</b>				
Group 1	1.4736	—	1.4736	0.7436
Group 2	0.6686	0.8050	1.4736	0.7436

## Investment Manager's Report

For the year ended 30 September 2023

### Investment Objective

The Fund aims to achieve a return consisting of both income and capital growth which, after all fees and expenses, exceeds that of the Numis Smaller Companies ex-Investment Trusts TR Index over a five-year rolling period.

### Investment Policy

The Fund intends to invest at least 70% in the equity securities of smaller UK companies. UK smaller companies are defined as those which are domiciled, incorporated or have significant exposure to the UK and which have a market capitalisation no greater than the largest company in the Numis Smaller Companies ex Investment Trusts TR Index at the point of purchase.

The Fund may also invest in other transferable securities (for example, equity securities of smaller, mid and large international companies), units in collective investment schemes (including exchange traded funds and other schemes managed and operated by the ACD or its associates), money market instruments, warrants, cash, near cash and deposits as detailed in the Prospectus.

Derivatives may be used for the purposes of hedging and for efficient portfolio management.

### Benchmark

The performance of the Fund will be measured against the Numis Smaller Companies ex-Investment Trusts TR Index for target return purposes. This index was chosen as it was considered a fair representation of the assets in which the fund is able to invest, in line with its policy.

### Portfolio Review

Over the period the Fund returned -2.59% [source: Return after operating charges as per Comparative Table] and the benchmark returned 11.83% [source: Financial Express, bid to bid, net income reinvested].

\*The index data provided has been licensed for use by its third-party providers who do not accept any liability for errors or omissions. For full disclaimer please see <https://omnisinvestments.com/disclaimers>

The fund is managed by two independent investment management groups: Franklin Templeton (subdelegated to Martin Currie) and Fidelity International. At the end of the period, 62% of the fund was managed by Franklin Templeton and 38% by Fidelity.

During the period, the portfolio run by Franklin Templeton underperformed relative to the benchmark. Within this portfolio, the largest detractors from relative performance at a sector level were leisure goods, software and computer services, and industrial engineering. Conversely, the largest contributors were closed end investments, investment banking and brokerage services, and a lack of exposure to oil, gas, and coal.

The manager remains focussed on delivering on their long term investment philosophy of identifying quality businesses with resilient competitive positions and exposed to growing and exciting end markets. One key area that they have invested in is the video game space. The video game market is the largest entertainment market worldwide and is forecast to continue growing. Despite this, it has been challenged in the short term after profit warnings from overseas businesses led to negative read across within the UK as post covid demand dried up more than investors expected. This exposure has caused significant headwinds for the portfolio. One such business was Frontier Developments. The January trading update was disappointing with sales of F1 Manager below expectations despite positive initial sales on release. The managers' concern is that the player

**Investment Manager's Report (continued)****For the year ended 30 September 2023**

base and demand is not wide enough and with Frontier committed to three more annual instalments of the game it may drag on performance for several years. Also, the company announced a review into its publishing arm Frontier Foundry after mixed success in released games, it appears to the manager that this division will be shut down which is a change to their investment case as they thought that internal resources could be effectively leveraged to diversify the company away from its own portfolio titles and spread the cost of the internal capabilities. The underperformance of F1 Manager and Frontier Foundry has led to declining return metrics and margins that the manager does not see reversing in the medium term so have exited the position.

Conversely, Gresham House was one of the largest contributors to portfolio performance over the year. The alternative asset manager received a bid approach from private equity for 1,105p per share, a 63% premium to the last close price and the shares advanced 55.6% during the month. The initial position in the fund was established in March 2020 in a placing at 510p when assets under management (AuM) were £2.8bn and they have grown to £8.3bn during that time. In the manager's view this is another example of a UK listed business not being given an appropriate valuation in the public market and being taken private before it has fulfilled its potential.

Positions added to the portfolio this year include telecommunications business Spirent Communications, social housing maintenance provider Mears, networked law firm Keystone Law, and food/beverage operator Loungers.

The Fidelity portfolio recorded strong returns and outperformed the index over the period. At the sector level, strong stock selection in the consumer discretionary and health care sectors contributed to returns, while the underweight stance in the information technology sector also added relative value. However, stock selection in industrials detracted from returns.

At a stock level, the holding in retailer Marks & Spencer was the leading contributor as its full-year revenues rose, reflecting growth in all business segments. This financial year, revenues are expected to grow further, and cost inflation is likely to be offset by savings from its structural cost reduction programme. Shares were also supported by the company's plans to reintroduce a modest dividend to shareholders from November 2023 after it suspended payments at the start of the pandemic to protect its balance sheet. The position in engineering and defence company Babcock International also advanced after the company revealed an encouraging start to the financial year, as it left its annual sales and profit expectations unchanged. Operating profit year-to-date was aided by its contract to build type 31 frigates for the Polish navy. The outlook remains promising given ongoing new programme wins, contract renewals and progress on its opportunity pipeline. The position in outsourcing group Mitie also rose. The company reported record full-year revenue as it posted an increase in operating profit, boosted by contract wins, renewals and acquisitions. The holding in IG Design, a designer and manufacturer of gift packaging and stationery, was supported by its positive outlook. The business has seemingly stabilised with revenue holding up, and the cost outlook improving. The management has targeted significant margin improvement in the US, which would drive further upside.

On the downside, the holding in asset manager Premier Miton detracted, as it reported a decline in assets under management for the June quarter compared to the previous three-month period. Despite the decrease, the company demonstrated strong relative investment performance in the quarter. Jadestone Energy was among the detractors, although the Asia-Pacific focused oil & gas producer announced that production operations at its Montara Venture had resumed. The company is planning to increase production rates by systematically opening more wells in accordance with the restart plan. The company also reaffirmed 2023 group production, underlying operating cost and capital expenditure guidance. Shares in Smart Metering Systems, the Glasgow-based provider of end-to-end services in utility connections, smart metering and energy management, also fell, owing

## **Investment Manager's Report (continued)**

**For the year ended 30 September 2023**

to weak sentiment, but the company reported a higher first-half profit and payout and said it planned further dividend increases.

From a new idea perspective, the manager is finding lots of value in names that have fallen considerably, but where they can see an attractive medium- to long-term future and significant upside. For example, the manager is currently building positions in companies which are very much out of favour, partly because they are consumer or property exposed. While the current economic context is taken into account, the manager is willing to look through it to a certain degree if they see attractive businesses with positive change potential. Some of the notable buys during the period included Ithaca Energy, Intermediate Capital Group and Hikma Pharmaceuticals. The positions in Pearson and Bank of Georgia were sold.

### **Omnis Investments**

October 2023



## Material Portfolio Changes

For the year ended 30 September 2023

Purchases		Sales	
Portfolio Name	Cost £'000	Portfolio Name	Proceeds £'000
Tatton Asset Management	2,403	Gresham House	3,646
Urban Logistics REIT*	2,217	Foresight	3,199
Genuit	2,193	Big Technologies	2,990
Loungers	2,158	AG Barr	2,372
Bodycote	2,125	NCC	2,190
Mitie	2,001	Bytes Technology	2,026
Mears	1,996	Volution	1,911
Speedy Hire	1,893	Alpha Group International	1,889
MJ Gleeson	1,837	Premier Miton	1,418
Chemring	1,686	Restaurant	1,253

\*Real Estate Investment Trust.

The above table complements the data provided in the investment managers report by outlining the top 10 portfolio components.

## Comparative Table

As at 30 September 2023

	30/09/23 (p)	A Income 30/09/22 (p)	30/09/21 (p)
<b>Change in net assets per Share</b>			
Opening net asset value per share	101.08	147.71	91.33
Return before operating charges*	(1.82)	(44.16)	58.20
Operating charges	(0.80)	(0.93)	(0.94)
Return after operating charges	(2.62)	(45.09)	57.26
Distributions	(2.05)	(1.54)	(0.88)
Closing net asset value per share	96.41	101.08	147.71
*after direct transaction cost of:	0.21	0.20	0.11
<b>Performance</b>			
Return after operating charges	(2.59%)	(30.53%)	62.70%
<b>Other information</b>			
Closing net asset value (£'000)	194,812	174,249	212,648
Closing number of shares	202,059,218	172,386,957	143,967,075
Operating charges	0.77%	0.74%	0.75%
Direct transaction costs	0.21%	0.16%	0.09%
<b>Prices (p)**</b>			
Highest share price	113.36	149.91	157.91
Lowest share price	96.62	102.08	92.34

\*\*The highest and lowest share prices are based on published price. The opening and closing net asset values per share include accounting adjustments, therefore they may appear higher or lower as a result.

**Performance Information**

As at 30 September 2023

**Operating Charge**

Date	AMC (%)	Other expenses (%)	Transaction costs (%)	Total operating charge (%)
30/09/23				
Share Class A Income	0.71	0.03	0.03	0.77
30/09/22				
Share Class A Income	0.71	0.03	0.00	0.74

The Operating Charge is the ratio of the Fund's total disclosable costs (excluding overdraft interest) to the average net assets of the Fund.

**Risk and Reward Profile**

As at 30 September 2023

	Typically lower rewards			Typically higher rewards			
	Lower risks			Higher risks			
Share Class A	1	2	3	4	5	6	7

- This indicator is based on historical data and may not be a reliable indication of the future risk profile of the Fund.
- The risk category shown is not guaranteed to remain unchanged and may shift over time.
- The risk and reward indicator table demonstrates where a Fund ranks in terms of its potential risk and return. The higher the rank the greater the potential reward but the greater the risk of losing money. The lowest category does not mean 'risk free'.
- The Fund appears as a "6" on the scale. This is because the Fund invests in the shares of companies whose values tend to vary more widely than other asset classes.

**Risk Warning**

An investment in an Open Ended Investment Company should be regarded as a medium to long-term investment. Investors should be aware that the price of shares and the income from them may fall as well as rise and investors may not receive back the full amount invested. Past performance is not a guide to future performance. Investments denominated in currencies other than the base currency of a Fund are subject to fluctuation in exchange rates, which may be favourable or unfavourable.

## Portfolio Statement

As at 30 September 2023

Holdings or Nominal Value	Investments	Market value £'000	% of Total Net Assets
<b>Aerospace &amp; Defence 5.18% (3.87%)</b>			
290,000	Avon Protection	1,792	0.92
690,467	Babcock International	2,854	1.46
1,500,000	Chemring	4,163	2.14
791,410	Senior	1,290	0.66
		<b>10,099</b>	<b>5.18</b>
<b>Automobiles &amp; Parts 0.47% (0.00%)</b>			
852,887	Dowlais Group plc	916	0.47
		<b>916</b>	<b>0.47</b>
<b>Banks 1.00% (0.78%)</b>			
154,906	Close Brothers	1,372	0.70
93,161	Secure Trust Bank	587	0.30
		<b>1,959</b>	<b>1.00</b>
<b>Beverages 0.63% (1.18%)</b>			
24,866	AG Barr	122	0.06
790,725	C&C	1,099	0.57
		<b>1,221</b>	<b>0.63</b>
<b>Chemicals 1.21% (0.31%)</b>			
781,256	Elementis	970	0.50
20,478	Synthomer	47	0.02
122,868	Synthomer (Rights)	37	0.02
93,408	Victrex	1,313	0.67
		<b>2,367</b>	<b>1.21</b>
<b>Closed End Investments 2.20% (3.06%)</b>			
375,000	Gresham House	4,012	2.06
555,405	Macau Property Opportunities Fund	267	0.14
		<b>4,279</b>	<b>2.20</b>
<b>Construction &amp; Materials 4.06% (2.67%)</b>			
800,000	Genuit	2,636	1.35
102,255	Keller	768	0.39
546,140	Kier	627	0.32
241,668	Norcros	368	0.19
294,319	Tyman	851	0.44
735,000	Volution	2,659	1.37
		<b>7,909</b>	<b>4.06</b>
<b>Consumer Services 0.12% (0.02%)</b>			
400,298	RM	237	0.12
		<b>237</b>	<b>0.12</b>

**Portfolio Statement (continued)**

As at 30 September 2023

Holdings or Nominal Value	Investments	Market value £'000	% of Total Net Assets
<b>Electronic &amp; Electrical Equipment 0.68% (0.11%)</b>			
542,012	Morgan Advanced Materials	1,328	0.68
		<b>1,328</b>	<b>0.68</b>
<b>Finance &amp; Credit Services 0.36% (0.63%)</b>			
77,736	H&T	329	0.17
25,971	Navient	366	0.19
		<b>695</b>	<b>0.36</b>
<b>Food Producers 2.17% (1.30%)</b>			
667,866	Bakkavor	637	0.33
97,804	Finsbury Food	107	0.05
1,015,458	Greencore	770	0.39
1,713,434	Hotel Chocolat	2,176	1.12
189,831	Origin Enterprises PLC	537	0.28
		<b>4,227</b>	<b>2.17</b>
<b>General Industrials 0.59% (0.16%)</b>			
1,564,459	Coats	1,147	0.59
		<b>1,147</b>	<b>0.59</b>
<b>Health Care Providers 0.66% (0.42%)</b>			
554,436	Spire Healthcare	1,295	0.66
		<b>1,295</b>	<b>0.66</b>
<b>Household Goods &amp; Home Construction 2.75% (2.17%)</b>			
876,831	Cairn Homes	837	0.43
850,331	Glenveagh Properties	735	0.38
317,605	Headlam	711	0.36
475,000	MJ Gleeson PLC	1,986	1.02
178,727	Redrow	884	0.45
23,323	Sanderson Design	24	0.01
470,741	Watkin Jones	188	0.10
		<b>5,365</b>	<b>2.75</b>
<b>Industrial Engineering 2.55% (3.24%)</b>			
620,000	Bodycote	4,045	2.08
280,000	VIDENDUM	923	0.47
		<b>4,968</b>	<b>2.55</b>
<b>Industrial Metals &amp; Mining 1.16% (1.99%)</b>			
116,317	Adriatic Metals	216	0.11
4,320,862	Andrada Mining	290	0.15
890,515	Capital	744	0.38
353,266	Central Asia Metals	663	0.34
84,013	Kenmare Resources	349	0.18
		<b>2,262</b>	<b>1.16</b>

**Portfolio Statement (continued)**

As at 30 September 2023

Holdings or Nominal Value	Investments	Market value £'000	% of Total Net Assets
<b>Industrial Support Services 16.82% (14.47%)</b>			
4,295,204	Capita	731	0.38
1,059,674	Costain	596	0.31
33,229	DCC	1,532	0.79
655,560	Essentra	1,061	0.54
1,450,000	Fintel	2,711	1.39
350,000	Keystone Law	1,715	0.88
870,000	Mears Group PLC	2,401	1.23
790,000	Midwich	3,192	1.64
1,424,225	Mitie	1,464	0.75
1,655,000	Restore	3,806	1.95
630,000	Robert Walters	2,608	1.34
1,792,380	RWS	4,295	2.21
968,630	Serco	1,443	0.74
172,143	Smart Metering Systems	1,069	0.55
400,000	Smiths News PLC	164	0.08
12,136,214	Speedy Hire	3,877	1.99
398,478	Staffline	106	0.05
		<b>32,771</b>	<b>16.82</b>
<b>Industrial Transportation 0.90% (0.56%)</b>			
207,817	Redde Northgate	703	0.36
119,266	Vp	614	0.32
157,811	Wincanton PLC	432	0.22
		<b>1,749</b>	<b>0.90</b>
<b>Investment Banking &amp; Brokerage 12.42% (14.27%)</b>			
305,000	Alpha Group International	5,734	2.94
40,070	Brooks Macdonald	667	0.34
757,360	Foresight	3,257	1.67
62,637	IG	403	0.21
70,383	Intermediate Capital	973	0.50
542,143	JTC	3,958	2.03
2,276,037	Mercia Asset Management	546	0.28
498,833	Peel Hunt	404	0.21
915,000	Polar Capital	4,255	2.19
1,806,771	Premier Miton	1,084	0.56
23,624	Rathbones	410	0.21
510,000	Tatton Asset Management	2,499	1.28
		<b>24,190</b>	<b>12.42</b>
<b>Leisure Goods 1.45% (6.08%)</b>			
8,583,924	Devolver Digital	2,060	1.06
201,507	Gear4Music	272	0.14
310,638	Photo-Me International PLC	490	0.25
		<b>2,822</b>	<b>1.45</b>

**Portfolio Statement (continued)**

As at 30 September 2023

Holdings or Nominal Value	Investments	Market value £'000	% of Total Net Assets
<b>Life Insurance 0.73% (0.28%)</b>			
219,179	Chesnara	603	0.31
1,133,807	Just	815	0.42
		<b>1,418</b>	<b>0.73</b>
<b>Media 4.07% (3.98%)</b>			
800,000	Bloomsbury Publishing	3,204	1.65
819,804	Ebiquity	320	0.16
39,270	Future	349	0.18
2,576,220	LBG Media	2,066	1.06
423,143	M&C Saatchi	592	0.30
173,592	Wilmington	549	0.28
116,325	WPP	853	0.44
		<b>7,933</b>	<b>4.07</b>
<b>Multiline Retail 0.00% (1.63%)</b>			
<b>Non-Life Insurance 1.67% (0.65%)</b>			
228,383	Conduit	1,052	0.54
635,932	Direct Line Insurance	1,095	0.56
186,099	Lancashire	1,098	0.57
		<b>3,245</b>	<b>1.67</b>
<b>Oil, Gas &amp; Coal 2.54% (1.29%)</b>			
83,988	Energear	960	0.49
328,143	Hunting	1,002	0.51
653,944	Ithaca Energy	1,205	0.62
895,641	Jadestone Energy	287	0.15
422,550	John Wood	656	0.34
193,084	Kistos	411	0.21
930,200	PetroTal	432	0.22
		<b>4,953</b>	<b>2.54</b>
<b>Personal Care, Drug &amp; Grocery Stores 1.87% (0.00%)</b>			
502,860	IG Design	714	0.37
2,067,152	PZ Cussons	2,927	1.50
		<b>3,641</b>	<b>1.87</b>
<b>Personal Goods 0.03% (0.02%)</b>			
186,617	Brand Architekts	52	0.03
		<b>52</b>	<b>0.03</b>
<b>Personal Products 0.00% (1.87%)</b>			
<b>Pharmaceuticals &amp; Biotechnology 1.82% (1.50%)</b>			
342,292	Eco Animal Health	383	0.20
135,000	Ergomed	1,812	0.93

**Portfolio Statement (continued)**

As at 30 September 2023

Holdings or Nominal Value	Investments	Market value £'000	% of Total Net Assets
<b>Pharmaceuticals &amp; Biotechnology 1.82% (1.50%) (continued)</b>			
58,070	Hikma Pharmaceuticals	1,213	0.62
1,789,582	Shield Therapeutics	136	0.07
		<b>3,544</b>	<b>1.82</b>
<b>Precious Metals &amp; Mining 0.42% (0.67%)</b>			
5,296	Andean Precious Metals	2	0.00
2,564,424	Jubilee Metals	182	0.09
1,649,603	Pan African Resources	237	0.12
1,007,288	West African	408	0.21
		<b>829</b>	<b>0.42</b>
<b>Real Estate Investment &amp; Services 0.45% (0.28%)</b>			
336,317	LSL Property Services	871	0.45
		<b>871</b>	<b>0.45</b>
<b>Real Estate Investment Trusts 2.66% (1.30%)</b>			
106,918	Great Portland Estates PLC	447	0.23
1,114,631	NewRiver REIT PLC	890	0.46
3,500,000	Urban Logistics REIT	3,843	1.97
		<b>5,180</b>	<b>2.66</b>
<b>Retailers 2.41% (0.00%)</b>			
38,905	ASOS	149	0.08
2,000,000	DFS Furniture	2,168	1.11
294,529	Halfords Group PLC	584	0.30
257,920	Marks & Spencer	610	0.31
306,150	Moonpig Group	500	0.26
505,508	SafeStyle UK	22	0.01
483,836	Wickes Group PLC	664	0.34
		<b>4,697</b>	<b>2.41</b>
<b>Software &amp; Computer Services 9.09% (13.96%)</b>			
223,504	Ascential	467	0.24
530,000	Auction Technology	3,461	1.78
918,790	Big Technologies	1,883	0.97
500,000	Bytes Technology	2,494	1.28
288,149	Deliveroo	345	0.18
3,300,000	dotdigital	2,521	1.29
570,000	GB	1,228	0.63
2,530,000	Kin & Carta	2,077	1.06
363,089	Learning Technologies	233	0.12
374,445	Tracsis	2,996	1.54
		<b>17,705</b>	<b>9.09</b>



**Portfolio Statement (continued)**

As at 30 September 2023

Holdings or Nominal Value	Investments	Market value £'000	% of Total Net Assets
<b>Technology Hardware &amp; Equipment 2.29% (3.31%)</b>			
560,000	DiscoverIE	3,791	1.95
389,660	TT Electronics	663	0.34
		<b>4,454</b>	<b>2.29</b>
<b>Telecommunications Equipment 1.39% (0.93%)</b>			
1,220,000	Calnex Solutions	1,427	0.73
925,000	Spirent Communications	1,277	0.66
		<b>2,704</b>	<b>1.39</b>
<b>Travel &amp; Leisure 7.28% (5.41%)</b>			
215,471	Fuller, Smith & Turner	1,289	0.66
357,667	Gym Group PLC/The	397	0.20
440,000	JET2	4,765	2.45
1,140,000	Loungers	2,143	1.10
1,502,289	Restaurant	762	0.39
503,625	SSP	1,020	0.52
38,208	Wizz Air	734	0.38
333,333	Young & Co's Brewery	2,433	1.25
60,000	Young & Co's Brewery 'A' Shares	642	0.33
		<b>14,185</b>	<b>7.28</b>
<b>Futures Contracts (0.05%) ((0.12%))</b>			
100	FTSE 250 Index Futures December 2023	(99)	(0.05)
		<b>(99)</b>	<b>(0.05)</b>
<b>Portfolio of investments</b>		<b>187,118</b>	<b>96.05</b>
Net other assets		7,694	3.95
<b>Net assets</b>		<b>194,812</b>	<b>100.00</b>

All investments are ordinary shares unless otherwise stated and admitted to official stock exchange listings.

Comparative figures shown above in brackets relate to 30 September 2022.

The investments have been valued in accordance with note 1(h) of the Accounting Policies and Financial Instruments.

Gross purchases for the year (excl. Derivatives): £87,809,000 [2022: £89,962,000] (See note 14).

Total sales net of transaction costs for the year (excl. Derivatives): £53,670,000 [2022: £59,822,000] (See note 14).

## Statement of Total Return

For the year ended 30 September 2023

	Note	01/10/22 to 30/09/23		01/10/21 to 30/09/22	
		£'000	£'000	£'000	£'000
Income:					
Net capital losses	2		(10,012)		(72,521)
Revenue	3	5,367		3,873	
Expenses	4	(1,443)		(1,452)	
Interest payable and similar charges	5	(3)		—	
Net revenue before taxation		3,921		2,421	
Taxation	6	(8)		—	
Net revenue after taxation			3,913		2,421
Total return before distributions			(6,099)		(70,100)
Distributions	7		(3,913)		(2,421)
<b>Change in net assets attributable to Shareholders from investment activities</b>			<b>(10,012)</b>		<b>(72,521)</b>

## Statement of Change in Net Assets Attributable to Shareholders

For the year ended 30 September 2023

	01/10/22 to 30/09/23		01/10/21 to 30/09/22	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to Shareholders</b>		174,249		212,648
Amounts receivable on issue of Shares	31,832		41,280	
Amounts payable on cancellation of Shares	(1,254)		(7,164)	
		30,578		34,116
Dilution adjustment		—		23
Change in net assets attributable to Shareholders from investment activities (see above)		(10,012)		(72,521)
Stamp duty		(3)		(17)
<b>Closing net assets attributable to Shareholders</b>		<b>194,812</b>		<b>174,249</b>

## Balance Sheet

As at 30 September 2023

	Note	30/09/23		30/09/22	
		£'000	£'000	£'000	£'000
<b>Assets:</b>					
Fixed assets:					
Investments			187,217		164,434
Current assets:					
Debtors	8	1,170		1,529	
Cash and bank balances	9	9,827		11,238	
Total current assets			10,997		12,767
Total assets			198,214		177,201
<b>Liabilities:</b>					
Investment liabilities			(99)		(208)
Creditors:					
Distribution payable		(2,935)		(1,822)	
Other creditors	10	(368)		(922)	
Total creditors			(3,303)		(2,744)
Total liabilities			(3,402)		(2,952)
<b>Net assets attributable to Shareholders</b>			<b>194,812</b>		<b>174,249</b>

## Notes to the Financial Statements

For the year ended 30 September 2023

### 1. Accounting basis and policies

The Fund's financial statements have been prepared on the basis detailed on pages 15 to 18.

### 2. Net capital losses

	01/10/22 to 30/09/23 £'000	01/10/21 to 30/09/22 £'000
The net capital losses during the year comprise:		
Brokers commission on futures	(1)	(1)
Currency gains	2	1
Derivative contracts	1,245	(994)
Forward currency contracts	(1)	—
Non-derivative securities	(11,194)	(71,520)
Transaction charges	(63)	(7)
<b>Net capital losses</b>	<b>(10,012)</b>	<b>(72,521)</b>

### 3. Revenue

	01/10/22 to 30/09/23 £'000	01/10/21 to 30/09/22 £'000
Bank interest	49	6
Futures interest	7	—
Interest from Debt Securities	(134)	(16)
Overseas dividends	527	379
Revenue from swaps	—	41
UK dividends	4,637	3,289
UK property income dividends	180	174
Loan income	101	—
<b>Total revenue</b>	<b>5,367</b>	<b>3,873</b>

**Notes to the Financial Statements (continued)**  
For the year ended 30 September 2023

**4. Expenses**

	01/10/22 to 30/09/23 £'000	01/10/21 to 30/09/22 £'000
<b>Payable to the ACD, associates of the ACD, and agents of either of them</b>		
AMC fees	1,389	1,395
	<b>1,389</b>	<b>1,395</b>
<b>Payable to the Depositary, associates of the Depositary and agents of either of them</b>		
Depositary fees	29	29
Safe custody fees	8	10
	<b>37</b>	<b>39</b>
<b>Other expenses</b>		
Audit fees	9	8
Professional fees*	10	7
Publication fees	(2)	3
	<b>17</b>	<b>18</b>
<b>Total expenses</b>	<b>1,443</b>	<b>1,452</b>

Audit fees are £8,350 ex Vat (2022: £7,875).

\*Includes tax service fee paid to Deloitte LLP (Germany) £1,475 (2022: £0).

**5. Interest payable and similar charges**

	01/10/22 to 30/09/23 £'000	01/10/21 to 30/09/22 £'000
Interest	3	—
<b>Total interest payable and similar charges</b>	<b>3</b>	<b>—</b>

**6. Taxation**

**(a) Analysis of the tax charge in the year**

	01/10/22 to 30/09/23 £'000	01/10/21 to 30/09/22 £'000
Irrecoverable overseas tax	8	—
<b>Total taxation for the year (Note 6 (b))</b>	<b>8</b>	<b>—</b>

## Notes to the Financial Statements (continued)

For the year ended 30 September 2023

### 6. Taxation (continued)

#### (b) Factors affecting the tax charge for the year

The tax assessed for the year is different from that calculated when the standard rate of corporation tax for an open ended investment company of 20% (2022: 20%) is applied to the net revenue before taxation. The differences are explained below:

	01/10/22 to 30/09/23 £'000	01/10/21 to 30/09/22 £'000
Net revenue before taxation	3,921	2,421
Net revenue for the year multiplied by the standard rate of corporation tax	784	484
<b>Effects of:</b>		
Irrecoverable overseas tax	8	—
Movement in excess management expenses	249	251
Revenue not subject to corporation tax	(1,033)	(735)
<b>Total tax charge for the year</b>	<b>8</b>	<b>—</b>

OEICs are exempt from tax on capital gains in the UK. Therefore, any capital return is not included within the reconciliation above.

#### (c) Provision for deferred tax

There is no provision required for deferred taxation at the Balance Sheet date in the current or prior year because no taxable profit is expected to be generated by the fund.

#### (d) Factors that may affect future tax charges

At the year-end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £1,101,674 (2022: £852,719) in relation to surplus management expenses. It is unlikely that the Fund will generate sufficient taxable profits in the future to utilise this amount and therefore no deferred tax asset has been recognised in the year.

### 7. Distributions

The distributions take account of revenue received on the creation of shares and revenue deducted on the cancellation of shares, and comprise:

	01/10/22 to 30/09/23 £'000	01/10/21 to 30/09/22 £'000
Interim	1,121	743
Final	2,935	1,822
Add: Revenue paid on cancellation of shares	7	14
Deduct: Revenue received on creation of shares	(150)	(158)
<b>Net distribution for the year</b>	<b>3,913</b>	<b>2,421</b>
<b>Reconciliation of net revenue after taxation to distributions</b>		
Net revenue after taxation	3,913	2,421
<b>Net distribution for the year</b>	<b>3,913</b>	<b>2,421</b>

Details of the distributions per share are set out in the distribution tables on page 411.

## Notes to the Financial Statements (continued)

For the year ended 30 September 2023

### 8. Debtors

	30/09/23 £'000	30/09/22 £'000
Accrued bank interest	4	2
Accrued revenue	613	435
Amounts receivable for creation of shares	254	573
Sales awaiting settlement	294	517
Loan income	4	—
Prepaid expenses	1	2
<b>Total debtors</b>	<b>1,170</b>	<b>1,529</b>

### 9. Cash and bank balances

	30/09/23 £'000	30/09/22 £'000
Cash and bank balances	9,423	10,929
Amount held at futures clearing houses and brokers	404	309
<b>Total cash and bank balances</b>	<b>9,827</b>	<b>11,238</b>

### 10. Other creditors

	30/09/23 £'000	30/09/22 £'000
Amounts payable for cancellation of shares	—	140
Margin Variation payable	10	109
Interest payable	(4)	—
Purchases awaiting settlement	223	536
	229	785
<i>Accrued expenses</i>		
<i>Manager and Agents</i>		
AMC fees	116	109
	116	109
<i>Depositary and Agents</i>		
Depositary fees	5	9
Safe custody fees	2	3
Transaction charges	7	2
	14	14
<i>Other accrued expenses</i>		
Audit fees	9	10
Professional fees	—	1
Publication fees	—	3
	9	14
<b>Total other creditors</b>	<b>368</b>	<b>922</b>

### 11. Related party transactions

Management fees paid to the ACD, are disclosed in note 4 and amounts due at the year-end are disclosed in note 10.

**Notes to the Financial Statements (continued)**

For the year ended 30 September 2023

**11. Related party transactions (continued)**

Monies received and paid by the ACD through the creation and cancellation of shares are disclosed in the Statement of Change in Net Assets Attributable to Shareholders and amounts due at the year-end are disclosed in notes 8 and 10.

The ACD and its associates (including other authorised investment funds managed by the ACD) have no shareholdings in the company at the year-end.

**Significant shareholdings**

As at the balance sheet date, the following had significant shareholdings within the Fund:

Shareholders	30/09/23 (%)	30/09/22 (%)
Sterling ISA Managers (Nominees) Limited	80.75	81.22

**12. Share Classes**

The Share Classes and ACD's Annual Management Charges ("AMC") applicable to each Share Class are as follows:

	%
Share Class A Income	0.71

Each Share Class has equal rights in the event of the wind up of any fund.

The reconciliation of the opening and closing numbers of shares of each class is shown below:

	30/09/22	Issued	Cancelled	Converted	30/09/23
Share Class A Income	172,386,957	30,882,351	(1,210,090)	—	202,059,218

**13. Capital commitments and contingent liabilities**

There were no contingent liabilities or outstanding commitments at the balance sheet date (2022: nil).

**14. Derivatives and other financial instruments**

The main risks from the Fund's holding of financial instruments, together with the ACD's policy for managing these risks, are disclosed in note 2 on pages 18 to 24 of the report.

**(a) Foreign currency risk**

A proportion of the financial net assets of the Fund are denominated in currencies other than sterling with the effect that the balance sheet and total return can be affected by currency movements.

The Fund holds an insignificant foreign currency exposure at 30 September 2023 (2022: insignificant) therefore a currency table has not been disclosed.

Changes in exchange rates would have no material impact on the valuation of foreign currency financial assets or liabilities as at the balance sheet date. Consequently, no sensitivity analysis has been presented.

**(b) Interest rate risk profile of financial assets and liabilities**

The Fund does not invest in either fixed or floating rate securities and interest rate risk exposure is restricted to interest receivable on bank deposits or payable on bank overdraft positions which will be affected by fluctuations in interest rates.



**Notes to the Financial Statements (continued)**

For the year ended 30 September 2023

**14. Derivatives and other financial instruments (continued)****(b) Interest rate risk profile of financial assets and liabilities (continued)**

As at 30 September 2023 5.04% of the Fund's assets were interest bearing (2022: 6.45%).

Changes in interest rates would have no material impact on the valuation of financial assets or liabilities. Consequently, no sensitivity analysis has been presented.

**15. Portfolio transaction costs**

	01/10/22 to 30/09/23		01/10/21 to 30/09/22	
	£'000	£'000	£'000	£'000
<b>Analysis of total purchase costs</b>				
Purchases in the year before transaction costs:				
Equities		87,279		89,530
Collective Investment Schemes		159		161
		87,438		89,691
Commissions - Equities	47		47	
Taxes - Equities	324		224	
Total purchase costs		371		271
<b>Gross purchase total</b>		<b>87,809</b>		<b>89,962</b>
<b>Analysis of total sale costs</b>				
Gross sales in the year before transaction costs:				
Equities		53,633		59,857
Collective Investment Schemes		66		—
		53,699		59,857
Commissions - Equities	(30)		(34)	
Taxes - Equities	-		-	
Total sale costs		(30)		(35)
<b>Total sales net of transaction costs</b>		<b>53,669</b>		<b>59,822</b>

The portfolio transaction costs table above includes direct transaction costs suffered by the Fund during the year.

Separately identifiable direct transaction costs (commissions and taxes etc.) are attributable to the Fund's purchase and sale of equity shares. Additionally for equity shares there is a dealing spread cost (the difference between the buying and selling prices) which will be suffered on purchase and sale transactions.

## Notes to the Financial Statements (continued)

For the year ended 30 September 2023

### 15. Portfolio transaction costs (continued)

	01/10/22 to 30/09/23 %	01/10/21 to 30/09/22 %
<b>Transaction costs as percentage of principal amounts</b>		
Purchases - Commissions		
Equities	0.0539	0.0522
Collective Investment Schemes	0.0999	0.1115
Purchases - Taxes		
Equities	0.3696	0.2499
Collective Investment Schemes	0.0025	0.0000
Sales - Commissions		
Equities	0.0567	0.0571
Collective Investment Schemes	0.1001	0.0000
Sales - Taxes		
Equities	0.0000	0.0010
Collective Investment Schemes	0.0015	0.0000
	<b>01/10/22 to 30/09/23 %</b>	<b>01/10/21 to 30/09/22 %</b>
<b>Transaction costs as percentage of average net asset value</b>		
Commissions	0.0394	0.0416
Taxes	0.1656	0.1144

At the balance sheet date the average portfolio dealing spread was 1.00% (2022: 1.34%).

### 16. Post balance sheet events

Subsequent to the year end, the net asset value per unit of the fund has increased from 96.41p to 105.88p as at 26 January 2024. This movement takes into account routine transactions but also reflects the market movements of recent months.

### 17. Fair value disclosure

Valuation technique	30/09/23		30/09/22	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
<b>Level 1:</b> The unadjusted quoted price in an active market for identical assets or liabilities	187,217	(99)	164,434	(208)
<b>Level 2:</b> Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly	—	—	—	—
<b>Level 3:</b> Inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability	—	—	—	—
	<b>187,217</b>	<b>(99)</b>	<b>164,434</b>	<b>(208)</b>

## Distribution Table

As at 30 September 2023

### Interim Distribution in pence per Share

- Group 1 Shares purchased prior to 1 October 2022  
 Group 2 Shares purchased on or after 1 October 2022 to 31 March 2023

	Net revenue (p)	Equalisation (p)	Distribution paid 31/05/2023 (p)	Distribution paid 31/05/2022 (p)
<b>Share Class A Income</b>				
Group 1	0.5973	—	0.5973	0.4857
Group 2	0.2633	0.3340	0.5973	0.4857

### Final Distribution in pence per Share

- Group 1 Shares purchased prior to 1 April 2023  
 Group 2 Shares purchased on or after 1 April 2023 to 30 September 2023

	Net revenue (p)	Equalisation (p)	Distribution payable 30/11/2023 (p)	Distribution paid 30/11/2022 (p)
<b>Share Class A Income</b>				
Group 1	1.4527	—	1.4527	1.0567
Group 2	0.7708	0.6819	1.4527	1.0567

## Investment Manager's Report

For the year ended 30 September 2023

### Investment Objective

The Fund aims to achieve a return consisting of both income and capital growth, which, after all fees and expenses, exceeds that of the Russell 1000 TR Index over a five-year rolling period.

### Investment Policy

The Fund intends to invest at least 80% in the equity securities of US companies defined as those which are domiciled, incorporated or have a significant exposure to the US. Exposure to established larger companies will be greater than 50% of the Fund. Large companies are defined as those with a market cap of \$10 billion or more at the time of the Fund's investment. Companies whose capitalisation no longer meets this definition after investment will continue to be considered large capitalisation companies.

The Fund may also invest in other transferable securities (for example, equity securities of other international companies), units in collective investment schemes (including schemes managed and operated by the ACD or its associates), money market instruments, warrants, cash and near cash deposits as detailed in the Prospectus.

It is envisaged that the investment portfolio of the Fund will be concentrated, typically comprising between 40 and 75 holdings.

Derivatives may be used for the purposes of hedging and efficient portfolio management.

### Benchmark

The performance of the Fund will be measured against the Russell 1000 TR Index\* for target return purposes. This index was chosen as it was considered a fair representation of the assets in which the fund will invest, in line with its investment objectives and policy.

### Portfolio Review

Over the period the fund returned 15.04% [source: Return after operating charges as per Comparative Table] and the benchmark returned 10.84% [source: Financial Express, bid to bid, net income reinvested].

\*The index data provided has been licensed for use by its third-party providers who do not accept any liability for errors or omissions. For full disclaimer please see <https://omnisinvestments.com/disclaimers>

Stock selection drove the outperformance of the fund, as did our sector allocations.

Within the Fund, stock selection within industrials and business services added value. Shares of General Electric advanced during the period. Stock choices within the consumer discretionary sector also added value. A position in Burlington Stores benefited performance. Within health care, stock selection added value, though the overweight allocation to the sector gave back some of those gains. Eli Lilly led Fund performance within the sector.

Conversely, stock selection in materials—the only sector in which the Fund underperformed the benchmark—pulled down relative returns. Shares of Nutrien fell during the period.

The health care sector represents the Fund's second-largest absolute allocation and largest overweight relative to the benchmark. The overweight allocation to the health care sector emphasises select managed care and pharmaceutical companies positioned to benefit from industry consolidation as well as the increasing focus on providing cost-effective solutions. Innovative life

**Investment Manager's Report (continued)**

For the year ended 30 September 2023

science tools and services companies that are focused on meaningfully improving patient outcomes also represent some of the more attractive opportunities in the sector.

The largest underweight is within information technology, though that sector is still the Fund's largest absolute allocation. Within the sector, the focus is on innovative business models that can take advantage of transformational change, such as companies with durable business models that address large and growing markets, including electronic payment processing, public cloud computing, and consumer technology.

During the period, the Fund initiated positions in semiconductor chip manufacturer NVIDIA, payment processor Visa, online merchant Amazon.com, and Facebook parent company Meta Platforms while adding to the position in personal computing and software giant Microsoft. The Fund exited positions in electric vehicle manufacturer Tesla, chemicals companies FMC and Sherwin-Williams, and fast-casual Mexican restaurant Chipotle during the period.

**T. Rowe Price International Ltd. (sub-delegated to T. Rowe Price Associates Inc.)**

October 2023

## Material Portfolio Changes

For the year ended 30 September 2023

Purchases		Sales	
Portfolio Name	Cost £'000	Portfolio Name	Proceeds £'000
Microsoft	51,206	Apple	51,462
Amazon.com	46,042	NVIDIA	34,335
Apple	45,072	UnitedHealth	32,451
NVIDIA	40,722	Tesla	30,710
Alphabet	36,154	Alphabet	29,061
JPMorgan Chase	29,128	Charles Schwab	28,999
Meta Platforms	27,844	Eli Lilly	28,126
Procter & Gamble	23,500	Exxon Mobil	26,319
Linde	22,033	Meta Platforms	26,289
Schlumberger	21,456	Visa	24,160

The above table complements the data provided in the investment managers report by outlining the top 10 portfolio components.

## Comparative Table

As at 30 September 2023

	30/09/23 (p)	A Income 30/09/22 (p)	30/09/21 (p)
<b>Change in net assets per Share</b>			
Opening net asset value per share	126.14	128.40	105.32
Return before operating charges*	19.87	(1.25)	24.45
Operating charges	(0.90)	(0.88)	(0.80)
Return after operating charges	18.97	(2.13)	23.65
Distributions	(0.24)	(0.13)	(0.57)
Closing net asset value per share	144.87	126.14	128.40
*after direct transaction cost of:	0.04	0.04	0.01
<b>Performance</b>			
Return after operating charges	15.04%	(1.66%)	22.46%
<b>Other information</b>			
Closing net asset value (£'000)	1,161,047	1,046,534	1,066,253
Closing number of shares	801,458,355	829,655,682	830,401,772
Operating charges	0.67%	0.67%	0.67%
Direct transaction costs	0.03%	0.04%	0.01%
<b>Prices (p)**</b>			
Highest share price	149.50	141.86	133.68
Lowest share price	122.82	115.68	102.76

\*\*The highest and lowest share prices are based on published price. The opening and closing net asset values per share include accounting adjustments, therefore they may appear higher or lower as a result.

## Performance Information

As at 30 September 2023

### Operating Charge

Date	AMC (%)	Other expenses (%)	Transaction costs (%)	Total operating charge (%)
30/09/23 Share Class A Income	0.65	0.02	0.00	0.67
30/09/22 Share Class A Income	0.65	0.02	0.00	0.67

The Operating Charge is the ratio of the Fund's total disclosable costs (excluding overdraft interest) to the average net assets of the Fund.

## Risk and Reward Profile

As at 30 September 2023

	Typically lower rewards				Typically higher rewards		
	Lower risks				Higher risks		
Share Class A	1	2	3	4	5	6	7

- This indicator is based on historical data and may not be a reliable indication of the future risk profile of the Fund.
- The risk category shown is not guaranteed to remain unchanged and may shift over time.
- The risk and reward indicator table demonstrates where a Fund ranks in terms of its potential risk and return. The higher the rank the greater the potential reward but the greater the risk of losing money. The lowest category does not mean 'risk free'.
- The Fund appears as a "6" on the scale. This is because the Fund invests in the shares of companies whose values tend to vary more widely than other asset classes.

### Risk Warning

An investment in an Open Ended Investment Company should be regarded as a medium to long-term investment. Investors should be aware that the price of shares and the income from them may fall as well as rise and investors may not receive back the full amount invested. Past performance is not a guide to future performance. Investments denominated in currencies other than the base currency of a Fund are subject to fluctuation in exchange rates, which may be favourable or unfavourable.



## Portfolio Statement

As at 30 September 2023

Holdings or Nominal Value	Investments	Market value £'000	% of Total Net Assets
<b>Aerospace &amp; Defence 1.46% (0.86%)</b>			
154,491	Airbus	17,009	1.46
		<b>17,009</b>	<b>1.46</b>
<b>Automobiles &amp; Parts 0.00% (2.05%)</b>			
<b>Banks 1.61% (0.93%)</b>			
115,348	JPMorgan Chase	13,708	1.18
131,530	Western Alliance Bancorp	4,955	0.43
		<b>18,663</b>	<b>1.61</b>
<b>Beverages 3.39% (0.98%)</b>			
344,415	Coca-Cola	15,802	1.36
386,520	Keurig Dr Pepper	9,997	0.86
97,848	PepsiCo	13,584	1.17
		<b>39,383</b>	<b>3.39</b>
<b>Chemicals 3.09% (3.13%)</b>			
82,291	Linde	25,117	2.16
212,167	Nutrien	10,732	0.93
		<b>35,849</b>	<b>3.09</b>
<b>Consumer Services 1.41% (0.00%)</b>			
434,700	Uber Technologies	16,383	1.41
		<b>16,383</b>	<b>1.41</b>
<b>Electricity 0.00% (1.87%)</b>			
<b>General Industrials 1.24% (1.94%)</b>			
158,657	General Electric	14,373	1.24
		<b>14,373</b>	<b>1.24</b>
<b>Health Care Providers 6.28% (8.41%)</b>			
62,785	Elevance Health	22,397	1.93
33,273	HCA Healthcare	6,707	0.58
19,986	Humana	7,967	0.69
53,125	Molina Healthcare	14,273	1.23
22,921	UnitedHealth	9,469	0.81
72,380	Veeva Systems	12,070	1.04
		<b>72,883</b>	<b>6.28</b>
<b>Industrial Engineering 0.00% (1.39%)</b>			
<b>Industrial Metals &amp; Mining 0.47% (0.44%)</b>			
384,980	ERO Copper	5,452	0.47
		<b>5,452</b>	<b>0.47</b>

**Portfolio Statement (continued)**

As at 30 September 2023

Holdings or Nominal Value	Investments	Market value £'000	% of Total Net Assets
<b>Industrial Support Services 8.89% (6.39%)</b>			
66,512	BILL	5,916	0.51
80,045	Booz Allen Hamilton	7,162	0.62
153,124	Fiserv	14,175	1.22
45,679	FleetCor Technologies	9,557	0.82
63,915	FTI Consulting	9,342	0.81
85,300	Global Payments	8,064	0.69
17,866	Verisk Analytics	3,458	0.30
241,698	Visa	45,558	3.92
		<b>103,232</b>	<b>8.89</b>
<b>Industrial Transportation 1.09% (0.51%)</b>			
12,691	Saia	4,144	0.36
51,262	Union Pacific	8,555	0.73
		<b>12,699</b>	<b>1.09</b>
<b>Investment Banking &amp; Brokerage 2.71% (6.20%)</b>			
103,400	Apollo Global Management	7,605	0.65
360,174	Charles Schwab	16,204	1.40
114,576	Morgan Stanley	7,669	0.66
		<b>31,478</b>	<b>2.71</b>
<b>Media 1.74% (2.32%)</b>			
279,815	Liberty Media Corp-Liberty Formula One	14,282	1.23
19,210	Netflix	5,939	0.51
		<b>20,221</b>	<b>1.74</b>
<b>Medical Equipment &amp; Services 4.35% (6.09%)</b>			
35,726	Becton Dickinson	7,567	0.65
14,751	Intuitive Surgical	3,533	0.31
25,973	Stryker	5,819	0.50
59,433	Thermo Fisher Scientific	24,658	2.12
29,007	West Pharmaceutical Services	8,925	0.77
		<b>50,502</b>	<b>4.35</b>
<b>Multiline Retail 0.00% (5.27%)</b>			
<b>Non-Life Insurance 1.75% (2.88%)</b>			
119,416	Chubb	20,372	1.75
		<b>20,372</b>	<b>1.75</b>
<b>Oil, Gas &amp; Coal 7.38% (4.99%)</b>			
69,341	Diamondback Energy	8,799	0.76
144,300	Exxon Mobil	13,905	1.20
128,279	Hess	16,089	1.38
353,006	Schlumberger	16,864	1.45
262,257	Seadrill	9,624	0.83

**Portfolio Statement (continued)**

As at 30 September 2023

Holdings or Nominal Value	Investments	Market value £'000	% of Total Net Assets
<b>Oil, Gas &amp; Coal 7.38% (4.99%) (continued)</b>			
1,625,258	Southwestern Energy	8,575	0.74
710,500	TechnipFMC	11,840	1.02
		<b>85,696</b>	<b>7.38</b>
<b>Personal Care, Drug &amp; Grocery Stores 3.37% (0.00%)</b>			
114,800	Cencora	16,930	1.46
185,299	Procter & Gamble	22,145	1.91
		<b>39,075</b>	<b>3.37</b>
<b>Personal Goods 1.75% (0.94%)</b>			
52,894	Lululemon Athletica	16,701	1.44
160,800	On	3,664	0.31
		<b>20,365</b>	<b>1.75</b>
<b>Personal Products 0.00% (0.43%)</b>			
<b>Pharmaceuticals &amp; Biotechnology 5.50% (9.34%)</b>			
146,481	AbbVie	17,894	1.54
1,440	Argenx ADR*	580	0.05
147,701	AstraZeneca ADR*	8,194	0.70
58,748	Eli Lilly	25,847	2.23
16,818	Regeneron Pharmaceuticals	11,336	0.98
		<b>63,851</b>	<b>5.50</b>
<b>Real Estate Investment &amp; Services 0.30% (0.00%)</b>			
29,983	Jones Lang LaSalle	3,468	0.30
		<b>3,468</b>	<b>0.30</b>
<b>Real Estate Investment Trusts 0.00% (1.20%)</b>			
<b>Retailers 6.28% (0.00%)</b>			
414,867	Amazon.com	43,205	3.72
3,991	AutoZone	8,305	0.71
86,627	Home Depot	21,436	1.85
		<b>72,946</b>	<b>6.28</b>
<b>Software &amp; Computer Services 20.12% (14.57%)</b>			
474,069	Alphabet	51,200	4.41
167,658	Ceridian HCM	9,326	0.81
18,660	Intuit	7,810	0.67
90,133	Meta Platforms	22,166	1.91
321,964	Microsoft	83,280	7.17
214,365	Pinterest	4,746	0.41
53,935	Roper Technologies	21,400	1.84
55,225	Salesforce	9,174	0.79
239,487	Sea ADR*	8,625	0.74

**Portfolio Statement (continued)**

As at 30 September 2023

Holdings or Nominal Value	Investments	Market value £'000	% of Total Net Assets
<b>Software &amp; Computer Services 20.12% (14.57%) (continued)</b>			
166,039	Shopify	7,423	0.64
22,347	Synopsys	8,404	0.73
		<b>233,554</b>	<b>20.12</b>
<b>Technology Hardware &amp; Equipment 10.62% (8.90%)</b>			
476,341	Apple	66,806	5.76
128,834	NVIDIA	45,902	3.95
148,201	Taiwan Semiconductor Manufacturing ADR*	10,546	0.91
		<b>123,254</b>	<b>10.62</b>
<b>Telecommunications Service Providers 2.50% (3.05%)</b>			
252,644	T-Mobile US	28,977	2.50
		<b>28,977</b>	<b>2.50</b>
<b>Travel &amp; Leisure 1.24% (3.77%)</b>			
89,655	Marriott International	14,440	1.24
		<b>14,440</b>	<b>1.24</b>
	<b>Portfolio of investments</b>	<b>1,144,125</b>	<b>98.54</b>
	Net other assets	16,922	1.46
	<b>Net assets</b>	<b>1,161,047</b>	<b>100.00</b>

\*American Depositary Receipts.

Comparative figures shown above in brackets relate to 30 September 2022.

All investments are ordinary shares unless otherwise stated and admitted to official stock exchange listings.

The investments have been valued in accordance with note 1(h) of the Accounting Policies and Financial Instruments.

Gross purchases for the year: £1,142,817,000 [2022: £1,887,225,000 ] (See note 14).

Total sales net of transaction costs for the year: £1,194,757,000 [2022: £1,871,362,000]  
(See note 14).

## Statement of Total Return

For the year ended 30 September 2023

	Note	01/10/22 to 30/09/23		01/10/21 to 30/09/22	
		£'000	£'000	£'000	£'000
Income:					
Net capital gains/(losses)	2		159,341		(16,595)
Revenue	3	10,891		9,997	
Expenses	4	(7,496)		(7,525)	
Net revenue before taxation		3,395		2,472	
Taxation	5	(1,420)		(1,366)	
Net revenue after taxation			1,975		1,106
Total return before distributions			161,316		(15,489)
Distributions	6		(1,986)		(1,106)
<b>Change in net assets attributable to Shareholders from investment activities</b>			<b>159,330</b>		<b>(16,595)</b>

## Statement of Change in Net Assets Attributable to Shareholders

For the year ended 30 September 2023

	01/10/22 to 30/09/23		01/10/21 to 30/09/22	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to Shareholders</b>		1,046,534		1,066,253
Amounts receivable on issue of Shares	74,106		114,673	
Amounts payable on cancellation of Shares	(118,923)		(117,797)	
		(44,817)		(3,124)
Change in net assets attributable to Shareholders from investment activities (see above)		159,330		(16,595)
<b>Closing net assets attributable to Shareholders</b>		<b>1,161,047</b>		<b>1,046,534</b>

## Balance Sheet

As at 30 September 2023

	Note	30/09/23		30/09/22	
		£'000	£'000	£'000	£'000
<b>Assets:</b>					
Fixed assets:					
Investments			1,144,125		1,034,508
Current assets:					
Debtors	7	14,855		30,431	
Cash and bank balances	8	12,017		9,747	
Total current assets			26,872		40,178
Total assets			1,170,997		1,074,686
<b>Liabilities:</b>					
Creditors:					
Distribution payable		(599)		(929)	
Other creditors	9	(9,351)		(27,223)	
Total creditors			(9,950)		(28,152)
Total liabilities			(9,950)		(28,152)
<b>Net assets attributable to Shareholders</b>			<b>1,161,047</b>		<b>1,046,534</b>

## Notes to the Financial Statements

For the year ended 30 September 2023

### 1. Accounting basis and policies

The Fund's financial statements have been prepared on the basis detailed on pages 15 to 18.

### 2. Net capital gains/(losses)

	01/10/22 to 30/09/23 £'000	01/10/21 to 30/09/22 £'000
The net capital gains/(losses) during the year comprise:		
Currency (losses)/gains	(2,212)	2,403
Non-derivative securities	161,590	(18,955)
Transaction charges	(37)	(43)
<b>Net capital gains/(losses)</b>	<b>159,341</b>	<b>(16,595)</b>

### 3. Revenue

	01/10/22 to 30/09/23 £'000	01/10/21 to 30/09/22 £'000
Bank interest	268	20
Overseas dividends	10,593	9,903
UK dividends	30	74
<b>Total revenue</b>	<b>10,891</b>	<b>9,997</b>

### 4. Expenses

	01/10/22 to 30/09/23 £'000	01/10/21 to 30/09/22 £'000
<b>Payable to the ACD, associates of the ACD, and agents of either of them</b>		
AMC fees	7,322	7,343
	7,322	7,343
<b>Payable to the Depositary, associates of the Depositary and agents of either of them</b>		
Depositary fees	91	92
Safe custody fees	58	61
	149	153
<b>Other expenses</b>		
Audit fees	10	8
Professional fees	12	11
Publication fees	(2)	3
ADR fees	5	7
	25	29
<b>Total expenses</b>	<b>7,496</b>	<b>7,525</b>

Audit fees are £8,350 ex Vat (2022: £7,875).

## Notes to the Financial Statements (continued)

For the year ended 30 September 2023

### 5. Taxation

#### (a) Analysis of the tax charge in the year

	01/10/22 to 30/09/23 £'000	01/10/21 to 30/09/22 £'000
Irrecoverable overseas tax	1,413	1,366
Overseas capital gains tax	7	—
<b>Total taxation for the year (Note 5 (b))</b>	<b>1,420</b>	<b>1,366</b>

#### (b) Factors affecting the tax charge for the year

The tax assessed for the year is different from that calculated when the standard rate of corporation tax for an open ended investment company of 20% (2022: 20%) is applied to the net revenue before taxation. The differences are explained below:

	01/10/22 to 30/09/23 £'000	01/10/21 to 30/09/22 £'000
Net revenue before taxation	3,395	2,472
Net revenue for the year multiplied by the standard rate of corporation tax	679	494
<b>Effects of:</b>		
Capital income subject to taxation	7	—
Irrecoverable overseas tax	1,413	1,366
Movement in excess management expenses	1,451	1,492
Non taxable overseas dividends	(2,128)	(1,969)
Non taxable UK dividends	(6)	(15)
Overseas capital gains tax in capital	7	—
Overseas tax expensed	(3)	(2)
<b>Total tax charge for the year</b>	<b>1,420</b>	<b>1,366</b>

OEICs are exempt from tax on capital gains in the UK. Therefore, any capital return is not included within the reconciliation above.

#### (c) Provision for deferred tax

There is no provision required for deferred taxation at the Balance Sheet date in the current or prior year because no taxable profit is expected to be generated by the fund.

#### (d) Factors that may affect future tax charges

At the year-end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £5,218,712 (2022: £3,768,072) in relation to surplus management expenses. It is unlikely that the Fund will generate sufficient taxable profits in the future to utilise this amount and therefore no deferred tax asset has been recognised in the year.



**Notes to the Financial Statements (continued)**

For the year ended 30 September 2023

**6. Distributions**

The distributions take account of revenue received on the creation of shares and revenue deducted on the cancellation of shares, and comprise:

	01/10/22 to 30/09/23 £'000	01/10/21 to 30/09/22 £'000
Interim	1,383	159
Final	599	929
Add: Revenue paid on cancellation of shares	38	28
Deduct: Revenue received on creation of shares	(34)	(10)
<b>Net distribution for the year</b>	<b>1,986</b>	<b>1,106</b>
<b>Reconciliation of net revenue after taxation to distributions</b>		
Net revenue after taxation	1,975	1,106
Net movement in revenue account	4	—
Capital gains tax	7	—
<b>Net distribution for the year</b>	<b>1,986</b>	<b>1,106</b>

Details of the distributions per share are set out in the distribution tables on page 430.

**7. Debtors**

	30/09/23 £'000	30/09/22 £'000
Accrued revenue	493	562
Overseas withholding tax recoverable	13	17
Sales awaiting settlement	14,348	29,850
Prepaid expenses	1	2
<b>Total debtors</b>	<b>14,855</b>	<b>30,431</b>

**8. Cash and bank balances**

	30/09/23 £'000	30/09/22 £'000
Cash and bank balances	12,017	9,747
<b>Total cash and bank balances</b>	<b>12,017</b>	<b>9,747</b>

## Notes to the Financial Statements (continued)

For the year ended 30 September 2023

### 9. Other creditors

	30/09/23 £'000	30/09/22 £'000
Amounts payable for cancellation of shares	1,891	16,839
Purchases awaiting settlement	6,778	9,707
	8,669	26,546
<i>Accrued expenses</i>		
<i>Manager and Agents</i>		
AMC fees	640	599
	640	599
<i>Depositary and Agents</i>		
Depositary fees	16	30
Safe custody fees	10	20
Transaction charges	6	14
	32	64
<i>Other accrued expenses</i>		
Audit fees	10	10
Professional fees	—	1
Publication fees	—	3
	10	14
<b>Total other creditors</b>	<b>9,351</b>	<b>27,223</b>

### 10. Related party transactions

Management fees paid to the ACD, are disclosed in note 4 and amounts due at the year-end are disclosed in note 9.

Monies received and paid by the ACD through the creation and cancellation of shares are disclosed in the Statement of Change in Net Assets Attributable to Shareholders and amounts due at the year-end are disclosed in notes 7 and 9.

The ACD and its associates (including other authorised investment funds managed by the ACD) have no shareholdings in the company at the year-end.

#### Significant shareholdings

As at the balance sheet date, the following had significant shareholdings within the Fund:

Shareholders	30/09/23 (%)	30/09/22 (%)
Sterling ISA Managers (Nominees) Limited	80.49	81.57

### 11. Share Classes

The Share Classes and ACD's Annual Management Charges ("AMC") applicable to each Share Class are as follows:

Share Class A Income	0.65
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Each Share Class has equal rights in the event of the wind up of any fund.

## Notes to the Financial Statements (continued)

For the year ended 30 September 2023

### 11. Share Classes (continued)

The reconciliation of the opening and closing numbers of shares of each class is shown below:

	30/09/22	Issued	Cancelled	Converted	30/09/23
Share Class A Income	829,655,682	57,112,571	(85,309,898)	—	801,458,355

### 12. Capital commitments and contingent liabilities

There were no contingent liabilities or outstanding commitments at the balance sheet date (2022: nil).

### 13. Derivatives and other financial instruments

The main risks from the Fund's holding of financial instruments, together with the ACD's policy for managing these risks, are disclosed in note 2 on pages 18 to 24 of the report.

#### (a) Foreign currency risk

A proportion of the financial net assets of the Fund are denominated in currencies other than sterling with the effect that the balance sheet and total return can be affected by currency movements.

The table below shows the foreign currency risk profile at the balance sheet date:

Currency	Net foreign currency exposure	
	30/09/23 £'000	30/09/22 £'000
Canadian Dollar	4,910	—
Euro	17,646	16,836
US Dollar	1,141,162	1,038,394
<b>Total foreign currency exposure</b>	<b>1,163,718</b>	<b>1,055,230</b>
Sterling	(2,671)	(8,696)
<b>Total net assets</b>	<b>1,161,047</b>	<b>1,046,534</b>

If GBP to foreign currency exchange rates had strengthened/increased or weakened/decreased by 10% as at the balance sheet date, the net asset value of the fund would have decreased or increased by £116,371,000 (2022: £105,523,000). These calculations assume all other variables remain constant.

#### (b) Interest rate risk profile of financial assets and liabilities

The Fund does not invest in either fixed or floating rate securities and interest rate risk exposure is restricted to interest receivable on bank deposits or payable on bank overdraft positions which will be affected by fluctuations in interest rates.

As at 30 September 2023 1.04% of the Fund's assets were interest bearing (2022: 0.93%).

Changes in interest rates would have no material impact on the valuation of financial assets or liabilities. Consequently, no sensitivity analysis has been presented.

## Notes to the Financial Statements (continued)

For the year ended 30 September 2023

### 14. Portfolio transaction costs

	01/10/22 to 30/09/23		01/10/21 to 30/09/22	
	£'000	£'000	£'000	£'000
<b>Analysis of total purchase costs</b>				
Purchases in the year before transaction costs:				
Equities		1,142,653		1,886,988
		1,142,653		1,886,988
Commissions - Equities	164		174	
Taxes - Equities	—		63	
Total purchase costs		164		237
<b>Gross purchase total</b>		<b>1,142,817</b>		<b>1,887,225</b>
<b>Analysis of total sale costs</b>				
Gross sales in the year before transaction costs:				
Equities		1,194,898		1,871,534
		1,194,898		1,871,534
Commissions - Equities	(125)		(154)	
Taxes - Equities	(16)		(18)	
Total sale costs		(141)		(172)
<b>Total sales net of transaction costs</b>		<b>1,194,757</b>		<b>1,871,362</b>

The portfolio transaction costs table above includes direct transaction costs suffered by the Fund during the year.

	01/10/22 to 30/09/23	01/10/21 to 30/09/22
	%	%
<b>Transaction costs as percentage of principal amounts</b>		
Purchases - Commissions		
Equities	0.0143	0.0092
Purchases - Taxes		
Equities	0.0000	0.0033
Sales - Commissions		
Equities	0.0104	0.0082
Sales - Taxes		
Equities	0.0014	0.0010
<b>Transaction costs as percentage of average net asset value</b>		
Commissions	0.0256	0.0291
Taxes	0.0014	0.0072

At the balance sheet date the average portfolio dealing spread was 0.03% (2022: 0.06%).

**Notes to the Financial Statements (continued)**

For the year ended 30 September 2023

**15. Post balance sheet events**

Subsequent to the year end, the net asset value per unit of the fund has increased from 144.87p to 159.10p as at 26 January 2024. This movement takes into account routine transactions but also reflects the market movements of recent months.

**16. Fair value disclosure**

Valuation technique	30/09/23		30/09/22	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
<b>Level 1:</b> The unadjusted quoted price in an active market for identical assets or liabilities	1,144,125	—	1,034,508	—
<b>Level 2:</b> Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly	—	—	—	—
<b>Level 3:</b> Inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability	—	—	—	—
	<b>1,144,125</b>	<b>—</b>	<b>1,034,508</b>	<b>—</b>

## Distribution Table

As at 30 September 2023

### Interim Distribution in pence per Share

- Group 1 Shares purchased prior to 1 October 2022  
 Group 2 Shares purchased on or after 1 October 2022 to 31 March 2023

	Net revenue (p)	Equalisation (p)	Distribution paid 31/05/2023 (p)	Distribution paid 31/05/2022 (p)
<b>Share Class A Income</b>				
Group 1	0.1618	—	0.1618	0.0182
Group 2	0.0905	0.0713	0.1618	0.0182

### Final Distribution in pence per Share

- Group 1 Shares purchased prior to 1 April 2023  
 Group 2 Shares purchased on or after 1 April 2023 to 30 September 2023

	Net revenue (p)	Equalisation (p)	Distribution payable 31/11/2023 (p)	Distribution paid 31/11/2022 (p)
<b>Share Class A Income</b>				
Group 1	0.0748	—	0.0748	0.1120
Group 2	0.0540	0.0208	0.0748	0.1120

## Investment Manager's Report

For the year ended 30 September 2023

### Investment Objective

The Fund aims to achieve a return consisting of both income and capital growth, which, after all fees and expenses, exceeds that of the Russell 2500 TR Index over a five-year rolling period.

### Investment Policy

The Fund intends to invest at least 70% in the equity securities of smaller US companies defined as those which are domiciled, incorporated, or have a significant exposure to the US and which have a market capitalisation no greater than the largest company in the Russell 2500 TR index at the time of the Fund's investment.

The Fund may also invest in other transferable securities (for example, equity securities of other international companies), units in collective investment schemes (including schemes managed and operated by the ACD or its associates), money market instruments, warrants, cash and near cash deposits as detailed in the Prospectus.

Derivatives may be used for the purposes of hedging and efficient portfolio management.

### Benchmark

The performance of the Fund will be measured against the Russell 2500 TR Index\* for target return purposes only. This index was chosen as it was considered a fair representation of the assets in which the fund will invest, in line with its investment objectives and policy.

### Portfolio Review

Over the period the fund returned 4.15% [source: Return after operating charges as per Comparative Table] and the benchmark returned 1.78% [source: Financial Express, bid to bid, net income reinvested].

\*The index data provided has been licensed for use by its third-party providers who do not accept any liability for errors or omissions. For full disclaimer please see <https://omnisinvestments.com/disclaimers>

Stock selection in information technology led relative results. Shares of experience management company Qualtrics rose on the announcement that majority shareholder SAP was seeking to sell its stake in the company. In March, it was announced that Qualtrics would be acquired by Silver Lake and Canadian Pension Plan; the acquisition was completed in June. Shares of MongoDB, a document-oriented database solutions company, spiked in June on forward guidance suggesting better-than-expected growth for its leading managed cloud offering, Atlas.

Health care added value due to stock choices. West Pharmaceutical Services manufactures injectable drug delivery systems and components and provides contract manufacturing services to the pharmaceuticals industry. Shares were boosted by strong quarterly results and forward guidance following a disappointing 2022 marred by foreign exchange headwinds and a slowdown in COVID-related revenues. Strengthening demand in the company's core business should offset COVID losses longer term.

Stock picks in industrials and business services also boosted relative returns. Shares of Old Dominion Freight Line performed well despite a challenging industry backdrop hindered by retail destocking.

Conversely, financials detracted due to stock selection, notably within banks. Shares of Western Alliance Bancorporation, a large community bank operating in California, Nevada, and Arizona,

## **Investment Manager's Report (continued)**

**For the year ended 30 September 2023**

plunged amid the turmoil in the financial system. Similarities to Silicon Valley Bank, including some exposure to the tech and innovation sector, sparked a large outflow of deposits. However, the company looks to be in a better position than it was when the crisis first hit in March; it has strengthened its deposit base since that time, and the shares are attractively valued. Shares of Pacific Premier Bancorp and Pinnacle Financial Partners also declined in the wake of the regional banking fallout.

Stock choices, and an underweight allocation, in energy hindered performance. Shares of Devon Energy declined due to weaker execution relative to peers, who raised production guidance with less capital expenditure while Devon maintained both production and capex guidance.

Industrials and business services, information technology, health care, and financials remain the dominating sectors in the Fund, all with greater than 10% of the equity allocation.

Specific new positions added to the Fund during the period included MACOM Technology Solutions Holdings, Chesapeake Energy, Cadence Bank, TechnipFMC, and Vontier.

### **T. Rowe Price International Limited (sub-delegated to T. Rowe Price Associates Inc.)**

October 2023



## Material Portfolio Changes

For the year ended 30 September 2023

Purchases		Sales	
Portfolio Name	Cost £'000	Portfolio Name	Proceeds £'000
MACOM Technology Solutions	1,118	Devon Energy	1,549
Chesapeake Energy	983	RPM International	1,304
Quidel	913	Molina Healthcare	1,253
Camden Property Trust REIT*	909	Old Dominion Freight Line	1,150
Cadence Bank	779	Gibraltar Industries	1,150
TechnipFMC	718	Workiva	1,081
Vontier	711	Qualtrics International	1,029
First American Financial	706	DoubleVerify	966
Essential Utilities	687	Manhattan Associates	957
ChampionX	660	Korn Ferry	917

\*Real Estate Investment Trust.

The above table complements the data provided in the investment managers report by outlining the top 10 portfolio components.

## Comparative Table

As at 30 September 2023

	30/09/23 (p)	A Income 30/09/22 (p)	30/09/21 (p)
<b>Change in net assets per Share</b>			
Opening net asset value per share	132.88	139.76	107.40
Return before operating charges*	6.83	(5.54)	33.64
Operating charges	(1.31)	(1.34)	(1.28)
Return after operating charges	5.52	(6.88)	32.36
Distributions	(0.17)	—	—
Closing net asset value per share	138.23	132.88	139.76
*after direct transaction cost of:	0.03	0.00	0.00
<b>Performance</b>			
Return after operating charges	4.15%	(4.92%)	30.13%
<b>Other information</b>			
Closing net asset value (£'000)	118,951	112,078	130,900
Closing number of shares	86,054,476	84,342,622	93,661,689
Operating charges	0.96%	0.97%	0.98%
Direct transaction costs	0.02%	0.03%	0.03%
<b>Prices (p)**</b>			
Highest share price	146.62	152.20	142.65
Lowest share price	127.43	120.80	108.21

\*\*The highest and lowest share prices are based on published price. The opening and closing net asset values per share include accounting adjustments, therefore they may appear higher or lower as a result.

**Performance Information**

As at 30 September 2023

**Operating Charge**

Date	AMC (%)	Other expenses (%)	Transaction costs (%)	Total operating charge (%)
30/09/23				
Share Class A Income	0.90	0.03	0.03	0.96
30/09/22				
Share Class A Income	0.90	0.03	0.04	0.97

The Operating Charge is the ratio of the Fund's total disclosable costs (excluding overdraft interest) to the average net assets of the Fund.

**Risk and Reward Profile**

As at 30 September 2023

	Typically lower rewards				Typically higher rewards		
	← Lower risks				Higher risks →		
Share Class A	1	2	3	4	5	6	7

- This indicator is based on historical data and may not be a reliable indication of the future risk profile of the Fund.
- The risk category shown is not guaranteed to remain unchanged and may shift over time.
- The risk and reward indicator table demonstrates where a Fund ranks in terms of its potential risk and return. The higher the rank the greater the potential reward but the greater the risk of losing money. The lowest category does not mean 'risk free'.
- The Fund appears as a "6" on the scale. This is because the Fund invests in the shares of companies whose values tend to vary more widely than other asset classes.

**Risk Warning**

An investment in an Open Ended Investment Company should be regarded as a medium to long-term investment. Investors should be aware that the price of shares and the income from them may fall as well as rise and investors may not receive back the full amount invested. Past performance is not a guide to future performance. Investments denominated in currencies other than the base currency of a Fund are subject to fluctuation in exchange rates, which may be favourable or unfavourable.

**Portfolio Statement**

As at 30 September 2023

Holdings or Nominal Value	Investments	Market value £'000	% of Total Net Assets
<b>Aerospace &amp; Defence 0.28% (0.08%)</b>			
48,077	MDA	335	0.28
		<b>335</b>	<b>0.28</b>
<b>Automobiles &amp; Parts 0.31% (0.46%)</b>			
16,118	Monro	366	0.31
		<b>366</b>	<b>0.31</b>
<b>Banks 6.10% (8.26%)</b>			
36,223	Cadence Bank	630	0.53
96,568	Capitol Federal Financial Inc.	377	0.32
29,377	Dime Community Bancshares	480	0.40
12,579	FB Financial	292	0.25
29,561	Home BancShares	507	0.43
7,039	Metropolitan Bank	209	0.18
45,881	Pacific Premier Bancorp	816	0.69
21,529	Pinnacle Financial Partners	1,182	0.99
25,149	Seacoast Banking Corporation of Florida	452	0.38
16,275	SouthState	897	0.75
12,887	Texas Capital Bancshares	622	0.52
19,528	Veritex	287	0.24
13,343	Western Alliance Bancorp	503	0.42
		<b>7,254</b>	<b>6.10</b>
<b>Chemicals 2.02% (2.28%)</b>			
102,785	Element Solutions	1,652	1.39
19,480	Huntsman	389	0.32
2,811	Quaker Chemical	368	0.31
		<b>2,409</b>	<b>2.02</b>
<b>Construction &amp; Materials 2.89% (3.81%)</b>			
4,774	Tetra Tech	595	0.50
9,704	Vulcan Materials	1,605	1.35
3,984	Watsco	1,232	1.04
		<b>3,432</b>	<b>2.89</b>
<b>Consumer Services 1.39% (1.39%)</b>			
16,917	Bright Horizons Family Solutions	1,128	0.95
3,840	Duolingo	522	0.44
		<b>1,650</b>	<b>1.39</b>
<b>Electricity 0.00% (0.41%)</b>			
<b>Electronic &amp; Electrical Equipment 4.78% (3.97%)</b>			
5,671	Badger Meter	668	0.56
43,526	Hayward	503	0.42
1,200	Hubbell Inc.	308	0.26

**Portfolio Statement (continued)**

As at 30 September 2023

Holdings or Nominal Value	Investments	Market value £'000	% of Total Net Assets
<b>Electronic &amp; Electrical Equipment 4.78% (3.97%) (continued)</b>			
42,782	Mirion Technologies	262	0.22
15,372	Napco Security Technologies	280	0.23
22,778	SPX Technologies	1,519	1.28
6,423	Teledyne Technologies	2,150	1.81
		<b>5,690</b>	<b>4.78</b>
<b>Food Producers 2.49% (2.77%)</b>			
17,128	Bellring Distribution	578	0.49
11,525	Darling Ingredients	493	0.41
18,032	Post	1,267	1.07
21,886	Simply Good Foods	619	0.52
		<b>2,957</b>	<b>2.49</b>
<b>Gas, Water &amp; Multi-utilities 2.02% (2.24%)</b>			
2,857	American Water Works	290	0.25
14,720	Atmos Energy	1,277	1.07
29,747	Essential Utilities	837	0.70
		<b>2,404</b>	<b>2.02</b>
<b>General Industrials 3.93% (4.44%)</b>			
197,766	Ardagh Metal Packaging	507	0.42
7,956	CSW Industrials	1,141	0.96
14,044	ESCO Technologies	1,201	1.01
10,470	Packaging Corporation of America	1,317	1.11
6,567	RPM International	510	0.43
		<b>4,676</b>	<b>3.93</b>
<b>Health Care Providers 2.28% (4.63%)</b>			
31,319	Agility	167	0.14
6,564	Molina Healthcare	1,763	1.48
18,100	Option Care Health	479	0.41
3,988	US Physical Therapy	300	0.25
		<b>2,709</b>	<b>2.28</b>
<b>Household Goods &amp; Home Construction 0.19% (0.43%)</b>			
47	NVR	229	0.19
		<b>229</b>	<b>0.19</b>
<b>Industrial Engineering 5.14% (5.16%)</b>			
9,597	Alamo	1,359	1.14
22,685	Graco	1,354	1.14
31,982	Ingersoll Rand	1,669	1.40
9,718	John Bean Technologies	837	0.70
8,580	Middleby	900	0.76
		<b>6,119</b>	<b>5.14</b>

**Portfolio Statement (continued)**

As at 30 September 2023

Holdings or Nominal Value	Investments	Market value £'000	% of Total Net Assets
<b>Industrial Materials 1.79% (1.95%)</b>			
9,847	Avery Dennison	1,474	1.24
10,938	West Fraser Timber	650	0.55
		<b>2,124</b>	<b>1.79</b>
<b>Industrial Metals &amp; Mining 2.13% (1.67%)</b>			
3,994	RBC Bearings	766	0.65
8,204	Reliance Steel & Aluminum	1,763	1.48
		<b>2,529</b>	<b>2.13</b>
<b>Industrial Support Services 3.09% (2.28%)</b>			
74,631	Advantage Solutions	174	0.15
2,400	ASGN Inc.	161	0.13
1,151	Fair Isaac	819	0.69
13,186	Huron Consulting	1,124	0.94
5,414	MSC Industrial Direct Co Inc	435	0.37
38,146	Vontier	966	0.81
		<b>3,679</b>	<b>3.09</b>
<b>Industrial Transportation 4.71% (4.24%)</b>			
29,769	Air Lease	961	0.81
9,149	Herc	891	0.75
8,180	JB Hunt Transport Services	1,262	1.06
9,001	Knight-Swift Transportation	370	0.31
8,127	McGrath RentCorp	667	0.56
3,771	Old Dominion Freight Line	1,264	1.06
15,721	Shyft Group Inc.	192	0.16
		<b>5,607</b>	<b>4.71</b>
<b>Investment Banking &amp; Brokerage 1.19% (1.29%)</b>			
2,184	MarketAxess	382	0.32
18,913	Voya Financial	1,030	0.87
		<b>1,412</b>	<b>1.19</b>
<b>Media 0.61% (0.00%)</b>			
21,535	New York Times Co. Class A	727	0.61
		<b>727</b>	<b>0.61</b>
<b>Medical Equipment &amp; Services 6.14% (5.23%)</b>			
4,436	Cooper	1,155	0.97
1,300	Haemonetics Corp.	95	0.08
8,791	Hologic	500	0.42
25,221	Neogen	383	0.32
6,833	PerkinElmer	620	0.52
18,254	PROCEPT BioRobotics	490	0.41
23,470	Quidel	1,403	1.18
3,781	Repligen	492	0.42

**Portfolio Statement (continued)**

As at 30 September 2023

Holdings or Nominal Value	Investments	Market value £'000	% of Total Net Assets
<b>Medical Equipment &amp; Services 6.14% (5.23%) (continued)</b>			
8,431	RxSight Inc.	193	0.16
3,539	Teleflex	570	0.48
4,574	West Pharmaceutical Services	1,407	1.18
		<b>7,308</b>	<b>6.14</b>
<b>Multiline Retail 0.00% (2.00%)</b>			
<b>Non-Life Insurance 5.05% (3.71%)</b>			
9,425	Arthur J Gallagher	1,760	1.48
9,662	Assurant	1,137	0.96
12,319	Axis Capital	569	0.48
14,934	First American Financial	691	0.58
8,636	Hanover Insurance	785	0.66
11,331	Kemper	390	0.33
4,132	RenaissanceRe	670	0.56
		<b>6,002</b>	<b>5.05</b>
<b>Oil, Gas &amp; Coal 5.23% (3.76%)</b>			
23,300	ChampionX Corp.	680	0.57
15,070	Chesapeake Energy	1,064	0.89
11,126	Diamondback Energy	1,412	1.19
44,561	Magnolia Oil & Gas	836	0.70
40,100	NOV	687	0.58
108,639	Southwestern Energy	573	0.48
58,292	TechnipFMC	971	0.82
		<b>6,223</b>	<b>5.23</b>
<b>Personal Goods 0.34% (0.56%)</b>			
15,496	Steven Madden	403	0.34
		<b>403</b>	<b>0.34</b>
<b>Personal Products 0.00% (0.17%)</b>			
<b>Pharmaceuticals &amp; Biotechnology 5.55% (4.56%)</b>			
16,214	Apellis Pharmaceuticals	505	0.42
4,300	Arcellx Inc.	126	0.11
1,821	Argenx ADR*	734	0.62
6,450	Ascendis Pharma ADR*	495	0.42
8,912	Blueprint Medicines	366	0.31
4,002	CRISPR Therapeutics	149	0.13
6,874	Cytokinetics	166	0.14
8,543	HilleVax	94	0.08
26,996	Icosavax	171	0.14
27,275	Insmed	564	0.47
20,547	Ionis Pharmaceuticals	763	0.64
3,153	Karuna Therapeutics	437	0.37
3,600	MoonLake Immunotherapeutics	168	0.14

**Portfolio Statement (continued)**

As at 30 September 2023

Holdings or Nominal Value	Investments	Market value £'000	% of Total Net Assets
<b>Pharmaceuticals &amp; Biotechnology 5.55% (4.56%) (continued)</b>			
5,165	Morphic	97	0.08
35,614	MorphoSys ADR*	196	0.16
22,502	Nkarta	25	0.02
24,161	Pacific Biosciences of California Inc.	165	0.14
10,352	RAPT Therapeutics	141	0.12
3,200	Sarepta Therapeutics	318	0.27
6,400	Structure Therapeutics ADR*	264	0.22
7,195	Vaxcyte	300	0.25
6,483	Verve Therapeutics	70	0.06
9,159	Xencor	151	0.13
8,345	Zentalis Pharmaceuticals	137	0.11
		<b>6,602</b>	<b>5.55</b>
<b>Real Estate Investment &amp; Services 2.16% (2.19%)</b>			
5,800	Colliers International	452	0.38
11,313	CoStar	713	0.60
11,822	FirstService	1,408	1.18
		<b>2,573</b>	<b>2.16</b>
<b>Real Estate Investment Trusts 5.32% (6.64%)</b>			
136,791	Apple Hospitality REIT	1,719	1.44
14,823	Camden Property Trust REIT	1,149	0.97
31,681	CubeSmart REIT	990	0.83
24,299	Equity LifeStyle Properties REIT	1,268	1.07
10,448	Rexford Industrial Realty REIT	422	0.35
16,764	Terreno Realty REIT	780	0.66
		<b>6,328</b>	<b>5.32</b>
<b>Retailers 3.07% (0.00%)</b>			
7,673	Burlington Stores	851	0.71
20,727	Caleres Inc.	488	0.41
7,297	Five Below	962	0.81
11,967	Ollie's Bargain Outlet	757	0.64
4,424	SiteOne Landscape Supply	592	0.50
		<b>3,650</b>	<b>3.07</b>
<b>Software &amp; Computer Services 7.34% (8.55%)</b>			
12,105	Bentley Systems	498	0.42
11,459	Braze	439	0.37
12,036	Clear Secure	188	0.16
19,284	Descartes Systems	1,159	0.97
30,102	Eventbrite	243	0.20
7,882	Five9	415	0.35
1,434	HubSpot	579	0.49
7,986	Manhattan Associates	1,292	1.09
2,605	MongoDB	738	0.62



**Portfolio Statement (continued)**

As at 30 September 2023

Holdings or Nominal Value	Investments	Market value £'000	% of Total Net Assets
<b>Software &amp; Computer Services 7.34% (8.55%) (continued)</b>			
3,013	Paycom Software	640	0.54
26,146	Paycor HCM	489	0.41
10,507	PTC	1,220	1.02
2,068	Tyler Technologies	654	0.55
2,112	Workiva	175	0.15
		<b>8,729</b>	<b>7.34</b>
<b>Technology Hardware &amp; Equipment 5.96% (4.09%)</b>			
23,676	Credo Technology	296	0.25
23,055	CTS	788	0.66
4,000	Diodes Inc.	258	0.22
8,486	Entegris	653	0.55
7,723	Lattice Semiconductor	544	0.46
19,992	MACOM Technology Solutions	1,336	1.12
21,354	Marvell Technology	947	0.79
4,737	Novanta	556	0.47
8,793	Onto Innovation	918	0.77
16,887	PAR Technology	533	0.45
9,019	Pure Storage	263	0.22
		<b>7,092</b>	<b>5.96</b>
<b>Telecommunications Service Providers 0.00% (0.69%)</b>			
<b>Travel &amp; Leisure 3.49% (3.35%)</b>			
8,297	Cava	208	0.17
17,847	Chuy's	520	0.44
4,596	Domino's Pizza	1,426	1.20
17,049	Dutch Bros	325	0.27
5,656	Kura Sushi USA	306	0.26
4,340	Marriott Vacations Worldwide	358	0.30
11,622	SeaWorld Entertainment	440	0.37
7,272	Texas Roadhouse	573	0.48
		<b>4,156</b>	<b>3.49</b>
<b>Waste &amp; Disposal Services 1.78% (1.97%)</b>			
9,009	Casella Waste Systems Inc. Class A	563	0.47
14,121	Waste Connections	1,553	1.31
		<b>2,116</b>	<b>1.78</b>
<b>Portfolio of investments</b>		<b>117,490</b>	<b>98.77</b>
Net other assets		1,461	1.23
<b>Net assets</b>		<b>118,951</b>	<b>100.00</b>

\*American Depositary Receipts.

Comparative figures shown above in brackets relate to 30 September 2022.

The investments have been valued in accordance with note 1(h) of the Accounting Policies and Financial Instruments.

**Portfolio Statement (continued)**

**As at 30 September 2023**

All investments are ordinary shares unless otherwise stated and admitted to official stock exchange listings.

Gross purchases for the year: £53,071,000 [2022: £79,421,000] (See note 14).

Total sales net of transaction costs for the year: £51,816,000 [2022: £89,363,000] (See note 14).

## Statement of Total Return

For the year ended 30 September 2023

	Note	01/10/22 to 30/09/23		01/10/21 to 30/09/22	
		£'000	£'000	£'000	£'000
Income:					
Net capital gains/(losses)	2		4,675		(8,013)
Revenue	3	1,453		1,510	
Expenses	4	(1,099)		(1,310)	
Net revenue before taxation		354		200	
Taxation	5	(204)		(212)	
Net revenue/(expenses) after taxation			150		(12)
Total return before distributions			4,825		(8,025)
Distributions	6		(150)		—
<b>Change in net assets attributable to Shareholders from investment activities</b>			<b>4,675</b>		<b>(8,025)</b>

## Statement of Change in Net Assets Attributable to Shareholders

For the year ended 30 September 2023

	01/10/22 to 30/09/23		01/10/21 to 30/09/22	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to Shareholders</b>		112,078		130,900
Amounts receivable on issue of Shares	16,768		38,649	
Amounts payable on cancellation of Shares	(14,570)		(49,501)	
Dilution adjustment		2,198		(10,852)
Change in net assets attributable to Shareholders from investment activities (see above)		—		55
		4,675		(8,025)
<b>Closing net assets attributable to Shareholders</b>		<b>118,951</b>		<b>112,078</b>

**Balance Sheet**

As at 30 September 2023

	Note	30/09/23		30/09/22	
		£'000	£'000	£'000	£'000
<b>Assets:</b>					
Fixed assets:					
Investments			117,490		111,211
Current assets:					
Debtors	7	252		2,831	
Cash and bank balances	8	1,629		1,273	
Total current assets			1,881		4,104
Total assets			119,371		115,315
<b>Liabilities:</b>					
Creditors:					
Distribution payable		(57)		—	
Other creditors	9	(363)		(3,237)	
Total creditors			(420)		(3,237)
Total liabilities			(420)		(3,237)
<b>Net assets attributable to Shareholders</b>			<b>118,951</b>		<b>112,078</b>

## Notes to the Financial Statements

For the year ended 30 September 2023

### 1. Accounting basis and policies

The Fund's financial statements have been prepared on the basis detailed on pages 15 to 18.

### 2. Net capital gains/(losses)

	01/10/22 to 30/09/23 £'000	01/10/21 to 30/09/22 £'000
The net capital gains/(losses) during the year comprise:		
Currency (losses)/gains	(373)	81
Non-derivative securities	5,087	(8,041)
Transaction charges	(39)	(53)
<b>Net capital gains/(losses)</b>	<b>4,675</b>	<b>(8,013)</b>

### 3. Revenue

	01/10/22 to 30/09/23 £'000	01/10/21 to 30/09/22 £'000
Bank interest	12	1
Overseas dividends	1,439	1,509
UK dividends	2	—
<b>Total revenue</b>	<b>1,453</b>	<b>1,510</b>

### 4. Expenses

	01/10/22 to 30/09/23 £'000	01/10/21 to 30/09/22 £'000
<b>Payable to the ACD, associates of the ACD, and agents of either of them</b>		
AMC fees	1,060	1,263
	1,060	1,263
<b>Payable to the Depositary, associates of the Depositary and agents of either of them</b>		
Depositary fees	18	21
Safe custody fees	5	8
	23	29
<b>Other expenses</b>		
Audit fees	10	8
Professional fees	7	7
Publication fees	(2)	3
Out of pocket expenses	1	—
	16	18
<b>Total expenses</b>	<b>1,099</b>	<b>1,310</b>

Audit fees are £8,350 ex Vat (2022: £7,875).

## Notes to the Financial Statements (continued)

For the year ended 30 September 2023

### 5. Taxation

#### (a) Analysis of the tax charge in the year

	01/10/22 to 30/09/23 £'000	01/10/21 to 30/09/22 £'000
Irrecoverable overseas tax	204	212
<b>Total taxation for the year (Note 5 (b))</b>	<b>204</b>	<b>212</b>

#### (b) Factors affecting the tax charge for the year

The tax assessed for the year is different from that calculated when the standard rate of corporation tax for an open ended investment company of 20% (2022: 20%) is applied to the net revenue before taxation. The differences are explained below:

	01/10/22 to 30/09/23 £'000	01/10/21 to 30/09/22 £'000
Net revenue before taxation	354	200
Net revenue for the year multiplied by the standard rate of corporation tax	71	40
<b>Effects of:</b>		
Irrecoverable income tax	204	212
Movement in excess management expenses	171	219
Overseas tax expensed	(7)	(6)
Revenue not subject to corporation tax	(235)	(253)
<b>Total tax charge for the year</b>	<b>204</b>	<b>212</b>

OEICs are exempt from tax on capital gains in the UK. Therefore, any capital return is not included within the reconciliation above.

#### (c) Provision for deferred tax

There is no provision required for deferred taxation at the Balance Sheet date in the current or prior year because no taxable profit is expected to be generated by the fund.

#### (d) Factors that may affect future tax charges

At the year-end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £738,097 (2022: £566,605) in relation to surplus management expenses. It is unlikely that the Fund will generate sufficient taxable profits in the future to utilise this amount and therefore no deferred tax asset has been recognised in the year.

## Notes to the Financial Statements (continued)

For the year ended 30 September 2023

### 6. Distributions

The distributions take account of revenue received on the creation of shares and revenue deducted on the cancellation of shares, and comprise:

	01/10/22 to 30/09/23 £'000	01/10/21 to 30/09/22 £'000
Interim	90	—
Final	57	—
Add: Revenue paid on cancellation of shares	6	—
Deduct: Revenue received on creation of shares	(3)	—
<b>Net distribution for the year</b>	<b>150</b>	<b>—</b>
<b>Reconciliation of net revenue after taxation to distributions</b>		
Net revenue/(expense) after taxation	150	(12)
Revenue deficit	—	12
<b>Net distribution for the year</b>	<b>150</b>	<b>—</b>

Details of the distributions per share are set out in the distribution tables on page 452.

### 7. Debtors

	30/09/23 £'000	30/09/22 £'000
Accrued bank interest	1	—
Accrued revenue	74	54
Sales awaiting settlement	176	2,776
Prepaid expenses	1	1
<b>Total debtors</b>	<b>252</b>	<b>2,831</b>

### 8. Cash and bank balances

	30/09/23 £'000	30/09/22 £'000
Cash and bank balances	1,629	1,273
<b>Total cash and bank balances</b>	<b>1,629</b>	<b>1,273</b>

## Notes to the Financial Statements (continued)

For the year ended 30 September 2023

### 9. Other creditors

	30/09/23 £'000	30/09/22 £'000
Amounts payable for cancellation of shares	133	3,057
Purchases awaiting settlement	121	49
	254	3,106
<i>Accrued expenses</i>		
<i>Manager and Agents</i>		
AMC fees	88	90
	88	90
<i>Depositary and Agents</i>		
Depositary fees	3	6
Safe custody fees	1	3
Transaction charges	7	18
	11	27
<i>Other accrued expenses</i>		
Audit fees	10	10
Professional fees	—	1
Publication fees	—	3
	10	14
<b>Total other creditors</b>	<b>363</b>	<b>3,237</b>

### 10. Related party transactions

Management fees paid to the ACD, are disclosed in note 4 and amounts due at the year-end are disclosed in note 9.

Monies received and paid by the ACD through the creation and cancellation of shares are disclosed in the Statement of Change in Net Assets Attributable to Shareholders and amounts due at the year-end are disclosed in notes 7 and 9.

The ACD and its associates (including other authorised investment funds managed by the ACD) have no shareholdings in the company at the year-end.

#### Significant shareholdings

As at the balance sheet date, the following had significant shareholdings within the Fund:

Shareholders	30/09/23 (%)	30/09/22 (%)
Sterling ISA Managers (Nominees) Limited	80.24	81.41

### 11. Share Classes

The Share Classes and ACD's Annual Management Charges ("AMC") applicable to each Share Class are as follows:

Share Class A Income	%
	0.90

Each Share Class has equal rights in the event of the wind up of any fund.



## Notes to the Financial Statements (continued)

For the year ended 30 September 2023

### 11. Share Classes (continued)

The reconciliation of the opening and closing numbers of shares of each class is shown below:

	30/09/22	Issued	Cancelled	Converted	30/09/23
Share Class A Income	84,342,622	12,497,726	(10,785,872)	—	86,054,476

### 12. Capital commitments and contingent liabilities

There were no contingent liabilities or outstanding commitments at the balance sheet date (2022: nil).

### 13. Derivatives and other financial instruments

The main risks from the Fund's holding of financial instruments, together with the ACD's policy for managing these risks, are disclosed in note 2 on pages 18 to 24 of the report.

#### (a) Foreign currency risk

A proportion of the financial net assets of the Fund are denominated in currencies other than sterling with the effect that the balance sheet and total return can be affected by currency movements.

The table below shows the foreign currency risk profile at the balance sheet date:

Currency	Net foreign currency exposure	
	30/09/23 £'000	30/09/22 £'000
Canadian Dollar	985	553
US Dollar	116,767	114,459
<b>Total foreign currency exposure</b>	<b>117,752</b>	<b>115,012</b>
Sterling	1,199	(2,934)
<b>Total net assets</b>	<b>118,951</b>	<b>112,078</b>

If GBP to foreign currency exchange rates had strengthened/increased or weakened/decreased by 10% as at the balance sheet date, the net asset value of the fund would have decreased or increased by £11,775,223 (2022: £11,501,000). These calculations assume all other variables remain constant.

#### (b) Interest rate risk profile of financial assets and liabilities

The Fund does not invest in either fixed or floating rate securities and interest rate risk exposure is restricted to interest receivable on bank deposits or payable on bank overdraft positions which will be affected by fluctuations in interest rates.

As at 30 September 2023 1.37% of the Fund's assets were interest bearing (2022: 1.14%).

Changes in interest rates would have no material impact on the valuation of financial assets or liabilities. Consequently, no sensitivity analysis has been presented.

## Notes to the Financial Statements (continued)

For the year ended 30 September 2023

### 14. Portfolio transaction costs

	01/10/22 to 30/09/23		01/10/21 to 30/09/22	
	£'000	£'000	£'000	£'000
<b>Analysis of total purchase costs</b>				
Purchases in the year before transaction costs:				
Equities		53,056		79,405
		53,056		79,405
Commissions - Equities	15		16	
Total purchase costs		15		16
<b>Gross purchase total</b>		<b>53,071</b>		<b>79,421</b>
<b>Analysis of total sale costs</b>				
Gross sales in the year before transaction costs:				
Equities		51,828		89,391
		51,828		89,391
Commissions - Equities	(11)		(27)	
Taxes - Equities	(1)		(1)	
Total sale costs		(12)		(28)
<b>Total sales net of transaction costs</b>		<b>51,816</b>		<b>89,363</b>

The portfolio transaction costs table above includes direct transaction costs suffered by the Fund during the year.

Separately identifiable direct transaction costs (commissions and taxes etc.) are attributable to the Fund's purchase and sale of equity shares. Additionally for equity shares there is a dealing spread cost (the difference between the buying and selling prices) which will be suffered on purchase and sale transactions.

	01/10/22 to 30/09/23	01/10/21 to 30/09/22
	%	%
<b>Transaction costs as percentage of principal amounts</b>		
Purchases - Commissions		
Equities	0.0288	0.0198
Purchases - Taxes		
Equities	0.0000	0.0000
Sales - Commissions		
Equities	0.0217	0.0303
Sales - Taxes		
Equities	0.0013	0.0012
<b>Transaction costs as percentage of average net asset value</b>		
Commissions	0.0220	0.0305
Taxes	0.0008	0.0008

At the balance sheet date the average portfolio dealing spread was 0.08% (2022: 0.08%).

**Notes to the Financial Statements (continued)**

For the year ended 30 September 2023

**15. Post balance sheet events**

Subsequent to the year end, the net asset value per unit of the fund has increased from 138.23p to 149.59p as at 26 January 2024. This movement takes into account routine transactions but also reflects the market movements of recent months.

**16. Fair value disclosure**

Valuation technique	30/09/23		30/09/22	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
<b>Level 1:</b> The unadjusted quoted price in an active market for identical assets or liabilities	117,490	—	111,211	—
<b>Level 2:</b> Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly	—	—	—	—
<b>Level 3:</b> Inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability	—	—	—	—
	<b>117,490</b>	<b>—</b>	<b>111,211</b>	<b>—</b>

## Distribution Table

As at 30 September 2023

### Interim Distribution in pence per Share

- Group 1 Shares purchased prior to 1 October 2022  
 Group 2 Shares purchased on or after 1 October 2022 to 31 March 2023

	Net revenue (p)	Equalisation (p)	Distribution paid 31/05/2023 (p)	Distribution paid 31/05/2022 (p)
<b>Share Class A Income</b>				
Group 1	0.1072	—	0.1072	0.0000
Group 2	0.0462	0.0610	0.1072	0.0000

### Final Distribution in pence per Share

- Group 1 Shares purchased prior to 1 April 2023  
 Group 2 Shares purchased on or after 1 April 2023 to 30 September 2023

	Net revenue (p)	Equalisation (p)	Distribution payable 30/11/2023 (p)	Distribution paid 30/11/2022 (p)
<b>Share Class A Income</b>				
Group 1	0.0662	—	0.0662	0.0000
Group 2	0.0628	0.0034	0.0662	0.0000

## General Information

### Classes of Shares

The Company can issue different Classes of Shares in respect of any Fund. Holders of Income Shares are entitled to be paid the revenue attributable to such Shares, in respect of each annual or interim accounting period. Holders of Accumulation Shares are not entitled to be paid the revenue attributable to such Shares, but that revenue is retained and accumulated for the benefit of shareholders and is reflected in the price of Shares.

### Valuation Point

The valuation point for each Fund is 12 noon on each dealing day (being each day which is a business day in London). Valuations may be made at other times under the terms contained within the Prospectus.

### Buying and Selling of Shares

The ACD will accept orders to deal in the shares on normal business days between 9:00 am and 5:00 pm. Instructions to buy or sell shares may be either in writing to: PO Box 10191, Chelmsford, CM99 2AP or by telephone on 0345 140 0070\*. A contract note will be issued by close of business on the next business day after the dealing date to confirm the transaction.

### Prices

The prices of shares for each Class in each Fund will be posted on [www.trustnet.com](http://www.trustnet.com) and can also be obtained by telephoning the Administrator on 0345 140 0070\* during the ACD's normal business hours.

### Other Information

The Instrument of Incorporation, Prospectus and the most recent interim and annual reports may be inspected at the office of the ACD which is also the Head Office of the Company and copies may be obtained, free of charge, upon application to Omnis Investments Limited, PO Box 10191, Chelmsford CM99 2AP.

Shareholders who have any complaints about the operation of the Company should contact the ACD or the Depositary in the first instance. In the event that a shareholder finds the response unsatisfactory they may make their complaint direct to the Financial Ombudsman Service at Exchange Tower, London E14 9SR.

### Report

The annual report of the Company will be published within four months of each annual accounting period and the interim report will be published within two months of each interim accounting period.

Interim financial statements - period ended 31 March

Annual financial statements - year ended 30 September

### Distribution Payment Dates

Interim - 31 May (for Omnis Strategic Bond Fund only - 31 May, 31 August and 28 February)

Final - 30 November

### Data Protection

The details you have provided will be held electronically by the Funds' Registrar but will not be used for any purpose except to fulfil its obligations to shareholders.

\* Please note that telephone calls may be recorded for monitoring and training purposes, and to confirm investors' decisions.

## General Information (continued)

### Effects of Personal Taxation

Investors should be aware that unless their shares are held within an ISA, or switched between Funds in this OEIC, selling shares is treated as a disposal for the purpose of Capital Gains tax.

### Risk Warning

An investment in an Open Ended Investment Company should be regarded as a medium to long-term investment. Investors should be aware that the price of shares and the income from them may fall as well as rise and investors may not receive back the full amount invested. Past performance is not a guide to future performance. Investments denominated in currencies other than the base currency of a Fund are subject to fluctuation in exchange rates, which may be favourable or unfavourable.

### Protected Cell Regime

Please note, on 21 December 2011, the Open Ended Investment Companies Regulations 2001 (SI 2001/1228) ("the Regulations") were amended to introduce a Protected Cell Regime ("PCR") for OEICs. Under the PCR each Fund represents a segregated portfolio of assets and accordingly, the assets of a Fund belong exclusively to that Fund and shall not be used or made available to discharge (directly or indirectly) the liabilities of, or claims against, any other person or body, including any other Fund and shall not be available for any such purpose. The Regulations allowed a transitional period for implementation of the PCR, until 20 December 2013. However, the Company adopted the PCR on 30 September 2013. No reallocation of liabilities as described above was necessary at any time prior to 30 September 2013.

### Remuneration

Omnis Investments Limited has a remuneration policy in place which aims to identify, and to govern the remuneration of, the personnel whose professional activities have a material impact on the risk profile of the firm and the Companies for which it acts as ACD. The personnel identified under this policy are called 'UCITS Code Staff'.

UCITS Code Staff include executive directors, senior managers and Control Function personnel. UCITS Code Staff may also work for other Openwork Group companies and the disclosures below relate only to the proportion of their remuneration deemed to relate to Omnis.

The Remuneration Policy seeks to ensure that Omnis' remuneration policies and practices for UCITS Code Staff are consistent with, and promote, sound and effective risk management and do not impair Omnis in its duty to act in the best interests of the UCITS it manages. Furthermore, the policy aims to ensure that risk taking is consistent with the risk profiles or the instrument constituting the funds or the prospectus, as applicable, of the UCITS that Omnis manages.

UCITS Code Staff are remunerated through a mix of base salary and discretionary variable remuneration (including long-term incentive awards). Any payment of variable remuneration is based on the regular and structured assessment of the individual's performance against their objectives, their adherence to the Openwork Group's CORE values and on the overall performance of the Openwork Group.

In the year to 31 December 2022, the aggregate amount paid to UCITS Code Staff specifically in respect of professional activities relating to Omnis was £899,217; of which £647,485 was fixed remuneration and £251,732 was variable remuneration.

The policy will be reviewed at least annually and will be made available to shareholders free of charge.

## General Information (continued)

### Value Assessment

Omnis completed a value assessment in relation to the funds in the Omnis Portfolio Investments ICVC on 30 September 2023.

Within the assessment, Omnis considered the seven categories outlined in the FCA rules. These are:

- a) the quality of service provided to investors;
- b) the performance of each fund against its stated investment objectives and targets;
- c) the cost of providing relevant services and whether these costs are reasonable;
- d) whether any economies of scale could be achieved, and if so, whether these were passed to investors;
- e) a comparison of the fund's ongoing charges compared to similar funds in the market;
- f) a comparison of charges to those for comparable services;
- g) consideration of charges for investors in different share classes.

The annual assessment may also include other topical subjects such as Environmental, Social and Governance investing ("ESG") and Investment Stewardship.

The most recent value assessment statement which outlines the summary of findings, together with any improvement plans, is available on Omnis' website. Reports are published within four months of the assessment date.

