



McInroy & Wood

PERSONAL INVESTMENT MANAGERS

BALANCED FUND

A pooled management service for private clients

INTERIM REPORT AND FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 31ST OCTOBER 2013

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**The information provided on the back of this booklet also forms part of the Authorised Fund Manager's Report.*

INTRODUCTION

McInroy & Wood Balanced Fund (the fund) is an authorised unit trust for investors who wish to have their assets personally managed by McInroy & Wood Limited (MW) and for whom a discretionary managed portfolio may not be appropriate. Investors will gain access, through the fund, to a portfolio which it might well be impracticable for them to assemble themselves.

The fund has been established with the aim of providing clients with professional investment management at an economic cost.

Through the fund, investors who have similar objectives are able to pool their resources in order to secure the benefits of scale.

The principal investment objective of the fund is to maximise the total return to unitholders with an equal emphasis on the generation of income and on capital growth.

The fund may invest in any geographic areas and any economic sectors.

Further information and application forms may be obtained from McInroy & Wood Limited, Easter Alderston, Haddington, EH41 3SE. (Tel. +44 (0)1620 825867) or through the website www.mcinroy-wood.co.uk

MANAGER'S INVESTMENT REPORT

At 31st October 2013, the total net assets of the fund amounted to £340,076,690 compared with £295,448,920 six months before. There were 924 unitholders, excluding ISAs, with an average holding worth £335,801.

Markets

Equity markets were generally stronger over the year to 31st October 2013. Economic growth remained subdued for most of the period but sustained monetary stimulus from central banks in America and Europe provided encouragement for investors. Meanwhile the likelihood of any immediate collapse of the European currency union continued to recede.

The UK FTSE 100 Index rose by 5% and the principal overseas markets also advanced, with the USA and Europe both recording 10% gains. Japan rose 2% but it was a more difficult period for developing markets and the Pacific area (outside Japan) fell by 1%. The overall All Country World Index rose by 7% (all measured by MSCI indices in local currency).

Bond prices fell and both conventional and index-linked gilts were down by about 5%. Their US inflation-protected counterparts held up better, though still falling by about 2%.

Sterling and the euro both rose 3% against the US dollar. This reduced the valuation of many overseas assets for UK investors, removing much of the benefit of local market gains. The overall All Country World Index rose by 3% expressed in sterling.

Results

The price of Personal units in the fund at 31st October 2013 stood at £37.423, a rise of 1% from the level of the unit price at 30th April. The price of Legacy units stood at £37.263. Benefits from the strength of 'developed' equity markets, in particular the USA, were offset by the weakness in bonds and the negative impact of currency movements.

Dividend Distribution

A dividend distribution of 29.500p per unit is now being paid to holders of both unit classes, the same as the equivalent payment a year ago.

On current estimates the distribution for the next six months to 30th April 2014 is expected to be slightly higher than the corresponding payment for the year before.

Portfolio Strategy

No significant adjustments were made to the portfolio's strategic allocations during the six months. At 31st October 2013, 75% of the portfolio was allocated to equities (76% at 30th April 2013), 22% to bonds (21%), and 3% (3%) to cash deposits.

MANAGER'S INVESTMENT REPORT

Investments

A significant amount of net new cash (£40.2m) was subscribed for investment during the period. A new holding was purchased in Gemalto (Netherlands). Otherwise these funds were used to increase existing investments. The positions in Abbvie and CP All were sold.

Tractor Supply (+33%) and Majestic Wine (+32%) were the best performing stocks over the six months; Manila Water (-38%) and Jeronimo Martins (-25%) were the poorest.

A new holding in a 2017 gilt was added as part of a strategy to stagger the maturities of issues held within the portfolio's overall bond allocation.

Outlook

Global growth momentum is being maintained, shored up by very loose central bank policies. Despite the recent government shutdown, US economic statistics have been broadly encouraging with 2.8% Gross Domestic Product (GDP) growth recorded on an annualised basis for the third quarter of the year. Although the latest labour market figures have also been positive, the Federal Reserve has backed away from any immediate tapering down of its 'quantitative easing' programme since it considers that its stated precondition of a sustained improvement in employment levels has not yet been met.

The outlook in Europe and the UK has also brightened considerably, albeit from a much lower base. The Bank of England expects 1.6% growth in GDP here this year and service sector activity has strongly recovered to the highest level since 1997.

The eurozone has at last emerged from an eighteen month recession, and indications of economic sentiment have risen to a two year high. Although the recovery is fragile, and inflation has fallen to dangerously low levels, some of the strains in the currency union have eased and weaker members such as Italy and Spain have seen their borrowing costs fall significantly.

Longer-term prospects for many developing markets remain encouraging, despite some slowdown in the rate of growth across the sector and increasing reliance on foreign capital inflows. Many countries have still to address significant political and structural difficulties. But growth rates for the emerging economies overall continue to be much higher than those elsewhere. In particular the International Monetary Fund forecasts output in developing regions rising by more than 5% next year compared to 2% in advanced economies. Generally Asian economies appear in healthier shape (annualised growth in China has picked up to nearly 8% this year) than those in Latin America and Central Europe.

MANAGER'S INVESTMENT REPORT

Outlook (continued)

The Japanese economy has recorded a remarkable improvement since the election of the new government at the end of last year. Growth in the second quarter reached 3.8% on an annualised basis. However much of this has been due to a one-off boost which the country's export industries received from the dramatic fall in the yen. There may also be less happy implications for the domestic economy, particularly as Japan relies on imported energy. There is still little evidence of the labour market reforms and deregulation that could form the basis of an enduring recovery.

Economic growth across the globe should translate into higher company revenues. If so, carefully chosen equities could offer attractive investment opportunities, particularly in developing markets. By contrast, prospective returns from bonds remain modest, despite the rise in yields over recent months.

13th December 2013

CAPITAL RECORD

Highest and lowest bid and offer prices.

Calendar Year	High		Low	
	Legacy	Personal ¹	Legacy	Personal ¹
2008	£26.334	—	£21.124	—
2009	£27.504	—	£21.749	—
2010	£32.394	—	£26.595	—
2011	£33.569	—	£29.437	—
2012	£33.896	—	£31.088	—
2013 ²	£37.736	£37.848	£34.166	£34.169

INCOME RECORD

Year (to 30 th April)	Per unit (net)	
	Legacy	Personal ¹
2009	68.383p	—
2010	53.511p	—
2011	56.301p	—
2012	62.813p	—
2013	66.629p	37.141p ³
2014 (<i>interim only</i>)	29.500p	29.500p

NET ASSET VALUES

Date	Unit Class	Net asset value of fund	Net asset value per unit	Number of units
30.04.10	<i>Legacy</i>	£145,157,139	£29.213	4,968,887
30.04.11	<i>Legacy</i>	£199,610,150	£32.192	6,200,658
30.04.12	<i>Legacy</i>	£229,603,890	£32.631	7,036,480
30.04.13	<i>Legacy</i>	£50,577,901	£36.516	1,385,080
31.10.13	<i>Legacy</i>	£38,010,598	£36.945	1,028,845
30.04.13	<i>Personal¹</i>	£244,871,019	£36.573	6,695,484
31.10.13	<i>Personal¹</i>	£302,066,092	£37.104	8,141,124

ONGOING CHARGES FIGURE⁴

Date	Annualised	
	Legacy	Personal ¹
30.04.09	1.593%	—
30.04.10	1.583%	—
30.04.11	1.568%	—
30.04.12	1.559%	—
30.04.13	1.566%	1.066%
31.10.13 ⁴	1.608% ⁴	1.108% ⁴

PORTFOLIO TURNOVER

Date	Annualised
30.04.09	45%
30.04.10	26%
30.04.11	28%
30.04.12	22%
30.04.13	3%
31.10.13	(3%)

¹ The 'Personal' Class of units was created on 1st January 2013.

² Up to 31st October only.

³ Final distribution only.

⁴ An Ongoing Charges Figure ("OCF") has replaced the Total Expense Ratio ("TER"). The main difference between the two calculations is the inclusion of custodian handling charges in the OCF. The comparative figures have not been restated, and the historic TER is disclosed.

PORTFOLIO STATEMENT

as at 31st October 2013 (unaudited)

INVESTMENTS	Holding or Nominal Value of positions at 31 st Oct. 2013	Bid Market Value £	Percentage of Value of total net assets 31 st Oct. 2013	30 th Apr. 2013
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Bonds

UK

UK Treasury 1% 2017	£3,991,000	3,967,752	1.2	
UK Treasury 1.25% I-L 2017	£6,636,000	9,699,329	2.9	
UK Treasury 2% 2016	£7,964,000	8,209,092	2.4	
UK Treasury 2.25% 2014	£8,287,000	8,338,172	2.4	
UK Treasury 3.75% 2019	£4,143,000	4,608,984	1.4	
UK Treasury 3.75% 2021	£4,107,000	4,561,132	1.3	
		<u>39,384,461</u>	<u>11.6</u>	<u>11.8</u>

USA

US Treasury 0.125% 2014	\$4,780,000	2,981,631	0.9	
US Treasury 0.125% TIPS 2017	\$14,021,000	9,312,370	2.7	
US Treasury 1.625% TIPS 2015	\$17,586,000	13,853,262	4.1	
US Treasury 2% TIPS 2014	\$4,535,000	3,586,267	1.1	
		<u>29,733,530</u>	<u>8.8</u>	<u>8.6</u>

NORWAY

KfW 3.25% 2014	NOK 57,850,000	<u>6,098,300</u>	<u>1.8</u>	<u>0.9</u>
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TOTAL BONDS		<u><u>75,216,291</u></u>	<u><u>22.2</u></u>	<u><u>21.3</u></u>
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Equities

UK

BG Group	305,875	3,895,318	1.1	
Keller Group	447,390	4,697,595	1.4	
Land Securities	498,590	4,926,069	1.4	
Majestic Wine	596,801	3,225,709	0.9	
Pearson	355,325	4,633,438	1.4	
Reckitt Benckiser	116,470	5,644,136	1.6	
Rio Tinto	159,060	5,022,320	1.5	
Rotork	172,930	4,949,257	1.5	
Royal Dutch Shell	245,920	5,310,642	1.6	
RPS Group	1,709,848	4,958,559	1.5	
Spectris	226,900	5,243,659	1.5	
Spirax Sarco	191,947	5,601,013	1.6	
Standard Chartered	103,670	1,554,532	0.5	
		<u>59,662,247</u>	<u>17.5</u>	<u>17.2</u>

PORTFOLIO STATEMENT

as at 31st October 2013 (unaudited)

continued

INVESTMENTS	Holding or Nominal Value of positions at 31 st Oct. 2013	Bid Market Value £	Percentage of Value of total net assets	
			31 st Oct. 2013	30 th Apr. 2013
<i>Equities (continued)</i>				
USA				
Abbott Laboratories	201,730	4,599,756	1.4	
Anixter International	105,630	5,631,975	1.7	
Becton Dickinson	79,530	5,215,033	1.5	
Church & Dwight	108,540	4,409,564	1.3	
Donaldson	199,530	4,929,140	1.4	
Ecolab	116,120	7,676,637	2.3	
Grainger WW	35,450	5,947,393	1.7	
Mettler Toledo	34,200	5,273,975	1.6	
O'Reilly Automotive	73,505	5,675,848	1.7	
Paychex	173,265	4,564,496	1.3	
Roper Industries	58,030	4,589,488	1.3	
RPM	199,515	4,815,536	1.4	
Schlumberger	87,020	5,088,016	1.5	
Tractor Supply	117,120	5,208,823	1.5	
Watsco	71,617	4,256,196	1.3	
		<u>77,881,876</u>	<u>22.9</u>	<u>24.1</u>
FRANCE				
Danone	99,120	4,584,583	1.4	
Essilor	63,060	4,220,198	1.2	
Total SA	106,180	4,064,584	1.2	
Unibail-Rodamco	27,510	4,494,923	1.3	
		<u>17,364,288</u>	<u>5.1</u>	<u>5.3</u>
GERMANY				
Fielmann	62,945	4,397,995	1.3	
Fresenius Medical Care	112,935	4,655,496	1.4	
Fuchs Petrolub	98,510	4,163,046	1.2	
SAP	92,740	4,541,582	1.3	
		<u>17,758,119</u>	<u>5.2</u>	<u>5.5</u>
IRELAND				
Kerry Group	131,155	5,219,989	1.5	1.7
NETHERLANDS				
Boskalis Westminster	157,420	4,727,666	1.4	
Gemalto	55,350	3,870,610	1.1	
		<u>8,598,276</u>	<u>2.5</u>	<u>1.4</u>

PORTFOLIO STATEMENT

as at 31st October 2013 (unaudited)

continued

INVESTMENTS	Holding or Nominal Value of positions at 31 st Oct. 2013	Bid Market Value £	Percentage of Value of total net assets	
			31 st Oct. 2013	30 th Apr. 2013
<i>Equities (continued)</i>				
SWITZERLAND				
Kühne & Nagel	53,820	4,243,009	1.2	
Lindt & Sprüngli	30	941,096	0.3	
Sonova	57,300	4,647,330	1.4	
		<u>9,831,435</u>	<u>2.9</u>	<u>2.5</u>
AUSTRALIA				
ARB Corporation	463,151	<u>3,153,287</u>	<u>0.9</u>	<u>1.1</u>
JAPAN				
Canon	82,000	1,601,904	0.5	
Sysmex	113,900	<u>4,666,897</u>	<u>1.4</u>	
		<u>6,268,801</u>	<u>1.9</u>	<u>2.1</u>
DEVELOPING MARKETS				
<i>Brazil</i>	Anhanguera Educacional	465,400	1,728,455	0.5
	CEMIG - ADR	275,945	1,542,015	0.5
	Localiza Rent A Car	163,232	1,654,633	0.5
	Natura Cosmetics	142,380	1,775,043	0.5
	Petrobras - ADR	62,440	677,985	0.2
	Weg	230,410	1,862,832	0.6
<i>Chile</i>	IAM	1,447,105	1,627,977	0.5
<i>Hong Kong</i>	Cheung Kong	166,000	1,615,780	0.5
	China Mobile	204,000	1,335,806	0.4
	CNOOC	1,282,000	1,637,673	0.5
	Hang Lung Properties	698,000	1,431,806	0.4
	Hong Kong & China Gas	1,118,500	1,628,558	0.5
	Lianhua	298,800	119,461	0.0
	Shandong Weigao	2,576,000	1,504,427	0.4
	Shenzhen Expressway	2,570,700	672,084	0.2
	Vitasoy	2,164,000	1,735,566	0.5
<i>India</i>	Larsen & Toubro-GDR	178,750	1,706,787	0.5
	Mahindra & Mahindra-GDR	188,020	1,554,912	0.5
	Marico	553,995	1,185,442	0.3
<i>Indonesia</i>	Perusahaan Gas Negara	5,241,000	1,464,345	0.4
	Telekomunikasi Indonesia	13,720,000	1,764,879	0.5
<i>Malaysia</i>	Digi.com	2,042,000	2,013,890	0.6
<i>Mexico</i>	Walmart de Mexico	1,029,045	1,668,513	0.5
<i>Philippines</i>	Manila Water	3,060,600	1,102,176	0.3
<i>Portugal</i>	Jeronimo Martins	135,745	1,564,476	0.5

PORTFOLIO STATEMENT

as at 31st October 2013 (unaudited)

continued

INVESTMENTS	Holding or Nominal Value of positions at 31 st Oct. 2013	Bid Market Value £	Percentage of Value of total net assets	
			31 st Oct. 2013	30 th Apr. 2013

Equities (continued)

DEVELOPING MARKETS (continued)

<i>S Africa</i>	MTN	164,600	2,037,949	0.6
<i>S Korea</i>	POSCO	8,190	1,524,062	0.4
<i>Singapore</i>	Ezion	1,906,000	2,133,993	0.6
	Keppel	296,800	1,616,809	0.5
	Keppel REIT	72,304	43,744	0.0
	Thai Beverage	7,774,000	2,127,190	0.6
<i>Taiwan</i>	Giant Manufacturing	497,673	2,324,237	0.7
			<u>48,383,505</u>	<u>14.2</u>
				<u>14.8</u>

<i>TOTAL EQUITIES</i>		<u>254,121,823</u>	<u>74.6</u>	<u>75.7</u>
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TOTAL INVESTMENTS	329,338,114	96.8	97.0
Net other assets	<u>10,738,576</u>	<u>3.2</u>	<u>3.0</u>

<i>TOTAL NET ASSETS</i>	<u>340,076,690</u>	<u>100.0</u>	<u>100.0</u>
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Note: Unless otherwise stated, the above securities are admitted to official stock exchange listings or traded on a regulated market.

SUMMARY OF ALL PORTFOLIO CHANGES

for the six months ended 31st October 2013 (unaudited)

Purchases	Cost £
84,370 Abbott Laboratories	2,013,210
345,000 Anhanguera Educacional	398,908
95,000 ARB Corporation	701,696
33,000 Cheung Kong	297,990
43,000 China Mobile	300,762
8,060 Church & Dwight	301,254
115,070 CEMIG - ADR	525,498
468,000 CNOOC	573,765
20,250 Danone	954,377
1,115,000 Ezion	1,302,989
8,230 Fielmann	550,574
25,000 Fresenius Medical Care	1,053,143
55,350 Gemalto	3,834,278
307,000 Hang Lung Properties	645,012
403,500 Hong Kong & China Gas	523,516
434,000 IAM	528,113
21,600 Jeronimo Martins	299,171
54,000 Keppel	300,941
72,304 Keppel REIT (<i>spin off issue</i>)	—
35,370,000 KfW 3.25% 2014	3,986,987
12,400 Kühne & Nagel	949,206
26,800 Land Securities	249,501
124,750 Larsen & Toubro-GDR	820,230
41,582 Localiza Rent A Car	306,862
72,800 Mahindra & Mahindra-GDR	620,205
618,600 Manila Water	299,355
32,800 MTN	399,709
46,750 Natura Cosméticos	614,579
120,100 Pearson	1,503,363
15,740 Reckitt Benckiser	704,542
18,310 Rio Tinto	499,332
429,868 RPS Group	988,625
12,225 SAP	574,273
9,410 Sonova	674,062
191,947 Spirax Sarco (<i>spin off issue</i>)	—
7,700 Sysmex	304,825
1,855,500 Telekomunikasi Indonesia	1,380,283
13,720,000 Telekomunikasi Indonesia (<i>stock split</i>)	—
5,451,000 Thai Beverage	1,596,005
3,991,000 UK Treasury 1% 2017	3,992,485

SUMMARY OF ALL PORTFOLIO CHANGES

for the six months ended 31st October 2013 (unaudited)

		Cost
Purchases		£
815,000	UK Treasury 1.25% I-L 2017	1,191,717
4,280	Unibail-Rodamco	702,506
8,214,000	US Treasury 0.125% TIPS 2017	5,599,104
145,000	Walmart de Mexico	247,489
32,000	Weg	256,303
TOTAL		<u>43,566,745</u>
		Proceeds
Sales		£
117,360	Abbvie	3,415,611
2,934,000	CP All	2,713,344
2,744,000	Telekomunikasi Indonesia (<i>stock split</i>)	—
TOTAL		<u>6,128,955</u>

GENERAL INFORMATION

Authorisation

The Balanced Fund is an authorised unit trust scheme within the meaning of the Financial Services and Markets Act 2000 and is categorised as a UCITS scheme under the rules contained in the Collective Investment Schemes Sourcebook made by the Financial Conduct Authority.

McInroy & Wood Limited and its subsidiary, McInroy & Wood Portfolios Limited, are authorised and regulated by the Financial Conduct Authority.

Income Tax

All income distributions carry a notional tax credit of 10%. A basic rate taxpayer has no further liability in respect of this income but is unable to reclaim the tax.

Capital Gains Tax

Authorised unit trusts are exempt from corporation tax on realised capital gains.

Applications

The minimum initial investment in the fund is £10,000. Further investments may be made for a minimum of £1,000.

Data Protection

Unitholders' names will be added to a mailing list which may be used by the Manager, or its associate, to provide investors with information related to their investment, including occasional topical articles. Unitholders who would not like to receive such information can write to the Manager requesting their removal from any such mailing list.

A Word of Caution

You should remember that the price of units and the income from them may go down as well as up. Gains are not necessarily achieved in the short term. Exchange rate fluctuations may also cause the value of an investment to rise and fall. Investment in emerging markets can be subject to risks not normally associated with developed markets.

GENERAL INFORMATION

continued

Synthetic Risk and Reward Indicator (Volatility measure)

1	2	3	4	5	6	7
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Lower risk

Typically lower rewards

Higher risk

Typically higher rewards

This indicator shows how much a fund’s price has risen and fallen in the past and therefore how much its returns have varied: it is a measure of the fund’s volatility. The higher the past volatility, the higher the number on the scale. The lowest number on the scale does not mean that a fund is risk free.

The Fund has been classed as 5 because its volatility has been measured as slightly above average.

This indicator is prescribed by EU reporting guidelines and is based on historical data. It should not be used as an indicator of the fund’s future risk profile. The risk and reward profile shown is not guaranteed to remain the same and may shift over time.

STATEMENT OF THE MANAGER'S RESPONSIBILITIES

The Collective Investment Schemes Sourcebook as issued and amended by the Financial Conduct Authority (“the Rules”) require the Manager to prepare financial statements for each annual accounting period which give a true and fair view of the financial position of the fund and of its net revenue and the net capital gains on the property of the fund for the period. In preparing the financial statements the Manager is required to:

- Select suitable accounting policies and then apply them consistently.
- Comply with the disclosure requirements of the Statement of Recommended Practice relating to Authorised Funds issued by the IMA in October 2010.
- Follow generally accepted accounting principles and applicable accounting standards.
- Prepare the accounts on the basis that the fund will continue in operation unless it is inappropriate to do so.
- Keep proper accounting records which enable it to demonstrate that the financial statements as prepared comply with the above requirements.

The Manager is responsible for the management of the fund in accordance with its Trust Deed, Prospectus and the Rules and for taking reasonable steps for the prevention and detection of fraud, error and non-compliance with law or regulations.

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

DIRECTORS' STATEMENT

In accordance with the requirements of the rules in the Collective Investment Schemes Sourcebook as issued and amended by the Financial Conduct Authority, we hereby certify the Report and Financial Statements of the fund on behalf of the Directors of McInroy & Wood Portfolios Limited.

T A U Wood
Director

J C McAulay
Director

Haddington, 13th December 2013

STATEMENT OF THE TRUSTEE'S RESPONSIBILITIES

The Trustee is under a duty to take into custody and to hold the property of the scheme in trust for the holders of units. Under the Rules relating to reports it is the duty of the Trustee to enquire into the conduct of the Manager in the management of the scheme in each annual accounting period and report thereon to unitholders in a report which shall contain the matters prescribed by the Rules.

STATEMENT OF TOTAL RETURN

for the six months ended 31st October 2013 (unaudited)

		Six months ended 31 st Oct. 2013		Six months ended 31 st Oct. 2012	
	Notes	£	£	£	£
Income					
Net capital gains			5,313,418		1,485,042
Revenue	2	4,051,438		3,405,698	
Expenses	3	<u>(1,896,674)</u>		<u>(1,844,842)</u>	
Net revenue before taxation		2,154,764		1,560,856	
Taxation	4	<u>(296,654)</u>		<u>(272,023)</u>	
Net revenue after taxation			<u>1,858,110</u>		<u>1,288,833</u>
Total return before distributions			7,171,528		2,773,875
Finance costs: distributions			<u>(2,406,273)</u>		<u>(2,148,770)</u>
Change in net assets attributable to unitholders from investment activities			<u>4,765,255</u>		<u>625,105</u>

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

for the six months ended 31st October 2013 (unaudited)

		Six months ended 31 st Oct. 2013		Six months ended 31 st Oct. 2012	
		£	£	£	£
Opening net assets attributable to unitholders			295,448,920		229,603,890
Amounts receivable on creation of units	48,775,529			21,977,765	
Amounts payable on cancellation of units	<u>(8,904,756)</u>		<u>(5,551,454)</u>		
			39,870,773		16,426,311
Stamp duty reserve tax			(8,258)		(4,680)
Securities exchanged			—		10,172
Change in net assets attributable to unitholders from investment activities			<u>4,765,255</u>		<u>625,105</u>
Closing net assets attributable to unitholders			<u>340,076,690</u>		<u>246,660,798</u>

BALANCE SHEET

as at 31st October 2013 (unaudited)

	31 st Oct. 2013		30 th Apr. 2013	
	£	£	£	£
ASSETS:				
Investment assets		329,338,114		286,586,980
Debtors	1,803,074		1,143,105	
Cash & bank balances	<u>12,078,598</u>		<u>11,300,595</u>	
Total other assets		<u>13,881,672</u>		<u>12,443,700</u>
Total assets		<u>343,219,786</u>		<u>299,030,680</u>
LIABILITIES:				
Creditors	(437,955)		(580,694)	
Distribution payable on income units	<u>(2,705,141)</u>		<u>(3,001,066)</u>	
Total liabilities		<u>(3,143,096)</u>		<u>(3,581,760)</u>
Net assets attributable to unitholders		<u>340,076,690</u>		<u>295,448,920</u>

NOTES TO THE FINANCIAL STATEMENTS

as at 31st October 2013 (unaudited)

1. Accounting policies

The Interim Financial Statements have been prepared in accordance with accounting policies set out in the most recent Annual Financial Statements.

2. Revenue

	Six Months ended 31 st Oct. 2013	Six Months ended 31 st Oct. 2012
	£	£
Dividends on UK equities	807,298	651,244
Dividends on overseas securities	2,536,587	2,270,154
Interest on UK bonds	447,085	219,759
Interest on overseas bonds	260,468	264,341
Interest on bank deposits	—	200
Total revenue	<u>4,051,438</u>	<u>3,405,698</u>

3. Expenses

Payable to the manager, associates of the manager and agents of either of them:

- Manager's periodic charge	1,744,053	1,751,777
- Registrar's fee	27,284	17,983

Payable to the trustee, associates of the trustee and agents of either of them:

- Trustee's fee	24,727	19,407
- Safe custody fee	49,105	50,029

Other expenses:

- Administration fee	17,459	—
- Audit fee	3,541	2,532
- FCA fee	175	145
- Legal fee	6,994	2,969
- Transfer agency fee	23,336	—

Total expenses	<u>1,896,674</u>	<u>1,844,842</u>
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4. Taxation

Analysis of tax charge

Overseas tax	<u>296,654</u>	<u>272,023</u>
Total taxation	<u>296,654</u>	<u>272,023</u>

NOTES TO THE FINANCIAL STATEMENTS

continued

5. Currency profile

Currency	31 st Oct. 2013 %	30 th Apr. 2013 %
Australian Dollar	0.9	1.1
Brazilian Real	2.1	2.0
Chilean Peso	0.5	0.5
Euro	14.9	14.5
HK Dollar	3.4	3.3
Indian Rupee	0.3	0.5
Indonesian Rupiah	1.0	1.0
Japanese Yen	1.9	2.1
Malaysian Ringgit	0.6	0.7
Mexican Peso	0.5	0.6
Norwegian Kroner	1.8	0.9
Philippines Peso	0.3	0.5
SA Rand	0.6	0.5
Singapore Dollar	1.7	0.8
Swiss Franc	2.9	2.5
South Korea Won	0.5	0.5
Taiwan Dollar	0.7	0.6
Thai Baht	—	1.2
UK Sterling	32.1	32.1
US Dollar	33.3	34.1
	<hr/> 100.0	<hr/> 100.0

Fixed Rate Interest

	Weighted average rates		Weighted average maturity	
	31 st Oct. 2013	30 th Apr. 2013	31 st Oct. 2013	30 th Apr. 2013
UK Sterling	1.98%	2.67%	4 years	5 years
Norway Kr.	3.23%	3.25%	1 year	1 year
US Dollar	0.84%	0.13%	2 years	1 year

DISTRIBUTION TABLE

in pence per unit

for the six months to 31st October 2013 (unaudited)

INTERIM DISTRIBUTION

Group 1 - Units purchased prior to 1st May 2013

Group 2 - Units purchased 1st May to 31st October 2013

	Unit Class	Gross income	Tax credit @ 10%	Net income	Equalisation	Amount payable 31.12.13
Group 1	Legacy	32.778	3.278	29.500	—	29.500
Group 2	Legacy	10.418	1.042	9.376	20.124	29.500
Group 1	Personal★	32.778	3.278	29.500	—	29.500
Group 2	Personal★	3.603	0.360	3.243	26.257	29.500

DISTRIBUTION SUMMARY

in pence per unit

for the six months to 31st October 2013 (unaudited)

	Six months to 31 st Oct. 2013 net rate		Year to 30 th Apr. 2013 net rate	
	Personal★	Legacy	Personal★	Legacy
Interim payable/paid	29.500	29.500	—	29.500
Final paid	<u>—</u>	<u>—</u>	<u>37.141</u>	<u>37.129</u>
	<u>29.500</u>	<u>29.500</u>	<u>37.141</u>	<u>66.629</u>

★The 'Personal' Class of units was created on 1st January 2013.

Manager

McInroy & Wood Portfolios Limited
Easter Alderston
Haddington
EH41 3SF
Telephone +44 (0)1620 825867
www.mcinroy-wood.co.uk

Directors

T A U Wood
G A Bicocchi
J D S Cumming
S J Cunningham
W A Ferguson
A H Fraser
J C McAulay
Lord Francis Seymour
D H Shaw Stewart
C T F White
V N U Wood

Secretary

J C McAulay

Investment Adviser

McInroy & Wood Limited
Easter Alderston
Haddington
EH41 3SF

Trustee

BNY Mellon Trust & Depositary (UK) Limited
160 Queen Victoria Street
London
EC4V 4LA

Independent Auditor

PricewaterhouseCoopers LLP
Chartered Accountants
Erskine House
68-73 Queen Street
Edinburgh
EH2 4NH

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McInroy & Wood Limited