

Brooks Macdonald International Investment Funds Limited

Interim Report and Unaudited
Financial Statements

For the six month period ended 31 March 2023



BROOKS MACDONALD

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Company Information

The Company

Brooks Macdonald International Investment Funds Limited

Directors:

Ross Davey Willcox (Independent Director and Chair)

Michael Peter Farley (Independent Director)

Richard John Hughes

Brian Charles James

Registered Office

28 Esplanade, St. Helier, Jersey

Channel Islands JE2 3QA

Company Secretary

JTC Fund Solutions (Jersey) Limited

28 Esplanade, St. Helier, Jersey

Channel Islands JE2 3QA

Manager

Brooks Macdonald International Fund Managers Limited

5 Anley Street, St. Helier, Jersey

Channel Islands JE2 3QE

Administrator and Registrar

JTC Fund Solutions (Jersey) Limited

28 Esplanade, St. Helier, Jersey

Channel Islands JE2 3QA

Custodian

Apex Financial Services (Corporate) Limited

12 Castle Street, St. Helier, Jersey

Channel Islands JE2 3RT

Investment Manager and Distributor

Brooks Macdonald Asset Management (International)
Limited

5 Anley Street, St. Helier, Jersey

Channel Islands JE2 3QE

Independent Auditor

PricewaterhouseCoopers CI LLP

37 Esplanade, St. Helier, Jersey

Channel Islands JE1 4XA

Legal Advisers

Mourant Ozannes (Jersey) LLP

PO Box 87, 22 Grenville Street, St. Helier, Jersey

Channel Islands JE4 8PX

The International Stock Exchange Sponsor

JTC Listing Services Limited

28 Esplanade, St. Helier, Jersey

Channel Islands JE2 3QA

Principal Bankers

Lloyds Bank Corporate Markets plc, Jersey Branch, trading as

Lloyds Bank International

9 Broad Street, St. Helier, Jersey

Channel Islands JE2 3RR

Investment Objectives and Policy

Brooks Macdonald International Investment Funds Limited (the 'Company') is an open-ended investment company registered in Jersey which as at the period end has three classes, each being an individual 'Fund' and together the 'Funds'.

The Company is known as an 'Umbrella' Fund because it provides its shareholders with a variety of investment options under the umbrella of a single Company.

The overall objective of the Company is to provide investors with a managed investment designed to meet the specific objectives laid down for each Fund. The investment objectives and policy of each Fund is set out below:

[Euro High Income Fund](#)

Objective

To seek a high income through investment in a spread of fixed interest securities denominated predominately in euro.

Investment Policy

The investment policy aims to support the payment of dividends above the level of short term euro interest rates. This policy may result in a gradual reduction in the capital value of the Shares. The Fund will normally hold a relatively wide range of securities in order to keep a low level of exposure to individual bond issues other than government securities. The Fund may also hold a substantial part of its assets in bank deposits from time to time. The Fund is permitted to invest in securities denominated in currencies other than euro. The current policy of the Directors is that investments in non-euro denominated securities should be fully hedged against euro with the aim of eliminating the effects of any exchange rate movements.

[High Income Fund](#)

Objective

To seek a high income from a spread of fixed interest securities.

Investment Policy

The investment policy aims to support the payment of dividends above the level of short term sterling interest rates. This policy may result in a gradual reduction in the capital value of the Shares. The Fund will normally hold a relatively wide range of securities in order to keep a low level of exposure to individual bond issues other than government securities. The Fund may also hold a substantial part of its assets in bank deposits from time to time. The Fund may invest in securities denominated in currencies other than Sterling. The current policy of the Directors is that investments in non-Sterling denominated securities should be fully hedged against Sterling with the aim of eliminating the effects of any exchange rate movements.

[Sterling Bond Fund](#)

Objective

To seek to provide a regular income from a managed portfolio of Sterling fixed interest securities with a particular emphasis on those securities on which interest is paid gross to non-residents of the United Kingdom.

Investment Policy

The assets of the Fund are generally invested in a managed portfolio of sterling fixed interest securities which have been issued by governments, local authorities, public utilities and corporations. If it is desirable to hold assets with a short-term maturity, then the Fund may also place money on bank deposit (subject to certain limitations). Similarly, derivative instruments such as traded options and financial futures may be used to reduce risk. Futures and options are contracts which give the buyer the right, or obligation, to purchase or sell an asset at a predetermined price on or before a future date.

Directors' Profiles

Ross Davey Willcox (Independent Director and Chairman)

Joined the Lloyds Banking Group in 1977 and held a number of managerial positions in the UK and Internationally. He was appointed as Chairman of Lloyds International Fund Managers Limited (now Brooks Macdonald International Fund Managers Limited) in 1999 and as Chairman of the Fund Company in 2004. Ross resigned as a Director of the Manager on 30 November 2020. Previous responsibilities included the value proposition of all investment products for Lloyds Bank International Wealth. A qualified Banker, a Fellow of the Securities & Investment Institute, a Chartered Director and Fellow of the Institute of Directors. Aged 63.

Michael Peter Farley (Independent Director)

Joined Brooks Macdonald International Investment Funds Limited in 2020. Michael is a partner of Altair Partners Limited which provides independent director services to funds and regulated entities, together with consultancy services to the fiduciary industry. He has over 20 years' experience in managing assets for private clients and is a Fellow of the Chartered Institute of Securities and Investments, holding qualifications in both investments and trusts. Michael has comprehensive experience in senior leadership as a board director, having sat on a variety of regulated boards, including Investment Business, Trust Companies Business and Fund Services Business licensed entities. Aged 56.

Richard John Hughes

Richard joined Brooks Macdonald in 2013 and oversaw the firm's international marketing, distribution and business development strategy, including management of key distribution partner relationships across the UK, Europe, Africa and Middle East. In 2019, Richard assumed the role of Deputy Chief Executive Officer, International and during 2020 took responsibility for business management and change with oversight of operations, technology, HR and finance functions. In 2021, Richard took over as Chief Executive Officer, International. Richard is a member of the International Management Committee and Risk Committee and a Director of Brooks Macdonald Asset Management (International) Limited and Brooks Macdonald International Fund Managers Limited. Richard is a Chartered Member of the Chartered Institute for Securities & Investment (CISI) and Member of the Institute of Directors (IoD) having completed the Certificate in Company Direction in 2017. Aged 39.

Brian Charles James

Brian joined the JTC Group in 2021 as Client Director with responsibilities to include overseeing the delivery of fund administration services to offshore funds managed by Brooks Macdonald International Fund Managers Limited. Prior to joining the JTC Group, Brian worked for over 30 years for the Lloyds Banking Group holding a number of managerial positions primarily in Financial Control and Risk Management before being appointed as a Director of Lloyds International Fund Managers Limited (now Brooks Macdonald International Fund Managers Limited) in 1999 and as a Director of the Fund Company in 2004. Responsibilities included leading a team of specialists delivering operational functions for the Lloyds Banking Group range of offshore investment products and services. Brian resigned as a Director of the Manager on 30 November. A Chartered Director, Fellow of the Institute of Directors, holder of the International Diploma in Governance, Risk & Compliance and a member of the International Compliance Association. Aged 61.

Report of the Directors

The Directors have pleasure in submitting their Interim Report together with the Unaudited Financial Statements for the six month period ended 31 March 2023. The Company is domiciled and incorporated as a Limited Company in Jersey, Channel Islands under the Companies (Jersey) Law 1991 and is listed on The International Stock Exchange and has a secondary listing on the Malta Stock Exchange. Full details of the Company, Investment Objectives and Policy and Report of the Directors are stated on pages 2 to 7.

Results

The results for the six month period ended 31 March 2023 are detailed within the relevant Fund section in respect of each Fund.

Distributions

Distributions for the period are detailed in Note 5 to the financial statements.

Directors

The Directors of the Company who were in office during the period and up to the date of signing the financial statements were:

Mr R.D. Willcox

Mr M.P. Farley

Mr R.J. Hughes

Mr B.C. James

As at 31 March 2023, no Director had a beneficial interest in the shares of the Company.

No Director has a service contract with the Company and no Director is, or was, materially interested in any service or other contract entered into by the Company other than those disclosed below.

Mr M Hucker, Mr R.J. Hughes, Mr M O'Connor, Mr D Forbes and Mr L Bateman are Directors of Brooks Macdonald International Fund Managers Limited (the 'Manager') which has a management contract with the Company. The Manager acts as the Company's non-EU Alternative Investment Fund Manager for the purpose of the Alternative Investment Fund Managers Directive (AIFMD). Fees earned by the Manager are disclosed in these Financial Statements in Note 10.

Directors Remuneration

Director remuneration is set at a maximum of £25,000 per annum for each Director as disclosed in the Report and Accounts to 31 March 2023 (2022: £25,000).

Investment Activities

The Report of the Investment Manager is set out on pages 8 to 9.

Going Concern

The Financial Statements of the Company, Euro High Income, High Income and Sterling Bond Funds have been prepared in accordance with International Financial Reporting Standards ('IFRS') on the going concern basis. The Directors are confident that sufficient measures have been put in place to ensure the continuation of the business.

Prospectus

Copies of the Prospectus dated June 2022 together with any subsequent addenda are available, free of charge, on application to the Manager. Alternatively it can be accessed on our website at

<https://www.brooksmacdonald.com/international-investment-management/international-funds>

Management and Administration Providers

The names and addresses of management and administration providers are stated on page 2.

Comparatives Tables

The Change in Net Asset Value per Share and Performance Records and Tables are stated on pages 60 to 61 and 65 to 66 respectively.

Financial Risk Management

The Directors have taken into consideration the financial risk management of the Company, this has been disclosed in Note 19 of the financial statements.

Report of the Directors continued

Information Exchange

Jersey has entered into a number of Information Exchange Agreements with the authorities of other jurisdictions.

Shareholders should be aware that information on their investment may be shared with the relevant authorities, and may be passed to the tax authorities in their country of residence, citizenship or residence for tax purposes. For the avoidance of doubt this information may include (but not be limited to) details of shareholder names, addresses, unique identifiers (such as tax or national insurance numbers), amount of investment, redemption or sale proceeds and dividend payments.

Reporting Funds Regime

HM Revenue & Customs have accepted the entry of the Company into the Reporting Funds Regime for the purposes of regulation 51 of the Offshore Funds (Tax) Regulations 2009. The UK offshore funds rules apply in relation to each Fund within the Company. The following Funds have been approved by HM Revenue & Customs in the UK as "Reporting Funds" for the purposes of the UK offshore fund rules: Euro High Income Fund, High Income Fund and Sterling Bond Fund.

Directors' Responsibilities

The Directors are responsible for preparing the Financial Statements in accordance with applicable law and International Financial Reporting Standards (IFRS).

The Directors have also chosen to adopt areas of the Statement of Recommended Practice 'Financial Statements of UK Authorised Funds' issued in May 2014 by the IMA (Investment Management Association) where this does not conflict with other reporting requirements.

The Directors are required by the Companies (Jersey) Law 1991 to prepare Financial Statements for each financial period which give a true and fair view of the state of affairs of the Company for that period and are in accordance with applicable laws. In preparing these financial statements the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed subject to any material departures disclosed and explained in the financial statements; and

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies (Jersey) Law 1991 and the Collective Investment Funds (Recognized Funds) (Rules) (Jersey) Order 2003 (as amended).

They are also responsible for the safeguarding of the assets of the Company which includes the appointment of a duly qualified Custodian. The Directors must also ensure that they or their duly appointed agents take reasonable steps for the prevention and detection of fraud, error and non-compliance with law and regulations.

The Directors confirm that they have complied with the above requirements in preparing the financial statements.

Market Conditions

Assets held within certain Funds can be affected by market conditions and this may affect the share price of those Funds. The Directors would like to remind shareholders that investment in the Funds should be considered as a long term commitment, as the price of shares may rise and fall in the short term in response to changing market conditions.

General Information

The Company is an open-ended investment company with variable capital and shareholders are not liable for the debts of the Company.

The Company holds a certificate as a recognized Securities Fund under the Collective Investment Funds (Recognized Funds) (Rules) (Jersey) Order 2003 (as amended), and holds a permit under Article 7 of the Collective Investment Funds (Jersey) Law, 1988.

The Manager has professional indemnity and directors' and officers' liabilities insurance coverage. The Manager also maintains an appropriate level of 'own funds' to cover the equivalent professional liability risks set out in AIFMD.

Report of the Directors continued

Directors' Responsibilities (continued)

The Company is listed on The International Stock Exchange and has a secondary listing on the Malta Stock Exchange. The published share price of the assets of each Fund was as follows:

Sterling Denominated Funds	31 March 2023	30 September 2022
	pence	pence
High Income Fund	65.24	61.92
Sterling Bond Fund	125.75	117.72
Euro Denominated Strategies	Euro cents	Euro cents
Euro High Income Fund	120.90	121.64

The latest prices can be viewed on our website.

<https://www.brooksmacdonald.com/international-investment-management/international-funds>

Average Portfolio Dealing Spread

The average portfolio dealing spread percentage, including the effect of foreign exchange, as at the statement of financial position date is as follows:

	31 March 2023	30 September 2022
	%	%
Euro High Income Fund	0.66	0.68
High Income Fund	0.79	0.75
Sterling Bond Fund	0.61	0.65

The spread on the statement of financial position date is representative of the typical spread throughout the period.

EGM resolution regarding the approval of electronic documents

In November 2021, shareholders were invited to vote on the amendment of the articles of association to allow for the Report and Accounts and all notices and documents served by the Company to be made available electronically. The resolution was passed following the Extraordinary General Meeting held on 9 December 2021. A copy of the Annual Report and Accounts are available on the website or from the Manager upon request.

Website

The Company's financial statements can be found on

<https://www.brooksmacdonald.com/international-investment-management/international-funds>.

Information published on the internet is accessible in many countries. Legislation in Jersey governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

By order of the Board of Directors

R. D. Willcox

25 May 2023

Report of the Investment Manager

General commentary

The six months to the end of March 2023 still saw significant volatility as global markets contended with recession concerns, UK political events, a dismantling of China's zero-Covid policy, energy prices, changes in inflation expectations and a mini-banking crisis.

After a dismal 9 months prior, equity markets rallied globally over this period, together with sterling and US bonds both helped by falling inflation, recessionary headwinds and reduced expectations of central bank hikes. European bonds sold off however as recession risks in the region reduced and interest rate expectations were adjusted accordingly.

For its part, the UK had its own challenges. October saw the Bank of England (BoE) end its temporary emergency bond-buying package, necessitated by the prior market panic and threat to pension fund finances caused by former Chancellor Kwasi Kwarteng's unfunded tax-cutting mini-budget in September. Shortly after sacking Kwarteng, Prime Minister Liz Truss realised that her own position was also untenable and announced her resignation on 20th October. Following a quickly organised leadership race, former Chancellor Rishi Sunak was handed the keys to No. 10.

Markets rallied and sterling rose on expectations of a U-turn on Kwarteng's tax cuts. Unlike his predecessor, newly-installed Chancellor Hunt gave the Office for Budget Responsibility (OBR) time to check the figures first by delaying his market-calming Autumn Statement from October until November. However, strikes by train drivers, nurses, ambulance drivers and postal workers added to economic woes in the run-up to Christmas.

Headline inflation continued to slow across regions albeit at differing paces, whilst growth remained resilient. It was with some relief that the UK avoided a technical recession in 2022 whilst the US was back in growth mode after two negative quarters at the start of last year. However, growth was best illustrated by the manufacturing and service sectors rebounding across the US, Europe and the UK to reach overall expansionary territory by February 2023, according to the composite purchasing managers' index surveys.

Indeed, all three of the major economic blocs saw an improving economic picture at the start of 2023. Boosts to global growth were helped by the US consumer continuing to spend, supported by a low unemployment rate and accumulated savings. On the other side of the world, China reopened after three years of lockdown. This was all in addition to Europe experiencing its second warmest winter on record, which helped ease energy price pressures and reduced recession risk in the region.

This recent government bond market weakness has also meant that yields are becoming more attractive particularly now that corporate bond spreads have firmed up. The increased yields will improve returns in periods of market stability. We do feel that fixed income markets should now have a firmer footing. Although cost pressures and rising rates will continue to weigh on many corporates, we see these as being already priced in whilst employment, GDP and the general economic backdrop is broadly supportive for credit.

Complicating the overall economic picture was the failure in March of three US regional banks (Silvergate Bank, Silicon Valley Bank and Signature Bank) as well as the downfall and rescue of Credit Suisse in Europe. Although banking shares came under pressure, the fallout was contained and the market viewed any systemic risk as minimal. However, the outlook for interest rates changed and government bonds rallied which subsequently helped the performance of growth stocks. Markets moved to anticipate a lower level for peak interest rates and cuts thereafter.

In the UK Spring Budget we saw a package of tax breaks for businesses to help balance against a corporate tax rise with the Chancellor also being upbeat on economic growth, stating that the UK would likely now avoid a recession. The Office for Budget Responsibility revised its GDP forecast from a 1.4% fall for 2023 to a far smaller 0.2% and predicted that inflation would drop to 2.9% by the end of the year.

Fixed income markets saw positive returns for the six months with both government and corporate bonds rallying over the period. February saw negative returns due to a government bond sell-off after some strong US jobs data although the market rallied back in March albeit amidst spread widening. Spreads generally ended the period tighter by around 25bps in sterling and over 50bps in euro whilst government bonds rallied by 100bps in 5yr gilts but sold off by 35bps in 5yr bunds. Market implied BoE rate expectations reduced from a peak rate of near 6% for May 2023 to a peak of under 4.75% for September 2023 whilst the ECB rate expectations moved higher from a peak of under 3.25% for September 2023 to a peak of 3.6% in October 2023.

Fixed income markets remain volatile with uncertainty over the future path of interest rates although our view is that large sell-offs of the scale seen in 2022 remain a low probability. Default rates are rising but we also see these as very unlikely to reach the levels seen in 2020 or the financial crisis but are likely to watch any credit exposure carefully and keep our duration low.

Report of the Investment Manager continued

Sterling Bond Fund

The Fund's return between 30 September 2022 and 31 March 2023 was 8.75%, net of fees, whilst the benchmark (the Bloomberg Sterling Non-Gilts Index) returned 8.21%. Despite the instability in the gilt market due to political reasons in 2022 and the instability caused by worries over the banking sector in March 2023, gilts firmed up and spreads tightened over the period.

There were 37 trades over the period and we ended with 79 issues and 63 issuers, down from 98 and 75. The fund moved lower in duration to 5.55 years whilst the benchmark was at 6 years on 31 March. The yield-to-maturity (YTM) was at 6.00% and distribution yield was 3.65%. The fund changed from 5.87 years duration, 4.55% YTM and 3.65% distribution yield on 30th September 2022.

Technology was the best performing sector in the benchmark although basic materials (chemicals and mining) and consumer sectors saw the most spread tightening. Of the trades done over the period, we reduced banks, autos and sovereigns whilst increasing utilities, mining, oil and gas and telecoms

High Income Fund

The Fund's return between 30 September 2022 and 31 March 2023 was 8.06%, net of fees, whilst the benchmark (the Bloomberg Sterling Non-Gilts Index) returned 8.21%. Despite the instability in the gilt market due to political reasons in 2022 and the instability caused by worries over the banking sector in March 2023, gilts firmed up and spreads tightened over the period.

There were 31 trades over the period and we ended with 72 issues and 60 issuers down from 78 and 65. The fund moved lower in duration to 5.62 years whilst the benchmark was at 6 years on 31 March. The YTM was at 5.76% and distribution yield was 5.26%. The fund changed from 6.29 years duration, 4.51% YTM and 5.25% distribution yield on 30th September 2022.

Technology was the best performing sector in the Fund and the benchmark although basic materials (chemicals and mining) and consumer sectors saw the most spread tightening. Of the trades done over the period, we reduced banks, insurance and autos whilst increasing utilities and telecoms.

The high yield exposure increased during the last six-month period to 9.71%, but we kept these holdings with a short duration which reduces their price sensitivity while we can earn a higher yield on these positions without taking excessive risk. All the high yield holdings in this Fund have a duration of less than 4.3 years where we see the risk/return is attractive.

Euro High Income Fund

The Fund's return between 30 September 2022 and 31 March 2023 was 0.77%, net of fees, whilst the benchmark (the Bloomberg Euro Aggregate Corporates Index) returned 2.86%. As recessionary risks faded in Europe, there were increased expectations for higher rates which made the environment more challenging for fixed income.

There were 25 trades over the period and we ended with 46 issues and 45 issuers, up from 44 and 43. The fund moved lower in duration to 4.16 years whilst the benchmark was 4.6 years on 31 March. The YTM was at 4.62% and distribution yield was 2.83%. The fund changed from 4.50 years duration, 3.54% YTM and 2.81% distribution yield on 30th September 2022.

Utilities, energy and basic materials performed the best in the benchmark whilst energy and basic materials were the best performing in the fund. Of the trades done over the period we reduced autos and chemicals whilst increasing insurance, real estate and oil and gas.

The high yield exposure increased during the last six-month period to 7.4%, an increase of 1.35%. These holdings have their first call or final maturity before 2026 which means that they are likely to be less volatile. The Virgin Media bond has a duration of 6.6 years but it is callable in 2026 while the other high yield bonds' duration is less than 2.6 years. The overall funds risk profile is balanced and we believe this high yield exposure is beneficial for the portfolio as we are taking credit risk on the shorter end of the duration spectrum.

Statements of Financial Position

As at 31 March 2023

	Notes	Company* £	Euro High Income Fund €	High Income Fund £	Sterling Bond Fund £
Current Assets					
Cash and cash equivalents		2,831,919	475,086	1,872,643	541,864
Capital shares receivable		1,600	—	1,110	490
Financial assets at fair value through profit or loss		182,049,847	6,111,080	114,151,080	62,529,548
Other accrued income and other debtors	4	3,856,610	73,281	2,420,823	1,278,485
Total Assets		188,739,976	6,659,447	118,445,656	64,350,387
Equity					
Ordinary share capital		1,000	—	—	—
Total Equity		1,000	—	—	—
Current Liabilities					
Cancellation payable		104,110	4,547	48,672	51,443
Investment purchases payable		241,088	274,399	—	—
Distribution payable	5	1,115,504	44,710	505,077	571,145
Accrued expenses and other creditors	6	356,529	16,452	187,193	154,881
Nominal shares	14	91,917	—	—	—
Total Liabilities**		1,909,148	340,108	740,942	777,469
Net assets attributable to holders of participating redeemable preference shares	17	186,829,828	6,319,339	117,704,714	63,572,918
Total Liabilities and Equity		188,739,976	6,659,447	118,445,656	64,350,387

* See note 1 for details of the Company

** Excluding net assets attributable to holders of participating redeemable preference shares

The financial statements on pages 10 to 59 were approved by the Board of Directors on 25 May 2023 and are signed on their behalf by:

B. C. James
R. D. Willcox } Directors

The notes on pages 29 to 59 form an integral part of these financial statements.

Statements of Financial Position continued

As at 30 September 2022

	Notes	Company* £	Euro High Income Fund €	High Income Fund £	Sterling Bond Fund £
Current Assets					
Cash and cash equivalents		4,391,803	406,402	2,822,803	1,212,353
Investment sales receivable		400,000	—	400,000	—
Financial assets at fair value through profit or loss		176,075,867	6,267,015	110,529,890	60,046,214
Other accrued income and other debtors	4	4,433,457	120,775	2,608,813	1,572,463
Total Assets		185,301,127	6,794,192	116,361,506	62,831,030
Equity					
Ordinary share capital		1,000	—	—	—
Total Equity		1,000	—	—	—
Current Liabilities					
Cancellation payable		559,180	76,252	407,012	85,251
Distribution payable	5	1,102,390	46,003	505,771	556,248
Accrued expenses and other creditors	6	363,454	14,233	200,407	150,556
Nominal shares	14	145,192	—	—	—
Total Liabilities**		2,170,216	136,488	1,113,190	792,055
Net assets attributable to holders of participating redeemable preference shares	17	183,129,911	6,657,704	115,248,316	62,038,975
Total Liabilities and Equity		185,301,127	6,794,192	116,361,506	62,831,030

* See note 1 for details of the Company

** Excluding net assets attributable to holders of participating redeemable preference shares

The notes on pages 29 to 59 form an integral part of these financial statements.

Statements of Comprehensive Income

For the six month period ended 31 March 2023

	Notes	Company £	Euro High Income Fund €	High Income Fund £	Sterling Bond Fund £
Operating Profit/(loss)					
Net gain/(loss) on financial assets at fair value through profit or loss	7	12,390,621	(2,787)	7,886,591	4,506,469
Investment income		4,630,621	130,896	2,831,005	1,685,081
Other income	8	5,298	—	2,565	2,733
Total operating expenses	9	(1,152,511)	(47,892)	(683,454)	(427,151)
Operating profit		15,874,029	80,217	10,036,707	5,767,132
Finance Costs					
Distributions to holders of participating redeemable preference shares	5	(4,270,488)	(90,421)	(3,034,915)	(1,155,792)
Total finance costs		(4,270,488)	(90,421)	(3,034,915)	(1,155,792)
Profit/(loss) before tax		11,603,541	(10,204)	7,001,792	4,611,340
Withholding tax on dividends and other investment income	18	—	—	—	—
Increase/(decrease) in net assets attributable to holders of participating redeemable preference shares from operations		11,603,541	(10,204)	7,001,792	4,611,340

For the six month period ended 31 March 2022

	Notes	Company £	Euro High Income Fund €	High Income Fund £	Sterling Bond Fund £
Operating Loss					
Net loss on financial assets at fair value through profit or loss	7	(21,238,986)	(704,799)	(14,162,773)	(6,482,448)
Investment income		7,011,796	185,052	5,015,314	1,840,583
Other income	8	998	—	438	560
Total operating expenses	9	(1,534,787)	(62,100)	(943,178)	(539,293)
Operating loss		(15,760,979)	(581,847)	(10,090,199)	(5,180,598)
Finance Costs					
Distributions to holders of participating redeemable preference shares	5	(4,451,194)	(108,716)	(3,291,485)	(1,068,245)
Total finance costs		(4,451,194)	(108,716)	(3,291,485)	(1,068,245)
Loss before tax		(20,212,173)	(690,563)	(13,381,684)	(6,248,843)
Withholding tax on dividends and other investment income	18	(19,435)	—	(19,435)	—
Decrease in net assets attributable to holders of participating redeemable preference shares from operations		(20,231,608)	(690,563)	(13,401,119)	(6,248,843)

The notes on pages 29 to 59 form an integral part of these financial statements.

Statements of Changes in Net Assets Attributable to Holders of Participating Redeemable Preference Shares

For the six month period ended 31 March 2023

	Company £	Euro High Income Fund €	High Income Fund £	Sterling Bond Fund £
Net assets attributable to holders of participating redeemable preference shares at the beginning of the period	183,129,912	6,657,704	115,248,316	62,038,975
Creation of participating redeemable preference shares issued	1,157,111	36,784	902,697	222,228
Redemption of participating redeemable preference shares	(9,129,788)	(364,945)	(5,448,091)	(3,299,625)
Net decrease from share transactions	(7,972,677)	(328,161)	(4,545,394)	(3,077,397)
Increase/(decrease) in net assets attributable to holders of participating redeemable preference shares	11,603,541	(10,204)	7,001,792	4,611,340
Movement in currency translation	69,052	—	—	—
Net assets attributable to holders of participating redeemable preference shares as at 31 March 2023	186,829,828	6,319,339	117,704,714	63,572,918

For the six month period ended 31 March 2022

	Company £	Euro High Income Fund €	High Income Fund £	Sterling Bond Fund £
Net assets attributable to holders of participating redeemable preference shares at the beginning of the period	274,198,746	9,089,746	176,595,224	89,794,424
Creation of participating redeemable preference shares issued	1,723,759	230,938	1,139,633	389,570
Redemption of participating redeemable preference shares	(16,727,113)	(519,128)	(12,855,254)	(3,424,589)
Net decrease from share transactions	(15,003,354)	(288,190)	(11,715,621)	(3,035,019)
Decrease in net assets attributable to holders of participating redeemable preference shares	(20,231,608)	(690,563)	(13,401,119)	(6,248,843)
Movement in currency translation	(144,665)	—	—	—
Net assets attributable to holders of participating redeemable preference shares as at 31 March 2022	238,819,119	8,110,993	151,478,484	80,510,562

The notes on pages 29 to 59 form an integral part of these financial statements.

Cash Flow Statements

For the six month period ended 31 March 2023

	Company £	Euro High Income Fund €	High Income Fund £	Sterling Bond Fund £
Cash flows from operating activities				
Purchases of financial assets and settlement of financial liabilities	(33,752,670)	(1,749,741)	(18,677,845)	(13,543,787)
Due to brokers	240,101	274,399	—	—
Receipts from sale of investments	39,906,373	1,925,858	22,568,979	15,652,252
Due from brokers	400,000	—	400,000	—
Investment income received	5,430,405	155,667	3,397,933	1,896,261
Prepayments	(7,418)	(248)	(4,666)	(2,535)
Bank interest received	5,298	—	2,565	2,733
Operating expenses paid	(1,159,457)	(45,671)	(696,669)	(422,825)
Net cash inflow from operating activities	11,062,632	560,264	6,990,297	3,582,099
Cash flows from financing activities				
Distributions paid to holders of participating redeemable preference shares issued	(4,256,755)	(91,714)	(3,035,609)	(1,140,895)
Proceeds received from issue of participating redeemable preference shares	1,155,511	36,784	901,587	221,738
Payments on redemption of participating redeemable preference shares	(9,521,936)	(436,650)	(5,806,431)	(3,333,433)
Net cash outflow from financing activities	(12,623,180)	(491,580)	(7,940,453)	(4,252,590)
Net (decrease)/increase in cash and cash equivalents	(1,560,548)	68,684	(950,156)	(670,491)
Cash and cash equivalents at the beginning of the period	4,391,803	406,402	2,822,803	1,212,353
Exchange gains on cash and cash equivalents	(2)	—	(4)	2
Movement in currency translation	666	—	—	—
Cash and cash equivalents as at 31 March 2023	2,831,919	475,086	1,872,643	541,864

The notes on pages 29 to 59 form an integral part of these financial statements.

Cash Flow Statements continued

For the six month period ended 31 March 2022

	Company £	Euro High Income Fund €	High Income Fund £	Sterling Bond Fund £
Cash flows from operating activities				
Purchases of financial assets and settlement of financial liabilities	(65,958,181)	(1,900,157)	(36,840,780)	(27,516,594)
Due to brokers	2,623,520	—	3,935,280	(1,311,760)
Receipts from sale of investments	80,178,986	2,209,798	47,394,322	30,922,996
Due from brokers	(2,691,173)	—	(3,722,741)	1,031,568
Investment income received	7,604,982	253,714	5,498,272	1,892,966
Prepayments	(689)	(33)	(387)	(274)
Bank interest received	998	—	438	560
Operating expenses paid	(1,699,133)	(64,962)	(1,045,956)	(598,449)
Net cash inflow from operating activities	20,059,310	498,360	15,218,448	4,421,013
Cash flows from financing activities				
Distributions paid to holders of participating redeemable preference shares issued	(4,553,388)	(123,133)	(3,367,595)	(1,082,058)
Proceeds received from issue of participating redeemable preference shares	1,723,759	230,938	1,139,633	389,570
Payments on redemptions of participating redeemable preference shares	(16,781,748)	(530,908)	(12,961,069)	(3,373,410)
Foreign tax paid on income	(19,435)	—	(19,435)	—
Net cash outflow from financing activities	(19,630,812)	(423,103)	(15,208,466)	(4,065,898)
Net increase in cash and cash equivalents	428,498	75,257	9,982	355,115
Cash and cash equivalents at the beginning of the period	3,425,111	115,555	2,333,335	992,501
Exchange gains on cash and cash equivalents	(9)	—	(9)	—
Movement in currency translation	(1,998)	—	—	—
Cash and cash equivalents as at 31 March 2022	3,851,602	190,812	2,343,308	1,347,616

The notes on pages 29 to 59 form an integral part of these financial statements.

Investment Portfolios of the Funds

Euro High Income Fund

For the six month period
ended 31 March 2023

	Holding 31.03.23	Market Value 31.03.23 €	% of Total Net Assets	Holding 30.09.22	Market Value 30.09.22 €	% of Total Net Assets
Asia and Middle East 4.64% (1.40%)						
DP World Ltd 2.375% 2026	100,000	94,689	1.50	100,000	93,243	1.40
Westpac Bank 3.799% 2030	200,000	198,232	3.14	—	—	—
Australia and New Zealand 5.82% (5.39%)						
APT Pipelines 2% 2027	200,000	183,804	2.91	200,000	180,418	2.71
BHP Billiton Finance 3.125% 2033	200,000	184,244	2.92	200,000	178,428	2.68
Europe 48.94% (54.81%)						
Allianz Financial 2.241% 2045	200,000	188,440	2.98	200,000	186,344	2.80
ArcelorMittal 4.875% 2026	100,000	102,266	1.62	—	—	—
AXA 3.875% FRN (Perp)	100,000	95,881	1.52	100,000	93,541	1.41
Banque Federative Credit Mutuel 1.75% 2029	200,000	175,312	2.77	200,000	169,744	2.55
Bayer Capital 2.125% 2029	100,000	89,863	1.42	100,000	86,105	1.29
Bayer Capital 2.375% 2079	100,000	93,197	1.47	100,000	87,238	1.31
BNP Paribas 1.5% 2028	—	—	—	150,000	135,410	2.03
BNP Paribas 4.032% FRN (Perp)	200,000	192,153	3.03	200,000	186,914	2.81
CNP Assurances 4.25% 2045	100,000	97,187	1.54	200,000	195,628	2.94
Commerzbank AG 4% 2030	100,000	94,200	1.49	100,000	91,154	1.37
Credit Agricole 1.75% 2029	200,000	176,050	2.79	200,000	171,142	2.57
Credit Agricole 4.5% 2025	—	—	—	100,000	94,885	1.43
Credit Suisse Group 0.65% 2029	—	—	—	200,000	141,738	2.13
Deutsche Telekom Intl Finance 7.5% 2033	100,000	129,325	2.05	100,000	129,545	1.95
Deutschland 6.25% 2024	—	—	—	200,000	211,358	3.17
Deutschland 6.5% 2027	150,000	174,939	2.77	—	—	—
EDF 4.625% 2030	150,000	155,396	2.46	150,000	154,031	2.31
Enel SPA 6.375% 2049	100,000	100,906	1.60	—	—	—
ENI SPA 3.625% 2029	—	—	—	200,000	192,842	2.90
Iberdrola 3.25% FRN (Perp)	200,000	192,572	3.07	200,000	189,114	2.84
Innogy Finance 5.75% 2033	100,000	115,009	1.82	100,000	110,250	1.66
NN Group 4.375 (Perp)	100,000	98,248	1.55	200,000	190,560	2.86
Orange 8.125% 2033	125,000	170,633	2.70	125,000	165,676	2.49
Orsted AS 6.25% FRN 3013	—	—	—	25,000	25,135	0.38
Société Générale 2.625% 2025	—	—	—	200,000	191,396	2.87
Société Générale 4.25% 2030	100,000	96,916	1.53	—	—	—
Total Capital International 2.625% FRN (Perp)	159,000	150,878	2.39	159,000	146,127	2.19
Valeo 3.25% 2024	200,000	198,672	3.14	200,000	198,382	2.98
Veolia Environment 4.625% 2027	100,000	104,518	1.65	100,000	104,245	1.57
VW Financial Services 4.25% 2029	100,000	100,307	1.59	—	—	—

Investment Portfolios of the Funds continued

Euro High Income Fund continued

For the six month period
ended 31 March 2023

	Holding 31.03.23	Market Value 31.03.23 €	% of Total Net Assets	Holding 30.09.22	Market Value 30.09.22 €	% of Total Net Assets
United Kingdom 21.05% (19.89%)						
Aviva 3.375% FRN 2045	100,000	94,398	1.49	100,000	94,777	1.42
Aviva 6.125% FRN 2043	100,000	100,151	1.58	100,000	101,375	1.52
British Sky Ltd 2.5% 2026	200,000	193,298	3.06	200,000	193,926	2.91
Channel Link Enterprises Inc 2.706% 2050	100,000	91,223	1.44	100,000	91,698	1.38
HBOS 4.5% FRN 2030	100,000	97,413	1.54	100,000	95,433	1.43
HSBC Holdings 2.5% 2027	200,000	190,250	3.01	200,000	184,666	2.77
Intermediate Capital Group 1.625% 2027	200,000	151,298	2.39	200,000	166,776	2.51
Kennedy-Wilson Holdings 3.25% 2025	—	—	—	200,000	169,326	2.54
Lloyds Bank 2.375% 2026	150,000	144,570	2.29	150,000	143,004	2.15
Phoenix Group Holdings 4.375% 2029	100,000	90,363	1.43	100,000	83,633	1.26
Virgin Media 3.25% 2031	100,000	81,692	1.29	—	—	—
Virgin Money UK 4.625% 2028	100,000	95,629	1.51	—	—	—
United States 16.25% (12.65%)						
AT&T 2.6% 2029	100,000	93,288	1.48	—	—	—
AT&T 3.375% 2034	—	—	—	150,000	145,121	2.18
Bank Of America Corporation 3.648% 2029	150,000	146,961	2.33	200,000	180,162	2.71
British Sky Ltd 2.5% 2026	200,000	181,522	2.87	—	—	—
Fidelity National Info Services 2% 2030	150,000	131,163	2.08	—	—	—
Goldman Sachs 2% 2023	—	—	—	150,000	139,754	2.10
International Flavours and Fragrances 1.8% 2026	150,000	136,455	2.16	—	—	—
JP Morgan Chase 2.875% 2028	150,000	142,443	2.25	—	—	—
Microsoft 3.125% 2028	—	—	—	185,000	184,582	2.77
Verizon Communications 3.25% 2026	—	—	—	100,000	83,219	1.25
Vodafone Group 2.875% 2037	100,000	86,143	1.36	—	—	—
Wal-Mart Stores 4.875% 2029	100,000	108,983	1.72	100,000	108,970	1.64
Total value of investments		6,111,080	96.70		6,267,015	94.14
Other assets		548,367	8.68		527,177	7.91
Total assets		6,659,447	105.38		6,794,192	102.05
Liabilities		(340,108)	(5.38)		(136,488)	(2.05)
Total Net Assets		6,319,339	100.00		6,657,704	100.00

	For the period ended 31.03.23	For the year ended 30.09.22
Cost of investments purchased	€1,749,741	€2,312,087
Proceeds from investments sold	€1,925,858	€3,357,121

Investment Portfolios of the Funds continued

High Income Fund

For the six month period
ended 31 March 2023

	Holding 31.03.23	Market Value 31.03.23 £	% of Total Net Assets	Holding 30.09.22	Market Value 30.09.22 £	% of Total Net Assets
UK Corporate Bonds 71.75% (66.34%)						
Anglian Water (Osprey) Financing 4.5% 2026	—	—	—	1,000,000	949,280	0.82
Anglian Water (Osprey) Financing 6.625% 2029	—	—	—	2,000,000	2,054,760	1.78
Aviva 4.375% FRN 2049	317,000	280,887	0.24	317,000	252,690	0.22
Aviva 5.125% FRN 2050	1,200,000	1,093,920	0.93	1,200,000	979,956	0.85
Aviva 6.125% FRN 2036	1,750,000	1,747,148	1.48	—	—	—
Barclays Bank 3.25% 2033	3,850,000	3,071,184	2.61	3,850,000	2,728,649	2.37
BHP Billiton Finance 4.3% 2042	500,000	448,355	0.38	500,000	408,805	0.35
Broadgate Financing 4.821% 2036	1,340,000	1,312,610	1.12	1,340,000	1,231,594	1.07
BUPA Finance 5% 2026	1,500,000	1,442,745	1.23	1,500,000	1,325,340	1.15
Burford Capital 5% 2026	3,750,000	3,313,838	2.82	3,750,000	3,335,213	2.89
Circle Anglia Social Housing 7.25% 2038	1,400,000	1,697,136	1.44	1,400,000	1,593,928	1.38
Close Brothers Finance 2.75% 2026	2,000,000	1,809,480	1.54	2,000,000	1,722,420	1.49
Electricity North Western 8.785% 2026	1,452,000	1,602,079	1.36	1,452,000	1,566,998	1.36
GlaxoSmithKline 6.375% 2039	2,557,000	2,977,703	2.53	2,557,000	2,737,575	2.38
Glencore Finance 3.125% 2026	1,500,000	1,418,550	1.21	1,500,000	1,299,720	1.13
Great Rolling Stock 6.25% 2031	—	—	—	1,000,000	761,546	0.66
Heathrow Funding 6.45% 2033	1,000,000	1,069,560	0.91	1,000,000	966,490	0.84
Heathrow Funding 6.75% 2028	900,000	936,846	0.80	900,000	882,315	0.77
Heathrow Funding 7.125% 2024	1,000,000	1,010,810	0.86	1,000,000	987,540	0.86
HSBC Holdings 3% 2030	2,740,000	2,333,850	1.98	2,740,000	2,089,825	1.81
Integrated Accommodation 6.48% 2029	1,951,000	789,781	0.67	1,951,000	774,251	0.67
Investec 4.25% 2028	—	—	—	1,500,000	1,445,970	1.25
Investec 9.125% 2033	2,500,000	2,516,075	2.14	—	—	—
L&Q Housing Trust 2.625% 2028	1,425,000	1,283,455	1.09	1,425,000	1,205,322	1.05
Ladbrokes 5.125% 2023	1,500,000	1,492,110	1.27	1,500,000	1,480,485	1.28
LCR Finance 4.5% 2028	—	—	—	2,000,000	1,959,660	1.70
Liverpool Victoria 6.5% 2027	3,000,000	2,977,560	2.53	3,000,000	2,928,510	2.54
Lloyds Bank 1.75% 2024	—	—	—	894,000	829,212	0.72
Lloyds Bank 6.625% 2033	750,000	752,378	0.64	—	—	—
Lloyds Bank 8.5% 2049	2,500,000	2,332,800	1.98	—	—	—
Natwest Markets 6.375% 2027	2,500,000	2,603,575	2.21	—	—	—
Natwest Markets 7.416% 2033	1,000,000	1,011,030	0.86	—	—	—
Next Group 3.625% 2028	3,000,000	2,782,620	2.36	3,000,000	2,424,270	2.10
NGG Finance 5.625% FRN 2073	2,590,000	2,521,028	2.14	1,590,000	1,418,280	1.23
NIE Finance 6.375% 2026	1,500,000	1,558,920	1.32	1,500,000	1,503,690	1.30
Northumbrian Water 6.875% 2023	—	—	—	3,100,000	3,118,073	2.71
Notting Hill 5.25% 2042	3,000,000	2,994,270	2.54	1,500,000	1,400,805	1.22
Paragon Banking Group 4.375% 2031	1,500,000	1,318,395	1.12	1,500,000	1,409,655	1.22
Pension Insurance Corporation 4.625% 2031	1,000,000	840,550	0.71	1,000,000	736,940	0.64
Pension Insurance Corporation 5.625% 2030	865,000	781,813	0.66	865,000	697,095	0.60
Pension Insurance Corporation 8% 2026	1,400,000	1,446,396	1.23	1,400,000	1,353,800	1.17
Phoenix Group Holdings 5.625% 2031	500,000	454,220	0.39	750,000	594,795	0.52

Investment Portfolios of the Funds continued

High Income Fund continued

For the six month period
ended 31 March 2023

	Holding 31.03.23	Market Value 31.03.23 £	% of Total Net Assets	Holding 30.09.22	Market Value 30.09.22 £	% of Total Net Assets
UK Corporate Bonds continued						
Phoenix Group Holdings 5.867% 2043	1,500,000	1,397,775	1.19	1,500,000	1,269,810	1.10
Phoenix Group Holdings 6.625% 2025	1,500,000	1,505,895	1.28	1,500,000	1,406,835	1.22
Prudential 5% FRN 2055	1,900,000	1,669,549	1.42	1,900,000	1,431,327	1.24
Prudential 5.78% 2029	1,600,000	1,655,136	1.41	1,600,000	1,536,144	1.33
RL Finance Bonds 6.125% 2028	2,000,000	1,950,180	1.66	2,000,000	1,760,880	1.53
Sainsbury's 6% 2027	—	—	—	215,000	213,383	0.19
Santander UK 10.0625% (Perp)	500,000	731,005	0.62	500,000	766,360	0.66
Santander UK 7.098% 2027	1,850,000	1,900,357	1.61	—	—	—
Scottish Power 7% FRN 2043	2,500,000	2,484,825	2.11	2,500,000	2,255,900	1.96
Severn Trent 6.25% 2029	1,550,000	1,636,723	1.39	1,550,000	1,551,814	1.35
Southern Gas Networks 4.875% 2029	2,550,000	2,516,315	2.14	2,550,000	2,367,293	2.05
Southern Gas Networks 6.375% 2040	—	—	—	300,000	295,812	0.26
Standard Chartered 5.125% 2034	762,000	674,461	0.57	762,000	624,215	0.54
Tesco Property Finance 5.744% 2040	574,000	522,069	0.44	641,000	522,798	0.45
Thames Water Utilities 6.75% 2028	800,000	856,640	0.73	800,000	799,376	0.69
TP ICAP Plc 0.625% 2028	2,000,000	1,569,120	1.33	2,000,000	1,355,340	1.18
TP ICAP Plc 5.25% 2026	1,500,000	1,420,845	1.21	—	—	—
Unite (USAF) 3.921% 2030	1,516,000	1,460,939	1.24	1,516,000	1,431,832	1.24
Unite Group 3.5% 2028	837,000	742,595	0.63	837,000	677,711	0.59
Virgin Media 5% 2027	680,000	638,636	0.54	680,000	592,872	0.51
Western Power 5.75% 2032	—	—	—	1,500,000	1,425,255	1.24
Yorkshire Power 7.25% 2028	1,000,000	1,096,690	0.93	1,000,000	1,045,240	0.91
Overseas Borrowers 25.23% (29.55%)						
AT&T 4.875% 2044	—	—	—	600,000	500,052	0.43
AT&T 7% 2040	—	—	—	1,000,000	1,052,840	0.91
AXA 5.453% FRN (Perp)	2,123,000	2,083,597	1.77	2,123,000	1,963,775	1.70
Bank of America 7% 2028	3,250,000	3,507,398	2.98	3,250,000	3,305,803	2.87
Berkshire Hathaway 2.375% 2039	449,000	325,916	0.28	449,000	294,849	0.26
BNP Paribas 5.75% 2032	800,000	808,120	0.69	—	—	—
Citigroup 6.8% 2038	1,200,000	1,432,536	1.22	1,200,000	1,303,764	1.13
Comcast Corporation 5.5% 2029	3,000,000	3,141,060	2.67	3,000,000	2,912,880	2.53
Cooperatieve Rabobank 4.625% 2029	1,500,000	1,377,555	1.17	1,500,000	1,262,640	1.10
Cooperatieve Rabobank 5.25% 2027	936,000	907,695	0.77	936,000	840,696	0.73
CPPIB Capital Inc 1.125% 2029	—	—	—	3,000,000	2,311,800	2.01
CPUK Finance Ltd 3.69% 2028	840,000	750,842	0.64	840,000	696,738	0.60
E.ON International Finance 5.875% 2037	—	—	—	800,000	724,464	0.63
E.ON International Finance 6.75% 2039	500,000	556,935	0.47	—	—	—
EDF 5.125% 2050	3,000,000	2,570,790	2.18	3,000,000	2,455,260	2.13
Enel SPA 5.75% 2037	1,300,000	1,312,064	1.11	1,300,000	1,163,773	1.01
Equinor ASA 6.875% 2031	2,673,000	3,083,412	2.62	2,673,000	2,883,445	2.50
General Motors Financial 5.15% 2026	500,000	494,345	0.42	—	—	—

Investment Portfolios of the Funds continued

High Income Fund continued

For the six month period
ended 31 March 2023

	Holding 31.03.23	Market Value 31.03.23 £	% of Total Net Assets	Holding 30.09.22	Market Value 30.09.22 £	% of Total Net Assets
Overseas Borrowers continued						
Goldman Sachs 7.125% 2025	—	—	—	1,960,000	1,976,092	1.71
Goldman Sachs 7.25% 2028	1,077,000	1,164,603	0.99	1,077,000	1,091,324	0.95
Innogy Finance 6.125% 2039	1,450,000	1,524,951	1.30	1,450,000	1,338,698	1.16
MetLife Incorporated 5.375% 2024	—	—	—	1,000,000	986,910	0.86
Orsted AS 2.5% 2033	3,900,000	3,134,235	2.66	3,900,000	2,829,645	2.46
Wal-Mart Stores 5.25% 2035	1,411,000	1,521,594	1.29	1,411,000	1,386,773	1.20
Welltower Incorporated 4.8% 2028	—	—	—	850,000	762,015	0.67
Total value of investments		114,151,080	96.98		110,529,890	95.89
Other assets		4,294,576	3.65		5,831,616	5.08
Total assets		118,445,656	100.63		116,361,506	100.97
Liabilities		(740,942)	(0.63)		(1,113,190)	(0.97)
Total Net Assets		117,704,714	100.00		115,248,316	100.00

	For the period ended 31.03.23	For the year ended 30.09.22
Cost of investments purchased	£18,667,845	£58,971,260
Proceeds from investments sold	£22,968,979	£76,353,185

Investment Portfolios of the Funds continued

Sterling Bond Fund

For the six month period
ended 31 March 2023

	Holding 31.03.23	Market Value 31.03.23 £	% of Total Net Assets	Holding 30.09.22	Market Value 30.09.22 £	% of Total Net Assets
UK Corporate Bonds 68.45% (60.42%)						
Anglian Water (Osprey) Financing 6.625% 2029	—	—	—	630,000	647,249	1.04
Aspire Defence Finance B 4.674% 2040	693,000	549,931	0.87	693,000	519,884	0.84
Aviva 4.375% FRN 2049	948,000	840,004	1.32	948,000	755,679	1.22
Aviva 6.125% 2036	950,000	948,452	1.49	200,000	184,678	0.30
Barclays Bank 3% 2026	389,000	358,627	0.56	389,000	334,202	0.54
Barclays Bank 3.25% 2033	1,967,000	1,569,096	2.47	1,967,000	1,394,092	2.25
BG Energy Capital 5.00% 2036	197,000	193,635	0.30	197,000	174,012	0.28
BG Energy Capital 5.125% 2025	—	—	—	500,000	482,680	0.78
Bond Admiral Group Plc 5.5% 2024	878,000	867,921	1.37	878,000	839,034	1.35
BUPA Finance 5% 2026	1,100,000	1,058,013	1.66	1,100,000	971,916	1.57
Circle Anglia Social Housing 7.25% 2038	179,000	216,991	0.34	179,000	203,795	0.33
Close Brothers Finance 2.75% 2026	1,000,000	904,740	1.42	1,000,000	861,210	1.39
CYBG Plc 3.375% 2026	500,000	463,825	0.73	500,000	442,670	0.71
CYBG Plc 4% 2026	600,000	562,968	0.89	600,000	533,448	0.86
Glencore Finance 3.125% 2026	1,500,000	1,418,550	2.23	1,500,000	1,299,720	2.10
Great Rolling Stock 6.25% 2031	—	—	—	575,000	437,889	0.71
Heathrow Funding 6.45% 2033	467,000	499,485	0.79	467,000	451,351	0.73
Heathrow Funding 7.125% 2024	1,000,000	1,010,810	1.59	1,000,000	987,540	1.59
HSBC Bank 5.375% 2030	—	—	—	295,000	276,978	0.45
HSBC Bank 5.375% 2033	—	—	—	150,000	127,839	0.21
HSBC Holdings 3% 2030	1,000,000	851,770	1.34	1,000,000	762,710	1.23
Hutchison Whampoa Finance UK 5.625% 2026	500,000	511,550	0.80	500,000	485,690	0.78
Investec 2.625% 2032	1,500,000	1,211,475	1.91	1,500,000	1,120,005	1.81
Investec 4.25% 2028	—	—	—	1,500,000	1,445,970	2.33
Investec 9.125% 2033	1,500,000	1,509,645	2.37	—	—	—
Liverpool Victoria 6.5% 2027	1,064,000	1,056,041	1.66	1,064,000	1,038,645	1.67
Lloyds Bank 1.75% 2024	—	—	—	454,000	421,099	0.68
Lloyds Bank 6.5% 2040	—	—	—	207,000	224,775	0.36
Lloyds Bank 6.625% 2033	1,500,000	1,504,755	2.37	—	—	—
Meadowhall 4.988% 2037	300,000	151,169	0.24	300,000	159,422	0.26
Morhomes Plc 3.4% 2038	—	—	—	496,000	367,576	0.59
National Grid Gas 2.625% 2038	100,000	69,247	0.11	100,000	61,505	0.10
Natwest Markets 6.375% 2027	1,500,000	1,562,145	2.46	—	—	—
Next Group 3.625% 2028	2,000,000	1,855,080	2.92	2,000,000	1,616,180	2.61
NIE Finance 6.375% 2026	567,000	589,272	0.93	567,000	568,395	0.92
Northern Gas Network 4.875% 2027	—	—	—	529,000	502,095	0.81
Northumbrian Water 6.875% 2023	—	—	—	500,000	502,915	0.81
Notting Hill 5.25% 2042	1,100,000	1,097,899	1.73	—	—	—
Pension Insurance Corp 5.625% 2030	800,000	723,064	1.14	800,000	644,712	1.04
Pension Insurance Corp 8% 2026	1,000,000	1,033,140	1.63	1,000,000	967,000	1.56
Phoenix Group Holdings 6.625% 2025	1,073,000	1,077,217	1.69	1,073,000	1,006,356	1.62
Prudential 5% FRN 2055	467,000	410,358	0.65	467,000	351,805	0.57
Prudential 5.625% 2051	1,362,000	1,245,794	1.96	1,362,000	1,100,442	1.77

Investment Portfolios of the Funds continued

Sterling Bond Fund continued

For the six month period
ended 31 March 2023

	Holding 31.03.23	Market Value 31.03.23 £	% of Total Net Assets	Holding 30.09.22	Market Value 30.09.22 £	% of Total Net Assets
UK Corporate Bonds continued						
Quadgas Finance 3.375% 2029	700,000	583,898	0.92	700,000	539,168	0.87
RL Finance Bonds 6.125% 2028	1,250,000	1,218,863	1.92	1,250,000	1,100,550	1.77
Santander UK 3.875% 2029	422,000	394,924	0.62	422,000	366,292	0.59
Santander UK 7.098% 2027	1,100,000	1,129,942	1.78	—	—	—
Scottish Power 7% FRN 2043	1,500,000	1,490,895	2.35	1,500,000	1,353,540	2.18
Sovereign Housing 5.705% 2039	124,000	134,516	0.21	124,000	124,642	0.20
Stagecoach Group 4% 2025	538,000	508,345	0.80	538,000	486,874	0.78
Tesco Property Finance 5.744% 2040	813,000	739,446	1.16	908,000	740,565	1.19
Thames Water Utilities 6.5% 2032	100,000	107,374	0.17	100,000	99,251	0.16
Thames Water Utilities 6.75% 2028	1,380,000	1,477,704	2.32	1,380,000	1,378,924	2.22
THFC Funding No.1 5.125% 2037	387,000	392,004	0.62	387,000	360,986	0.58
THFC Funding No.2 6.35% 2041	247,000	280,397	0.44	247,000	259,861	0.42
TP ICAP Plc 0.625% 2028	1,000,000	784,560	1.23	1,000,000	677,670	1.09
TP ICAP Plc 5.25% 2026	1,750,000	1,657,653	2.61	1,750,000	1,536,133	2.48
UK Treasury 4.5% 2042	1,500,000	1,641,210	2.58	—	—	—
Unite Group 3.5% 2028	414,000	367,305	0.58	414,000	335,212	0.54
United Utilities Water 5% 2035	—	—	—	120,000	110,260	0.18
Western Power 5.75% 2032	—	—	—	202,000	191,934	0.31
Whitbread Group Plc 3.375% 2025	2,500,000	2,355,297	3.68	2,500,000	2,229,850	3.59
Yorkshire Building Society 3.5% 2026	346,000	331,496	0.52	346,000	311,877	0.50
Overseas Borrowers 29.91% (36.37%)						
Abertis 3.375% 2026	400,000	372,680	0.59	400,000	340,248	0.55
America Movil 4.948% 2033	405,000	396,369	0.62	405,000	358,640	0.58
America Movil 5.75% 2030	—	—	—	425,000	408,332	0.66
APT Pipelines 3.5% 2030	484,000	422,208	0.66	484,000	386,140	0.62
AT&T 5.2% 2033	269,000	268,457	0.42	269,000	239,953	0.39
AT&T 7% 2040	250,000	284,495	0.45	250,000	263,210	0.42
AXA 5.453% FRN (Perp)	996,000	977,514	1.54	996,000	921,300	1.49
AXA 6.686% FRN (Perp)	300,000	301,887	0.47	300,000	287,889	0.46
Banque Federative Credit Mutuel 1.5% 2026	—	—	—	500,000	414,825	0.67
Berkshire Hathaway 2.375% 2039	227,000	164,772	0.26	227,000	149,066	0.24
BHP Billiton Finance 6.5% 2077	—	—	—	1,208,000	1,209,752	1.95
BNP Paribas 5.75% 2032	400,000	404,060	0.64	—	—	—
Comcast Corporation 1.5% 2029	—	—	—	553,000	425,025	0.69
Comcast Corporation 1.875% 2036	—	—	—	330,000	214,639	0.35
Cooperatieve Rabobank 4.625% 2029	1,857,000	1,705,413	2.68	1,857,000	1,563,148	2.52
CPUK Finance Ltd 3.69% 2028	420,000	375,421	0.59	420,000	348,369	0.56
Digital Stout Holding 3.75% 2030	340,000	295,273	0.46	340,000	271,085	0.44
Digital Stout Holding 4.25% 2025	600,000	585,840	0.92	600,000	564,642	0.91
E.ON International Finance 5.875% 2037	—	—	—	150,000	135,837	0.22
E.ON International Finance 6.375% 2032	—	—	—	492,000	479,848	0.77
E.ON International Finance 6.75% 2039	650,000	724,016	1.14	150,000	147,752	0.24

Investment Portfolios of the Funds continued

Sterling Bond Fund continued

For the six month period
ended 31 March 2023

	Holding 31.03.23	Market Value 31.03.23 £	% of Total Net Assets	Holding 30.09.22	Market Value 30.09.22 £	% of Total Net Assets
Overseas Borrowers continued						
EDF 5.125% 2050	1,000,000	856,930	1.35	1,000,000	818,420	1.32
EDF 5.5% 2037	200,000	189,546	0.30	200,000	175,048	0.28
EDF 6.25% 2028	300,000	310,140	0.49	300,000	291,252	0.47
Enel Finance International 5.625% 2024	847,000	853,005	1.34	847,000	833,304	1.34
Equinor ASA 6.875% 2031	1,300,000	1,499,602	2.36	1,300,000	1,402,349	2.26
European Investment Bank 5% 2039	1,294,000	1,438,139	2.26	1,294,000	1,369,673	2.21
Fidelity National Info Services 3.36% 2031	630,000	552,731	0.87	630,000	499,842	0.81
Gatwick Funding 4.625% FRN 2036	312,000	290,051	0.46	312,000	251,715	0.41
General Motors Financial 5.15% 2026	1,000,000	988,690	1.56	—	—	—
Innogy Finance 6.125% 2039	350,000	368,092	0.58	350,000	323,134	0.52
Orange 8.125% 2028	—	—	—	717,000	787,660	1.27
Orsted AS 2.5% 2033	1,100,000	884,015	1.39	1,100,000	798,105	1.29
Orsted AS 4.875% 2032	—	—	—	400,000	364,848	0.59
Orsted AS 5.75% 2040	—	—	—	400,000	387,580	0.62
Total Capital International 1.66% 2026	—	—	—	600,000	514,824	0.83
Veolia Environment 6.125% 2037	—	—	—	150,000	149,388	0.24
Verizon Communications 3.125% 2035	—	—	—	400,000	291,640	0.47
Verizon Communications 3.375% 2036	—	—	—	482,000	358,227	0.58
Vicinity Centres 3.375% 2026	468,000	443,959	0.70	468,000	415,898	0.67
Vinci SA 2.75% 2034	2,200,000	1,832,336	2.88	2,200,000	1,613,876	2.60
VW Financial Services 1.375% 2028	1,500,000	1,225,409	1.93	—	—	—
Welltower Incorporated 4.8% 2028	—	—	—	2,000,000	1,792,979	2.86
Total value of investments		62,529,548	98.36		60,046,214	96.79
Other assets		1,820,839	2.86		2,781,816	4.49
Total assets		64,350,387	101.22		62,828,030	101.28
Liabilities		(777,469)	(1.22)		(792,056)	(1.28)
Total Net Assets		63,572,918	100.00		62,035,974	100.00

	For the period ended 31.03.23	For the year ended 30.09.22
Cost of investments purchased	£13,543,787	£33,002,677
Proceeds from investments sold	£15,652,252	£40,012,768

Investment Portfolios of the Funds continued

Investments Purchased and Sold for the six month period ended 31 March 2023

This schedule refers to investments both purchased and sold during the period and as a result do not appear on the portfolio listings.

Euro High Income Fund

Nominal

Bundesrepublik Deutschland 5.5% 2031

200,000

VW Financial Services 3% 2025

175,000

Sterling Bond Fund

Nominal

Anglian Water (Osprey) Financing 4.5% 2026

1,200,000

Investment Portfolios of the Funds continued

Investment Dealing for the six month period ended 31 March 2023

During the period transactions representing more than 10% of the aggregate value of the transactions in the property of the Funds were carried out with the following counter-parties:

Euro High Income Fund

Bridport
Goldman Sachs
HSBC Holdings plc.
JP Morgan
Morgan Stanley
Oppenheimer

High Income Fund

BMO
Bridport
Goldman Sachs
HSBC Holdings plc.
JP Morgan.
Morgan Stanley
Oppenheimer

Sterling Bond Fund

Bridport
Goldman Sachs
HSBC Holdings plc.
JP Morgan
Morgan Stanley
Oppenheimer

Investment Portfolios of the Funds continued

Summary of Material Portfolio Changes for the six month period ended 31 March 2023

This schedule refers to securities purchased and sold during the period.

The Directors consider that where applicable the disclosure of the largest purchases and sales is sufficient to reflect the nature of the operating activity of the Funds.

Euro High Income Fund

Purchases	Cost €	Sales	Proceeds €
Bundesrepublik Deutschland 5.5% 2031	252,360	Bundesrepublik Deutschland 5.5% 2031	246,950
Westpac Bank 3.799% 2030	200,000	Bundesrepublik Deutschland 6.25% 2024	208,870
Deutschland 6.5% 2027	174,632	Société Générale 2.625% 2025	197,088
VW Financial Services 3% 2025	173,180	ENI SPA 3.625% 2029	194,308
International Flavours and Fragrances 1.8% 2026	139,157	Verizon Communications 3.25% 2026	185,553
Fidelity National Info Services 2% 2030	133,475	VW Financial Services 3% 2025	173,268
ArcelorMittal 4.875% 2026	101,050	Kennedy-Wilson Holdings 3.25% 2025	162,000
Enel SPA 6.375% 2049	100,000	BNP Paribas 1.5% 2028	134,631
VW Financial Services 4.25% 2029	99,767	Credit Suisse Group 0.65% 2029	104,340
Virgin Money UK 4.625% 2028	99,666	CNP Assurances 4.25% 2045	98,650
Société Générale 4.25% 2030	99,480	NN Group 4.375 (Perp)	98,150
AT&T 2.6% 2029	94,600	Credit Agricole 4.5% 2025	96,550
Virgin Media 3.25% 2031	82,375	Orsted AS 6.25% FRN 3013	25,500

Investment Portfolios of the Funds continued

Summary of Material Portfolio Changes continued for the six month period ended 31 March 2023

High Income Fund

Purchases	Cost £	Sales	Proceeds £
Natwest Markets 6.375% 2027	2,587,500	Northumberland Services 6.875% 2023	3,512,400
Investec 9.125% 2033	2,522,250	CPPIB Capital Inc 1.125% 2029	2,453,980
Lloyds Bank 8.5% 2049	2,498,500	Anglian Water (Osprey) Financing 6.625% 2029	2,168,000
Santander UK 7.098% 2027	1,850,000	LCR Finance 4.5% 2028	2,076,240
Aviva 6.125% FRN 2043	1,765,453	Goldman Sachs 7.125% 2025	2,056,216
Notting Hill 5.25% 2042	1,512,390	Western Power 5.75% 2032	1,548,300
TP ICAP Plc 5.25% 2026	1,330,470	Investec 4.25% 2028	1,489,713
Natwest Markets 7.416% 2033	1,000,000	AT&T 7% 2040	1,044,100
NGG Finance 5.625% FRN 2073	976,250	MetLife Incorporated 5.375% 2024	1,007,600
BNP Paribas 5.75% 2032	814,160	Anglian Water (Osprey) Financing 4.5% 2026	1,003,450
Lloyds Bank 6.625% 2033	748,583	Lloyds Bank 1.75% 2024	854,217
E.ON International Finance 6.75% 2039	573,490	Welltower Incorporated 4.8% 2028	815,618
General Motors Financial 5.15% 2026	498,800	Great Rolling Stock 6.25% 2031	805,780
		E.ON International Finance 5.875% 2037	794,720
		AT&T 4.875% 2044	486,240
		Southern Gas Networks 6.375% 2040	292,137
		Phoenix Group Holdings 5.625% 2031	225,750
		Sainsbury's 6% 2027	215,000
		Tesco Property Finance 5.744% 2040	65,041
		Integrated Accommodation 6.48% 2029	54,477

Investment Portfolios of the Funds continued

Summary of Material Portfolio Changes continued for the six month period ended 31 March 2023

Sterling Bond Fund

Purchases	Cost £	Sales	Proceeds £
UK Treasury 4.5% 2042	1,669,785	Welltower Incorporated 4.8% 2028	1,919,100
Natwest Markets 6.375% 2027	1,552,500	Investec 4.25% 2028	1,489,713
Investec 9.125% 2033	1,513,350	BHP Billiton Finance 6.5% 2077	1,208,000
Lloyds Bank 6.625% 2033	1,497,165	Anglian Water (Osprey) Financing 4.5% 2026	1,196,496
VW Financial Services 1.375% 2028	1,217,400	Orange 8.125% 2028	847,494
Anglian Water (Osprey) Financing 4.5% 2026	1,149,708	Anglian Water (Osprey) Financing 6.625% 2029	682,920
Notting Hill 5.25% 2042	1,109,086	Total Capital International 1.66% 2026	545,316
Santander UK 7.098% 2027	1,100,000	Northern Gas Network 4.875% 2027	534,290
General Motors Financial 5.15% 2026	997,600	E.ON International Finance 6.375% 2032	530,671
Aviva 6.125% FRN 2043	756,623	BG Energy Capital 5.125% 2025	507,515
E.ON International Finance 6.75% 2039	573,490	Northumberland Services 6.875% 2023	502,000
BNP Paribas 5.75% 2032	407,080	Comcast Corporation 1.5% 2029	464,022
		Great Rolling Stock 6.25% 2031	463,324
		America Movil 5.75% 2030	443,381
		Banque Federative Credit Mutuel 1.5% 2026	441,060
		Lloyds Bank 1.75% 2024	431,890
		Orsted AS 4.875% 2032	391,120
		Orsted AS 5.75% 2040	382,748
		Verizon Communications 3.375% 2036	382,014
		Morhomes Plc 3.4% 2038	363,771

Notes to the Financial Statements

For the six month period ended 31 March 2023

1. The Company

The Company is domiciled and incorporated as a limited company in Jersey, Channel Islands under the Companies (Jersey) Law 1991 and is listed on The International Stock Exchange and has a secondary listing on the Malta Stock Exchange. Full details of the Company, Investment Objectives and Policy and Report of the Directors are stated on pages 2 to 7.

2. Basis of Preparation

2.1 Basis of preparation

The Financial Statements of the Company and the Funds have been prepared in accordance with International Financial Reporting Standards ('IFRS') as issued by the International Accounting Standards Board (IASB). Within the Financial Statements the Company represents the total value of the Funds combined, with the exception of the Statements of Financial Position which also includes the Nominal Share values. The financial statements of the Company and the following Funds are prepared on the going concern basis:

- Euro High Income Fund
- High Income Fund
- Sterling Bond Fund

The Directors have also chosen to adopt areas of the Statement of Recommended Practice 'Financial Statements of UK Authorised Funds' issued in May 2014 by the IMA (Investment Management Association) where this does not conflict with other reporting requirements.

The policies set out below have been consistently applied to all years presented (unless otherwise stated).

The interim report has been prepared under the historical cost convention, as modified by the revaluation of investments, held at fair value through the profit or loss and in accordance with the Companies (Jersey) Law 1991 and with the Collective Investment Funds (Recognized Funds) (Rules) (Jersey) Order 2003 (as amended). Jersey is not part of the United Kingdom ('UK') and the Company is not regulated by the Financial Conduct Authority ('FCA') or the Prudential Regulation Authority ('PRA') of the UK.

The capital of the Company comprises various classes of Shares each relating to a separate Fund consisting of securities, cash, other assets and liabilities. This interim report presents the statements of financial position, statements of comprehensive income, statements of changes in net assets attributable to holders of participating redeemable preference shares, cash flow statements, investment portfolios and notes to the financial statements, change in net asset value per share, distribution tables and performance records. At the statement of financial position date the following funds were in existence: Euro High Income Fund, High Income Fund, and Sterling Bond Fund. The Directors may from time to time create further classes (Funds).

The net assets attributable to holders of participating redeemable preference shares are classified as financial liabilities and therefore, in the opinion of the Directors, the Capital of the Company is only represented by the Founders' Shares. Details of the Founders' Shares are disclosed in Notes 3 and 14.

Where assets of an individual Fund are insufficient to meet the Funds liabilities, then any liabilities that remain undischarged will revert to the Company as a whole and be allocated amongst the other Funds.

2.2 Significant accounting estimates and judgements

The Company makes assumptions and estimates that affect the reported amounts of assets and liabilities at the statement of financial position date. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The accounting policies deemed significant to the Company's results and financial position, are discussed in the following notes. There are no significant estimates and judgements that have a material effect on the financial statements.

2.3 Going concern

The Financial Statements of the Company and Funds have been prepared in accordance with IFRS on a going concern basis. The Directors have a reasonable expectation that the company will continue as a going concern for the foreseeable future.

Notes to the Financial Statements continued

For the six month period ended 31 March 2023

3. Summary of Significant Accounting Policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been applied consistently to all period presented, unless otherwise stated in the following text:

The Directors also monitor new standards and ensure that they are applied where relevant.

3.1 Standards, amendments and interpretations

There are no standards, interpretations or amendments to existing standards that are effective for the first time for the financial period beginning 1 October 2022 that have had a material impact on the Company.

3.2 The following new and revised standards, amendments and interpretations have been published but are not yet effective:

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2023, and have not been early adopted in preparing these financial statements. None of these are expected to have a material effect on the financial statements of the Fund.

IAS 1, 'Presentation of financial statements' on classification of liabilities as current or non-current. The International Accounting Standards Board issued amendments to paragraphs 69 and 70 to specify the requirements for classifying liabilities as current or non-current. (effective periods commencing on or after 1 January 2023).

Disclosure of Accounting Policies - In February 2021, the International Accounting Standards Board issued amendments to IAS 1 and IFRS Practice Statement 2 making materiality judgements, in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosure. (effective periods commencing on or after 1 January 2023).

Definition of Accounting Estimates - In February 2021, the International Accounting Standards Board issued amendments to IAS 8, in which it introduces a new definition of 'accounting estimates' The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. (effective periods commencing on or after 1 January 2023).

There are no other standards, interpretations or amendments to existing standards that are not yet effective that would be expected to have a significant impact on the Company.

Functional currency and presentational currency

Items included in the Company's Financial Statements are measured using the currency of the primary economic environment in which it operates (the 'functional currency'). The Directors have adopted Sterling as the functional and presentational currency which reflects the Company's primary economic environment in which financial assets are invested and the regulatory environment of the majority of investors, being UK based.

The Company has adopted Sterling as its presentational and functional currency for High Income Fund and Sterling Bond Fund as the majority of shares in each Fund have been subscribed for in Sterling and all non dealing related fees and expenses are paid in Sterling.

The Company has adopted Euro as its presentational and functional currency for the Euro High Income Fund as the shares in the Fund have been subscribed for in Euros and the majority of non dealing related fees and expenses are paid in Euro.

Share premium and share capital currency translation

Share premium and share capital transactions are translated into Sterling at the exchange rate ruling at the time of the transaction.

The aggregated balance of net assets attributable to holders of participating redeemable preference shares is translated at the appropriate month end exchange rate.

Segmental reporting

The Company, at the statement of financial position date, is organised into three business segments or Funds, each focusing on achieving returns by investing in a range of investments as described in the Investment Objectives and Policy on page 3.

The Company issues Shares which are allocated to the Fund selected by the investor. A separate account is maintained for each Fund, to which proceeds of issue, the income arising from those proceeds and expenses are allocated. Upon redemption shareholders are entitled to their proportion of the net assets held in the Fund in which their Shares have been designated. A statement of financial position, statement of comprehensive income, statement of changes in net assets attributable to holders of participating redeemable preference shares and cash flow statement have been prepared for each Fund as well as for the Company as a whole.

Notes to the Financial Statements continued

For the six month period ended 31 March 2023

3. Summary of Significant Accounting Policies continued

Segmental reporting continued

The Board has considered the requirements of IFRS 8 'Operating Segments'. The Board is of the view that the Funds are engaged in a single unified business, being to invest in Bonds. The Board of Directors, as a whole, has been identified as constituting the chief operating decision maker of the Funds.

Foreign currency translation

Assets and liabilities denominated in currencies other than the functional currency of the Fund are translated at the rate of exchange ruling at the statement of financial position date. The currency profits or losses arising on translation, together with currency profits or losses realised during the period, are recognised in the statement of comprehensive income.

The rate of exchange to Sterling from Euro ruling at 31 March 2023 used for the conversion of statement of financial position items was 1.1428 (2022: 1.1395) and the average rate for the period used for the conversion of the statement of comprehensive income was 1.1382 (2022: 1.1870).

Financial assets and financial liabilities at fair value through profit or loss

(a) Classification

The Company classifies its investments based on both the Company's business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The portfolio of financial assets is managed and performance is evaluated on a fair value basis.

The Company is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. The contractual cash flows of the Company's debt securities are solely principal and interest and are held in order to collect principal plus interest resulting in the business model "hold to collect and sell". The Company values the debt instruments at fair value through profit and loss.

(b) Recognition

Purchases and sales are recognised on the trade date (the date on which the Company commits to purchase or sell the asset).

(c) Measurement

Financial assets and financial liabilities at fair value through profit or loss are initially recognised at fair value, and transaction costs for all financial assets and financial liabilities carried at fair value through profit or loss are expensed in the statement of comprehensive income as incurred. Subsequent to initial recognition, all financial assets and financial liabilities at fair value through profit or loss are measured at fair value.

Gains and losses arising from changes in the fair value of financial assets or financial liabilities at fair value through profit or loss are recognised in the statement of comprehensive income in the period in which they arise.

IFRS 13 requires the Company to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

Derivative assets and liabilities are offset as they meet the requirements of IAS 32.42, being that Sterling Bond Fund currently has a legally enforceable right to set-off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Creations receivable and Redemptions payable

Creations receivable represent the amount due from investors for the issue of participating shares. Redemptions payable represent the amount payable to investors following a cancellation of participating shares. These are recognised at fair value.

Notes to the Financial Statements continued

For the six month period ended 31 March 2023

3. Summary of Significant Accounting Policies continued

Investment sales receivable and Investment purchases payable

Investment sales receivable represent securities sold that have been contracted for but not yet settled or delivered on the statement of financial position date.

Investment purchases payable represent securities purchased that have been contracted for but not yet settled or delivered on the statement of financial position date.

These amounts are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method less impairment.

When calculating the effective interest rate, the Fund estimates cash flows considering all contractual terms of the financial instrument but does not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, including transaction costs and all other premiums or discounts.

A provision for impairment of amounts due on investment sales receivable is established when there is objective evidence that the Fund will not be able to collect all amounts due from the relevant broker. Significant financial difficulties of the broker, probability that the broker will enter bankruptcy or financial reorganisation, and default in payments are considered indicators that the amount due from the broker is impaired.

Revenue recognition

Investment income is recognised in the statement of comprehensive income on a time proportionate basis for all debt instruments using the effective interest rate method. This is a method of calculating the amortised cost of a financial asset or financial liability and of allocating the interest income or interest expense over the relevant period.

Bank interest is recognised in the statement of comprehensive income on a time proportionate basis using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts throughout the expected life of the financial asset or liability, or, when appropriate, a shorter period, to the net carrying amount of the financial asset or financial liability.

Transaction costs

The purchase and sale of financial assets at fair value through profit and loss are subject to transaction costs, which include broker commission, dealing charges and stamp duty. All transaction costs are expensed at the point of purchase or sale. Transaction costs for the period are set out in Note 9.

Fair value estimation

The fair value of financial instruments traded in active markets (such as publicly trading securities) is based on quoted market prices at the statement of financial position date.

The quoted market price used for financial assets and financial liabilities held by the Fund is the current mid-market price in line with IFRS 13 financial assets and financial liabilities at fair value at close of business on the last business day of the accounting period.

Cash and cash equivalents

Cash and cash equivalents include cash in hand and deposits held at call with banks which are subject to an insignificant risk of changes in value, and also include bank overdrafts.

Share capital

(i) The Founders' Shares have been subscribed for by the Manager and are 'non-participating'. The holders thereof are entitled only to income arising on the assets represented by the Founders Shares. These Shares are classified as Ordinary Share capital in the statement of financial position.

(ii) Unclassified Shares may be issued as either participating redeemable preference shares ('Participating Shares') or Nominal Shares. Participating Shares are redeemable at the shareholder's option and are classified as financial liabilities.

Participating Shares are carried at the redemption amount that is payable if the holder exercises the right to redeem Shares at the statement of financial position date.

Notes to the Financial Statements continued

For the six month period ended 31 March 2023

3. Summary of Significant Accounting Policies continued

Share capital (continued)

Participating Shares are issued and redeemed at the holder's option at prices based on each Fund's net asset value per Share at the time of issue or redemption. Each Fund's net asset value per Share is calculated by dividing the net assets attributable to the holders of participating redeemable preference shares with the total number of Participating Shares in issue.

In accordance with the provisions of the Company's regulations, investments are valued based on the latest traded market price for the purpose of determining the net asset value per Share for subscriptions and redemptions.

The Shares are divided into Funds according to the type of investment in which the proceeds of the issue of Shares in each Fund are invested. A separate portfolio of investments is maintained for each Fund.

Each holder of a Participating Share is entitled on a poll, to one vote for each Participating Share held. Participating Shares have a right to dividends declared. If any dividends are paid, different amounts of dividends may be payable in respect of different Funds.

(iii) Nominal Shares have been accounted for in accordance with the Companies (Jersey) Law 1991 and corresponding amounts have been included in debtors and financial liabilities. A Nominal Share will be created when a Participating Share is cancelled. A Nominal Share will be cancelled when a Participating Share is created until the number of Nominal Shares falls to zero.

(iv) Both issued Nominal and Participating Shares have a nominal value of £ 0.01 per Share.

Share premium

The premium on issues and redemptions of Participating Shares is accounted for within the Share premium account which forms part of the net assets attributable to holders of participating redeemable preference Shares. Details are shown in Notes 15 and 17.

Distributions payable to holders of participating redeemable preference shares

Distributions to holders of Participating Shares are recognised as finance costs when they are ratified by the Directors.

Fixed Interest Funds Distributions

In respect of High Income Fund distributions are calculated on a monthly basis and in respect of Euro High Income Fund and Sterling Bond Fund distributions are calculated on a quarterly basis. A distributable amount includes both investment income and bank interest received. Revenue expenses deducted include management fees, custodian fees, registrar fee and management expenses. Transaction charges are in the first instance charged against revenue but then fully offset against capital and therefore do not form part of the distributable amount. In respect of High Income Fund and Euro High Income Fund the management fees and registrar fees are fully offset against capital. This charge against capital effectively reduces the capital reserves of the fund. All expenses are set out in note 9.

Accrued income and expenses

Accrued income and expenses are recognised initially at fair value and subsequently stated at amortised cost using the effective interest rate method.

As at 31 March 2023 the Fund held no commitments in respect of an obligation resulting from the occurrence of one or more future events not wholly within the Fund's control.

Notes to the Financial Statements continued

For the six month period ended 31 March 2023

4. Other Accrued Income and Other Debtors

	Company £	Euro High Income Fund €	High Income Fund £	Sterling Bond Fund £
Period ended 31 March 2023				
Accrued income	3,754,933	72,988	2,415,297	1,275,508
Founders shares	1,000	—	—	—
Nominal shares	91,917	—	—	—
Prepayments	8,760	293	5,526	2,977
Total other accrued income and other debtors	3,856,610	73,281	2,420,823	1,278,485
Year ended 30 September 2022				
Accrued income	4,285,924	120,730	2,607,953	1,572,021
Founders shares	1,000	—	—	—
Nominal shares	145,192	—	—	—
Prepayments	1,341	45	860	442
Total other accrued income and other debtors	4,433,457	120,775	2,608,813	1,572,463

Notes to the Financial Statements continued

For the six month period ended 31 March 2023

5. Distributions

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

	Company £	Euro High Income Fund €	High Income Fund £	Sterling Bond Fund £
Period ended 31 March 2023				
31 October 2022	503,697	—	503,697	—
30 November 2022	500,941	—	500,941	—
31 December 2022	1,124,030	45,711	498,884	584,647
31 January 2023	515,314	—	515,314	—
28 February 2023	511,002	—	511,002	—
31 March 2023	1,115,504	44,710	505,077	571,145
Total distributions	4,270,488	90,421	3,034,915	1,155,792
Income paid on cancellation of shares	4,004	111	2,755	1,152
Income received on creation of shares	(30,568)	(1,190)	(12,356)	(17,171)
Net distributions for the period	4,243,924	89,342	3,025,314	1,139,773
Fees charged to capital*	(579,198)	(31,243)	(550,630)	(1,230)
Net distributions after taxation	3,664,726	58,099	2,474,684	1,138,543

* Details can be found in Notes 9 and 10.

Notes to the Financial Statements continued

For the six month period ended 31 March 2023

5. Distributions continued

	Company £	Euro High Income Fund €	High Income Fund £	Sterling Bond Fund £
Period ended 31 March 2022				
31 October 2021	575,369	—	575,369	—
30 November 2021	569,230	—	569,230	—
31 December 2021	1,144,847	59,158	555,253	539,862
31 January 2022	550,841	—	550,841	—
28 February 2022	525,888	—	525,888	—
31 March 2022	1,085,019	49,558	514,904	528,383
Total distributions	4,451,194	108,716	3,291,485	1,068,245
Income paid on cancellation of shares	33,729	1,697	21,474	10,825
Income received on creation of shares	(5,252)	(1,320)	(2,457)	(1,683)
Net distributions for the period	4,479,671	109,093	3,310,502	1,077,387
Fees charged to capital*	(794,940)	(43,034)	(758,686)	—
Net distributions after taxation	3,684,731	66,059	2,551,816	1,077,387

* Details can be found in Notes 9 and 10.

Notes to the Financial Statements continued

For the six month period ended 31 March 2023

6. Accrued Expenses and Other Creditors

	Company £	Euro High Income Fund €	High Income Fund £	Sterling Bond Fund £
Period ended 31 March 2023				
Due to Manager	214,247	6,977	112,417	95,700
Due to Custodian	9,759	539	5,794	3,491
Other Creditors	132,523	8,936	68,982	55,690
Total accrued expenses and other creditors	356,529	16,452	187,193	154,881
	Company £	Euro High Income Fund €	High Income Fund £	Sterling Bond Fund £
Year ended 30 September 2022				
Due to Manager	129,931	7,831	25,308	97,751
Due to Custodian	9,776	573	5,807	3,466
Other Creditors	223,747	5,829	169,292	49,339
Total accrued expenses and other creditors	363,454	14,233	200,407	150,556

Notes to the Financial Statements continued

For the six month period ended 31 March 2023

7. Net gain/(loss) on financial assets at fair value through profit or loss

The net gain/(loss) on investments during the period comprise:

	Company £	Euro High Income Fund €	High Income Fund £	Sterling Bond Fund £
Period ended 31 March 2023				
Proceeds from sales of investments during the period	39,906,373	1,925,858	22,568,979	15,652,252
Original cost of investments sold during the period	(45,520,839)	(2,236,523)	(25,270,818)	(18,293,045)
Foreign exchange (losses)/gains realised during the period	(2)	—	(4)	2
Losses realised during the period	(5,614,468)	(310,665)	(2,701,843)	(2,640,791)
Realised gains on investments sold during the period	1,102,452	1,095	327,738	773,756
Realised losses on investments sold during the period	(6,716,920)	(311,760)	(3,029,581)	(3,414,547)
Movement in unrealised gains for the period	550,121	14,327	486,617	50,971
Movement in unrealised gains for the period	17,454,968	293,551	10,101,817	7,096,289
Net gains/(losses) on investments	12,390,621	(2,787)	7,886,591	4,506,469
Period ended 31 March 2022				
Proceeds from sales of investments during the period	86,715,192	2,273,195	52,898,745	31,901,370
Proceeds from sales of investments during the period	(89,213,881)	(2,245,663)	(55,261,478)	(32,060,521)
Foreign exchange losses realised during the period	(9)	—	(9)	—
(Losses)/gains realised during the period	(2,498,698)	27,532	(2,362,742)	(159,151)
Realised (losses)/gains on investments sold during the period	(2,350,768)	28,378	(2,233,379)	(141,297)
Realised losses on investments sold during the period	(147,930)	(846)	(129,364)	(17,854)
Movement in unrealised losses for the period	(9,798,124)	(323,102)	(6,450,158)	(3,075,765)
Movement in unrealised losses for the period	(8,942,164)	(409,229)	(5,349,873)	(3,247,532)
Net losses on investments	(21,238,986)	(704,799)	(14,162,774)	(6,482,448)

Notes to the Financial Statements continued

For the six month period ended 31 March 2023

8. Other Income

	Company £	Euro High Income Fund €	High Income Fund £	Sterling Bond Fund £
Period ended 31 March 2023				
Bank interest	5,298	—	2,565	2,733
Total other income	5,298	—	2,565	2,733
Period ended 31 March 2022				
Bank interest	998	—	438	560
Total other income	998	—	438	560

Notes to the Financial Statements continued

For the six month period ended 31 March 2023

9. Operating Expenses

	Notes	Company £	Euro High Income Fund €	High Income Fund £	Sterling Bond Fund £
Period ended 31 March 2023					
Payable to the Manager:					
Annual management fees	10	833,996	28,722	525,116	283,747
Registrar fees	10	73,672	2,322	24,024	47,616
Payable to the Custodian:					
Custodian fees	11	57,820	3,283	34,370	20,577
Safe custody fees	11	20,566	2,253	11,641	6,954
Other expenses:					
Administration expenses *		142,434	10,404	73,504	59,827
Broker commission, dealing charges and stamp duty		2,895	199	1,491	1,230
Audit fee		21,130	709	13,310	7,200
Total expenses		1,152,513	47,892	683,456	427,151
Total Expense Ratio **			1.45%	1.13%	1.31%
Total Cost Ratio ***			0.00%	0.00%	0.00%

* The Administration expenses includes £18,114 of Director fee expense (see note 10).

** The Total Expense Ratio, represents the management fee and total operating expenses less the dealing and broker charges, expressed as an annualised percentage of the average daily net asset values during the period.

*** The Total Cost Ratio represents the dealing and broker charges only, expressed as an annualised percentage of the average daily net asset values during the period.

Notes to the Financial Statements continued

For the six month period ended 31 March 2023

9. Operating Expenses continued

A detailed view of transaction costs is shown below.

	Company £	Euro High Income Fund €	High Income Fund £	Sterling Bond Fund £
Period ended 31 March 2023				
Purchase Transaction costs by asset class				
Treasury Gilts				
Deal charges	—	—	—	13
As a percentage of purchase cost	0.00%	0.00%	0.00%	0.00%
Bonds				
Deal charges	633	23	386	226
As a percentage of purchase cost	0.00%	0.00%	0.00%	0.00%
Cost of investments purchased before transaction costs	33,752,669	1,749,741	18,677,845	13,543,787
Cost of investments purchased after transaction costs	33,753,303	1,749,764	18,678,231	13,544,013
Sale Transaction costs by asset class				
Treasury Gilts				
Deal charges	12.5	—	—	13
As a percentage of purchase cost	0.00%	0.00%	0.00%	0.00%
Bonds				
Deal charges	1,523	118	714	706
As a percentage of purchase cost	0.00%	0.01%	0.00%	0.00%
Cost of investments purchased before transaction costs	39,906,373	1,925,858	22,568,979	15,652,252
Cost of investments purchased after transaction costs	39,907,896	1,925,976	22,569,693	15,652,958

Notes to the Financial Statements continued

For the six month period ended 31 March 2023

9. Operating Expenses continued

	Notes	Company £	Euro High Income Fund €	High Income Fund £	Sterling Bond Fund £
Period ended 31 March 2022					
Payable to the Manager:					
Annual management fees	10	1,139,493	38,460	729,097	377,994
Registrar fees	10	83,328	3,704	28,044	52,164
Payable to the Custodian:					
Custodian fees	11	75,692	4,395	46,026	25,963
Safe custody fees	11	26,655	2,532	15,678	8,844
Other expenses:					
Administration expenses *		185,770	11,471	110,381	65,727
Broker commission, dealing charges and stamp duty		4,266	870	1,545	1,988
Audit fee		19,583	668	12,407	6,613
Total expenses		1,534,787	62,100	943,178	539,293
Total Expense Ratio **			1.39%	1.13%	1.24%
Total Cost Ratio ***			0.01%	0.00%	0.00%

* The Administration expenses includes £16,458 of Director fee expense (see note 10).

** The Total Expense Ratio, represents the management fee and total operating expenses less the dealing and broker charges, expressed as an annualised percentage of the average daily net asset values during the period.

*** The Total Cost Ratio represents the dealing and broker charges only, expressed as an annualised percentage of the average daily net asset values during the period.

Notes to the Financial Statements continued

For the six month period ended 31 March 2023

9. Operating Expenses continued

A detailed view of transaction costs is shown below.

	Company £	Euro High Income Fund €	High Income Fund £	Sterling Bond Fund £
Period ended 31 March 2022				
Purchase Transaction costs by asset class				
Treasury Gilts				
Deal charges	—	—	—	—
As a percentage of purchase cost	0.00%	0.00%	0.00%	0.00%
Bonds				
Deal charges	903	263	387	294
As a percentage of purchase cost	0.00%	0.01%	0.00%	0.00%
Cost of investments purchased before transaction costs	71,203,626	1,900,157	40,776,060	28,828,354
Cost of investments purchased after transaction costs	71,204,530	1,900,420	40,776,447	28,828,648
Sale Transaction costs by asset class				
Treasury Gilts				
Deal charges	63	—	25	38
As a percentage of purchase cost	0.00%	0.00%	0.00%	0.00%
Bonds				
Deal charges	3,062	536	953	1,658
As a percentage of purchase cost	0.00%	0.02%	0.00%	0.01%
Cost of investments purchased before transaction costs	86,712,876	2,273,195	52,898,338	31,901,370
Cost of investments purchased after transaction costs	86,715,938	2,273,730	52,899,291	31,903,028

Notes to the Financial Statements continued

For the six month period ended 31 March 2023

10. Related Party Transactions

Parties are considered to be related if one party has the ability to control the other party or exercise influence over the party in making financial or operating decisions. The following are considered by the Directors of the Company to be related parties:

- The Manager, Brooks Macdonald International Fund Managers Limited.
- The Investment Manager, Brooks Macdonald Asset Management (International) Limited.
- Key management personnel.

The fees received by the Manager are set out in Note 9. The Investment Manager is paid by the Manager. Details of amounts due to the Manager at the end of the period are shown in Note 6.

All investor share transactions in the Company are facilitated through the Manager, the aggregate values of which are set out in the statement of changes in net assets attributable to holders of participating redeemable preference shares on page 13.

(a) Management and Registrar fees

The Manager of the Company, Brooks Macdonald International Fund Managers Limited, is part of the Brooks Macdonald Group of companies. The Manager is entitled to a daily fee equal to the annual rate set out below by reference to the net assets of each Fund calculated daily and paid monthly by the Company.

Euro High Income Fund	0.875%
High Income Fund	0.875%
Sterling Bond Fund	0.875%

The Directors and the Manager may agree a higher fee for any Fund subject to a maximum annual rate of 1.5% of the mid market value of net assets of the Fund. If such a higher fee is agreed, shareholders of the relevant Fund will be given at least three months written notice before it comes into effect.

The Manager, in its capacity as Registrar, is entitled to a fee payable by the Company of £12.00 for each shareholding which appears on the Share Register on the last business day of each annual and half yearly accounting period. The Manager and the Company may agree a higher fee.

Details of amounts due to the Manager at the period / year end are shown in Note 6.

(b) Fees charged to capital

In order to maximise the income available for distribution to shareholders, per the prospectus the Management and Registrar fees for the High Income and the Euro Income Fund are charged to the capital of these Funds.

(c) Key management personnel

R. Hughes is a Director of the Manager, Brooks Macdonald International Fund Managers Limited and Chief Executive Officer of Brooks Macdonald Asset Management (International) Limited.

(d) Directors' fees

Directors who are employees of the Brooks Macdonald or JTC groups do not receive any remuneration. All Independent Directors are entitled to receive a fee up to a maximum of £25,000 per annum for each Director. Directors fees for the period ending 31 March 2023 were £18,114 (31 March 2022: £16,458).

Notes to the Financial Statements continued

For the six month period ended 31 March 2023

11. Custodian

The fees received by the Custodian are set out in Note 9. Details of amounts due to the Custodian at the period end are shown in Note 6.

The Custodian is entitled to an annual fee payable monthly by the Company, in respect of each Fund, at the rates set out in the table below by reference to the net asset value of each Fund calculated on a mid-market basis and subject to a minimum overall fee of £20,000 per annum for the Company as a whole.

The Custodian is entitled to reimbursement by each Fund of its expenses in connection with its duties as Custodian and to make transaction charges to cover the cost of effecting settlement of stock and cash.

Custodian Fee Rates

	NAV of each Fund		
	Up to £10M	£10M to £25M	£25M Plus
High Income Fund	0.100%	0.075%	0.050%
Sterling Bond Fund	0.100%	0.075%	0.050%

	NAV of each Fund		
	Up to €15M	€15M to €40M	€40M Plus
Euro High Income Fund	0.100%	0.075%	0.050%

12. Controlling Party

In the opinion of the Directors, there is no ultimate controlling party of the Company as defined by International Accounting Standards (IAS) 24 Related Party Disclosures.

13. Equalisation

The price of a participating share includes an equalisation payment calculated by dividing the net undistributed income of the Fund by the number of Shares in issue at the time when the prices are calculated. The payment of the first distribution after the issue of a Share includes an amount of equalisation calculated by averaging the amounts received by way of equalisation during the period to which the distribution relates.

Notes to the Financial Statements continued

For the six month period ended 31 March 2023

14. Share Capital

Company	31 March 2023 £	30 September 2022 £
Authorised Share Capital:		
1,000 Founders Shares of £1	1,000	1,000
750,000,000 Unclassified Shares of 1p	7,500,000	7,500,000
	7,501,000	7,501,000
Issued Ordinary Share Capital:		
Founders Shares	1,000	1,000
Nominal Shares:		
Balance brought forward	145,192	279,212
Creations	112,580	336,934
Redemptions	(165,855)	(470,954)
Balance carried forward	91,917	145,192
Participating Shares:		
Balance brought forward	2,461,124	2,767,107
Creations	15,856	30,951
Redemptions	(112,580)	(336,934)
Balance carried forward	2,364,400	2,461,124

Fund	Shares	£	Shares	£
High Income Fund	180,384,653	1,803,847	187,322,800	1,873,228
Sterling Bond Fund	50,813,254	508,133	53,280,400	532,804
Total Sterling Funds	231,197,907	2,311,980	240,603,200	2,406,032

Fund	Shares	€	Shares	€
Euro High Income Fund	5,241,480	95,308	5,509,337	98,347

	Shares	£	Shares	£
Total Company (Sterling equivalent)	236,439,387	2,364,400	246,112,537	2,461,124

Notes to the Financial Statements continued

For the six month period ended 31 March 2023

15. Share Premium

Fund	31 March 2023 £	30 September 2022 £
High Income Fund	212,147,897	216,623,910
Sterling Bond Fund	74,112,432	77,165,162
Total Sterling Funds	286,260,329	293,789,072
Fund	€	€
Euro High Income Fund	9,851,879	10,177,000
Total Company (Sterling equivalent)	291,501,686	299,314,912
Balance brought forward	299,314,912	325,727,534
Premium on creations	1,141,256	2,733,960
Premium on redemptions	(8,954,482)	(29,146,582)
Balance carried forward	291,501,686	299,314,912

Notes to the Financial Statements continued

For the six month period ended 31 March 2023

16. Capital Reserves

	Notes	Company £	Euro High Income Fund €	High Income Fund £	Sterling Bond Fund £
Net realised gains on investments brought forward as at 30 September 2022		11,534,290	(28,426)	6,182,895	5,442,812
Net realised gains for the period	7	(5,614,468)	(310,665)	(2,701,843)	(2,640,791)
Net realised gains/(losses) on investments carried forward as at 31 March 2023		5,919,819	(339,091)	3,481,052	2,802,021
Net unrealised movement on investment brought forward as at 30 September 2022		(48,558,346)	(437,660)	(31,300,657)	(16,870,746)
Net unrealised movement in the period	7	18,005,092	307,878	10,588,434	7,147,260
Net unrealised movement on investment carried forward as at 31 March 2023		(30,553,257)	(129,782)	(20,712,223)	(9,723,486)
Total realised / unrealised movement		(24,633,433)	(468,873)	(17,231,171)	(6,921,464)
Distributions unclaimed over 10 years old brought forward as at 30 September 2022		101,240	1,957	18,581	80,961
Net movement in the period		—	—	—	—
Distributions unclaimed over 10 years old carried forward as at 31 March 2023		101,240	1,957	18,581	80,961
Fees charged to Capital brought forward as at 30 September 2022		(51,153,339)	(2,026,572)	(49,442,527)	(32,971)
Net movement in the period		(579,198)	(31,243)	(550,630)	(1,230)
Fees charged to Capital carried forward as at 31 March 2023		(51,732,537)	(2,057,815)	(49,993,157)	(34,201)
As at 31 March 2023		(76,264,730)	(2,524,731)	(67,205,747)	(6,874,704)

Under the Reporting Fund Regime, broker commission, dealing charges and stamp duty are not allowable expenses. The Directors have therefore, transferred these expenses from the Net undistributed income reserve to a separate broker charges reserve.

Notes to the Financial Statements continued

For the six month period ended 31 March 2023

17. Net assets attributable to holders of participating redeemable preference shares

	Notes	Company £	Euro High Income Fund €	High Income Fund £	Sterling Bond Fund £
Period ended 31 March 2023					
Share capital	14	2,364,400	95,308	1,803,847	508,133
Share premium	15	291,501,686	9,851,879	212,147,897	74,112,432
Capital reserves	16	(76,264,734)	(2,524,731)	(67,205,747)	(6,874,703)
Dilution levies		316,582	30,772	218,071	71,475
Undistributed income*		(34,500,008)	(1,133,889)	(29,259,354)	(4,244,419)
Movement in currency translation		3,411,902	—	—	—
As at 31 March 2023		186,829,828	6,319,339	117,704,714	63,572,918
Year ended 30 September 2022					
Share capital	14	2,461,124	98,347	1,873,228	532,804
Share premium	15	299,314,912	10,177,000	216,623,910	77,165,162
Capital reserves	16	(88,076,155)	(2,490,701)	(74,541,708)	(11,379,944)
Dilution levies		316,552	30,772	218,071	71,476
Undistributed income*		(25,622,151)	(954,808)	(22,622,096)	(2,162,141)
Distributions		(8,669,536)	(202,906)	(6,303,089)	(2,188,382)
Movement in currency translation		3,405,165	—	—	—
As at 30 September 2022		183,129,911	6,657,704	115,248,316	62,038,975

*The distributions detailed in Note 5 have been declared by the Directors using a dividend policy based on the accruals method of accounting for income on debt instruments, as opposed to the effective interest rate method of accounting for investment income which is the basis used for recognition of income on debt instruments as explained in the accounting policies. Future distributions will continue to be made on the basis of the existing distribution policy.

Undistributed income under the accruals method as at 31 March 2023 amounts to £2,894 (30 September 2022 amounts to £12,964).

Notes to the Financial Statements continued

For the six month period ended 31 March 2023

18. Taxation

In accordance with International Accounting Standard (IAS) 12 Income Taxes, investment income is shown gross of withholding tax. The withholding tax suffered is recorded on the taxation line as set out below:

	31 March 2023	30 September 2022
Foreign tax on income for the period /year	–	£19,436

The Company is liable to be charged at a tax rate of 0% under Schedule D under the Income Tax (Jersey) Law 1961, as amended (the 'Income Tax Law') in respect of:

- (i) the income or profits of any trade carried on by the Company in Jersey or elsewhere,
- (ii) any interest of money, whether yearly or otherwise, or other annual payment paid to the Company, whether such payment is made within or outside of Jersey,
- (iii) dividends and other distributions of a company regarded as resident in Jersey paid to the Company,
- (iv) income arising to the Company from securities outside of Jersey and
- (v) any other income of the Company that is not derived from the ownership or disposal of land in Jersey.

It is not expected that the Company will be in receipt of income charged to tax under any Schedule under Income Tax Law other than Schedule D. As such the Company is no longer subject to the payment of tax in Jersey.

The Funds are required to submit an income tax return annually under Article 16 of the Income Tax (Jersey) Law 1961. The income tax return for the year of assessment 2022 is required to be delivered by 31 December 2023. Jersey resident individuals should note that any income received from the Fund(s) will be paid gross and will be taxable under Schedule D Case III (D3) of the Income Tax (Jersey) Law 1961, as amended.

19. Financial risk management

Strategy in using financial instruments

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), liquidity risk, counter-party risk, capital risk and certain other risks. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance. Each Fund is able to use derivative financial instruments to moderate certain risk exposures.

Each Fund's investment objectives and policy are stated on page 3. To achieve these objectives the Company's assets and liabilities comprise financial instruments held in accordance with each Fund's investment objectives and policy.

These may include:

- Investments including equity and non-equity Shares, bonds and floating rate securities
- Cash, liquid resources and short term debtors and creditors that arise directly from the investment activities
- Hedging instruments, such as forward exchange contracts and traded options, which a Fund may enter into for the purpose of managing the risks arising from the Fund's investment activities

Market risk

All securities investments present a risk of loss of capital. The Manager moderates this risk through a careful selection of investments within specified limits. The maximum risk resulting from investments is determined by the fair value of those investments. The overall market position and therefore the risk exposure for each Fund are governed by the Prospectus, the Collective Investment Funds (Recognized Funds) (Rules) (Jersey) Order 2003 (as amended) and the investment objectives for each Fund. These positions are monitored on a daily basis by the Manager and are reviewed on a quarterly basis by the Board of Directors.

Notes to the Financial Statements continued

For the six month period ended 31 March 2023

19. Financial risk management continued

The investments are principally bonds and cash, dependent on each Fund's investment policy. The Fund is exposed to bond price risk and derivative price risk. The value of these is not fixed and may go down as well as up. This may be the result of a specific factor affecting the value of an individual stock or be caused by general market factors (such as interest rates, government policy or the health of the underlying economy) which could affect the entire portfolio of a Fund. The period end portfolios of each Fund are detailed on pages 16 to 23.

The Manager controls this risk on a Fund by Fund basis and monitors the movements in the bonds and interest rates against the relevant bond indices and market interest rates respectively.

Price Risk

The price risk of the funds are best measured by the average duration of each Fund, which expresses the sensitivity of bond prices if interest rates change. The Manager considers that a reasonably possible movement in the market risk components would be equivalent to a 7% movement in bond indices and a 1% movement in market interest rates.

The table below summarises, for each of the Funds, the impact of increases / (decreases) in the bond indices, and market interest rates on the net asset value as at 31 March 2023. The analysis is based on the assumption that the bond indices increase / (decrease) by 7%, and market interest rates increase / (decrease) by 1%, with all other variables held constant. The analysis also assumes that the movement in the portfolios of each Fund has perfect positive correlation with the equity and bond indices and market interest rates.

	Value (base currency)	Bonds 7% Movement in bond index	Cash 1% Movement in interest rate
As at 31 March 2023			
Euro High Income Fund	6,319,339	427,776	4,751
High Income Fund	117,704,714	7,990,576	18,726
Sterling Bond Fund	63,572,918	4,377,068	5,419
As at 30 September 2022			
Euro High Income Fund	6,657,704	282,016	4,064
High Income Fund	115,248,316	6,631,793	28,228
Sterling Bond Fund	62,038,975	3,602,773	12,124

The Fund is exposed to debt securities price risk and derivative price risk. This arises from investments held by the Fund for which prices in the future are uncertain. Where non-monetary financial instruments - for example, where debt securities - are denominated in currencies other than base currency of the Fund, the price initially expressed in foreign currency and then converted into the base currency of the Fund will also fluctuate because of changes in foreign exchange rates. Refer to Foreign currency risk below.

The Fund's policy is to manage price risk through diversification and selection of securities and other financial instruments within specified limits set by the Board of Directors. The majority of the net assets attributable to holders of redeemable shares is expected to be invested in debt securities.

The Fund's policy also limits individual bond securities to no more than 5% of net assets attributable to holders of redeemable shares. The maximum that can be held in any individual Government or Public security is 35% of net assets attributable to holders of redeemable shares.

The majority of the Fund's debt securities are publicly traded and are included on regulated securities. The Fund's policy requires that the overall market position is monitored on a daily basis by the Fund's Investment Manager and is reviewed on a quarterly basis by the Board of Directors.

Notes to the Financial Statements continued

For the six month period ended 31 March 2023

19. Financial risk management continued

At 31 March 2023, the fair value of bonds and related derivatives exposed to price risk were as follows:

	31 March 2023	30 September 2022
Bonds market value	182,791,709	183,129,912
Total market value	182,791,709	183,129,912

The Fund also manages its exposure to price risk by benchmarking the portfolio to that of the IBOXX Sterling Corporate and Collateralised Index. Changes in duration within the benchmark are matched within the portfolio at each month end with the use of Gilt futures.

Foreign currency risk

The Euro High Income Fund is denominated in Euro. All of the other Funds are denominated in Sterling. A portion of the underlying financial assets of the Funds may be denominated in currencies other than the base currency with the effect that the statement of financial position and each Fund's total return can be significantly affected by currency movements.

An investment in a currency other than the shareholders' own base currency will be subject to the movement of foreign exchange rates, which may cause additional favourable or unfavourable changes in value. In respect of foreign currency exposure, derivative instruments will only be utilised where a forward exchange or currency option is used for the purpose of reduction of foreign currency risk, in order to hedge this exposure back to the base currency of the Fund. With the exception of the Sterling Bond Fund, each Fund may purchase securities denominated in a currency other than its base currency, and hence take a position in other currencies.

The Company currently holds no currency hedging instruments and has no foreign currency exposure. In accordance with the Company's policy, the Manager monitors each Fund's currency position on a daily basis, and the Board of Directors reviews it on a quarterly basis.

Interest rate risk

Each Fund receives income from its various investments. For the Sterling Bond Fund, Euro High Income Fund and High Income Fund, the income is received from investments in bonds and loan stock.

In accordance with the Funds policy, the Manager monitors the Fund's overall interest rate sensitivity on a daily basis, and the Board of Directors reviews it on a quarterly basis.

The interest bearing financial assets and liabilities held in the Funds expose them to risks associated with the effects of fluctuations in the prevailing levels of market interest rates on their financial position and cash flows.

The table overleaf summarises the effect of interest rate risks on each Fund. It includes the Fund's assets and trading liabilities at fair values, categorised by the earlier of contractual re-pricing or maturity dates. The table provides the interest rate profile of each Fund's asset and liabilities.

The income received by each Fund is primarily fixed in nature and shown in the table on the next page. Income is derived from the securities held in the portfolio of each Fund which may be varied from time to time in accordance with its investment objectives and policy.

Notes to the Financial Statements continued

For the six month period ended 31 March 2023

19. Financial risk management continued

The interest rate profile of each Fund's financial assets at 31 March 2023 was:

Fund	Currency	Total 000's	Fixed rate interest securities 000's	Floating rate interest securities 000's	Interest Free Assets 000's	Other Interest Bearing Assets 000's	Interest Free Liabil 000's
Euro High Income	Euro	6,319	5,186	925	73	475	340
High Income	Sterling	117,705	95,222	18,930	4,295	—	741
Sterling Bond	Sterling	63,573	52,639	9,891	1,820	—	777

Fund	Currency	Weighted average coupon rate %	Weighted average effective interest rate %	Weighted average period for which the rate is fixed (years)
Euro High Income	Euro	3.55	4.15	10.70
High Income	Sterling	5.65	6.26	10.29
Sterling Bond	Sterling	5.01	5.94	9.09

The interest rate profile of each Fund's financial assets at 30 September 2022 was:

Fund	Currency	Total 000's	Fixed rate interest securities 000's	Floating rate interest securities 000's	Interest Free Assets 000's	Other Interest Bearing Assets 000's	Interest Free Liabilities 000's
Euro High Income	Euro	6,658	5,243	1,024	121	406	136
High Income	Sterling	115,248	97,296	13,233	5,832	—	1,113
Sterling Bond	Sterling	62,039	56,049	3,997	2,785	—	792

Fund	Currency	Weighted average coupon rate %	Weighted average effective interest rate %	Weighted average period for which the rate is fixed (years)
Euro High Income	Euro	3.43	4.32	14.43
High Income	Sterling	5.39	7.07	9.26
Sterling Bond	Sterling	4.85	7.16	9.59

Notes to the Financial Statements continued

For the six month period ended 31 March 2023

19. Financial risk management continued

Credit risk

The Fund is exposed to credit risk, which is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The main concentration to which the Fund is exposed arises from the Fund's investments in debt securities. The Fund is also exposed to counterparty credit risk on trading derivative products, cash and cash equivalents, amounts due from brokers and other receivable balances. Impairment provisions would be provided for losses that have been incurred by the statement of financial position date. As at 31 March 2023 no impairment provisions were required and there was no money overdue.

If any of the Funds hold any interest bearing instruments, at least 90% of these instruments must have a credit rating of 'Investment Grade' as provided by Moody's Investor Services Limited, Standard and Poor's or Fitch Ratings Limited. These instruments could include inter alia money market instruments, bonds, gilts, corporate bonds etc.

The Fund also restricts its exposure to credit losses on trading derivative instruments it holds by entering into these transactions solely through the Investment Manager Brooks Macdonald Asset Management (International) Limited. Gilt futures are centrally cleared and traded on an exchange. The exchange and clearing house therefore act as an intermediary for both sides entering into the contract and the payment of the initial margin and variation margin. There is therefore a negligible counterparty risk. All of the derivative assets and liabilities of the Fund are held with this counterparty and the margin balance maintained by the Fund is for the purpose of providing collateral on derivative positions. The value of the margin balance at 31 March 2023 is £nil (30 September 2022: £nil). The derivative asset is £nil (30 September 2022: £nil) and the liability is £nil (£nil).

At the Statement of Financial Position date the Funds held the following percentages in non investment grade assets:

	31 March 2023	30 September 2022
Euro High Income Fund	7.40%	6.05%
High Income Fund	9.71%	5.98%
Sterling Bond Fund	0.00%	1.93%

In accordance with each Fund's policy, the Manager monitors the Fund's credit position on a daily basis, and the Board of Directors reviews it on a quarterly basis.

Certain transactions that the Funds enter into expose them to the risk that the counter-party will not deliver the investment (purchase) or cash (sale) after the Fund has fulfilled its responsibilities. It is the policy of the Manager to buy and sell investments only through approved brokers. Credit risk exposure is balanced by the regulatory obligation of the counter parties.

The risk to Shareholders is that one or more Funds will not have enough cash to cover redemptions. To counter this risk each Fund's cash is managed to meet its liabilities. Temporary borrowings from eligible institutions for cash management purposes are permitted and are repayable out of the property of a Fund. All sums borrowed will not exceed more than 10% of the value of the property of that Fund. The borrowing of foreign currency is permitted with the aim of reducing or eliminating risk arising by reason of fluctuations in exchange rates. There is no intention to use borrowing for the purposes of gearing. Gearing is the borrowing of money to purchase assets. Borrowings during the period did not exceed the 10% limit.

The Custodian has also entered into a sub-custodian agreement with State Street Bank and Trust Company, London Branch. Under the terms of that sub-custodian agreement, the Sub-Custodian will hold certain assets of the Company on behalf of the Custodian.

The assets of the Company will be held in compliance with applicable laws and specific provisions as agreed in the sub-custodian agreement between the Custodian and the Sub-Custodian. These will include requirements designed to protect the Company's assets in the event of the insolvency or bankruptcy, but they do not guarantee this effect.

Notes to the Financial Statements continued

For the six month period ended 31 March 2023

19. Financial risk management continued

Credit risk (continued)

Cash balances held with the Sub-Custodian will not be segregated from the Sub-Custodian's own accounts or held on trust for the Custodian. This exposes investors to risk if the Sub-Custodian becomes insolvent, since the Custodian (who has entered into the contract with the Sub-Custodian) will rank as an unsecured creditor along with all other deposit holders in respect of any claim. Accordingly, there is no guarantee that the Custodian would ever be able to recover monies held in such cash accounts on the Company's behalf.

Capital risk

Where the objective of the underlying Fund seeks to provide high or good levels of income, the investment policy which supports this may result in a gradual reduction in the capital value of the underlying Fund's Shares, except where bond prices are generally rising.

Capital risk management

The net assets attributable to holders of participating redeemable preference shares are classified as financial liabilities and therefore, in the opinion of the Directors, the capital of the Company is only represented by the Founders Shares. Details of the Founders Shares are shown in notes 3 and 14.

Due to the nature and requirement of the Founders' Shares the Directors have decided that no active capital risk management is required.

Fair value estimation

The fair value of financial assets and liabilities traded in active markets (such as publicly trading securities) are based on quoted market prices at the close of trading on the period end date. The quoted market price used for financial assets held by the Company is the current mid price, these are updated each morning at 10am and represented in the Fund's daily share prices; the appropriate quoted market price for financial liabilities is the current asking price. When the Company holds derivatives with offsetting market risks, it uses mid-market prices as a basis for establishing fair values for the offsetting risk positions and applies this bid or asking price to the net open position, as appropriate.

If a significant movement in fair value occurs subsequent to the close of trading on the period end date, valuation techniques will be applied to determine the fair value.

There has been no significant movements in the fair value of any holdings since the period end date.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions at an arm's length basis.

IFRS 13 states the Company to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

Notes to the Financial Statements continued

For the six month period ended 31 March 2023

19. Financial risk management continued

The fair value hierarchy table is shown below.

Financial assets at fair value through profit and loss

31 March 2023

Fund	Level 1 £	Level 2 £	Level 3 £	Totals £
High Income Fund	114,151,080	—	—	114,151,080
Sterling Bond Fund	62,529,548	—	—	62,529,548

Fund	Level 1 €	Level 2 €	Level 3 €	Totals €
Euro High Income Fund	6,111,080	—	—	6,111,080

30 September 2022

Fund	Level 1 £	Level 2 £	Level 3 £	Totals £
High Income Fund	110,529,890	—	—	110,529,890
Sterling Bond Fund	60,046,214	—	—	60,046,214

Fund	Level 1 €	Level 2 €	Level 3 €	Totals €
Euro High Income Fund	6,267,015	—	—	6,267,015

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety.

If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability. The determination of what constitutes 'observable', requires significant judgement by the Directors. The Directors consider observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

There have been no transfers between levels. The financial assets at fair value through profit or loss of the Company, including derivatives are all quoted in active markets and therefore fall under level 1 as previously defined.

Derivatives

Derivatives will only be used where they accord with existing investment objectives and policy. They may not be used for the purpose of reducing risk independently of investment strategy in respect of the underlying physical assets or for merely speculative purposes. Derivatives will only be used for efficient portfolio management including the management of duration risk.

Derivatives may not be used for the purpose of gearing or leveraging or for purposes of producing, enhancing or generating income. No derivative can be traded on an "Over The Counter" basis, and no uncovered positions are allowed.

Notes to the Financial Statements continued

For the six month period ended 31 March 2023

19. Financial risk management continued

The underlying Funds may hold the following derivatives:

(a) Futures

Futures are contractual obligations to buy or sell financial instruments on a future date at a specified price established in an organised market. The futures contracts are collateralised by cash or marketable securities. Changes in the futures contracts value are settled daily with the exchange. Interest rate futures are contractual obligations to receive or pay a net amount based on changes in interest rates at a future date at a specified price, established in an organised financial market. Futures are settled on a net basis.

(b) Options

An option is a contractual arrangement under which the seller (writer) grants the purchaser (holder) the right, but not the obligation, either to buy (a call option) or sell (a put option) at or by a set date or during a set period, a specific amount of securities or a financial instrument at a predetermined price.

The seller receives a premium from the purchaser in consideration for the assumption of future securities prices. Where options are held by the underlying Funds, they are exchange-traded. The Funds are exposed to credit risk on purchased options only to the extent of their carrying amount, which is their fair value. Options are settled on a gross basis.

The notional amounts of certain types of financial instrument provide a basis for comparison with instruments recognised on the statements of financial position, but they do not necessarily indicate the amounts of future cash flows involved or the current fair value of the instruments and do not therefore indicate the Company's exposure to credit or market price risks. The derivative instruments become favourable (assets) or unfavourable (liabilities) as a result of fluctuations in market interest rates or foreign exchange rates relative to their terms. The aggregate contractual or notional amount of derivative financial instruments on hand, the extent to which instruments are favourable or unfavourable, and thus the aggregate fair values of derivative financial assets and liabilities can fluctuate significantly from time to time.

During the period the Company did not enter into any derivative contracts.

Liquidity risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous.

The Company is exposed to daily cash redemptions of Participating Shares which are redeemed on demand at the holder's option. It therefore invests all of its assets in investments that are traded in an active market and can be readily disposed of. From time to time assets held could become illiquid due to in-active trading.

At 31 March 2023 the percentage of the assets within the portfolios which are subject to special arrangements arising from their illiquid nature is nil (2022: nil). As such each Fund's financial assets are considered to be readily realisable for cash. The Manager manages each Fund's cash to meet its liabilities. Where investments cannot be realised in time to meet any redemptions of Participating Shares, each Fund may borrow up to 10% of its value to ensure settlement of its liabilities. Any such borrowings did not exceed the 10% limit.

In accordance with the Company's policy, the Investment Manager monitors each Fund's liquidity position on a daily basis, and the Board of Directors review it on a quarterly basis.

Cross Fund Liability

Shareholders should be aware that in the event of the Company being unable to meet liabilities attributable to any particular Fund or share class out of the assets attributable to such Fund or share class, the excess liabilities may have to be met out of the assets attributable to the other Funds or share classes.

Notes to the Financial Statements continued

For the six month period ended 31 March 2023

19. Financial Risk Management continued

Liquidity risk continued

Period ended 31 March 2023

Net assets attributable to Holders of Participating Redeemable Preference Shares

(less than 1 month)

Cancellation payable

(less than 1 month)

Investment purchase payable

(less than 1 month)

Proposed dividend

(less than 1 month)

(1 month to 3 months)

Accrued expenses and other payables

(less than 1 month)

(1 month to 3 months)

Total financial liabilities (excluding derivatives)

Company £	Euro High Income Fund €	High Income Fund £	Sterling Bond Fund £
186,922,746	6,319,339	117,704,714	63,572,918
104,110	4,547	48,672	51,443
241,088	274,399	—	—
505,077	—	505,077	—
610,427	44,710	—	571,145
318,286	10,377	133,177	106,840
38,242	6,075	54,016	48,041
188,739,976	6,659,447	118,445,656	64,350,387

Year ended 30 September 2022

Net assets attributable to Holders of Participating Redeemable Preference Shares

(less than 1 month)

Cancellation payable

(less than 1 month)

Investment purchase payable

(less than 1 month)

Proposed dividend

(less than 1 month)

(1 month to 3 months)

Accrued expenses and other payables

(less than 1 month)

(1 month to 3 months)

Total financial liabilities (excluding derivatives)

Company £	Euro High Income Fund €	High Income Fund £	Sterling Bond Fund £
186,276,104	6,657,704	115,248,316	62,038,975
559,180	76,252	407,012	85,251
—	—	—	—
505,771	—	505,771	—
596,619	46,003	—	556,248
318,271	14,158	177,992	127,854
45,181	75	22,415	22,702
188,301,126	6,794,192	116,361,506	62,831,030

None of the Alternative Investment Fund's assets are subject to special arrangements arising from their illiquid nature in accordance with Article 23(4)(a) of Directive 2011/61/EU.

Notes to the Financial Statements continued

For the six month period ended 31 March 2023

20. Events After The Period End Date

There are no events after the reporting date which have arisen in the interval between the end of the financial period and the date of this report, any other item, transaction or event of a material nature likely in the opinion of the Directors, to affect significantly the operations of the Company, the results of those operations, or the state of affairs of the Company, in subsequent financial years.

Change in Net Asset Value per Share

For the six month period ended 31 March 2023

Year/ Period	Net Asset Value of Fund	Number of Shares in Issue	Opening net asset value per share	Return before operating charges	Operating charges
Euro High Income Fund					
30.09.21	€9,089,746	6,063,964	153.16	0.79	(2.12)
30.09.22	€6,657,704	5,509,337	149.90	(26.93)	(2.10)
31.03.23	€6,319,339	5,241,480	120.84	1.53	(0.91)
High Income Fund					
30.09.21	£176,595,224	212,595,362	87.02	(0.61)	(1.00)
30.09.22	£115,248,316	187,322,800	83.07	(19.07)	(0.92)
31.03.23	£117,704,714	180,384,653	61.52	5.56	(0.38)
Sterling Bond Fund					
30.09.21	£89,794,424	58,050,962	159.63	(1.27)	(2.08)
30.09.22	£62,038,975	53,280,400	154.68	(35.30)	(1.92)
31.03.23	£63,572,918	50,813,254	116.44	11.35	(0.84)

Change in Net Asset Value per Share

For the six month period ended 31 March 2023

Year/ Period	Return after operating charges	Distributions on shares	Appreciation / (Depreciation) on capital assets	Closing net asset value per share	Retained income per share
Euro High Income Fund					
30.09.21	(1.33)	(4.07)	2.14	149.90	0.06
30.09.22	(29.03)	(3.68)	3.65	120.84	0.69
31.03.23	0.62	(1.73)	0.83	120.56	1.18
High Income Fund					
30.09.21	(1.61)	(3.55)	1.20	83.07	(0.02)
30.09.22	(19.99)	(3.36)	1.80	61.52	0.44
31.03.23	5.19	(1.68)	0.22	65.25	(0.21)
Sterling Bond Fund					
30.09.21	(3.36)	(3.72)	2.13	154.68	(0.02)
30.09.22	(37.22)	(4.11)	3.09	116.44	(0.41)
31.03.23	10.51	(2.27)	0.43	125.11	(0.22)

Distribution Tables

For the six month period ended 31 March 2023

Euro High Income Fund

	Gross income	Equalisation payable	Distribution paid current period (cents)	Distribution paid prior period (cents)
1st Quarter				
Group 1	0.838	—	0.838	0.963
Group 2	0.534	0.304	0.838	0.963
2nd Quarter				
Group 1	0.853	—	0.853	0.846
Group 2	0.324	0.529	0.853	0.846

1st Quarter

Group 1: Shares purchased prior to 1 October 2022

Group 2: Shares purchased between 1 October 2022 and 31 December 2022

2nd Quarter

Group 1: Shares purchased prior to 1 January 2023

Group 2: Shares purchased between 1 January 2023 and 31 March 2023

Distribution Tables continued

For the six month period ended 31 March 2023

High Income Fund

	Gross income	Equalisation payable	Distribution paid current period (pence)	Distribution paid prior period (pence)
31 October 2022				
Group 1	0.270	—	0.270	0.273
Group 2	0.162	0.108	0.270	0.273
30 November 2022				
Group 1	0.270	—	0.270	0.273
Group 2	0.142	0.128	0.270	0.273
31 December 2022				
Group 1	0.270	—	0.270	0.270
Group 2	0.108	0.162	0.270	0.270
31 January 2023				
Group 1	0.280	—	0.280	0.270
Group 2	0.114	0.166	0.280	0.270
28 February 2023				
Group 1	0.280	—	0.280	0.260
Group 2	0.129	0.151	0.280	0.260
31 March 2023				
Group 1	0.280	—	0.280	0.260
Group 2	0.278	0.002	0.280	0.260

31 October 2022
Group 1: Shares purchased prior to 1 October 2022
Group 2: Shares purchased between 1 October 2022 and 31 October 2022

30 November 2022
Group 1: Shares purchased prior to 1 November 2022
Group 2: Shares purchased between 1 November 2022 and 30 November 2022

31 December 2022
Group 1: Shares purchased prior to 1 December 2022
Group 2: Shares purchased between 1 December 2022 and 31 December 2022

31 January 2023
Group 1: Shares purchased prior to 1 January 2023
Group 2: Shares purchased between 1 January 2023 and 31 January 2023

28 February 2023
Group 1: Shares purchased prior to 1 February 2023
Group 2: Shares purchased between 1 February 2023 and 28 February 2023

31 March 2023
Group 1: Shares purchased prior to 1 March 2023
Group 2: Shares purchased between 1 March 2023 and 31 March 2023

Distribution Tables continued

For the six month period ended 31 March 2023

Sterling Bond Fund

	Gross income	Equalisation payable	Distribution paid current period (pence)	Distribution paid prior period (pence)
1st Quarter				
Group 1	1.120	—	1.120	0.943
Group 2	0.708	0.412	1.120	0.943
2nd Quarter				
Group 1	1.124	—	1.124	0.943
Group 2	0.579	0.545	1.124	0.943

1st Quarter

Group 1: Shares purchased prior to 1 October 2022

Group 2: Shares purchased between 1 October 2022 and 31 December 2022

2nd Quarter

Group 1: Shares purchased prior to 1 January 2023

Group 2: Shares purchased between 1 January 2023 and 31 March 2023

Performance Records

For the six month period ended 31 March 2023

Euro High Income Fund

Shares in the Fund were first offered to the public in October 2006 at an offer price of 178.90 cents per share

Calendar Year/Period	Highest Offer Price c	Lowest Bid Price c	Income per Share c	Income per €1,000 Invested at 31/12/12 €
2013	169.10	161.70	7.45	50.78
2014	170.30	161.70	6.51	44.38
2015	173.50	159.70	4.94	33.67
2016	163.90	158.10	4.70	32.04
2017	163.00	159.90	4.96	33.81
2018	160.80	154.40	4.80	32.72
2019	161.30	149.30	4.50	30.67
2020	158.90	143.90	3.01	20.52
2021	156.08	147.60	3.98	27.13
2022	147.39	118.68	3.50	23.84
31.03.23	123.88	120.16	0.85	5.81

High Income Fund

Shares in the Fund were first offered to the public in June 1995 at an offer price of 100p per share.

Calendar Year	Highest Offer Price p	Lowest Bid Price p	Income per Share p	Income per £1,000 Invested at 31/12/12 £
2013	91.66	85.23	4.82	58.82
2014	89.56	85.55	4.78	58.33
2015	92.53	85.86	4.59	55.95
2016	86.21	83.74	4.37	53.33
2017	90.65	87.58	3.13	38.19
2018	88.86	83.68	3.79	46.25
2019	88.90	82.21	3.60	43.93
2020	89.20	78.42	2.58	31.48
2021	89.08	81.90	3.33	40.63
2022	81.78	59.81	3.18	38.76
31.03.23	68.20	65.09	0.84	5.73

Performance Records continued

For the six month period ended 31 March 2023

Sterling Bond Fund

Shares in the Fund were first offered to the public in July 2001 at an offer price of 148.6p per share.

Calendar Year/Period	Highest Offer Price p	Lowest Bid Price p	Income per Share p	Income per £1,000 Invested at 31/12/12 £
2013	151.60	140.10	5.91	44.30
2014	151.30	140.20	5.78	43.33
2015	156.80	144.70	5.40	40.48
2016	147.50	142.20	5.50	41.23
2017	158.90	150.90	4.50	33.73
2018	156.10	148.60	4.00	29.99
2019	160.60	146.20	3.85	28.86
2020	162.30	139.70	2.66	19.94
2021	164.94	152.55	3.63	27.23
2022	152.74	115.13	3.96	29.72
31.03.23	130.58	124.09	1.12	7.66