MI TwentyFour Investment Funds

Annual Report 31 March 2023

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MI TwentyFour Investment Funds

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* These collectively comprise the Authorised Corporate Director's Report.

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Authorised Corporate Director ('ACD') & Registrar

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Telephone: 01245 398950
Fax: 01245 398951
Website: www.fundrock.com
(Authorised and regulated by the Financial Conduct Authority)

Customer Service Centre

Hamilton Centre, Rodney Way, Chelmsford, Essex CM1 3BY
Telephone: 0345 026 4286
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Directors of the Authorised Corporate Director

A.C. Deptford
P.J. Foley-Brickley
I.T. Oddy (appointed 9 June 2023)
C. O'Keeffe
D. Phillips (Non-Executive Director)
J. Thompson (Non-Executive Director)

Investment Manager

TwentyFour Asset Management LLP
8th Floor, The Monument Building, 11 Monument Street, London EC3R 8AF
(Authorised and regulated by the Financial Conduct Authority)

Depositary

Northern Trust Investor Services Limited ('NTISL')
50 Bank Street, Canary Wharf, London E14 5NT
(Authorised and regulated by the Financial Conduct Authority)

Independent Auditors

Grant Thornton UK LLP
Statutory Auditors, Chartered Accountants
30 Finsbury Square, London EC2A 1AG

Statement of the Authorised Corporate Director's Responsibilities

The Collective Investment Schemes Sourcebook published by the FCA, ('the COLL Rules') requires the Authorised Corporate Director ('ACD') to prepare financial statements for each annual accounting period which give a true and fair view of the financial position of the Company and of the net revenue and net gains or losses on the property of the Company for the year.

In preparing the financial statements the ACD is responsible for:

- selecting suitable accounting policies and then apply them consistently;
- making judgements and estimates that are reasonable and prudent;
- following UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland;
- complying with the requirements of the Statement of Recommended Practice for UK Authorised Funds issued by the Investment Association ('IA') in May 2014 and updated in 2017;
- keeping proper accounting records which enable it to demonstrate that the financial statements as prepared comply with the above requirements;
- assessing the Company's and its Sub-funds' ability to continue as a going concern, disclosing, as applicable, matters related to going concern;
- using the going concern basis of accounting unless they either intend to liquidate the Company or terminate its Sub-funds or to cease operations, or have no realistic alternative but to do so;
- such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; and
- taking reasonable steps for the prevention and detection of fraud and irregularities.

The ACD is responsible for the management of the Company in accordance with its Instrument of Incorporation, the Prospectus and the COLL Rules.

The ACD is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable it to ensure that the financial statements comply with the Sourcebook. The ACD is also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the ACD is aware:

- there is no relevant audit information of which the Company's Auditor is unaware; and
- the ACD has taken steps that it ought to have taken to make itself aware of any relevant audit information and to establish that the Auditors are aware of the information.

Certification of the Annual Report by the Authorised Corporate Director

This report has been prepared in accordance with the requirements of the Financial Conduct Authority's Collective Investment Schemes Sourcebook ('the COLL Sourcebook') and the Statement of Recommended Practice issued by the Investment Association.

C. O'Keeffe
P.J. Foley-Brickley
Directors
Apex Fundrock Limited
27 July 2023

Statement of the Depositary's Responsibilities in Respect of the Scheme and Report of the Depositary to the Shareholders of the MI TwentyFour Investments Funds (the 'Company')

for the Year Ended 31 March 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 cash flows 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'), 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.

Northern Trust Investor Services Limited
UK Trustee and Depositary Services
27 July 2023

Independent Auditors' Report to the Shareholders of MI TwentyFour Investment Funds

Opinion

We have audited the financial statements of MI TwentyFour Investment Funds (the 'Company') for the year ended 31 March 2023. These financial statements comprise together the statement of accounting policies and risk management policies, and the individual financial statements of each of the following Sub-funds (the 'Sub-funds') of the Company:

- MI TwentyFour Investment Funds - Asset Backed Income Fund
- MI TwentyFour Investment Funds - Asset Backed Opportunities Fund
- MI TwentyFour Investment Funds - Core Corporate Fund
- MI TwentyFour Investment Funds - Dynamic Bond Fund
- MI TwentyFour Investment Funds - Focus Bond Fund
- MI TwentyFour Investment Funds - Monument Bond Fund

The individual financial statements for each of the Company's Sub-funds comprise the statement of total return, the statement of change in net assets attributable to Shareholders, the balance sheet, notes to the financial statements 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) and the Statement of Recommended Practice 'Financial Statements of UK Authorised Funds' issued by the Investment Association in May 2014 as amended in June 2017, the rules of the Collective Investment Schemes Sourcebook and the Company's Instrument of Incorporation.

In our opinion, the financial statements:

- give a true and fair view of the financial position of the Company and each of the Sub-funds as at 31 March 2023 and of the net revenue and net capital gains/(losses) on the scheme property of the Company and each of the Sub-funds for the year then ended, and
- have been properly prepared in accordance with 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 as amended in June 2017, the Collective Investment Schemes Sourcebook, and the Company's 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 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

We are responsible for concluding on the appropriateness of the Authorised Corporate Director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and each of the Sub-fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Company and each of the Sub-funds to cease to continue as a going concern.

In our evaluation of the Authorised Corporate Director's conclusions, we considered the inherent risks associated with the Company's and each of the Sub-fund's business model including effects arising from macro-economic uncertainties such as the Ukrainian War & Cost of Living crisis, we assessed and challenged the reasonableness of estimates made by the Authorised Corporate Director and the related disclosures and analysed how those risks might affect the Company's and each of the Sub-fund's financial resources or ability to continue operations over the going concern period.

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 and each of the Sub-fund'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.

In auditing the financial statements, we have concluded that the Authorised Corporate Director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Independent Auditors' Report to the Shareholders of MI TwentyFour Investment Funds

continued

The responsibilities of the Authorised Corporate Director with respect to going concern are described in the 'Responsibilities of the Authorised Corporate Director' section 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 Authorised Corporate Director 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Opinion on other matters prescribed by the Collective Investment Schemes Sourcebook

In our opinion:

- we have been given all the information and explanations, which, to the best of our knowledge and belief, are necessary for the purposes of our audit, and
- the information given in the Authorised Corporate Director's Report is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Collective Investment Schemes Sourcebook requires us to report to you if, in our opinion:

- proper accounting records for the Company or a Sub-fund have not been kept, or
- the financial statements are not in agreement with those accounting records.

Responsibilities of the Authorised Corporate Director

As explained more fully in the Statement of the Authorised Corporate Director's Responsibilities, the Authorised Corporate Director 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 Authorised Corporate Director 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 Authorised Corporate Director is responsible for assessing the Company's and each of the Sub-fund'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 Authorised Corporate Director either intends to terminate a Sub-fund, wind up 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 Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Explanation as to what extent 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. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with ISAs (UK).

Independent Auditors' Report to the Shareholders of MI TwentyFour Investment Funds

continued

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

- We obtained an understanding of the legal and regulatory frameworks applicable to the Company and the industry in which it operates. We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience and through discussion with management. We determined that the most significant laws and regulations were the Collective Investment Schemes Sourcebook, the Investment Association Statement of Recommended Practice ('SORP') 'Financial Statements of UK Authorised Funds' and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland';
- We enquired of the Authorised Corporate Director and management to obtain an understanding of how the Company is complying with those legal and regulatory frameworks and whether there were any instances of non-compliance with laws and regulations and whether they had any knowledge of actual or suspected fraud. We corroborated the results of our enquiries through our review of the breaches register.
- In assessing the potential risks of material misstatement, we obtained an understanding of: the Company's operations, including the nature of its revenue sources, and of its objective to understand the classes of transactions, account balances, expected financial statement disclosures and business risks that may result in risks of material misstatement and the Company's control environment, including the policies and procedures implemented to mitigate risks of fraud or non-compliance with the relevant laws and regulations.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by evaluating management's incentives and opportunities for manipulation of the financial statements. This included an evaluation of the risk of management override of controls. Audit procedures performed by the engagement team in connection with the risks identified included:
  - evaluation of the design and implementation of controls that management has put in place to prevent and detect fraud;
  - testing journal entries, including manual journal entries processed at the year-end for financial statements preparation; and
  - challenging the assumptions and judgements made by management in its significant accounting estimates.
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it;
- The engagement partner's assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:
  - understanding of, and practical experience with, audit engagements of a similar nature and complexity, through appropriate training and participation;
  - knowledge of the industry in which the Company operates; and
  - understanding of the legal and regulatory frameworks applicable to the Company.

Use of our report

This report is made solely to the Company's Shareholders, as a body, in accordance with regulation 67(2) of the Open-Ended Investment Companies Regulations 2001, and with Rule 4.5.12 of the Collective Investment Schemes Sourcebook. 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.

Grant Thornton UK LLP

Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
London, United Kingdom
27 July 2023

Accounting Policies and Risk Management Policies

for the year ended 31 March 2023

The financial statements for MI TwentyFour Investment Funds comprises the individual financial statements for each Sub-fund and the accounting policies and risk management policies below:

1. Accounting 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 FRS 102 and the Statement of Recommended Practice ('SORP') for Financial Statements of UK Authorised Funds issued by the Investment Association ('IA') in May 2014 and amended in 2017.

The financial statements have been prepared on the going concern basis.

The Authorised Status and head office of the Sub-funds can be found within the general information starting on page 139.

The Certification of the Annual Report by the Authorised Corporate Director ('ACD') can be found on page 2.

(b) Recognition of revenue

Revenue is included in the Statement of Total Return on the following basis:

Dividends on quoted equities and preference shares are recognised when the securities are quoted ex-dividend.

Interest on debt securities and bank and short-term deposits is recognised on an accrual basis.

In the case of debt securities any difference between acquisition cost and maturity value is recognised as revenue over the life of the security using the effective yield basis of calculating amortisation.

Derivative returns have been treated as either revenue or capital depending on the motives and circumstances on acquisition.

All revenue includes withholding taxes but excludes irrecoverable tax credits.

(c) Treatment of stock and special dividends

The ordinary element of stocks 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 accounting treatment follows the treatment of the principal amount.

(d) Treatment of expenses

All expenses, except for those relating to the purchase and sale of investments, are charged against revenue for the year on an accruals basis.

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

Any revenue or expense not directly attributable to a particular Sub-fund will normally be allocated pro-rata to the net assets of the relevant share classes and Sub-funds on the day that the revenue or expense is recognised.

With the exception of the Investment Manager's fee which is directly attributable to individual share classes, all revenue and expenses are apportioned to the Sub-fund's share classes pro-rata to the value of the net assets of the relevant share class on the day that the revenue or expense is recognised.

(f) Taxation

Corporation tax is provided at 20% on revenue, after deduction of expenses.

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.

Accounting Policies and Risk Management Policies

continued

1. Accounting Policies (continued)

(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 interest distributions. Any revenue deficit is funded from capital.

Interim distributions may be made at the ACD's discretion and the balance of revenue is distributed in accordance with the regulations.

In the case of debt securities any difference between acquisition cost and maturity value is recognised as revenue over the life of the security using the effective yield basis of calculating amortisation. This may constrain the capital growth of the Sub-fund.

For the purpose of enhancing revenue entitlement, the annual management fee payable to the Investment Manager is allocated to capital for MI TwentyFour Asset Backed Income, MI TwentyFour Asset Backed Opportunities, MI TwentyFour Focus Bond and MI TwentyFour Core Corporate Funds. For MI TwentyFour Monument Bond and MI TwentyFour Dynamic Bond Funds the fee is charged equally between income and capital. Fees payable to the ACD for the annual management fee and Registration fees are allocated to capital for MI TwentyFour Asset Backed Income, TwentyFour Asset Backed Opportunities, TwentyFour Core Corporate Bond and TwentyFour Focus Bond Funds. This will reduce the capital growth of the Sub-fund.

Distributions not claimed within a six year period will be forfeited and added back to the capital of the Sub-fund.

(h) Basis of valuation of investments

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

Unlisted investments in OTC trades will be determined by third party price vendors in the first instance, taking into account where appropriate, latest dealing prices, valuations from other reliable sources, and other relevant factors the Investment Manager and ACD consider appropriate.

Unlisted or suspended investments are valued by the ACD taking into account where appropriate, latest dealing prices, valuations from reliable sources, financial performance and other relevant factors.

Derivative instruments are valued at the cost of closing out the contract at the balance sheet date.

The fair value of open forward foreign currency contracts is calculated with reference to the changes in the spot rate, changes in interest rate differential and the reduced term left to maturity.

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

Categorisation within the hierarchy has been determined on the basis of the lowest level input that is significant to the fair value measurement of the relevant asset as follows:

- Level 1 – Unadjusted quoted price in an active market for an identical instrument.
- Level 2 – Valuation techniques using observable inputs other than quoted prices within level 1.
- Level 3 – Valuation techniques using unobservable inputs.

(i) Exchange rates

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

(j) Dilution levy

The ACD may require a dilution levy on the purchase and redemption of shares if, in its opinion, the existing Shareholders (for purchases) or remaining Shareholders (for redemptions) might otherwise be adversely affected. For example, the dilution levy may be charged in the following circumstances: where the scheme property is in continual decline; on a Sub-fund experiencing large levels of net sales relative to its size; on 'large deals' (typically being a purchase or redemption of Shares to a size exceeding 5% of the Net Asset Value of the Company); in any case where the ACD is of the opinion that the interests of remaining Shareholders require the imposition of a dilution levy.

Accounting Policies and Risk Management Policies
continued

2. Risk Management Policies

In pursuing its investment objectives, the Sub-funds may hold a number of financial instruments. These financial instruments comprise securities and other investments, cash balances, debtors and creditors that arise directly from the Sub-fund's operations, for example, in respect of sales and purchases awaiting settlement, amounts receivable for creations and payable for redemptions and debtors for accrued revenue.

In doing so, the ACD accepts market price risk, interest rate risk and currency risk in relation to the investment portfolio and foreign cash positions.

The Sub-funds may also enter into a range of derivative transactions whose purpose is efficient portfolio management. In addition, the Sub-funds only executes derivative contracts where both the derivative instrument and the counterparty have been approved by the ACD.

The risks arising from financial instruments and the ACD's policies for the monitoring and managing of these risks are stated below in accordance with the Risk Management Policy of the ACD.

These policies have been consistent for both years through which these financial statements relate.

Value at Risk ('VaR') disclosure

The ACD uses Value at Risk ('VaR') to measure the risks relating to the financial assets in which the Sub-funds are invested.

VaR is a statistical measurement. It intends to measure the maximum potential loss in the Sub-fund's Net Asset Value under normal market conditions and is calculated for a given confidence level (probability) over a specific time period.

On a daily basis the funds are managed by the ACD according to the commitment based approach to managing global exposure which is subject to a 100% limit. The VAR figures disclosed in the accounts are based on the historical method. Historical patterns can be a poor measure of future trends. A confidence level of 99% is employed, with a data history of two years, and a holding period of one month (20 days).

The Absolute VaR of a UCITS cannot be greater than 20% of its NAV, and therefore the VaR limit set during the financial year to 31 March 2023 was 20% (2022: 20%).

The lowest, highest and average VaR, as well as utilisation of VaR with reference to the limit above, are calculated during the financial year end 31 March 2023.

Market price risk

Market price risk arises mainly from uncertainty about future prices of financial instruments held. It represents the potential loss the Sub-funds might suffer through holding market positions in the face of price movements. This means the value of an investor's holding may go down as well as up and an investor may not recover the amount invested. The MI TwentyFour Investment Funds may carry a higher degree of risk than funds that invest in traditional debt securities. Investors should consider the degree of exposure of the Sub-fund in the context of all their investments.

The Sub-fund's investment portfolio is exposed to market price fluctuations, which are monitored by the Company as per the policies as set out in the Prospectus. The investment guidelines and investment and borrowing powers set out in the Instrument of Incorporation, the Prospectus and in the Financial Conduct Authority's Collective Investment Schemes Sourcebook describe the nature of the market risk to which the Sub-funds will be exposed.

Currency risk

Although the Sub-fund's capital and income are denominated in sterling, a proportion of the Sub-fund's investments may have currency exposure and, as a result, the income and capital value of the Sub-funds are affected by currency movements.

Currency risk is the risk that the value of the Sub-fund's investments will fluctuate as a result of changes in currency exchange rates. For Sub-funds where a proportion of the net assets of the Sub-fund is denominated in currencies other than sterling, the balance sheet can be affected by movements in exchange rates. The Company monitors the currency exposure of the Sub-funds and may seek to manage exposure to currency movements by using forward exchange contracts or by hedging the sterling value of investments that are priced in other currencies.

Accounting Policies and Risk Management Policies
continued

2. Risk Management Policies (continued)

Interest rate risk
Interest rate risk is the risk that the value of the Sub-fund's investments will fluctuate as a result of changes in interest rates. The Sub-fund may invest in fixed and floating rate securities or schemes that invest in fixed or floating rate securities. The revenue of these Sub-funds may be affected by changes in interest rates relevant to particular securities or as a result of the ACD being unable to secure similar returns on the expiry of contracts or sale of securities. The value of fixed interest securities may be affected by interest rate movements or the expectation of such movements in the future.

Stress testing and scenario analysis is carried out on a regular basis.

A risk limit system is employed to monitor the risks related to the investment types, concentration and diversification of the Sub-funds' portfolios.

Interest receivable on bank deposits or payable on bank overdraft positions will be affected by fluctuations in interest rates.

Credit risk
Credit risk arises from two main sources. Firstly, the possibility that the issuer of a security will be unable to pay interest and principal in a timely manner. Secondly, for asset backed investments (including Commercial Paper (CP) and Floating Rate Notes (FRN)) there is the possibility of default of the issuer and default in the underlying assets meaning that a Sub-fund may not receive back the full principal originally invested. Adhering to investment guidelines and avoiding excessive exposure to one particular issuer can limit credit risk.

Liquidity risk
Liquidity risk is the risk that a Sub-fund cannot raise sufficient cash to meet its liabilities when due. One of the key factors influencing this will be the ability to sell investments at, or close to, the fair value without a significant loss being realised.

Under normal circumstances, a Sub-fund will remain close to fully invested. However, where circumstances require: either because a view of illiquid securities markets or high levels of redemptions in the Sub-fund, the Sub-fund may hold cash and/or more liquid assets. Temporary higher liquidity levels may also arise during the carrying out of a change in asset allocation policy or following a large issue of shares.

The ACD manages the Sub-fund's cash to ensure they can meet their liabilities. The ACD receives daily reports of subscriptions and redemptions enabling the ACD to raise cash from the Sub-fund's portfolio in order to meet redemption requests. In addition, the ACD monitors market liquidity of all securities, with particular focus on the CP and FRN markets, seeking to ensure the Sub-fund maintains sufficient liquidity to meet known and potential redemption activity. Sub-fund cash balances are monitored daily by the ACD and the Investment Manager. All of the Sub-fund's financial liabilities are payable on demand or in less than one year.

Apex Fundrock Limited ('AFL') conducts regular monitoring to ensure the liquidity profile of a Sub-fund's investments comply with its underlying obligations particularly its ability to meet redemption requests.

Stress tests are undertaken, under normal and exceptional liquidity conditions, in order to assess the liquidity risk of each Sub-fund.

Counterparty risk
The risk that the counterparty will not deliver the investments for a purchase or the cash for a sale after the Sub-fund has fulfilled its responsibilities which could result in the Sub-fund suffering a loss. The Investment Manager minimises the risk by conducting trades through only the most reputable counterparties.

Collateral risk
The Collateral Management Policy (where applicable) is subject to change and regular review. The policy defines collateral including any applicable haircuts and will generally be of high quality and liquid securities. It will also include any additional restrictions as imposed and deemed appropriate by the Investment Manager.

All collateral used to reduce counterparty risk will comply with the following criteria at all times:

- It must be highly liquid and traded on a regulated market;
- It must be valued at least daily;
- It must be of high quality;
- It will be held by a third party custodian subject to prudential supervision who is unrelated to the provider of the collateral
- It will be capable of being fully enforced by the Investment Adviser at any time without reference or approval from the counterparty

Accounting Policies and Risk Management Policies
continued

2. Risk Management Policies (continued)

Permitted collateral includes (where applicable):

- Cash
- Government or other public securities
- Certificates of deposit issued by "relevant institutions"; and
- Bonds or commercial paper issued by "relevant institutions"

The exposure to a counterparty will at all times meet the requirements of Article 52 of the UCITS Directive. Collateral will be subject to a haircut depending on the class of assets received. The haircut policy depends on the quality of the assets received, their price volatility, together with the outcome of any stress tests performed under normal and exceptional liquidity conditions.

Where the Sub-fund reinvests cash collateral in one or more of the permitted types of investment above, there is a risk that the investment will earn less than the interest that is due to the counterparty in respect of that cash and that it will return less than the amount of cash that was invested.

Derivatives

The Company may utilise Financial Derivative Instruments for risk management purposes in order to (i) protect against possible changes in the market value of the Sub-fund's investment portfolio resulting from fluctuations in the securities markets and changes in interest rates; (ii) protect the Sub-fund's unrealised gains in the value of the Sub-fund's investment portfolio; (iii) facilitate the sale of any such investments; (iv) enhance or preserve returns, spreads or gains on any investment in the Sub-fund's portfolio; (v) hedge the interest rate or currency exchange rate on any securities the Company anticipates purchasing at a later date; or (vii) for any other reason that the Investment Manager deems appropriate.

The success of the Company's hedging strategy will depend, in part, upon the Investment Manager's ability correctly to assess the degree of correlation between the performance of the instruments used in the hedging strategy and the performance of the portfolio investments being hedged.

The Sub-fund may enter into derivative contracts for Efficient Portfolio Management ('EPM') purposes. The purposes of EPM must be to achieve reduction of risk, the reduction of cost, or the generation of additional income or capital with an acceptably low level of risk and the use of these instruments must not cause the Sub-fund to stray from its investment objectives.

Any EPM transaction must be economically appropriate and the exposure fully covered. The ACD monitors the use of derivatives to ensure EPM rules are satisfied.

In the opinion of the ACD there is no sophisticated derivative use within the Sub-funds and accordingly a sensitivity analysis is not presented.

Fair value of financial assets and liabilities

Investments disclosed as at the balance sheet date are at fair value. Current assets and liabilities disclosed in the balance sheet are at amortised cost which is approximate to fair value.

Investment Objective and Policy

Investment objective

The Sub-fund aims to provide an attractive level of income along with an opportunity for capital growth.

Investment policy

The Sub-fund will invest in a diversified portfolio of European asset-backed securities, where the securities will be backed by the assets of European institutions and issuers such as residential mortgages, commercial mortgages, automobile leases and loans, SME loans and other secured bonds. From time to time it is possible that a significant portion of the portfolio may be invested in securities from a particular geographical region of Europe. A portion of the portfolio may from time to time be held in Money Market Funds ('MMFs'), cash or cash equivalents, such as treasury bills and government bonds, in order to help manage the liquidity. The Sub-fund will aim to minimise currency risk by materially hedging the Sub-fund's exposure in the foreign exchange markets. The Sub-fund will also have the ability to use derivatives to reduce or mitigate other risks.

The choice of asset-backed securities will typically be guided by the risk and the yield, although the potential for capital growth may also be a material factor.

The minimum recommended holding term is medium to long term.

The Investment Manager has overall responsibility for the investment policy and authority to select service providers pursuant to the Investment Management Agreement entered into with the ACD.

The Asset Backed Income Fund will not invest in any Collective Investment Schemes with the exception of Money Market Fund ('MMFs') which do not adversely alter the risk profile of the Sub-fund.

Investment Manager's Report

for the year ended 31 March 2023

Market Commentary

For the first half of the reporting period market sentiment as a whole remained very weak across all fixed income markets during what has been a period of elevated volatility, characterized by risk-off sentiment, challenging liquidity, wider spreads, the ongoing conundrum of interest rates policy, inflation and recessionary fears, the escalating conflict in Ukraine and its associated energy supply/cost concerns and punctuated by the disastrous UK mini-budget causing extreme moves in UK Gilt yields and the ensuing Liability Driven Investment ('LDI') liquidity driven bond sell off. This was balanced by short periods of stability, which in turn gave rise to windows of opportunity in both primary and secondary markets. Conditions recovered into the calendar year end as sentiment shifted in line with economic data and more benign central bank rhetoric. The start of 2023 saw markets get off to the strongest start to a year since 2019, as a number of issues that had driven sentiment in 2022 started to ease, although after a strong rally in most parts of financial markets in January, February & March marked a return to more negative broader market investor sentiment. Renewed inflation fears and strong labour markets in the US, UK and Europe lowered the likelihood of a dovish pivot by the Central Banks in the near term.

For primary Asset Backed Securities ('ABS') markets, issuance was a little bifurcated; the start of the Ukrainian conflict and challenges in tech and crypto markets developing saw a hiatus of issuance in March 2022 but sentiment recovered quite quickly and April provided an attractive opportunity for investors looking to add floating rate exposure following the Bank of England ('BoE') moving ahead with rate hikes and issuance was very busy across all asset classes, even as spreads widened across the capital stack, but was followed by a virtual hiatus in May, and then a small rebound in June. Secondary spreads which had been relatively stable and constructive earlier in April also widened, driven by an elevated amount of ABS selling from macro and institutional investors in order to fund fixed income outflows amid broader volatility. Combined with the substantial primary supply, this took spreads to levels not seen since the COVID sell-off. Bank trading desks had little appetite to add risk in any fixed income product and investors were able to pick and choose selectively where to add risk at higher yields. This allowed the portfolio managers to gradually increase the purchase yield of the portfolio, over and above the natural yield increase generated by the rises in interest rates.

Despite the ongoing market volatility and weaker sentiment, several issuers placed deals in July ahead of the traditional summer lull, albeit many deals through this whole period followed a "pre-placement" strategy, as is often typical for ABS deals during periods of volatility when public placement conviction is lower. August proved to have a relatively more constructive tone but was typically quiet with virtually no primary and in the early part of September a modicum of normality returned to the primary pipeline, allowing issuers to price deals into a receptive investor base early in the month. The broader positive tone in wider markets also filtered through into Residential Mortgage Backed Securities ('RMBS') & ABS secondary markets with investor interest and lower secondary activity leading

Investment Manager's Report

continued

to a spread retracement. The move in secondary Collateralized Loan Obligations ('CLOs') was stronger still (albeit from a wider starting point) but this this faded into the late summer. However, market conditions deteriorated sharply later in the month, triggered by the UK mini-budget, and issuance ceased abruptly forcing one UK prime RMBS issuer to retain a deal it had planned to sell. Secondary markets also sold off heavily, more than wiping out the gains from the rally earlier in the month.

The subsequent stress in Gilts and wider rates markets triggered by the Truss/Kwarteng budget, was compounded by the now well-documented bond sales by pension funds running LDI strategies. The ABS market saw extremely high levels of secondary sales in the run-up to month-end; over €4bn of sales went through the typical Bid Wanted In Competition ('BWIC') list process in the last week of the month, more than in the previous three months combined. In the main, most of the selling activity was concentrated in senior AAA and AA RMBS/ABS/CLOs and Australian RMBS, and it transpired that the vast amount of selling was from a fairly select group of investors. Execution was good on the whole in terms of volumes traded as investors with cash to spend were able to add bonds at yields not seen for many years (excluding the small window at the start of the COVID-19 crisis), and dealers were seen to be providing liquidity in selective and preferred asset classes having been mostly light on inventory over the summer. Pricing clarity was challenging but spreads could broadly be characterised as having widened by 50-75bp in seniors and 3-7 price points lower in mezzanine bonds. The volume of RMBS/ABS and CLOs sold on publicly offered BWICs was unprecedented over a three week period, comfortably in the region of around €6bn, and not including similar-sized volumes which were reported to have traded bilaterally. After the heavy initial waves, selling began to subside towards the latter part of October as markets became more orderly, although some selling moved on to mezzanine lists. Interestingly not a large amount of sub-investment grade was offered for sale and this endorses the fact that the sell-off was purely a drive for liquidity from a relatively small group of investors and nothing at all to do with any credit performance concerns. However, the simple weight of money quickly led to spreads going wider very quickly, particularly in investment grade bonds, and this naturally filtered down into the mezzanine and junior tranches too. Selling was met by strong client demand, and levels began to retrace a little, and stabilised somewhat into month end.

Encouragingly, whilst spreads were understandably wider (although no wider than any comparable markets such as covered bonds or financials), all the selling volume was absorbed and any liquidity fears that may have lingered about European ABS and CLOs has been well and truly erased. In fact, anecdotal accounts of sellers being unable to source liquidity in corporate bonds and turning to ABS to achieve it were heard repeatedly. The typically higher cash price of ABS (due to their floating rate nature, and therefore immunisation from interest rate duration) meant they were an attractive, if not the "go to" asset to sell in these markets as the sales had a lower P&L impact – arguably making ABS an unintended victim of its own success. In time however, and in more orderly markets, we'd expect that many of those investors will look/need to rebalance their portfolios' asset mix.

Secondary markets dominated ABS and CLO trading flows during October and November in the absence of much primary issuance. New Prime Minister Rishi Sunak's appointment in late October proved to be generally regarded as providing a safer pair of hands than the previous short-lived Truss leadership, and this reassured markets. The CLO market saw the first rumblings of primary issuance after a very quiet period. A handful of deals priced in October with several more being announced into a marketing phase. The challenges remain around the arbitrage; the rising weighted average cost of capital (to as high as 350bps) is considerably higher than the average 160-180 average range in 2021. This is due to the cost of the liabilities, mainly the AAA tranches still clearing around +220 dm, however there were windows where the underlying loan prices sold off enabling managers to add collateral.

Primary ABS issuance remained fairly muted again into the calendar year end as issuers had previously pushed back plans and although there were some notably large, and upsized liquid deals from UK and European Prime issuers during the period all of which were very well received. In contrast, the CLO market saw eight new deals price in November, on the heels of a fairly buoyant October, for a notional value of around €3bn which proved to be the busiest month since March. Whilst this looked, and was, a reversal in terms of issuance volumes it should be noted that most of these deals were being priced with very low levels of assets having been purchased into the portfolios, and an unclear path to how managers intend to ramp their deals. That said, November did see a pick-up in new issue leveraged loan supply albeit there were suggestions that some of the loan supply was not of the highest quality. New issue spreads remained stubbornly elevated on the liability side, with AAA CLOs still pricing at above Euribor +200 bps, and the overall Weighted Average Cost of Capital ('WACC') remained at an average higher level of 337bps, despite, and not including the non-issuance of the single B tranche in several deals. This continues to make the deal arbitrage a challenge for managers, particularly in the light of November's rally in loan prices. Secondary markets saw a much better tone into the year end after the havoc inflicted by the LDI sell off in the previous 6 or 7 weeks. BWIC auctions gradually returned to a semblance of normality in terms of size and volume, interspersed by one or two sellers looking to rebalance portfolios in certain asset classes. Spreads, by and large, retraced across all sectors with most of the tightening seen in the investment grade space, whilst sub-investment grade lagged a little into the month end.

Investment Manager's Report

continued

This brought the overall volume of placed issuance for the calendar year to around €80bn including €26bn in CLOs. RMBS accounted for €32bn of issuance with the rest split between Autos and Consumer at €18bn. The year also saw a drop in CMBS primary to just €0.9bn. While this overall number was the second lowest annual total in the post-2008 period, it could be suggested that given the macro backdrop over the course of 2022, it was actually a reasonably decent outcome, as evidenced by the strong levels of investor interest in deals that came during the windows of opportunity. Activity in the secondary market tailed off into the festive period. Spread performance in general over the month was positive with a noticeable investor bias to add risk in both CLOs and ABS. BWIC volumes returned to a degree of normality and execution prices remained strong throughout the month. In general spreads in senior RMBS tightened 5-10bp and mezzanine bond spreads rallied around 15-20bp over the month. Following on from similar generic moves seen in November, this put the market on a reasonably positive footing going into 2023. Underlying performance of assets for 2022 remained strong although expectations remain that there would be some consumer deterioration given the economic backdrop.

As the primary ABS market slowly emerged from the seasonal break the market saw a solid start to 2023 with a small handful of deals, predominantly in the UK RMBS sector to start with, quickly followed in February by a large and diverse volume across Europe, both geographically and by asset class. The main themes during the first two months were a very strong spread performance across all asset classes, with the understandable exception of CMBS, and a lot of demand for bonds across nearly all rating bands. Notably two UK Prime deals saw very high levels of demand from investors with over-subscription levels of approximately three times. The pricing represented a tightening of 11 bps versus a benchmark deal that printed at the end of 2022 which in the AAA Prime sector is a strong rally in spreads terms. Mezzanine tranches too provided useful pricing points for market participants where bonds were available. Secondary ABS market spreads began the year on a stable footing and initially lagged slightly, but as the wider credit market compression theme filtered through, sentiment quickly changed driving a strong risk rally across securitised products. This was also helped by the supply-demand technical, driven by lowish and orderly primary issuance together with an atypical month of supply in BWIC volume of around €1bn all seeing healthy demand. Senior Buy To Let ('BTL') and Non-Conforming senior bonds rallied around 75bps and there remained strong investor demand for mezzanine bonds where spreads contracted 75-125bps down the capital stack. After a challenging few months February proved to be very favourable for CLO managers looking to price primary deals. Secondary CLO spreads also saw strong performance with steady tightening throughout February. AAAs were around 30bps tighter from year end, BBBs better by around 100bps and sub-investment grade BB and B are around 125bps tighter. CLO demand remained predominantly in the senior, BBB and BB space although it's noted that there remains a wide pricing dispersion on manager tiering.

Also during February the ABS market also saw Blackstone default on a single loan Finnish office within a Commercial Mortgage Backed Securities ('CMBS') transaction after it failed to get bondholder approval for a maturity extension. While our Sub-funds don't have exposure to this transaction and the income from tenants is enough to service the debt and the LTV on the mortgage is low, we will however be following the process closely. The Portfolio Managers have been cautious on CMBS for some time and after a full sector review sold various deals in the second half of last year.

An active March in primary markets quickly unravelled as the US and European banking "hiccup" struck financial markets mid-month which put paid to any further issuance until the last week of the month as spreads widened in quick order and borrowers waited to observe market developments. The ABS market bounced back reasonably quickly to the extent that BMW was able to place a £400m deal into the UK together with another Prime Auto deal in Germany, and a Green RMBS deal in Spain both placed by month end as ABS spreads, in general, retraced nearly all of their intra-month widening. On the CLO side, issuance remained fairly muted for another month with the sector now having seen just below €7bn of issuance year to date. This has led some market analysts to reduce their issuance expectations to around €20bn for the whole year. This is due to ongoing low levels of loan supply which continues to make deal-ramping a challenge, together with an unfavourable arbitrage as liability spreads on the CLO tranches remain elevated leading to unattractive returns for third party equity investors. Overall issuance volume for the first quarter of 2023 was a reasonable €20bn including CLOs.

Portfolio Commentary

The start of the reporting period had seen wider market volatility in February in response to the invasion of Ukraine, and therefore the asset allocation decisions from the portfolio managers generally saw an increased drive for a little more liquidity, not only to protect value in the portfolio but to allow for chances to capitalise on the expected spread widening and the Sub-fund sold shorter dated assets around par to take advantage of wider spreads and discounted cash prices. The Sub-fund saw most of its trading occur in the earlier stage of the quarter, and was primarily adding through the primary markets, which had widened significantly. This included BTL and Non-Conforming UK Residential Mortgage Backed Securities, and some Collateralized Loan Obligations ('CLOs') comprised of investment grade and sub-investment grade paper. Given the volatility these were priced at attractive levels and offered good diversification. In the secondary markets the portfolio managers were able to act opportunistically and pick up a clip of short BB CLOs

Investment Manager's Report

continued

and BB UK NC RMBS which were paying down, offering strong carry whilst also providing regular principal back to the Sub-funds that could be deployed at a later point. Selling was limited in the period but some of the shorter UK BTL RMBS was clipped at close to par to further support liquidity within the portfolio. Throughout the period the Sub-fund had received net inflows and was therefore able to add assets at attractive levels without having to hinder its liquidity and cash position, a trend that was present throughout large portions of the year. At the end of June the portfolio had a forward yield to maturity of 10.74% and a weighted average life of 3y. Overall, the Sub-fund posted negative returns to the end of June of -6.68% mainly attributable to CLOs, the sector most strongly correlated with the wider market.

Fundamental bond performance remained good with multiple rating upgrades seen over the quarter and no downgrades, though the portfolio managers continued to maintain high levels of due diligence on the underlying portfolio. With consumers facing continued pressure, the managers prefer secured residential Mortgage Backed Securities ('MBS') whose underlying loans are likely to be prioritised by the borrower over unsecured consumer loans or credit cards which struggling borrowers are more likely to allow repayments to fall behind. In terms of trading the portfolio managers were more active in both trading and selling in order to maintain an optimal asset allocation with macro headwinds building. The PMs maintained elevated liquidity levels at the start of Q3, against the current market backdrop, by selling shorter-dated assets, although throughout the period the Sub-fund was still receiving net inflows, and was therefore actively net adding overall , and with primary issuance slowing down it deployed this liquidity within the secondary markets. This included some discounted BB/B CLOs, yielding in excess of 10%, as well as some shorter bank-sponsored consumer/auto paper. There were also opportunities to improve the credit quality of the portfolio, adding some IG NC RMBS at an attractive level, with a particular axe for shorter deals in order to protect the cash price. Selling was limited with only one small clip of one of the weaker BB CLOs being traded, in line with wider asset allocation decisions. Performance was positive leading up until the UK Government's mini budget, which caused unforeseen volatility across all markets and caused negative performance for the period.

Early in the 4th quarter portfolio manager activity was driven primarily with responding to the UK LDI crisis. Unlike many other ABS funds this provided a good opportunity for the Asset Backed Income Fund to deploy the liquidity that it had been building in prior periods. As many other managers were forced to sell during the LDI crisis, this allowed the Sub-fund to take advantage of its position as a buyer and selectively add extremely discounted assets which were funded through steady capital inflows and sales that had already been executed. The Sub-fund was active in secondary markets during this period, adding from an array of asset classes, rating from AAA down to single-B. Around half of the buying was within CLOs, primarily BBs which were acquired at a significant discount. This provided ample liquidity to deploy liquidity into the secondary markets. Similarly to previous periods, the majority of additions occurred within UK, Dutch and German RMBS sectors, improving credit quality from a ratings perspective with additions to BBB RMBS yielding in excess of 10%. The Sub-fund also selectively added some discounted AAA CLOs alongside the BB CLOs, to improve credit quality in the pool, and provide a good opportunity for some future trading gains. BB CLOs were still a focus for the Sub-fund though and with spreads trending wider, it offered an extremely attractive yield, in excess of 13%. Market conditions became more constructive in November as the volume of BWIC selling seen in October started to taper off, in line with the perception that the LDI-driven selling was by-and-large completed. For the Sub-fund this provided another period to add assets against more stable but wider backdrop, and amongst the distressed selling during the LDI crisis, offered some attractive opportunities. Selling remained limited, and was contained within primarily within CMBS positions, which the portfolio managers saw to be one of the areas that could become stressed in the coming period. As markets began to recover from the LDI crisis performance improved, and the discounted paper that was picked up amidst the volatility began to provide some strong Market To Market ('MTM') improvement, boosting performance. Despite broader market weakness in December, ABS market conditions remained constructive, and with there being little or no primary issuance to engage with, secondary market spreads began to grind tighter as dealers and investors began looking to add assets in preferred sectors. Despite this the Sub-fund was still slightly down from Q3, but was entering the New Year with positive momentum.

With the constructive start to ABS markets in 2023 the Sub-fund had been able to carry on its momentum and generated another quarter of positive performance, despite the wider market shocks caused by the issues in the banking sector. As primary markets opened again the portfolio managers were able to add more assets, almost all of which were in IG ABS/RMBS, and including a proportion in bank sponsored prime deals. This was in line with wider asset allocations and allowed the Sub-fund to benefit from the carry of rising rates, whilst also being liquid enough that these could be transferred out for future opportunities to add risk. In secondary trading this drive for upgrading the credit quality within the Sub-funds continued, with almost all of the additions being investment grade, and primarily within UK RMBS. Given the Sub-fund's position and further subscriptions, the managers were not put into a position where they needed to sell throughout Q1 2023. Sub-fund performance at the end of the reporting period was 0.70% (Class A Income Gross with dividends reinvested), and although it is slightly down from its peak at the beginning of March prior to banking issues in the US and Europe in March, it still remains well positioned to deal with any further volatility.

Investment Manager's Report
continued

Market Outlook
Floating rate ABS began 2023 well placed with a strong income component through high spreads and increased base rates with more rises expected. Performance caught up in the first two months of the year but spreads remain wider when compared with corporates and highlights for the sector are expected as follows:

- Robust deal performance across mortgages although some weakness expected in consumer pools.
- CMBS is expected to be the weakest performer, where Commercial Real Estate ('CRE') valuations are decreasing, and we expect selective loans with short maturities to face refinancing challenges. Other sectors are expected to perform well.
- Liquidity conditions have been restored after Q3 volatility and 2023 so far has seen strong and active investor participation which we expect to continue.
- Default rates and ratings are expected to outperform in ABS relative to Credit markets.
- We anticipate volatility to remain a theme through this late cycle phase and assets with stronger liquidity characteristics are preferred.
- EU ABS issuance has surprised to the upside so far in 2023, despite demand driven reductions in lending in Europe, as early year tightening of spreads has accelerated issuer plans. Bank issuance has begun to represent a larger share. This is expected to continue but predicated by the potential for disruption by wider market events.

The Sub-fund returned a positive 0.68% (Class I Income Gross with dividends reinvested) for the year.

Portfolio Statement

as at 31 March 2023

Holding	Security	Market value £	% of total net assets 2023
	Euro denominated asset backed securities 55.43% (55.12%)		
€1,400,000	ALME Loan Funding Series 3X ERRE	1,053,455	0.54
€2,000,000	ALME Loan Funding Series 3X FR	1,504,936	0.78
€1,000,000	ALME Loan Funding Series 4X ER	742,641	0.38
€2,017,000	ALME Loan Funding Series 4X FR	1,359,296	0.70
€1,000,000	Aqueduct European CLO Series 20-5X ER	751,907	0.39
€1,450,000	Arbour CLO Series 3X FRR	997,027	0.51
€2,150,000	Arbour CLO Series 9X D	1,644,954	0.85
€1,000,000	Arbour CLO Series 14-2X ERR	732,752	0.38
€2,250,000	Arbour CLO Series 14-2X FRR	1,497,962	0.77
€402,980	Asset Backed European Securitisation Series 17 D	353,789	0.18
€503,725	Asset Backed European Securitisation Series 17 E	440,768	0.23
€2,125,000	Aurium CLO Series 3X E	1,589,022	0.82
€2,000,000	Aurorus Series 20-1 E	1,751,725	0.90
€3,000,000	Aurorus Series 20-1 F	2,630,239	1.36
€1,369,100	Autonoria Series 19-SP E	1,164,242	0.60
€1,502,860	Autonoria Series 21-SP E	1,259,358	0.65
€223,488	Autoflorence Series 1 D	193,778	0.10
€446,977	Autoflorence Series 1 E	386,174	0.20
€1,343,968	Autoflorence Series 2 E	1,124,444	0.58
€1,300,000	Avoca CLO Series 18X E	962,289	0.50
€1,700,000	Avoca CLO Series 16X ER	1,264,675	0.65
€2,500,000	Bain Capital European CLO Series 18-2X F	1,645,830	0.85
€1,000,000	Blackrock European CLO Series 11X E	731,223	0.38
€1,000,000	Bilbao CLO Series 4X D	742,328	0.38
€2,000,000	Black Diamond CLO Series 19-1X E	1,480,602	0.76
€1,000,000	Black Diamond CLO Series 19-1X F	686,211	0.35
€2,500,000	Black Diamond CLO Series 17-2X F	1,644,134	0.85
€4,500,000	BNPP IP European CLO Series 21-1X E	3,255,077	1.68
€2,250,000	Bridgepoint CLO Series 1X E	1,773,143	0.91
€1,000,000	Capital Four CLO Series 4X E	800,577	0.41
€2,000,000	Capital Four CLO Series 5X A	1,736,091	0.90
€1,000,000	Carlyle Global Market Strategies Series 13-1X DR	717,418	0.37
€2,000,000	Contego CLO Series 7X E	1,530,844	0.79
€2,000,000	Cordatus CLO Series 8X FR	1,471,607	0.76
€1,000,000	Cordatus CLO Series 9X FR	709,524	0.37
€1,500,000	Crosthwaite Park CLO Series 1X DR	1,090,966	0.56
€2,500,000	Dillons Park CLO Series 1X E	1,851,131	0.95
€636,375	Dilosk RMBS Series 5 X1	547,831	0.28
€2,497,000	Domi Series 19-1 E	2,157,351	1.11
€1,000,000	Domi Series 21-1 D	831,530	0.43
€3,296,831	Domi Series 22-1 X	2,817,694	1.45
€2,000,000	Dryden European CLO Series 15-44X ERR	1,455,698	0.75
€1,000,000	Dryden Leveraged Loan CDO Series 16-46X ER	718,847	0.37
€2,200,000	Dutch Property Finance Series 19-1 E	1,891,615	0.98
€2,000,000	Dutch Property Finance Series 20-2 D	1,707,371	0.88
€1,000,000	Dutch Property Finance Series 20-2 E	864,755	0.45
€2,000,000	Dutch Property Finance Series 22-1 C	1,680,628	0.87
€1,000,000	Dutch Property Finance Series 22-2 D	823,655	0.42
€1,000,000	Dutch Property Finance Series 23-1 B	855,252	0.44
€1,400,000	Dutch Property Finance Series 23-1 C	1,202,312	0.62
€250,100	Fonds Commun De Titrisation Series 10FR E	218,841	0.11
€200,000	FTA Santander Consumo Series 4 F	172,500	0.09

Portfolio Statement

continued

Holding	Security	Market value £	% of total net assets 2023
	Euro denominated asset backed securities (continued)		
€1,000,000	GLG European CLO Series 5X E	739,302	0.38
€1,000,000	GLG European CLO Series 1X FRR	624,326	0.32
€1,500,000	GoldenTree Loan Management Series 1X E	1,055,612	0.54
€1,750,000	Harvest CLO Series 16X ER	1,312,792	0.68
€1,500,000	Harvest CLO Series 17X ERE	1,120,356	0.58
€3,000,000	Harvest CLO Series 17X FR	2,092,739	1.08
€1,000,000	Harvest CLO Series 27X E	728,462	0.38
€1,000,000	Hayfin Emerald CLO Series 1X FR	634,729	0.33
€2,250,000	Hayfin Emerald CLO Series 2X DR	1,696,444	0.87
€1,800,000	Hayfin Emerald CLO Series 2X ER	1,261,643	0.65
€1,500,000	Hayfin Emerald CLO Series 7X E	1,065,828	0.55
€2,000,000	ICG CLO Series 23-1X E	1,612,150	0.83
€2,000,000	Invesco European CLO Series 6X E	1,431,487	0.74
€1,000,000	Jubilee CDO Series 15-16X F	709,766	0.37
€1,500,000	North Westerly CLO BV Series VI-X E	1,198,166	0.62
€1,100,000	North Westerly CLO Series VII-X E	812,983	0.42
€2,000,000	Otranto Park Series 1X E	1,546,156	0.80
€1,033,420	PBD Germany Auto Lease Series 21-GE2 D	894,221	0.46
€1,300,000	Penta CLO Series 18-5X ER	962,706	0.50
€1,000,000	Penta CLO Series 21-9X E	746,053	0.38
€1,000,000	Penta CLO Series 22-11X E	789,560	0.41
€2,000,000	Providus CLO Series 1X F	1,317,559	0.68
€1,500,000	Purple Finance CLO Series 1X FNE	1,021,809	0.53
€2,635,583	Resloc UK Series 2007-1X C1A	2,038,722	1.05
€2,200,000	RRE Loan Management Series 1X A1R	1,866,694	0.96
€1,000,000	RRE Loan Management Series 8X D	731,553	0.38
€1,177,949	SC Germany Consumer Series 20-1 F	1,008,431	0.52
€562,499	SC Germany Consumer Series 21-1 F	487,789	0.25
€924,675	Taurus Series 2020-NL1X E	715,326	0.37
€1,000,000	Tikehau Series 3X F	672,746	0.35
€1,337,216	Uropa Securities Series 07-1 B1B	1,031,519	0.53
€2,000,000	Vita Scientia Series 22-1X D	1,512,695	0.78
€3,000,000	Volkswagen International Mortgage Funding Series 38	2,642,073	1.36
€2,500,000	Voya Euro CLO Series 1X E	1,850,105	0.95
€900,000	Voya Euro CLO Series 3X E	659,307	0.34
€1,000,000	Voya Euro CLO Series 5X E	744,679	0.38
€167,000	VSK Series 1 C4-1	993,279	0.51
€345,000	VSK Series 2 C5	1,955,720	1.01
		107,503,506	55.43
	Equity investment instrument 5.00% (5.32%)		
9,646,813	TwentyFour Income Fund^	9,695,047	5.00
	Pound sterling denominated asset backed securities 37.74% (36.33%)		
£1,464,305	Atlas Funding Series 22-1 D	1,388,425	0.72
£946,970	Brass 11X A1	952,850	0.49
£3,000,000	Canterbury Finance Series 1 E	2,993,936	1.54
£2,225,000	Cardiff Automobile Receivables Series 22-1 D	2,162,489	1.12
£3,000,000	Cardiff Automobile Receivables Series 22-1 E	2,913,669	1.50
£2,100,000	Castell Series 20-1 E	2,091,581	1.08
£3,999,551	Castell Series 21-1 E	3,697,976	1.91
£1,417,841	Castell Series 21-1 F	1,317,001	0.68
£2,000,000	Castell Series 22-1 C	1,990,486	1.03

Portfolio Statement

continued

Holding	Security	Market value £	% of total net assets 2023
	Pound sterling denominated asset backed securities (continued)		
£3,330,000	Castell Series 22-1 E	3,221,775	1.66
£733,388	Capital Bridging Finance Series 1 Mezzanine	550,041	0.28
£2,000,000	Charles Street Conduit Series 2 C	1,857,000	0.96
£2,379,000	Elstree Funding Series 1 F	2,364,660	1.22
£2,550,000	Elstree Funding Series 2 D	2,441,661	1.26
£1,462,500	Economic Master Issuer 2023-1 A	1,467,399	0.76
£3,000,000	Equity Release Funding Series 5 B	2,330,383	1.20
£1,046,430	Honours Series 2 B	858,073	0.44
£1,400,000	Hops Hill Series 2 D	1,376,757	0.71
£2,495,000	Jupiter Mortgages Series 1X F	2,450,242	1.26
£212,966	Lanebrook Mortgage Trans Series 21-1 X1	212,853	0.11
£1,299,842	RMAC Securities Series 2006-NS2X B1A	1,138,478	0.59
£1,977,459	SYON Securities Series 19-1 C	1,885,547	0.97
£1,186,476	SYON Securities Series 19-1 D	1,134,959	0.59
£2,546,962	SYON Securities Series 20-1 A	2,344,326	1.21
£2,723,163	SYON Securities Series 20-2 A	2,657,316	1.37
£3,630,883	SYON Securities Series 20-2 B	3,580,523	1.85
£1,880,000	Together Asset Backed Securities Series 21-CRE1 D	1,767,576	0.91
£2,000,000	Together Asset Backed Securities Series 21-CRE2 E	1,812,200	0.93
£1,328,000	Together Asset Backed Securities Series 22-CRE1 B	1,265,790	0.65
£3,000,000	Together Asset Backed Securities Series 22-2ND1 D	2,872,121	1.48
£1,911,000	Together Asset Backed Securities Series 22-2ND1 F	1,791,194	0.92
£2,400,000	Towd Point Mortgage Series 19-GR4X ER	2,310,720	1.19
£1,000,000	Tower Bridge 2023-1XA	1,002,431	0.52
£1,500,000	Twin Bridges Series 20-1 D	1,485,003	0.77
£1,473,908	Twin Bridges Series 22-1 X1	1,456,614	0.75
£1,500,000	Twin Bridges Series 22-1 D	1,388,025	0.71
£3,552,994	Tower Bridge Funding Series 21-1 D	3,481,963	1.80
£1,337,216	Uropa Securities Series 07-1 B1A	1,167,907	0.60
		73,181,950	37.74
	United States dollar denominated asset backed securities 1.30% (0.00%)		
$3,240,762	RMAC Securities Series 2006-NS3X B1C	2,530,906	1.30
	DERIVATIVES -0.02% (0.09%)		
	Forward currency contracts -0.02% (0.09%)^^		
	Bought €4,035,307 Sold £3,541,542 (20.04.23)	12,554	0.01
	Sold €131,631,289 Bought £115,882,742 (20.04.23)	(51,506)	(0.03)
		(38,952)	(0.02)
	Investment assets	**192,872,457**	**99.45**
	Net other assets	**1,069,698**	**0.55**
	Net assets	**193,942,155**	**100.00**

All investments are ordinary shares or stock units on a regulated securities market unless otherwise stated.

The percentages in brackets show the equivalent % holdings as at 31.03.22.

^Apex Fundrock Limited also acts as AIFM for this investment fund.

^^At the balance sheet date, all forward currency contracts were executed with one counterparty, Northern Trust Investor Services Limited ('NTISL') for the purpose of Effective Portfolio Management. Collateral obligations on losses or gains for each transaction would be met using cash held by the Custodian.

Portfolio Statement

continued

Analysis of bonds by credit rating^	Market value £	% of total net assets 2023
Investment grade (BBB- and above)	86,812,966	44.77
Non Investment grade (BB+ and below)	86,919,474	44.82
Unrated bonds	9,483,922	4.88
	183,216,362	94.47

^Source: NTISL

Comparative Tables

Change in net assets per share

A Income Gross	31.03.23 £	31.03.22 £	31.03.21 £
Opening net asset value per share	1.1182	1.1395	0.9388
Return before operating charges^	0.0084	0.0507	0.2670
Operating charges	-0.0068	-0.0075	-0.0074
Return after operating charges^	0.0016	0.0432	0.2596
Distributions	-0.0852	-0.0645	-0.0589
Closing net asset value per share	**1.0346**	**1.1182**	**1.1395**
^After direct transaction costs of	0.0000	0.0000	0.0000
Performance			
Return after charges	0.14%	3.79%	27.65%
Other information			
Closing net asset value	193,942,155	126,972,146	118,374,025
Closing number of shares	187,448,871	113,549,547	103,882,746
Operating charges	0.64%	0.65%	0.67%
Ongoing operating charges*	0.61%	0.65%	0.67%
Direct transaction costs	0.00%	0.00%	0.00%
Prices			
Highest share price	1.1299	1.1795	1.1765
Lowest share price	1.0016	1.1420	0.9342

*Taking an average of the daily Net Asset Values for the last month has the effect of decreasing the operating charges by 0.03%. The ACD believes this to be more representative of the charges going forward.

Operating charges include indirect costs incurred in the maintenance and running of the Sub-fund, as disclosed (but not limited to) the detailed expenses within the Statement of Total Return. The figures used within this table have been calculated against the average Net Asset Value for the accounting year.

The return after charges is calculated as the closing Net Asset Value per share plus the distributions on income shares minus the opening Net Asset Value per share as a % of the opening Net Asset Value per share. The basis of valuation of investments used to calculate Net Asset Value per share is described in notes to the Financial Statements 1h) and complies with requirements of the current Statement of Recommended Practice for UK Authorised Funds. This differs from the basis used to calculate daily published single prices, in which listed investments are valued at 18:00pm mid prices.

Direct transaction costs include fees, commissions, transfer taxes and duties in the purchasing and selling of investments, which are offset (where applicable) against any dilution levies charged within the accounting year. The figures used within the table have been calculated against the average Net Asset Value for the accounting year.

Risk and Reward Profile

The risk and reward indicator table demonstrates where the Sub-fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the future risk profile of the Sub-fund. The shaded area in the table below shows the Sub-fund's ranking on the risk and reward indicator.

Typically lower rewards, lower risk ← → **Typically higher rewards, higher risk**

1	2	3	4	5	6	7

The Sub-fund is ranked at 4 because funds of this type have experienced low to medium rises and falls in value in the past. Please note that even the lowest risk class can lose you money and that extreme market circumstances can mean you suffer severe losses in all cases. The indicator does not take into account the following risks of investing in this Sub-fund:

- Investing overseas can bring additional returns and spread risk to different markets. There are risks, however, that changes in currency exchange rates may cause the value of your investment to decrease and increase.
- There is no guarantee that an asset which provides the security for a bond will maintain its value.
- Derivatives can be used to help reduce risk but we may not be fully successful. Derivatives can also reduce gains you may otherwise have made.
- Currency risk reduction techniques can have an effect on the value of your investment and on the performance of the share class.
- Bond values are affected by changes in interest rates, inflation and any decline in creditworthiness of the bond issuer. Bonds that produce a higher level of income usually also carry greater risk as such bond issuers may not be able to pay the bond income as promised or could fail to repay the capital amount used to purchase the bond.
- There may be cases where the organisation from which we buy a bond fails to carry out its obligations, which could cause losses to the Sub-fund.
- In difficult market conditions, the Sub-fund may not be able to sell an investment for its full value or at all. This could affect performance and, in extreme conditions, could cause the Sub-fund to defer or suspend requests from investors to sell shares.
- For further risk information please see the Prospectus.

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 revenue from them can 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 are subject to fluctuation in exchange rates, which can be favourable or unfavourable.

Statement of Total Return

for the year ended 31 March 2023

	Note		31.03.23		31.03.22
		£	£	£	£
Income					
Net capital losses	2		(8,256,759)		(1,734,629)
Revenue	3	12,923,707		7,183,344	
Expenses	4	(956,129)		(818,618)	
Net revenue before taxation		11,967,578		6,364,726	
Taxation	5	–		–	
Net revenue after taxation			11,967,578		6,364,726
Total return before distributions			**3,710,819**		**4,630,097**
Distributions	6		(12,826,331)		(7,105,364)
Change in net assets attributable to Shareholders from investment activities			**(9,115,512)**		**(2,475,267)**

Statement of Change in Net Assets Attributable to Shareholders

for the year ended 31 March 2023

		31.03.23		31.03.22
	£	£	£	£
Opening net assets attributable to Shareholders		**126,972,146**		**118,374,025**
Amounts receivable on issue of shares	100,159,580		24,216,313	
Less: Amounts payable on cancellation of shares	(24,074,059)		(13,142,925)	
		76,085,521		11,073,388
Change in net assets attributable to Shareholders from investment activities (see Statement of Total Return above)		(9,115,512)		(2,475,267)
Closing net assets attributable to Shareholders		**193,942,155**		**126,972,146**

The notes on pages 25 to 31 form an integral part of these Financial Statements.

Balance Sheet

as at 31 March 2023

	Note	31.03.23 £	31.03.23 £	31.03.22 £	31.03.22 £
ASSETS					
Fixed Assets					
Investments			**192,923,963**		**122,992,539**
Current Assets					
Debtors	7	3,194,021		1,204,772	
Cash and bank balances	9	73,235,991		64,754,296	
Total current assets			**76,430,012**		**65,959,068**
Total assets			**269,353,975**		**188,951,607**
LIABILITIES					
Investment liabilities			**(51,506)**		**(9,175)**
Creditors					
Bank overdrafts	9	(64,893,759)		(56,106,025)	
Distribution payable		(9,575,451)		(3,583,624)	
Other creditors	8	(891,104)		(2,280,637)	
Total creditors			**(75,360,314)**		**(61,970,286)**
Total liabilities			**(75,411,820)**		**(61,979,461)**
Net assets attributable to Shareholders			**193,942,155**		**126,972,146**

The notes on pages 25 to 31 form an integral part of these Financial Statements.

Notes to the Financial Statements
for the year ended 31 March 2023

1. Accounting Policies

The Sub-fund's Financial Statements have been prepared on the same basis as the Accounting Policies stated on pages 7 to 8.

2. Net Capital Losses

	31.03.23 £	31.03.22 £
Non-derivative securities	(6,004,149)	(3,013,011)
Currency losses	(3,220,675)	(130,253)
Forward foreign exchange contracts gains	975,783	1,415,045
Transaction charges	(7,718)	(6,410)
Net capital losses	**(8,256,759)**	**(1,734,629)**

3. Revenue

	31.03.23 £	31.03.22 £
Overseas dividends	519,163	402,405
Interest on debt securities	12,253,621	6,787,343
Bank interest	150,923	(6,404)
Total revenue	**12,923,707**	**7,183,344**

4. Expenses

	31.03.23 £	31.03.22 £
Payable to the Authorised Corporate Director ('ACD'), associates of the ACD and agents of either of them:		
ACD's fee	175,918	154,647
Registration fees	34,145	27,316
	210,063	181,963
Payable to the Investment Manager, associates of the Investment Manager and agents of either of them:		
Investment Manager's fee	648,685	558,749
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fee (including VAT)	33,109	29,137
Safe custody and other bank charges	11,195	9,423
	44,304	38,560
Auditor's remuneration*:		
Audit fee	17,922	18,870
Tax compliance services	2,163	–
	20,085	18,870

Notes to the Financial Statements

continued

4. Expenses (continued)	31.03.23 £	31.03.22 £
Other expenses:		
External pricing service fees	27,013	16,588
Legal fees	3,300	975
Printing costs	2,679	2,913
	32,992	39,346
Total	**956,129**	**818,618**

*Included within the auditor's remuneration is irrecoverable VAT of £3,348 (2022: £3,145).

5. Taxation	31.03.23 £	31.03.22 £
(a) Analysis of charge in the year:		
Total tax charge (note 5b)	**–**	**–**
(b) Factors affecting taxation charge for the year:		
Net revenue before taxation	11,967,578	6,364,726
Corporation tax at 20%	2,393,516	1,272,945
Effects of:		
Interest distributions	(2,289,683)	(1,192,464)
Non-taxable overseas earnings	(103,833)	(80,481)
Total tax charge (note 5a)	**–**	**–**

(c) Deferred tax

There was no liability to deferred tax at the balance sheet date (2022: nil).

6. Distributions

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

		31.03.23 £	31.03.22 £
Interim distribution	30.09.22	4,974,943	3,671,541
Final distribution	31.03.23	9,575,451	3,583,624
		14,550,394	7,255,165
Revenue deducted on cancellation of shares		541,963	197,161
Revenue received on issue of shares		(2,266,026)	(346,962)
Distributions		**12,826,331**	**7,105,364**

Notes to the Financial Statements
continued

6. Distributions (continued)	31.03.23 £	31.03.22 £
Reconciliation of net revenue after taxation to net distributions:		
Net revenue after taxation per Statement of Total Return	11,967,578	6,364,726
Expenses allocated to capital	858,748	740,712
Undistributed revenue brought forward	101	27
Undistributed revenue carried forward	(96)	(101)
Distributions	**12,826,331**	**7,105,364**

7. Debtors	31.03.23 £	31.03.22 £
Amounts receivable on issues	1,367,612	459,914
Accrued income:		
Bank Interest receivable	28,455	–
Interest on debt securities	1,797,850	744,752
Prepaid expenses:		
Legal fee	104	106
Total debtors	**3,194,021**	**1,204,772**

8. Other Creditors	31.03.23 £	31.03.22 £
Amounts payable on cancellations	745,475	1,368,988
Purchases awaiting settlement	–	809,717
Accrued expenses:		
Amounts payable to the Authorised Corporate Director ('ACD'), associates of the ACD and agents of either of them:		
ACD's fee	30,600	13,286
Registration fees	3,835	2,669
	34,435	15,955
Amounts payable to the Investment Manager, associates of the Investment Manager and agents of either of them:		
Investment Manager's fee	73,846	53,186
Amounts payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fee (including VAT)	3,596	6,904
Safe custody and other bank charges	1,164	3,181
	4,760	10,085
Auditor's remuneration*:		
Audit fee	17,922	17,367
Tax compliance services	2,163	–
	20,085	17,367

Notes to the Financial Statements
continued

8. Other Creditors (continued)	31.03.23 £	31.03.22 £
Other accrued expenses:		
Printing costs	1,430	1,300
External pricing service fees	11,073	4,039
	12,503	5,339
Total other creditors	**891,104**	**2,280,637**

*Included within the auditor's remuneration is irrecoverable VAT of £3,348 (2022: £2,895).

9. Cash and Bank Balances	31.03.23 £	31.03.22 £
Cash and bank balances	73,235,991	64,754,296
Overdraft positions	(64,893,759)	(56,106,025)
Cash and bank balances	**8,342,232**	**8,648,271**

10. Related Party Transactions

Apex Fundrock Limited ('AFL') is regarded as a related party by virtue of having the ability to act in respect of the operations of the Sub-fund in its capacity as the Authorised Corporate Director ('ACD').

ACD and other fees payable to AFL are disclosed in note 4 and amounts due at the year end are shown in note 8.

Fees payable to TwentyFour Asset Management LLP (the 'Investment Manager') are disclosed in note 4 and amounts due at the year end are shown in note 8.

Amounts receivable on issue and payable on cancellation of shares and dilution levy are disclosed in the Statement of Change in Net Assets Attributable to Shareholders and in note 6, amounts due at the year end are shown in notes 7 and 8.

At the year end the Sub-fund did not hold shares in any of the other Sub-funds within the MI TwentyFour Investment Funds.

At the year end, the Sub-fund held the following Close-Ended Investment Fund, for which AFL act as the AIFM.

Fund	Held at 31.03.23	Change in year	% Change in year	Held at 31.03.22
TwentyFour Income Fund	9,646,813	3,300,000	51.99	6,346,813
(merged with TwentyFour UK Mortgages)				

11. Contingent Liabilities and Outstanding Commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date (2022: none).

Notes to the Financial Statements

continued

12. Risk Management Policies and Disclosures

The main risks arising from financial instruments and the ACD's policies for managing these risks are disclosed on pages 9 to 11.

Numerical disclosures relating to the Sub-fund are as follows:

Disclosure of VaR limit

The table below details the Sub-fund's lowest, highest and average VaR, as well as utilisation of VaR calculated during the year:

	31.03.23 % of VaR	Utilisation of VaR(*) 20%	31.03.22 % of VaR	Utilisation of VaR(*) 20%
VaR at year end:	2.56	12.8	3.40	17.00
Minimum VaR:	0.16	0.8	3.02	15.10
Maximum VaR:	4.07	20.35	15.71	78.55
Average VaR:	3.19	15.95	10.73	53.65

*The VaR on the Sub-fund has been divided by its maximum limit.

Notes to the Financial Statements
continued

13. Portfolio Transaction Costs

31.03.23

Analysis of purchases	Total purchase cost £	£	Commissions paid %	£	Taxes %	Purchases before transaction cost £
Debt instruments	80,695,450	–	0.00	–	0.00	80,695,450
Total purchases after commissions and tax	**80,695,450**					

Analysis of sales	Net sale proceeds £	£	Commissions paid %	£	Taxes %	Sales before transaction cost £
Debt instruments	6,986,198	–	0.00	–	0.00	6,986,198
Total sales after commissions and tax	**6,986,198**					

Commission as a % of average net assets	0.00%
Taxes as a % of the average net assets	0.00%

31.03.22

Analysis of purchases	Total purchase cost £	£	Commissions paid %	£	Taxes %	Purchases before transaction cost £
Debt instruments	36,124,909	–	0.00	–	0.00	36,124,909
Total purchases after commissions and tax	**36,124,909**					

Analysis of sales	Net sale proceeds £	£	Commissions paid %	£	Taxes %	Sales before transaction cost £
Debt instruments	30,818,027	–	0.00	–	0.00	30,818,027
Total sales after commissions and tax	**30,818,027**					

Commission as a % of average net assets	0.00%
Taxes as a % of the average net assets	0.00%

Commissions and taxes as a % of the average net assets form part of the direct transaction costs stated within the comparative table on page 21. The direct transaction costs within the comparative tables may differ due to the effect of dilution levies charged (where applicable).

14. Portfolio Dealing Spread

The average portfolio dealing spread at 31 March 2023 is 1.37% (2022: 0.68%).

15. Post Balance Sheet Events

There were no notifiable events post the year end balance sheet date.

Notes to the Financial Statements
continued

16. Fair Value Disclosure

Valuation technique	31.03.23		31.03.22	
	Assets £	Liabilities £	Assets £	Liabilities £
Level 1^	–	–	–	–
Level 2^^	186,709,850	(51,506)	116,730,743	–
Level 3^^^	*6,214,113	–	*6,252,621	–
	192,923,963	**(51,506)**	**122,983,364**	**–**

*Securities in Level 3 consist of VSK Series 1 C4-1, VSK Series 2 C5, Capital Bridging Finance Series 1 Mezzanine, Honours PLC Series 2 Class B and Charles Street Conduit Series 2 C which are valued by Deutsche Bank, HSBC, Prytania and Natwest consecutively at the appointed valuation. Considering the sensitivities of each security, if the valuation was to move by 10% then this would not have a material impact on the Sub-fund. Level 3 securities utilise a valuation technique which is to reflect market conditions. Price quotes for similar securities and other relevant information are obtained.

^Level 1: Unadjusted quoted price in an active market for an identical instrument.

^^Level 2: Valuation techniques using observable inputs other than quoted prices within level 1.

^^^Level 3: Valuation techniques using unobservable inputs.

A reconciliation of fair value measurements in Level 3 is set out in the following table:

	31.03.23	31.03.22
Opening Balance	6,252,621	6,500,919
Purchases	858,073	2,000,000
Corporate actions	–	(1,015,296)
Sales	–	(1,000,000)
Total gains or losses included in the net capital gains/losses in the Statement of Total Return:		
- on assets sold	–	5,900
- on assets held at year end	(896,581)	(238,902)
Closing Balance	**6,214,113**	**6,252,621**

17. Shares in Issue

	A Income Gross
Opening number of shares	113,549,547
Shares issued	97,017,088
Shares cancelled	(23,117,764)
Closing number of shares	**187,448,871**

Distribution Tables

for the year ended 31 March 2023

Income share distribution

Share class	Distribution	Shares	Net revenue p	Equalisation p	Distribution paid/payable 2023 p	Distribution paid 2022 p
A Gross	Interim	Group 1	3.4127	–	3.4127	3.2979
		Group 2	0.8313	2.5814	3.4127	3.2979
	Final	Group 1	5.1083	–	5.1083	3.1560
		Group 2	2.8106	2.2977	5.1083	3.1560

Interim period: 01.04.22 - 30.09.22
Final period: 01.10.22 - 31.03.23

Group 1: Shares purchased prior to a distribution period
Group 2: Shares purchased during a distribution period

Equalisation

Equalisation applies only to shares purchased during the distribution period (Group 2 shares). It represents 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.

Investment Objective and Policy

Investment objective

The Sub-fund aims to provide an attractive level of income along with an opportunity for capital growth. The Sub-fund aims to target a net total return of SONIA +500-800 basis points ('bp') per annum.

There is no guarantee that this return will be achieved over that, or any, time period, and investors should note that capital is in fact at risk.

Investment policy

The Sub-fund will invest in a diversified portfolio of European asset-backed securities, where the securities will be backed by the assets of European institutions and issuers such as residential mortgages, commercial mortgages, automobile leases and loans, Small and Medium Enterprise ('SME') loans and other secured bonds. From time to time it is possible that a significant portion of the portfolio may be invested in securities from a particular geographical region of Europe. A portion of the portfolio may from time to time be held in Money Market Funds ('MMFs'), cash or cash equivalents, such as treasury bills and government bonds, in order to help manage the liquidity. The Sub-fund will aim to minimise currency risk by materially hedging the Sub-fund's exposure in the foreign exchange markets. The Sub-fund will also have the ability to use derivatives to reduce or mitigate other risks.

The choice of asset-backed securities will typically be guided by the risk and the yield, although the potential for capital growth may also be a material factor.

The minimum recommended holding term is medium to long term.

The Asset Backed Opportunities Fund will not invest in any Collective Investment Schemes with the exception of Money Market Fund ('MMFs') which do not adversely alter the risk profile of the Sub-fund.

Investment Manager's Report

for the year ended 31 March 2023

Market Commentary

For the first half of the reporting period market sentiment as a whole remained very weak across all fixed income markets during what has been a period of elevated volatility, characterized by risk-off sentiment, challenging liquidity, wider spreads, the ongoing conundrum of interest rates policy, inflation and recessionary fears, the escalating conflict in Ukraine and its associated energy supply/cost concerns and punctuated by the disastrous UK mini-budget causing extreme moves in UK Gilt yields and the ensuing Liability Driven Investment ('LDI') liquidity driven bond sell off. This was balanced by short periods of stability, which in turn gave rise to windows of opportunity in both primary and secondary markets. Conditions recovered into the calendar year end as sentiment shifted in line with economic data and more benign central bank rhetoric. The start of 2023 saw markets get off to the strongest start to a year since 2019, as a number of issues that had driven sentiment in 2022 started to ease, although after a strong rally in most parts of financial markets in January, February & March marked a return to more negative broader market investor sentiment. Renewed inflation fears and strong labour markets in the US, UK and Europe lowered the likelihood of a dovish pivot by the Central Banks in the near term.

For primary Asset Backed Securities ('ABS') markets, issuance was a little bifurcated; the start of the Ukrainian conflict and challenges in tech and crypto markets developing saw a hiatus of issuance in March 2022 but sentiment recovered quite quickly and April provided an attractive opportunity for investors looking to add floating rate exposure following the Bank of England ('BoE') moving ahead with rate hikes and issuance was very busy across all asset classes, even as spreads widened across the capital stack, but was followed by a virtual hiatus in May, and then a small rebound in June. Secondary spreads which had been relatively stable and constructive earlier in April also widened, driven by an elevated amount of ABS selling from macro and institutional investors in order to fund fixed income outflows amid broader volatility. Combined with the substantial primary supply, this took spreads to levels not seen since the COVID sell-off. Bank trading desks had little appetite to add risk in any fixed income product and investors were able to pick and choose selectively where to add risk at higher yields. This allowed the portfolio managers to gradually increase the purchase yield of the portfolio, over and above the natural yield increase generated by the rises in interest rates.

Despite the ongoing market volatility and weaker sentiment, several issuers placed deals in July ahead of the traditional summer lull, albeit many deals through this whole period followed a "pre-placement" strategy, as is often typical for ABS deals during periods of volatility when public placement conviction is lower. August proved to have a relatively more constructive tone but was typically quiet with virtually no primary and in the early part of September a modicum of normality returned to the primary pipeline, allowing issuers to price deals into a receptive investor base early in the month. The broader positive tone in wider markets also filtered through into

Investment Manager's Report

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Residential Mortgage Backed Securities ('RMBS') & ABS secondary markets with investor interest and lower secondary activity leading to a spread retracement. The move in secondary Collateral Loan Obligations ('CLOs') was stronger still (albeit from a wider starting point) but this this faded into the late summer. However, market conditions deteriorated sharply later in the month, triggered by the UK mini-budget, and issuance ceased abruptly forcing one UK prime RMBS issuer to retain a deal it had planned to sell. Secondary markets also sold off heavily, more than wiping out the gains from the rally earlier in the month.

The subsequent stress in Gilts and wider rates markets triggered by the Truss/Kwarteng budget, was compounded by the now well-documented bond sales by pension funds running liability-driven investment LDI strategies. The ABS market saw extremely high levels of secondary sales in the run-up to month-end; over €4bn of sales went through the typical Bid Wanted In Competition ('BWIC') list process in the last week of the month, more than in the previous three months combined. In the main, most of the selling activity was concentrated in senior AAA and AA RMBS/ABS/CLOs and Australian RMBS, and it transpired that the vast amount of selling was from a fairly select group of investors. Execution was good on the whole in terms of volumes traded as investors with cash to spend were able to add bonds at yields not seen for many years (excluding the small window at the start of the COVID-19 crisis), and dealers were seen to be providing liquidity in selective and preferred asset classes having been mostly light on inventory over the summer. Pricing clarity was challenging but spreads could broadly be characterised as having widened by 50-70 basis points ('bp') in seniors and 3-7 price points lower in mezzanine bonds. The volume of RMBS/ABS and CLOs sold on publicly offered BWICs was unprecedented over a three week period, comfortably in the region of around €6bn, and not including similar-sized volumes which were reported to have traded bilaterally. After the heavy initial waves, selling began to subside towards the latter part of October 2022 as markets became more orderly, although some selling moved on to mezzanine lists. Interestingly not a large amount of sub-investment grade was offered for sale and this endorses the fact that the sell-off was purely a drive for liquidity from a relatively small group of investors and nothing at all to do with any credit performance concerns. However, the simple weight of money quickly led to spreads going wider very quickly, particularly in investment grade bonds, and this naturally filtered down into the mezzanine and junior tranches too. Selling was met by strong client demand, and levels began to retrace a little, and stabilised somewhat into month end.

Encouragingly, whilst spreads were understandably wider (although no wider than any comparable markets such as covered bonds or financials), all the selling volume was absorbed and any liquidity fears that may have lingered about European ABS and CLOs has been well and truly erased. In fact, anecdotal accounts of sellers being unable to source liquidity in corporate bonds and turning to ABS to achieve it were heard repeatedly. The typically higher cash price of ABS (due to their floating rate nature, and therefore immunisation from interest rate duration) meant they were an attractive, if not the "go to" asset to sell in these markets as the sales had a lower P&L impact – arguably making ABS an unintended victim of its own success. In time however, and in more orderly markets, we'd expect that many of those investors will look/need to rebalance their portfolios' asset mix.

Secondary markets dominated ABS and CLO trading flows during October 2022 and November 2022 in the absence of much primary issuance. New Prime Minister Rishi Sunak's appointment in late October 2022 proved to be generally regarded as providing a safer pair of hands than the previous short-lived Truss leadership, and this reassured markets. The CLO market saw the first rumblings of primary issuance after a very quiet period. A handful of deals priced in October with several more being announced into a marketing phase. The challenges remain around the arbitrage; the rising weighted average cost of capital (to as high as 350bp) is considerably higher than the average 160-180 average range in 2021. This is due to the cost of the liabilities, mainly the AAA tranches still clearing around +220 dm, however there were windows where the underlying loan prices sold off enabling managers to add collateral.

Primary ABS issuance remained fairly muted again into the calendar year end as issuers had previously pushed back plans and although there were some notably large, and upsized liquid deals from UK and European Prime issuers during the period all of which were very well received. In contrast, the CLO market saw eight new deals price in November 2022, on the heels of a fairly buoyant October 2022, for a notional value of around €3bn which proved to be the busiest month since March 2022. Whilst this looked, and was, a reversal in terms of issuance volumes it should be noted that most of these deals were being priced with very low levels of assets having been purchased into the portfolios, and an unclear path to how managers intend to ramp their deals. That said, November did see a pick-up in new issue leveraged loan supply albeit there were suggestions that some of the loan supply was not of the highest quality. New issue spreads remained stubbornly elevated on the liability side, with AAA CLOs still pricing at above Euribor +200bp, and the overall cost of capital Weighted Average Cost of Capital ('WACC') remained at an average higher level of 337bp, despite, and not including the non-issuance of the single B tranche in several deals. This continues to make the deal arbitrage a challenge for managers, particularly in the light of November's rally in loan prices. Secondary markets saw a much better tone into the year end after the havoc inflicted by the LDI sell off in the previous 6 or 7 weeks. BWIC auctions gradually returned to a semblance of normality in terms of size and volume, interspersed by one or two sellers looking to rebalance portfolios in certain asset classes. Spreads, by and large, retraced across all sectors with most of the tightening seen in the investment grade space, whilst sub-investment grade lagged a little into the month end.

Investment Manager's Report

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This brought the overall volume of placed issuance for the calendar year to around €80bn including €26bn in CLOs. RMBS accounted for €32bn of issuance with the rest split between Autos and Consumer at €18bn. The year also saw a drop in Commercial Mortgage Backed Securities ('CMBS') primary to just €0.9bn. While this overall number was the second lowest annual total in the post-2008 period, it could be suggested that given the macro backdrop over the course of 2022, it was actually a reasonably decent outcome, as evidenced by the strong levels of investor interest in deals that came during the windows of opportunity. Activity in the secondary market tailed off into the festive period. Spread performance in general over the month was positive with a noticeable investor bias to add risk in both CLOs and ABS. BWIC volumes returned to a degree of normality and execution prices remained strong throughout the month. In general spreads in senior RMBS tightened 5-10bp and mezzanine bond spreads rallied around 15-20bp over the month. Following on from similar generic moves seen in November, this put the market on a reasonably positive footing going into 2023. Underlying performance of assets for 2022 remained strong although expectations remain that there would be some consumer deterioration given the economic backdrop.

As the primary ABS market slowly emerged from the seasonal break the market saw a solid start to 2023 with a small handful of deals, predominantly in the UK RMBS sector to start with, quickly followed in February by a large and diverse volume across Europe, both geographically and by asset class. The main themes during the first two months were a very strong spread performance across all asset classes, with the understandable exception of CMBS, and a lot of demand for bonds across nearly all rating bands. Notably two UK Prime deals saw very high levels of demand from investors with over-subscription levels of approximately three times. The pricing represented a tightening of 11bp versus a benchmark deal that printed at the end of 2022 which in the AAA Prime sector is a strong rally in spreads terms. Mezzanine tranches too provided useful pricing points for market participants where bonds were available. Secondary ABS market spreads began the year on a stable footing and initially lagged slightly, but as the wider credit market compression theme filtered through, sentiment quickly changed driving a strong risk rally across securitised products. This was also helped by the supply-demand technical, driven by lowish and orderly primary issuance together with an atypical month of supply in BWIC volume of around €1bn all seeing healthy demand. Senior BTL and Non-Conforming senior bonds rallied around 75bp and there remained strong investor demand for mezzanine bonds where spreads contracted 75-125bp down the capital stack. After a challenging few months February 2023 proved to be very favourable for CLO managers looking to price primary deals. Secondary CLO spreads also saw strong performance with steady tightening throughout February. AAAs were around 30bp tighter from year end, BBBs better by around 100bp and sub-investment grade BB and B are around 125bp tighter. CLO demand remained predominantly in the senior, BBB and BB space although it's noted that there remains a wide pricing dispersion on manager tiering.

Also during February 2023 the ABS market also saw Blackstone default on a single loan Finnish office within a CMBS transaction after it failed to get bondholder approval for a maturity extension. While our Sub-funds don't have exposure to this transaction and the income from tenants is enough to service the debt and the Loan To Value ('LTV') on the mortgage is low, we will however be following the process closely. The Portfolio Managers have been cautious on CMBS for some time and after a full sector review sold various deals in the second half of last year.

An active March 2023 in primary markets quickly unravelled as the US and European banking "hiccup" struck financial markets mid-month which put paid to any further issuance until the last week of the month as spreads widened in quick order and borrowers waited to observe market developments. The ABS market bounced back reasonably quickly to the extent that BMW was able to place a £400m deal into the UK together with another Prime Auto deal in Germany, and a Green RMBS deal in Spain both placed by month end as ABS spreads, in general, retraced nearly all of their intra-month widening. On the CLO side, issuance remained fairly muted for another month with the sector now having seen just below €7bn of issuance year to date. This has led some market analysts to reduce their issuance expectations to around €20bn for the whole year. This is due to ongoing low levels of loan supply which continues to make deal-ramping a challenge, together with an unfavourable arbitrage as liability spreads on the CLO tranches remain elevated leading to unattractive returns for third party equity investors. Overall issuance volume for the first quarter of 2023 was a reasonable €20bn including CLOs.

Portfolio Commentary

The portfolio managers had a busy start to the reporting period and were active in April 2022 due to the elevated volatility in the market, and an environment of wider spreads, which continued to be the prevailing theme. The team looked to optimise positions in line with the current asset allocation target amid a healthy supply of primary bonds. On that basis, the Sub-fund made investments in the mezzanine tranches of Dutch and UK BTL deals and the BBB tranche of a Dutch Life Science CMBS deal which added some diversification. They also made several additions to existing holdings in mezzanine and sub-investment grade CLOs from preferred managers at incremental yields. The team funded these purchases by rotating from some short dated holdings and the sale of a UK Prime RMBS position. In May 2022 and as a consequence of more subdued primary markets, the portfolio managers predominantly focused on

Investment Manager's Report

continued

selectively rotating positions. In the secondary market, the managers sold a position in UK Non-Conforming BBB bonds with a very short dated Weighted Average Life ('WAL') sold at close to par at a spread of SONIA +420bp and reinvested the proceeds into a primary UK Non-Conforming BBB bond with a mid-90 cash price and a spread of SONIA +800bp. The team also rotated into existing sub-investment grade CLO positions from preferred managers in cleaner pools, such as some BB 2.6yr bonds yielding over 9% with discounted cash prices in the low 90s. The ongoing elevated levels of volatility and spread widening in June 2022 ensured primary issuance remained largely on the side lines. Rotation in secondary markets remained a challenge as liquidity was somewhat patchy, but the portfolio managers were able to add some liquidity through the sale of short-dated mezzanine positions in UK Buy To Let ('BTL') RMBS in bonds at levels close to Par.

In July 2022 ABS spreads initially widened across all asset classes as weaker market sentiment prevailed with a general risk off tone in the market. As the month progressed wider fixed income markets rallied, which finally started to permeate through into ABS and CLO pricing by month end. This presented the portfolio managers with the opportunity to add assets selectively at incremental yields. In secondary markets BB CLOs traded in the 1000 dm area, yielding around 12%. By month end the spreads on BB were around 50-75bp tighter and trading in the low 900 dm range. Despite the widening in mezzanine bond spreads quoted by trading desks, sourcing RMBS at cheaper levels proved to be challenging with product very light in terms of flow. BWIC flow and bank inventory too remained light over the course of the month. Liquidity in the market was adequate against lighter flows although bid-offer spreads remain wider. The Sub-fund saw a reasonable amount of bond maturities during August which gave the portfolio managers the opportunity to add several positions in secondary markets. This included two investments in BBB UK Non-conforming RMBS at attractive yields of between 6.45%-7.5% for fairly short duration bonds. Further BBB additions to existing positions were made in very seasoned, strongly performing granular German consumer and Spanish Auto loans also at generous cash price discounts to par. In CLOs the portfolio managers used the strong BB rally at the beginning of the month to clip some positions in that sector. Liquidity observed over the month was a little weaker given the market backdrop and, although dealer bid-offers remained wide, strong investor participation was seen on BWICs suggesting that clients were looking to invest at these attractive floating rate yields. Fundamental bond performance remained good with multiple rating upgrades seen over the quarter and no downgrades, though the portfolio managers continued to maintain high levels of due diligence on the underlying portfolio. As consumers face continued pressure, the managers prefer secured residential Mortgage Backed Securities ('MBS') whose underlying loans are likely to be prioritised by the borrower over unsecured consumer loans or credit cards which struggling borrowers are more likely to allow repayments to fall behind. The market returned to a degree of normality in the first part of September 2022, with a mixture of UK and European RMBS and consumer deals seeing good levels of client interest. However, market conditions deteriorated very rapidly in the last week of the month following the UK mini-Budget and ongoing rates volatility. Secondary markets saw their heaviest volume of securitised products since March 2020, particularly in UK senior AAA and AA assets and also in AAA CLOs linked to LDI pension fund rebalancing and redemptions. The Sub-fund made selective sales in line with redemptions and to raise some liquidity. Performance was positive leading up until the UK Government's mini budget, which caused unforeseen volatility across all markets and therefore led to negative performance for the period.

Early in the 4th quarter portfolio manager activity was driven primarily with responding to the UK LDI crisis and balancing requirements for liquidity. Market conditions became more constructive in November 2022 as the volume of BWIC selling seen in October 2022 started to taper off, in line with the perception that the LDI-driven selling was by-and-large completed. The portfolio managers faced steady redemptions but the liquidity structure of the Sub-fund helped the portfolio managers to use adequate windows of liquidity in the market during the period to fund the redemptions. Most importantly the portfolio managers focussed on selling assets throughout October 2022 and November 2022 across all sectors (including CLOs, RMBS, CMBS, Auto and consumer ABS) and across all ratings in order to maintain the positioning of the Sub-fund and sufficient liquidity despite the large redemptions. The portfolio managers did not face any liquidity issues to meet the outflow requirements in a timely manner. Despite broader market weakness in December 2022, ABS market conditions remained constructive, and with there being little or no primary issuance to engage with. Liquidity observed in ABS across Q4 remained good, first as the aforementioned surge in BWIC volumes helping the market manage October's heavy selling in an orderly fashion, and then as investors and dealers looked to add assets in preferred sectors once the crisis eased. Selling remained steady and included a CMBS position, which the portfolio managers saw to be one of the areas that could become stressed in the coming year. As markets began to recover from the LDI crisis performance improved, and the discounted paper that was picked up amidst the volatility began to provide some strong Mark To Market ('MTM') improvement, boosting performance. Despite broader market weakness in December 2022, ABS market conditions remained constructive, and secondary market spreads began to grind tighter as dealers and investors began looking to add assets in preferred sectors. Despite this the Sub-fund was still slightly down from Q3, but was entering the new year with positive momentum.

Investment Manager's Report

continued

With the constructive start to ABS markets in 2023 the Sub-fund dealt with further redemptions and the focus for the portfolio managers was achieving optimal best pricing execution across the assets by rating and sector. Strong investor and dealer demand in secondary markets enabled the Sub-fund to raise liquidity as required. Once redemptions had taken place, the Sub-fund rebalanced by adding AAA assets in line with asset allocation and performance further benefited from ongoing spread retracement during February 2023 and March 2023 as spreads retraced due to widening caused by the banking liquidity issues seen in the run up to the end of the reporting period.

Market Outlook

Floating rate ABS began 2023 well placed with a strong income component through high spreads and increased base rates with more rises expected. Performance caught up in the first two months of the year but spreads remain wider when compared with corporates and highlights for the sector are expected as follows:

- Robust deal performance across mortgages although some weakness expected in consumer pools.
- CMBS is expected to be the weakest performer, where Commercial Real Estate ('CRE') valuations are decreasing, and we expect selective loans with short maturities to face refinancing challenges. Other sectors are expected to perform well.
- Liquidity conditions have been restored after Q3 volatility and 2023 so far has seen strong and active investor participation which we expect to continue.
- Default rates and ratings are expected to outperform in ABS relative to Credit markets.
- We anticipate volatility to remain a theme through this late cycle phase and assets with stronger liquidity characteristics are preferred.
- EU ABS issuance has surprised to the upside so far in 2023, despite demand driven reductions in lending in Europe, as early year tightening of spreads has accelerated issuer plans. Bank issuance has begun to represent a larger share. This is expected to continue but predicated by the potential for disruption by wider market events.

The Sub-fund returned a negative 1.41% (Class I Income Gross with dividends reinvested) for the year.

Portfolio Statement

as at 31 March 2023

Holding	Security	Market value £	% of total net assets 2023
	Euro denominated asset backed securities 59.42% (59.89%)		
€1,000,000	Aqueduct European CLO Series 17-1X F	689,469	0.94
€1,000,000	Aqueduct European CLO Series 19-4X E	764,091	1.04
€1,500,000	Arbour CLO Series 9X E	1,070,975	1.45
€2,000,000	Aurium CLO Series 8X E	1,458,585	1.98
€2,000,000	Aurorus Series 20-1 E	1,751,726	2.38
€446,977	Autoflorence Series 1 E	386,174	0.52
€1,127,145	Autonoria Series 21-SP F	934,384	1.27
€1,500,000	Avoca CLO Series 13X ERR	1,129,073	1.53
€1,500,000	Bain Capital Euro CLO Series 17-1X E	1,088,745	1.48
€1,000,000	Bain Capital Euro CLO Series 17-1X F	650,620	0.88
€1,500,000	BNPP AM Euro CLO Series 19-1X F	1,048,231	1.42
€1,500,000	Cordatus CLO Series 8X ER	1,103,705	1.50
€2,000,000	Crosthwaite Park CLO Series 1X DR	1,454,622	1.98
€1,000,000	Domi Series 21-1 D	831,530	1.13
€487,380	Domi Series 21-1 X1	429,251	0.58
€824,208	Domi Series 22-1 X	704,424	0.96
€1,000,000	Dryden Leveraged Loan CDO Series 16-46X ER	718,847	0.98
€1,000,000	Dryden Leveraged Loan CDO Series 17-27X FR	644,246	0.88
€800,000	Dutch Property Finance Series 20-1 E	679,219	0.92
€160,000	FTA Santander Consumo Series 4 F	138,000	0.19
€1,000,000	GLG Euro CLO Series 1X FRR	624,326	0.85
€1,325,000	GLG Euro CLO Series 5X E	979,575	1.33
€1,000,000	GoldenTree Loan Management Series 1X E	703,741	0.96
€1,700,000	Halcyon Loan Advisors Series 18-1X F	1,101,910	1.50
€1,500,000	Harvest CLO Series 20X F	1,017,637	1.38
€1,000,000	Jubilee CDO Series 15-16X F	709,766	0.96
€1,384,585	Ludgate Funding Series 07-1 DB	991,027	1.35
€1,900,000	Madison Park Euro Funding Series 16X E	1,394,504	1.89
€800,000	Man GLG Euro CLO Series 3X F	522,548	0.71
€2,799,000	Miravet Series 19-1 C	2,278,066	3.09
€1,132,017	Newgate Funding Series 07-2X BB	897,643	1.22
€2,750,000	North Westerly CLO Series VII-X E	2,032,457	2.76
€2,000,000	Penta CLO Series 18-5X ER	1,481,086	2.01
€1,000,000	Purple Finance CLO Series 1X FNE	681,206	0.93
€1,931,886	RMAC Securities Series 06-NS4X B1C	1,461,710	1.98
€1,410,687	RMAC Securities Series 07-NS1X B1C	1,041,325	1.41
€2,000,000	RRE Loan Management Series 2X DR	1,480,619	2.01
€562,499	SC Germany Consumer Series 21-1 F	487,789	0.66
€1,200,228	Taurus Series 20-NL1X E	928,493	1.26
€1,500,000	Tikehau Series 3X F	1,009,119	1.37
€2,000,000	Vita Scientia Series 22-1X D	1,512,695	2.05
€144,000	VSK Series 1 C4-1	856,480	1.16
€334,000	VSK Series 2 C5	1,893,363	2.57
		43,763,003	59.42
	Pound sterling denominated asset backed securities 36.38% (37.81%)		
£3,025,000	Cardiff Automobile Receivables Series 22-1 E	2,937,950	3.99
£1,641,000	Castell Series 20-1 E	1,634,421	2.22
£999,888	Castell Series 21-1 E	924,494	1.26
£1,499,832	Castell Series 21-1 F	1,393,160	1.89
£1,000,000	Castell Series 22-1 C	995,243	1.35
£1,000,000	Castell Series 22-1 E	967,500	1.31

Portfolio Statement

continued

Holding	Security	Market value £	% of total net assets 2023
	Pound sterling denominated asset backed securities (continued)		
£2,000,000	Charles Street Conduit Series 2 C	1,857,000	2.52
£1,000,000	Equity Release Funding Series 5 B	776,794	1.06
£500,000	Equity Release Funding Series 5 C	337,023	0.46
£2,500,000	Highways Series 21-1X E	2,242,038	3.04
£152,271	Lanebrook Mortgage Series 21-1 X1	152,190	0.21
£1,500,000	Precise Mortgage Funding Series 20-1B E	1,441,768	1.96
£1,186,476	SYON Securities Series 19-1 C	1,131,328	1.54
£988,730	SYON Securities Series 19-1 D	945,799	1.28
£1,208,537	SYON Securities Series 20-1 C	1,119,701	1.52
£1,361,581	SYON Securities Series 20-2 B	1,342,696	1.82
£1,000,000	Together Asset Backed Securities Series 22-2ND1 F	937,307	1.27
£1,500,000	Together Series 21-CRE2 D	1,369,950	1.86
£933,319	Tower Bridge Funding Series 22-1X X	930,175	1.26
£122,833	Twin Bridges Series 21-2 X1	122,074	0.17
£589,563	Twin Bridges Series 22-1 X1	582,646	0.79
£1,337,216	Uropa Securities Series 07-1 B1A	1,167,907	1.59
£1,671,520	Uropa Securities Series 07-1 B2A	1,483,962	2.01
		26,793,126	36.38
	DERIVATIVES -0.45% (-0.84%)		
	Forward currency contracts -0.45% (-0.84%)^		
	Bought €560,292 Sold £490,426 (21.04.23)	3,069	0.00
	Sold €52,395,354 Bought £45,816,411 (21.04.23)	(332,448)	(0.45)
		(329,379)	(0.45)
	Investment assets	**70,226,750**	**95.35**
	Net other assets	**3,423,222**	**4.65**
	Net assets	**73,649,972**	**100.00**

All investments are ordinary shares or stock units on a regulated securities market unless otherwise stated. The percentages in brackets show the equivalent % holdings as at 31.03.22.

^At the balance sheet date, all forward currency contracts were executed with one counterparty, Northern Trust Investor Services Limited ('NTISL') for the purpose of Effective Portfolio Management. Collateral obligations on losses or gains for each transaction would be met using cash held by the Custodian.

Analysis of bonds by credit rating^	Market value £	% of total net assets 2023
Investment grade (BBB- and above)	21,800,182	29.60
Non Investment grade (BB+ and below)	44,510,359	60.44
Unrated bonds	4,245,588	5.76
	70,556,129	95.80

^Source: NTISL

Comparative Tables

Change in net assets per share

I Income Gross	31.03.23 £	31.03.22 £	31.03.21 £
Opening net asset value per share	0.9773	0.9954	0.8319
Return before operating charges^	-0.0136	0.0361	0.2198
Operating charges	-0.0067	-0.0070	-0.0069
Return after operating charges^	-0.0203	0.0291	0.2129
Distributions	-0.0730	-0.0472	-0.0494
Closing net asset value per share	**0.8840**	**0.9773**	**0.9954**
^After direct transaction costs of	0.0000	0.0000	0.0000
Performance			
Return after charges	-2.08%	2.92%	25.59%
Other information			
Closing net asset value	73,649,972	117,248,230	104,645,723
Closing number of shares	83,313,756	119,974,041	105,134,331
Operating charges	0.73%	0.69%	0.72%
Direct transaction costs	0.00%	0.00%	0.00%
Prices			
Highest share price	0.9859	1.0199	1.0116
Lowest share price	0.8595	0.9813	0.8243

Operating charges include indirect costs incurred in the maintenance and running of the Sub-fund, as disclosed (but not limited to) the detailed expenses within the Statement of Total Return. The figures used within this table have been calculated against the average Net Asset Value for the accounting year.

The return after charges is calculated as the closing Net Asset Value per share plus the distributions on income shares minus the opening Net Asset Value per share as a % of the opening Net Asset Value per share. The basis of valuation of investments used to calculate Net Asset Value per share is described in notes to the Financial Statements 1h) and complies with requirements of the current Statement of Recommended Practice for UK Authorised Funds. This differs from the basis used to calculate daily published single prices, in which listed investments are valued at 18:00 mid prices.

Direct transaction costs include fees, commissions, transfer taxes and duties in the purchasing and selling of investments, which are offset (where applicable) against any dilution levies charged within the accounting year. The figures used within the table have been calculated against the average Net Asset Value for the accounting year.

Risk and Reward Profile

The risk and reward indicator table demonstrates where the Sub-fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the future risk profile of the Sub-fund. The shaded area in the table below shows the Sub-fund's ranking on the risk and reward indicator.

Typically lower rewards, lower risk ← → **Typically higher rewards, higher risk**

1	2	3	**4**	5	6	7

The Sub-fund is ranked at 4 because funds of this type have experienced low to medium rises and falls in value in the past. Please note that even the lowest risk class can lose you money and that extreme market circumstances can mean you suffer severe losses in all cases. The indicator does not take into account the following risks of investing in this Sub-fund:

- Investing overseas can bring additional returns and spread risk to different markets. There are risks, however, that changes in currency exchange rates may cause the value of your investment to decrease and increase.
- There is no guarantee that an asset which provides the security for a bond will maintain its value.
- Derivatives can be used to help reduce risk but may not be fully successful. Derivatives can also reduce gains you may otherwise have made.
- Currency risk reduction techniques can have an effect on the value of your investment and on the performance of the share class.
- Bond values are affected by changes in interest rates, inflation and any decline in creditworthiness of the bond issuer. Bonds that produce a higher level of income usually also carry greater risk as such bond issuers may not be able to pay the bond income as promised or could fail to repay the capital amount used to purchase the bond.
- There may be cases where the organisation from which we buy a bond fails to carry out its obligations, which could cause losses to the Sub-fund.
- The Sub-fund will choose bonds based on their risk and attractiveness of their income. This could include lower rated bonds that are higher risk but typically pay a higher income. The potential for capital growth may also be a material factor in their selection.
- The Sub-fund invests in assets that are not always readily saleable without suffering a discount to fair value. The portfolio may have to lower the selling price, sell other investments or forego another, more appealing investment opportunity.
- In difficult market conditions, the Sub-fund may not be able to sell an investment for its full value or at all. This could affect performance and, in extreme conditions, could cause the Sub-fund to defer or suspend requests from investors to sell shares.
- For further risk information please see the Prospectus.

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 revenue from them can 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 are subject to fluctuation in exchange rates, which can be favourable or unfavourable.

Statement of Total Return

for the year ended 31 March 2023

	Note	31.03.23 £	31.03.23 £	31.03.22 £	31.03.22 £
Income					
Net capital losses	2		(9,968,043)		(1,538,432)
Revenue	3	7,593,309		6,072,865	
Expenses	4	(695,376)		(885,644)	
Interest payable and similar charges	4	(2,413)		(14)	
Net revenue before taxation		6,895,520		5,187,207	
Taxation	5	–		–	
Net revenue after taxation			6,895,520		5,187,207
Total return before distributions			**(3,072,523)**		**3,648,775**
Distributions	6		(7,518,778)		(5,994,410)
Change in net assets attributable to Shareholders from investment activities			**(10,591,301)**		**(2,345,635)**

Statement of Change in Net Assets Attributable to Shareholders

for the year ended 31 March 2023

	31.03.23 £	31.03.23 £	31.03.22 £	31.03.22 £
Opening net assets attributable to Shareholders		**117,248,230**		**104,645,723**
Amounts receivable on issue of shares	4,597,384		35,528,415	
Less: Amounts payable on cancellation of shares	(37,604,341)		(20,580,273)	
		(33,006,957)		14,948,142
Change in net assets attributable to Shareholders from investment activities (see Statement of Total Return above)		(10,591,301)		(2,345,635)
Closing net assets attributable to Shareholders		**73,649,972**		**117,248,230**

The notes on pages 44 to 49 form an integral part of these Financial Statements.

Balance Sheet

as at 31 March 2023

	Note	31.03.23 £	31.03.23 £	31.03.22 £	31.03.22 £
ASSETS					
Fixed Assets					
Investments			**70,559,198**		**114,570,809**
Current Assets					
Debtors	7	701,344		647,571	
Cash and bank balances	9	38,711,432		30,760,143	
Total current assets			**39,412,776**		**31,407,714**
Total assets			**109,971,974**		**145,978,523**
LIABILITIES					
Investment liabilities			**(332,448)**		**(1,001,476)**
Creditors					
Bank overdrafts	9	(34,019,078)		(26,088,319)	
Distribution payable		(1,900,553)		(1,541,426)	
Other creditors	8	(69,923)		(99,072)	
Total creditors			**(35,989,554)**		**(27,728,817)**
Total liabilities			**(36,322,002)**		**(28,730,293)**
Net assets attributable to Shareholders			**73,649,972**		**117,248,230**

The notes on pages 44 to 49 form an integral part of these Financial Statements.

Notes to the Financial Statements

for the year ended 31 March 2023

1. Accounting Policies

The Sub-fund's Financial Statements have been prepared on the same basis as the Accounting Policies stated on pages 7 to 8.

2. Net Capital Losses	31.03.23 £	31.03.22 £
Non-derivative securities	(7,976,405)	(3,322,426)
Currency losses	(1,503,992)	(194,903)
Forward foreign exchange contracts (losses)/gains	(477,297)	1,980,747
Transaction charges	(10,349)	(1,850)
Net capital losses	**(9,968,043)**	**(1,538,432)**

3. Revenue	31.03.23 £	31.03.22 £
Interest on debt securities	7,540,248	6,079,957
Bank interest	53,061	(7,092)
Total revenue	**7,593,309**	**6,072,865**

4. Expenses	31.03.23 £	31.03.22 £
Payable to the Authorised Corporate Director ('ACD'), associates of the ACD and agents of either of them:		
ACD's fee	124,409	153,567
Registration fees	13,000	13,000
	137,409	166,567
Payable to the Investment Manager, associates of the Investment Manager and agents of either of them:		
Investment Manager's fee	485,837	640,653
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fee (including VAT)	23,556	29,124
Safe custody and other bank charges	7,182	9,741
	30,738	38,865
Auditor's remuneration*:		
Audit fee	18,540	19,106
Tax compliance services	2,163	–
	20,703	19,106

Notes to the Financial Statements

continued

4. Expenses (continued)	31.03.23 £	31.03.22 £
Other expenses:		
External pricing service fees	15,503	17,314
Legal fees	3,300	975
Printing costs	1,886	2,164
	20,689	20,453
Expenses	**695,376**	**885,644**
Interest payable and similar charges	(2,413)	14
Total	**692,963**	**885,658**

*Included within the auditor's remuneration is irrecoverable VAT of £3,451 (2022: £3,184).

5. Taxation	31.03.23 £	31.03.22 £
(a) Analysis of charge in the year:		
Total tax charge (note 5b)	**–**	**–**

	31.03.23 £	31.03.22 £
(b) Factors affecting taxation charge for the year:		
Net revenue before taxation	6,895,520	5,187,207
Corporation tax at 20%	1,379,104	1,037,441
Effects of:		
Interest distributions	(1,379,104)	(1,037,441)
Total tax charge (note 5a)	**–**	**–**

(c) Deferred tax

There was no liability to deferred tax at the balance sheet date (2022: nil).

6. Distributions

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

		31.03.23 £	31.03.22 £
First interim distribution	30.06.22	1,526,363	1,390,627
Second interim distribution	30.09.22	1,682,706	1,565,423
Third interim distribution	31.12.22	2,067,343	1,504,806
Final distribution	31.03.23	1,900,553	1,541,426
		7,176,965	6,002,282
Revenue deducted on cancellation of shares		372,760	145,389
Revenue received on issue of shares		(30,947)	(153,261)
Distributions		**7,518,778**	**5,994,410**

Notes to the Financial Statements

continued

6. Distributions (continued)

	31.03.23 £	31.03.22 £
Reconciliation of net revenue after taxation to net distributions:		
Net revenue after taxation per Statement of Total Return	6,895,520	5,187,207
Expenses allocated to capital	623,246	807,220
Undistributed revenue brought forward	33	16
Undistributed revenue carried forward	(21)	(33)
Distributions	**7,518,778**	**5,994,410**

7. Debtors

	31.03.23 £	31.03.22 £
Amounts receivable on issues	8,411	–
Accrued income:		
Interest on debt securities	692,830	646,407
Suspended paydown	–	1,058
Prepaid expenses:		
Legal fees	103	106
Total debtors	**701,344**	**647,571**

8. Other Creditors

	31.03.23 £	31.03.22 £
Accrued expenses:		
Amounts payable to the Authorised Corporate Director ('ACD'), associates of the ACD and agents of either of them:		
ACD's fee	8,169	12,328
Registration fees	1,104	1,104
	9,273	13,432
Amounts payable to the Investment Manager, associates of the Investment Manager and agents of either of them:		
Investment Manager's fee	32,364	50,293
Amounts payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fee (including VAT)	1,599	9,540
Safe custody and other bank charges	556	3,208
	2,155	12,748
Auditor's remuneration*:		
Audit fee	18,540	17,584
Tax compliance services	2,163	–
	20,703	17,584

Notes to the Financial Statements
continued

8. Other Creditors (continued)	31.03.23 £	31.03.22 £
Other accrued expenses:		
Printing costs	1,328	1,086
External pricing service fees	4,100	3,929
	5,428	5,015
Total other creditors	**69,923**	**99,072**

*Included within the auditor's remuneration is irrecoverable VAT of £3,451 (2022: £2,931).

9. Cash and Bank Balances	31.03.23 £	31.03.22 £
Cash and bank balances	38,711,432	30,760,143
Overdraft positions	(34,019,078)	(26,088,319)
Cash and bank balances	**4,692,354**	**4,671,824**

10. Related Party Transactions
Apex Fundrock Limited ('AFL') is regarded as a related party by virtue of having the ability to act in respect of the operations of the Sub-fund in its capacity as the Authorised Corporate Director ('ACD').

ACD and other fees payable to AFL are disclosed in note 4 and amounts due at the year end are shown in note 8.

Fees payable to TwentyFour Asset Management LLP (the 'Investment Manager') are disclosed in note 4 and amounts due at the year end are shown in note 8.

Amounts receivable on issue and payable on cancellation of shares and dilution levy are disclosed in the Statement of Change in Net Assets Attributable to Shareholders and in note 6, amounts due at the year end are shown in notes 7 and 8.

At the year end the Sub-fund did not hold shares in any of the other Sub-funds within the MI TwentyFour Investment Funds.

11. Contingent Liabilities and Outstanding Commitments
There were no contingent liabilities or outstanding commitments at the balance sheet date (2022: none).

12. Risk Management Policies and Disclosures
The main risks arising from financial instruments and the ACD's policies for managing these risks are disclosed on pages 9 to 11.

Numerical disclosures relating to the Sub-fund are as follows:

Disclosure of VaR limit
The table below details the Sub-fund's lowest, highest and average VaR, as well as utilisation of VaR calculated during the year:

	31.03.23 % of VaR	Utilisation of VaR(*) 20%	31.03.22 % of VaR	Utilisation of VaR(*) 20%
VaR at year end:	2.95	14.73	3.34	16.70
Minimum VaR:	0.25	1.27	6.74	33.71
Maximum VaR:	49.93	249.65	13.15	65.77
Average VaR:	3.55	17.75	9.91	49.57

*The VaR on the Sub-fund has been divided by its maximum limit.

Notes to the Financial Statements

continued

13. Portfolio Transaction Costs

31.03.23

Analysis of purchases	Total purchase cost £	£	Commissions paid %	£	Taxes %	Purchases before transaction cost £
Debt instruments	2,020,294	–	0.00	–	0.00	2,020,294
Total purchases after commissions and tax	**2,020,294**					

Analysis of sales	Net sale proceeds £	£	Commissions paid %	£	Taxes %	Sales before transaction cost £
Debt instruments	35,421,912	–	0.00	–	0.00	35,421,912
Total sales after commissions and tax	**35,421,912**					

Commission as a % of average net assets	0.00%
Taxes as a % of the average net assets	0.00%

31.03.22

Analysis of purchases	Total purchase cost £	£	Commissions paid %	£	Taxes %	Purchases before transaction cost £
Debt instruments	71,135,574	–	0.00	–	0.00	71,135,574
Total purchases after commissions and tax	**71,135,574**					

Analysis of sales	Net sale proceeds £	£	Commissions paid %	£	Taxes %	Sales before transaction cost £
Debt instruments	49,753,284	–	0.00	–	0.00	49,753,284
Total sales after commissions and tax	**49,753,284**					

Commission as a % of average net assets	0.00%
Taxes as a % of the average net assets	0.00%

Commissions and taxes as a % of the average net assets form part of the direct transaction costs stated within the comparative table on page 40. The direct transaction costs within the comparative tables may differ due to the effect of dilution levies charged (where applicable).

14. Portfolio Dealing Spread

The average portfolio dealing spread at 31 March 2023 is 1.69% (2022: 0.73%).

15. Post Balance Sheet Events

There were no notifiable events post the year end balance sheet date.

Notes to the Financial Statements
continued

16. Fair Value Disclosure

Valuation technique	31.03.23		31.03.22	
	Assets £	Liabilities £	Assets £	Liabilities £
Level 1^	–	–	–	–
Level 2^^	65,952,355	(332,448)	109,462,127	(1,001,476)
Level 3^^^	*4,606,843	–	*5,108,682	–
	70,559,198	**(332,448)**	**114,570,809**	**(1,001,476)**

*Securities in Level 3 consist of VSK Series 1 C4-1, VSK Series 2 C5 and Charles Street Conduit Series 2 C which are valued by Prytania, Prytania and Natwest consecutively at the appointed valuation. Considering the sensitivities of each security, if the valuation was to move by 10% then this would not have a material impact on the Sub-fund. Level 3 securities utilise a valuation technique which is to reflect market conditions. Price quotes for similar securities and other relevant information are obtained.

^Level 1: Unadjusted quoted price in an active market for an identical instrument.

^^Level 2: Valuation techniques using observable inputs other than quoted prices within level 1.

^^^Level 3: Valuation techniques using unobservable inputs.

A reconciliation of fair value measurements in Level 3 is set out in the following table:

	31.03.23	31.03.22
Opening Balance	5,108,682	4,293,181
Purchases	–	2,000,000
Corporate actions	–	–
Sales	–	(1,000,000)
Total gains or losses included in the net capital gains/(losses) in the Statement of Total Return:		
- on assets sold	–	5,900
- on assets held at year end	(501,839)	(190,399)
Closing Balance	**4,606,843**	**5,108,682**

17. Shares in Issue

	I Income Gross
Opening number of shares	119,974,041
Shares issued	4,835,935
Shares cancelled	(41,496,220)
Closing number of shares	**83,313,756**

Distribution Tables

for the year ended 31 March 2023

Income share distribution

Share class	Distribution	Shares	Net revenue p	Equalisation p	Distribution paid/payable 2023 p	Distribution paid 2022 p
I Gross	First interim	Group 1	1.3346	–	1.3346	1.0432
		Group 2	0.9418	0.3928	1.3346	1.0432
	Second interim	Group 1	1.5943	–	1.5943	1.2201
		Group 2	0.1987	1.3956	1.5943	1.2201
	Third interim	Group 1	2.0941	–	2.0941	1.1738
		Group 2	0.7541	1.3400	2.0941	1.1738
	Final	Group 1	2.2812	–	2.2812	1.2848
		Group 2	1.7310	0.5502	2.2812	1.2848

First interim period: 01.04.22 - 30.06.22
Second interim period: 01.07.22 - 30.09.22
Third interim period: 01.10.22 - 31.12.22
Final period: 01.01.23 - 31.03.23

Group 1: Shares purchased prior to a distribution period
Group 2: Shares purchased during a distribution period

Equalisation

Equalisation applies only to shares purchased during the distribution period (Group 2 shares). It represents 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.

Investment Objective and Policy

Investment objective

The Sub-fund aims to exceed the return of the iBoxx GBP Corporate Bond Index over a rolling 3 year period based on a combination of income and capital growth.

Investment policy

The Sub-fund will seek to achieve its investment objective by investing primarily in Investment Grade Sterling denominated corporate bonds, or bonds denominated in currencies other than Sterling but hedged to Sterling. Interest rate risk (duration) will be restricted to being within 2 years +/- versus the benchmark duration. Sector limits to be applied are that the total weight of 'Banking' sector exposures cannot be greater than 10% above the benchmark weight, and similarly the total exposure to 'Financials' cannot be greater than 10% above the benchmark weight.

The Sub-fund may also invest a portion of its portfolio (which will not exceed 20% of the Net Asset Value of the Sub-fund) in high yield issues where, in the Investment Manager's opinion, the risk of investing in such issues is appropriate when balanced against the possible return. Such investments other than Investment Grade Bonds may include asset-backed securities, where the securities will be backed by the assets of institutions and issuers such as but not limited to residential mortgages, commercial mortgages, automobile leases and loans, Small and Medium Enterprises ('SME') loans and other secured bonds. A portion of the portfolio may from time to time be held in cash or cash equivalents, such as treasury bills and government bonds, in order to help manage the liquidity.

Investment in government bonds will be restricted to a maximum of 20% of the Net Asset Value of the Sub-fund.

Investments will be selected based on: (1) their ability to assist the Sub-fund in meeting the investment objective and policy; (2) the Investment Manager's analysis of their potential to provide the Sub-fund with income and/or capital growth which is based on the Investment Manager's research of the market and resulting expectations as to how investments may perform; and (3) their ability to contribute towards the investment objective of providing a return exceeding the benchmark return through either an investment's expected growth in capital value or its expected returns in terms of income generated for the Sub-fund by holding such an investment.

The Sub-fund may invest in fixed or floating rate bonds which may be rated or unrated, but unrated exposures are limited to 10% of the Net Asset Value of the Sub-fund.

Up to 10% of the Net Asset Value of the Sub-fund may be invested in unlisted securities.

The Sub-fund may enter into derivative transactions for the purpose of Efficient Portfolio Management.

The Core Corporate Bond Fund will not invest in any Collective Investment Schemes with the exception of Money Market Funds (MMFs) which do not adversely alter the risk profile of the Sub-fund.

The Investment Manager has overall responsibility for the investment policy and authority to select service providers pursuant to the Investment Management Agreement entered into with the Authorised Corporate Director ('ACD').

Investment Manager's Report

for the year ended 31 March 2023

The last 12 months have been extremely tough for fixed income investors. Events combined to hit bond prices on all fronts, even involving the breakdown in normally protective correlations. As inflation accelerated, throwing the transitory narrative to the wind, the markets realised that macro-economic conditions were deteriorating just as central bankers could no longer be relied upon to bail them out. While markets calmed in late 2022 and entered 2023 with a sharp recovery, bonds continue to be rocked by volatility and investor confidence is skittish.

Market Commentary

The period started with inflation continuing to drive market volatility – both in rates and credit, alongside Russia's invasion of Ukraine adding to uncertainty globally. Central Banks shifted to hawkishness as they accepted the need to fight inflation which led to a marked rise in government bond yields globally. The rise was not one-way however, with various sharp-pull backs adding to stormy markets. Meanwhile credit spreads widened as investors came to realise that monetary tightening combined with a squeezed consumer would likely result in a recession.

Investment Manager's Report

continued

Governments, having been used to stable markets and supportive central banks, are unused to market imposed discipline but this quickly changed with the UK's tumultuous mini-budget in September. Unfunded tax cuts led to fear of additional inflationary and gilt supply pressure. A sharp sell-off in both sterling and gilts followed, which was made worse by collateral calls for UK pension funds running Liability Driven Investment ('LDI') strategies. After gilt yields spiked by 140 basis points ('bp') in three days, the Bank of England ('BoE') intervened to calm markets by announcing a short term operation to buy those with a duration over 20 years. The UK government softened and then reversed its plans before Liz Truss was replaced by Rishi Sunak as Prime Minister in October 2022.

The final quarter of 2022 was firmer for risk assets as more tail risks were removed from investors set of worries. These positive developments continued through November. Firstly Consumer Price Inflation ('CPI') data in the US appeared to confirm that inflation had peaked. The potential for an energy crisis in Europe fell away on milder weather projections, a release of hoarded supplies and falling commodity prices. Lastly, China rolled-back its COVID-Zero policy, helping global supply chains. In December, credit spreads benefited from a reopening of primary markets, proving issuers have access to additional capital and thus reducing insolvency concerns.

Fixed income rallied sharply in January 2023 as the market began to believe a soft-landing was possible, e.g. the taming of inflation without a recession. Central banks appeared to be close to having taken base rates to their peak and the market began to price in rate cuts later in the year. But this euphoria was tempered in February as a number of worrying data prints forced the market to reappraise the view that inflation was soon to be conquered. The subsequent repricing of government bond curves resulted in front end credit positions falling and risk assets giving back some of January's gains.

March 2023 witnessed an ominous end to the period with questions about the health of the banking system, depositor flight and bank failures. This crisis was put in motion by a run on Silicon Valley Bank ('SVB'), a US bank favoured by tech start-ups which had mismatched the duration of its assets and liabilities. As start-ups, starved of new funding, were forced to draw down on their deposits over 2022; SVB had to liquidate more and more assets at a loss. When depositors became aware of the situation, the outflows accelerated rapidly – social media is an accelerant to the dynamics of a bank run – and the Federal Reserve chose to wind-up the bank but made whole all depositors. Despite this, depositors and investors moved to a 2008 playbook of shunning any financial institution with perceived risks. This contagion resulted in enough deposit flight from Credit Suisse that the Swiss regulator, FINMA, forced it into a merger with Union Bank of Switzerland ('UBS'). Crucially, while depositors were again made-whole, AT1 bonds were wiped out. The entire AT1 bond market suffered an aggressive sell-off until the European Central Bank ('ECB') and BoE distanced themselves from FINMA's approach. While bank bonds have recovered some of their losses, they continue to trade at a discount and market confidence remains uncertain.

Portfolio Commentary

The 12-month performance was negative on an absolute basis but flat on a relative basis with the Sub-fund returning -10.50%, against the iBoxx Sterling Corporates benchmark performance of -10.55% (Class A Income Gross).

However considerable intra-year volatility was seen between the Sub-fund and its benchmark, being both ahead and behind at various points during the period – not helped by government U-turns, LDI crises, the highest inflation in 40 years and bank runs. Given the degree of fear priced into bond markets over the last 12 months, the Prime Minister does not expect the next year to see anywhere near that level of volatility in absolute or relative terms – however we cannot be complacent about forthcoming global recession risks, as noted later.

Overall being underweight duration benefited the Sub-fund while its overweight to credit risk detracted from performance. Our duration underweight added to relative performance most through the first 6 months but some of these gains were given back as rate markets rallied in the second half. The Sub-fund's credit positioning would have benefited from a lower beta stance over the year, despite the Sub-fund's lower credit spread duration. Looking at more detailed attribution, the sectors which cost the most relative performance where those where beta was highest and extension risk played a role (the potential for issuers not to redeem a callable bond at its first call date). Investors faith in calls in the corporate hybrid sector, -10.65% return and -1.67% contribution, was tested for the first time in 2022 and this resulted in significant falls in the value of some bonds, in particular those issued by European real-estate issuers. Our overweight to insurance, -9.19% contributing -1.97%, also cost relative performance as extension worries weighed. Similarly banks hurt performance, -5.61%, contributing -1.15%.

Following March's crisis of confidence in the banking sector and temporary loss of faith in AT1 bonds (the Sub-fund's two holdings Coventry and Nationwide Building Society AT1s fell 4.5% contributing -0.11% at the Sub-fund level), the managers have reviewed where the Sub-fund takes financial risk. The managers are comfortable with the strength of those issuers held both in terms of capitalisation, asset quality and market access. However the Sub-fund has rotated out of banking names with more significant commercial real-estate holdings ('CRE'). The CRE market looks particularly vulnerable to a downturn so we have exited from holdings such as Svenka Handlesbanken (42% CRE assets).

Investment Manager's Report
continued

Market Outlook and Strategy
The end of extremely cheap money and expanding central bank balance sheets, coupled with geopolitical and economic risk, and now significant questions over bank credit quality (especially for smaller US banks), mean that volatility is likely to remain in risk assets for some time yet.

As such, we believe the combination of lower than benchmark duration and higher average yield, with high average credit quality, is the best way to address the likely volatility in the broader market we expect over the next few months, whilst still producing a solid income. This stance is designed to maximise the breakeven yield as much as possible within the constraints of the Sub-fund, meaning with a yield of 6.24% and a duration of 5.69yrs, the breakeven yield is around +110bp which provides more protection against rising yields than the benchmark.

Given March's volatility, the yield on the Sub-fund is now 6.24% (compared to the benchmark yield of 5.54%), and although that is slightly lower than during the market lows seen in September 2022, it remains higher than previously in 2023. Of course, market wide risks also remain higher now in 2023 than before, and as such the PM believes a continued lower beta stance than normal remains prudent, where both our interest rate and credit spread duration remain lower than the benchmark by around -0.9Yrs, with around 13.5% in our liquidity bucket of government bonds, supranationals and cash, also being higher than normal. Over the next few months as we await further clarification on the likely tightening of monetary conditions from stricter lending standards in the banking sector, the PM believes there will opportunities to add beta – but right now is not the time to add significant portfolio risk.

The Sub-fund return a negative 10.54% (Class A Income Gross with dividends reinvested) for the year.

Portfolio Statement

as at 31 March 2023

Holding	Security	Market value £	% of total net assets 2023
	Euro denominated corporate debt securities 7.16% (9.14%)		
€1,100,000	ASR Nederland 4.625% Variable Perpetual	780,228	0.50
€530,000	ASR Nederland 7% 07.12.43	482,469	0.31
€1,300,000	Energias de Portugal 1.5% 14.03.82	960,086	0.62
€2,550,000	Heimstaden Bostad 2.625% Variable Perpetual	1,155,775	0.74
€2,000,000	Orange 1.75% Variable Perpetual	1,466,825	0.94
€2,200,000	Sagax Euro MTN 0.75% 26.01.28	1,417,253	0.91
€1,715,000	Southern 1.875% 15.09.81	1,188,991	0.77
€2,200,000	SSE 4% Variable Perpetual	1,748,536	1.13
€2,440,000	Vodafone 2.625% 27.08.80	1,931,991	1.24
		11,132,154	7.16
	Pound sterling denominated corporate debt securities 75.43% (72.22%)		
£1,305,000	American Movil 5.75% 28.06.30	1,351,687	0.87
£2,040,000	Arqiva Financing 5.34% 30.06.30	1,949,203	1.25
£1,150,000	AT & T 5.5% 15.03.27	1,158,013	0.75
£1,400,000	Australian Pipeline 3.5% 22.03.30	1,217,218	0.78
£1,820,000	Aviva 4% Variable 03.06.55	1,417,846	0.91
£1,000,000	Aviva 6.875% Variable Perpetual	860,000	0.55
£2,000,000	Axa 5.453% Variable Perpetual	1,960,462	1.26
£845,000	Barclays 3.75% Variable 22.11.30	770,554	0.50
£1,500,000	Barclays 8.40% 14.11.32	1,551,101	1.00
£2,400,000	BNP Paribas 2% 24.05.31	2,067,575	1.33
£1,700,000	BP Capital Markets 4.25% Variable Perpetual	1,523,184	0.98
£2,460,000	Bunzl Finance 1.5% 30.10.30	1,882,905	1.21
£950,000	Bupa Finance 4% Variable Perpetual	613,863	0.40
£2,500,000	Bupa Finance 4.125% 14.06.35	1,973,180	1.27
£2,420,000	Cadent Gas 2.625% 22.09.38	1,659,719	1.07
£550,000	Cadent Gas 5.75% 14.03.34	558,900	0.36
£1,550,000	Centrica 5.25% Variable 10.04.75	1,472,500	0.95
£1,970,000	Chesnara 4.75% 04.08.32	1,431,854	0.92
£1,870,000	Close Brothers 2% Variable 11.09.31	1,561,951	1.01
£1,600,000	Coventry Building Society 6.875% Variable Perpetual	1,448,480	0.93
£1,560,000	CPUK Finance 3.588% 28.08.25	1,474,117	0.95
£645,000	CPUK Finance 3.69% 28.08.28	574,049	0.37
£900,000	Credit Agricole 1.874% Variable 09.12.31	752,146	0.48
£800,000	Credit Agricole 4.875% Variable 23.10.29	788,887	0.51
£2,430,000	Digital Stout Holding 3.75% 17.10.30	2,098,260	1.35
£2,000,000	Direct Line Insurance 4% 05.06.32	1,536,615	0.99
£1,050,000	Direct Line Insurance 4.75% Variable Perpetual	756,000	0.49
£1,400,000	DT 8.875% 27.11.28	1,670,887	1.08
£1,750,000	Eastern Power Networks 1.875% 01.06.35	1,255,488	0.81
£1,501,409	Eversholt Funding 2.742% 30.06.40	1,212,019	0.78
£2,325,000	Experian Finance 3.25% 07.04.32	2,064,639	1.33
£3,125,000	Fidelity National Information Services 2.25% 03.12.29	2,607,194	1.68
£1,100,000	Grainger 3.375% 24.04.28	940,575	0.61
£1,710,000	GSK Consumer Healthcare 2.875% 29.10.28	1,552,074	1.00
£825,000	Hiscox 6.125% Variable 24.11.45	797,115	0.51
£1,700,000	HSBC 8.201% 16.11.34	1,786,411	1.15
£1,400,000	ING Groep 5% 30.08.26	1,377,906	0.89
£1,200,000	ING Groep 6.25% 20.05.33	1,177,614	0.76
£1,100,000	Investec Bank 1.875% 16.07.28	894,731	0.58
£610,000	Investec Bank 9.125% 06.03.33	608,570	0.39

Portfolio Statement
continued

Holding	Security	Market value £	% of total net assets 2023
	Pound sterling denominated corporate debt securities (continued)		
£900,000	Leeds Building Society 1.5% Variable 16.03.27	791,222	0.51
£1,695,000	Leeds Building Society 3.75% 25.04.29	1,494,891	0.96
£2,500,000	Legal & General 3.75% 26.11.49	2,100,958	1.35
£2,012,000	Lloyds Banking 2.707% 03.12.35	1,555,522	1.00
£1,200,000	Lloyds Banking 6.625% 02.06.33	1,201,494	0.77
£1,220,000	M&G 5.625% 20.10.51	1,109,594	0.71
£910,000	Met Life Global Funding 4.125% 02.09.25	890,665	0.57
£1,050,000	Mizuho International 5.628% 13.06.28	1,058,466	0.68
£1,100,000	Morgan Stanley 5.789% 18.11.33	1,120,878	0.72
£1,860,000	National Australia 1.699% 15.09.31	1,553,991	1.00
£1,531,000	National Express 4.25% Variable Perpetual	1,357,784	0.87
£860,000	Nationwide Building Society 6.178% 07.12.27	871,955	0.56
£1,925,000	Nationwide Building Society Variable Perpetual	1,749,344	1.13
£2,400,000	Natwest 3.622% Variable 14.08.30	2,227,166	1.43
£870,000	Natwest 7.416% Variable 06.06.33	876,398	0.56
£1,515,000	NGG Finance 5.625% 18.06.73	1,467,193	0.94
£1,200,000	NIE Finance 5.875% 01.09.32	1,266,105	0.81
£900,000	NN 4.625% 13.01.48	755,674	0.49
£960,000	Nordea Bank ABP 1.625% 09.12.32	777,979	0.50
£1,227,000	Orsted 4.875% 12.01.32	1,212,271	0.78
£1,800,000	Orsted 5.25% 08.12.22	1,562,218	1.01
£950,000	Paragon Banking 4.375% Variable 25.09.31	838,273	0.54
£738,000	Paragon Banking 6% 28.08.24	733,298	0.47
£1,900,000	Pension Insurance 4.625% 07.05.31	1,591,791	1.02
£1,000,000	Pension Insurance 7.375% Variable Perpetual	875,664	0.56
£2,225,000	Phoenix 5.625% 28.04.31	2,012,391	1.30
£1,300,000	Porterbrook Rail Finance 7.125% 20.10.26	1,380,835	0.89
£1,200,000	Prologis International Funding II 2.75% 22.02.32 EMTN	993,984	0.64
£915,000	RL Finance 6.125% 13.11.28	889,762	0.57
£1,445,000	Rothesay Life 3.375% 12.07.26	1,321,713	0.85
£1,400,000	Rothesay Life 8% 30.10.25	1,434,777	0.92
£1,200,000	Rothesay Life Variable 17.09.29	1,171,679	0.75
£2,800,000	Sage 1.625% 25.02.31	2,172,397	1.40
£900,000	Santander Bank 4.75% 30.08.28	872,925	0.56
£1,900,000	Severn Trent Water 2.625% 22.02.33 EMTN	1,520,650	0.98
£850,000	Severn Trent Water 4.625% 30.11.34	802,987	0.52
£1,200,000	Siemens Energy Finance 4.25% 05.04.29	1,056,741	0.68
£1,850,000	Skipton Building Society 2% Variable 02.10.26	1,669,757	1.07
£1,250,000	Swedbank 7.272% 15.11.32	1,280,345	0.82
£1,309,541	Telereal Secured Finance 4.01% 10.12.31	1,209,106	0.78
£1,400,000	Telefonica Emisiones 5.445% 08.10.29	1,420,525	0.92
£1,350,000	Tesco 2.75% 27.04.30	1,147,162	0.74
£1,000,000	Tesco Corporate Treasury Services 5.5% 27.02.35	983,742	0.63
£465,000	Travis Perkins 3.75% 17.02.26	418,798	0.27
£1,480,000	Verizon Communications 1.125% 03.11.28	1,208,035	0.78
£2,850,000	Virgin Money 5.125% Variable 11.12.30	2,640,437	1.70
£1,925,000	Western Power Distribution 3.5% 16.10.26	1,813,716	1.17
£2,775,000	Yorkshire Building Society 3.375% 13.09.28	2,386,578	1.54
		117,205,328	75.43

Portfolio Statement

continued

Holding	Security	Market value £	% of total net assets 2023
	Pound sterling denominated government debt securities 12.68% (12.83%)		
£7,000,000	UK Treasury 1.5% 22.07.47	4,406,174	2.84
£6,250,000	UK Treasury 1.75% 07.09.37	4,861,163	3.13
£3,000,000	UK Treasury 4.25% 07.06.32	3,203,289	2.06
£6,800,000	UK Treasury 4.25% 07.03.36	7,223,334	4.65
		19,693,960	12.68
	United States dollar denominated corporate debt securities 2.88% (4.26%)		
$1,400,000	Allianz 3.5% Variable Perpetual	916,950	0.59
$2,094,000	Magallanes 3.755% 15.03.27	1,598,004	1.03
$1,000,000	Nationwide Building Society 4% 14.09.26	755,577	0.48
$1,500,000	QBE Insurance Group 6.75% Variable 02.12.44	1,207,969	0.78
		4,478,500	2.88
	DERIVATIVES 0.13% (-0.22%)		
	Forward currency contracts 0.13% (-0.22%)^		
	Bought €1,192,919, Sold £1,049,010 (05.04.23)	929	0.00
	Bought € 548,724, Sold £485,281 (13.04.23)	(2,111)	0.00
	Bought $75,318, Sold £61,739 (13.04.23)	(754)	0.00
	Sold € 16,212,196 Bought £14,338,374 (13.04.23)	63,000	0.04
	Sold $5,780,191 Bought £4,818,994 (13.04.23)	138,789	0.09
	Sold €1,192,919 Bought £1,049,274 (13.04.23)	(1,130)	0.00
		198,723	0.13
	Investment assets	**152,708,665**	**98.28**
	Net other assets	**2,673,826**	**1.72**
	Net assets	**155,382,491**	**100.00**

All investments are ordinary shares or stock units on a regulated securities market unless otherwise stated. The percentages in brackets show the equivalent % holdings as at 31.03.22.

^At the balance sheet date, all forward currency contracts were executed with one counterparty, Northern Trust Investor Services Limited ('NTISL') for the purpose of Effective Portfolio Management. Collateral obligations on losses or gains for each transaction would be met using cash held by the Custodian.

Analysis of bonds by credit rating^	Market value £	% of total net assets 2023
Investment grade (BBB- and above)	139,218,358	89.60
Non Investment grade (BB+ and below)	13,291,580	8.55
Unrated bonds	–	–
	152,509,938	98.14

^Source NTISL

Comparative Tables

Change in net assets per share

A Income Gross	31.03.23 £	31.03.22 £	31.03.21 £
Opening net asset value per share	0.9942	1.0688	1.0152
Return before operating charges^	-0.1013	-0.0435	0.0886
Operating charges	-0.0037	-0.0043	-0.0049
Return after operating charges^	-0.1050	-0.0478	0.0837
Distributions	-0.0297	-0.0268	-0.0301
Closing net asset value per share	**0.8595**	**0.9942**	**1.0688**
^After direct transaction costs of	0.0000	0.0000	0.0000
Performance			
Return after charges	-10.56%	-4.47%	8.24%
Other information			
Closing net asset value	155,382,491	161,828,950	109,225,087
Closing number of shares	180,780,711	162,778,046	102,197,032
Operating charges	0.41%	0.40%	0.45%
Ongoing operating charges	0.41%	0.39%	0.44%
Direct transaction costs	0.00%	0.00%	0.00%
Prices			
Highest share price	1.0005	1.0998	1.1156
Lowest share price	0.7911	0.9926	1.0259

A Accumulation Gross	31.03.21 £
Opening net asset value per share	1.0531
Return before operating charges^	0.0838
Operating charges	0.0050
Return after operating charges^	0.0888
Distributions	-0.0162
Retained distributions on accumulation shares	0.0162
Last net asset value per share^^	1.1419
Closing net asset value per share	**0.0000**
^After direct transaction costs of	0.0000
Performance	
Return after charges	8.43%
Other information	
Closing net asset value	–
Closing number of shares	–
Operating charges	0.45%
Ongoing operating charges	0.00%
Direct transaction costs	0.00%
Prices	
Highest share price	1.1457
Lowest share price	1.0647

^^As at the year end date there are no shares in issue. Shareclass performance provided is as at 9 November 2020, being the last Net Asset Value per shareclass before the shares were reduced to nil and the date the shareclass became inactive.

Operating charges include indirect costs incurred in the maintenance and running of the Sub-fund, as disclosed (but not limited to) the detailed expenses within the Statement of Total Return. The figures used within this table have been calculated against the average Net Asset Value for the accounting year.

The return after charges is calculated as the closing Net Asset Value per share plus the distributions on income shares minus the opening Net Asset Value per share as a % of the opening Net Asset Value per share. The basis of valuation of investments used to calculate Net Asset Value per share is described in notes to the Financial Statements 1h) and complies with requirements of the current Statement of Recommended Practice for UK Authorised Funds. This differs from the basis used to calculate daily published single prices, in which listed investments are valued at 18:00 mid prices.

Direct transaction costs include fees, commissions, transfer taxes and duties in the purchasing and selling of investments, which are offset (where applicable) against any dilution levies charged within the accounting year. The figures used within the table have been calculated against the average Net Asset Value for the accounting year.

Risk and Reward Profile

The risk and reward indicator table demonstrates where the Sub-fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the future risk profile of the Sub-fund. The shaded area in the table below shows the Sub-fund's ranking on the risk and reward indicator.

Typically lower rewards, lower risk ← → **Typically higher rewards, higher risk**

1	2	3	4	5	6	7

The Sub-fund is ranked at 4 because funds of this type have experienced low to medium rises and falls in value in the past. During the year under review the Sub-fund category changed from 3 to 4, this is due to the price volatility of the Sub-fund. Please note that even the lowest risk class can lose you money and that extreme market circumstances can mean you suffer severe losses in all cases. The indicator does not take into account the following risks of investing in this Sub-fund:

- Bond values are affected by changes in interest rates, inflation and any decline in creditworthiness of the bond issuer. Bonds that produce a higher level of income usually also carry greater risk as such bond issuers may not be able to pay the bond income as promised or could fail to repay the capital amount used to purchase the bond.
- There may be cases where the organisation from which we buy a bond fails to carry out its obligations, which could cause losses to the Sub-fund.
- There is no guarantee that an asset which provides the security for a bond will maintain its value.
- Currency risk reduction techniques can have an effect on the value of your investment and on the performance of the share class.
- Derivatives can be used to help reduce risk but may not be fully successful. Derivatives can also reduce gains you may otherwise have made.
- In difficult market conditions, the value of some investments may be less predictable than normal and the Sub-fund may not be able to buy and sell these investments at the best time or at a fair price. This could affect the Sub-fund's performance, potentially reducing your returns.
- For further risk information please see the Prospectus.

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 revenue from them can 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 are subject to fluctuation in exchange rates, which can be favourable or unfavourable.

Statement of Total Return

for the year ended 31 March 2023

	Note	31.03.23 £	31.03.23 £	31.03.22 £	31.03.22 £
Income					
Net capital losses	2		(21,171,095)		(9,163,515)
Revenue	3	5,355,892		3,301,415	
Expenses	4	(634,465)		(524,832)	
Interest payable and similar charges	4	–		–	
Net revenue before taxation		4,721,427		2,776,583	
Taxation	5	–		–	
Net revenue after taxation			4,721,427		2,776,583
Total return before distributions			**(16,449,668)**		**(6,386,932)**
Distributions	6		(5,258,215)		(3,219,882)
Change in net assets attributable to Shareholders from investment activities			**(21,707,883)**		**(9,606,814)**

Statement of Change in Net Assets Attributable to Shareholders

for the year ended 31 March 2023

	31.03.23 £	31.03.23 £	31.03.22 £	31.03.22 £
Opening net assets attributable to Shareholders		**161,828,950**		**109,225,087**
Amounts receivable on issue of shares	57,553,318		71,870,224	
Less: Amounts payable on cancellation of shares	(42,291,894)		(9,659,547)	
		15,261,424		62,210,677
Change in net assets attributable to Shareholders from investment activities (see Statement of Total Return above)		(21,707,883)		(9,606,814)
Closing net assets attributable to Shareholders		**155,382,491**		**161,828,950**

The notes on pages 61 to 66 form an integral part of these Financial Statements.

Balance Sheet

as at 31 March 2023

	Note	31.03.23 £	31.03.23 £	31.03.22 £	31.03.22 £
ASSETS					
Fixed Assets					
Investments			**152,712,660**		**159,329,711**
Current Assets					
Debtors	7	4,054,992		3,819,437	
Cash and bank balances	9	5,671,653		3,718,333	
Total current assets			**9,726,645**		**7,537,770**
Total assets			**162,439,305**		**166,867,481**
LIABILITIES					
Investment liabilities			**(3,995)**		**(363,570)**
Creditors					
Bank overdrafts	9	(3,150,197)		(3,360,231)	
Distribution payable		(1,545,856)		(1,014,758)	
Other creditors	8	(2,356,766)		(299,972)	
Total creditors			**(7,052,819)**		**(4,674,961)**
Total liabilities			**(7,056,814)**		**(5,038,531)**
Net assets attributable to Shareholders			**155,382,491**		**161,828,950**

The notes on pages 61 to 66 form an integral part of these Financial Statements.

Notes to the Financial Statements

for the year ended 31 March 2023

1. Accounting Policies

The Sub-fund's Financial Statements have been prepared on the same basis as the Accounting Policies stated on pages 7 to 8.

2. Net Capital Losses

	31.03.23 £	31.03.22 £
Non-derivative securities	(20,082,963)	(8,986,845)
Derivative securities	–	(119,624)
Currency gains	6,067,056	12,172
Forward foreign exchange contracts losses	(7,146,196)	(60,916)
Transaction charges	(8,992)	(8,302)
Net capital losses	**(21,171,095)**	**(9,163,515)**

3. Revenue

	31.03.23 £	31.03.22 £
Interest on debt securities	5,301,054	3,305,012
Bank interest	54,838	(3,597)
Total revenue	**5,355,892**	**3,301,415**

4. Expenses

	31.03.23 £	31.03.22 £
Payable to the Authorised Corporate Director ('ACD'), associates of the ACD and agents of either of them:		
ACD's fee	118,951	102,984
Registration fees	24,151	19,665
	143,102	122,649
Payable to the Investment Manager, associates of the Investment Manager and agents of either of them:		
Investment Manager's fee	393,764	320,646
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fee (including VAT)	34,781	28,670
Safe custody and other bank charges	11,450	8,970
	46,231	37,640
Auditor's remuneration*:		
Audit fee	17,922	18,870
Tax compliance services	2,163	–
	20,085	18,870

Notes to the Financial Statements
continued

4. Expenses (continued)	31.03.23 £	31.03.22 £
Other expenses:		
External pricing service fees	24,301	16,562
Legal fees	4,455	5,834
Printing costs	2,527	2,631
	31,283	25,027
Expenses	**634,465**	**524,832**
Interest payable and similar charges	–	–
Total	**634,465**	**524,832**

*Included within the auditor's remuneration is irrecoverable VAT of £3,348 (2022: £3,145).

5. Taxation	31.03.23 £	31.03.22 £
(a) Analysis of charge in the year:		
Total tax charge (note 5b)	**–**	**–**
(b) Factors affecting taxation charge for the year:		
Net revenue before taxation	4,721,427	2,776,583
Corporation tax at 20%	944,285	555,317
Effects of:		
Interest distributions	(944,285)	(555,317)
Total tax charge (note 5a)	**–**	**–**

(c) Deferred tax

There was no liability to deferred tax at the balance sheet date (2022: nil).

6. Distributions
The distributions take account of revenue received on the issue of shares and revenue deducted on the cancellation of shares, and comprise:

		31.03.23 £	31.03.22 £
First interim distribution	30.06.22	1,142,319	797,122
Second interim distribution	30.09.22	1,208,410	810,760
Third interim distribution	31.12.22	1,414,956	779,630
Final distribution	31.03.23	1,545,856	1,014,758
		5,311,541	3,402,270
Revenue deducted on cancellation of shares		200,045	30,821
Revenue received on issue of shares		(253,371)	(213,209)
Distributions		**5,258,215**	**3,219,882**

Notes to the Financial Statements

continued

6. Distributions (continued)

	31.03.23 £	31.03.22 £
Reconciliation of net revenue after taxation to net distributions:		
Net revenue after taxation per Statement of Total Return	4,721,427	2,776,583
Expenses allocated to capital	536,866	443,295
Undistributed revenue brought forward	44	48
Undistributed revenue carried forward	(122)	(44)
Distributions	**5,258,215**	**3,219,882**

7. Debtors

	31.03.23 £	31.03.22 £
Amounts receivable on issues	730,846	1,670,135
Sales awaiting settlement	953,170	–
Accrued income:		
Interest on debt securities	2,370,767	2,149,090
Prepaid expenses:		
Legal fee	209	212
Total debtors	**4,054,992**	**3,819,437**

8. Other Creditors

	31.03.23 £	31.03.22 £
Amounts payable on cancellations	1,227,801	218,559
Purchases awaiting settlement	1,050,582	–
Accrued expenses:		
Amounts payable to the Authorised Corporate Director ('ACD'), associates of the ACD and agents of either of them:		
ACD's fee	10,037	10,123
Registration fees	2,607	1,802
	12,644	11,925
Amounts payable to the Investment Manager, associates of the Investment Manager and agents of either of them:		
Investment Manager's fee	33,471	34,126
Amounts payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fee (including VAT)	3,273	9,949
Safe custody and other bank charges	1,012	2,958
	4,285	12,907
Auditor's remuneration*:		
Audit fee	17,922	17,367
Tax compliance services	2,163	–
	20,085	17,367

Notes to the Financial Statements
continued

8. Other Creditors (continued)	31.03.23 £	31.03.22 £
Other accrued expenses:		
Printing costs	1,332	1,260
External pricing service fees	6,566	3,828
	7,898	5,088
Total other creditors	**2,356,766**	**299,972**

*Included within the auditor's remuneration is irrecoverable VAT of £3,348 (2022: £2,895).

9. Cash and Bank Balances	31.03.23 £	31.03.22 £
Cash and bank balances	5,671,653	3,718,333
Overdraft positions	(3,150,197)	(3,360,231)
Cash and bank balances	**2,521,456**	**358,102**

10. Related Party Transactions
Apex Fundrock Limited ('AFL') is regarded as a related party by virtue of having the ability to act in respect of the operations of the Sub-fund in its capacity as the Authorised Corporate Director ('ACD').

ACD and other fees payable to AFL are disclosed in note 4 and amounts due at the year end are shown in note 8.

Fees payable to TwentyFour Asset Management LLP (the 'Investment Manager') are disclosed in note 4 and amounts due at the year end are shown in note 8.

Amounts receivable on issue and payable on cancellation of shares and dilution levy are disclosed in the Statement of Change in Net Assets Attributable to Shareholders and in note 6, amounts due at the year end are shown in notes 7 and 8.

At the year end the Sub-fund did not hold shares in any of the other Sub-funds within the MI TwentyFour Investment Funds.

11. Contingent Liabilities and Outstanding Commitments
There were no contingent liabilities or outstanding commitments at the balance sheet date (2022: none).

12. Risk Management Policies and Disclosures
The main risks arising from financial instruments and the ACD's policies for managing these risks are disclosed on pages 9 to 11.

Numerical disclosures relating to the Sub-fund are as follows:

Disclosure of VaR limit
The table below details the Sub-fund's lowest, highest and average VaR, as well as utilisation of VaR calculated during the year:

	31.03.23 % of VaR	Utilisation of VaR(*) 20%	31.03.22 % of VaR	Utilisation of VaR(*) 20%
VaR at year end:	8.78	43.90	4.14	20.70
Minimum VaR:	2.46	12.30	4.13	20.65
Maximum VaR:	8.94	44.70	10.12	50.60
Average VaR:	6.03	30.15	7.80	39.00

*The VaR on the Sub-fund has been divided by its maximum limit.

Notes to the Financial Statements

continued

13. Portfolio Transaction Costs

31.03.23

Analysis of purchases	Total purchase cost £	£	Commissions paid %	£	Taxes %	Purchases before transaction cost £
Debt instruments	62,987,369	–	0.00	–	0.00	62,987,369
Total purchases after commissions and tax	**62,987,369**					

Analysis of sales	Net sale proceeds £	£	Commissions paid %	£	Taxes %	Sales before transaction cost £
Debt instruments	48,708,714	–	0.00	–	0.00	48,708,714
Total sales after commissions and tax	**48,708,714**					

Commission as a % of average net assets	0.00%
Taxes as a % of the average net assets	0.00%

31.03.22

Analysis of purchases	Total purchase cost £	£	Commissions paid %	£	Taxes %	Purchases before transaction cost £
Debt instruments	93,105,437	–	0.00	–	0.00	93,105,437
Total purchases after commissions and tax	**93,105,437**					

Analysis of sales	Net sale proceeds £	£	Commissions paid %	£	Taxes %	Sales before transaction cost £
Debt instruments	29,054,291	–	0.00	–	0.00	29,054,291
Total sales after commissions and tax	**29,054,291**					

Commission as a % of average net assets	0.00%
Taxes as a % of the average net assets	0.00%

Commissions and taxes as a % of the average net assets form part of the direct transaction costs stated within the comparative tables on page 57. The direct transaction costs within the comparative tables may differ due to the effect of dilution levies charged (where applicable).

14. Portfolio Dealing Spread

The average portfolio dealing spread at 31 March 2023 is 0.17% (2022: 0.30%).

15. Post Balance Sheet Events

There were no notifiable events post the year end balance sheet date.

Notes to the Financial Statements
continued

16. Fair Value Disclosure

Valuation technique	31.03.23		31.03.22	
	Assets £	Liabilities £	Assets £	Liabilities £
Level 1^	19,693,960	–	20,757,648	–
Level 2^^	133,018,700	(3,995)	138,572,063	(363,570)
Level 3^^^	–	–	–	–
	152,712,660	**(3,995)**	**159,329,711**	**(363,570)**

^Level 1: Unadjusted quoted price in an active market for an identical instrument.

^^Level 2: Valuation techniques using observable inputs other than quoted prices within level 1.

^^^Level 3: Valuation techniques using unobservable inputs.

17. Shares in Issue

	A Income Gross
Opening number of shares	162,778,046
Shares issued	66,245,013
Shares cancelled	(48,242,348)
Closing number of shares	**180,780,711**

Distribution Tables

for the year ended 31 March 2023

Income share distribution

Share class	Distribution	Shares	Net revenue p	Equalisation p	Distribution paid/payable 2023 p	Distribution paid 2022 p
A Gross	First interim	Group 1	0.6897	–	0.6897	0.7002
		Group 2	0.3898	0.2999	0.6897	0.7002
	Second interim	Group 1	0.6960	–	0.6960	0.6926
		Group 2	0.2210	0.4750	0.6960	0.6926
	Third interim	Group 1	0.7275	–	0.7275	0.6630
		Group 2	0.3823	0.3452	0.7275	0.6630
	Final	Group 1	0.8551	–	0.8551	0.6234
		Group 2	0.4717	0.3834	0.8551	0.6234

First interim period: 01.04.22 - 30.06.22
Second interim period: 01.07.22 - 30.09.22
Third interim period: 01.10.22 - 31.12.22
Final period: 01.01.23 - 31.03.23

Group 1: Shares purchased prior to a distribution period
Group 2: Shares purchased during a distribution period

Equalisation

Equalisation applies only to shares purchased during the distribution period (Group 2 shares). It represents 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.

Investment Objective and Policy

Investment objective

The Sub-fund aims to provide an attractive level of income along with an opportunity for capital growth, by investing in a broad range of bonds and fixed income assets.

Investment policy

The investment policy of the Sub-fund is to adopt a highly flexible approach that enables the Investment Manager to take advantage of prevailing market conditions as they change over time. The Sub-fund may invest in, or otherwise obtain exposure to, debt instruments from the whole range of fixed income assets including high yield bonds, investment grade bonds, government bonds, asset-backed securities, Money Market Funds ('MMFs') and other bonds (such as, for example, emerging market sovereign bonds or bank capital perpetual bonds) as determined by the Investment Manager's view on risk and reward over time.

The Sub-fund will also use derivatives, such as interest rate and credit derivatives, to either optimize exposures or reduce them in conjunction with the Investment Manager's market viewpoint, thereby giving the Sub-fund the opportunity to perform in both rising and declining rate environments throughout the economic cycle. The Sub-fund may also employ synthetic short positions both for hedging purposes and to take advantage of deterioration either in the market generally or with respect to specific issuers. The Sub-fund may also hedge some or all of its exposure in the foreign exchange markets.

The Investment Manager has overall responsibility for the investment policy and authority to select service providers pursuant to the Investment Management Agreement entered into with the Authorised corporate Director ('ACD').

The Dynamic Bond Fund will not invest in any Collective Investment Schemes with the exception of Money Market Fund ('MMFs') which do not adversely alter the risk profile of the Sub-fund.

Investment Manager's Report

for the year ended 31 March 2023

Market Commentary

The 12 month period saw Central Banks at the forefront of action as both Central bankers and market participants alike attempted to assess the high levels of inflation resulting from strong demand, fractured global supply chains and the Russian war in Ukraine. This saw terminal rate expectations continue to be shifted higher across developed markets. With inflation being the source of the problem and the global increase in living costs beginning to hurt the consumer, both risk off and risk assets saw negative returns in Fixed income for the 12 month period.

US inflation continued its journey higher going into the summer period with large increases across the board in particularly in rents, used cars and airline fares – the latter increasing over 12% Month on Month ('MoM'). This led to the Fed beginning to increase rates in 75 basis points ('bp') increments and also saw a shift up in the Fed's dot plots. Headline Year on Year ('YoY') US inflation peaked at 9.1% for June's data and the 10 year US Treasury closed in on 3.50% in June having begun the period at 2.34%.

The European Central Bank ('ECB') exited negative rates in its July meeting by hiking 50bp. This was accompanied by the ECB's new anti-fragmentation tool (officially the Transmission Protection Instrument or TPI), however details about the potential of this new instrument were fairly vague. Meanwhile, a collapse of Mario Draghi's government in Italy saw fresh elections scheduled for September and increased volatility for Italian spreads.

Elsewhere throughout the Summer, volatility was elevated in Europe as various headlines emerged suggesting Russian gas supply could remain curtailed. After a 10-day period of gas being turned off for maintenance work, the gas supply ultimately resumed, though at a reduced capacity of 20-40%. The uncertainty led to European energy priced increasing with German power trading at €500/MWH for the first time in history.

Russia eventually announced that gas would stop flowing through the Nord Stream pipeline to Europe. However, European gas prices actually fell, a sign of how much was priced in previously to the market as well as Europe's good work in increasing storage and alternative energy supplies. In addition, various countries put energy packages in place to cap prices.

September saw another US inflation print higher than expectations and a hawkish Federal Open Market Committee ('FOMC') meeting with members alluding to terminal rates in the US close to 5%. The ECB also hiked by 75bp as markets once again grew concerned about Central bank's ability to control inflation. The US 10 year peaked at 4.25% whilst 10 year Bunds reached These fears spilled into risk assets as well with a sharp sell off in High Yield in September.

Investment Manager's Report

continued

In the UK, as expected, Liz Truss took over from Boris Johnson as Prime Minister. Her new finance minister, Kwasi Kwarteng, unveiled a 'mini-Budget' which surprised markets as it included more (unfunded) tax cuts than expected. This fear of additional inflationary and supply pressure led to a sharp sell-off in both sterling and Gilts, which was made worse by collateral calls for UK pension funds running Liability Driven Investment ('LDI') strategies. With Gilt yields spiking by 140bp to over 4.50% in three days, the Bank of England ('BoE') intervened to calm markets by announcing a short term operation to buy Gilts with a duration over 20 years, while the government belatedly moved to soften its stance resulting in UK assets reversing some of the negative moves.

In China, President Xi Jinping began his third term by surrounding himself with loyalists, which made investors nervous about future shifts in domestic and foreign policy. Protests in China followed shortly after about the strict COVID restrictions that had been in place for multiple years – this eventually led to the government relaxing its 'zero-COVID' approach which markets took positively as a step to global supply chains being repaired.

This positive move, along with signs that the Fed was close to approaching its terminal rates led to somewhat of a relief rally towards the end of 2022 and beginning of 2023. The rally was also helped by growth forecasts in Europe being revised upwards as the bloc's swift response to the Russian gas cut off meant that they were likely to avoid any of the severe scenarios that many said were likely just a few months earlier.

The period finished with a US regional bank crisis when Silicon Valley Bank ('SVB') was seized by the Californian authorities. Despite being the sixteenth largest bank in the US, SVB appeared to have faced unique circumstances of poor risk management, a low level of insured deposits, very large deposit outflows and a very large concentration in long dated Treasuries, held with unrealised losses.

Although there was very little read-across to European banks, they nevertheless suffered contagion, and spreads began to widen across the capital structure. Credit Suisse was caught by the negative sentiment which after a couple of years in the headlines had begun its restructuring plan in Q4 2022. The SVB story came at the worst time for Credit Suisse leading to large deposit withdrawals which eventually led the Swiss regulator to contentiously deem the bank to be non-viable. Additionally, the Swiss regulator's hugely controversial subordination of AT1s below equity holders meant that this sector in particularly saw a lot of volatility in March. The European and UK rejection of the Swiss regulator's approach comforted the market however the sector still finished the period trading heavily.

Portfolio Commentary

Given an environment of persistently high inflation (and Central Bank policy that for much of the past decade had been near or below zero), the portfolio managers had kept interest rate duration near the lows of the cycle at the start of the period, with a government bond exposure that was primarily invested in 1 and 2 year Treasuries, overlayed with a GBP interest rate swap (that allowed the portfolio to profit from rising rates).

The start of the recording period saw the portfolio managers take advantage of the rate increases the market observed across government bond curves and steadily increase interest rate duration through the first few months of the financial year. The Sub-fund saw its exposure of 10 year Treasuries increase from 0% at the beginning of April, to approximately 3.5% by the end of the month, 5% by the end of May, and 11% by the end of the first quarter. This was done at increasing purchase yields, with the initial allocation entered into at yields of approximately 2.7%, but the position more meaningfully added to above yields of 3%. The portfolio managers gradually sold down the interest rate swap over the same time period.

Whilst government bond yields increased meaningfully through the first quarter, credit spreads also widened, leading to very weak performance across credit markets, particularly in June (off the back of a weaker than expected inflation print in the US and a meaningful shift higher in terminal rate expectations). Sentiment rebounded quickly though, with July performance strong, and the portfolio managers used the strength to reduce their exposure to the sectors most exposed to a recession; US and European high yield. Whilst corporate balance sheets remained robust, the relative value on offer in high yield vs financials and Collateralized Loan Obligations ('CLOs') had become less attractive, so the portfolio managers continued their path to a higher liquidity allocation, funding it with lower quality credit. Indeed, the exposure of European high yield in particular went from 16.1% at the beginning of the first quarter to 13.7% at the end of August.

September was another volatile month for financial markets as an inflation beat yet again drove yields higher, followed by the UK's "mini-budget" crisis, that saw an announcement of a largely unfunded fiscal plan trigger LDI margin calls across pension funds and a significant sell-off in Gilt yields. The portfolio managers used the sell off across rates curves to continue to increase their exposure to government bonds, with the "liquidity" allocation (cash + government bonds, net of FX) by the end of the month reaching approximately 18.5%.

Investment Manager's Report

continued

The market started to get clarity on a number of issues that had driven the volatility through the year in the third quarter. Inflation started to roll over at the same time expectations around energy in Europe materially improved, so given light positioning at the end of September 2022 and a number of positive catalysts the market rallied strongly through October 2022 and November 2022. The new issue market started to reopen, and the team used the primary market and the more positive backdrop to continue to rotate up in quality, trimming high yield whilst maintaining large liquidity buffers, something they continued to do through December 2022.

2023 started off on the front foot, with risk markets rallying across the board and the new issue market in credit opening more meaningfully. Investment grade issuance was particularly strong, across both financial and non-financial, and the portfolio managers continued to look for relative value opportunities across the portfolio whilst increasing credit quality within the Sub-fund. Liquidity started the beginning of 2023 (start of financial fourth quarter) at approximately 26%, after having risen meaningfully through the third quarter, the majority of which was funded out of high yield in both Europe and the US.

Risk markets continued to perform through the first half of February, before taking a step back as Jerome Powell and other central bankers guided the market to rates that were going to go higher than the market was pricing, and importantly, stay there for longer (this coincided with inflation data that turned stronger than expected after a number of weak prints at the back end of 2022). The weakness continued into March, compounded by the bankruptcy of SVB and Signature Bank in the US, and the forced takeover of Credit Suisse by UBS in Europe. The portfolio saw declines in the Additional Tier 1 sector after the take-over announcement (and a surprising decision by the Swiss regulator to write down CS AT1), with the exposure to the sector falling from 23.1% to 20.4% through the month, largely driven by price movements. Valuations in the sector, however, were at historic highs, and the team used the volatility in the financials sector to increase their exposure to senior and T2 bank debt, consistent with the trend to higher quality credit observed through the year.

Market Outlook and Strategy

The market is currently closely following the US regional banking crisis to determine whether the consequences will have a wider ranging effect on the global economy. More broadly, with a slowdown expected within the next 12 months the market is still looking for further clarity as to what this will look like; ranging from a soft landing with a limited increase in the unemployment rate and growth remaining resilient, to a hard landing which sees a spike in job losses and a sharp fall in GDP. The team will be looking at major lead indicators to gain clarity. Prime Minister has elevated liquidity in the portfolio which allows flexibility to change quickly as we gain more clarity on what the slowdown will look like. Whilst also moving up in credit quality across the Sub-fund to ensure resilience in the potential slowdown. Furthermore, Prime Minister has kept credit spread duration short – this is to reduce volatility and benefit from pull to par, with curves very flat or inverted yields are still very attractive in the short end.

The Sub-fund returned a negative 8.88% (Class I Accumulation Gross) for the year.

Portfolio Statement

as at 31 March 2023

Holding	Security	Market value £	% of total net assets 2023
	Euro denominated asset backed securities 14.30% (13.61%)		
€4,000,000	Adagio CLO Series VI-X E	2,870,405	0.19
€2,000,000	Adagio CLO Series VI-X F	1,240,734	0.08
€4,000,000	Adagio CLO Series V-X ER	2,685,427	0.18
€5,150,000	ALME Loan Funding BV Series 4X ER	3,824,603	0.25
€2,500,000	Aqueduct European CLO Series 19-3X ER	1,881,743	0.12
€5,183,000	Arbour CLO Series 4X ER	3,792,541	0.25
€2,000,000	Arbour CLO Series 9X F	1,299,059	0.08
€6,000,000	Arbour CLO Series 10X E	4,364,441	0.29
€5,000,000	Arbour CLO Series 10X F	3,274,901	0.22
€2,000,000	Arbour CLO Series 14-2X ERR	1,465,504	0.10
€2,680,000	Ares Euro CLO BV Series 7X CR	2,164,709	0.14
€2,450,000	Ares Euro CLO BV Series 7X DR	1,872,330	0.12
€3,500,000	Ares Euro CLO BV Series 14X E	2,793,145	0.18
€4,300,000	Armada Euro CLO Series 1X ER	3,240,502	0.21
€8,300,000	Aurium CLO Series 3X E	6,206,534	0.41
€3,240,000	Aurium CLO Series 4X E	2,394,084	0.16
€3,600,000	Aurium CLO Series 6X ER	2,669,840	0.17
€8,300,000	Avoca CLO Series 13X ERR	6,247,536	0.41
€2,000,000	Avoca CLO Series 13X FRR	1,438,282	0.09
€2,000,000	Avoca CLO Series 14X ER	1,506,693	0.10
€1,000,000	Avoca CLO Series 14X FR	699,316	0.05
€2,200,000	Avoca CLO Series 16X ER	1,636,638	0.11
€3,000,000	Avoca CLO Series 19X E	2,252,152	0.15
€2,000,000	Avoca CLO Series 23X F	1,381,338	0.09
€5,500,000	Avoca CLO Series 24X FR	3,876,430	0.25
€3,000,000	Black Diamond CLO Series 17-2X DNE	2,292,026	0.15
€3,750,000	Black Diamond CLO Series 17-2X E	2,629,396	0.17
€2,000,000	Black Diamond CLO Series 17-2X F	1,315,307	0.09
€2,000,000	Blackrock European CLO Series 11X E	1,462,446	0.10
€6,000,000	Blackrock European CLO Series 12X E	4,452,672	0.29
€3,000,000	Blackrock European CLO Series 12X F	2,075,535	0.14
€2,050,000	BNPP AM Euro CLO Series 17-1X E	1,501,980	0.10
€5,000,000	BNPP IP Euro CLO Series 21-1X E	3,616,752	0.24
€9,700,000	Bridgepoint CLO Series 2X E	7,110,024	0.47
€2,900,000	Carlyle Global Market Strategies Series 13-1X DR	2,080,512	0.14
€2,000,000	Carlyle Global Market Strategies Series 13-1X ER	1,296,433	0.09
€3,700,000	Carlyle Global Market Strategies Series 16-1X E	2,345,255	0.15
€4,500,000	Carlyle Global Market Strategies Series 17-3X D	3,045,327	0.20
€3,000,000	Carlyle Global Market Strategies Series 17-2XE	2,003,820	0.13
€2,000,000	Contego CLO Series 3X ER	1,472,832	0.10
€2,000,000	Contego CLO Series 6X ER	1,489,341	0.10
€9,200,000	Contego CLO Series 9X E	6,736,990	0.44
€3,000,000	Cordatus CLO Series 5X ER	2,282,461	0.15
€4,100,000	Cordatus CLO Series 12X E	3,056,019	0.20
€4,000,000	Dryden Euro CLO Series 15-44X ERR	2,911,395	0.19
€3,000,000	Dryden Leveraged Loan CDO Series 17-51X E	2,263,417	0.15
€1,500,000	Dryden Leveraged Loan CDO Series 17-56X E	1,101,423	0.06
€5,500,000	Fidelity Grand Harbour CLO Series 21-1X E	4,111,605	0.27
€3,000,000	GoldenTree Loan Management Series 1X E	2,111,224	0.14
€4,500,000	Halcyon Loan Advisors Series 18-1X E	3,297,735	0.22
€3,500,000	Harvest CLO Series 14X F	2,672,134	0.18
€2,800,000	Harvest CLO Series 19X E	2,052,759	0.13

Portfolio Statement

continued

Holding	Security	Market value £	% of total net assets 2023
	Euro denominated asset backed securities (continued)		
€8,000,000	Harvest CLO Series 27X E	5,827,700	0.38
€4,000,000	Hayfin Emerald CLO Series 1X ER	2,859,896	0.19
€9,100,000	Hayfin Emerald CLO Series 7X E	6,466,026	0.43
€3,300,000	ICG Euro CLO Series 23 - 1X E	2,660,047	0.18
€3,900,000	Invesco Euro CLO VII Series 7X E	2,871,768	0.19
€4,000,000	Jubilee CDO BV Series 14-12X ER	2,994,753	0.20
€9,000,000	Madison Park Euro Funding Series 9X ER	6,589,568	0.43
€8,610,000	Man GLG Euro CLO Series 3X E	5,930,894	0.39
€2,250,000	Marlay Park CLO Series 1X D	1,672,998	0.11
€2,000,000	North Westerly CLO Series VII-X E	1,478,151	0.10
€2,000,000	Oak Hill European Credit Series 15-4X ER	1,490,866	0.10
€5,550,000	Providus CLO Series 2X E	4,188,605	0.28
€7,000,000	Providus CLO Series 5X E	5,095,710	0.34
€7,950,000	Providus CLO Series 6X E	5,791,863	0.38
€1,500,000	Purple Finance CLO Series 1X E	1,139,405	0.08
€4,000,000	RRE Loan Management Series 1X DR	3,048,121	0.20
€8,932,777	SC Germany Series 20-1 E	7,662,696	0.50
€4,000,000	Sutton Park Series 1X Class D	2,975,275	0.20
€4,400,000	Tikehau Series 4X E	3,314,824	0.22
€4,300,000	Voya Euro CLO Series 3X E	3,150,025	0.21
		217,074,898	14.30
	Euro denominated corporate debt securities 17.37% (18.81%)		
€2,400,000	Abanca Corp Bancaria 6% Variable Perpetual	1,721,228	0.11
€15,261,000	Achmea 4.625% Variable Perpetual	10,595,056	0.70
€1,710,000	Aegon 5.625% Perpetual	1,309,640	0.09
€7,956,000	AIB 6.25% Variable Perpetual	6,425,283	0.42
€5,430,000	Altice France 8% 15.05.27	3,570,020	0.24
€4,500,000	ASR Nederland 4.625% 19.10.27	3,191,842	0.21
€8,200,000	Banco Bilbao Vizcaya Variable Perpetual	6,796,240	0.45
€14,800,000	Banco de Sabadell 5% Variable Perpetual	9,337,839	0.62
€4,000,000	Banco de Sabadell 5.25% 07.02.29	3,344,441	0.22
€8,200,000	Banco de Sabadell 5.75% Variable Perpetual	5,683,168	0.37
€8,400,000	Banco Santander 3.625% Variable Perpetual	4,924,057	0.32
€4,400,000	Banco Santander 4.375% Variable Perpetual	3,088,229	0.20
€3,925,000	Bank of Ireland 6.75% 01.03.33	3,512,338	0.23
€9,900,000	Bank of Ireland 7.5% Variable Perpetual	8,440,716	0.56
€14,200,000	Bawag Group AG 5.125% Variable Perpetual	9,110,745	0.60
€9,800,000	Caixabank 3.625% Variable Perpetual	5,634,234	0.37
€6,400,000	Caixabank 5.875% Variable Perpetual Series	4,974,536	0.33
€2,400,000	Caixabank 6.25% 23.02.33	2,145,901	0.14
€2,505,000	Cheplapharm Arzneimittel 3.5% 11.02.27	2,034,268	0.13
€2,570,000	Cheplapharm Arzneimittel 4.375% 15.01.28	2,105,337	0.14
€4,400,000	Commerzbank 6.5% 06.12.32	3,837,671	0.25
€2,335,000	Contourglobal Power 3.125% 01.01.28	1,637,258	0.11
€11,600,000	Deut Pfandbriefbank Variable Perpetual	7,403,314	0.49
€1,850,000	Encore Capital 4.875% 15.10.25	1,491,804	0.10
€4,400,000	Erste Group Bank 4.25% Variable Perpetual	2,877,894	0.19
€3,110,000	Garfunkelux Holdco 6.75% 01.11.25 Reg S	2,097,002	0.14
€5,000,000	Grunenthal 3.625% 15.11.26	4,156,041	0.27
€10,442,000	HSBC 6.364% Variable 16.11.32	9,590,100	0.63
€3,450,000	INEOS 6.625% 15.05.28	3,064,793	0.20
€5,000,000	International Consolidated Airline 3.75% 25.03.29	3,654,515	0.24

Portfolio Statement
continued

Holding	Security	Market value £	% of total net assets 2023
	Euro denominated corporate debt securities (continued)		
€9,750,000	Intesa Sanpaolo 6.184% 20.02.34	8,460,983	0.56
€8,520,000	Intesa Sanpaolo 6.375% Variable Perpetual	6,455,636	0.43
€6,443,000	Intesa Sanpaolo 7.75% Variable Perpetual	5,459,103	0.36
€3,732,000	Intesa Sanpaolo SPA 5.875% Variable Perpetual	2,937,905	0.19
€5,210,000	Jaguar Land Rover 4.5% 15.07.28	3,760,493	0.25
€10,400,000	Julius Baer Gruppe 6.625% 15.08.29	8,117,934	0.53
€4,280,000	La Finac Atalian 4% 15.05.24	2,768,581	0.18
€2,810,000	La Finac Atalian 5.125% 15.05.25	1,686,380	0.11
€1,623,000	Lifetri Groep BV 5.25% 01.06.32	1,257,223	0.08
€3,460,000	Marex Group 8.375% 02.02.28	2,980,453	0.20
€8,600,000	Novo Banco 2.625% 08.05.17	870,407	0.06
€4,675,575	Rabobank Stak II 6.5% Perpetual	3,972,355	0.26
€5,300,000	RCS & RDS 3.25% 05.02.28	3,932,306	0.26
€2,986,386	Santander Consumo 4 2.2% 18.09.23	2,468,430	0.16
€4,540,000	SIG 5.25% 30.11.26 REGS	3,414,183	0.23
€12,100,000	Societe Generale 7.875% 18.01.29	9,823,762	0.65
€4,027,706	Summer BC Holdco 9.25% 31.10.27	2,916,937	0.19
€1,760,000	Telecom Italia 6.875% 15.02.28	1,582,605	0.10
€4,800,000	Telefonica 6.125% 03.02.30	4,083,295	0.27
€400,000	Telefonica Europe 2.88% Variable Perpetual	293,274	0.02
€7,500,000	Trafigura Funding 3.875% 02.02.26	6,173,717	0.41
€3,000,000	Unicaja Banco 3.125% 19.07.32	2,032,114	0.13
€10,000,000	Unicredit 4.45% Variable Perpetual	6,542,812	0.43
€6,770,000	Unipolsai Assicurazioni 5.75% Variable Perpetual	5,827,247	0.38
€9,400,000	Unipolsai Assicurazioni 6.375% Variable Perpetual	6,972,364	0.46
€4,640,000	Victoria 3.625% 26.08.26	3,299,506	0.22
€3,650,000	Villa Dutch 9% 03.11.29	3,038,695	0.20
€12,141,000	Vivat 7% Variable Perpetual	10,124,178	0.67
€2,060,000	Vodafone 3.25% 02.03.29	1,769,134	0.12
€3,800,000	Volksbank Wien AG Variable Perpetual	2,812,450	0.19
		263,589,972	17.37
	Pound sterling denominated asset backed securities 0.82% (0.77%)		
£6,000,000	Charles Street Conduit Series 2 B	5,744,400	0.38
£3,500,000	Charles Street Conduit Series 2 C	3,249,750	0.22
£3,559,427	SYON Securities Series 19-1 C	3,393,985	0.22
		12,388,135	0.82
	Pound sterling denominated corporate debt securities 21.75% (22.00%)		
£2,850,000	America Movil 5.0% 27.10.26	2,836,150	0.19
£1,274,000	Barclays 3.75% 22.11.30	1,161,758	0.08
£14,090,000	Barclays 6.375% Variable Perpetual	12,371,235	0.81
£4,000,000	Barclays 8.875% Variable Perpetual	3,670,000	0.24
£760,000	Bellis Acquisition 3.25% 16.02.26	623,070	0.04
£1,900,000	Bellis Acquisition 4.5% 16.02.26	1,607,296	0.10
£5,430,000	Bellis Finco 4% 16.02.27	3,851,577	0.25
£8,450,000	Bracken Midco One 6.75% 01.11.27	6,802,250	0.45
£7,719,000	Bupa Finance 4% Variable Perpetual	4,987,802	0.33
£33,850,000	Coventry Building Society 6.875% Variable Perpetual	30,644,405	2.02
£1,680,000	Credit Agricole 7.5% Variable Perpetual	1,537,200	0.10
£4,360,000	Deuce Finco 5.5% 15.06.27	3,642,483	0.24
£7,976,000	Direct Line Insurance 4.75% Variable Perpetual	5,742,720	0.38
£2,900,000	Encore Capital 4.25% 01.06.28	2,262,725	0.15
£3,130,000	Encore Capital 5.375% 15.02.26	2,796,431	0.18

Portfolio Statement

continued

Holding	Security	Market value £	% of total net assets 2023
	Pound sterling denominated corporate debt securities (continued)		
£2,730,000	Ford Motor Credit 6.86% 05.06.26	2,722,960	0.18
£4,215,000	Galaxy Bidco 6.5% 31.07.26	3,789,586	0.25
£730,000	Garfunkelux Holdco 7.75% 01.11.25	552,674	0.03
£8,949,000	HSBC Variable Perpetual	7,852,191	0.52
£3,489,000	Intesa Sanpaolo 5.148% 10.06.30	2,883,833	0.19
£13,000,000	Investec 1.875% 16.07.28	10,574,099	0.70
£5,300,000	Investec Variable Perpetual	4,419,217	0.29
£3,860,000	Jerrold Finco 4.875% 15.01.26	3,331,502	0.22
£6,540,000	Jerrold Finco 5.25% 15.01.27	5,489,055	0.36
£4,600,000	Korian 4.125% Variable Perpetual	3,629,491	0.24
£13,469,000	Legal & General 5.625% Variable Perpetual	10,587,281	0.70
£8,000,000	Lloyds Banking 6.625% 02.06.33	8,009,962	0.53
£4,530,000	Maison Finco 6% 31.10.27	3,709,282	0.24
£5,130,000	National Express 4.25% Variable Perpetual	4,549,598	0.30
£6,315,000	National Westminster 4.5% Variable Perpetual	4,653,693	0.31
£10,327,000	National Westminster 5.125% Variable Perpetual	8,300,587	0.55
£18,520,000	Nationwide Building Society 5.75% Variable Perpetual	14,982,792	0.99
£19,703,000	Nationwide Building Society 10.25% Variable Perpetual	23,571,824	1.55
£4,900,000	Nationwide Building Society Variable Perpetual	4,452,875	0.29
£4,100,000	Oaknorth Bank Variable 01.06.28	3,941,125	0.26
£13,400,000	OSB Group 6% Variable Perpetual	10,334,846	0.68
£8,100,000	Paragon Banking 4.375% Variable 25.09.31	7,147,380	0.47
£20,056,000	Pension Insurance 7.375% Variable Perpetual	17,562,317	1.16
£17,907,000	Phoenix Group 5.75% Variable Perpetual	14,347,789	0.95
£4,295,000	Punch Finance 6.125% 30.06.26	3,745,141	0.25
£4,335,000	RAC 5.25% 04.11.27	3,496,498	0.23
£16,600,000	Rothesay Life 5% Variable Perpetual	11,021,393	0.73
£15,945,000	Rothesay Life 6.875% Variable Perpetual	13,525,919	0.89
£917,000	Shawbrook Group 9% Variable 10.10.30	886,916	0.06
£11,386,000	Shawbrook Group 12.103% Variable Perpetual	10,384,692	0.68
£8,990,000	Sherwood Financing 6% 15.11.26	7,505,218	0.49
£3,600,000	Svenska Handelsbanken Variable 23.08.32	3,326,874	0.22
£1,335,000	Talktalk Telecom 3.875% 20.02.25	1,114,813	0.07
£1,620,000	Virgin Media 4.25% 15.01.30	1,316,918	0.09
£1,539,000	Virgin Money UK Plc 9.25% Variable Perpetual	1,441,615	0.09
£8,590,000	Zenith Finco 6.5% 30.06.27	6,491,817	0.43
		330,190,875	21.75
	Pound sterling denominated government debt securities 0.00% (2.04%)		
	United States dollar denominated asset backed securities 0.00% (0.45%)		
	United States dollar denominated corporate debt securities 17.52% (26.20%)		
$4,402,000	Altice France 5.5% 15.01.28	2,928,161	0.19
$5,445,000	American Airlines 5.5% 20.04.26	4,345,669	0.29
$12,165,000	American Axle & MFG 5% 01.10.29	8,316,176	0.55
$11,289,000	American Axle & MFG 6.875% 01.07.28	8,282,467	0.55
$4,380,000	Amsted Industries 4.625% 15.05.30	3,195,775	0.21
$4,870,000	Antero Midstream 5.75% 15.01.28	3,794,436	0.25
$700,000	Antero Midstream 7.875% 15.05.26	582,372	0.04
$700,000	Banco Mercantil De Norte 5.875% Variable Perpetual	482,037	0.03
$2,187,000	Banco Mercantil De Norte 6.75% Variable Perpetual	1,687,168	0.11
$7,346,000	Banco Mercantil De Norte 7.5% Variable Perpetual	5,161,462	0.34
$1,650,000	Banco Mercantil De Norte 8.375% Variable Perpetual	1,246,052	0.08
$10,200,000	Banco Santander 4.75% Variable Perpetual	6,448,084	0.43

Portfolio Statement

continued

Holding	Security	Market value £	% of total net assets 2023
	United States dollar denominated corporate debt securities (continued)		
$18,221,000	Barclays 4.375% Variable Perpetual 15.03.28	10,203,685	0.67
$1,905,000	BBVA Bancomer 5.125% 18.01.33	1,336,030	0.09
$4,448,000	BBVA Bancomer Variable 12.11.29	3,397,655	0.22
$2,245,000	Berry Global 5.625% 15.07.27	1,805,824	0.12
$14,900,000	BNP Paribas 4.625% Variable Perpetual	9,509,723	0.63
$10,509,000	Burford Capital Global 6.25% 15.04.28	7,463,048	0.49
$3,285,000	Burford Capital Global 6.875% 15.04.30	2,334,457	0.15
$1,000,000	Cemex SAB 5.125% Variable Perpetual	728,843	0.05
$2,700,000	Cheplapharm Arzneimittel 5.5% 15.01.28	1,952,084	0.13
$3,195,000	Consolidated Communications 5% 01.10.28	1,766,504	0.12
$14,700,000	Danske Bank 4.375% Variable Perpetual	9,998,071	0.66
$2,810,000	Edgewell Personal Care 5.5% 01.06.28	2,183,672	0.14
$3,529,000	Empire Communities 7% 15.12.25	2,511,605	0.17
$2,011,000	Enlink Midstream 5.375% 01.06.29	1,572,179	0.10
$5,388,000	Enlink Midstream 5.625% 15.01.28	4,292,180	0.28
$6,132,689	Guara Norte SARL 5.198% 15.06.34	4,290,845	0.28
$3,280,000	Hess Midstream 5.5% 15.10.30	2,483,352	0.16
$3,450,000	Hess Midstream 5.625% 15.02.26	2,766,252	0.18
$1,265,000	ING Groep 3.875% Variable Perpetual	747,836	0.05
$9,075,000	Intelligent Packaging 6% 15.09.28	6,331,940	0.42
$3,800,000	Jaguar Land Rover 5.5% 15.07.29	2,416,738	0.16
$6,160,000	Julius Baer Group 3.625% Variable Perpetual	3,375,827	0.22
$1,683,000	Kenbourne Invest 4.7% 22.01.28	804,154	0.05
$3,011,000	Kenbourne Invest 6.875% 26.11.24	1,861,514	0.12
$5,130,000	Kinetik Holdings 5.875% 15.06.30	4,009,111	0.27
$10,405,000	Lumen Technologies 5.375% 15.06.29	4,152,931	0.27
$11,300,000	Marex Group13.25% Variable Perpetual	9,430,394	0.62
$2,345,000	Marriott Ownership 4.5% 15.06.29	1,618,383	0.11
$6,962,000	MHP 7.75% 10.05.24	3,061,626	0.20
$5,015,000	Nesco II 5.5% 15.04.29	3,695,862	0.24
$5,203,000	Network I2I 3.975% Variable Perpetual	3,698,508	0.24
$6,974,000	Petroleos Mexicanos 6.625% 15.06.35	4,124,089	0.27
$2,000,000	Petroleos Mexicanos 6.625% 15.06.38	1,122,488	0.07
$4,440,000	Petroleos Mexicanos 6.84% 23.01.30	2,982,041	0.20
$995,000	Prestige Brands 5.125% 15.01.28	783,639	0.05
$11,374,000	Sable International Finance 5.75% 07.09.27	8,623,057	0.57
$2,830,000	Scil IV 5.375% 01.11.26	2,100,647	0.14
$3,975,000	Sealed Air 6.125% 01.02.28	3,250,177	0.22
$2,993,000	Societe Generale 5.375% Variable Perpetual	1,761,283	0.12
$4,000,000	Societe Generale 6.691% 10.01.34	3,316,543	0.22
$8,800,000	Societe Generale 9.375% Variable Perpetual	6,770,327	0.45
$10,999,000	Solaris Midstream 7.625% 01.04.26	8,569,943	0.57
$4,600,000	Swedbank 4% Variable Perpetual	2,793,975	0.19
$8,840,000	Tallgrass NRG 5.5% 15.01.28	6,574,137	0.43
$1,060,000	Tallgrass NRG 6% 01.03.27	815,749	0.05
$3,977,000	Teleflex 4.625% 15.11.27	3,146,663	0.21
$8,317,000	Telesat Canada 6.5% 15.10.27	2,135,155	0.14
$7,540,000	Titan International 7% 30.04.28	5,526,158	0.36
$3,720,000	Trafigura Group 5.875% Variable Perpetual	2,653,196	0.17
$2,275,000	Transdigm Inc 5.5% 15.11.27	1,737,997	0.11
$14,700,000	UBS 5.955% 12.01.34	12,218,996	0.81
$9,000,000	UBS Group 4.875% Variable Perpetual	5,704,628	0.38
$9,177,000	Unicredit 8% Variable Perpetual	7,100,804	0.47
$7,400,000	Unifin Financiera 8.375% 27.01.28	166,165	0.01

Portfolio Statement

continued

Holding	Security	Market value £	% of total net assets 2023
	United States dollar denominated corporate debt securities (continued)		
$7,510,000	Unifin Financiera 9.875% 28.01.29	173,596	0.01
$5,030,000	United Airlines 4.375% 15.04.26	3,908,047	0.26
$4,894,000	UPL Corp Ltd 5.25% Variable Perpetual	2,957,672	0.19
$3,500,000	Vivo Energy Investments 5.125% 24.09.27	2,607,937	0.17
		265,895,801	17.52
	United States dollar denominated government debt securities 24.04% (13.33%)		
$55,315,000	US Treasury 0.125% 31.05.23	44,479,371	2.93
$68,326,800	US Treasury 1.875% 15.02.32	48,573,145	3.20
$81,560,000	US Treasury 2.75% 15.08.32	62,168,096	4.10
$60,630,000	US Treasury 2.875% 31.10.23	48,606,223	3.20
$100,310,000	US Treasury 2.875% 15.05.32	77,316,836	5.09
$82,300,000	US Treasury 3.5% 15.02.33	66,754,613	4.40
$20,025,000	US Treasury 4.125% 15.11.32	17,041,998	1.12
		364,940,282	24.04
	DERIVATIVES 1.68% (0.45%)		
	Forward Currency Contracts 1.68% (-0.21%)^		
	Bought €10,680,201 Sold £9,377,394 (06.04.23)	23,293	0.00
	Bought €38,930,461 Sold £34,365,011 (06.04.23)	(98,513)	(0.01)
	Bought $33,423,045 Sold £27,391,017 (06.04.23)	(324,551)	(0.02)
	Sold $1,427,721,941 Bought £1,224,023,705 (06.04.23)	25,892,337	1.71
	Sold €7,734,654 Bought £6,797,570 (06.04.23)	(10,454)	0.00
	Sold $3,965,925 Bought £3,199,818 (06.04.23)	(11,845)	0.00
		25,470,267	1.68
	Interest rate swaps (0.00%) (0.66%)		
	Investment assets	**1,479,550,231**	**97.48**
	Net other assets	**38,174,615**	**2.52**
	Net assets	**1,517,724,846**	**100.00**

All investments are ordinary shares or stock units on a regulated securities market unless otherwise stated. The percentages in brackets show the equivalent % holdings as at 31.03.22.

^At the balance sheet date, all forward currency contracts were executed with one counterparty, Northern Trust Investor Service Limited ('NTISL') for the purpose of Effective Portfolio Management. Collateral obligations on losses or gains for each transaction would be met using the cash by the Custodian.

Analysis of bonds by credit rating^	Market value £	% of total net assets 2023
Investment grade (BBB- and above)	446,687,894	29.43
Non Investment grade (BB+ and below)	586,553,191	38.64
Unrated bonds	420,838,878	27.73
	1,454,079,963	95.80

^Source NTISL

Comparative Tables

Change in net assets per share

A Income Gross	31.03.23 £	31.03.22 £	31.03.21 £
Opening net asset value per share	10.22	11.02	9.60
Return before operating charges^	-0.80	-0.26	1.95
Operating charges	-0.12	-0.14	-0.14
Return after operating charges^	-0.92	-0.40	1.81
Distributions	-0.53	-0.40	-0.39
Closing net asset value per share	**8.77**	**10.22**	**11.02**
^After direct transaction costs of	0.00	0.00	0.00
Performance			
Return after charges	-9.00%	-3.63%	-18.90%
Other information			
Closing net asset value	3,275	3,808	8,020
Closing number of shares	373	373	728
Operating charges	1.29%	1.28%	1.28%
Direct transaction costs	-0.04%	0.00%	0.00%
Prices			
Highest share price	10.26	11.22	11.19
Lowest share price	8.46	10.16	9.64

A Accumulation Net	31.03.23 £	31.03.22 £	31.03.21 £
Opening net asset value per share	16.98	17.64	14.81
Return before operating charges^	-1.43	22.05	3.04
Operating charges	-0.20	-22.71	-0.21
Return after operating charges^	-1.63	-0.66	2.83
Distributions	-0.84	-0.65	-0.61
Retained distributions on accumulation shares	0.84	0.65	0.61
Closing net asset value per share	**15.35**	**16.98**	**17.64**
^After direct transaction costs of	0.01	0.00	0.00
Performance			
Return after charges	-9.58%	-3.72%	19.11%
Other information			
Closing net asset value	2,899,998	4,655,208	3,694,536
Closing number of shares	188,892	274,152	209,475
Operating charges	1.29%	1.28%	1.28%
Direct transaction costs	-0.04%	0.00%	0.00%
Prices			
Highest share price	17.04	18.11	14.87
Lowest share price	14.43	16.71	17.76

Comparative Tables

continued

Change in net assets per share

I Income Net	31.03.23 £	31.03.22 £	31.03.21 £
Opening net asset value per share	105.10	113.02	98.15
Return before operating charges^	-8.81	-4.37	20.01
Operating charges	-0.75	0.88	-0.86
Return after operating charges^	-9.56	-3.49	19.15
Distributions	-5.37	-0.43	-4.28
Closing net asset value per share	**90.17**	**105.10**	**113.02**
^After direct transaction costs of	0.04	0.00	0.00
Performance			
Return after charges	-9.10%	-3.09%	19.51%
Other information			
Closing net asset value	293,235,064	274,709,436	279,705,376
Closing number of shares	3,252,056	2,613,792	2,474,792
Operating charges	0.79%	0.78%	0.78%
Direct transaction costs	-0.04%	0.00%	0.00%
Prices			
Highest share price	105.50	115.22	109.89
Lowest share price	87.11	104.47	98.59

I Accumulation Net	31.03.23 £	31.03.22 £	31.03.21 £
Opening net asset value per share	179.46	185.48	154.99
Return before operating charges^	-14.90	81.61	31.35
Operating charges	-1.31	-87.63	-0.86
Return after operating charges^	-16.21	-6.02	30.49
Distributions	-9.37	-7.37	-6.86
Retained distributions on accumulation shares	9.37	7.37	6.86
Closing net asset value per share	**163.25**	**179.46**	**185.48**
^After direct transaction costs of	0.07	0.00	0.00
Performance			
Return after charges	-9.03%	-3.24%	19.67%
Other information			
Closing net asset value	473,817,224	566,874,886	583,203,660
Closing number of shares	2,900,388	3,158,712	3,144,290
Operating charges	0.79%	0.78%	0.78%
Direct transaction costs	-0.04%	0.00%	0.00%
Prices			
Highest share price	180.15	190.91	186.65
Lowest share price	153.05	176.56	155.67

Comparative Tables

continued

Change in net assets per share

I Income Gross	31.03.23 £	31.03.22 £	31.03.21 £
Opening net asset value per share	105.16	113.09	98.21
Return before operating charges^	-8.82	-91.18	20.02
Operating charges	-0.75	87.68	-0.86
Return after operating charges^	-9.57	-3.50	19.16
Distributions	-5.37	-4.43	-4.28
Closing net asset value per share	**90.22**	**105.16**	**113.09**
^After direct transaction costs of	0.04	0.00	0.00
Performance			
Return after charges	-9.10%	-3.09%	19.51%
Other information			
Closing net asset value	462,814,080	445,270,797	372,155,912
Closing number of shares	5,129,832	4,234,153	3,290,886
Operating charges	0.79%	0.78%	0.78%
Direct transaction costs	-0.04%	0.00%	0.00%
Prices			
Highest share price	105.56	115.29	114.85
Lowest share price	87.16	104.53	98.64

I Accumulation Gross	31.03.23 £	31.03.22 £	31.03.21 £
Opening net asset value per share	193.62	200.10	167.22
Return before operating charges^	-16.05	-163.90	34.36
Operating charges	-1.42	157.42	-1.48
Return after operating charges^	-17.47	-6.48	32.88
Distributions	-10.12	-7.95	-7.39
Retained distributions on accumulation shares	10.12	7.95	7.39
Closing net asset value per share	**176.15**	**193.62**	**200.10**
^After direct transaction costs of	0.07	0.00	0.00
Performance			
Return after charges	-9.02%	-3.24%	19.66%
Other information			
Closing net asset value	214,367,762	373,797,971	511,880,736
Closing number of shares	1,216,985	1,930,622	2,558,072
Operating charges	0.79%	0.78%	0.78%
Direct transaction costs	-0.04%	0.00%	0.00%
Prices			
Highest share price	194.35	205.96	201.37
Lowest share price	165.11	190.48	167.95

Comparative Tables

continued

Change in net assets per share

M Income Gross	31.03.23 £	31.03.22 £	31.03.21 £
Opening net asset value per share	101.65	109.31	94.92
Return before operating charges^	-9.62	-4.22	19.36
Operating charges	-0.72	0.84	-0.83
Return after operating charges^	-10.34	-3.38	18.53
Distributions	-5.18	-4.28	-4.14
Closing net asset value per share	**86.13**	**101.65**	**109.31**
^After direct transaction costs of	0.04	0.00	0.00
Performance			
Return after charges	-10.17%	-3.09%	19.52%
Other information			
Closing net asset value	70,918,960	75,486,568	93,646,988
Closing number of shares	823,411	742,634	856,745
Operating charges	0.79%	0.78%	0.78%
Direct transaction costs	-0.04%	0.00%	0.00%
Prices			
Highest share price	102.04	110.71	110.66
Lowest share price	84.24	100.37	95.34

Operating charges include indirect costs incurred in the maintenance and running of the Sub-fund, as disclosed (but not limited to) the detailed expenses within the Statement of Total Return. The figures used within this table have been calculated against the average Net Asset Value for the accounting year.

The return after charges is calculated as the closing Net Asset Value per share minus the opening Net Asset Value per share as a % of the opening Net Asset Value per share. The basis of valuation of investments used to calculate Net Asset Value per share is described in notes to the Financial Statements 1h) and complies with requirements of the current Statement of Recommended Practice for UK Authorised Funds. This differs from the basis used to calculate daily published single prices, in which listed investments are valued at 18:00 mid prices.

Direct transaction costs include fees, commissions, transfer taxes and duties in the purchasing and selling of investments, which are offset (where applicable) against any dilution levies charged within the accounting year. The figures used within the table have been calculated against the average Net Asset Value for the accounting year.

Risk and Reward Profile

The risk and reward indicator table demonstrates where the Sub-fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the future risk profile of the Sub-fund. The shaded area in the table below shows the Sub-fund's ranking on the risk and reward indicator.

Typically lower rewards, lower risk ← → **Typically higher rewards, higher risk**

1	2	3	4	5	6	7

The Sub-fund is ranked at 4 because funds of this type have experienced low to medium rises and falls in value in the past. Please note that even the lowest risk class can lose you money and that extreme market circumstances can mean you suffer severe losses in all cases. The indicator does not take into account the following risks of investing in this Sub-fund:

- Investing overseas can bring additional returns and spread risk to different markets. There are risks, however, that changes in currency exchange rates may cause the value of your investment to decrease and increase.
- There is no guarantee that an asset which provides the security for a bond will maintain its value.
- The Sub-fund can use derivatives in order to meet its investment objectives or to protect from price and currency movements. This may result in gains or losses that are greater than the original amount invested.
- Derivatives can be used to help reduce risk but may not be fully successful. Derivatives can also reduce gains you may otherwise have made.
- Currency risk reduction techniques can have an effect on the value of your investment and on the performance of the share class.
- Bond values are affected by changes in interest rates, inflation and any decline in creditworthiness of the bond issuer. Bonds that produce a higher level of income usually also carry greater risk as such bond issuers may not be able to pay the bond income as promised or could fail to repay the capital amount used to purchase the bond.
- There may be cases where the organisation from which we buy a bond fails to carry out its obligations, which could cause losses to the Sub-fund.
- In difficult market conditions, the value of some investments may be less predictable than normal and the Sub-fund may not be able to buy and sell these investments at the best time or at a fair price. This could affect the Sub-fund's performance, potentially reducing your returns.
- For further risk information please see the Prospectus.

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 revenue from them can 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 are subject to fluctuation in exchange rates, which can be favourable or unfavourable.

Statement of Total Return

for the year ended 31 March 2023

	Note	31.03.23 £	31.03.23 £	31.03.22 £	31.03.22 £
Income					
Net capital losses	2		(245,320,966)		(128,690,479)
Revenue	3	95,119,065		82,769,908	
Expenses	4	(12,398,602)		(14,957,087)	
Interest payable and similar charges	4	(8,117)		(10,913)	
Net revenue before taxation		82,712,346		67,801,908	
Taxation	5	–		–	
Net revenue after taxation			82,712,346		67,801,908
Total return before distributions			**(162,608,620)**		**(60,888,571)**
Distributions	6		(88,630,075)		(74,954,580)
Change in net assets attributable to Shareholders from investment activities			**(251,238,695)**		**(135,843,151)**

Statement of Change in Net Assets Attributable to Shareholders

for the year ended 31 March 2023

	31.03.23 £	31.03.23 £	31.03.22 £	31.03.22 £
Opening net assets attributable to Shareholders		**1,740,798,674**		**1,844,295,228**
Amounts receivable on issue of shares	595,815,254		491,190,020	
Less: Amounts payable on cancellation of shares	(611,642,890)		(497,974,750)	
Dilution levy	648,414		–	
		(15,179,222)		(6,784,730)
Change in net assets attributable to Shareholders from investment activities (see Statement of Total Return above)		(251,238,695)		(135,843,151)
Retained distributions on accumulation shares		43,344,089		39,131,327
Closing net assets attributable to Shareholders		**1,517,724,846**		**1,740,798,674**

The notes on pages 84 to 90 form an integral part of these Financial Statements.

Balance Sheet

as at 31 March 2023

	Note		31.03.23		31.03.22
		£	£	£	£
ASSETS					
Fixed Assets					
Investments			**1,479,995,595**		**1,914,657,011**
Current Assets					
Debtors	7	31,325,173		28,553,655	
Cash and bank balances	9	897,075,598		743,101,166	
Total current assets			**928,400,771**		**771,654,821**
Total assets			**2,408,396,366**		**2,686,311,832**
LIABILITIES					
Investment liabilities			**(445,364)**		**(214,624,094)**
Creditors					
Bank overdrafts	9	(832,869,259)		(716,724,445)	
Distribution payable		(12,015,633)		(7,722,457)	
Other creditors	8	(45,341,264)		(6,442,162)	
Total creditors			**(890,226,156)**		**(730,889,064)**
Total liabilities			**(890,671,520)**		**(945,513,158)**
Net assets attributable to Shareholders			**1,517,724,846**		**1,740,798,674**

The notes on pages 84 to 90 form an integral part of these Financial Statements.

Notes to the Financial Statements

for the year ended 31 March 2023

1. Accounting Policies

The Sub-fund's Financial Statements have been prepared on the same basis as the Accounting Policies stated on pages 7 to 8.

2. Net Capital Losses

	31.03.23 £	31.03.22 £
Non-derivative securities	(188,374,124)	(107,027,858)
Derivative securities	9,021,466	11,423,041
Currency (losses)/gains	(33,526,915)	871,825
Forward foreign exchange contracts losses	(32,401,292)	(33,922,968)
Transaction charges	(40,101)	(34,519)
Net capital losses	**(245,320,966)**	**(128,690,479)**

3. Revenue

	31.03.23 £	31.03.22 £
Interest on debt securities	94,511,949	82,812,866
Bank interest	607,116	(42,958)
Total revenue	**95,119,065**	**82,769,908**

4. Expenses

	31.03.23 £	31.03.22 £
Payable to the Authorised Corporate Director ('ACD'), associates of the ACD and agents of either of them:		
ACD's fee	118,951	102,984
Registration fees	24,151	19,665
	143,102	122,649
Payable to the Investment Manager, associates of the Investment Manager and agents of either of them:		
Investment Manager's fee	11,835,452	14,305,348
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fee (including VAT)	210,540	249,778
Safe custody and other bank charges	98,417	129,915
	308,957	379,693
Auditor's remuneration*:		
Audit fee	19,158	20,049
Tax compliance services	2,163	–
	21,321	20,049

Notes to the Financial Statements

continued

4. Expenses (continued)	31.03.23 £	31.03.22 £
Other expenses:		
External pricing service fees	205,647	224,412
Legal fees	9,445	8,641
Printing costs	17,780	18,944
	232,872	251,997
Expenses	**12,398,602**	**14,957,087**
Interest payable and similar charges	8,117	10,913
Total	**12,406,719**	**14,968,000**

*Included within the auditor's remuneration is irrecoverable VAT of £3,554 (2022: £3,342).

5. Taxation	31.03.23 £	31.03.22 £
(a) Analysis of charge in the year:		
Total tax charge (note 5b)	**–**	**–**
(b) Factors affecting taxation charge for the year:		
Net revenue before taxation	82,712,346	67,801,908
Corporation tax at 20%	16,542,469	13,560,382
Effects of:		
Interest distributions	(16,542,469)	(13,560,382)
Total tax charge (note 5a)	**–**	**–**

(c) Deferred tax

There was no liability to deferred tax at the balance sheet date (2022: nil).

Notes to the Financial Statements
continued

6. Distributions
The distributions take account of revenue received on the issue of shares and revenue deducted on the cancellation of shares, and comprise:

		31.03.23 £	31.03.22 £
First interim distribution	30.04.22	279,501	304,582
Second distribution	31.05.22	299,398	298,689
Third interim distribution	30.06.22	19,511,144	17,988,859
Fourth interim distribution	31.07.22	298,418	299,537
Fifth interim distribution	31.08.22	330,930	317,689
Sixth interim distribution	30.09.22	21,219,881	18,384,289
Seventh interim distribution	31.10.22	341,520	291,204
Eighth interim distribution	30.11.22	359,269	283,274
Ninth interim distribution	31.12.22	21,720,133	18,838,584
Tenth interim distribution	31.01.23	381,800	248,329
Eleventh interim distribution	28.02.23	561,188	253,521
Final interim distribution	31.03.23	22,680,498	17,382,628
		87,983,680	74,891,185
Revenue deducted on cancellation of shares		4,895,795	2,564,742
Revenue received on issue of shares		(4,249,400)	(2,501,347)
Distributions		**88,630,075**	**74,954,580**

Reconciliation of net revenue after taxation to net distributions:

Net revenue after taxation per Statement of Total Return	82,712,346	67,801,908
Expenses allocated to capital	5,917,726	7,152,674
Undistributed revenue brought forward	8	6
Undistributed revenue carried forward	(5)	(8)
Distributions	**88,630,075**	**74,954,580**

7. Debtors

	31.03.23 £	31.03.22 £
Amounts receivable on issues	5,742,647	5,054,254
Sales awaiting settlement	4,725,942	2,557,940
Accrued income:		
Interest on debt securities	20,856,024	20,940,215
Interest on Uropa Securities	–	503
Prepaid expenses:		
Legal fee	560	743
Total debtors	**31,325,173**	**28,553,655**

Notes to the Financial Statements

continued

8. Other Creditors

	31.03.23 £	31.03.22 £
Amounts payable on cancellations	5,184,620	5,127,322
Purchases awaiting settlement	39,063,496	–
Accrued expenses:		
Amounts payable to the Investment Manager, associates of the Investment Manager and agents of either of them:		
Investment Manager's fee	991,694	1,106,602
Amounts payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fee (including VAT)	17,791	81,896
Safe custody and other bank charges	8,476	43,068
	26,267	124,964
Auditors' remuneration*:		
Audit fee	19,158	18,453
Tax compliance services	2,163	–
	21,321	18,453
Other accrued expenses:		
External pricing service fees	49,116	59,880
Printing costs	4,750	4,941
	53,866	83,274
Total other creditors	**45,341,264**	**6,442,162**

*Included within the auditor's remuneration is irrecoverable VAT of £3,554 (2022: £3,076).

9. Cash and Bank Balances

	31.03.23 £	31.03.22 £
Cash and bank balances	897,075,560	745,239,658
Collateral cash positions	38	(2,138,492)
Overdraft positions	(832,869,259)	(716,724,445)
Cash and bank balances	**64,206,339**	**26,376,721**

10. Related Party Transactions

Apex Fundrock Limited ('AFL') is regarded as a related party by virtue of having the ability to act in respect of the operations of the Sub-fund in its capacity as the Authorised Corporate Director ('ACD').

ACD and other fees payable to AFL are disclosed in note 4 and amounts due at the year end are shown in note 8.

Fees payable to TwentyFour Asset Management LLP (the 'Investment Manager') are disclosed in note 4 and amounts due at the year end are shown in note 8.

Amounts receivable on issue and payable on cancellation of shares and dilution levy are disclosed in the Statement of Change in Net Assets Attributable to Shareholders and in note 6, amounts due at the year end are shown in notes 7 and 8.

At the year end the Sub-fund did not hold shares in any of the other Sub-funds within the MI TwentyFour Investment Funds.

Notes to the Financial Statements
continued

11. Contingent Liabilities and Outstanding Commitments
There were no contingent liabilities or outstanding commitments at the balance sheet date (2022: none).

12. Risk Management Policies and Disclosures
The main risks arising from financial instruments and the ACD's policies for managing these risks are disclosed on pages 9 to 11.

Numerical disclosures relating to the Sub-fund are as follows:

Disclosure of VaR limit

The table below details the Sub-fund's lowest, highest and average VaR, as well as utilisation of VaR calculated during the year:

	31.03.23 % of VaR	Utilisation of VaR(*) 20%	31.03.22 % of VaR	Utilisation of VaR(*) 20%
VaR at year end:	4.67	23.35	2.94	14.71
Minimum VaR:	2.55	12.75	2.94	14.69
Maximum VaR:	5.55	27.75	14.06	70.29
Average VaR:	4.10	20.50	11.05	55.26

*The VaR on the Sub-fund has been divided by its maximum limit.

Notes to the Financial Statements
continued

13. Portfolio Transaction Costs

31.03.23

Analysis of purchases	Total purchase cost £	£	Commissions paid %	£	Taxes %	Purchases before transaction cost £
Debt instruments	947,896,365	–	0.00	–	0.00	947,896,365
Total purchases after commissions and tax	**947,896,365**					

Analysis of sales	Net sale proceeds £	£	Commissions paid %	£	Taxes %	Sales before transaction cost £
Debt instruments	1,021,233,823	–	0.00	–	0.00	1,021,233,823
Total sales after commissions and tax	**1,021,233,823**					

Commission as a % of average net assets	0.00%
Taxes as a % of the average net assets	0.00%

31.03.22

Analysis of purchases	Total purchase cost £	£	Commissions paid %	£	Taxes %	Purchases before transaction cost £
Debt instruments	1,104,868,438	–	0.00	–	0.00	1,104,868,438
Total purchases after commissions and tax	**1,104,868,438**					

Analysis of sales	Net sale proceeds £	£	Commissions paid %	£	Taxes %	Sales before transaction cost £
Debt instruments	1,092,970,456	–	0.00	–	0.00	1,092,970,456
Derivatives	(147)	–	0.00	–	0.00	(147)
Total sales after commissions and tax	**1,092,970,309**					

Commission as a % of average net assets	0.00%
Taxes as a % of the average net assets	0.00%

Commissions and taxes as a % of the average net assets form part of the direct transaction costs stated within the comparative tables on pages 77 to 80. The direct transaction costs within the comparative tables may differ due to the effect of dilution levies charged (where applicable).

14. Portfolio Dealing Spread

The average portfolio dealing spread at 31 March 2023 is 0.69% (2022: 0.34%).

15. Post Balance Sheet Events

There were no notifiable events post the year end balance sheet date.

Notes to the Financial Statements
continued

16. Fair Value Disclosure

Valuation technique	31.03.23 Assets £	31.03.23 Liabilities £	31.03.22 Assets £	31.03.22 Liabilities £
Level 1^	364,940,282	–	267,507,820	–
Level 2^^	1,106,061,162	(445,364)	1,637,649,191	(214,624,094)
Level 3^^^	8,994,150	–	9,500,000	–
	1,479,995,595	**(445,364)**	**1,914,657,011**	**(214,624,094)**

*Securities in Level 3 consist of Charles Street Conduit Series 2B and Charles Street Conduit Series 2C which are valued by Natwest and Natwest consecutively at the appointed valuation. Considering the sensitivities of each security, if the valuation was to move by 10% then this would not have a material impact on the Sub-fund. Level 3 securities utilise a valuation technique which is to reflect market conditions. Price quotes for similar securities and other relevant information are obtained.

^Level 1: Unadjusted quoted price in an active market for an identical instrument.

^^Level 2: Valuation techniques using observable inputs other than quoted prices within level 1.

^^^Level 3: Valuation techniques using unobservable inputs.

A reconciliation of fair value measurements in Level 3 is set out in the following table:

	31.03.23	31.03.22
Opening Balance	9,500,000	7,957,000
Purchases	–	9,500,000
Sales	–	(8,000,000)
Total gains or losses included in the net capital gains/(losses) in the Statement of Total Return:		
- on assets sold	–	43,000
- on assets held at year end	(505,850)	–
Closing Balance	**8,994,150**	**9,500,000**

17. Shares in Issue

	A Income Gross	A Accumulation Net	I Income Net	I Accumulation Net
Opening number of shares	373	274,152	2,613,792	3,158,712
Shares issued	–	13,687	1,298,010	1,031,678
Shares cancelled	–	(98,947)	(664,951)	(1,289,365)
Shares converted	–	–	5,205	(637)
Closing number of shares	**373**	**188,892**	**3,252,056**	**2,900,388**

	I Income Gross	I Accumulation Gross	M Income Gross
Opening number of shares	4,234,153	1,930,622	742,634
Shares issued	2,313,914	390,835	188,486
Shares cancelled	(1,864,396)	(870,383)	(107,358)
Shares converted	446,161	(234,089)	(351)
Closing number of shares	**5,129,832**	**1,216,985**	**823,411**

Distribution Tables

for the year ended 31 March 2023

Income share distribution

Share class	Distribution	Shares	Net revenue p	Equalisation p	Distribution paid/payable 2023 p	Distribution paid 2022 p
A Gross	First interim	Group 1	11.4303	–	11.4303	10.0152
		Group 2	5.5479	5.8824	11.4303	10.0152
	Second interim	Group 1	12.8075	–	12.8075	10.2178
		Group 2	3.2837	9.5238	12.8075	10.2178
	Third interim	Group 1	12.4184	–	12.4184	10.1507
		Group 2	4.0851	8.3333	12.4184	10.1507
	Final	Group 1	16.3044	–	16.3044	9.9627
		Group 2	3.8044	12.5000	16.3044	9.9627
I Net	First interim	Group 1	123.7341	–	123.7341	110.0076
		Group 2	71.1023	52.6318	123.7341	110.0076
	Second interim	Group 1	138.1288	–	138.1288	112.2649
		Group 2	72.5830	65.5458	138.1288	112.2649
	Third interim	Group 1	133.8749	–	133.8749	111.7149
		Group 2	82.0129	51.8620	133.8749	111.7149
	Final	Group 1	141.1871	–	141.1871	108.5424
		Group 2	50.7334	90.4537	141.1871	108.5424
I Gross	First interim	Group 1	123.8050	–	123.8050	110.0506
		Group 2	35.8880	87.9170	123.8050	110.0506
	Second interim	Group 1	138.1927	–	138.1927	112.3272
		Group 2	77.8918	60.3009	138.1927	112.3272
	Third interim	Group 1	133.8801	–	133.8801	111.7861
		Group 2	63.7065	70.1736	133.8801	111.7861
	Final	Group 1	141.0869	–	141.0869	108.6045
		Group 2	92.6724	48.4145	141.0869	108.6045

First interim period: 01.04.22 - 30.06.22
Second interim period: 01.07.22 - 30.09.22
Third interim period: 01.10.22 - 31.12.22
Final period: 01.01.23 - 31.03.23

Distribution Tables

continued

Income share distribution (continued)

Share class	Distribution	Shares	Net revenue p	Equalisation p	Distribution paid/payable 2023 p	Distribution paid 2022 p
M Gross	First interim	Group 1	37.7812	–	37.7812	35.7665
		Group 2	13.6027	24.1785	37.7812	35.7665
	Second interim	Group 1	40.7570	–	40.7570	35.1660
		Group 2	15.7247	25.0323	40.7570	35.1660
	Third interim	Group 1	41.1500	–	41.1500	35.4559
		Group 2	15.1854	25.9646	41.1500	35.4559
	Fourth interim	Group 1	40.8464	–	40.8464	35.2683
		Group 2	24.3240	16.5224	40.8464	35.2683
	Fifth interim	Group 1	44.1182	–	44.1182	37.2881
		Group 2	33.0775	11.0407	44.1182	37.2881
	Sixth interim	Group 1	48.7063	–	48.7063	36.0461
		Group 2	25.9388	22.7675	48.7063	36.0461
	Seventh interim	Group 1	42.7429	–	42.7429	35.3140
		Group 2	14.5531	28.1898	42.7429	35.3140
	Eighth interim	Group 1	42.3186	–	42.3186	34.6124
		Group 2	10.8555	31.4631	42.3186	34.6124
	Ninth interim	Group 1	43.9302	–	43.9302	38.1339
		Group 2	20.7810	23.1492	43.9302	38.1339
	Tenth interim	Group 1	45.8969	–	45.8969	32.5669
		Group 2	23.6466	22.2503	45.8969	32.5669
	Eleventh interim	Group 1	67.5074	–	67.5074	33.8140
		Group 2	14.9652	52.5422	67.5074	33.8140
	Twelfth interim	Group 1	22.6577	–	22.6577	38.6283
		Group 2	–	22.6577	22.6577	38.6283

First interim period: 01.04.22 - 30.04.22
Second interim period: 01.05.22 - 31.05.22
Third interim period: 01.06.22 - 30.06.22
Fourth interim period: 01.07.22 - 31.07.22
Fifth interim period: 01.08.22 - 31.08.22
Sixth interim period: 01.09.22 - 30.09.22
Seventh interim period: 01.10.22 - 31.10.22
Eighth interim period: 01.11.22 - 30.11.22
Ninth interim period: 01.12.22 - 31.12.22
Tenth interim period: 01.01.23 - 31.01.23
Eleventh interim period: 01.02.23 - 28.02.23
Twelfth interim period: 01.03.23 - 31.03.23

Distribution Tables

continued

Accumulation share distributions

Share class	Distribution	Shares	Net revenue p	Equalisation p	Amount reinvested 2023 p	Amount reinvested 2022 p
A Net	First interim	Group 1	18.2892	–	18.2892	16.0638
		Group 2	9.3025	8.9867	18.2892	16.0638
	Second interim	Group 1	21.5773	–	21.5773	16.5272
		Group 2	12.9397	8.6376	21.5773	16.5272
	Third interim	Group 1	21.2449	–	21.2449	16.5995
		Group 2	10.5815	10.6634	21.2449	16.5995
	Final	Group 1	22.7261	–	22.7261	16.3050
		Group 2	5.1299	17.5962	22.7261	16.3050
I Net	First interim	Group 1	211.2759	–	211.2759	180.5334
		Group 2	102.1572	109.1187	211.2759	180.5334
	Second interim	Group 1	238.9351	–	238.9351	186.0117
		Group 2	148.8169	90.1182	238.9351	186.0117
	Third interim	Group 1	235.2352	–	235.2352	186.9325
		Group 2	101.5316	133.7036	235.2352	186.9325
	Final	Group 1	251.7996	–	251.7996	183.4475
		Group 2	92.5608	159.2388	251.7996	183.4475
I Gross	First interim	Group 1	227.9373	–	227.9373	194.7235
		Group 2	116.9288	111.0085	227.9373	194.7235
	Second interim	Group 1	257.7432	–	257.7432	200.6725
		Group 2	156.2217	101.5215	257.7432	200.6725
	Third interim	Group 1	253.9621	–	253.9621	201.6844
		Group 2	154.3214	99.6407	253.9621	201.6844
	Final	Group 1	272.7046	–	272.7046	197.9099
		Group 2	55.0756	217.6290	272.7046	197.9099

First interim period: 01.04.22 - 30.06.22
Second interim period: 01.07.22 - 30.09.22
Third interim period: 01.10.22 - 31.12.22
Final period: 01.01.23 - 31.03.23

Group 1: Shares purchased prior to a distribution period
Group 2: Shares purchased during a distribution period

Equalisation

Equalisation applies only to shares purchased during the distribution period (Group 2 shares). It represents 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.

Investment Objective and Policy

Investment objective

The Sub-fund aims to provide income along with an opportunity for capital growth, by investing in a broad range of fixed income assets, with an emphasis on capital preservation.

Investment policy

The Sub-fund will adopt a highly flexible investment approach to take advantage of prevailing market conditions with the ability to change the emphasis of its investment focus within the fixed income universe over time. The key focus of the Sub-fund's investment objective will be to ensure that the majority of bonds in the Sub-fund's portfolio have a maximum expected final repayment date of 5 years, as this is currently deemed optimal. The key focus may however change over time, for example by shifting towards a portfolio with longer or shorter maturities (within the maximum expected maturity of 5 years) or by concentrating more in one particular part of the fixed income universe, particularly in times of stressed market conditions.

Investors should be aware that the "expected final repayment" of an instrument may be different to its "legal maturity" and is based on assumptions relating to the payment profile of the borrower and the instruments issued. Certain instruments enable early repayment of principal before the maturity date, which can occur on or after specified call dates. For instance a borrower may have agreed terms at a higher interest cost relative to prevailing rates that incentivises an earlier repayment of the debt.

The Sub-fund may obtain exposure to debt instruments from the whole range of fixed income assets including high yield bonds, investment grade bonds, government bonds, asset-backed securities, Money Market Funds ('MMFs') and other bonds (such as, for example, emerging market sovereign bonds or bank capital perpetual bonds).

The Sub-fund will also use derivatives, such as interest rate and credit derivatives, to either optimize exposures or reduce them in conjunction with the Investment Manager's market viewpoint, thereby giving the Sub-fund the opportunity to perform in both rising and declining rate environments throughout the economic cycle. The Sub-fund may also employ synthetic short positions both for hedging purposes and to take advantage of deterioration either in the market generally or with respect to specific issuers. The Sub-fund may also hedge some or all of its exposure in the foreign exchange markets.

The choice of bonds will typically be guided by the yield, although the potential for capital growth may also be a material factor.

The minimum recommended holding term is medium to long term.

The Investment Manager has overall responsibility for the investment policy and authority to select service providers pursuant to the Investment Management Agreement entered into with the Authorised Corporate Director ('ACD').

The Focus Bond Fund will not invest in any Collective Investment Schemes with the exception of MMFs which do not adversely alter the risk profile of the Sub-fund.

Investment Manager's Report

for the year ended 31 March 2023

Market Commentary

The 12 month period saw Central Banks at the forefront of action as both Central bankers and market participants alike attempted to assess the high levels of inflation resulting from strong demand, fractured global supply chains and the Russian war in Ukraine. This saw terminal rate expectations continue to be shifted higher across developed markets. With inflation being the source of the problem and the global increase in living costs beginning to hurt the consumer, both risk off and risk assets saw negative returns in fixed income for the 12 month period.

US inflation continued its journey higher going into the summer period with large increases across the board in particularly in rents, used cars and airline fares – the latter increasing over 12% Month on Month ('MoM'). This led to the Federal Reserve ('FED') beginning to increase rates in 75bp increments and also saw a shift up in the FED's dot plots. Headline YoY US inflation peaked at 9.1% for June's data and the 10 year US Treasury closed in on 3.50% in June having begun the period at 2.34%.

The European Central Bank ('ECB') exited negative rates in its July meeting by hiking 50 basis points ('bp'). This was accompanied by the ECB's new anti-fragmentation tool (officially the Transmission Protection Instrument or TPI), however details about the potential of this new instrument were fairly vague. Meanwhile, a collapse of Mario Draghi's government in Italy saw fresh elections scheduled for September and increased volatility for Italian spreads.

Investment Manager's Report
continued

Elsewhere throughout the Summer, volatility was elevated in Europe as various headlines emerged suggesting Russian gas supply could remain curtailed. After a 10-day period of gas being turned off for maintenance work, the gas supply ultimately resumed, though at a reduced capacity of 20-40%. The uncertainty led to European energy priced increasing with German power trading at €500/MWH for the first time in history.

Russia eventually announced that gas would stop flowing through the Nord Stream pipeline to Europe. However, European gas prices actually fell, a sign of how much was priced in previously to the market as well as Europe's good work in increasing storage and alternative energy supplies. In addition, various countries put energy packages in place to cap prices.

September saw another US inflation print higher than expectations and a hawkish The Federal Open Market Committee ('FOMC') meeting with members alluding to terminal rates in the US close to 5%. The ECB also hiked by 75bp as markets once again grew concerned about Central bank's ability to control inflation. The US 10 year peaked at 4.25% whilst 10 year Bunds reached 2.45%. These fears spilled into risk assets as well with a sharp sell off in High Yield in September.

In the UK, as expected, Liz Truss took over from Boris Johnson as Prime Minister. Her new finance minister, Kwasi Kwarteng, unveiled a 'mini-Budget' which surprised markets as it included more (unfunded) tax cuts than expected. This fear of additional inflationary and supply pressure led to a sharp sell-off in both sterling and Gilts, which was made worse by collateral calls for UK pension funds running Liability Driven Investment ('LDI') strategies. With Gilt yields spiking by 140bp to over 4.50% in three days, the Bank of England ('BoE') intervened to calm markets by announcing a short term operation to buy Gilts with a duration over 20 years, while the government belatedly moved to soften its stance resulting in UK assets reversing some of the negative moves.

In China, President Xi Jinping began his third term by surrounding himself with loyalists, which made investors nervous about future shifts in domestic and foreign policy. Protests in China followed shortly after about the strict COVID restrictions that had been in place for multiple years – this eventually led to the government relaxing its 'zero-COVID' approach which markets took positively as a step to global supply chains being repaired.

This positive move, along with signs that the FED was close to approaching its terminal rates led to somewhat of a relief rally towards the end of 2022 and beginning of 2023. The rally was also helped by growth forecasts in Europe being revised upwards as the bloc's swift response to the Russian gas cut off meant that they were likely to avoid any of the severe scenarios that many said were likely just a few months earlier.

The period finished with a US regional bank crisis when Silicon Valley Bank ('SVB') was seized by the Californian authorities. Despite being the sixteenth largest bank in the US, SVB appeared to have faced unique circumstances of poor risk management, a low level of insured deposits, very large deposit outflows and a very large concentration in long dated Treasuries, held with unrealised losses.

Although there was very little read-across to European banks, they nevertheless suffered contagion, and spreads began to widen across the capital structure. Credit Suisse was caught by the negative sentiment which after a couple of years in the headlines had begun its restructuring plan in Q4 2022. The SVB story came at the worst time for Credit Suisse leading to large deposit withdrawals which eventually led the Swiss regulator to contentiously deem the bank to be non-viable. Additionally, the Swiss regulator's hugely controversial subordination of AT1s below equity holders meant that this sector in particularly saw a lot of volatility in March. The European and UK rejection of the Swiss regulator's approach comforted the market however the sector still finished the period trading heavily.

Portfolio Commentary
Persistently high inflation drove central bank policy rates aggressively higher in the financial year, and forecasts for economic growth and unemployment deteriorated as the year progressed. Whilst corporate and consumer balance sheets came into the year in position of strength, the Portfolio Managers through the year became more cautious on fundamentals and progressively increased liquidity and their exposure to government bonds, whilst decreasing their exposure to corporate high yield.

The asset allocation remained fairly consistent through the first quarter, with only small increases in the teams favoured sectors (Collateralized Loan Obligations ('CLOs') and financials) at the expense of high yield. In the second quarter, strong Sub-fund inflows saw the cash balance in the Sub-fund rise from approximately 1.4% to 11.9% (net of FX), which the team began to meaningfully invest in the third quarter after the steep sell off in credit markets seen in September, where higher than expected inflation and the UK's "mini-budget" caused rates and credit to move significantly wider.

Investment Manager's Report

continued

In the third quarter, and towards the end of 2022, the team took the cash balance back down to 1.8% (net of FX), allocating to CLOs, non-AT1 banks, and government bonds in particular. The government bond allocation went from approximately 3% at the end of the second quarter, to just under 10% at the end of the third quarter, with the team not only increasing their exposure to T-Bills but also 5 year Treasuries. Against this, the allocation to high yield, particularly in Europe, declined meaningfully, with the exposure falling from just over 27% at the end of the first quarter to approximately 17.4% by the end of the third quarter, consistent with the "up in quality" theme through the year.

The rally in the third quarter, driven by clarity on some of the issues that had driven markets in 2022, continued into the fourth quarter, with new issuance in particular picking up significantly (primarily in the investment grade financials space). The team continued to look at relative value opportunities within the Sub-fund, again rotating out of high yield and into higher quality credit, including insurance and investment grade non-financial (the combined exposure to these two sectors increased by 4.7% through the fourth quarter). The volatility in the banking sector in March also drove some interesting opportunities in the space, and the team opportunistically added some exposure to senior and T2 bank debt through the month.

Market Outlook

The market is currently closely following the US regional banking crisis to determine whether the consequences will have a wider ranging effect on the global economy. More broadly, with a slowdown expected within the next 12 months the market is still looking for further clarity as to what this will look like; ranging from a soft landing with a limited increase in the unemployment rate and growth remaining resilient, to a hard landing which sees a spike in job losses and a sharp fall in Gross Domestic Product ('GDP'). The team will be looking at major lead indicators to gain clarity. Portfolio Managers ('PMs') have been moving up in credit quality across the Sub-fund to ensure resilience in the potential slowdown. Furthermore, PMs have kept credit spread duration short – this is to reduce volatility and benefit from pull to par, with curves very flat or inverted yields are still very attractive in the short end.

The Sub-fund returned a negative 7.11% (Class A Income Gross with dividends reinvested) for the year.

Portfolio Statement

as at 31 March 2023

Holding	Security	Market value £	% of total net assets 2023
	Euro denominated asset backed securities 16.07% (14.29%)		
€3,800,000	ALME Loan Funding Series 3X ERRE	2,859,379	1.67
€2,300,000	ALME Loan Funding Series 4X ER	1,708,075	0.99
€3,000,000	Ares Euro CLO Series 7X DR	2,292,649	1.34
€2,000,000	Aurium CLO Series 3X F	1,371,742	0.80
€1,700,000	Aurium CLO Series 4X E	1,256,155	0.73
€1,500,000	Aurorus Series 2020-1 E	1,313,794	0.77
€1,900,000	Avoca CLO Series 16X FR	1,317,408	0.77
€1,300,000	Contego CLO Series 7X E	995,049	0.58
€1,000,000	Cordatus CLO Series 5X ER	760,820	0.44
€2,000,000	Cordatus CLO Series 6X FR	1,287,495	0.75
€1,000,000	Cordatus CLO Series 12X E	745,371	0.43
€2,500,000	Dryden Leveraged Loan CDO Series 17-27X ER	1,849,396	1.08
€1,000,000	Dryden Leveraged Loan CDO Series 17-62X F	642,703	0.37
€1,000,000	Dutch Property 2023 - 1D	851,630	0.50
€162,565	Fonds Commun De Titrisation Series 10FR E	142,247	0.08
€1,000,000	Harvest CLO Series 7X FR	715,021	0.42
€2,642,000	Harvest CLO Series 15X FR	1,702,862	0.99
€2,000,000	Harvest CLO Series 16X FR	1,500,334	0.87
€2,000,000	Harvest CLO Series 19X E	1,466,256	0.85
€2,000,000	North Westerly CLO BV Series VI-X F	1,444,131	0.84
€588,974	SC Germany Series 20-1 D	507,539	0.30
€1,300,000	Voya Euro CLO Series 1X F	853,445	0.50
		27,583,501	16.07
	Euro denominated corporate debt securities 23.75% (25.51%)		
€1,200,000	Aareal Bank 7.625% Variable Perpetual	855,446	0.50
€800,000	Abanca Corp Bancaria 6% Variable Perpetual	573,743	0.33
€750,000	Altice France 2.5% 15.01.25	615,258	0.36
€560,000	Altice France 8% 15.05.27	368,179	0.21
€3,170,000	ASR Nederland 4.625% 19.10.27	2,248,475	1.31
€1,800,000	Banco Bilbao Vizcaya Variable Perpetual	1,491,858	0.87
€400,000	Banco de Sabadell 5.25% 07.02.29	334,444	0.19
€1,200,000	Banco de Sabadell 5.75% Variable Perpetual	831,683	0.48
€1,600,000	Banco de Sabadell 9.375% 18.07.28	1,253,649	0.73
€2,400,000	Banco Santander 4.375% Variable Perpetual	1,684,488	0.98
€1,000,000	Bank of Ireland 7.5% Variable Perpetual	852,598	0.50
€1,000,000	Bawag Group 5% Variable Perpetual	699,452	0.41
€1,000,000	Bawag Group 5.125% Variable Perpetual	641,602	0.37
€1,100,000	BP Capital Markets 3.25% 22.03.26	895,751	0.52
€1,000,000	Caixa Bank 5.875% 09.10.17	777,271	0.45
€600,000	Caixa Bank 6.25% 23.02.33	539,116	0.31
€800,000	Cheplapharm Arzneimittel 3.5% 11.02.27	649,666	0.38
€800,000	Commerzbank 6.5% 06.12.32	697,758	0.41
€800,000	Deut Pfandbriefbank Variable Perpetual	510,573	0.30
€780,000	Dobank Spa 3.375% 31.07.26	600,368	0.35
€370,000	Elm B.V. 3.75% Variable Perpetual	293,075	0.17
€1,000,000	Enelm 6.375% 16.04.28	886,838	0.52
€800,000	Encore Capital Group Inc 4.875% 15.10.25	645,105	0.38
€1,000,000	Faurecia 7.25% 15.11.24	908,173	0.53
€410,000	Garfunkelux Holdco 6.75% 01.11.25	276,454	0.16
€750,000	Heimstaden Bostad 3.248% Variable Perpetual	412,541	0.24
€800,000	Heimstaden Bostad 4.25% 09.03.26	495,865	0.29

Portfolio Statement

continued

Holding	Security	Market value £	% of total net assets 2023
	Euro denominated corporate debt securities (continued)		
€581,000	HSBC 5.125% 15.10.26	533,600	0.31
€650,000	Iliad Holding 5.125% 15.10.26	551,377	0.32
€650,000	Ineos Finance 6.625% 15.05.28	577,425	0.34
€1,364,000	Intesa Sanpaolo 6.25% Variable Perpetual	1,170,429	0.68
€286,000	Intesa Sanpaolo Spa 5.875% Variable Perpetual	225,145	0.13
€2,100,000	Intesa Sanpaolo Variable Perpetual	1,766,931	1.03
€276,189	Intrum Justitia 3.125% 15.07.24	233,188	0.14
€770,000	Jaguar Land Rover 6.875% 15.11.26	647,580	0.38
€400,000	La Finac Atalian 4% 15.05.24	258,746	0.15
€100,000	La Finac Atalian 5.125% 15.05.25	60,014	0.04
€600,000	Marex Group 8.375% 02.02.28	516,842	0.30
€1,100,000	Novo Banco 2.625% 08.05.17	111,331	0.06
€880,000	Public Power 3.875% 30.03.26	731,139	0.43
€900,000	RCS & RDS 2.5% 05.02.25	748,552	0.44
€760,000	SIG 5.25% 30.11.26	571,537	0.33
€1,000,000	Solvay Finance 5.869% Variable Perpetual	876,562	0.51
€810,947	Summer BC Holdco 9.25% 31.10.27	587,303	0.34
€1,050,000	Telecom Italia 6.875% 15.02.28	944,168	0.55
€1,000,000	Telefonica 4.375% 14.12.24	857,241	0.50
€875,000	Trafigura Funding 3.875% 02.02.26	720,267	0.42
€1,750,000	Unipolsai Assicurazioni 5.75% Variable Perpetual	1,506,305	0.88
€120,000	Verisure Midholding 5.25% 15.02.29	87,828	0.05
€1,000,000	Verisure Midholding 9.25% 15.10.27	944,725	0.55
€750,000	Victoria 3.625% 26.08.26	533,325	0.31
€2,040,000	Vivat 7% Variable Perpetual	1,701,122	0.99
€1,200,000	Volksbank Wien Variable Perpetual	888,142	0.52
€1,700,000	Volkswagen Group Finance 4.625% 27.06.28	1,365,366	0.80
		40,755,619	23.75
	Pound sterling denominated asset backed securities 5.86% (3.18%)		
£1,500,000	Cardiff Automobile Receivables Series 22-1 E	1,456,835	0.85
£2,100,000	Castell Series 20-1 D	2,100,000	1.22
£1,000,000	Castell Series 20-1 E	995,991	0.58
£918,897	Castell Series 21-1 D	859,102	0.50
£1,000,000	Charles Street Conduit Series 2 B	957,400	0.56
£575,948	E-Carat Series 11 D	571,520	0.33
£1,740,164	SYON Securities Series 19-1 C	1,659,281	0.97
£1,450,000	Together ABS Series 19-1 D	1,452,017	0.85
		10,052,146	5.86
	Pound sterling denominated corporate debt securities 22.53% (20.67%)		
£710,000	AA Bond 6.5% 31.01.26	607,938	0.35
£2,600,000	Allianz 3.5% Perpetual	1,702,907	0.99
£440,000	America Movil 5% 27.10.26	437,862	0.26
£1,141,000	Barclays 3.75%	1,040,476	0.61
£650,000	Barclays 6.375% Variable Perpetual	570,710	0.33
£1,621,000	Barclays Variable Perpetuals	1,436,611	0.84
£1,200,000	Bellis Acquisition 4.5% 16.02.26	1,015,134	0.59
£1,610,000	Bracken Midco One 6.75% 01.11.27	1,296,050	0.76
£690,000	Burford Capital 6.125% 26.10.24	668,351	0.39
£1,500,000	Credit Agricole 7.5%	1,372,500	0.80
£3,740,000	Coventry Building Society 6.875% Variable Perpetual	3,385,822	1.97

Portfolio Statement
continued

Holding	Security	Market value £	% of total net assets 2023
	Pound sterling denominated corporate debt securities (continued)		
£750,000	Deuce Finco 5.5% 15.06.27	626,574	0.37
£1,600,000	Direct Line Insurance 4.75% 07.12.27	1,152,000	0.67
£1,700,000	Esure 6% Variable Perpetual	1,169,770	0.68
£310,000	Ford Motor 6.86% 05.06.26	309,201	0.18
£700,000	Galaxy Bidco 6.5% 31.07.26	629,350	0.37
£120,000	Garfunkelux Holdco 7.75% 01.11.25	90,851	0.05
£1,420,000	Investec Variable Perpetual	1,184,017	0.69
£945,000	Jerrold Finco 4.875% 15.01.26	815,614	0.48
£800,000	Korian SA 4.125% Variable Perpetual	631,216	0.37
£260,000	La Finac Atalian 6.625% 15.05.25	174,712	0.10
£1,500,000	Legal and General 5.375% 27.10.25	1,463,073	0.85
£700,000	Maison Finco 6% 31.10.27	573,178	0.33
£1,050,000	National Express 4.25% Variable Perpetual	931,204	0.54
£1,400,000	National Express 5.75% 20.06.27	1,132,608	0.66
£3,250,000	Nationwide Building Society Variable Perpetual	2,953,438	1.72
£1,200,000	NatWest Group 4.5% 31.03.28	884,312	0.52
£900,000	Oaknorth Bank Variable 01.06.28	865,125	0.50
£1,600,000	OSB 6% Variable Perpetual	1,234,011	0.72
£1,200,000	Paragon Banking 4.375% Variable 25.09.31	1,058,871	0.62
£1,450,000	Petroleos Mexicanos 3.75% 16.11.25	1,308,276	0.76
£550,000	Phoenix 5.75% 26.04.28	440,682	0.26
£480,000	Punch Finance 6.125% 30.06.26	418,549	0.24
£650,000	RAC 5.25% 04.11.27	524,273	0.31
£1,170,000	Shawbrook 12.103% 08.12.27	1,067,108	0.62
£930,000	Sherwood Financing 6% 15.11.26	776,402	0.45
£400,000	Stonegate Pub 8.25% 31.07.25	373,425	0.22
£350,000	Talktalk Telecom 3.875% 20.02.25	292,273	0.17
£450,000	Virgin Media Secured Finance 5.25% 15.05.29	392,372	0.23
£1,200,000	Vodafone Group Variable 03.10.78	1,139,520	0.66
£680,000	Zenith Finance 6.5% 30.06.27	513,904	0.30
		38,660,270	22.53
	Pound sterling denominated government debt securities 0.00% (4.21%)		
	United States dollar denominated corporate debt securities 23.16% (29.83%)		
$1,140,000	Altice France 5.5% 15.01.28	758,315	0.44
$1,080,000	American Airlines 5.5% 20.04.26	861,951	0.50
$1,400,000	American Axle & Manufacturing 6.875% 01.07.28	1,027,146	0.60
$250,000	Antero Midstream 5.75% 01.03.27	198,111	0.12
$800,000	Antero Midstream 7.875% 15.05.26	665,568	0.39
$1,500,000	Banco Mercantil de Norte 6.75% Variable Perpetual	1,157,180	0.67
$548,000	Beazer Homes USA 5.875% 15.10.27	404,600	0.24
$580,000	Berry Global 5.625% 15.07.27	466,538	0.27
$600,000	BNP Paribas 4.625% Variable Perpetual	382,942	0.22
$600,000	Cemex SAB 5.125% Variable Perpetual	437,306	0.26
$762,000	Cheplapharm Arzneimittel 5.5% 15.01.28	550,922	0.32
$1,500,000	Danske Bank A/S 4.375% Variable Perpetual	1,020,211	0.59
$550,000	Edgewell Personal Care 5.5% 01.06.23	427,409	0.25
$519,000	Empire Communities 7% 15.12.25	369,375	0.22
$900,000	Enlink Midstrean Partner 4.85% 15.07.26	703,292	0.41
$970,000	Guvnor 6.25% 30.09.26	706,997	0.41
$900,000	Hess Midstream 5.625% 15.02.26	721,631	0.42

Portfolio Statement

continued

Holding	Security	Market value £	% of total net assets 2023
	United States dollar denominated corporate debt securities (continued)		
$1,700,000	HSBC 4% Variable Perpetual	1,126,166	0.66
$1,650,000	ING Groep 3.875% Variable Perpetual	975,439	0.57
$995,000	Intelligent Packaging 6% 15.09.28	694,246	0.40
$622,000	Kenbourne 6.875% 26.11.24 Series Reg S	384,544	0.22
$450,000	Kinetik Holdings 5.875% 15.06.30	351,676	0.21
$1,000,000	Lumen Technologies 5.375% 15.06.29	399,128	0.23
$175,000	Lumen Technologies 6.875% 15.01.28	85,611	0.05
$1,300,000	Marex 13.25% Variable Perpetual	1,084,913	0.63
$1,000,000	Marriott Ownership 4.5% 15.06.29	690,142	0.40
$660,000	MHP 7.75% 10.5.24	290,243	0.17
$1,415,000	Nesco II 5.5% 15.04.29	1,042,800	0.61
$650,000	Network I2I 3.975% Variable Perpetual	462,047	0.27
$2,920,000	Phoenix 5.625% Variable Perpetual	1,996,492	1.16
$590,000	Prestige Brands 5.125% 15.01.28	464,670	0.27
$430,000	Prime Healthcare 7.25% 01.11.25	309,869	0.18
$2,500,000	QBE Insurance 5.875% Variable Perpetual	1,895,965	1.11
$3,360,000	Rothesay Life 4.875% Variable Perpetual	2,023,989	1.18
$2,000,000	Sable International Finance 5.75% 07.09.27	1,516,275	0.88
$220,000	Scil IV 5.375% 01.11.26	163,301	0.10
$600,000	Sealed Air 6.125% 01.02.28	490,593	0.29
$1,000,000	Societe Generale 9.375% 28.11.27	769,355	0.45
$1,685,000	Solaris Midstream 7.625% 01.04.26	1,312,879	0.77
$717,000	Summer 5.5% 31.10.26	494,012	0.29
$795,000	Tallgrass NRG 5.5% 15.1.28	591,226	0.34
$1,000,000	Tallgrass NRG 6% 01.03.27	769,574	0.45
$1,000,000	Teleflex Inc 4.625% 15.11.27	791,215	0.46
$1,665,000	Telesat Canada 4.875% 01.06.27	699,002	0.41
$750,000	Telesat Canada 6.5% 15.10.27	192,541	0.11
$1,500,000	Titan International 7% 30.04.28	1,099,368	0.64
$280,000	Trafigura Funding 5.875% 23.09.25	220,217	0.13
$1,400,000	Transdigm 5.5% 15.11.27	1,069,537	0.62
$750,000	Trivium Packaging 5.5% 15.08.26	582,184	0.34
$650,000	UBS 4.875% Variable Perpetual	412,001	0.24
$1,950,000	UBS Variable Perpetual	1,499,153	0.87
$950,000	Unicredit 8% Variable Perpetual	735,073	0.43
$600,000	United Airlines Income 4.375% 15.04.26	466,169	0.27
$1,200,000	UPL 5.25% Variable Perpetual	725,216	0.42
		39,736,325	23.16
	United States dollar denominated government debt securities 7.17% (0.00%)		
$8,500,000	US Treasury 0.125% 31.05.23	6,834,939	3.98
$2,980,000	US Treasury 2.5% 31.03.27	2,305,217	1.35
$3,940,000	US Treasury 2.875% 31.10.23	3,158,643	1.84
		12,298,799	7.17

Portfolio Statement

continued

Holding	Security	Market value £	% of total net assets 2023
	DERIVATIVES 1.29% (-1.27%)		
	Forward Currency Contracts^ 1.29% (-1.27%)		
	Bought €5,916,485 Sold £5,224,725 (06.04.23)	(17,049)	(0.01)
	Bought €1,068,094 Sold £936,867 (06.04.23)	3,266	0.00
	Bought $4,407,993 Sold £3,616,809 (06.04.23)	(47,153)	(0.03)
	Bought $673,755 Sold £543,988 (06.04.23)	1,629	0.00
	Sold €1,287,472 Bought £1,130,648 (06.04.23)	(2,582)	0.00
	Sold €86,818,178 Bought £77,164,261 (06.04.23)	747,109	0.44
	Sold $1,305,777 Bought £1,054,321 (04.04.23)	(3,159)	0.00
	Sold $72,706,415, Bought £60,407,493 (06.04.23)	1,528,785	0.89
		2,210,846	1.29
	Investment assets	**171,297,506**	**99.83**
	Net other assets	**296,532**	**0.17**
	Net assets	**171,594,038**	**100.00**

All investments are ordinary shares or stock units on a regulated securities market unless otherwise stated. The percentages in brackets show the equivalent % holdings as at 31.03.22.

^At the balance sheet date, all forward currency contracts were executed with one counterparty, Northern Trust Investor Services Limited ('NTISL') for the purpose of Effective Portfolio Management. Collateral obligations on losses or gains for each transaction would be met using cash held by the Custodian.

Analysis of bonds by credit rating^	**Market value £**	**% of total net assets 2023**
Investment grade (BBB- and above)	47,031,414	27.41
Non Investment grade (BB+ and below)	113,703,836	66.26
Unrated bonds	8,351,410	4.87
	169,086,660	98.54

^Source NTISL

Comparative Tables

Change in net assets per share

A Income Gross	31.03.23 £	31.03.22 £	31.03.21 £
Opening net asset value per share	0.9478	1.0200	0.9023
Return before operating charges^	-0.0667	-0.0182	0.1666
Operating charges	-0.0053	-0.0063	-0.0067
Return after operating charges^	-0.0720	-0.0245	0.1599
Distributions	-0.0551	-0.0477	-0.0422
Closing net asset value per share	**0.8207**	**0.9478**	**1.0200**
^After direct transaction costs of	0.0000	0.0000	0.0000
Performance			
Return after charges	-7.60%	-2.40%	17.72%
Other information			
Closing net asset value	171,594,038	145,898,686	144,086,893
Closing number of shares	209,077,007	153,934,317	141,701,479
Operating charges	0.61%	0.61%	0.67%
Ongoing operating charges*	0.62%	0.61%	0.67%
Direct transaction costs	0.00%	0.00%	0.00%
Prices			
Highest share price	0.9515	1.0467	1.0400
Lowest share price	0.8022	0.9554	0.9053

*Taking an average of the daily Net Asset Values for the last month has the effect of increasing the operating charges by 0.01%. The ACD believes this to be more representative of the charges going forward.

Operating charges include indirect costs incurred in the maintenance and running of the Sub-fund, as disclosed (but not limited to) the detailed expenses within the Statement of Total Return. The figures used within this table have been calculated against the average Net Asset Value for the accounting year.

The return after charges is calculated as the closing Net Asset Value per share plus the distributions on income shares minus the opening Net Asset Value per share as a % of the opening Net Asset Value per share. The basis of valuation of investments used to calculate Net Asset Value per share is described in notes to the Financial Statements 1h) and complies with requirements of the current Statement of Recommended Practice for UK Authorised Funds. This differs from the basis used to calculate daily published single prices, in which listed investments are valued at 18:00 mid prices.

Direct transaction costs include fees, commissions, transfer taxes and duties in the purchasing and selling of investments, which are offset (where applicable) against any dilution levies charged within the accounting year. The figures used within the table have been calculated against the average Net Asset Value for the accounting year.

Risk and Reward Profile

The risk and reward indicator table demonstrates where the Sub-fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the future risk profile of the Sub-fund. The shaded area in the table below shows the Sub-fund's ranking on the risk and reward indicator.

Typically lower rewards, lower risk ←						→ Typically higher rewards, higher risk
1	2	3	**4**	5	6	7

The Sub-fund is ranked at 4 because funds of this type have experienced low to medium rises and falls in value in the past. Please note that even the lowest risk class can lose you money and that extreme market circumstances can mean you suffer severe losses in all cases. The indicator does not take into account the following risks of investing in this Sub-fund:

- Investing overseas can bring additional returns and spread risk to different markets. There are risks, however, that changes in currency exchange rates may cause the value of your investment to decrease and increase.
- There is no guarantee that an asset which provides the security for a bond will maintain its value.
- The Sub-fund can use derivatives in order to meet its investment objectives or to protect from price and currency movements. This may result in gains or losses that are greater than the original amount invested.
- Derivatives can be used to help reduce risk but may not be fully successful. Derivatives can also reduce gains you may otherwise have made.
- Currency risk reduction techniques can have an effect on the value of your investment and on the performance of the share class.
- Bond values are affected by changes in interest rates, inflation and any decline in creditworthiness of the bond issuer. Bonds that produce a higher level of income usually also carry greater risk as such bond issuers may not be able to pay the bond income as promised or could fail to repay the capital amount used to purchase the bond.
- There may be cases where the organisation from which we buy a bond fails to carry out its obligations, which could cause losses to the Sub-fund.
- In difficult market conditions, the value of some investments may be less predictable than normal and the Sub-fund may not be able to buy and sell these investments at the best time or at a fair price. This could affect the Sub-fund's performance, potentially reducing your returns.
- For further risk information please see the Prospectus.

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 revenue from them can 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 are subject to fluctuation in exchange rates, which can be favourable or unfavourable.

Statement of Total Return

for the year ended 31 March 2023

	Note	31.03.23 £	31.03.23 £	31.03.22 £	31.03.22 £
Income					
Net capital losses	2		(19,924,765)		(9,636,491)
Revenue	3	10,244,540		7,162,258	
Expenses	4	(984,603)		(928,796)	
Net revenue before taxation		9,259,937		6,233,462	
Taxation	5	–		–	
Net revenue after taxation			9,259,937		6,233,462
Total return before distributions			**(10,664,828)**		**(3,403,029)**
Distributions	6		(10,144,546)		(7,075,699)
Change in net assets attributable to Shareholders from investment activities			**(20,809,374)**		**(10,478,728)**

Statement of Change in Net Assets Attributable to Shareholders

for the year ended 31 March 2023

	31.03.23 £	31.03.23 £	31.03.22 £	31.03.22 £
Opening net assets attributable to Shareholders		**145,898,686**		**144,086,893**
Amounts receivable on issue of shares	80,421,745		24,434,848	
Less: Amounts payable on cancellation of shares	(33,917,019)		(12,144,327)	
		46,504,726		12,290,521
Change in net assets attributable to Shareholders from investment activities (see Statement of Total Return above)		(20,809,374)		(10,478,728)
Closing net assets attributable to Shareholders		**171,594,038**		**145,898,686**

The notes on pages 106 to 111 form an integral part of these Financial Statements.

Balance Sheet
as at 31 March 2023

	Note	31.03.23 £	31.03.23 £	31.03.22 £	31.03.22 £
ASSETS					
Fixed Assets					
Investments			**171,367,449**		**142,540,535**
Current Assets					
Debtors	7	4,004,911		3,951,126	
Cash and bank balances	9	71,794,648		60,240,370	
Total current assets			**75,799,559**		**64,191,496**
Total assets			**247,167,008**		**206,732,031**
LIABILITIES					
Investment liabilities			**(69,943)**		**(1,859,403)**
Creditors					
Bank overdrafts	9	(66,410,240)		(54,633,678)	
Distribution payable		(6,211,260)		(3,704,122)	
Other creditors	8	(2,881,527)		(636,142)	
Total creditors			**(75,503,027)**		**(58,973,942)**
Total liabilities			**(75,572,970)**		**(60,833,345)**
Net assets attributable to Shareholders			**171,594,038**		**145,898,686**

The notes on pages 106 to 111 form an integral part of these Financial Statements.

Notes to the Financial Statements

for the year ended 31 March 2023

1. Accounting Policies

The Sub-fund's Financial Statements have been prepared on the same basis as the Accounting Policies stated on pages 7 to 8.

2. Net Capital (Losses)/Gains	31.03.23 £	31.03.22 £
Non-derivative securities	(15,527,518)	(8,191,345)
Currency losses	(5,123,343)	(130,559)
Forward foreign exchange contracts gains/(losses)	735,931	(1,305,193)
Transaction charges	(9,835)	(9,394)
Net capital losses	**(19,924,765)**	**(9,636,491)**

3. Revenue	31.03.23 £	31.03.22 £
Interest on debt securities	10,137,539	7,168,832
Bank interest	107,001	(6,574)
Total revenue	**10,244,540**	**7,162,258**

4. Expenses	31.03.23 £	31.03.22 £
Payable to the Authorised Corporate Director ('ACD'), associates of the ACD and agents of either of them:		
ACD's fee	181,716	175,844
Registration fees	22,677	18,090
	204,393	193,934
Payable to the Investment Manager, associates of the Investment Manager and agents of either of them:		
Investment Manager's fee	680,148	648,389
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fee (including VAT)	34,285	33,188
Safe custody and other bank charges	10,335	10,572
	44,620	43,760
Auditor's remuneration*:		
Audit fee	16,686	18,870
Tax compliance services	2,163	–
	18,849	18,870

Notes to the Financial Statements
continued

4. Expenses (continued)	31.03.23 £	31.03.22 £
Other expenses:		
External pricing service fees	25,028	19,861
Legal fees	9,038	1,252
Printing costs	2,527	2,730
	36,593	23,843
Total	**984,603**	**928,796**

*Included within the auditor's remuneration is irrecoverable VAT of £3,142 (2022: £3,145).

5. Taxation	31.03.23 £	31.03.22 £
(a) Analysis of charge in the year:		
Total tax charge (note 5b)	**–**	**–**
(b) Factors affecting taxation charge for the year:		
Net revenue before taxation	9,259,937	6,233,462
Corporation tax at 20%	1,851,987	1,246,692
Effects of:		
Interest distributions	(1,851,987)	(1,246,692)
Total tax charge (note 5a)	**–**	**–**

(c) Deferred tax

There was no liability to deferred tax at the balance sheet date (2022: nil).

6. Distributions

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

		31.03.23 £	31.03.22 £
Interim distribution	30.09.22	4,665,144	3,524,636
Final distribution	31.03.23	6,211,260	3,704,122
		10,876,404	7,228,758
Revenue deducted on cancellation of shares		710,114	139,318
Revenue received on issue of shares		(1,441,972)	(292,377)
Distributions		**10,144,546**	**7,075,699**

Reconciliation of net revenue after taxation to net distributions:

Net revenue after taxation per Statement of Total Return	9,259,937	6,233,462
Expenses allocated to capital	884,541	842,323
Undistributed revenue brought forward	129	43
Undistributed revenue carried forward	(61)	(129)
Distributions	**10,144,546**	**7,075,699**

Notes to the Financial Statements

continued

7. Debtors	31.03.23 £	31.03.22 £
Amounts receivable on issues	888,373	1,567,532
Sales awaiting settlement	104,136	214,217
Accrued income:		
Interest on debt securities	3,003,437	2,169,271
Bank interest receivable	8,861	–
Prepaid expenses:		
Legal fee	104	106
Total debtors	**4,004,911**	**3,951,126**

8. Other Creditors	31.03.23 £	31.03.22 £
Amounts payable on cancellations	1,357,522	528,383
Purchases awaiting settlement	1,406,127	–
Accrued expenses:		
Amounts payable to the Authorised Corporate Director ('ACD'), associates of the ACD and agents of either of them:		
ACD's fee	17,214	14,691
Registration fee	2,538	1,594
	19,752	16,285
Amounts payable to the Investment Manager, associates of the Investment Manager and agents of either of them:		
Investment Manager's fee	65,331	53,669
Amounts payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fee (including VAT)	3,273	10,988
Safe custody and other bank charges	1,005	3,502
	4,278	14,490
Auditor's remuneration*:		
Audit fee	16,686	17,366
Tax compliance services	2,163	–
	18,849	17,366
Other accrued expenses:		
Printing costs	1,455	1,258
External pricing service fees	8,213	4,691
	9,668	5,949
Total other creditors	**2,881,527**	**636,142**

*Included within the auditor's remuneration is irrecoverable VAT of £3,142 (2022: £2,894).

Notes to the Financial Statements
continued

9. Cash and Bank Balances

	31.03.23 £	31.03.22 £
Cash and bank balances	71,794,648	60,240,370
Overdraft positions	(66,410,240)	(54,633,678)
Cash and bank balances	**5,384,408**	**5,606,692**

10. Related Party Transactions
Apex Fundrock Limited ('AFL') is regarded as a related party by virtue of having the ability to act in respect of the operations of the Sub-fund in its capacity as the Authorised Corporate Director ('ACD').

ACD and other fees payable to AFL are disclosed in note 4 and amounts due at the year end are shown in note 8.

Fees payable to TwentyFour Asset Management LLP (the 'Investment Manager') are disclosed in note 4 and amounts due at the year end are shown in note 8.

Amounts receivable on issue and payable on cancellation of shares and dilution levy are disclosed in the Statement of Change in Net Assets Attributable to Shareholders and in note 6, amounts due at the year end are shown in notes 7 and 8.

At the year end the Sub-fund did not hold shares in any of the other Sub-funds within the MI TwentyFour Investment Funds.

11. Contingent Liabilities and Outstanding Commitments
There were no contingent liabilities or outstanding commitments at the balance sheet date (2022: none).

12. Risk Management Policies and Disclosures
The main risks arising from financial instruments and the ACD's policies for managing these risks are disclosed on pages 9 to 11.

Numerical disclosures relating to the Sub-fund are as follows:

Disclosure of VaR limit
The table below details the Sub-fund's lowest, highest and average VaR, as well as utilisation of VaR calculated during the year:

	31.03.23 % of VaR	Utilisation of VaR(*) 20%	31.03.22 % of VaR	Utilisation of VaR(*) 20%
VaR at year end:	3.73	18.65	2.66	13.30
Minimum VaR:	1.68	8.40	2.62	13.10
Maximum VaR:	4.61	23.05	12.70	63.50
Average VaR:	3.47	17.35	10.25	51.25

*The VaR on the Sub-fund has been divided by its maximum limit.

Notes to the Financial Statements

continued

13. Portfolio Transaction Costs

31.03.23

Analysis of purchases	Total purchase cost £	£	Commissions paid %	£	Taxes %	Purchases before transaction cost £
Debt instruments	86,679,820	–	0.00	–	0.00	86,679,820
Total purchases after commissions and tax	**86,679,820**					

Analysis of sales	Net sale proceeds £	£	Commissions paid %	£	Taxes %	Sales before transaction cost £
Debt instruments	41,982,816	–	0.00	–	0.00	41,982,816
Total sales after commissions and tax	**41,982,816**					

Commission as a % of average net assets	0.00%
Taxes as a % of the average net assets	0.00%

31.03.22

Analysis of purchases	Total purchase cost £	£	Commissions paid %	£	Taxes %	Purchases before transaction cost £
Debt instruments	75,086,610	–	0.00	–	0.00	75,086,610
Total purchases after commissions and tax	**75,086,610**					

Analysis of sales	Net sale proceeds £	£	Commissions paid %	£	Taxes %	Sales before transaction cost £
Debt instruments	65,729,071	–	0.00	–	0.00	65,729,071
Total sales after commissions and tax	**65,729,071**					

Commission as a % of average net assets	0.00%
Taxes as a % of the average net assets	0.00%

Commissions and taxes as a % of the average net assets form part of the direct transaction costs stated within the comparative table on page 102. The direct transaction costs within the comparative tables may differ due to the effect of dilution levies charged (where applicable).

14. Portfolio Dealing Spread

The average portfolio dealing spread at 31 March 2023 is 0.89% (2022: 0.45%).

15. Post Balance Sheet Events

There were no notifiable events post the year end balance sheet date.

Notes to the Financial Statements

continued

16. Fair Value Disclosure

Valuation technique	31.03.23 Assets £	31.03.23 Liabilities £	31.03.22 Assets £	31.03.22 Liabilities £
Level 1^	12,298,799	–	6,139,428	–
Level 2^^	158,111,250	(69,943)	135,401,107	(1,859,403)
Level 3^^^	*957,400	–	*1,000,000	–
	171,367,449	**(69,943)**	**142,540,535**	**(1,859,403)**

*Securities in Level 3 consist of Charles Street Conduit Series 2B which is single broker quoted with Natwest. Considering the sensitivity of the security, if the valuation was to move by 10% then his would not have a material impact on the Sub-fund. Level 3 securities utilise a valuation technique which is to reflect market conditions. Price quotes for similar securities and other relevant information are obtained.

^Level 1: Unadjusted quoted price in an active market for an identical instrument.

^^Level 2: Valuation techniques using observable inputs other than quoted prices within level 1.

^^^Level 3: Valuation techniques using unobservable inputs.

A reconciliation of fair value measurements in Level 3 is set out in the following table:

	31.03.23	31.03.22
Opening Balance	1,000,000	994,800
Purchases	–	1,000,000
Sales	–	(1,000,000)
Total gains or losses included in the net capital gains/(losses) in the Statement of Total Return:		
- on assets sold	–	5,200
- on assets held at year end	(42,600)	–
Closing Balance	**957,400**	**1,000,000**

17. Shares in Issue

	A Income Gross
Opening number of shares	153,934,317
Shares issued	94,811,620
Shares cancelled	(39,668,930)
Closing number of shares	**209,077,007**

Distribution Tables

for the year ended 31 March 2023

Income share distribution

Share class	Distribution	Shares	Net revenue p	Equalisation p	Distribution paid/payable 2023 p	Distribution paid 2022 p
A Gross	Interim	Group 1	2.5426	–	2.5426	2.3638
		Group 2	0.7549	1.7877	2.5426	2.3638
	Final	Group 1	2.9708	–	2.9708	2.4063
		Group 2	1.6561	1.3147	2.9708	2.4063

Interim period: 01.04.22 - 30.09.22
Final period: 01.10.22 - 31.03.23

Group 1: Shares purchased prior to a distribution period
Group 2: Shares purchased during a distribution period

Equalisation

Equalisation applies only to shares purchased during the distribution period (Group 2 shares). It represents 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.

Investment Objective and Policy

Investment objective

The Sub-fund aims to provide an attractive level of income relative to prevailing interest rates whilst maintaining a strong focus on capital preservation.

Important Note: The Sub-fund does not offer a capital guarantee or principal protection mechanism. Efforts to preserve the Sub-fund's capital will be focused on the selection of underlying securities where the Investment Manager has a high degree of confidence as to the issuer's ability to repay the principal due.

Investment policy

The investment policy of the Sub-fund is to invest in a diversified portfolio of European and Australian asset-backed securities ('ABS'), rated at least BBB- (or equivalent) at the time of investment by one or more of Standard & Poor's, Moody's Investor Services and Fitch, where the securities will be backed by the assets of institutions and issuers such as but not limited to residential mortgages, commercial mortgages, automobile leases and loans, SME loans and other secured bonds.

A portion of the portfolio may be held in cash or cash equivalents, such as treasury bills and government bonds, in order to further enhance the Sub-fund's liquidity. From time to time it is possible that a significant portion of the portfolio may be invested in securities from a particular geographical region.

The Sub-fund will also use derivatives, including but not limited to credit derivatives, to either optimize exposures or reduce them in line with the Investment Manager's market viewpoint, thereby giving the Sub-fund the potential opportunity to perform through different market environments. The Sub-fund may also employ synthetic short positions both for hedging purposes and to take account of deterioration either in the market generally or with respect to specific issuers. The Sub-fund may also hedge some or all of its exposure in the foreign exchange markets.

The Investment Manager has overall responsibility for the investment policy and authority to select service providers pursuant to the Investment Management Agreement entered into with the ACD.

The Sub-fund will not invest in any Collective Investment Schemes with the exception of Money Market Funds ('MMFs') which do not adversely alter the risk profile of the Sub-fund.

Investment Manager's Report

for the year ended 31 March 2023

Market Commentary

For the first half of the reporting period market sentiment as a whole remained very weak across all fixed income markets during what has been a period of elevated volatility, characterized by risk-off sentiment, challenging liquidity, wider spreads, the ongoing conundrum of interest rates policy, inflation and recessionary fears, the escalating conflict in Ukraine and its associated energy supply/cost concerns and punctuated by the disastrous UK mini-budget causing extreme moves in UK Gilt yields and the ensuing LDI liquidity driven bond sell off. This was balanced by short periods of stability, which in turn gave rise to windows of opportunity in both primary and secondary markets. Conditions recovered into the calendar year end as sentiment shifted in line with economic data and more benign central bank rhetoric. The start of 2023 saw markets get off to the strongest start to a year since 2019, as a number of issues that had driven sentiment in 2022 started to ease, although after a strong rally in most parts of financial markets in January, February & March marked a return to more negative broader market investor sentiment. Renewed inflation fears and strong labour markets in the US, UK and Europe lowered the likelihood of a dovish pivot by the Central Banks in the near term.

For primary Asset Backed Securities ('ABS') markets, issuance was a little bifurcated; the start of the Ukrainian conflict and challenges in tech and crypto markets developing saw a hiatus of issuance in March 2022 but sentiment recovered quite quickly and April provided an attractive opportunity for investors looking to add floating rate exposure following the BoE moving ahead with rate hikes and issuance was very busy across all asset classes, even as spreads widened across the capital stack, but was followed by a virtual hiatus in May, and then a small rebound in June. Secondary spreads which had been relatively stable and constructive earlier in April also widened, driven by an elevated amount of ABS selling from macro and institutional investors in order to fund fixed income outflows amid broader volatility. Combined with the substantial primary supply, this took spreads to levels not seen since the COVID sell-off. Bank trading desks had little appetite to add risk in any fixed income product and investors were able to pick and choose selectively where to add risk at higher yields. This allowed the portfolio managers to gradually increase the purchase yield of the portfolio, over and above the natural yield increase generated by the rises in interest rates.

Investment Manager's Report

continued

Despite the ongoing market volatility and weaker sentiment, several issuers placed deals in July ahead of the traditional summer lull, albeit many deals through this whole period followed a "pre-placement" strategy, as is often typical for ABS deals during periods of volatility when public placement conviction is lower. August proved to have a relatively more constructive tone but was typically quiet with virtually no primary and in the early part of September a modicum of normality returned to the primary pipeline, allowing issuers to price deals into a receptive investor base early in the month. The broader positive tone in wider markets also filtered through into Residential Mortgage Backed Securities ('RMBS') & ABS secondary markets with investor interest and lower secondary activity leading to a spread retracement. The move in secondary Collateralized Loan Obligations ('CLOs') was stronger still (albeit from a wider starting point) but this this faded into the late summer. However, market conditions deteriorated sharply later in the month, triggered by the UK mini-budget, and issuance ceased abruptly forcing one UK prime RMBS issuer to retain a deal it had planned to sell. Secondary markets also sold off heavily, more than wiping out the gains from the rally earlier in the month.

The subsequent stress in Gilts and wider rates markets triggered by the Truss/Kwarteng budget, was compounded by the now well-documented bond sales by pension funds running liability-driven investment ('LDI') strategies. The ABS market saw extremely high levels of secondary sales in the run-up to month-end; over €4bn of sales went through the typical Bid Wanted in Competition ('BWIC') list process in the last week of the month, more than in the previous three months combined. In the main, most of the selling activity was concentrated in senior AAA and AA RMBS/ABS/CLOs and Australian RMBS, and it transpired that the vast amount of selling was from a fairly select group of investors. Execution was good on the whole in terms of volumes traded as investors with cash to spend were able to add bonds at yields not seen for many years (excluding the small window at the start of the COVID-19 crisis), and dealers were seen to be providing liquidity in selective and preferred asset classes having been mostly light on inventory over the summer. Pricing clarity was challenging but spreads could broadly be characterised as having widened by 50-75bp in seniors and 3-7 price points lower in mezzanine bonds. The volume of RMBS/ABS and CLOs sold on publicly offered BWICs was unprecedented over a three-week period, comfortably in the region of around €6bn, and not including similar-sized volumes which were reported to have traded bilaterally. After the heavy initial waves, selling began to subside towards the latter part of October as markets became more orderly, although some selling moved on to mezzanine lists. Interestingly not a large amount of sub-investment grade was offered for sale, and this endorses the fact that the sell-off was purely a drive for liquidity from a relatively small group of investors and nothing at all to do with any credit performance concerns. However, the simple weight of money quickly led to spreads going wider very quickly, particularly in investment grade bonds, and this naturally filtered down into the mezzanine and junior tranches too. Selling was met by strong client demand, and levels began to retrace a little, and stabilised somewhat into month end.

Encouragingly, whilst spreads were understandably wider (although no wider than any comparable markets such as covered bonds or financials), all the selling volume was absorbed and any liquidity fears that may have lingered about European ABS and CLOs has been well and truly erased. In fact, anecdotal accounts of sellers being unable to source liquidity in corporate bonds and turning to ABS to achieve it were heard repeatedly. The typically higher cash price of ABS (due to their floating rate nature, and therefore immunisation from interest rate duration) meant they were an attractive, if not the "go to" asset to sell in these markets as the sales had a lower P&L impact – arguably making ABS an unintended victim of its own success. In time however, and in more orderly markets, we'd expect that many of those investors will look/need to rebalance their portfolios' asset mix.

Secondary markets dominated ABS and CLO trading flows during October and November in the absence of much primary issuance. New Prime Minister Rishi Sunak's appointment in late October proved to be generally regarded as providing a safer pair of hands than the previous short-lived Truss leadership, and this reassured markets. The CLO market saw the first rumblings of primary issuance after a very quiet period. A handful of deals priced in October with several more being announced into a marketing phase. The challenges remain around the arbitrage; the rising weighted average cost of capital (to as high as 350bps) is considerably higher than the average 160-180 average range in 2021. This is due to the cost of the liabilities, mainly the AAA tranches still clearing around +220 dm, however there were windows where the underlying loan prices sold off enabling managers to add collateral.

Primary ABS issuance remained fairly muted again into the calendar year end as issuers had previously pushed back plans and although there were some notably large, and upsized liquid deals from UK and European Prime issuers during the period all of which were very well received. In contrast, the CLO market saw eight new deals price in November, on the heels of a fairly buoyant October, for a notional value of around €3bn which proved to be the busiest month since March. Whilst this looked, and was, a reversal in terms of issuance volumes it should be noted that most of these deals were being priced with very low levels of assets having been purchased into the portfolios, and an unclear path to how managers intend to ramp their deals. That said, November did see a pick-up in new issue leveraged loan supply albeit there were suggestions that some of the loan supply was not of the highest quality. New issue spreads remained stubbornly elevated on the liability side, with AAA CLOs still pricing at above Euribor +200 bps, and the overall Weighted Average Cost of Capital ('WACC') remained at an average higher level of 337bps, despite, and not including the non-issuance

Investment Manager's Report

continued

of the single B tranche in several deals. This continues to make the deal arbitrage a challenge for managers, particularly in the light of November's rally in loan prices. Secondary markets saw a much better tone into the year end after the havoc inflicted by the LDI sell off in the previous 6 or 7 weeks. BWIC auctions gradually returned to a semblance of normality in terms of size and volume, interspersed by one or two sellers looking to rebalance portfolios in certain asset classes. Spreads, by and large, retraced across all sectors with most of the tightening seen in the investment grade space, whilst sub-investment grade lagged a little into the month end.

This brought the overall volume of placed issuance for the calendar year to around €80bn including €26bn in CLOs. RMBS accounted for €32bn of issuance with the rest split between Autos and Consumer at €18bn. The year also saw a drop in Collateralized Mortgage Backed Securities ('CMBS') primary to just €0.9bn. While this overall number was the second lowest annual total in the post-2008 period, it could be suggested that given the macro backdrop over the course of 2022, it was actually a reasonably decent outcome, as evidenced by the strong levels of investor interest in deals that came during the windows of opportunity. Activity in the secondary market tailed off into the festive period. Spread performance in general over the month was positive with a noticeable investor bias to add risk in both CLOs and ABS. BWIC volumes returned to a degree of normality and execution prices remained strong throughout the month. In general spreads in senior RMBS tightened 5-10bp and mezzanine bond spreads rallied around 15-20bp over the month. Following on from similar generic moves seen in November, this put the market on a reasonably positive footing going into 2023. Underlying performance of assets for 2022 remained strong although expectations remain that there would be some consumer deterioration given the economic backdrop.

As the primary ABS market slowly emerged from the seasonal break the market saw a solid start to 2023 with a small handful of deals, predominantly in the UK RMBS sector to start with, quickly followed in February by a large and diverse volume across Europe, both geographically and by asset class. The main themes during the first two months were a very strong spread performance across all asset classes, with the understandable exception of CMBS, and a lot of demand for bonds across nearly all rating bands. Notably two UK Prime deals saw very high levels of demand from investors with over-subscription levels of approximately three times. The pricing represented a tightening of 11 bps versus a benchmark deal that printed at the end of 2022 which in the AAA Prime sector is a strong rally in spreads terms. Mezzanine tranches too provided useful pricing points for market participants where bonds were available. Secondary ABS market spreads began the year on a stable footing and initially lagged slightly, but as the wider credit market compression theme filtered through, sentiment quickly changed driving a strong risk rally across securitised products. This was also helped by the supply-demand technical, driven by lowish and orderly primary issuance together with an atypical month of supply in BWIC volume of around €1bn all seeing healthy demand. Senior BTL and Non-Conforming senior bonds rallied around 75bps and there remained strong investor demand for mezzanine bonds where spreads contracted 75-125bps down the capital stack. After a challenging few months February proved to be very favourable for CLO managers looking to price primary deals. Secondary CLO spreads also saw strong performance with steady tightening throughout February. AAAs were around 30bps tighter from year end, BBBs better by around 100bps and sub-investment grade BB and B are around 125bps tighter. CLO demand remained predominantly in the senior, BBB and BB space although it's noted that there remains a wide pricing dispersion on manager tiering.

Also, during February, the ABS market also saw Blackstone default on a single loan Finnish office within a CMBS transaction after it failed to get bondholder approval for a maturity extension. While our Sub-funds don't have exposure to this transaction and the income from tenants is enough to service the debt and the LTV on the mortgage is low, we will however be following the process closely. The Portfolio Managers have been cautious on CMBS for some time and after a full sector review sold various deals in the second half of last year.

An active March in primary markets quickly unravelled as the US and European banking "hiccup" struck financial markets mid-month which put paid to any further issuance until the last week of the month as spreads widened in quick order and borrowers waited to observe market developments. The ABS market bounced back reasonably quickly to the extent that BMW was able to place a £400m deal into the UK together with another Prime Auto deal in Germany, and a Green RMBS deal in Spain both placed by month end as ABS spreads, in general, retraced nearly all of their intra-month widening. On the CLO side, issuance remained fairly muted for another month with the sector now having seen just below €7bn of issuance year to date. This has led some market analysts to reduce their issuance expectations to around €20bn for the whole year. This is due to ongoing low levels of loan supply which continues to make deal-ramping a challenge, together with an unfavourable arbitrage as liability spreads on the CLO tranches remain elevated leading to unattractive returns for third party equity investors. Overall issuance volume for the first quarter of 2023 was a reasonable €20bn including CLOs.

Investment Manager's Report

continued

Portfolio Commentary

The portfolio managers were very active at the beginning of the reporting period due to volatility and spread widening in the primary and secondary markets. The timing of inflows was optimal and coincided with a good supply of new deals. The Sub-fund was being run with an elevated level of liquidity, enabling the team to add risk selectively in certain sectors with a series of measured trades, and with the spread widening intensifying in the latter part of the quarter this presented some interesting opportunities in secondary markets as base rates in the UK rose to 1.25% by the end of June. These investments included some AAA UK Non-conforming and Buy-to-Let RMBS at a yield close to 2.5%, while also adding some AAA CLOs with a yield of more than 3.5% in Sterling, offering a greater convexity than RMBS. Further down the capital structure, the team added to existing holdings in UK RMBS mezzanine tranches rated A and BBB at enhanced yields, such as some UK NC RMBS issued by a repeat established issuer at more than 5% of yield. In CLOs, the portfolio managers also added BBB from preferred managers at a deep discount in order to benefit from pull-to-par in a market normalisation. Investments were mainly focused mainly in the upper end of investment grade to incrementally add a degree of higher rated bonds in the portfolio. The majority of the Sub-fund's activity was concentrated in the secondary market as new issues in the primary were muted due to challenging market conditions. Secondary markets themselves proved to be testing with quite high levels of secondary supply bilaterally and elevated levels of BWIC activity in RMBS, CLOS and CMBS. A lot of the selling was attributed to portfolio rebalancing in other areas of fixed income. Heavy selling resulted in spread widening in all sectors although some stability did return to the market in the last week of the May. UK Prime AAA spreads were around 10bps wider Month on Month ('MoM') to S+50 bps with UK Buy-to-Let ('BTL') and NC AAA widening around 25 bps to S+125/130 respectively for longer duration bonds but these continued to drift wider into further selling pressure in June and, generically senior spreads were now at May 2020 levels. However, this presented an opportunity to add long term income into the Sub-fund, through the acquisition of 4-5 years mezzanine Dutch and UK RMBS for example. By the end of June, the Sub-fund had a mark to market yield of just under 4%, an increase of 1.23% since the start of April, whilst at this stage Base rates remained at 1.25%. for an AA-rated portfolio with a weighted average life of 2.64 years. Overall, the Sub-fund posted negative returns to the end of June due mainly to CLOs, the sector most strongly correlated with the wider market, but equally was running with a higher component of AAA and cash having trimmed BBB exposure a little, in line with asset allocation targets.

The portfolio managers maintained elevated liquidity levels at the start of Q3 against the current market backdrop. Fundamental bond performance remained good with multiple rating upgrades seen over the quarter, though the portfolio managers continued to maintain high levels of due diligence on the underlying portfolio. As consumers face continued pressure, the managers prefer residential Mortgage Backed Securities ('MBS') whose underlying loans are secured and therefore likely prioritised by the borrower over unsecured consumer loans or credit card loans which struggling borrowers are more likely to allow repayments to fall behind. In July, the Sub-fund added to existing positions in mezzanine BTL RMBS, and CLOs in the secondary market as a welcomed Prime UK RMBS deal in primary slightly adding to the overall liquidity profile of the Sub-fund. August was a quiet month, but the managers were mainly preoccupied with the start of some redemptions in the Sub-fund due to client repositioning in fixed income markets and liquidity raising in their own strategies. As the spread rally continued into mid-August, the managers were able to clip some profits in AAA CLOs added in the previous two months at wider levels and across a mixture of other asset classes and uniform rating basis. The managers were able to add European bank-sponsored auto and consumer exposure at incrementally wider levels in early September, while taking profit in some RMBS positions in the middle of the month, as focus remained on highly liquid senior bonds and cash allocations. This period included a strong positive return in August and a negative return in September, almost all of which came in the last week of September after the UK government's mini budget which caused volatility in all markets. As the highest beta sector of the asset class, CLOs were the hardest hit, whilst the holdings in RMBS provided a positive return over the period. The mark to market yield in the portfolio had grown to 6.31% by the end of September with a forward yield to maturity of just over 10%, reflective of the expectation for further base rate increases and wider spreads.

Early in the 4th quarter portfolio manager activity was driven primarily with responding to the UK LDI crisis and balancing requirements for liquidity, market conditions became more constructive in November as the volume of BWIC selling seen in October started to taper off, in line with the perception that the LDI-driven selling was by-and-large completed. The portfolio managers faced redemptions, but the liquidity structure of the Sub-fund helped portfolio managers to use adequate windows of liquidity in the market during the period to fund the redemptions. Most importantly the portfolio managers focussed on selling assets throughout October and November across all sectors (including CLOs, RMBS, CMBS, Auto and consumer ABS) and across all ratings in order to maintain the positioning of the Sub-fund and sufficient liquidity despite the redemptions. The timing of the selling was broadly constructive as spreads had started to retrace the widening seen in recent weeks. The Sub-fund did not face liquidity issues to meet its outflow requirements in a timely manner. Despite broader market weakness in December, ABS market conditions remained constructive. Liquidity observed in ABS across Q4 remained good, first as the aforementioned surge in BWIC volumes helping the market manage October's heavy selling in an orderly fashion, and then as investors and dealers looked to add assets in preferred sectors once the crisis eased.

Investment Manager's Report

continued

With the constructive start to ABS markets in 2023, the Sub-fund has seen a mixture of good net inflows and strong performance over the first quarter balanced with the last redemptions associated with rebalancing by pension funds due to LDI strategies. Being relatively fully invested and positioned in line with asset allocation decisions, trading was muted for the most part across the final month of the Sub-fund year, but the portfolio managers were able to add several positions with accretive value. The portfolio managers were active again in the primary market as deal issuance volume increased from European based originators. The Portfolio Managers took advantage of the healthy new issue premium offered and further improved the liquidity profile of the Sub-fund and added a mix of UK Prime RMBS, various Prime Auto AAAs and AAA bonds from a non-prime lender. AAA CLOs continue to offer good relative value and the Sub-fund added new positions from preferred managers at spreads of around Euro +175/185bps. Also, in primary CLOs the Sub-fund added BBB tranches in primary at a spread above 600bps which represents a good pick up versus tighter secondary BBB CLO, offering an all-in yield of circa 10%. Additionally, a number of relative value trades in various sectors were traded during the month and the Sub-fund clipped some profits on primary issuance from earlier in the year. Fundamental bond performance remains good with rating upgrades seen over the month. Overall, the Sub-fund saw at strong performance into the year end returning 2.96% for Q1, with an essentially flat performance in March due to the bank liquidity in the US and Credit Suisse situations causing spreads to widen sharply mid-March before retracing to virtually unchanged in RMBS and ABS when no material selling was observed and there being a bias to adding seen from investors.

Market Outlook

Floating rate ABS began 2023 well placed with a strong income component through high spreads and increased base rates with more rises expected. Performance caught up in the first two months of the year, but spreads remain wider when compared with corporates and highlights for the sector are expected as follows:

- Robust deal performance across mortgages although some weakness expected in consumer pools.
- CMBS is expected to be the weakest performer, where CRE valuations are decreasing, and we expect selective loans with short maturities to face refinancing challenges. Other sectors are expected to perform well.
- Liquidity conditions have been restored after Q3 volatility and 2023 so far has seen strong and active investor participation which we expect to continue.
- Default rates and ratings are expected to outperform in ABS relative to Credit markets.
- We anticipate volatility to remain a theme through this late cycle phase and assets with stronger liquidity characteristics are preferred.
- EU ABS issuance has surprised to the upside so far in 2023, despite demand driven reductions in lending in Europe, as early year tightening of spreads has accelerated issuer plans. Bank issuance has begun to represent a larger share. This is expected to continue but predicated by the potential for disruption by wider market events.

The Sub-fund returned a positive 0.76% (Class I Accumulation Gross) for the year.

Portfolio Statement

as at 31 March 2023

Holding	Security	Market value £	% of total net assets 2023
	Euro denominated asset backed securities 52.09% (45.76%)		
€1,334,066	ALME Loan Funding Series 3X ARRE	1,145,465	0.13
€3,811,617	ALME Loan Funding Series 3X ARRR	3,272,758	0.36
€5,000,000	Aqueduct European CLO Series 19-3X AR	4,236,218	0.47
€7,800,000	Aqueduct European CLO Series 20-5X AR	6,610,091	0.74
€6,600,000	Arbour CLO Series 4X DRR	5,061,681	0.56
€1,400,000	Ares Euro CLO Series 7X CR	1,130,818	0.13
€2,500,000	Ares Euro CLO Series 7X CRNE	2,019,318	0.22
€2,000,000	Armada Euro CLO Series 1X DR	1,550,705	0.17
€2,500,000	Armada Euro CLO Series 2X DE	1,966,561	0.22
€1,400,000	Aurium CLO Series 3X D	1,132,156	0.13
€2,000,000	Aurium CLO Series 4X D	1,541,752	0.17
€4,000,000	Aurium CLO Series 6X DR	3,100,668	0.34
€6,100,000	Aurium CLO Series 8X D	4,643,810	0.52
€2,855,932	Autoflorence Series 2 D	2,423,489	0.27
€7,750,000	Avoca CLO Series 14X DR	6,179,592	0.69
€2,965,771	Avoca CLO Series 15X AR	2,545,443	0.28
€2,300,000	Avoca CLO Series 19X D	1,826,574	0.20
€5,000,000	Avoca CLO Series 23X D	3,833,567	0.43
€4,000,000	Avoca CLO Series 24X DR	3,064,136	0.34
€2,000,000	Bain Capital Euro CLO Series 17-1X D	1,570,367	0.17
€20,000,000	Bavarian Sky Series GE12 A	17,605,633	1.97
€6,000,000	Bilbao CLO Series 4X C	4,566,791	0.51
€3,480,000	BL Consumer Issuance Series 21-1 D	2,987,057	0.33
€1,800,000	Black Diamond CLO Series 17-2X D	1,375,216	0.15
€6,000,000	Bridgepoint CLO Series 1X D	4,970,181	0.55
€6,000,000	Bridgepoint CLO Series 2X A	5,077,893	0.56
€3,225,702	Bruegel Series 21-1X C	2,555,273	0.28
€7,250,000	Bushy Park CLO Series 1X A	6,311,838	0.70
€2,000,000	Bushy Park CLO Series 1X D	1,692,544	0.19
€5,000,000	Capital Four CLO Series 3X A	4,233,516	0.47
€4,000,000	Capital Four CLO Series 3X D	3,041,942	0.34
€6,500,000	Capital Four CLO Series 4X D	5,351,015	0.60
€4,000,000	Capital Four CLO Series 5X A	3,472,183	0.39
€3,000,000	Carlyle Global Market Strategies 16-1X CRE	2,307,987	0.26
€700,000	Cartesian Residential Series 3 B	611,718	0.07
€6,271,540	Cartesian Residential Series 6 C	5,344,048	0.59
€10,919,370	Cassia Series 22-1X A	9,131,909	1.02
€2,000,000	Contego CLO BV Series 3X DR	1,583,649	0.18
€2,350,000	Contego CLO BV Series 3X DRE	1,860,787	0.21
€5,983,000	Contego CLO DAC Series 9X A	5,049,910	0.56
€4,250,000	Contego CLO DAC Series 9X D	3,223,220	0.36
€1,495,000	Cordatus CLO Series 4X DRRR	1,169,524	0.13
€5,500,000	Cordatus CLO Series 6X DRE	4,241,302	0.47
€2,729,000	Crosthwaite Park CLO Series 1X A1AR	2,312,996	0.26
€3,500,000	Dillon's Park CLO Series 1X A	2,975,493	0.33
€4,000,000	Dillon's Park CLO Series 1X D	3,013,636	0.34
€3,378,000	Dilosk RMBS Series 5 D	2,819,302	0.31
€6,700,000	Domi Series 21-1 B	5,710,775	0.64
€4,600,000	Domi Series 22-1 B	3,948,292	0.44
€4,200,000	Domi Series 22-1 C	3,595,477	0.40
€3,000,000	Domi Series 23-1 A	2,644,884	0.29
€13,550,000	Dryden Euro CLO Series 15-44X DRR	10,495,863	1.17

Portfolio Statement

continued

Holding	Security	Market value £	% of total net assets 2023
	Euro denominated asset backed securities (continued)		
€12,000,000	Dryden Leveraged Loan CDO Series 17-27X DR	9,148,169	1.02
€5,500,000	Dryden Leveraged Loan CDO Series 17-51X D	4,444,440	0.49
€2,970,708	Dryden Leveraged Loan CDO Series 17-59X A	2,541,626	0.28
€5,000,000	Dryden Leveraged Loan CDO Series 17-59X D1	3,873,951	0.43
€8,500,000	Dryden Leveraged Loan CDO Series 21-96X D	6,746,490	0.75
€2,100,000	Dutch Property Finance Series 19-1 D	1,820,804	0.20
€2,750,000	Dutch Property Finance Series 20-1 B	2,376,789	0.26
€1,900,000	Dutch Property Finance Series 20-1 C	1,638,914	0.18
€3,550,000	Dutch Property Finance Series 20-1 D	3,043,996	0.34
€1,737,000	Dutch Property Finance Series 20-2 B	1,509,054	0.17
€3,000,000	Dutch Property Finance Series 20-2 C	2,604,162	0.29
€3,000,000	Dutch Property Finance Series 21-1 C	2,544,861	0.28
€3,200,000	Dutch Property Finance Series 21-1 D	2,681,842	0.30
€2,000,000	Dutch Property Finance Series 21-2 C	1,669,448	0.19
€2,000,000	Dutch Property Finance Series 21-2 D	1,650,304	0.18
€3,000,000	Dutch Property Finance Series 22-1 C	2,520,941	0.28
€3,500,000	Dutch Property Finance Series 22-1 D	2,888,727	0.32
€275,110	E-Carat Series 10FR D	241,018	0.03
€2,119,282	E-MAC Series NL06-2 A	1,723,671	0.19
€18,000,000	Green STORM Series 23-GRN A	15,851,881	1.76
€6,000,000	Fidelity Grand Harbour CLO Series 21-1X A	5,049,893	0.56
€2,150,000	Fidelity Grand Harbour CLO Series 21-1X D	1,655,578	0.18
€2,500,000	Harmony French Homes Series 21-1 B	2,122,998	0.24
€3,000,000	Harvest CLO Series 15X DRE	2,401,376	0.27
€3,200,000	Harvest CLO Series 16X DRR	2,494,668	0.28
€5,641,000	Harvest CLO Series 19X D	4,378,394	0.49
€3,200,000	Harvest CLO Series 19X DE	2,483,755	0.28
€1,500,000	Harvest CLO Series 7X DRNE	1,248,953	0.14
€12,000,000	Hayfin Emerald CLO Series 1X DR	8,910,891	0.99
€8,200,000	Hayfin Emerald CLO Series 6X D	6,170,616	0.69
€6,900,000	Hayfin Emerald CLO Series 7X D	5,060,328	0.56
€8,800,000	ICG Euro CLO Series 23-1X A	7,542,448	0.84
€5,000,000	Invesco Euro CLO Series 5X D	3,948,007	0.44
€4,674,000	Madison Park Euro Funding Series 7X DRE	3,628,719	0.40
€2,900,000	Madison Park Euro Funding Series 11X DE	2,259,736	0.25
€2,674,000	Madison Park Euro Funding Series 11X DR	2,075,994	0.23
€5,600,000	Madison Park Euro Funding Series 16X D	4,298,547	0.48
€353,712	Magoi Series 19-1 D	303,277	0.03
€4,700,000	Milltown Park CLO Series 1X C	3,715,955	0.41
€4,380,599	Miravet Series 19-1 A	3,803,066	0.42
€1,400,000	Miravet Series 19-1 B	1,174,965	0.13
€2,885,534	Newgate Funding Series 07-2X BB	2,288,111	0.25
€1,000,000	Newhaven CLO Series 2X DR	767,261	0.09
€2,000,000	North Westerly CLO Series VI-X A	1,705,466	0.19
€1,891,000	North Westerly CLO Series VII-X DE	1,440,168	0.16
€8,746,991	Pembroke Property Finance DAC Series 2 A	7,570,757	0.84
€5,000,000	Pembroke Property Finance DAC Series 2 B	4,162,598	0.46
€3,100,000	Penta CLO Series 18-4X D	2,428,509	0.27
€14,000,000	Pmacc Series 23-1 A	12,324,928	1.37
€6,238,625	Primrose Residential Series 22-1 A	5,414,484	0.60
€2,500,000	Purple Finance CLO Series 1X D	1,985,600	0.22
€342,089	Red & Black Auto Germany Series 6 C	299,501	0.03

Portfolio Statement

continued

Holding	Security	Market value £	% of total net assets 2023
	Euro denominated asset backed securities (continued)		
€2,798,230	Resloc UK Series 2007-1X B1A	2,187,397	0.24
€4,330,371	RMAC Securities Series 2006-NS1X B1C	3,412,594	0.38
€2,469,700	RMAC Securities Series 2006-NS2X M2C	1,981,441	0.22
€870,711	RMAC Securities Series 2006-NS3X M2C	692,974	0.08
€5,000,000	Rockfield Park Series 1X A1	4,252,921	0.47
€5,000,000	Rockfield Park Series 1X C	3,848,109	0.43
€5,810,000	RRE Loan Management Series 5X A1R	4,901,205	0.55
€1,500,000	RRE Loan Management Series 8X A1	1,275,084	0.14
€9,000,000	RRE Loan Management Series 15X A1	7,810,298	0.87
€2,787,552	SC Germany Series 21-1 D	2,369,155	0.26
€4,417,307	SC Germany Series 20-1 D	3,806,543	0.42
€2,600,000	Segovia European CLO Series 14-1X DRR	1,983,122	0.22
€3,500,000	Segovia European CLO Series 18-5X D	2,728,983	0.30
€4,340,630	Shamrock Residential Series 22-1 A	3,758,059	0.42
€1,000,000	Tikehau Series 3X DNE	790,231	0.09
€6,000,000	Vita Scientia Series 22-1X C	4,691,213	0.52
€26,000,000	Volkswagen Car Lease Series 38 A	22,897,963	2.56
€7,000,000	Voya Euro CLO Series 1X D	5,459,969	0.61
€4,750,000	Voya Euro CLO Series 3X DE	3,716,362	0.41
€3,000,000	Voya Euro CLO Series 4X AR	2,525,357	0.28
€3,300,000	Voya Euro CLO Series 5X D	2,515,261	0.28
		468,377,899	52.09
	Pound sterling denominated asset backed securities 44.48% (48.61%)		
£3,998,507	Agora Securities Series 21-1X C	3,648,176	0.41
£1,091,919	Alba Series 05-1 C	1,006,587	0.11
£5,456,864	Alba Series 07-1 A3	5,219,202	0.58
£2,982,000	Atlas Funding Series 21-1 B	2,977,825	0.33
£2,412,000	Atlas Funding Series 21-1 C	2,385,347	0.27
£7,425,484	Atlas Funding Series 22-1 B	7,272,128	0.81
£4,852,306	Atlas Funding Series 22-1 C	4,712,424	0.52
£2,178,142	Atlas Funding Series 22-1 D	2,065,271	0.23
£4,435,178	Barley Hill Series 2 A	4,404,622	0.49
£5,681,818	Brass Series 11X A1	5,717,102	0.64
£5,500,000	Canterbury Finance Series 1 D	5,488,622	0.61
£7,500,000	Cardiff Automobile Receivables Series 22-1 C	7,307,857	0.81
£5,000,000	Castell Series 20-1 D	5,000,000	0.56
£2,399,731	Castell Series 21-1 C	2,262,356	0.25
£3,339,625	Castell Series 21-1 D	3,122,309	0.35
£6,794,000	Castell Series 22-1 B	6,728,562	0.75
£10,483,000	Castell Series 22-1 C	10,433,132	1.16
£5,000,000	Economic Master Issuer Series 21-1X A	4,980,000	0.55
£17,062,500	Economic Master Issuer Series 23-1 A	17,119,659	1.90
£2,267,000	Elstree Funding Series 1 D	2,256,088	0.25
£2,330,000	Elstree Funding Series 2 C	2,240,921	0.25
£4,535,143	Equity Release Funding Series 5 A	4,135,778	0.46
£2,617,847	Great Hall Mortgages Series 07-2X AA	2,588,100	0.29
£5,000,000	Highways Series 21-1X B	4,673,930	0.52
£10,000,000	Highways Series 21-1X C	9,034,295	1.00
£25,000,000	Holmes Master Issuer Series 23-1X A1	25,127,500	2.79
£3,155,200	Honours Series 2 A2	2,902,784	0.32
£2,950,000	Hops Hill Series 2 B	2,905,287	0.32
£2,300,000	Hops Hill Series 2 C	2,260,935	0.25
£5,100,000	Jupiter Mortgages Series 1X D	4,998,000	0.56

Portfolio Statement
continued

Holding	Security	Market value £	% of total net assets 2023
	Pound sterling denominated asset backed securities (continued)		
£3,465,000	Lanebrook Mortgage Series 21-1 B	3,315,082	0.37
£4,288,000	Lanebrook Mortgage Series 21-1 C	4,047,872	0.45
£2,556,958	London Wall Mortgage Capital Series 21-FL2 A	2,519,408	0.28
£1,466,033	Mansard Mortgages Series 07-1X M1	1,352,118	0.15
£10,132,801	Mortimer BTL Series 21-1 A	9,950,661	1.11
£3,500,000	Mortimer BTL Series 21-1 B	3,346,418	0.37
£5,953,493	Mortimer BTL Series 22-1 A	5,914,724	0.66
£4,190,000	Mortimer BTL Series 22-1 B	4,115,976	0.46
£4,487,000	Mortimer BTL Series 22-1 C	4,365,425	0.49
£7,200,000	Oat Hill Series 2 B	7,175,662	0.80
£6,460,000	Oat Hill Series 2 C	6,436,136	0.72
£3,000,000	Paragon Mortgages Series 25 B	2,995,929	0.33
£954,575	Paragon Mortgages Series 26 A1	953,927	0.11
£1,900,000	Precise Mortgage Funding Series 20-1B B	1,871,770	0.21
£2,100,000	Precise Mortgage Funding Series 20-1B C	2,037,120	0.23
£1,200,000	Precise Mortgage Funding Series 20-1B D	1,160,638	0.13
£1,093,059	Resloc UK Series 07-1X B1B	984,831	0.11
£3,060,565	Resloc UK Series 07-1X C1B	2,681,247	0.30
£2,700,000	Stanlington Series 2 C	2,601,804	0.29
£5,975,357	Stratton BTL Mortgage Series 22-1 A	5,912,317	0.66
£6,200,000	Stratton BTL Mortgage Series 22-1 B	5,896,820	0.66
£2,600,000	Stratton BTL Mortgage Series 22-1 C	2,434,562	0.27
£5,932,378	SYON Securities Series 19-1 A	5,618,407	0.62
£1,625,975	Together Asset Backed Securities Series 20-1 A	1,624,528	0.18
£1,880,000	Together Asset Backed Securities Series 20-1 C	1,867,553	0.21
£1,550,000	Together Asset Backed Securities Series 20-1 D	1,542,030	0.17
£1,500,000	Together Asset Backed Securities Series 20-1 E	1,494,667	0.17
£8,571,876	Together Asset Backed Securities Series 21-CRE1 A	8,449,873	0.94
£2,407,000	Together Asset Backed Securities Series 21-CRE1 B	2,334,790	0.26
£3,813,000	Together Asset Backed Securities Series 21-CRE1 C	3,641,415	0.40
£6,615,388	Together Asset Backed Securities Series 21-1ST1 A	6,546,170	0.73
£1,800,000	Together Asset Backed Securities Series 21-1ST1 B	1,725,311	0.19
£10,000,000	Together Asset Backed Securities Series 22-2ND1 C	9,693,225	1.08
£13,938,000	Together Asset Backed Securities Series 22-2ND1 D	13,343,877	1.48
£4,850,000	Together Series 21-CRE2 B	4,631,750	0.52
£2,500,000	Together Series 21-CRE2 C	2,331,250	0.26
£9,600,000	Towd Point Mortgage Series 19-GR4X A2R	9,456,000	1.05
£3,500,000	Towd Point Mortgage Series 19-GR4X BR	3,418,800	0.38
£21,000,000	Towd Point Mortgage Series 19-GR4X CR	20,441,505	2.26
£3,299,995	Tower Bridge Funding Series 21-1 B	3,278,123	0.36
£3,638,986	Tower Bridge Funding Series 21-2 D	3,451,262	0.38
£4,547,321	Tower Bridge Funding Series 22-1X A	4,502,343	0.50
£3,414,000	Tower Bridge Funding Series 22-1X C	3,255,249	0.36
£5,000,000	Tower Bridge Funding Series 22-1X D	4,667,035	0.52
£5,100,000	Tower Bridge Funding Series 23-1X A	5,112,396	0.57
£5,777,000	Twin Bridges Series 20-1 C	5,737,945	0.64
£4,438,037	Twin Bridges Series 21-1 A	4,410,300	0.49
£4,936,000	Twin Bridges Series 21-1 C	4,741,974	0.53
£2,420,000	Twin Bridges Series 21-1 D	2,290,995	0.25
£6,000,000	Twin Bridges Series 22-1 B	5,749,800	0.64
£6,442,000	Twin Bridges Series 22-1 C	5,987,401	0.67
£1,704,950	Uropa Securities Series 07-1 M1A	1,570,665	0.17
		399,961,885	44.48

Portfolio Statement

continued

Holding	Security	Market value £	% of total net assets 2023
	United States dollar denominated asset backed securities 0.00% (0.28%)		
	DERIVATIVES -0.02% (-0.19%)		
	Forward currency contracts -0.02% (-0.19%)^		
	Bought €41,290,874 Sold £36,223,161 (19.04.23)	142,470	0.02
	Sold €4,048,920 Bought £3,562,564 (03.04.23)	(842)	0.00
	Sold €579,318,435 Bought £509,825,876 (19.04.23)	(390,497)	(0.04)
		(248,869)	(0.02)
	Investment assets	**868,090,915**	**96.55**
	Net other assets	**31,032,647**	**3.45**
	Net assets	**899,123,562**	**100.00**

All investments are ordinary shares or stock units on a regulated securities market unless otherwise stated. The percentages in brackets show the equivalent % holdings as at 31.03.22.

^At the balance sheet date, all forward currency contracts were executed with one counterparty, Northern Trust Investor Services Limited ('NTISL') for the purpose of Effective Portfolio Management. Collateral obligations on losses or gains for each transaction would be met using cash held by the Custodian.

Analysis of bonds by credit rating^	Market value £	% of total net assets 2023
Investment grade (BBB- and above)	862,165,121	95.88
Non Investment grade (BB+ and below)	–	0.00
Unrated bonds	6,174,663	0.69
	868,339,784	96.57

^Source NTISL

Comparative Tables

Change in net assets per share

A Accumulation Gross	31.03.23 £	31.03.22 £	31.03.21 £
Opening net asset value per share	13.65	13.63	12.65
Return before operating charges^	0.17	0.17	1.12
Operating charges	-0.15	-0.15	-0.14
Return after operating charges^	0.02	0.02	0.98
Distributions	-0.53	-0.18	-0.17
Retained distributions on accumulation shares	0.53	0.18	0.17
Closing net asset value per share	**13.67**	**13.65**	**13.63**
^After direct transaction costs of	0.05	0.00	0.00
Performance			
Return after charges	0.15%	0.15%	7.75%
Other information			
Closing net asset value	804,541	829,112	1,106,861
Closing number of shares	58,867	60,723	81,187
Operating charges	1.09%	1.08%	1.08%
Ongoing operating charges*	1.10%	1.08%	1.08%
Direct transaction costs	-0.35%	0.00%	0.00%
Prices			
Highest share price	13.77	13.77	13.65
Lowest share price	13.05	13.64	12.64

I Income Net	31.03.23 £	31.03.22 £	31.03.21 £
Opening net asset value per share	110.00	111.01	104.07
Return before operating charges^	1.23	1.38	9.25
Operating charges	-0.69	-0.70	-0.69
Return after operating charges^	0.54	0.68	8.56
Distributions	-4.44	-1.69	-1.62
Closing net asset value per share	**106.10**	**110.00**	**111.01**
^After direct transaction costs of	0.38	0.00	0.00
Performance			
Return after charges	0.49%	0.61%	8.23%
Other information			
Closing net asset value	58,819,856	43,620,933	44,660,171
Closing number of shares	554,404	396,545	402,302
Operating charges	0.64%	0.63%	0.63%
Ongoing operating charges*	0.65%	0.63%	0.63%
Direct transaction costs	-0.35%	0.00%	0.00%
Prices			
Highest share price	110.25	112.26	112.01
Lowest share price	104.06	110.79	104.01

Comparative Tables

continued

Change in net assets per share

I Accumulation Net	31.03.23 £	31.03.22 £	31.03.21 £
Opening net asset value per share	142.55	141.70	130.92
Return before operating charges^	1.69	1.75	11.65
Operating charges	-0.90	-0.90	-0.87
Return after operating charges^	0.79	0.85	10.78
Distributions	-5.81	-2.16	-2.04
Retained distributions on accumulation shares	5.81	2.16	2.04
Closing net asset value per share	**143.34**	**142.55**	**141.70**
^After direct transaction costs of	0.49	0.00	0.00
Performance			
Return after charges	0.55%	0.60%	8.23%
Other information			
Closing net asset value	94,410,738	125,555,689	154,387,412
Closing number of shares	658,636	880,762	1,089,526
Operating charges	0.64%	0.63%	0.63%
Ongoing operating charges*	0.65%	0.63%	0.63%
Direct transaction costs	-0.35%	0.00%	0.00%
Prices			
Highest share price	144.33	143.68	141.88
Lowest share price	136.60	141.90	130.84

I Income Gross	31.03.23 £	31.03.22 £	31.03.21 £
Opening net asset value per share	110.02	111.03	104.07
Return before operating charges^	1.23	1.38	9.27
Operating charges	-0.69	-0.70	-0.69
Return after operating charges^	0.54	0.68	8.58
Distributions	-4.44	-1.69	-1.62
Closing net asset value per share	**106.12**	**110.02**	**111.03**
^After direct transaction costs of	0.38	0.00	0.00
Performance			
Return after charges	0.49%	0.61%	8.24%
Other information			
Closing net asset value	9,642,163	12,049,349	14,239,162
Closing number of shares	90,864	109,522	128,251
Operating charges	0.64%	0.63%	0.63%
Ongoing operating charges*	0.65%	0.63%	0.63%
Direct transaction costs	-0.35%	0.00%	0.00%
Prices			
Highest share price	110.27	112.27	112.02
Lowest share price	104.07	110.80	104.02

Comparative Tables

continued

Change in net assets per share

I Accumulation Gross	31.03.23 £	31.03.22 £	31.03.21 £
Opening net asset value per share	147.86	146.97	135.78
Return before operating charges^	1.74	1.82	12.10
Operating charges	-0.93	-0.93	-0.91
Return after operating charges^	0.81	0.89	11.19
Distributions	-6.02	-2.24	-2.12
Retained distributions on accumulation shares	6.02	2.24	2.12
Closing net asset value per share	**148.67**	**147.86**	**146.97**
^After direct transaction costs of	0.51	0.00	0.00
Performance			
Return after charges	0.55%	0.61%	8.24%
Other information			
Closing net asset value	39,974,031	52,990,888	68,483,192
Closing number of shares	268,886	358,386	465,952
Operating charges	0.64%	0.63%	0.63%
Ongoing operating charges*	0.65%	0.63%	0.63%
Direct transaction costs	-0.35%	0.00%	0.00%
Prices			
Highest share price	149.70	149.02	147.16
Lowest share price	141.68	147.18	135.70

L Income Net	31.03.23 £	31.03.22 £	31.03.21 £
Opening net asset value per share	1.04	1.05	0.98
Return before operating charges^	0.01	0.01	0.09
Operating charges	0.00	0.00	0.00
Return after operating charges^	0.01	0.01	0.09
Distributions	-0.04	-0.02	-0.02
Closing net asset value per share	**1.01**	**1.04**	**1.05**
^After direct transaction costs of	0.00	0.00	0.00
Performance			
Return after charges	0.96%	0.95%	9.18%
Other information			
Closing net asset value	59,475,940	78,425,932	75,435,529
Closing number of shares	59,104,124	75,268,148	71,829,066
Operating charges	0.39%	0.38%	0.38%
Ongoing operating charges*	0.40%	0.38%	0.38%
Direct transaction costs	-0.35%	0.00%	0.00%
Prices			
Highest share price	1.04	1.06	1.06
Lowest share price	0.99	1.05	0.98

Comparative Tables

continued

Change in net assets per share

L Accumulation Net	31.03.23 £	31.03.22 £	31.03.21 £
Opening net asset value per share	1.16	1.16	1.07
Return before operating charges^	0.02	0.01	0.09
Operating charges	0.00	0.00	0.00
Return after operating charges^	0.02	0.01	0.09
Distributions	-0.05	-0.02	-0.02
Retained distributions on accumulation shares	0.05	0.02	0.02
Closing net asset value per share	**1.18**	**1.17**	**1.16**
^After direct transaction costs of	0.00	0.00	0.00
Performance			
Return after charges	1.72%	0.86%	8.41%
Other information			
Closing net asset value	40,122,912	42,943,612	77,380,579
Closing number of shares	34,141,444	36,827,328	66,925,648
Operating charges	0.39%	0.38%	0.38%
Ongoing operating charges*	0.40%	0.38%	0.38%
Direct transaction costs	-0.35%	0.00%	0.00%
Prices			
Highest share price	1.18	1.17	1.16
Lowest share price	1.12	1.16	1.06

L Income Gross	31.03.23 £	31.03.22 £	31.03.21 £
Opening net asset value per share	1.02	1.03	0.96
Return before operating charges^	0.00	0.01	0.09
Operating charges	0.00	0.00	0.00
Return after operating charges^	0.00	0.01	0.09
Distributions on income shares	-0.04	-0.02	-0.02
Closing net asset value per share	**0.98**	**1.02**	**1.03**
^After direct transaction costs of	0.00	0.00	0.00
Performance			
Return after charges	0.00%	0.97%	9.38%
Other information			
Closing net asset value	213,453,069	453,232,166	99,623,110
Closing number of shares	216,943,111	444,869,229	97,012,428
Operating charges	0.39%	0.38%	0.38%
Ongoing operating charges*	0.40%	0.38%	0.38%
Direct transaction costs	-0.35%	0.00%	0.00%
Prices			
Highest share price	1.02	1.04	1.04
Lowest share price	0.96	1.03	0.96

Comparative Tables

continued

Change in net assets per share

L Accumulation Gross	31.03.23 £	31.03.22 £	31.03.21 £
Opening net asset value per share	1.10	1.09	1.01
Return before operating charges^	0.01	0.01	0.08
Operating charges	0.00	0.00	0.00
Return after operating charges^	0.01	0.01	0.08
Distributions	-0.05	-0.02	-0.02
Retained distributions on accumulation shares	0.05	0.02	0.02
Closing net asset value per share	**1.11**	**1.10**	**1.09**
^After direct transaction costs of	0.00	0.00	0.00
Performance			
Return after charges	0.91%	0.92%	7.92%
Other information			
Closing net asset value	382,420,312	733,463,619	584,589,697
Closing number of shares	344,115,274	665,240,973	534,755,393
Operating charges	0.39%	0.38%	0.38%
Ongoing operating charges*	0.40%	0.38%	0.38%
Direct transaction costs	-0.35%	0.00%	0.00%
Prices			
Highest share price	1.12	1.11	1.09
Lowest share price	1.06	1.09	1.01

*Taking an average of the daily Net Asset Values for the last month has the effect of increasing the operating charges by 0.01%. The ACD believes this to be more representative of the charges going forward.

Operating charges include indirect costs incurred in the maintenance and running of the Sub-fund, as disclosed (but not limited to) the detailed expenses within the Statement of Total Return. The figures used within this table have been calculated against the average Net Asset Value for the accounting year.

The return after charges is calculated as the closing Net Asset Value per share plus the distributions on income shares minus the opening Net Asset Value per share as a % of the opening Net Asset Value per share. The basis of valuation of investments used to calculate Net Asset Value per share is described in notes to the Financial Statements 1h) and complies with requirements of the current Statement of Recommended Practice for UK Authorised Funds. This differs from the basis used to calculate daily published single prices, in which listed investments are valued at 18:00 mid prices.

Direct transaction costs include fees, commissions, transfer taxes and duties in the purchasing and selling of investments, which are offset (where applicable) against any dilution levies charged within the accounting year. The figures used within the table have been calculated against the average Net Asset Value for the accounting year.

Risk and Reward Profile

The risk and reward indicator table demonstrates where the Sub-fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the future risk profile of the Sub-fund. The shaded area in the table below shows the Sub-fund's ranking on the risk and reward indicator.

Typically lower rewards, lower risk						Typically higher rewards, higher risk
1	2	**3**	4	5	6	7

This Sub-fund is ranked at 3 because funds of this type have experienced low to medium rises and falls in value in the past. During the year under review the A Gross Accumulation class changed from a 2 to a 3, this is due to the price volatility of the Sub-fund, all other Share classes did not change during the year under review. Please note that even the lowest risk class can lose you money and that extreme market circumstances can mean you suffer severe losses in all cases. The indicator does not take into account the following risks of investing in this Sub-fund:

- Investing overseas can bring additional returns and spread risk to different markets. There are risks, however, that changes in currency exchange rates may cause the value of your investment to decrease and increase.
- On occasions the Sub-fund may be significantly invested in particular geographical regions, meaning it will have greater exposure to the market, political and economic risks of those regions than if it was more diversified across a wider number of countries.
- There is no guarantee that an asset which provides the security for a bond will maintain its value.
- The Sub-fund can use derivatives in order to meet its investment objectives or to protect from price and currency movements. This may result in gains or losses that are greater than the original amount invested.
- Derivatives can be used to help reduce risk but we may not be fully successful. Derivatives can also reduce gains you may otherwise have made.
- Currency risk reduction techniques can have an effect on the value of your investment and on the performance of the share class.
- Bond values are affected by changes in interest rates, inflation and any decline in creditworthiness of the bond issuer. Bonds that produce a higher level of income usually also carry greater risk as such bond issuers may not be able to pay the bond income as promised or could fail to repay the capital amount used to purchase the bond.
- There may be cases where the organisation from which we buy a bond fails to carry out its obligations, which could cause losses to the Sub-fund.
- In difficult market conditions, the value of some investments may be less predictable than normal and the Sub-fund may not be able to buy and sell these investments at the best time or at a fair price. This could affect the Sub-fund's performance, potentially reducing your returns.
- For further risk information please see the Prospectus.

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 revenue from them can 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 are subject to fluctuation in exchange rates, which can be favourable or unfavourable.

Statement of Total Return

for the year ended 31 March 2023

	Note	31.03.23 £	31.03.23 £	31.03.22 £	31.03.22 £
Income					
Net capital losses	2		(70,340,981)		(9,237,197)
Revenue	3	53,357,389		25,919,846	
Expenses	4	(5,816,220)		(6,040,011)	
Interest payable and similar charges	4	–		(1,342)	
Net revenue before taxation		47,541,169		19,878,493	
Taxation	5	–		–	
Net revenue after taxation			47,541,169		19,878,493
Total return before distributions			**(22,799,812)**		**10,641,296**
Distributions	6		(50,184,139)		(22,651,616)
Change in net assets attributable to Shareholders from investment activities			**(72,983,951)**		**(12,010,320)**

Statement of Change in Net Assets Attributable to Shareholders

for the year ended 31 March 2023

	31.03.23 £	31.03.23 £	31.03.22 £	31.03.22 £
Opening net assets attributable to Shareholders		**1,543,112,300**		**1,119,905,713**
Amounts receivable on issue of shares	704,553,206		875,084,723	
Less: Amounts payable on cancellation of shares	(1,306,219,286)		(456,075,270)	
Dilution levy	4,468,098		–	
		(597,197,982)		419,009,453
Change in net assets attributable to Shareholders from investment activities (see Statement of Total Return above)		(72,983,951)		(12,010,320)
Retained distributions on accumulation shares		26,193,195		16,206,454
Closing net assets attributable to Shareholders		**899,123,562**		**1,543,111,300**

The notes on pages 131 to 136 form an integral part of these Financial Statements.

Balance Sheet

as at 31 March 2023

	Note	31.03.23 £	31.03.23 £	31.03.22 £	31.03.22 £
ASSETS					
Fixed Assets					
Investments			**868,482,254**		**1,460,703,844**
Current Assets					
Debtors	7	26,371,163		110,796,544	
Cash and bank balances	9	149,485,987		116,882,972	
Total current assets			**175,857,150**		**227,679,516**
Total assets			**1,044,339,404**		**1,688,383,360**
LIABILITIES					
Investment liabilities			**(391,339)**		**(3,090,203)**
Creditors					
Bank overdrafts	9	(102,217,280)		(66,608,916)	
Distribution payable		(10,091,758)		(5,085,821)	
Other creditors	8	(32,515,465)		(70,487,120)	
Total creditors			**(144,824,503)**		**(142,181,857)**
Total liabilities			**(145,215,842)**		**(145,272,060)**
Net assets attributable to Shareholders			**899,123,562**		**1,543,111,300**

The notes on pages 131 to 136 form an integral part of these Financial Statements.

Notes to the Financial Statements

for the year ended 31 March 2023

1. Accounting Policies

The Sub-fund's Financial Statements have been prepared on the same basis as the Accounting Policies stated on pages 7 to 8.

2. Net Capital Losses

	31.03.23 £	31.03.22 £
Non-derivative securities	(45,796,763)	(21,416,833)
Currency losses	(14,351,775)	(1,081,433)
Forward foreign exchange contracts (losses)/gains	(10,183,728)	13,269,509
Transaction charges	(8,715)	(8,440)
Net capital losses	**(70,340,981)**	**(9,237,197)**

3. Revenue

	31.03.23 £	31.03.22 £
Interest on debt securities	52,076,397	25,933,969
Bank interest	1,280,992	(14,123)
Total revenue	**53,357,389**	**25,919,846**

4. Expenses

	31.03.23 £	31.03.22 £
Payable to the Investment Manager, associates of the Investment Manager and agents of either of them:		
Investment Manager's fee	5,286,237	5,546,224
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fee (including VAT)	185,229	187,482
Safe custody and other bank charges	92,540	104,332
	277,769	291,814
Auditor's remuneration*:		
Audit fee	17,922	18,870
Tax compliance services	2,163	–
	20,085	18,870
Other expenses:		
External pricing service fees	214,625	165,093
Legal fees	9,251	9,228
Printing costs	8,253	8,782
	232,129	183,103
Expenses	**5,816,220**	**6,040,011**
Interest payable and similar charges	–	1,342
Total	**5,816,220**	**6,041,353**

*Included within the auditor's remuneration is irrecoverable VAT of £3,348 (2022: £3,145).

Notes to the Financial Statements
continued

5. Taxation	31.03.23 £	31.03.22 £
(a) Analysis of charge in the year:		
Total tax charge (note 5b)	–	–
(b) Factors affecting taxation charge for the year:		
Net revenue before taxation	47,541,169	19,878,493
Corporation tax at 20%	9,508,234	3,975,699
Effects of:		
Interest distributions	(9,508,234)	(3,975,699)
Total tax charge (note 5a)	–	–

(c) Deferred tax

There was no liability to deferred tax at the balance sheet date (2022: nil).

6. Distributions

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

		31.03.23 £	31.03.22 £
Interim distribution	30.09.22	17,813,301	11,197,813
Final distribution	31.03.23	26,117,269	13,231,427
		43,930,570	24,429,240
Revenue deducted on cancellation of shares		11,915,738	1,438,984
Revenue received on issue of shares		(5,662,169)	(3,216,608)
Distributions		**50,184,139**	**22,651,616**

Reconciliation of net revenue after taxation to net distributions:		
Net revenue after taxation per Statement of Total Return	47,541,169	19,878,493
Expenses allocated to capital	2,643,118	2,773,112
Undistributed revenue brought forward	315	326
Undistributed revenue carried forward	(463)	(315)
Distributions	**50,184,139**	**22,651,616**

Notes to the Financial Statements

continued

7. Debtors

	31.03.23 £	31.03.22 £
Amounts receivable on issues	1,643,402	107,232,668
Sales awaiting settlement	19,299,088	–
Accrued income:		
Interest on debt securities	5,175,837	3,562,815
Bank interest receivable	251,792	–
Prepaid expenses:		
Legal fee	1,044	1,061
Total debtors	**26,371,163**	**110,796,544**

8. Other Creditors

	31.03.23 £	31.03.22 £
Amounts payable on cancellations	32,079,451	1,829,348
Purchases awaiting settlement	–	68,025,367
Accrued expenses:		
Amounts payable to the Investment Manager, associates of the Investment Manager and agents of either of them:		
Investment Manager's fee	328,372	469,519
Amounts payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fee (including VAT)	11,780	62,998
Safe custody and other bank charges	5,803	35,504
	17,583	98,502
Auditor's remuneration*:		
Audit fee	17,922	17,367
Tax compliance services	2,163	–
	20,085	17,367
Other accrued expenses:		
External pricing service fees	67,089	43,708
Printing costs	2,885	3,309
	69,974	47,017
Total other creditors	**32,515,465**	**70,487,120**

*Included within the auditor's remuneration is irrecoverable VAT of £3,348 (2022: £2,895).

9. Cash and Bank Balances

	31.03.23 £	31.03.22 £
Cash and bank balances	149,485,987	116,882,972
Overdraft positions	(102,217,280)	(66,608,916)
Cash and bank balances	**47,268,707**	**50,274,056**

Notes to the Financial Statements
continued

10. Related Party Transactions
Apex Fundrock Limited ('AFL') is regarded as a related party by virtue of having the ability to act in respect of the operations of the Sub-fund in its capacity as the Authorised Corporate Director ('ACD').

ACD and other fees payable to AFL are disclosed in note 4 and amounts due at the year end are shown in note 8.

Fees payable to TwentyFour Asset Management LLP (the 'Investment Manager') are disclosed in note 4 and amounts due at the year end are shown in note 8.

Amounts receivable on issue and payable on cancellation of shares and dilution levy are disclosed in the Statement of Change in Net Assets Attributable to Shareholders and in note 6, amounts due at the year end are shown in notes 7 and 8.

At the year end the Sub-fund did not hold shares in any of the other Sub-funds within the MI TwentyFour Investment Funds.

11. Contingent Liabilities and Outstanding Commitments
There were no contingent liabilities or outstanding commitments at the balance sheet date (2022: none).

12. Risk Management Policies and Disclosures
The main risks arising from financial instruments and the ACD's policies for managing these risks are disclosed on pages 9 to 11.

Numerical disclosures relating to the Sub-fund are as follows:

Disclosure of VaR limit
The table below details the Sub-fund's lowest, highest and average VaR, as well as utilisation of VaR calculated during the year:

	31.03.23 % of VaR	Utilisation of VaR(*) 20%	31.03.22 % of VaR	Utilisation of VaR(*) 20%
VaR at year end:	2.86	14.30	4.17	20.85
Minimum VaR:	1.73	8.65	2.52	12.60
Maximum VaR:	4.76	23.80	6.77	33.85
Average VaR:	2.80	14.00	5.81	29.05

*The VaR on the Sub-fund has been divided by its maximum limit.

Notes to the Financial Statements
continued

13. Portfolio Transaction Costs

31.03.23

Analysis of purchases	Total purchase cost £	£	Commissions paid %	£	Taxes %	Purchases before transaction cost £
Debt instruments	561,364,249	–	0.00	–	0.00	561,364,249
Total purchases after commissions and tax	**561,364,249**					

Analysis of sales	Net sale proceeds £	£	Commissions paid %	£	Taxes %	Sales before transaction cost £
Debt instruments	992,439,781	–	0.00	–	0.00	992,439,781
Total sales after commissions and tax	**992,439,781**					

Commission as a % of average net assets	0.00%
Taxes as a % of the average net assets	0.00%

31.03.22

Analysis of purchases	Total purchase cost £	£	Commissions paid %	£	Taxes %	Purchases before transaction cost £
Debt instruments	956,051,980	–	0.00	–	0.00	956,051,980
Total purchases after commissions and tax	**1,104,868,438**					

Analysis of sales	Net sale proceeds £	£	Commissions paid %	£	Taxes %	Sales before transaction cost £
Debt instruments	579,377,214	–	0.00	–	0.00	579,377,214
Total sales after commissions and tax	**579,377,214**					

Commission as a % of average net assets	0.00%
Taxes as a % of the average net assets	0.00%

Commissions and taxes as a % of the average net assets form part of the direct transaction costs stated within the comparative tables on pages 123 to 127. The direct transaction costs within the comparative tables may differ due to the effect of dilution levies charged (where applicable).

14. Portfolio Dealing Spread

The average portfolio dealing spread at 31 March 2023 is 0.73% (2022: 0.23%).

15. Post Balance Sheet Events

There were no notifiable events post the year end balance sheet date.

Notes to the Financial Statements

continued

16. Fair Value Disclosure

Valuation technique	31.03.23 Assets £	31.03.23 Liabilities £	31.03.22 Assets £	31.03.22 Liabilities £
Level 1^	–	–	–	–
Level 2^^	868,482,254	(391,339)	1,460,703,844	(3,090,203)
Level 3^^^	–	–	–	–
	868,482,254	**(391,339)**	**1,460,703,844**	**(3,090,203)**

^Level 1: Unadjusted quoted price in an active market for an identical instrument.

^^Level 2: Valuation techniques using observable inputs other than quoted prices within level 1.

^^^Level 3: Valuation techniques using unobservable inputs.

17. Shares in Issue

	A Accumulation Net	I Income Net	I Accumulation Net	I Income Gross
Opening number of shares	60,723	396,545	880,762	109,522
Shares issued	28,134	301,820	541,341	54,972
Shares cancelled	(29,990)	(143,897)	(760,089)	(73,519)
Shares converted	–	(64)	(3,378)	(111)
Closing number of shares	**58,867**	**554,404**	**658,636**	**90,864**

	I Accumulation Gross	L Income Net	L Accumulation Net	L Income Gross
Opening number of shares	358,386	75,268,148	36,827,328	444,869,229
Shares issued	86,678	37,065,912	36,415,187	332,277,186
Shares cancelled	(176,208)	(53,267,577)	(39,206,874)	(560,200,908)
Shares converted	30	37,641	105,803	(2,396)
Closing number of shares	**268,886**	**59,104,124**	**34,141,444**	**216,943,111**

	L Accumulation Gross
Opening number of shares	665,240,973
Shares issued	150,080,806
Shares cancelled	(471,510,960)
Shares converted	304,455
Closing number of shares	**344,115,274**

Distribution Tables

for the year ended 31 March 2023

Income share distribution

Share class	Distribution	Shares	Net revenue p	Equalisation p	Distribution paid/payable 2023 p	Distribution paid 2022 p
I Net	Interim	Group 1	135.3398	–	135.3398	79.6052
		Group 2	52.2569	83.0829	135.3398	79.6052
	Final	Group 1	308.2253	–	308.2253	88.9230
		Group 2	175.3436	132.8817	308.2253	88.9230
I Gross	Interim	Group 1	135.1853	–	135.1853	79.6233
		Group 2	81.5391	53.6462	135.1853	79.6233
	Final	Group 1	308.8100	–	308.8100	88.9298
		Group 2	119.7399	189.0701	308.8100	88.9298
L Net	Interim	Group 1	1.3365	–	1.3365	0.8208
		Group 2	0.6817	0.6548	1.3365	0.8208
	Final	Group 1	2.9892	–	2.9892	0.9082
		Group 2	0.9085	2.0807	2.9892	0.9082
L Gross	Interim	Group 1	1.3188	–	1.3188	0.8031
		Group 2	1.0346	0.2842	1.3188	0.8031
	Final	Group 1	2.9204	–	2.9204	0.8884
		Group 2	0.6197	2.3007	2.9204	0.8884

Accumulation share distributions

Share class	Distribution	Shares	Net revenue p	Equalisation p	Amount reinvested 2023 p	Amount reinvested 2022 p
A Net	Interim	Group 1	15.2829	–	15.2829	8.2421
		Group 2	11.9340	3.3489	15.2829	8.2421
	Final	Group 1	37.2192	–	37.2192	9.4299
		Group 2	27.6525	9.5667	37.2192	9.4299
I Net	Interim	Group 1	175.3869	–	175.3869	101.6083
		Group 2	129.9351	45.4518	175.3869	101.6083
	Final	Group 1	405.9943	–	405.9943	114.3122
		Group 2	219.6583	186.3360	405.9943	114.3122
I Gross	Interim	Group 1	181.6833	–	181.6833	105.4003
		Group 2	118.8690	62.8143	181.6833	105.4003
	Final	Group 1	420.5044	–	420.5044	118.5604
		Group 2	222.2994	198.2050	420.5044	118.5604
L Net	Interim	Group 1	1.4957	–	1.4957	0.9036
		Group 2	1.1606	0.3351	1.4957	0.9036
	Final	Group 1	3.3836	–	3.3836	1.0076
		Group 2	–	3.3836	3.3836	1.0076
L Gross	Interim	Group 1	1.4256	–	1.4256	0.8546
		Group 2	1.0560	0.3696	1.4256	0.8546
	Final	Group 1	3.2093	–	3.2093	0.9526
		Group 2	0.5284	2.6809	3.2093	0.9526

Interim period: 01.04.22 - 30.09.22
Final period: 01.10.22 - 31.03.23

Distribution Tables

continued

Group 1:	Shares purchased prior to a distribution period
Group 2:	Shares purchased during a distribution period

Equalisation

Equalisation applies only to shares purchased during the distribution period (Group 2 shares). It represents 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.

General Information

Authorised Status

MI TwentyFour Investment Funds (the 'Company') is structured as an Investment Company with Variable Capital ('ICVC'), under regulation 12 (Authorisation) of the OEIC Regulations (Open-Ended Investment Companies Regulations 2001 (SI 2001/1228)).

The Company does not intend to have an interest in immovable property.

The Company is authorised and regulated in the UK by the Financial Conduct Authority ('FCA') as a UCITS Retail Scheme and 'Umbrella Company' under the COLL Sourcebook.

The Company was incorporated in England and Wales on 23 July 2009 under registration number IC000765. The Shareholders are not liable for the debts of the Company.

The Company currently has 6 Sub-funds, which are detailed below:

MI TwentyFour Investment Funds - Asset Backed Income Fund (Launched 16.01.2013)
MI TwentyFour Investment Funds - Asset Backed Opportunities Fund (Launched 11.04.2017)
MI TwentyFour Investment Funds - Core Corporate Fund (Launched 25.01.2016)
MI TwentyFour Investment Funds - Dynamic Bond Fund (Launched 26.04.2010)
MI TwentyFour Investment Funds - Focus Bond Fund (Launched 29.02.2012)
MI TwentyFour Investment Funds - Monument Bond Fund (Launched 10.08.2009)

Head Office

Hamilton Centre, Rodney Way, Chelmsford, Essex CM1 3BY

Address for Service

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

Base Currency

The base currency of the Company is 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 Value of the Sub-funds.

Classes of Shares

The Instrument of Incorporation allows each Sub-fund to issue different classes of shares in respect of any Sub-fund.

The Sub-funds currently have the following classes of shares available for investment:

	Share Class													
	A Net		A Gross		I Net		I Gross		M Gross		L Net		L Gross	
Sub-fund	Inc	Acc	Inc	Acc	Inc	Acc	Inc	Acc	Inc	Acc	Inc	Acc	Inc	Acc
Asset Backed Income Fund	–	–	✔	–	–	–	–	–	–	–	–	–	–	–
Asset Backed Opportunities Fund	–	–	–	–	–	–	✔	–	–	–	–	–	–	–
Core Corporate Bond Fund	–	–	✔	✔*	–	–	–	–	–	–	–	–	–	–
Dynamic Bond Fund	–	✔	✔	–	✔	✔	✔	✔	✔	–	–	–	–	–
Focus Bond Fund	–	–	✔	–	–	–	–	–	–	–	–	–	–	–
Monument Bond Fund	–	✔	–	–	✔	✔	✔	✔	–	–	✔	✔	✔	✔

*This share class has no investment at the date of this report.

The Company may issue both Income and Accumulation Shares.

Holders of Income shares are entitled to be paid the revenue attributable to such shares in respect of each annual accounting period in the currency of the relevant share class.

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.

General Information

continued

Valuation Point

The scheme property of the Company and each Sub-fund will normally be valued at 18:00 on each dealing day for the purpose of calculating the price at which shares in the Company may be issued, sold, repurchased or redeemed.

For the purpose of the pricing of shares, a business day is defined as a day on which the dealing office of the ACD is open for the buying and selling of shares. The ACD may at any time during a business day carry out an additional valuation of the property of the Sub-funds if the ACD considers it desirable to do so, with the Depositary's approval.

Buying, Redeeming and Switching of Shares

The ACD will accept orders for the purchase, sale and switching of shares on normal business days between 08:30 and 16:30. Instructions to buy or sell shares may either be in writing to:

Hamilton Centre, Rodney Way, Chelmsford, Essex CM1 3BY
Or by telephone to: 0345 026 4283

The ACD has the right to establish facilities for recording telephone calls made or received on this telephone line.

A contract note giving details of the shares purchased will be issued no later than the next business day after the business day on which an application to purchase shares is received and instrumented by the ACD. Certificates will not be issued in respect of shares. Ownership of shares will be evidenced by an entry on the register of Shareholders.

Pricing Basis

There is a single price for buying, selling and switching shares in a Sub-fund which represents the Net Asset Value of the Sub-fund concerned. The share price is calculated on a forward pricing basis, that is at the next Valuation Point after the purchase or redemption is deemed to be accepted by the ACD.

The prices of shares are published daily on www.fundrock.com. Neither the ACD nor the Company can be held responsible for any errors in the publication of the prices. The shares in the Company will be issued and redeemed on a forward pricing basis which means that the price will not necessarily be the same as the published price.

Other Information

The Instrument of Incorporation, Prospectus, Key Investor Information Document 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. Copies may be obtained free of charge upon application. They are also available from the website of the ACD, the details of which are given in the directory of this report.

Shareholders who have complaints about the operation of the Company should in the first instance contact the ACD, or, following that, may make their complaint direct to the Financial Ombudsman Service, Exchange Tower, London E14 9SR.

Significant Information

Effective 13 July 2023 Maitland Institutional Services Limited changed name to Apex Fundrock Limited.

The ACD has assessed the Russia-Ukraine war implications and although the Company has no direct exposure to Russian or Ukrainian assets, the crisis has and will have a wider impact in terms of market performance.

ACD Value Assessment

The ACD is required to provide an annual statement for the Company, attesting that in the opinion of the ACD the services provided to the Company and any fees chargeable to the scheme property represent value for money, taking into account the following criteria as set out by the Regulator under COLL 6.6.20R:

- Quality of Service
- Performance
- Economies of Scale
- Comparable Services and Market Rates
- Classes of Shares

This statement references services provided directly by the ACD and those services delegated by the ACD to third parties such as, but not limited to, investment management, depositary services, custody and settlement, audit provision, legal services, printing services, KIID production and maintenance, and other costs as may be set out or allowable in the scheme documentation.

The ACD Value Assessment is published on the Apex website.

General Information

continued

Remuneration of the Authorised Corporate Director

The ACD is subject to a remuneration policy which meets the requirements of the Undertakings for Collective Investment in Transferable Securities Directive (UCITS) as set out in SYSC 19E of the FCA Handbook.

The policy is designed to ensure practices for employee remuneration are consistent with, and promote, sound and effective risk management. It does not encourage risk-taking which is inconsistent with the risk profiles, rules or instrument of incorporation of the funds managed, and does not impair the ACD's compliance with its duty to act in the best interests of the funds it manages.

The ACD has reviewed the Remuneration Policy and its application in the last year which has resulted in no material changes to the policy or irregularities to process.

This disclosure does not include portfolio management activities as these are undertaken by various third party investment managers appointed by the ACD. The Investment Manager is required to make separate public disclosure as part of their obligations under the Capital Requirements Directive.

The ACD is required to disclose the total remuneration it pays to its staff during the financial year of the Company, split into fixed and variable remuneration, with separate aggregate disclosure for staff whose actions may have a material impact to the risk profile of a Sub-fund or the ACD itself. This includes executives, senior risk and compliance staff and certain senior managers.

As the ACD provides UCITS and non-UCITs services, the remuneration figures have been prorated by the Net Asset Value of all the UCITS funds it manages as a percentage of the total assets under management.

31.03.23	Number of Beneficiaries	Fixed Remuneration	Variable Remuneration Paid	Total
Total remuneration paid by the ACD during the year	16	£1,734,000	£563,000	£2,297,000
Remuneration paid to employees of the ACD who have material impact on the risk profile of the Fund	6	£953,000	£484,000	£1,437,000

Further information is available in the ACD's Remuneration Policy Statement which can be obtained from www.Apexgroup.com or, on request free of charge, by writing to the registered office of the ACD.

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 revenue from them can 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 are subject to fluctuation in exchange rates, which can be favourable or unfavourable.