

Brooks Macdonald International Investment Funds Limited

Interim Report and Unaudited
Financial Statements

For the six month period ended 28 March 2024

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Company Information

The Company

Brooks Macdonald International Investment Funds Limited

Directors:

Ross Davey Willcox (Non-executive Director and Chair)

Michael Peter Farley (Non-executive Director)

Richard John Hughes

Brian Charles James

Registered Office

28 Esplanade, St. Helier, Jersey

Channel Islands JE2 3QA

Administrator, Company Secretary and Registrar

JTC Fund Solutions (Jersey) Limited

28 Esplanade, St. Helier, Jersey

Channel Islands JE2 3QA

Manager

Brooks Macdonald International Fund Managers Limited

Third Floor, No 1 Grenville Street, St. Helier, Jersey

Channel Islands JE2 4UF

Custodian

Apex Financial Services (Corporate) Limited

IFC 5, St. Helier, Jersey

Channel Islands JE1 1ST

Sub-Custodian

State Street Bank and Trust Company, London Branch

20 Churchill Place, Canary Wharf

London E14 5 HJ

Investment Manager

Brooks Macdonald Asset Management (International) Limited

Third Floor, No 1 Grenville Street, St. Helier, Jersey

Channel Islands JE2 4UF

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

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' or 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 are 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 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. Investments in non-euro denominated securities will 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 part of its assets in bank deposits from time to time. The Fund may invest in securities denominated in currencies other than sterling. Investments in non-sterling denominated securities will 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 (Non-executive Director and Chair)

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 the Manager in 1999 and as Chairman of the 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 64.

Michael Peter Farley (Non-executive Director)

Joined the Board of the Company in 2020. Michael was appointed as a non-executive director and Chair of the Manager on 27 October 2023. He holds a number of other external directorships as an employee and shareholder of the Altair Group. 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 57.

Richard John Hughes

Richard joined the Board of the Company in 2020. He held executive positions at Brooks Macdonald from 2013 to 2024 with his most recent role being Chief Executive Officer - International. Prior to Brooks Macdonald, Richard worked with clients in the asset and wealth management industry in sales and business development roles at BNP Paribas and Vistra Group. In January 2024, Richard joined JTC Group as Group Head of the Commercial Office where he is responsible for commercial development and strategic partnership activities for the JTC Group. Richard is a Chartered Member of the Chartered Institute for Securities & Investment ('CISI') and Member of the Institute of Directors. Aged 40.

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 the international funds managed by the Manager. Prior to joining the JTC Group, Brian worked for Lloyds Banking Group for over 30 years holding a number of managerial positions primarily in Financial Control and Risk Management before being appointed as a Director of the Manager in 1999 and as a Director of the Company in 2004. Previous responsibilities included leading a team of specialists delivering operational functions for the Lloyds Banking Groups range of offshore investment products and services. Brian resigned as a Director of Lloyds Investment Fund Managers Limited on 30 November 2020. Brian is 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 62.

Report of the Directors

The Directors have pleasure in submitting their Interim Report together with the Unaudited Financial Statements for the period ended 28 March 2024. The Company is domiciled and incorporated as a Limited Company in Jersey, Channel Islands under the Companies (Jersey) Law 1991, as amended and is listed on The International Stock Exchange with a secondary listing on the Malta Stock Exchange. Full details of the Company, Investment Objectives and Policy and Directors profiles are stated on pages 2 to 4.

Results

The results for the six month period ended 28 March 2024 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 28 March 2024, 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.

Brooks Macdonald International Fund Managers Limited (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 9.

Directors Remuneration

Directors remuneration is set at a maximum of £25,000 per annum for each Director as disclosed in the Report and Accounts to 28 March 2024 (2023: £25,000 per annum).

Investment Activities

The Report of Brooks Macdonald Asset Management (International) Limited (the 'Investment Manager') is set out on pages 9 to 10.

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.

Strategic options are being considered to maximise the efficiency of the Funds and minimise ongoing operational expenditure. These considerations are at an early stage and, if any are actively pursued, will be subject to Director, Shareholder and regulatory approvals as required in due course.

Assessment of Value

The Company has conducted an assessment of value and it confirms that the payments out of scheme property set out in the prospectus are justified in the context of the overall value delivered to unitholders.

Prospectus

Copies of the Prospectus dated June 2022 or any subsequent updated version 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 Unaudited Performance Records and Change in Net Asset Value per Share Tables are stated on pages 60 to 63.

Report of the Directors continued

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.

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 IFRS, as adopted by the International Accounting Standards Board ('IASB').

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 Investment Management Association ('IMA') where this does not conflict with other reporting requirements.

The Directors are required by the Companies (Jersey) Law 1991, as amended 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
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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, as amended, and the Collective Investment Funds (Recognized Funds) (Rules) (Jersey) Order 2003, as amended.

The Directors 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.

So far as the Directors are aware, there is no relevant audit information of which the Company's Auditors are unaware, and each Director has taken all the steps that he or she ought to have taken as a Director in order to make himself or herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

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.

Report of the Directors continued

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 Umbrella 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, as amended.

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.

Whilst these Funds are not Environmental, Social and Governance standards ('ESG') focused nor sustainable finance funds, we do incorporate ESG issues into investment analysis and decision making processes. ESG factors as well as the industry sector are all incorporated in order to facilitate a judgement of whether to invest in or divest a security.

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	28 March 2024	29 September 2023
	GBP pence	GBP pence
High Income Fund	66.55	63.33
Sterling Bond Fund	129.52	122.62
Euro Denominated Funds	Euro cents	Euro cents
Euro High Income Fund	124.44	120.28

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:

	28 March 2024	29 September 2023
	%	%
Euro High Income Fund	0.48	0.58
High Income Fund	0.61	0.66
Sterling Bond Fund	0.53	0.53

Report of the Directors continued

Significant events

Mr. M.P. Farley was appointed as a non-executive Director of the Manager with effect from 27 October 2023.

Mr. R. J. Hughes resigned as a Director of the Manager, effective 7 December 2023, and as the Chief Executive Officer of Brooks Macdonald Asset Management (International) Limited, effective 22 January 2024.

Mr. M. Hucker resigned as a Director of the Manager with effect from 30 September 2023.

There have been no other significant events subsequent to period end.

Website

The Company's Financial Statements can be found on <https://www.brooksmacdonald.com/international-investment-management/international-funds/international-investment-funds/international-investment-funds-governance-and-reports>.

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

Ross Davey Willcox

29 May 2024

Report of the Investment Manager

General Commentary

In the final quarter of 2023, corporate bonds had a strong quarter while the first three months of 2024 were positive but more muted in terms of performance. Underpinning market moves in the final quarter of last year were the continuing trend lower in both headline and core inflation in most developed economies. Interest rate expectations were lowered in Q1 2024 and fixed income markets traded sideways. The US Federal Reserve (Fed) held rates during these six months at 5.5% as well as the Bank of England (BoE) at 5.25% and the European Central Bank (ECB) at 4%.

Both government and corporate bonds made strong gains during Q4 2023. However, in Q1 2024, bonds traded weakly, driven by a fall in government bond prices after a change in rate cut expectations. Although the year started with more than 6 cuts priced in for the US for 2024, this had more than halved by the end of the first quarter. However, starting yields and a tightening of credit spreads meant that corporate bonds generally finished the quarter with positive returns.

In terms of the economic backdrop, the constructive mindset that characterised the end of 2023 continued in Q1 2024. Global economic growth has been supported by a strong US picture, while corporate earnings have generally continued to prove more resilient than expected - collectively, these have succeeded in pushing back on fears of a meaningful recession. Consumer spending is still being supported by residual pandemic savings alongside tight job markets and above-historic average wage rates. As a result, a so-called 'soft-landing', where interest rates curtail inflation without unduly impacting economic growth, has become the consensus narrative. Supporting the better market sentiment, central banks in Q1 swung behind the rate cut outlook - BoE Governor Bailey confirmed that interest rate cuts are "in play" at future meetings, ECB President Lagarde laid the groundwork for bringing rates down, possibly as soon as June, and the US Fed's 'dot plot' of member forecasts pointed towards a median of three quarter-percentage-point rate cuts by the end of 2024.

The grip of inflation appeared to loosen over the period in the UK. Having unexpectedly edged up from 3.9% in November to 4.0% in December, when it had been forecast to fall, it stayed at 4.0% in January (which was better than had been expected) and then saw a larger-than-forecast reduction to 3.4% in February. This took the level to its lowest point since September 2021. Economic recovery faltered, with Gross Domestic Product (GDP) in the last three months of 2023 falling by 0.3% in real terms (constant prices), after contracting 0.1% in the third quarter, putting the reality of recession front of mind for policymakers. Other economic news was mixed.

Despite the decline in UK inflation, the BoE left interest rates unchanged at 5.25% throughout the period. Although the central bank hinted that it could start making cuts during 2024, its Monetary Policy Committee indicated that it would remain wary until inflation was back under control and nearer its 2% target.

Meanwhile, in the eurozone, annual inflation cooled from 4.3% in September to 2.9% in October and 2.4% in November. However, it picked up to 2.9% in December - slightly higher than forecast -, before easing to 2.8% in January and 2.6% in February. Despite the declining trend, inflation remained above the ECB's 2% target. The eurozone economy registered no growth over the fourth quarter as it narrowly avoided a technical recession, following a 0.1% contraction in the third quarter.

Signs of an improving US economy provided some relief for investors. Third-quarter economic growth of 4.9% (third reading) was higher than predicted and the best growth rate since the last three months of 2021. Real GDP grew by a higher-than-forecast annualised 3.4% in the last three months of 2023. A robust US economy reduced fears of recession; however, the flipside was that investors had to reassess their expectations of the timing and scale of interest rate cuts by the Fed during 2024.

US inflation proved stubborn, with a higher-than-forecast rise in annual consumer prices to 3.4% in December. A fall to 3.1% in January was followed by an unexpected increase to 3.2% in February, with energy prices not falling by as much as hoped.

We are mindful that tail-risks remain, however. Yes, inflation is continuing to moderate, but the inflation path towards central banks' targets, both in terms of the speed of the fall in inflation rates as well as the final 'landing zone' for inflation remains uncertain. Some of the monthly consumer inflation data that landed during the first quarter of 2024 was mixed after a sizeable slowing in the second half of last year. While the gap between central bank expectations and those of the markets narrowed during the quarter, one of the biggest risks for corporate bonds, as well as other assets, is that central banks are forced to revise and moderate their signalling for interest rate cuts later this year, whether in terms of timing of the first cut but also the pace of successive cuts thereafter.

Report of the Investment Manager continued

General Commentary continued

We still see that the rate hiking cycle is at its peak in major economies and are now in a position to earn an attractive yield from corporate bonds. To manage our interest rate sensitivity, we have maintained a short-duration fixed income positioning, with a preference for shorter-dated maturities. We prefer investment grade over high yield however, wary that the yield premium for the latter is not in our view providing sufficient reward for the inherent risk.

Sterling Bond Fund

The Fund's return between 30 September 2023 and 31 March 2024 was 7.60% over the period, net of fees, whilst the benchmark (the Bloomberg Sterling Non-Gilts Index) returned 7.47%, delivering a slight out-performance of 0.13 percentage points.

There were 22 trades over the period, and we ended with 65 issues, down from 69. The fund moved slightly higher in duration to 5.1 years (the benchmark was 5.8 years), 5.56% YTM and 3.36% distribution yield from 5.0 years duration, 6.56% YTM and 3.63% distribution yield.

Utilities and Communications sectors delivered the highest return. Of the trades done over the period, we reduced government bonds, industrial and technology, and increased financial and consumer cyclical. We participated in a number of successful bond tenders and we added some newly issued bonds to the fund.

High Income Fund

The Fund's return between 30 September 2023 and 31 March 2024 was 7.84% over the period, net of fees, whilst the benchmark (the Bloomberg Sterling Non-Gilts Index) returned 7.47%, delivering a slight out-performance of 0.37 percentage points.

There were 38 trades over the period, and we ended with 66 issues, down from 67. The fund retained its duration at 5.0 years (the benchmark was 5.8 years), 5.64% YTM and 4.90% distribution yield moved from 6.58% YTM and 5.29% distribution yield.

Utilities and Financial sectors delivered the highest return. Of the trades done over the period, we reduced utilities, and increased financial, industrial and consumer cyclical. After successful bond tenders, a few bonds were removed from the fund and we executed smaller transactions to retain our relative issuer exposure. We also added a few newly issued bonds to the fund.

Euro High Income Fund

The Fund's return between 30 September 2023 and 31 March 2024 was 5.04% over the period, net of fees, whilst the benchmark (the Bloomberg Euro Aggregate Corporates Index) returned 6.01%, reflecting under-performance of 0.97 percentage points.

There were 14 trades over the period, and we ended with 45 issues, down from 47. The fund moved lower in duration to 3.7 years (the benchmark was 4.5 years), 4.11% YTM and 2.98% distribution yield from 4.01 years duration, 5.06% YTM and 3.07% distribution yield.

Basic materials and energy bond spreads tightened the most in the fund. Of the trades done over the period we reduced utilities, consumer non-cyclical and government, and increased communications and financial. We made switches within existing bond issuers to lengthen duration, exited from government bond and removed some low yielding and low duration bonds.

Brooks Macdonald Asset Management (International) Limited
Investment Manager

29 May 2024

Statements of Financial Position

As at 28 March 2024

	Notes	Company £	Euro High Income Fund €	High Income Fund £	Sterling Bond Fund £
Current Assets					
Cash and cash equivalents		3,394,330	269,620	1,726,633	1,437,259
Creations receivable		19,716	—	19,716	—
Financial assets at fair value through profit or loss		163,982,061	5,467,368	102,337,507	56,971,721
Other accrued income and other debtors	4	3,489,947	78,867	2,127,851	1,154,934
Total Assets		170,886,054	5,815,855	106,211,707	59,563,914
Current Liabilities					
Cancellation payable		263,710	40,773	124,699	104,162
Investment purchases payable		609,628	125,688	—	502,205
Distribution payable	5	937,905	39,686	437,032	466,955
Accrued expenses and other creditors	6	315,855	13,082	165,136	139,537
Nominal shares	14	138,756	—	—	—
Total Liabilities*		2,265,854	219,229	726,867	1,212,859
Net assets attributable to holders of participating redeemable preference shares	17	168,620,200	5,596,626	105,484,840	58,351,055
Equity		1,000	—	—	—
Ordinary share capital		1,000	—	—	—
Total Equity		1,000	—	—	—
Total Liabilities and Equity		170,886,054	5,815,855	106,211,707	59,563,914

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

The Financial Statements on pages 11 to 59 were approved by the Board of Directors on 29 May 2024 and are signed on their behalf by:

Ross Davey Willcox
Director

The notes on pages 29 to 59 form an integral part of these Financial Statements.

Statements of Financial Position continued

As at 29 September 2023

	Notes	Company £	Euro High Income Fund €	High Income Fund £	Sterling Bond Fund £
Current Assets					
Cash and cash equivalents		3,369,317	81,112	2,199,796	1,099,224
Creations receivable		—	—	—	—
Financial assets at fair value through profit or loss		166,378,003	5,890,155	104,951,600	56,321,560
Other accrued income and other debtors	4	4,000,252	106,263	2,471,992	1,361,984
Total Assets		173,747,572	6,077,530	109,623,388	58,782,768
Current Liabilities					
Cancellation payable		116,263	8,868	64,259	44,319
Investment purchases payable		—	—	—	—
Distribution payable	5	1,080,089	46,211	483,515	556,524
Accrued expenses and other creditors	6	350,162	11,756	184,002	155,970
Nominal shares	14	73,179	—	—	—
Total Liabilities*		1,619,693	66,835	731,776	756,813
Net assets attributable to holders of participating redeemable preference shares	17	172,126,879	6,010,695	108,891,612	58,025,955
Equity		1,000	—	—	—
Ordinary share capital		1,000	—	—	—
Total Equity		1,000	—	—	—
Total Liabilities and Equity		173,747,572	6,077,530	109,623,388	58,782,768

* 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 28 March 2024

	Notes	Company £	Euro High Income Fund €	High Income Fund £	Sterling Bond Fund £
Operating Profit					
Net gains on financial assets at fair value through profit or loss	7	8,740,110	224,560	5,445,480	3,101,410
Investment income		5,247,310	109,136	3,479,052	1,674,352
Other income	8	1,673	31	1,148	498
Total operating expenses	9	(1,005,085)	(42,058)	(597,932)	(370,960)
Operating profit		12,984,008	291,669	8,327,748	4,405,300
Finance Costs and distributions					
Distributions to holders of participating redeemable preference shares	5	(3,889,892)	(88,249)	(2,793,295)	(1,020,586)
Total finance costs and distributions		(3,889,892)	(88,249)	(2,793,295)	(1,020,586)
Income before tax		9,094,116	203,420	5,534,453	3,384,714
Withholding tax on dividends and other investment income	18	—	—	—	—
Increase in net assets attributable to holders of participating redeemable preference shares from operations		9,094,116	203,420	5,534,453	3,384,714

For the six month period ended 31 March 2023

	Notes	Company £	Euro High Income Fund €	High Income Fund £	Sterling Bond Fund £
Operating Profit					
Net gains/(losses) 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 and distributions					
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

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 28 March 2024

	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	172,126,877	6,010,695	108,891,611	58,025,955
Creation of participating redeemable preference shares issued	1,162,847	22,451	816,460	327,069
Redemption of participating redeemable preference shares	(13,667,541)	(639,940)	(9,757,684)	(3,386,683)
Net decrease from share transactions	(12,504,694)	(617,489)	(8,941,224)	(3,059,614)
Increase in net assets attributable to holders of participating redeemable preference shares	9,094,116	203,420	5,534,453	3,384,714
Movement in currency translation	(97,099)	—	—	—
Net assets attributable to holders of participating redeemable preference shares as at 28 March 2024	168,619,200	5,596,626	105,484,840	58,351,055

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

The notes on pages 29 to 59 form an integral part of these Financial Statements.

Cash Flow Statements

For the six month period ended 28 March 2024

	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	(21,625,315)	(552,224)	(15,012,689)	(6,137,474)
Due to broker	630,067	125,688	19,716	502,205
Receipts from sale of investments	33,710,334	1,205,636	23,807,478	8,865,485
Due from broker	(124,699)	—	(124,699)	—
Investment income received	4,918,038	130,771	3,198,113	1,607,405
Prepayments	(8,177)	(302)	(5,153)	(2,764)
Bank interest received	1,673	31	1,148	498
Operating expenses paid	(1,039,244)	(40,736)	(616,800)	(387,393)
Net cash inflow from operating activities	16,462,677	868,865	11,267,114	4,447,962
Cash flows from financing activities				
Distributions paid to holders of participating redeemable preference shares issued	(4,031,480)	(94,774)	(2,839,777)	(1,110,156)
Proceeds received from issue of participating redeemable preference shares	1,143,131	22,452	796,744	327,069
Payments on redemption of participating redeemable preference shares	(13,547,257)	(608,035)	(9,697,243)	(3,326,840)
Net cash outflow from financing activities	(16,435,606)	(680,357)	(11,740,276)	(4,109,927)
Net increase/(decrease) in cash and cash equivalents	27,071	188,508	(473,162)	338,035
Cash and cash equivalents at the beginning of the period	3,369,317	81,112	2,199,796	1,099,224
Exchange losses on cash and cash equivalents	(2,058)	—	—	—
Cash and cash equivalents as at 28 March 2024	3,394,330	269,620	1,726,634	1,437,258

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 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/(losses) on cash and cash equivalents	664	—	(4)	2
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.

Investment Portfolios of the Funds

Euro High Income Fund

As at 28 March 2024

	Holding 28.03.24	Market Value 28.03.24 €	% of Total Net Assets	Holding 29.09.23	Market Value 29.09.23 €	% of Total Net Assets
Asia and Middle East 3.57% (4.81%)						
DP WORLD 2.375% 2026	100,000	96,590	1.73	100,000	94,011	1.56
Westpac Bank 3.799% 2030	100,000	103,081	1.84	200,000	195,446	3.25
Australia and New Zealand 5.14% (6.05%)						
APT Pipelines 2% 2027	200,000	190,976	3.41	200,000	183,650	3.06
BHP Billiton Finance 3.125% 2033	100,000	97,091	1.73	200,000	179,506	2.99
Europe 46.11% (49.47%)						
ABN AMRO Bank 4.375% 2010	100,000	103,514	1.85	100,000	99,352	1.65
Allianz Financial 2.241% 2045	200,000	195,454	3.49	200,000	189,882	3.16
ArcelorMittal 4.875% 2026	100,000	102,711	1.84	100,000	101,348	1.69
AXA 3.875% FRN (Perp)	100,000	99,451	1.78	100,000	97,195	1.62
Banco Santander S.A. 5% 2034	100,000	102,102	1.82	—	—	—
Banque Federative Credit Mutuel 1.75% 2029	200,000	183,386	3.28	200,000	173,610	2.89
Bayer Capital 2.125% 2029	—	—	—	100,000	88,137	1.47
Bayer Capital 2.375% 2079	—	—	—	100,000	94,751	1.58
BNP Paribas 4.032% FRN (Perp)	100,000	99,250	1.77	200,000	192,998	3.21
CNP Assurances 4.25% 2045	100,000	100,074	1.79	100,000	98,218	1.63
Commerzbank 4% 2030	100,000	98,914	1.77	100,000	95,910	1.60
Credit Agricole 1.75% 2029	200,000	184,452	3.30	200,000	174,108	2.90
Deutsche Telekom Intl Finance 7.5% 2033	100,000	130,807	2.34	100,000	127,201	2.12
Deutschland 6.5% 2027	—	—	—	150,000	168,936	2.81
EDF 4.625% 2030	150,000	158,340	2.83	150,000	152,487	2.54
Enel SPA 6.375% 2049	100,000	105,732	1.89	100,000	101,226	1.68
Iberdrola 3.25% FRN (Perp)	100,000	99,070	1.77	200,000	195,160	3.25
Innogy Finance 5.75% 2033	100,000	116,700	2.09	100,000	111,489	1.85
Orange 8.125% 2033	125,000	170,886	3.05	125,000	163,750	2.72
Société Générale 4.25% 2030	100,000	101,842	1.82	100,000	95,396	1.59
Total Capital International 2.625% FRN (Perp)	159,000	156,211	2.79	159,000	152,134	2.53
Valeo 3.25% 2024	—	—	—	100,000	99,663	1.66
Veolia Environment 4.625% 2027	100,000	103,727	1.85	100,000	102,193	1.70
Volkswagen Financial Services AG 3% 2025	65,000	64,574	1.15	—	—	—
VW Financial Services 4.25% 2029	100,000	102,919	1.84	100,000	97,598	1.62
United Kingdom 24.62% (21.56%)						
Aviva 3.375% FRN 2045	100,000	98,233	1.76	100,000	95,536	1.59
Barclays PLC 4.918% 2030	120,000	125,394	2.24	—	—	—
British Sky Ltd 2.5% 2026	100,000	98,049	1.75	100,000	95,925	1.60
Channel Link Enterprises Inc 2.706% 2050	100,000	93,002	1.66	100,000	90,936	1.51
HBOS 4.5% FRN 2030	—	—	—	150,000	147,027	2.45
HSBC Holdings 2.5% 2027	200,000	194,788	3.48	200,000	189,036	3.14
Intermediate Capital Group 1.625% 2027	200,000	186,718	3.34	200,000	175,934	2.93

Investment Portfolios of the Funds continued

Euro High Income Fund continued

As at 28 March 2024

	Holding 28.03.24	Market Value 28.03.24 €	% of Total Net Assets	Holding 29.09.23	Market Value 29.09.23 €	% of Total Net Assets
United Kingdom continued						
Lloyds Banking Group PLC 4.375% 2034	150,000	149,100	2.66	—	—	—
NatWest Group PLC 4.067% 2028	140,000	142,349	2.54	140,000	136,615	2.27
Phoenix Group Holdings 4.375% 2029	100,000	98,885	1.77	100,000	91,548	1.52
Santander UK Group Holdings PLC 3.53% 2028	—	—	—	100,000	95,111	1.58
Virgin Media 3.25% 2031	100,000	88,613	1.58	100,000	82,303	1.37
Virgin Money UK 4.625% 2028	100,000	102,818	1.84	100,000	96,434	1.60
United States 18.25% (16.10%)						
AT&T 2.6% 2029	100,000	96,087	1.72	100,000	90,548	1.51
Bank Of America Corporation 3.648% 2029	150,000	150,728	2.69	150,000	145,050	2.41
Fidelity National Info Services 2% 2030	150,000	137,523	2.46	150,000	129,978	2.16
General Motors Financial Co. Inc. 4.3% 2029	140,000	144,077	2.57	140,000	135,437	2.25
International Flavours and Fragrances 1.8% 2026	150,000	143,139	2.56	150,000	135,989	2.26
JP Morgan Chase 2.875% 2028	150,000	148,023	2.64	150,000	142,688	2.37
Vodafone Group 2.875% 2037	100,000	92,207	1.65	100,000	82,131	1.37
Wal-Mart Stores 4.875% 2029	100,000	109,781	1.96	100,000	106,575	1.77

Total value of investments	5,467,368	97.69	5,890,155	97.99
Other assets	348,487	6.23	187,360	3.11
Total assets	5,815,855	103.92	6,077,515	101.10
Liabilities	(219,229)	(3.92)	(66,835)	(1.10)
Total Net Assets	5,596,626	100.00	6,010,680	100.00

	For the six month period ended 28.03.24	For the period ended 29.09.23
Cost of investments purchased	€552,224	€2,402,587
Proceeds from investments sold	€1,205,636	€2,778,386

Investment Portfolios of the Funds

High Income Fund

As at 28 March 2024

	Holding 28.03.24	Market Value 28.03.24 £	% of Total Net Assets	Holding 29.09.23	Market Value 29.09.23 £	% of Total Net Assets
UK Corporate Bonds 65.88% (68.48%)						
Aviva 4.375% FRN 2049	—	—	—	317,000	275,888	0.25
Aviva 5.125% FRN 2050	1,200,000	1,156,164	1.10	1,200,000	1,062,756	0.98
Aviva 6.125% FRN 2036	750,000	763,365	0.72	1,750,000	1,740,043	1.60
Aviva 6.875% FRN 2053	1,000,000	1,059,760	1.00	—	—	—
Barclays Bank 3.25% 2033	3,650,000	3,112,428	2.95	3,850,000	2,970,006	2.73
BHP Billiton Finance 4.3% 2042	500,000	443,525	0.42	500,000	401,835	0.37
Broadgate Financing 4.821% 2036	1,340,000	1,330,566	1.26	1,340,000	1,239,822	1.14
BUPA Finance 5% 2026	1,500,000	1,484,400	1.41	1,500,000	1,436,460	1.32
Burford Capital 5% 2026	2,250,000	2,171,768	2.06	2,250,000	2,083,984	1.91
Circle Anglia Social Housing 7.25% 2038	1,400,000	1,689,254	1.60	1,400,000	1,557,346	1.43
Close Brothers Finance 2.75% 2026	—	—	—	2,000,000	1,798,260	1.65
Close Brothers Group PLC 7.75% 2028	—	—	—	500,000	508,250	0.47
Electricity North Western 8.785% 2026	—	—	—	1,452,000	1,553,538	1.43
Glencore Finance 3.125% 2026	1,500,000	1,438,830	1.36	1,500,000	1,408,755	1.29
Heathrow Funding 6.45% 2033	—	—	—	1,000,000	1,021,550	0.94
Heathrow Funding 7.125% 2024	—	—	—	1,000,000	1,001,750	0.92
Heathrow Funding 6% 2032	1,750,000	1,772,908	1.68	—	—	—
Heathrow Funding 2.625% 2028	1,200,000	1,079,352	1.02	—	—	—
HSBC Holdings 3% 2030	2,740,000	2,464,383	2.34	2,740,000	2,300,394	2.11
HSBC Holdings 6.8% 2031	450,000	485,514	0.46	—	—	—
Integrated Accommodation 6.48% 2029	1,951,000	663,509	0.63	1,951,000	712,577	0.65
Investec 9.125% 2033	2,500,000	2,661,625	2.52	2,500,000	2,547,350	2.34
L&Q Housing Trust 2.625% 2028	1,425,000	1,304,003	1.24	1,425,000	1,250,837	1.15
Lloyds Bank 6.625% 2033	500,000	508,800	0.48	750,000	729,338	0.67
Lloyds Bank 8.5% 2049	2,500,000	2,554,175	2.42	2,500,000	2,311,800	2.12
Natwest Markets 6.375% 2027	1,800,000	1,881,540	1.78	2,200,000	2,224,838	2.04
Natwest Markets 7.416% 2033	1,000,000	1,046,570	0.99	1,000,000	993,960	0.91
Next Group 3.625% 2028	3,000,000	2,872,290	2.72	3,000,000	2,715,360	2.49
NGG Finance 5.625% FRN 2073	2,590,000	2,567,389	2.43	2,590,000	2,479,200	2.28
Notting Hill 5.25% 2042	3,000,000	2,961,630	2.81	3,000,000	2,696,640	2.48
Paragon Banking Group 4.375% 2031	750,000	695,888	0.66	1,500,000	1,234,395	1.13
Pension Insurance Corporation 4.625% 2031	1,000,000	901,120	0.85	1,000,000	827,400	0.76
Pension Insurance Corporation 5.625% 2030	865,000	838,522	0.79	865,000	768,994	0.71
Pension Insurance Corporation 8% 2026	—	—	—	1,400,000	1,434,062	1.32
Pension Insurance Corporation 6.5% 2024	1,200,000	1,312,056	1.24	—	—	—
Phoenix Group Holdings 5.625% 2031	500,000	482,680	0.46	500,000	440,590	0.40
Phoenix Group Holdings 5.867% 2043	1,500,000	1,485,480	1.41	1,500,000	1,389,240	1.28
Phoenix Group Holdings 6.625% 2025	484,000	491,057	0.47	1,500,000	1,497,015	1.37
Prudential 5% FRN 2055	1,900,000	1,761,585	1.67	1,900,000	1,617,679	1.49
Prudential 5.78% 2029	2,600,000	2,707,978	2.57	2,600,000	2,615,860	2.40
RL Finance Bonds 6.125% 2028	2,900,000	2,964,409	2.81	3,100,000	2,973,179	2.73
Santander UK 10.0625% (Perp)	500,000	664,520	0.63	500,000	671,660	0.62

Investment Portfolios of the Funds continued

High Income Fund continued

As at 28 March 2024

	Holding 28.03.24	Market Value 28.03.24 £	% of Total Net Assets	Holding 29.09.23	Market Value 29.09.23 £	% of Total Net Assets
UK Corporate Bonds continued						
Santander UK 7.098% 2027	1,850,000	1,912,419	1.81	1,850,000	1,867,557	1.72
Scottish Power 7% FRN 2043	—	—	—	2,500,000	2,384,550	2.19
Southern Gas Networks 4.875% 2029	—	—	—	2,550,000	2,452,208	2.25
Standard Chartered 5.125% 2034	762,000	729,600	0.69	762,000	665,371	0.61
Tesco Property Finance 5.744% 2040	574,000	525,105	0.50	574,000	482,955	0.44
TP ICAP Plc 0.625% 2028	1,800,000	1,554,048	1.47	2,000,000	1,540,900	1.42
TP ICAP Plc 5.25% 2026	1,500,000	1,471,890	1.40	1,500,000	1,418,400	1.30
Unite (USAF) 3.921% 2030	1,516,000	1,482,512	1.41	1,516,000	1,454,056	1.34
Unite Group 3.5% 2028	837,000	788,948	0.75	837,000	739,523	0.68
Virgin Media 5% 2027	—	—	—	2,180,000	2,028,403	1.86
Virgin Media 4.25% 2030	2,200,000	1,902,780	1.80	—	—	—
Virgin Money UK PLC 4% 2026	3,050,000	2,979,942	2.82	3,250,000	3,043,040	2.79
Yorkshire Building Society 3.375% 2028	1,700,000	1,557,115	1.48	—	—	—
Yorkshire Building Society 7.375% 2027	800,000	830,648	0.79	—	—	—
Overseas Borrowers 31.14% (27.91%)						
AXA 5.453% FRN (Perp)	—	—	—	2,123,000	2,057,102	1.89
Bank of America 7% 2028	2,800,000	3,037,720	2.88	3,000,000	3,164,730	2.91
Berkshire Hathaway 2.375% 2039	449,000	327,959	0.31	449,000	300,817	0.28
BNP Paribas 5.75% 2032	800,000	831,664	0.79	800,000	773,520	0.71
Citigroup 6.8% 2038	—	—	—	1,200,000	1,307,556	1.20
Comcast Corporation 5.5% 2029	2,800,000	2,933,420	2.78	3,000,000	3,018,180	2.77
Cooperatieve Rabobank 4.625% 2029	1,500,000	1,441,305	1.37	1,500,000	1,364,100	1.25
Cooperatieve Rabobank 5.25% 2027	936,000	940,717	0.89	936,000	903,081	0.83
CPUK Finance Ltd 3.69% 2028	840,000	778,596	0.74	840,000	736,478	0.68
Credit Agricole SA 6.375% 2031	1,600,000	1,706,816	1.62	—	—	—
E.ON International Finance 6.75% 2039	500,000	565,070	0.54	500,000	519,960	0.48
EDF 5.125% 2050	3,000,000	2,613,810	2.48	3,000,000	2,355,690	2.16
Enel SPA 5.75% 2037	1,300,000	1,349,296	1.28	1,300,000	1,239,589	1.14
Equinor ASA 6.875% 2031	2,473,000	2,821,223	2.67	2,673,000	2,911,913	2.67
General Motors Financial 5.15% 2026	2,000,000	1,992,600	1.89	2,000,000	1,948,440	1.79
General Motors Financial 5.5% 2030	500,000	502,725	0.48	—	—	—
Goldman Sachs 7.25% 2028	1,077,000	1,165,432	1.10	1,077,000	1,128,621	1.04
Innogy Finance 6.125% 2039	1,450,000	1,549,804	1.47	1,450,000	1,425,597	1.31
Metropolitan Life Global Funding 3.5% 2026	3,050,000	2,964,478	2.81	3,250,000	3,069,203	2.82
Orsted AS 2.5% 2033	2,900,000	2,366,023	2.24	2,900,000	2,157,450	1.98
Societe Generale 5.75% 2032	2,900,000	2,934,799	2.80	—	—	—

Investment Portfolios of the Funds continued

High Income Fund continued

As at 28 March 2024

	Market Value 28.03.24 £	% of Total Net Assets	Market Value 29.09.23 £	% of Total Net Assets
Total value of investments	102,337,507	97.02	104,951,600	96.39
Other assets	3,874,200	3.67	4,671,788	4.28
Total assets	106,211,707	100.69	109,623,388	100.67
Liabilities	(726,867)	(0.69)	(731,776)	(0.67)
Total Net Assets	105,484,840	100.00	108,891,612	100.00

	For the six month period ended 28.03.24	For the period ended 29.09.23
Cost of investments purchased	£14,992,973	£31,646,858
Proceeds from investments sold	£23,682,779	£41,334,187

Investment Portfolios of the Funds

Sterling Bond Fund

As at 28 March 2024

	Holding 28.03.24	Market Value 28.03.24 £	% of Total Net Assets	Holding 29.09.23	Market Value 30.09.23 £	% of Total Net Assets
UK Corporate Bonds 65.12% (66.38%)						
Aspire Defence Finance B 4.674% 2040	693,000	536,948	0.92	693,000	511,041	0.88
Aviva 4.375% FRN 2049	948,000	890,125	1.53	948,000	825,054	1.42
Aviva 6.125% 2036	450,000	458,019	0.78	950,000	944,595	1.63
Aviva 6.875% 2053	500,000	529,880	0.91	—	—	—
Barclays Bank 3.25% 2033	1,967,000	1,677,300	2.87	1,967,000	1,517,403	2.62
BG Energy Capital 5.00% 2036	197,000	198,824	0.34	197,000	183,052	0.32
BUPA Finance 5% 2026	1,100,000	1,088,560	1.87	1,100,000	1,053,404	1.82
Circle Anglia Social Housing 7.25% 2038	179,000	215,983	0.37	179,000	199,118	0.34
Close Brothers Finance 2.75% 2026	—	—	—	1,000,000	899,130	1.55
Close Brothers Group PLC 7.75% 2028	—	—	—	250,000	254,125	0.44
CYBG Plc 3.375% 2026	500,000	487,560	0.84	500,000	469,615	0.81
CYBG Plc 4% 2026	1,350,000	1,318,991	2.26	1,350,000	1,264,032	2.18
Glencore Finance 3.125% 2026	1,500,000	1,438,830	2.47	1,500,000	1,408,755	2.43
Heathrow Funding 6.45% 2033	—	—	—	467,000	477,064	0.82
Heathrow Funding 7.125% 2024	—	—	—	1,000,000	1,001,750	1.73
Heathrow Funding 6% 2032	1,100,000	1,114,399	1.91	—	—	—
HSBC Holdings 3% 2030	1,000,000	899,410	1.54	1,000,000	839,560	1.45
HSBC Holdings 6.8% 2031	550,000	593,406	1.02	—	—	—
Hutchison Whampoa Finance UK 5.625% 2026	—	—	—	500,000	501,105	0.86
Investec 2.625% 2032	1,500,000	1,327,650	2.28	1,500,000	1,231,395	2.12
Investec 9.125% 2033	1,350,000	1,437,278	2.46	1,500,000	1,528,410	2.63
Lloyds Bank 6.625% 2033	1,500,000	1,526,400	2.62	1,500,000	1,458,675	2.51
National Grid Gas 2.625% 2038	100,000	71,449	0.12	100,000	62,628	0.11
Natwest Markets 6.375% 2027	1,500,000	1,567,950	2.69	1,500,000	1,516,935	2.61
Next Group 3.625% 2028	2,000,000	1,914,860	3.28	2,000,000	1,810,240	3.12
Notting Hill 5.25% 2042	1,100,000	1,085,931	1.86	1,100,000	988,768	1.70
Pension Insurance Corp 5.625% 2030	800,000	775,512	1.33	800,000	711,208	1.23
Pension Insurance Corp 8% 2026	—	—	—	1,000,000	1,024,330	1.77
Pension Insurance Corp 6.5% 2024	1,000,000	1,093,380	1.87	—	—	—
Phoenix Group Holdings 6.625% 2025	346,000	351,045	0.60	1,073,000	1,070,865	1.85
Prudential 5% FRN 2055	467,000	432,979	0.74	467,000	397,608	0.69
Prudential 5.625% 2051	1,362,000	1,317,204	2.26	1,362,000	1,213,515	2.09
Quadgas Finance 3.375% 2029	700,000	622,804	1.07	700,000	574,322	0.99
RL Finance Bonds 6.125% 2028	1,700,000	1,737,757	2.98	1,700,000	1,630,453	2.81
Santander UK 3.875% 2029	422,000	399,604	0.68	422,000	382,543	0.66
Santander UK 7.098% 2027	1,100,000	1,137,114	1.95	1,100,000	1,110,439	1.91
Scottish Power 7% FRN 2043	1,500,000	1,688,160	2.89	1,500,000	1,430,730	2.47
Stagecoach Group 4% 2025	538,000	521,634	0.89	538,000	508,050	0.88
Tesco Property Finance 5.744% 2040	813,000	743,747	1.27	813,000	684,046	1.18
THFC Funding No.1 5.125% 2037	387,000	392,464	0.67	387,000	364,748	0.63
THFC Funding No.2 6.35% 2041	247,000	277,700	0.48	247,000	257,715	0.44
TP ICAP Plc 0.625% 2028	1,000,000	863,360	1.48	1,000,000	770,450	1.33

Investment Portfolios of the Funds continued

Sterling Bond Fund continued

As at 28 March 2024

	Holding 28.03.24	Market Value 28.03.24 £	% of Total Net Assets	Holding 29.09.23	Market Value 29.09.23 £	% of Total Net Assets
UK Corporate Bonds continued						
TP ICAP Plc 5.25% 2026	1,750,000	1,717,205	2.94	1,750,000	1,654,800	2.85
UK Treasury 4.5% 2042	—	—	—	750,000	718,740	1.24
Unite Group 3.5% 2028	414,000	390,232	0.67	414,000	365,786	0.63
Whitbread Group Plc 3.375% 2025	2,500,000	2,422,050	4.15	2,500,000	2,361,325	4.07
Yorkshire Building Society 3.5% 2026	—	—	—	346,000	325,932	0.56
Yorkshire Building Society 3.375% 2028	800,000	732,760	1.26	—	—	—
Overseas Borrowers 32.52% (30.71%)						
Abertis 3.375% 2026	400,000	380,660	0.65	400,000	369,044	0.64
America Movil 4.948% 2033	405,000	407,807	0.70	405,000	381,243	0.66
APT Pipelines 3.5% 2030	484,000	436,829	0.75	484,000	407,383	0.70
AT & T Inc. 4.375% 2029	1,000,000	974,660	1.67	1,000,000	920,440	1.59
AT&T 7% 2040	250,000	286,940	0.49	250,000	259,713	0.45
AXA 5.453% FRN (Perp)	—	—	—	996,000	965,084	1.66
BNP Paribas 5.75% 2032	400,000	415,832	0.71	400,000	386,760	0.67
Cooperatieve Rabobank 4.625% 2029	1,857,000	1,784,336	3.06	1,857,000	1,688,756	2.91
CPUK Finance Ltd 3.69% 2028	420,000	389,298	0.67	420,000	368,239	0.63
Digital Stout Holding 3.75% 2030	340,000	312,637	0.54	340,000	286,321	0.49
Digital Stout Holding 4.25% 2025	—	—	—	600,000	587,346	1.01
E.ON International Finance 6.75% 2039	650,000	734,591	1.26	650,000	675,948	1.17
EDF 5.125% 2050	1,000,000	871,270	1.49	1,000,000	785,230	1.35
EDF 5.5% 2037	200,000	193,554	0.33	200,000	178,042	0.31
EDF 6.25% 2028	300,000	314,538	0.54	300,000	303,804	0.52
European Investment Bank 5% 2039	1,294,000	1,385,305	2.37	1,294,000	1,299,681	2.24
Fidelity National Info Services 3.36% 2031	—	—	—	630,000	531,556	0.92
Gatwick Funding 4.625% FRN 2036	312,000	295,935	0.51	312,000	272,769	0.47
General Motors Financial 5.15% 2026	1,000,000	996,300	1.71	1,000,000	974,220	1.68
General Motors Financial 5.5% 2030	500,000	502,725	0.86	—	—	—
Innogy Finance 6.125% 2039	350,000	374,091	0.64	350,000	344,110	0.59
Metropolitan Life Global Funding 3.5% 2026	1,750,000	1,700,930	2.91	1,750,000	1,652,648	2.85
Orsted AS 2.5% 2033	1,100,000	897,457	1.54	1,100,000	818,345	1.41
Societe Generale 5.75% 2032	1,700,000	1,720,400	2.95	—	—	—
Vicinity Centres 3.375% 2026	468,000	450,548	0.77	468,000	439,606	0.76
Vinci SA 2.75% 2034	2,200,000	1,865,006	3.20	2,200,000	1,724,712	2.97
VW Financial Services 1.375% 2028	1,500,000	1,283,608	2.20	1,500,000	1,197,101	2.07

Investment Portfolios of the Funds

Sterling Bond Fund continued

As at 28 March 2024

	Market Value 28.03.24 £	% of Total Net Assets	Market Value 29.09.23 £	% of Total Net Assets
Total value of investments	56,971,721	97.64	56,321,560	97.09
Other assets	2,592,193	4.44	2,461,208	4.22
Total assets	59,563,914	102.08	58,782,768	101.31
Liabilities	(1,212,859)	(2.08)	(756,813)	(1.31)
Total Net Assets	58,351,055	100.00	58,025,955	100.00

	For the six month period ended 28.03.24	For the period ended 29.09.23
Cost of investments purchased	£6,137,474	£17,508,034
Proceeds from investments sold	£8,865,485	£23,977,225

Investments Purchased and Sold

For the six month period ended 28 March 2024

No new investments were introduced and subsequently fully sold in the 6-month period ending on March 28, 2024.

Investment Portfolios of the Funds continued

Investment Dealing for the six month period ended 28 March 2024

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

Bank of America
Bridport
Goldman Sachs
Jane Street Capital
Morgan Stanley

High Income Fund

Bank of America
Banco Santander
Bridport
Goldman Sachs
HSBC Holdings plc.
Jane Street Capital
JP Morgan
Morgan Stanley
MUFG Bank (Europe) N.V
Tender
UBS

Sterling Bond Fund

Bank of America
Bridport
Goldman Sachs
HSBC Holdings plc.
JP Morgan
Morgan Stanley
MUFG Bank (Europe) N.V
Tender
UBS

Investment Portfolios of the Funds continued

Summary of Material Portfolio Changes for the six month period ended 28 March 2024

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 €
Lloyds Banking Group PLC 4.375% 2034	148,980	Deutschland 5.5% 2031	279,845
Barclays PLC 4.918% 2030	125,688	Deutschland 6.25% 2024	149,550
Deutschland 6.5% 2027	113,615	NN Group 4.375 (Perp)	100,000
Banco Santander S.A. 5% 2034	99,350	Société Générale 2.625% 2025	99,444
Volkswagen Financial Services AG 3% 2025	64,591	ENI SPA 3.625% 2029	99,266
		Verizon Communications 3.25% 2026	98,950
		British Sky Ltd 2.5% 2026	98,012
		Volkswagen Financial Services AG 3% 2025	96,263
		Kennedy-Wilson Holdings 3.25% 2025	95,375
		Lloyds Bank 2.375% 2026	88,931

Investment Portfolios of the Funds continued

Summary of Material Portfolio Changes for the six month period ended 28 March 2024 continued

High Income Fund

Purchases	Cost £	Sales	Proceeds £
Societe Generale 5.75% 2032	2,882,139	Scottish Power 7% FRN 2043	2,707,050
Virgin Media 4.25% 2030	1,836,340	Southern Gas Networks 4.875% 2029	2,539,035
Heathrow Funding 6% 2032	1,738,100	AXA 5.453% FRN (Perp)	2,144,718
Credit Agricole SA 6.375% 2031	1,705,792	Virgin Media 5% 2027	2,049,200
Yorkshire Building Society 3.375% 2028	1,536,375	Close Brothers Finance 2.75% 2026	1,807,000
Pension Insurance Corporation 6.5% 2024	1,430,800	Electricity North Western 8.785% 2026	1,562,773
Heathrow Funding 2.625% 2028	1,070,808	Pension Insurance Corp 8% 2026	1,459,710
Aviva 6.875% 2053	991,400	Citigroup 6.8% 2038	1,366,512
Yorkshire Building Society 7.375% 2027	821,352	Heathrow Funding 6.45% 2033	1,034,100
General Motors Financial 5.5% 2030	495,865	Phoenix Group Holdings 6.625% 2025	1,031,636
HSBC Holdings 6.8% 2031	484,002	Aviva 6.125% 2036	1,004,700
		Heathrow Funding 7.125% 2024	1,000,000
		Paragon Banking Group 4.375% 2031	667,500
		Close Brothers Group PLC 7.75% 2028	503,215
		Natwest Markets 6.375% 2027	414,208
		Aviva 4.375% FRN 2049	292,201
		Lloyds Bank 6.625% 2033	252,200
		Equinor ASA 6.875% 2031	227,638
		Bank of America 7% 2028	216,150
		Pension Insurance Corporation 6.5% 2024	211,856

Investment Portfolios of the Funds continued

Summary of Material Portfolio Changes for the six month period end 28 March 2024 continued

Sterling Bond Fund

Purchases	Cost £	Sales	Proceeds £
Societe Generale 5.75% 2032	1,688,997	Pension Insurance Corp 8% 2026	1,042,650
Heathrow Funding 6% 2032	1,114,014	AXA 5.453% FRN (Perp)	1,006,189
Pension Insurance Corporation 8% 2033	1,022,000	Heathrow Funding 7.125% 2024	1,000,000
Yorkshire Building Society 3.375% 2028	723,000	Close Brothers Finance 2.75% 2026	903,500
HSBC Holdings 6.8% 2031	591,558	UK Treasury 4.5% 2042	753,555
General Motors Financial 5.5% 2030	502,205	Phoenix Group Holdings 6.625% 2025	738,189
Aviva 6.875% 2053	495,700	Digital Stout Holding 4.25% 2025	591,684
		Fidelity National Info Services 3.36% 2031	579,821
		Hutchison Whampoa Finance UK 5.625% 2026	508,750
		Aviva 6.125% 2036	502,350
		Heathrow Funding 6.45% 2033	482,925
		Yorkshire Building Society 3.5% 2026	330,081
		Close Brothers Group PLC 7.75% 2028	251,608
		Investec 9.125% 2033	156,780
		Aspire Defence Finance B 4.674% 2040	8,898
		Tesco Property Finance 5.744% 2040	8,507

Notes to the Financial Statements

For the six month period ended 28 March 2024

1. The Company

The Company is domiciled and incorporated as a limited company in Jersey, Channel Islands under the Companies (Jersey) Law 1991, as amended, and is listed on The International Stock Exchange with 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 8.

2. Basis of Preparation

2.1 Basis of preparation

The Financial Statements of the Company and the Funds have been prepared in accordance with IFRS as issued by the 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 where this does not conflict with other reporting requirements.

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

The Financial Statements have 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, as amended, 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. These Financial Statements 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 of the funds, 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 Company's interim accounting date is the last dealing day of March. The dealing day is defined as any business day in Jersey other than Saturdays, Sundays, Bank Holidays and the last business day before Christmas. The Interim Report together with the Unaudited Financial Statements are presented for the financial six month period ending 28 March 2024 (2023: 31 March 2023).

The comparative data is not entirely comparable since the financial information for the current period covers the period from 30 September 2023 to 28 March 2024 on the Statements of Financial Position and related notes, and covers from 1 October 2022 to 31 March 2023 on the Statements of Comprehensive Income and related notes.

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.

Notes to the Financial Statements continued

For the six month period ended 28 March 2024

2. Basis of Preparation continued

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. Strategic options are being considered to maximise the efficiency of the Funds and minimise ongoing operational expenditure. These considerations are at an early stage and, if any are actively pursued, will be subject to Director, Shareholder and regulatory approvals as required in due course.

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 periods 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

The Company has adopted the amendments to IAS 1 for the first time in the current period. The amendments change the requirements in IAS 1 with regard to disclosure of accounting policies. The amendments replace all instances of the term 'significant accounting policies' with 'material accounting policy information'. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The supporting paragraphs in IAS 1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material. The IASB has also developed guidance and examples to explain and demonstrate the application of the 'four-step materiality process' described in IFRS Practice Statement 2.

The Company has adopted the amendments to IAS 8 for the first time in the current year. The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". The definition of a change in accounting estimates was deleted.

The impact of the adoption of these amendments do not have a material impact on these financial statements.

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 2024, 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 2024).

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.

Notes to the Financial Statements continued

For the six month period ended 28 March 2024

3. Summary of Significant Accounting Policies continued

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.

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, and these are collective investment vehicles for our purposes.

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 28 March 2024 used for the conversion of statement of financial position items was 1.1700 (2023: 1.1538) and the average rate for the period used for the conversion of the statement of comprehensive income was 1.1622 (2023: 1.1382).

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. Under the business model derivatives are also measured at fair value through profit or 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).

Notes to the Financial Statements continued

For the six month period ended 28 March 2024

3. Summary of Significant Accounting Policies continued

(c) Measurement continued

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.

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 ('EIR'). 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 EIR 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 traded derivatives and 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.

A sinkable bond is a type of debt that is backed by a fund set aside by the issuer. The issuer reduces the cost of borrowing over time by buying and retiring a portion of the bonds periodically on the open market, drawing upon the fund to pay for the transactions. A sinking factor adjustment is applied on certain securities and fair valued based on quoted market prices.

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.

Notes to the Financial Statements continued

For the six month period ended 28 March 2024

3. Summary of Significant Accounting Policies continued

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.

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, as amended 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. Nominal Shares will only be issue to the Manager. Nominal Shares carry no right to dividends, each holder of the Nominal Shares is entitled, on a poll, to one vote irrespective of the shares held.

- (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. Any dividend unclaimed after a period of ten years from the date of declaration of such dividend will be forfeited by the shareholder and will revert to that 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 EIR.

As at 28 March 2024 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 28 March 2024

4. Other Accrued Income and Other Debtors

	Company £	Euro High Income Fund €	High Income Fund £	Sterling Bond Fund £
Period ended 28 March 2024				
Accrued income	3,321,951	78,484	2,116,321	1,138,552
Founders shares	1,000	—	—	—
Nominal shares	138,756	—	—	—
Prepayments	10,391	367	6,557	3,520
Distributions unclaimed over 10 years old	17,849	16	4,973	12,862
Total other accrued income and other debtors	3,489,947	78,867	2,127,851	1,154,934
Period ended 29 September 2023				
Accrued income	3,906,005	106,183	2,465,614	1,348,366
Founders shares	1,000	—	—	—
Nominal shares	73,179	—	—	—
Prepayments	2,219	64	1,405	756
Distributions unclaimed over 10 years old	17,849	16	4,973	12,862
Total other accrued income and other debtors	4,000,252	106,263	2,471,992	1,361,984

Notes to the Financial Statements continued

For the six month period ended 28 March 2024

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 28 March 2024				
31 October 2023	480,851	—	480,851	—
30 November 2023	475,578	—	475,578	—
29 December 2023	1,052,196	46,437	473,790	538,141
31 January 2024	459,776	—	459,776	—
29 February 2024	440,463	—	440,463	—
28 March 2024	937,905	39,686	437,032	466,955
Total distributions	3,846,769	86,123	2,767,490	1,005,096
Income paid on cancellation of shares	47,345	2,224	28,592	16,839
Income received on creation of shares	(4,222)	(98)	(2,787)	(1,349)
Net distributions for the period	3,889,892	88,249	2,793,295	1,020,586
Fees charged to capital	(808,847)	(27,707)	(489,256)	(295,751)
Net distributions after taxation	3,081,045	60,542	2,304,039	724,835

Notes to the Financial Statements continued

For the six month period ended 28 March 2024

5. Distributions continued

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

Notes to the Financial Statements continued

For the six month period ended 28 March 2024

6. Accrued Expenses and Other Creditors

	Company £	Euro High Income Fund €	High Income Fund £	Sterling Bond Fund £
Period ended 28 March 2024				
Due to Manager	177,972	5,746	91,555	81,506
Due to Custodian	22,838	2,313	12,952	7,909
Other Creditors	115,045	5,023	60,629	50,122
Total accrued expenses and other creditors	315,855	13,082	165,136	139,537

	Company £	Euro High Income Fund €	High Income Fund £	Sterling Bond Fund £
Period ended 29 September 2023				
Due to Manager	189,932	6,263	98,686	85,818
Due to Custodian	17,988	1,261	10,326	6,569
Other Creditors	142,242	4,232	74,990	63,583
Total accrued expenses and other creditors	350,162	11,756	184,002	155,970

Notes to the Financial Statements continued

For the six month period ended 28 March 2024

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

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

	Company £	Euro High Income Fund €	High Income Fund £	Sterling Bond Fund £
Period ended 28 March 2024				
Proceeds from sales of investments during the period	33,585,634	1,205,636	23,682,779	8,865,484
Original cost of investments sold during the period	(36,861,633)	(1,290,874)	(25,761,942)	(9,988,979)
Foreign exchange gains/(losses) realised during the period	—	—	—	—
Realised losses during the period	(3,275,999)	(85,238)	(2,079,163)	(1,123,495)
Realised gains on investments sold during the period	307,656	5,533	294,773	8,122
Realised losses on investments sold during the period	(3,583,655)	(90,770)	(2,373,936)	(1,131,617)
Movement in unrealised gains for the period	1,101,704	55,274	677,130	377,013
Movement in unrealised losses for the period	10,914,405	254,524	6,847,513	3,847,892
Net gains/(losses) on investments	8,740,110	224,560	5,445,480	3,101,410
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

Notes to the Financial Statements continued

For the six month period ended 28 March 2024

8. Other Income

	Company £	Euro High Income Fund €	High Income Fund £	Sterling Bond Fund £
Period ended 28 March 2024				
Bank interest	1,673	31	1,148	498
Total other income	1,673	31	1,148	498
Period ended 31 March 2023				
Bank interest	5,298	—	2,565	2,733
Total other income	5,298	—	2,565	2,733

Notes to the Financial Statements continued

For the six month period ended 28 March 2024

9. Operating Expenses

	Notes	Company £	Euro High Income Fund €	High Income Fund £	Sterling Bond Fund £
Period ended 28 March 2024					
Payable to the Manager:					
Annual management fees	10	743,882	25,705	468,218	253,545
Registrar fees	10	64,897	1,921	21,038	42,206
Payable to the Custodian:					
Custodian fees	11	37,113	1,469	22,008	13,841
Safe custody fees	11	17,656	2,214	10,061	5,690
Other expenses:					
Administration expenses		71,238	8,341	32,879	31,190
Audit fee		42,270	1,409	26,393	14,655
Broker commission, dealing charges and stamp duty		1,203	81	435	698
Directors fee		19,603	677	12,337	6,683
Directors insurance		7,223	241	4,563	2,452
Total expenses		1,005,085	42,058	597,932	370,960
Total Expense Ratio *			1.42%	1.11%	1.27%
Total Cost Ratio **			0.00%	0.00%	0.00%

* 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 28 March 2024

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 28 March 2024				
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	186	23	82	84
As a percentage of purchase cost	0.00%	0.00%	0.00%	0.00%
Cost of investments purchased before transaction costs	21,605,599	552,224	14,992,973	6,137,474
Cost of investments purchased after transaction costs	21,605,785	552,247	14,993,055	6,137,558
Sale Transaction costs by asset class				
Treasury Gilts				
Deal charges	13	—	—	13
As a percentage of sale proceeds	0.00%	0.00%	0.00%	0.00%
Bonds				
Deal charges	434	23	218	196
As a percentage of sale proceeds	0.00%	0.00%	0.00%	0.00%
Proceeds from investments sold before transaction costs	33,585,635	1,205,636	23,682,779	8,865,485
Proceeds from investments sold after transaction costs	33,586,069	1,205,659	23,682,997	8,865,681

Notes to the Financial Statements continued

For the six month period ended 28 March 2024

9. Operating Expenses continued

	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 *		142,432	10,404	73,502	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		1,152,511	47,892	683,454	427,151
Total Expense Ratio *			1.45%	1.13%	1.31%
Total Cost Ratio **			0.00%	0.00%	0.00%

* 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 year.

** 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 year.

Notes to the Financial Statements continued

For the six month period ended 28 March 2024

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	—	—	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	13	—	—	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 28 March 2024

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.

(a) Management and Registrar fees

The Manager of the Company is part of the Brooks Macdonald Group. 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 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 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

Mr. M.P. Farley was appointed as a non-executive director of the Manager with effect from 27 October 2023.

Mr. R. J. Hughes resigned as a Director of the Manager, effective 7 December 2023, and as the Chief Executive Officer of Brooks Macdonald Asset Management (International) Limited, effective 22 January 2024.

Mr. M. Hucker resigned as a Director of the Manager with effect from 30 September 2023.

(d) Directors' fees

All non-executive Directors are entitled to receive a maximum fee of £25,000 per annum for each Director. Directors fees expense for the period ended 28 March 2024 was £19,603 (period ended 31 March 2023: £18,114). Directors fees outstanding at period end was £9,809 (period ended 29 September 2023: £9,850).

Directors who are employees of the Brooks Macdonald and JTC Groups do not receive any remuneration from the Company.

11. Custodian

The fees received by the Custodian are set out in Note 9. Details of amounts due to the Custodian at the period/year 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 tables on the next page by reference to the net asset value of each Fund calculated on a mid-market basis and subject to a minimum overall fee of £60,000 per annum for the Company as a whole to be apportioned between the sub funds..

The Custodian shall charge an annual fixed fee of £350 per sub fund to cover general disbursements incurred in the normal course of business. The Custodian shall also be entitled to recover all other out of pocket expenses reasonably incurred in the performance of its duties.

Minimum fees, fixed fees and time spent fees are subject to an increase of either 6.5% per annum, or annual increase in Jersey inflation rate + 3% per annum at 1st January each year.

Notes to the Financial Statements continued

For the six month period ended 28 March 2024

11. Custodian continued

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 £50M	£50M to £100M	£100M Plus
High Income Fund	0.050%	0.035%	0.025%
Sterling Bond Fund	0.050%	0.035%	0.025%
Euro High Income Fund	0.050%	0.035%	0.025%

12. Controlling Party

The Manager is owned by the Investment Manager. The ultimate holding company of both the Manager and the Investment Manager is Brooks Macdonald Group plc, a company incorporated in England.

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 28 March 2024

14. Share Capital

Company	28 March 2024 £	29 September 2023 £
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	73,179	145,192
Creations	182,419	242,479
Redemptions	(116,842)	(314,492)
Balance carried forward	138,756	73,179
Participating Shares:		
Balance brought forward	2,254,830	2,461,124
Creations	15,405	36,185
Redemptions	(182,419)	(242,479)
Balance carried forward	2,087,816	2,254,830

Participating Shares of the Fund

	Shares	£	Shares	£
High Income Fund	158,920,668	1,589,207	172,683,913	1,726,839
Sterling Bond Fund	45,335,415	453,354	47,770,327	477,703
Total Sterling Funds	204,256,083	2,042,561	220,454,240	2,204,542

Participating Shares of the Fund

	Shares	€	Shares	€
Euro High Income Fund	4,525,170	86,979	5,028,417	92,854

	Shares	£	Shares	£
Total Company (Sterling equivalent)	208,781,253	2,087,816	225,482,656	2,254,830

Notes to the Financial Statements continued

For the six month period ended 28 March 2024

15. Share Premium

	28 March 2024 £	29 September 2023 £
Participating Shares of the Fund		
High Income Fund	198,536,591	207,340,182
Sterling Bond Fund	67,424,032	70,459,299
Total Sterling Funds	265,960,623	277,799,481
Participating Shares of the Fund	€	€
Euro High Income Fund	8,986,836	9,598,449
Total Company (Sterling equivalent)	270,457,695	282,822,805
Balance brought forward	282,822,805	299,314,912
Premium on creations	1,147,443	2,527,255
Premium on redemptions	(13,512,553)	(19,019,362)
Balance carried forward	270,457,695	282,822,805

Notes to the Financial Statements continued

For the six month period ended 28 March 2024

16. Capital Reserves

	Notes	Company £	Euro High Income Fund €	High Income Fund £	Sterling Bond Fund £
Net realised gains/(losses) on investments brought forward as at 29 September 2023		891,533	(436,092)	146,340	1,190,700
Net realised losses for the period	7	(3,275,999)	(85,238)	(2,079,163)	(1,123,495)
Net realised (losses)/gains on investments carried forward as at 28 March 2024		(2,384,466)	(521,330)	(1,932,823)	67,205
Net unrealised losses on investment carried forward as at 29 September 2023		(31,561,395)	(53,644)	(21,297,550)	(10,210,451)
Net unrealised gains for the period	7	12,016,109	309,798	7,524,643	4,224,905
Net unrealised (losses)/gains on investment carried forward as at 28 March 2024		(19,545,286)	256,154	(13,772,907)	(5,985,546)
Total realised and unrealised losses		(21,929,752)	(265,176)	(15,705,730)	(5,918,341)
Distributions unclaimed over 10 years old brought forward as at 29 September 2023		119,089	1,973	23,554	93,823
Net movement in the period		—	—	—	—
Distributions unclaimed over 10 years old carried forward as at 28 March 2024		119,089	1,973	23,554	93,823
Fees charged to Capital brought forward as at 29 September 2023		(52,271,184)	(2,087,802)	(50,504,971)	(35,191)
Net movement in the period		(808,846)	(27,707)	(489,256)	(295,752)
Fees charged to Capital carried forward as at 28 March 2024		(53,080,030)	(2,115,509)	(50,994,227)	(330,943)
Capital reserves as at 28 March 2024		(74,890,693)	(2,378,712)	(66,676,403)	(6,155,461)

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 28 March 2024

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 28 March 2024					
Participating Share capital	14	2,087,816	86,979	1,589,207	453,354
Share premium	15	270,457,695	8,986,836	198,536,591	67,424,032
Capital reserves	16	(74,890,693)	(2,378,712)	(66,676,403)	(6,155,461)
Dilution levies		315,846	30,772	218,071	71,475
Undistributed loss*		(28,743,923)	(1,043,126)	(25,415,136)	(3,437,251)
Distributions		(3,889,892)	(88,249)	(2,793,294)	(1,020,582)
Movement in currency translation		3,238,654	—	—	—
As at 28 March 2024		168,619,200	5,596,626	105,484,840	58,351,055

Period ended 29 September 2023

Participating Share capital	14	2,254,830	92,854	1,726,839	477,703
Share premium	15	282,822,805	9,598,449	207,340,182	70,459,299
Capital reserves	16	(82,821,957)	(2,575,565)	(71,632,627)	(8,961,119)
Dilution levies		316,215	30,772	218,071	71,475
Undistributed loss*		(25,326,264)	(951,085)	(22,761,995)	(1,741,041)
Distributions		(8,440,372)	(184,730)	(5,998,858)	(2,280,362)
Movement in currency translation		3,321,622	—	—	—
As at 29 September 2023		172,126,879	6,010,695	108,891,612	58,025,955

*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 EIR 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 loss under the accruals method as at 28 March 2024 amounts to £2,040,679 (29 September 2023 undistributed loss amounts to £1,172,879).

Notes to the Financial Statements continued

For the six month period ended 28 March 2024

18. Taxation

In accordance with 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:

	28 March 2024	29 September 2023
Foreign tax on income for the period	£nil	£nil

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 Law. The income tax return for the year of assessment 2023 is required to be delivered by 31 December 2024. 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 Investment 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 Investment Manager.

Notes to the Financial Statements continued

For the six month period ended 28 March 2024

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. 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 bond 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 portfolio information of each Fund are detailed on pages 17 to 24.

The Investment 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 GBP market risk components would be equivalent to a 6% and EUR market risk would be equivalent to a 4.5% 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 28 March 2024. The analysis is based on the assumption that the bond indices increase / (decrease) by 6% (GBP) or 4.5% (EUR), 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 bond indices and market interest rates.

As at 28 March 2024	Value (base currency)	Bonds 6% Movement in bond index	Cash 1% Movement in interest rate
High Income Fund	105,484,840	6,140,250	17,266
Sterling Bond Fund	58,351,055	3,418,303	14,373

	Value (base currency)	Bonds 4.5% Movement in bond index	Cash 1% Movement in interest rate
Euro High Income Fund	5,596,626	246,032	2,696

As at 29 September 2023	Value (base currency)	Bonds 6% Movement in bond index	Cash 1% Movement in interest rate
High Income Fund	108,886,638	3,297,096	21,998
Sterling Bond Fund	58,013,094	3,379,294	10,992

	Value (base currency)	Bonds 4.5% Movement in bond index	Cash 1% Movement in interest rate
Euro High Income Fund	6,010,680	265,057	811

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.

Notes to the Financial Statements continued

For the six month period ended 28 March 2024

19. Financial risk management continued

The Fund's debt securities are publicly traded and are included on regulated securities and regulated derivatives markets. The Fund's policy requires that the overall market position is monitored on a daily basis by the Investment Manager.

At 28 March 2024, the fair value of bonds and related derivatives exposed to price risk were as follows:

	28 March 2024	29 September 2023
Bonds market value	163,982,061	166,378,003
Total market value	163,982,061	166,378,003

The Fund also manages its exposure to price risk by benchmarking the portfolio to that of the Bloomberg Sterling Non-Gilts Bond Index for Sterling Bond Fund and High Income Fund, and Bloomberg Euro-Aggregate: Corporates Index for the Euro High Income Fund.

Foreign currency risk

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.

The Company is not currently involved in any currency hedging transactions. In accordance with the Company's policy, the Investment Manager monitors each Fund's currency position on a daily basis. None of the underlying financial assets of the Funds were denominated in a currency other than base currency at 28 March 2024.

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 28 March 2024

19. Financial risk management continued

The interest rate profile of each Fund's financial assets at 28 March 2024 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	5,597	3,573	1,894	79	270	219
High Income	Sterling	105,485	71,502	30,835	2,148	1,727	727
Sterling Bond	Sterling	58,351	40,882	16,090	1,155	1,437	1,213

Fund	Currency	Weighted average coupon rate %	Weighted average effective interest rate %	Weighted average year for which the rate is fixed (years)
Euro High Income	Euro	3.66	3.66	8.89
High Income	Sterling	5.37	5.81	9.34
Sterling Bond	Sterling	4.83	5.50	8.35

The interest rate profile of each Fund's financial assets at 29 September 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 Liabilities 000's
Euro High Income	Euro	6,011	3,771	2,120	106	81	67
High Income	Sterling	108,887	104,952	–	2,467	2,200	732
Sterling Bond	Sterling	58,013	56,322	–	1,349	1,099	757

Fund	Currency	Weighted average coupon rate %	Weighted average effective interest rate %	Weighted average year for which the rate is fixed (years)
Euro High Income	Euro	3.65	4.32	10.22
High Income	Sterling	5.48	6.68	9.65
Sterling Bond	Sterling	4.82	6.42	8.38

Notes to the Financial Statements continued

For the six month period ended 28 March 2024

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 28 March 2024 no impairment provisions were required and there was no money overdue (29 September 2023: £Nil).

The majority of interest bearing 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. 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.

At the statements of financial position date the Funds held the following percentages in non-investment grade assets:

	28 March 2024	29 September 2023
Euro High Income Fund	6.50%	6.24%
High Income Fund	8.13%	8.22%
Sterling Bond Fund	0.00%	0.00%

In accordance with each Fund's policy, the Investment Manager monitors the Fund's credit position on a daily 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 28 March 2024

19. Financial risk management continued

Credit risk (continued)

Cash balances held with the State Street Bank and Trust Company, London Branch (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. The Custodian did not hold any cash balance at period end.

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 reduction in the capital value of the underlying Fund's Shares, linked to both actual and anticipated changes in interest rate.

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 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.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from a fund manager 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 28 March 2024

19. Financial risk management continued

The fair value hierarchy table is shown below.

Financial assets at fair value through profit and loss

28 March 2024

Fund	Level 1 £	Level 2 £	Level 3 £	Totals £
High Income Fund	102,337,507	—	—	102,337,507
Sterling Bond Fund	56,971,721	—	—	56,971,721

Fund	Level 1 €	Level 2 €	Level 3 €	Totals €
Euro High Income Fund	5,467,368	—	—	5,467,368

29 September 2023

Fund	Level 1 £	Level 2 £	Level 3 £	Totals £
High Income Fund	104,951,600	—	—	104,951,600
Sterling Bond Fund	56,321,560	—	—	56,321,560

Fund	Level 1 €	Level 2 €	Level 3 €	Totals €
Euro High Income Fund	5,890,155	—	—	5,890,155

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 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 28 March 2024

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, and also to the settlement of margin calls on derivatives. 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 28 March 2024 the percentage of the assets within the portfolios which are subject to special arrangements arising from their illiquid nature is Nil (29 September 2023: 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.

There were no borrowings undertaken during the period.

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 28 March 2024

19. Financial Risk Management continued

Liquidity risk continued

Period ended 28 March 2024

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

Company £	Euro High Income Fund €	High Income Fund £	Sterling Bond Fund £
168,758,956	5,596,626	105,484,840	58,351,055
263,710	40,773	124,699	104,162
609,628	125,688	—	502,205
437,032	—	437,032	—
500,873	39,686	—	466,955
315,855	13,082	165,136	139,537
—	—	—	—
170,886,054	5,815,855	106,211,707	59,563,914

Period ended 29 September 2023

Net assets attributable to Holders of Participating Redeemable Preference Shares

(less than 1 month)

Cancellation 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

Company £	Euro High Income Fund €	High Income Fund £	Sterling Bond Fund £
172,201,058	6,010,695	108,891,612	58,025,955
116,263	8,868	64,259	44,319
483,515	—	483,515	—
596,574	46,211	—	556,524
280,985	9,729	161,506	111,049
69,177	2,027	22,496	44,921
173,747,572	6,077,530	109,623,388	58,782,768

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 28 March 2024

20. Events After The Period End Date

There are no events after reporting that 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 periods/years.

Performance Records

For the period ended 29 September 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 31/12/13 €
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	120.46	2.53	17.27
2023	123.88	119.37	2.68	18.25
28.03.24	124.55	123.12	0.88	5.98

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/Period	Highest Offer Price p	Lowest Bid Price p	Income per Share p	Income per £1,000 Invested at 31/12/13 £
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	60.39	2.36	28.80
2023	68.20	61.70	2.52	17.18
28.03.24	66.68	65.28	0.83	10.18

Performance Records continued

For the six month period ended 28 March 2024

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 31/12/13 £
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	164.93	152.55	3.63	27.23
2022	152.74	115.13	3.02	29.72
2023	130.58	118.34	3.37	22.98
28.03.24	129.76	126.28	1.03	7.72

Change in Net Asset Value per Share

For the six month period ended 28 March 2024

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					
30.09.22	€6,657,704	5,509,337	149.90	(26.93)	(2.10)
29.09.23	€6,010,695	5,028,417	120.84	2.42	(1.87)
28.03.24	€5,596,626	4,525,170	119.53	6.45	(0.93)
High Income Fund					
30.09.22	£115,248,316	187,322,800	83.07	(19.07)	(0.92)
29.09.23	£108,891,612	172,683,913	61.52	5.25	(0.76)
28.03.24	£105,484,840	158,920,668	63.06	5.24	(0.38)
Sterling Bond Fund					
30.09.22	£62,038,975	53,280,400	154.68	(35.30)	(1.92)
29.09.23	£58,025,955	47,770,327	116.44	10.53	(1.74)
28.03.24	£58,351,055	45,335,415	121.47	9.72	(0.82)

* refer to Investment Manager report on pages 9 to 10 for performance commentary.

Change in Net Asset Value per Share

For the six month period ended 28 March 2024

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					
30.09.22	(29.03)	(3.68)	3.65	120.84	0.69
29.09.23	0.55	(3.67)	1.81	119.53	1.19
28.03.24	5.52	(1.95)	0.58	123.68	1.46
High Income Fund					
30.09.22	(19.99)	(3.36)	1.80	61.52	0.44
29.09.23	4.49	(3.47)	0.52	63.06	0.58
28.04.24	4.86	(1.76)	0.22	66.38	0.99
Sterling Bond Fund					
30.09.22	(37.22)	(4.11)	3.09	116.44	(0.41)
29.09.23	8.78	(4.77)	1.02	121.47	0.26
28.03.24	8.90	(2.25)	0.59	128.71	0.90

Distribution Tables

For the six month period ended 28 March 2024

Euro High Income Fund

	Gross income	Equalisation payable	Distribution paid current period (cents)	Distribution paid prior period (cents)
1st Quarter				
Group 1	0.942	—	0.942	0.838
Group 2	0.394	0.548	0.942	0.838
2nd Quarter				
Group 1	0.877	—	0.877	0.853
Group 2	0.344	0.533	0.877	0.853

1st Quarter

Group 1: Shares purchased prior to 30 September 2023

Group 2: Shares purchased between 30 September 2023 and 31 December 2023

2nd Quarter

Group 1: Shares purchased prior to 1 January 2024

Group 2: Shares purchased between 1 January 2024 and 28 March 2024

Distribution Tables continued

For the six month period ended 28 March 2024

High Income Fund

	Gross income	Equalisation payable	Distribution paid current period (pence)	Distribution paid prior period (pence)
31 October 2023				
Group 1	0.280	—	0.280	0.270
Group 2	0.128	0.152	0.280	0.270
30 November 2023				
Group 1	0.280	—	0.280	0.270
Group 2	0.052	0.228	0.280	0.270
31 December 2023				
Group 1	0.280	—	0.280	0.270
Group 2	0.211	0.069	0.280	0.270
31 January 2024				
Group 1	0.284	—	0.284	0.280
Group 2	0.061	0.223	0.284	0.280
29 February 2024				
Group 1	0.275	—	0.275	0.280
Group 2	0.168	0.107	0.275	0.280
28 March 2024				
Group 1	0.275	—	0.275	0.280
Group 2	0.154	0.121	0.275	0.280

31 October 2023

Group 1: Shares purchased prior to 30 September 2023

Group 2: Shares purchased between 30 September 2023 and 31 October 2023

30 November 2022

Group 1: Shares purchased prior to 1 November 2023

Group 2: Shares purchased between 1 November 2023 and 30 November 2023

31 December 2023

Group 1: Shares purchased prior to 1 December 2023

Group 2: Shares purchased between 1 December 2023 and 31 December 2023

31 January 2024

Group 1: Shares purchased prior to 1 January 2024

Group 2: Shares purchased between 1 January 2024 and 31 January 2024

29 February 2024

Group 1: Shares purchased prior to 1 February 2024

Group 2: Shares purchased between 1 February 2024 and 29 February 2024

28 March 2024

Group 1: Shares purchased prior to 1 March 2024

Group 2: Shares purchased between 1 March 2024 and 28 March 2024

Distribution Tables continued

For the six month period ended 28 March 2024

Sterling Bond Fund

	Gross income	Equalisation payable	Distribution paid current period (pence)	Distribution paid prior period (pence)
1st Quarter				
Group 1	1.155	—	1.155	1.120
Group 2	0.645	0.510	1.155	1.120
2nd Quarter				
Group 1	1.030	—	1.030	1.124
Group 2	0.445	0.585	1.030	1.124

1st Quarter

Group 1: Shares purchased prior to 30 September 2023

Group 2: Shares purchased between 30 September 2023 and 31 December 2023

2nd Quarter

Group 1: Shares purchased prior to 1 January 2024

Group 2: Shares purchased between 1 January 2024 and 28 March 2024