Maitland

MI Charles Stanley Investment Funds

Annual Report and Financial Statements
31 March 2023

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

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Authorised Corporate Director ('ACD') & Registrar
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(Authorised and regulated by the Financial Conduct Authority)

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

Investment Manager
Charles Stanley & Co Limited
55 Bishopsgate, London EC2N 3AS
(Authorised and regulated by the Financial Conduct Authority)

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

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

Statement of the Authorised Corporate Director's Responsibilities

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

In preparing the financial statements the ACD is responsible for:

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

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

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

In so far as the ACD is aware:

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

Certification of the Annual Report by the Authorised Corporate Director

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

C. O'Keeffe
P.J. Foley-Brickley
Directors
Maitland Institutional Services Limited
30 June 2023

Statement of the Depositary's Responsibilities in Respect of the Scheme and Report of the Depositary to the Shareholders of the MI Charles Stanley Investment Funds ('the Company')

for the year ended 31 March 2023

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

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

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

The Depositary must ensure that:

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

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

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

(i) has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Company's shares and the application of the Company's income in accordance with the Regulations and the Scheme documents of the Company; and

(ii) has observed the investment and borrowing powers and restrictions applicable to the Company.

Northern Trust Investor Services Limited
UK Trustee and Depositary Services
30 June 2023

Independent Auditor's Report to the Shareholders of MI Charles Stanley Investment Funds

Opinion

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

- MI Charles Stanley Multi Asset Cautious Fund
- MI Charles Stanley Multi Asset Moderate Fund
- MI Charles Stanley Multi Asset Growth Fund
- MI Charles Stanley Multi Asset Adventurous Fund

The individual financial statements for each of the Company's Sub-funds comprise the statement of total return, the statement of change in net assets attributable to Shareholders, the balance sheet, notes to the financial statements and the distribution tables.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice) and the Statement of Recommended Practice 'Financial Statements of UK Authorised Funds' issued by the Investment Association in May 2014 as amended in June 2017, the rules of the Collective Investment Schemes Sourcebook and the Company's Instrument of Incorporation.

In our opinion, the financial statements:

- give a true and fair view of the financial position of the Company and each of the Sub-funds as at 31 March 2023 and of the net revenue and net capital gains/(losses) on the scheme property of the Company and each of the Sub-funds for the year then ended, and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, the Statement of Recommended Practice 'Financial Statements of UK Authorised Funds' issued by the Investment Association in May 2014 as amended in June 2017, the rules of the Collective Investment Schemes Sourcebook, and the Company's Instrument of Incorporation.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

In our evaluation of the Authorised Corporate Director's conclusions, we considered the inherent risks associated with the Company's and each of the Sub-fund's business model including effects arising from macro-economic uncertainties such as Brexit and COVID-19, we assessed and challenged the reasonableness of estimates made by the Authorised Corporate Director and the related disclosures and analysed how those risks might affect the Company's and each of the Sub-fund's financial resources or ability to continue operations over the going concern period.

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

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

Independent Auditor's Report to the Shareholders of MI Charles Stanley Investment Funds

continued

The responsibilities of the Authorised Corporate Director with respect to going concern are described in the 'Responsibilities of the Authorised Corporate Director for the financial statements' section of this report.

Other information

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

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Collective Investment Schemes Sourcebook

In our opinion:

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

Matters on which we are required to report by exception

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

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

Responsibilities of the Authorised Corporate Director

As explained more fully in the Statement of the Authorised Corporate Director's Responsibilities, the Authorised Corporate Director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Authorised Corporate Director determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Authorised Corporate Director is responsible for assessing the Company's and each of the Sub-fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Authorised Corporate Director either intends to terminate a Sub-fund, wind up the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with ISAs (UK).

Independent Auditor's Report to the Shareholders of MI Charles Stanley Investment Funds

continued

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

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

Use of our report

This report is made solely to the Company's Shareholders, as a body, in accordance with regulation 67(2) of the Open-Ended Investment Companies Regulations 2001, and with Rule 4.5.12 of the Collective Investment Schemes Sourcebook. Our audit work has been undertaken so that we might state to the Company's Shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's Shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Grant Thornton UK LLP
Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
London, United Kingdom
30 June 2023

Accounting Policies and Risk Management Policies

for the year ended 31 March 2023

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

1. Accounting Policies

(a) Basis of accounting

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

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

The Authorised Status and head office of the Company can be found within the general information starting on page 95.

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

(b) Recognition of revenue

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

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

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

Any reported revenue from an offshore reporting fund is recognised as revenue no later than the date on which the reporting fund makes the information available.

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

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

All revenue includes withholding taxes but excludes irrecoverable tax credits.

(c) Treatment of stock and special dividends

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

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

(d) Treatment of expenses

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

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

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

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

(f) Taxation

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

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

Accounting Policies and Risk Management Policies
continued

1. Accounting Policies (continued)

(g) Distribution policy

The net revenue after taxation as disclosed in the financial statements, after adjustment for items of a capital nature, is distributable to Shareholders as dividend distributions. Any revenue deficit is funded from capital.

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

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

For the purpose of enhancing revenue entitlement, all expenses (including those relating to the purchase and sale of investments) are allocated to capital for the year on an accruals basis. This will reduce the capital growth of the Sub-fund.

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

(h) Basis of valuation of investments

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

Collective investment schemes are valued at quoted bid price for dual priced funds and at quoted price for single priced funds, on the last business day of the accounting year.

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

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

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

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

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

(i) Exchange rates

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

(j) Dilution levy

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

Accounting Policies and Risk Management Policies
continued

2. Risk Management Policies

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

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

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

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

Market price risk
Market price risk arises mainly from uncertainty about future prices of financial instruments held. It represents the potential loss the Sub-fund might suffer through holding market positions in the face of price movements. This means the value of an investor's holding may go down as well as up and an investor may not recover the amount invested. Investors should consider the degree of exposure of the Sub-fund in the context of all their investments.

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

In addition to any direct currency and interest rate risk in the Sub-funds there may also be indirect exposure via the underlying funds held by the Sub-funds.

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

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

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

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

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

Credit risk
Credit risk arises from two main sources. Firstly, the possibility that the issuer of a security will be unable to pay interest and principal in a timely manner. Secondly, there is the possibility of default of the issuer and default in the underlying assets of a Collective Investment Scheme, meaning that a Sub-fund may not receive back the full principal originally invested. Adhering to investment guidelines and avoiding excessive exposure to one particular issuer or scheme can limit credit risk.

There are no net borrowings or unquoted securities.

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

Accounting Policies and Risk Management Policies
continued

2. Risk Management Policies (continued)

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

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

The ACD manages the Sub-funds' cash to ensure they can meet their liabilities. In addition, the ACD monitors market liquidity of all securities, seeking to ensure the Sub-fund maintains sufficient liquidity to meet known and potential redemption activity. The Sub-funds' cash balances are monitored daily by the ACD and the Investment Advisor. All of the Sub-funds' financial liabilities are payable on demand or in less than one year.

MISL conducts regular monitoring to ensure the liquidity profile of the Sub-funds' investments comply with their underlying obligations, particularly their ability to meet redemption requests.

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

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

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

Investment Objective and Policy
for the year ended 31 March 2023

Investment objective
The Sub-fund will aim to achieve a combination of capital growth and income over the medium to long term.

The Sub-fund will aim for gross returns over an entire market cycle (5 years) in excess of 1% + inflation (as currently measured by the Consumer Price Index). There is no guarantee that this return will be achieved over that, or any, time period, and investors should note that capital is at risk.

Investment policy
The Sub-fund will adopt a global multi asset approach which is neither constrained by a formal benchmark nor by geographic region and will be constructed with diversified exposure to various asset classes selected from the following: equities, fixed income, real estate, alternatives, currencies, commodities, passive investments and actively managed funds. The Sub-fund may also invest in other transferable securities, cash, near cash, deposits and money market funds. Derivatives can also be used for both investment purposes and efficient portfolio management.

The risk profile of the Sub-fund is moderately defensive and as such the Sub-fund will have an exposure to equities of <60%.

Performance will be measured over an entire market cycle (5 years).

Investment Manager's Report
for the year ended 31 March 2023

General Market Commentary

Despite a strong start of 2023, stock markets returns were mixed over the last twelve months as concerns about inflation and the financial health of some banks on both sides of the Atlantic spread. However, the latter is a unique situation – and the wider banking sector remains well capitalised and regulators and central banks are ensuring the system remains liquid.

The most significant of these centered on Swiss bank Credit Suisse, but regional US banks such as Silicon Valley Bank found themselves insolvent. Sharply rising interest rates in the US have hit the value of government bonds and for some banks have caused mismatch issues between their lending book and asset book. Some of this problem has abated with recent bond market moves, easing some of the stress for other banks.

Perhaps the most significant result of the banking shock is that the Federal Reserve ('FED') may not raise interest rates as much as previously expected, although inflation remains a significant problem. Nevertheless, the situation means that the FTSE 100 has moved down from its new record high hit in February.

Soaring inflation last year has resulted in aggressive interest-rate rises in the US and UK, as well as more moderate rises by the European Central Bank ('ECB'). Futures markets had been pricing in a "Fed pivot" – where the US central bank reverses its tightening policy and starts to cut interest rates – before the end of 2023. FED officials have been telling markets that this is unlikely, as it will take more time to bring inflation under control.

Inflation hit four-decade highs in several economies last year resulting in a cost-of-living crisis that still threatens to tip the world into recession. Consumers are reducing their spending to cope with soaring bills, especially in energy. Russia's invasion of Ukraine and the sanctions in response to Vladimir Putin's brutal war caused energy prices to spike, although prices have since fallen sharply from peaks seen last year.

Central banks, particularly the FED, maintained ultra-loose monetary policies for an extended period of time in their response to the COVID-19 pandemic. When restrictions on movement ended, bottlenecks and uneven openings worldwide caused a shortage of goods and components, as well as workers. This supply-chain crisis propelled inflation to a level that is many times central banks' target rates. The BoE, however, is likely to be almost at the end of its interest-rate hiking cycle.

The uncertain near-term economic outlook has amplified market volatility, as recession fears weigh on expectations for company earnings in 2023. Although recession fears have started to ease recently, growth is likely to be pedestrian. The UK avoided a recession at the end of last year, with growth figures revised slightly higher.

Investment Manager's Report
continued

The US dollar was strong for the majority of last year compared with a basket of other major currencies – but has now started to fall. A strong dollar is tough for American multinationals, as it hits foreign earnings when translated back into the US currency for reporting purposes. This trend reversed in the final quarter of 2022 after central banks in Europe and Japan applied a more aggressive monetary policy, signaling that they intend to close the gap with higher US yields, which drove their currencies higher.

Outlook

The peak in inflation appears to have been passed in most major economies. Although labour markets in the US and UK remain robust, conditions will ease, and central banks will not have to deal with a wage-price spiral. We expect economic growth to slow and some economies will experience shallow recessions, but not a 'hard landing'. This should support equity markets that are already pricing in a modest recession.

Although the priority of growth will increase, central bank's tough action against inflation will continue, with the FED maintaining tight policy for the whole of 2023. Global headline inflation continues to ease with core inflation easing slower, but both remain structurally higher in the medium term. The market is pricing in a 'Fed pivot' to a more dovish stance in late 2023, but this is overly optimistic. However, the stuttering growth backdrop will force the BoE and the ECB to pause before reaching base rates that the Fed has achieved. Energy and food prices will stabilise at higher levels, but the risks remain to the upside. As fixed income markets already derated during 2022, we believe that such backdrop is supportive for credit.

Green-transition targets will be reviewed to include energy-security considerations as Western nations continue to eliminate Russian energy supplies from their imports. Geopolitical risks such as tensions over technology transfer between Washington and Beijing will continue to create trade frictions.

In 2023, central banks need to ensure that the brakes they are putting on economic growth are strong enough to impact prices, but not so intense that they cause the desired slowdown in economic activity to overshoot. Recent data suggests authorities are on track to achieve their aims, with any slowdown being gentle, but the uncertainty is likely to limit market returns until economic data clearly improves.

During the twelve months that ended on the 31st March 2023, the Sub-fund reported a total return of -4.8% compared to 11.6% for the CPI + 1% long term performance target. (Source: Financial Express Analytics as at 31 March 2023, A Accumulation shares, total return, sterling, bid-to-bid, net income reinvested, net of ongoing charges and fees).

During the period we rebalanced the portfolio three times.

The first changes took place during the second quarter of 2022 and can broadly be summarised as:

- Introducing more sector and stock balance within the US Equity allocation
- Trimming the speculative end of our growth exposure while retaining conviction in quality growth
- Reducing the European equity exposure as geopolitical tension and recession risk loom
- Bolstering our short duration credit positions on a short-term basis
- Selling our Emerging Market Debt ('EMD') holding

The second changes took at the end of the third quarter of 2022, changes can broadly be summarised as:

- Diversifying our Japanese Equity positions
- Taking advantage of opportunities in high yield credit markets
- Cautiously looking to reduce our underweight duration position

These changes did not look to put more risk back on the table, but rather took advantage of the opportunities being presented across the asset class spectrum due to the volatility we experienced.

Investment Manager’s Report

continued

Every January we run through the process of deriving our Strategic Asset Allocation. We carry out all our asset allocation work in house since we believe that it will be the biggest driver of the returns that we generate. The aim of this process is to generate portfolios that we believe would generate the best risk-adjusted returns over the coming 5yr+ period. Clearly since we sat down last year, a lot has changed in the world, most notably in fixed income markets. We want to make sure that our review process is responsive enough, but also not too reactionary or short-term in its construction that the boundary between Strategic (5yr+) and Dynamic (3-18m) Asset Allocation becomes blurred.

We use both quantitative and qualitative inputs into this process to ensure that there is rigour behind the analysis while also leveraging the experience of the team to apply the necessary adjustments. We are conscious of the dramatic regime change seen through 2022 and want to ensure we capture the right elements of this when building our long-term assumptions. Some of the key changes identified this year were:

- An increased preference for Sovereign Bond exposure
- Continued preference for US equity exposure and incrementally European Equities
- Reduced exposure to the Emerging Market / Asia Pacific regions
- More balance between the relative value of Property vs Infrastructure within our Alternatives allocation

Considering these, the third changes to the Sub-fund were characterised as follows:

- Realigning the government bonds allocation with our target rate
- Re-introducing inflation linked bonds
- Continuing to build the High Yield Bond exposure

On a macro standpoint, we remain constructive on global equities with a medium-term view and expect inflationary pressure to continue to ease going through the second half of the year though inflation should remain structurally higher. Our base case expects that Central banks will keep their tight policy for the whole of 2023 while avoiding a policy mistake. Growth should slow and some economies experience a shallow recession. As always, we remain longer-term investors rather than traders and aim to look through the noise that is often present in markets.

The end of the period saw some volatility as two US regional banks defaulted, and a forced merger took place between UBS and Credit Suisse. While much of the attention has focused on the risks posed to deposits, the US regional banks were also a key provider of credit facilities used by funds investing in private assets. As such, these events exacerbated concerned around liquidity supply coupled to higher interest rates increasing debt costs and reducing Net Asset Value leading to concerns around the leverage within such private assets fund structures. We believe that our holdings have leverage levels that are not a threat to their business models.

Consequently, the Alternative allocation had the worst return with -10.2% total return whilst Equities returned -5.6% and Fixed Income +3.1%. Within our Alternatives allocation, we continue to like our Property and Infrastructure assets as they provide an efficient inflation hedge and the “green revolution theme” has been put on the top of world leaders’ agenda.

At the sub-asset class level, the largest contributors were Government, Inflation and High Yield bonds with respective total return of +6.8%, +5.7% and +8.8%. The largest detractors were North America equities, the Property fund and Investment Grade bonds with respective total return of -11.2%, -17.7% and -3.4%.

Investment Manager's Report
continued

Significant Portfolio Changes
for the year ended 31 Mar 2023

Major purchases since 1 April 2022	**Cost**
	£
Baillie Gifford Japanese - B Income	329,400
UK Treasury 0.125% 22.03.24	329,347
Legal & General Global Infrastructure - C Distribution	251,000
Axa Sterling Credit Short Duration Bond - ZI Income GBP	210,000
Schroder Global Energy Transition - Class Q1 Income GBP	200,000
Legal & General UK Index - C Distribution	199,712
M&G Japan Fund Sterling - PP Income	199,617
Legal & General Short Dated Sterling Corporate Bond Index - C Accumulation	179,539
UK Treasury 0.125% 31.01.23	159,672
UK Treasury 0.00% 28.12.22	159,639
	2,217,926

Major sales since 1 April 2022	**Proceeds**
	£
US Treasury 0.125% Index Linked 15.07.26	369,486
US Treasury 2.00% 15.02.23	309,850
Ninety One Emerging Markets Blended Debt - J Income 2	247,614
US Treasury 0.125% Index Linked 15.10.24	182,719
US Treasury 1.5% 31.10.24	159,547
Invesco EQQQ Nasdaq - 100 UCITS ETF	130,993
Baillie Gifford Japanese - B Income	120,000
JPMorgan Emerging Markets Investment	117,397
Baillie Gifford Positive Change - B Income	97,000
Legal & General European Index - C Income	95,000
	1,829,606

Portfolio Statement

as at 31 March 2023

Holding	Security	Market value £	% of total net assets 2023
	Alternative 10.36% (6.87%)		
50,000	Foresight Solar	55,400	1.06
59,288	Greencoat UK Wind	92,786	1.78
39,723	HICL Infrastructure	61,173	1.18
44,994	International Public Partnerships	65,061	1.25
137,325	Legal & General Global Infrastructure Index - C Distribution*	94,960	1.83
127,000	Sequoia Economic Infrastructure Income	101,854	1.96
54,200	The Renewables Infrastructure Group	67,642	1.30
		538,876	10.36
	Asia ex-Japan Equities 3.87% (4.41%)		
21,966	Schroder Asian Total Return Investment	93,355	1.79
13,299	Stewart Investors Asia Pacific Sustainability - B Accumulation GBP*	108,373	2.08
		201,728	3.87
	Emerging Market Equities 0.00% (2.43%)		
	European Equities 2.15% (3.96%)		
31,884	Legal & General European Index - C Income*	111,784	2.15
	Global Equities 4.75% (5.95%)		
40,739	Baillie Gifford Positive Change - B Income*	124,660	2.40
221,464	Schroder Global Energy Transition - Class Q1 Income GBP*	122,248	2.35
		246,908	4.75
	High Yield Corporate Bonds 5.06% (0.00%)		
2,075	Man GLG High Yield Opportunities Hedged- IF Income GBP*	263,489	5.06
	Inflation-Linked Bonds 2.36% (9.69%)		
$130,000	US Treasury 0.75% Index-Linked 15.07.28	122,985	2.36
	Investment Grade Corporate Bonds 27.89% (22.25%)		
484,511	Axa Sterling Credit Short Duration Bond - ZI Income GBP*	457,669	8.80
2,742	iShares £ Corporate Bond 0-5yr UCITS ETF - GBP Distribution	265,946	5.11
40,000	iShares £ Ultrashort Bond ESG UCITS ETF	202,000	3.88
1,274	iShares £ Ultrashort Bond UCITS ETF - GBP Distribution	129,107	2.48
372,340	Legal & General Short Dated Sterling Corporate Bond Index - C Accumulation*	208,883	4.01
391,963	Legal & General Sterling Corporate Bond Index - C Income*	187,907	3.61
		1,451,512	27.89
	Japanese Equities 4.61% (2.63%)		
7,001	Baillie Gifford Japanese - B Income*	107,682	2.07
109,399	M&G Japan Fund Sterling - PP Income*	131,990	2.54
		239,672	4.61
	Property 3.66% (4.37%)		
329,729	Legal & General Global Real Estate Dividend Index - C Distribution*	190,517	3.66
	UK Equity 4.07% (4.32%)		
10,365	Legal & General UK Index - C Distribution*	17,309	0.33
98,719	MI Charles Stanley Equity - A Income*†	194,354	3.74
		211,663	4.07

Portfolio Statement

continued

Holding	Security	Market value £	% of total net assets 2023
	US Equity 10.03% (12.19%)		
423	Invesco EQQQ Nasdaq - 100 UCITS ETF	109,303	2.10
49,225	iShares Core S&P 500 UCITS ETF - GBP (hedged) Distribution	342,163	6.58
1,130	Xtracker S&P 500 Equal Weight ETF	69,992	1.35
		521,458	10.03
	UK Government Bonds 2.43% (0.00%)		
£85,000	UK Treasury 0.125% 22.03.24	126,451	2.43
	US Government Bonds 13.84% (13.73%)		
$210,000	US Treasury 0.625% 15.05.30	139,268	2.68
$155,000	US Treasury 0.625% 15.08.30	102,302	1.97
$182,000	US Treasury 2.25% 15.08.27	139,113	2.67
$257,000	US Treasury 2.25% 15.11.27	195,838	3.76
$90,000	US Treasury 2.75% 15.02.24	71,702	1.38
$90,000	US Treasury 3.00% 31.07.24	71,577	1.38
		719,800	13.84
	DERIVATIVES 0.39% (0.07%)		
	Forward Currency Contracts^ 0.39% (0.07%)		
	Sold €60,000 Bought £53,157 (14.06.23)	199	0.00
	Sold $900,000 Bought £748,161 (14.06.23)	20,258	0.39
	Sold ¥20,000,000 Bought £123,362 (14.06.23)	233	0.00
		20,690	0.39
	Investment assets	**4,967,533**	**95.47**
	Net other assets	**235,522**	**4.53**
	Net assets	**5,203,055**	**100.00**

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

*Collective Investment Schemes permitted under COLL, not listed on any exchange.

†Represents investment into a related party of the Manager (note 10). Maitland Institutional Services also acts as ACD for this fund.

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

Analysis of bonds by credit rating^^	Market value £	% of total net assets 2023	% of total net assets 2022
Investment grade (BBB & above)	969,236	18.63	24.27
	969,236	18.63	24.27

^^Source: NTISL

Comparative Tables

Change in net assets per share

	A Income		
	31.03.23 p	31.03.22 p	31.03.21 p
Opening net asset value per share	105.60	105.11	95.01
Return before operating charges^	-3.80	3.16	12.25
Operating charges	-0.79	-0.73	-0.68
Return after operating charges^	-4.59	2.43	11.57
Distributions	-1.71	-1.94	-1.47
Closing net asset value per share	**99.30**	**105.60**	**105.11**
^After direct transaction costs of	0.00	0.00	-0.02
Performance			
Return after charges	-4.35%	2.31%	12.18%
Other information			
Closing net asset value	£927,850	£791,088	£1,148,419
Closing number of shares	934,361	749,143	1,092,595
Operating charges	0.79%	0.67%	0.66%
Ongoing operating charges*	0.79%	0.67%	0.66%
Direct transaction costs	0.00%	0.00%	0.02%
Prices			
Highest share price	105.91	112.70	108.67
Lowest share price	94.96	103.05	94.17

	A Accumulation		
	31.03.23 p	31.03.22 p	31.03.21 p
Opening net asset value per share	113.46	110.91	98.85
Return before operating charges^	-4.15	3.32	12.77
Operating charges	-0.85	-0.77	-0.71
Return after operating charges^	-5.00	2.55	12.06
Distributions	-1.92	-2.06	-1.54
Retained distributions on accumulation shares	1.92	2.06	1.54
Closing net asset value per share	**108.46**	**113.46**	**110.91**
^After direct transaction costs of	0.00	0.00	-0.02
Performance			
Return after charges	-4.41%	2.30%	12.20%
Other information			
Closing net asset value	£2,395,272	£2,320,707	£2,230,210
Closing number of shares	2,208,457	2,045,323	2,010,903
Operating charges	0.79%	0.67%	0.66%
Ongoing operating charges*	0.79%	0.67%	0.66%
Direct transaction costs	0.00%	0.00%	0.02%
Prices			
Highest share price	113.80	119.59	114.05
Lowest share price	102.56	109.64	97.93

Comparative Tables
continued

	C Accumulation		
	31.03.23 p	31.03.22 p	31.03.21 p
Opening net asset value per share	110.09	107.60	95.90
Return before operating charges^	-4.06	3.24	12.39
Operating charges	-0.83	-0.75	-0.69
Return after operating charges^	-4.89	2.49	11.70
Distributions	-1.87	-2.00	-1.49
Retained distributions on accumulation shares	1.87	2.00	1.49
Closing net asset value per share	**105.20**	**110.09**	**107.60**
^After direct transaction costs of	0.00	0.00	-0.02
Performance			
Return after charges	-4.44%	2.31%	12.20%
Other information			
Closing net asset value	£1,879,933	£2,338,034	£1,921,177
Closing number of shares	1,787,067	2,123,826	1,785,420
Operating charges	0.79%	0.67%	0.66%
Ongoing operating charges*	0.79%	0.67%	0.66%
Direct transaction costs	0.00%	0.00%	0.02%
Prices			
Highest share price	110.41	116.03	110.65
Lowest share price	99.48	106.38	95.01

*The Investment Manager currently rebates the Sub-fund's operating charges, excluding the Investment Manager's fee and synthetic ongoing charges (0.29% of operating charges) in order for them not to exceed 0.20% of the Net Asset Value of the Sub-fund.

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

The return after charges is calculated as the closing Net Asset Value per share plus the distributions on income shares minus the opening Net Asset Value per share as a % of the opening Net Asset Value per share. The basis of valuation of investments used to calculate Net Asset Value per share is described in notes to the Financial Statements 1h) and complies with requirements of the current Statement of Recommended Practice for UK Authorised Funds. This differs from the basis used to calculate daily published single prices, in which listed investments are valued at 12:00pm mid prices.

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

Risk and Reward Profile

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

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

1	2	3	4	5	6	7

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

- The Sub-fund may invest in cash and cash equivalent securities to try to protect its value in times of market uncertainty but this may not always be successful.
- Changes in exchange rates may cause the value of investments to decrease or increase.
- Investing in other funds may expose you to increased risk due to restrictions on withdrawals, less strict regulations and use of derivatives.
- Investing in bonds offers you income generation and sometimes a gain on your capital. Nevertheless, there is a risk that the organisation which issued the security will fail, which would result in a loss of income to the Sub-fund, along with its initial investment. Fixed income values are likely to fall if interest rates rise.
- There may be cases where the organisation from which we buy an asset (usually a financial institution such as a bank) fails to carry out its obligations, which could cause losses to the Sub-fund.
- Investment grade bonds, as determined by international ratings agencies, potentially produce a lower level of income than noninvestment grade securities, but they are also considered to be of lower risk.
- This Sub-fund can use derivatives in order to meet its investment objectives. This may result in gains or losses that are greater than the original amount invested.
- Emerging markets are prone to more political, economic and structural challenges and disclosure standards can be less stringent than those of developed economies. This means your money could be at greater risk.
- The Sub-fund title is not related to the risk rating that appears on the 1-7 scale above, which is based solely on past data.
- For further risk information please see the Prospectus.

Risk Warning

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

Statement of Total Return

for the year ended 31 March 2023

	Note	31.03.23 £	31.03.23 £	31.03.22 £	31.03.22 £
Income					
Net capital (losses)/gains	2		(318,419)		53,350
Revenue	3	102,935		110,841	
Expenses	4	(20,083)		(22,976)	
Interest payable and similar charges	4	(36)		(95)	
Net revenue before taxation		82,816		87,770	
Taxation	5	(7,664)		(9,887)	
Net revenue after taxation			75,152		77,883
Total return before distributions			**(243,267)**		**131,233**
Distributions	6		(91,222)		(96,263)
Change in net assets attributable to Shareholders from investment activities			**(334,489)**		**34,970**

Statement of Change in Net Assets Attributable to Shareholders

for the year ended 31 March 2023

	31.03.23 £	31.03.23 £	31.03.22 £	31.03.22 £
Opening net assets attributable to Shareholders		**5,449,829**		**5,299,806**
Amounts receivable on issue of shares	1,116,586		1,397,724	
Less: Amounts payable on cancellation of shares	(1,105,608)		(1,364,278)	
Breach compensation	105		–	
		11,083		33,446
Change in net assets attributable to Shareholders from investment activities (see Statement of Total Return above)		(334,489)		34,970
Retained distributions on accumulation shares		76,632		81,607
Closing net assets attributable to Shareholders		**5,203,055**		**5,449,829**

The notes on pages 22 to 30 form an integral part of these Financial Statements.

Balance Sheet
as at 31 March 2023

	Note	31.03.23 £	31.03.23 £	31.03.22 £	31.03.22 £
ASSETS					
Fixed Assets					
Investments			**4,967,533**		**5,062,278**
Current Assets					
Debtors	7	39,684		36,430	
Cash and bank balances	9	234,602		411,587	
Total current assets			**274,286**		**448,017**
Total assets			**5,241,819**		**5,510,295**
LIABILITIES					
Investment liabilities			**–**		**(1,008)**
Creditors					
Distribution payable		(7,559)		(7,803)	
Other creditors	8	(31,205)		(51,655)	
Total creditors			**(38,764)**		**(59,458)**
Total liabilities			**(38,764)**		**(60,466)**
Net assets attributable to Shareholders			**5,203,055**		**5,449,829**

The notes on pages 22 to 30 form an integral part of these Financial Statements.

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

1. Accounting Policies

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

2. Net Capital (Losses)/Gains

	31.03.23 £	31.03.22 £
Non-derivative securities	(229,767)	108,650
Currency gains	28,167	18,588
Forward foreign exchange contracts losses	(111,020)	(69,942)
Transaction charges	(5,799)	(3,946)
Net Capital (losses)/gains	**(318,419)**	**53,350**

3. Revenue

	31.03.23 £	31.03.22 £
UK dividends: Ordinary	24,328	19,779
Distributions from Regulated Collective Investment Schemes:		
Franked investment income	14,929	13,194
Unfranked investment income	5,831	4,966
Interest distributions	29,920	25,345
Offshore distributions	5,240	5,364
Interest on debt securities	18,859	39,939
Interest distributions from other investment funds	1,213	2,254
Bank interest	2,615	–
Total revenue	**102,935**	**110,841**

4. Expenses

	31.03.23 £	31.03.22 £
Payable to the Authorised Corporate Director ('ACD'), associates of the ACD and agents of either of them:		
ACD's fee	42,000	42,000
Registration fee	23,315	23,045
	65,315	65,045
Payable to the Investment Manager, associates of the Investment Manager and agents of either of them:		
Investment Manager's fee	15,533	16,157
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fee (including VAT)	12,000	11,997
Safe custody and other bank charges	7,613	5,825
	19,613	17,822

Notes to the Financial Statements
continued

4. Expenses (continued)

	31.03.23 £	31.03.22 £
Auditor's remuneration*:		
Audit fee	10,065	9,363
Tax compliance services	2,163	1,978
	12,228	11,341
Other expenses:		
Legal fee	2,397	2,809
Printing costs	1,438	1,333
	3,835	4,142
Operating charge rebates^	(96,441)	(91,531)
Expenses	**20,083**	**22,976**
Interest payable and similar charges	36	95
Total	**20,119**	**23,071**

*Included within the auditor's remuneration is irrecoverable VAT of £2,446 (2022: £2,268).

^The Investment Manager currently rebates the Sub-fund's operating charges, excluding the Investment Manager's fee and synthetic ongoing charge.

5. Taxation

	31.03.23 £	31.03.22 £
(a) Analysis of charge in the year:		
Corporation tax at 20%	7,664	9,887
Income tax deducted at source	1,166	993
Income tax recoverable	(1,166)	(993)
Total tax charge (note 5b)	**7,664**	**9,887**
(b) Factors affecting taxation charge for the year:		
Net revenue before taxation	82,816	87,770
Corporation tax at 20%	16,563	17,554
Effects of:		
UK dividends	(7,851)	(6,594)
Non-taxable overseas earnings	(1,048)	(1,073)
Total tax charge (note 5a)	**7,664**	**9,887**

(c) Deferred tax

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

Notes to the Financial Statements
continued

6. Distributions

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

		31.03.23 £	31.03.22 £
First interim distribution	30.06.22	18,323	14,840
Second interim distribution	30.09.22	15,866	14,774
Third interim distribution	31.12.22	15,177	14,447
Final distribution	31.03.23	42,159	53,199
		91,525	97,260
Revenue deducted on cancellation of shares		4,689	5,215
Revenue received on issue of shares		(4,992)	(6,212)
Distributions		**91,222**	**96,263**

Reconciliation of net revenue after taxation to net distributions:

Net revenue after taxation per Statement of Total Return	75,152	77,883
Expenses allocated to capital	20,083	22,976
Relief on expenses allocated to capital	(4,015)	(4,595)
Undistributed revenue brought forward	4	3
Undistributed revenue carried forward	(2)	(4)
Distributions	**91,222**	**96,263**

7. Debtors

	31.03.23 £	31.03.22 £
Amounts receivable on issues	20,687	16,045
Accrued income:		
Interest on debt securities	3,470	3,764
Dividends receivable	4,808	7,461
UK income tax recoverable	1,166	993
Prepaid expenses:		
Legal fee	313	318
Operating charge rebates	9,240	7,849
Total debtors	**39,684**	**36,430**

Notes to the Financial Statements
continued

8. Other Creditors

	31.03.23 £	31.03.22 £
Amounts payable on cancellations	1,904	16,926
Accrued expenses:		
Amounts payable to the Authorised Corporate Director ('ACD'), associates of the ACD and agents of either of them:		
ACD's fee	3,567	3,567
Registration fee	2,029	1,894
	5,596	5,461
Amounts payable to the Investment Manager, associates of the Investment Manager and agents of either of them:		
Investment Manager's fee	1,322	1,369
Amounts payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fee (including VAT)	1,019	3,978
Safe custody and other bank charges	733	1,993
	1,752	5,971
Auditor's remuneration*:		
Audit fee	10,065	9,363
Tax compliance services	2,163	1,978
	12,228	11,341
Other expenses:		
Printing costs	739	700
Taxation payable:		
Corporation tax payable	7,664	9,887
Total other creditors	**31,205**	**51,655**

*Included within the auditor's remuneration is irrecoverable VAT of £2,446 (2022: £2,268).

9. Cash and Bank Balances

	31.03.23 £	31.03.22 £
Cash and bank balances	234,602	411,587
Cash and bank balances	**234,602**	**411,587**

Notes to the Financial Statements
continued

10. Related Party Transactions

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

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

Fees payable to Charles Stanley & Co Limited (the 'Investment Manager') are disclosed in note 4 and amounts due at the year end are shown in note 8.

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

Amounts receivable from the Investment Manager for operating charge rebates accrued against expenses are disclosed in note 4, and amounts due at the year end are shown in note 7.

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

At the year end, the Sub-fund held the following Collective Investment Scheme, managed by the Investment Manager and for which MISL act as ACD.

Income Units	**Held at 31.03.23**	**% of NAV* as at 31.03.23**	**Change in period**	**Held at 31.03.22**	**% of NAV* as at 31.03.22**
MI Charles Stanley Equity - A Income	98,719	1.21	(10,920)	109,639	1.14

*Percentage of the Total Net Assets of the underlying fund held.

No rebate has been accrued for this cross investment.

11. Contingent Liabilities and Outstanding Commitments

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

12. Risk Management Policies and Disclosures

The main risks arising from financial instruments and the ACD's policies for managing these risks are disclosed in note 2 on pages 9 and 10.

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

Market price risk

At the balance sheet date, if the price of the investments held by the Sub-fund increased or decreased by 10%, with all other variables held constant, the net assets attributable to Shareholders would increase or decrease by approximately £494,684 (2022: £506,127).

Notes to the Financial Statements
continued

12. Risk Management Policies and Disclosures (continued)

Currency risk
The table below details the currency risk profile at the balance sheet date.

Currency	31.03.23 Total £	31.03.22 Total £
Euro	111,784	63,745
Japanese yen	239,672	39,788
Pound sterling	2,879,399	4,192,301
United States dollar	1,972,200	1,153,995
	5,203,055	**5,449,829**

At the balance sheet date, if the value of sterling increased or decreased by 10%, with all other variables held constant, then the net assets attributable to Shareholders would increase or decrease by approximately £232,366 (2022: £125,753).

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

31.03.23

Currency	Floating rate financial assets £	Fixed rate financial assets £	Assets on which interest distributions are paid £	Assets on which interest is not paid^ £	Foreign currency hedging position £	Total £
Euro	–	–	–	111,784	–	111,784
Japanese yen	–	–	–	239,672	–	239,672
Pound sterling	234,602	126,451	1,512,686	1,023,734	924,680	3,822,153
United States dollar	122,985	719,800	–	1,129,415	–	1,972,200
	357,587	**846,251**	**1,512,686**	**2,504,605**	**924,680**	**6,145,809**

^Comprises of Equity Shares which receive dividend revenue and non interest bearing balance sheet debtors.

Currency	Financial liabilities not carrying interest £	Foreign currency hedging position £	Total £
Euro	–	52,957	52,957
Japanese yen	–	123,130	123,130
Pound sterling	38,764	–	38,764
United States dollar	–	727,903	727,903
	38,764	**903,990**	**942,754**

Notes to the Financial Statements

continued

12. Risk Management Policies and Disclosures (continued)

Interest rate risk (continued)
31.03.22

Currency	Floating rate financial assets £	Fixed rate financial assets £	Assets on which interest distributions are paid £	Assets on which interest is not paid^ £	Foreign currency hedging position £	Total £
Euro	–	–	–	216,003	–	216,003
Japanese yen	–	–	–	143,322	–	143,322
Pound sterling	411,587	–	1,283,301	1,003,005	1,553,866	4,251,759
United States dollar	527,862	748,173	–	1,172,159	–	2,448,194
	939,449	**748,173**	**1,283,301**	**2,534,489**	**1,553,866**	**7,059,278**

^Comprises of Equity Shares which receive dividend revenue and non interest bearing balance sheet debtors.

Currency	Financial liabilities not carrying interest £	Foreign currency hedging position £	Total £
Euro	–	152,258	152,258
Japanese yen	–	103,534	103,534
Pound sterling	59,458	–	59,458
United States dollar	–	1,294,199	1,294,199
	59,458	**1,549,991**	**1,609,449**

Floating rate interest-bearing assets at the balance sheet date consist of bank balances, on which interest is calculated at a variable rate by reference to sterling bank deposit rates or the international equivalent; and Inflation-Linked Bonds where interest will vary depending on the relevant rate of inflation.

At the balance sheet date, if interest rates increased or decreased by 10%, with all other variables held constant, the net assets attributable to Shareholders would increase or decrease by approximately £35,759 (2022: £93,945) in respect of floating rate assets.

Notes to the Financial Statements
continued

13. Portfolio Transaction Costs

31.03.23

Analysis of purchases	Total purchase cost £	Commissions paid £	%	Taxes £	%	Purchases before transaction cost £
Bonds	2,200,242	–	0.00	–	0.00	2,200,242
Equities	307,934	–	0.00	2	0.00	307,932
Funds	1,049,200	–	0.00	–	0.00	1,049,200
Corporate actions	6,222	–	0.00	–	0.00	6,222
Total purchases after commissions and tax	**3,563,598**					

Analysis of sales	Net sale proceeds £	Commissions paid £	%	Taxes £	%	Sales before transaction cost £
Bonds	2,581,704	–	0.00	–	0.00	2,581,704
Equities	285,976	–	0.00	3	0.00	285,979
Funds	581,314	–	0.00	–	0.00	581,314
Total sales after commissions and tax	**3,448,994**					

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

31.03.22

Analysis of purchases	Total purchase cost £	Commissions paid £	%	Taxes £	%	Purchases before transaction cost £
Bonds	603,477	–	0.00	–	0.00	603,477
Funds	246,500	–	0.00	–	0.00	246,500
Corporate actions	4,858	–	0.00	–	0.00	4,858
Total purchases after commissions and tax	**854,835**					

Analysis of sales	Net sale proceeds £	Commissions paid £	%	Taxes £	%	Sales before transaction cost £
Equities	191,155	–	0.00	–	0.00	191,155
Bonds	659,284	–	0.00	–	0.00	659,284
Funds	168,452	–	0.00	–	0.00	168,452
Total sales after commissions and tax	**1,018,891**					

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

Notes to the Financial Statements
continued

13. Portfolio Transaction Costs (continued)

Commissions and taxes as a % of the average net assets form part of the direct transaction costs stated within the comparative tables on page 17 and 18. The direct transaction costs within the comparative tables may differ due to the effect of dilution levies charged (where applicable).

14. Portfolio Dealing Spread

The average portfolio dealing spread at 31 March 2023 is 0.07% (2022: 0.11%).

15. Events after the Balance Sheet date

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

16. Fair Value Disclosure

Valuation technique	**31.03.23**		**31.03.22**	
	Assets £	**Liabilities £**	**Assets £**	**Liabilities £**
Level 1^	2,645,708	–	3,048,341	–
Level 2^^	2,321,825	–	2,013,937	(1,008)
Level 3^^^	–	–	–	–
	4,967,533	**–**	**5,062,278**	**(1,008)**

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

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

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

17. Shares in issue

	A Income	**A Accumulation**	**C Accumulation**
Opening number of shares	749,143	2,045,323	2,123,826
Shares issued	264,386	351,136	343,441
Shares cancelled	(79,168)	(188,002)	(680,200)
Closing number of shares	**934,361**	**2,208,457**	**1,787,067**

Distribution Tables

for the year ended 31 March 2023

Income Share Distributions

Share class	Distribution	Shares	Revenue p	Equalisation p	Distribution paid/payable 2023 p	Distribution paid 2022 p
A	First interim	Group 1	0.3000	–	0.3000	0.3000
		Group 2	0.0366	0.2634	0.3000	0.3000
	Second interim	Group 1	0.3000	–	0.3000	0.3000
		Group 2	0.1600	0.1400	0.3000	0.3000
	Third interim	Group 1	0.3000	–	0.3000	0.3000
		Group 2^	0.3000	–	0.3000	0.3000
	Final	Group 1	0.8090	–	0.8090	1.0416
		Group 2	0.6700	0.1390	0.8090	1.0416

Accumulation Share Distributions

Share class	Distribution	Shares	Revenue p	Equalisation p	Amount reinvested 2023 p	Amount reinvested 2022 p
A	First interim	Group 1	0.3831	–	0.3831	0.3162
		Group 2	0.1194	0.2637	0.3831	0.3162
	Second interim	Group 1	0.3301	–	0.3301	0.3172
		Group 2	–	0.3301	0.3301	0.3172
	Third interim	Group 1	0.3263	–	0.3263	0.3176
		Group 2	–	0.3263	0.3263	0.3176
	Final	Group 1	0.8776	–	0.8776	1.1053
		Group 2	0.7584	0.1192	0.8776	1.1053
C	First interim	Group 1	0.3819	–	0.3819	0.3070
		Group 2	–	0.3819	0.3819	0.3070
	Second interim	Group 1	0.3214	–	0.3214	0.3079
		Group 2	–	0.3214	0.3214	0.3079
	Third interim	Group 1	0.3171	–	0.3171	0.3082
		Group 2	–	0.3171	0.3171	0.3082
	Final	Group 1	0.8516	–	0.8516	1.0730
		Group 2	0.6938	0.1578	0.8516	1.0730

^No group 2 shares were held at this distribution.

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

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

Equalisation

Equalisation applies only to shares purchased during the distribution period (Group 2 shares). It represents accrued revenue included in the purchase price of the shares. After averaging, it is returned with the distribution as a capital repayment. It is not liable to income tax but must be deducted from the cost of the shares for capital gains tax purposes.

Investment Objective and Policy
for the year ended 31 March 2023

Investment objective

The Sub-fund will aim to achieve a combination of capital growth and income over the medium to long term.

The Sub-fund will aim for gross returns over an entire market cycle (5 years) in excess of 2% + inflation (as currently measured by the Consumer Price Index). There is no guarantee that this return will be achieved over that, or any, time period, and investors should note that capital is at risk.

Investment policy

The Sub-fund will adopt a global multi asset approach which is neither constrained by a formal benchmark nor by geographic region and will be constructed with diversified exposure to various asset classes selected from the following: equities, fixed income, real estate, alternatives, currencies, commodities, passive investments and actively managed funds. The Sub-fund may also invest in other transferable securities, cash, near cash, deposits and money market funds. Derivatives can also be used for both investment purposes and efficient portfolio management.

The risk profile of the Sub-fund is moderate and as such the Sub-fund will have an exposure to equities of <75%.

Performance will be measured over an entire market cycle (5 years).

Investment Manager's Report
for the year ended 31 March 2023

General Market Commentary

Despite a strong start of 2023, stock markets returns were mixed over the last twelve months as concerns about inflation and the financial health of some banks on both sides of the Atlantic spread. However, the latter is a unique situation – and the wider banking sector remains well capitalised and regulators and central banks are ensuring the system remains liquid.

The most significant of these centered on Swiss bank Credit Suisse, but regional US banks such as Silicon Valley Bank found themselves insolvent. Sharply rising interest rates in the US have hit the value of government bonds and for some banks have caused mismatch issues between their lending book and asset book. Some of this problem has abated with recent bond market moves, easing some of the stress for other banks.

Perhaps the most significant result of the banking shock is that the Federal Reserve ('FED') may not raise interest rates as much as previously expected, although inflation remains a significant problem. Nevertheless, the situation means that the FTSE 100 has moved down from its new record high hit in February.

Soaring inflation last year has resulted in aggressive interest-rate rises in the US and UK, as well as more moderate rises by the European Central Bank ('ECB'). Futures markets had been pricing in a "Fed pivot" – where the US central bank reverses its tightening policy and starts to cut interest rates – before the end of 2023. FED officials have been telling markets that this is unlikely, as it will take more time to bring inflation under control.

Inflation hit four-decade highs in several economies last year resulting in a cost-of-living crisis that still threatens to tip the world into recession. Consumers are reducing their spending to cope with soaring bills, especially in energy. Russia's invasion of Ukraine and the sanctions in response to Vladimir Putin's brutal war caused energy prices to spike, although prices have since fallen sharply from peaks seen last year.

Central banks, particularly the FED, maintained ultra-loose monetary policies for an extended period of time in their response to the COVID-19 pandemic. When restrictions on movement ended, bottlenecks and uneven openings worldwide caused a shortage of goods and components, as well as workers. This supply-chain crisis propelled inflation to a level that is many times central banks' target rates. The Bank of England ('BoE'), however, is likely to be almost at the end of its interest-rate hiking cycle.

The uncertain near-term economic outlook has amplified market volatility, as recession fears weigh on expectations for company earnings in 2023. Although recession fears have started to ease recently, growth is likely to be pedestrian. The UK avoided a recession at the end of last year, with growth figures revised slightly higher.

Investment Manager's Report

continued

The US dollar was strong for the majority of last year compared with a basket of other major currencies – but has now started to fall. A strong dollar is tough for American multinationals, as it hits foreign earnings when translated back into the US currency for reporting purposes. This trend reversed in the final quarter of 2022 after central banks in Europe and Japan applied a more aggressive monetary policy, signaling that they intend to close the gap with higher US yields, which drove their currencies higher.

Outlook

The peak in inflation appears to have been passed in most major economies. Although labour markets in the US and UK remain robust, conditions will ease, and central banks will not have to deal with a wage-price spiral. We expect economic growth to slow and some economies will experience shallow recessions, but not a 'hard landing'. This should support equity markets that are already pricing in a modest recession.

Although the priority of growth will increase, central bank's tough action against inflation will continue, with the FED maintaining tight policy for the whole of 2023. Global headline inflation continues to ease with core inflation easing slower, but both remain structurally higher in the medium term. The market is pricing in a 'Fed pivot' to a more dovish stance in late 2023, but this is overly optimistic. However, the stuttering growth backdrop will force the BoE and the ECB to pause before reaching base rates that the Fed has achieved. Energy and food prices will stabilise at higher levels, but the risks remain to the upside. As fixed income markets already derated during 2022, we believe that such backdrop is supportive for credit.

Green-transition targets will be reviewed to include energy-security considerations as Western nations continue to eliminate Russian energy supplies from their imports. Geopolitical risks such as tensions over technology transfer between Washington and Beijing will continue to create trade frictions.

In 2023, central banks need to ensure that the brakes they are putting on economic growth are strong enough to impact prices, but not so intense that they cause the desired slowdown in economic activity to overshoot. Recent data suggests authorities are on track to achieve their aims, with any slowdown being gentle, but the uncertainty is likely to limit market returns until economic data clearly improves.

During the twelve months that ended on 31 March 2023, the Sub-fund reported a total return of -6.2% compared to 12.7% for the CPI + 2% long term performance target. (Source: Financial Express Analytics as at 31 March 2023, A Accumulation shares, total return, sterling, bid-to-bid, net income reinvested, net of ongoing charges and fees).

During the period we rebalanced the portfolio three times.

The first changes took place during the second quarter of 2022 and can broadly be summarised as:

- Introducing more sector and stock balance within the US Equity allocation
- Trimming the speculative end of our growth exposure while retaining conviction in quality growth
- Reducing the European equity exposure as geopolitical tension and recession risk loom
- Bolstering our short duration credit positions on a short-term basis
- Selling our Emerging Market Debt ('EMD') holding

The second changes took at the end of the third quarter of 2022, changes can broadly be summarised as:

- Diversifying our Japanese Equity positions
- Taking advantage of opportunities in high yield credit markets
- Cautiously looking to reduce our underweight duration position

These changes did not look to put more risk back on the table, but rather took advantage of the opportunities being presented across the asset class spectrum due to the volatility we experienced.

Investment Manager's Report

continued

Every January we run through the process of deriving our Strategic Asset Allocation. We carry out all our asset allocation work in house since we believe that it will be the biggest driver of the returns that we generate. The aim of this process is to generate portfolios that we believe would generate the best risk-adjusted returns over the coming 5yr+ period. Clearly since we sat down last year, a lot has changed in the world, most notably in fixed income markets. We want to make sure that our review process is responsive enough, but also not too reactionary or short-term in its construction that the boundary between Strategic (5yr+) and Dynamic (3-18m) Asset Allocation becomes blurred.

We use both quantitative and qualitative inputs into this process to ensure that there is rigour behind the analysis while also leveraging the experience of the team to apply the necessary adjustments. We are conscious of the dramatic regime change seen through 2022 and want to ensure we capture the right elements of this when building our long-term assumptions. Some of the key changes identified this year were:

- An increased preference for Sovereign Bond exposure
- Continued preference for US equity exposure and incrementally European Equities
- Reduced exposure to the Emerging Market/Asia Pacific regions
- More balance between the relative value of Property vs Infrastructure within our Alternatives allocation

Considering these, the third changes to the Sub-fund were characterised as follows:

- Re-introducing inflation linked bonds
- Continuing to build the High Yield Bond exposure

On a macro standpoint, we remain constructive on global equities with a medium-term view and expect inflationary pressure to continue to ease going through the second half of the year though inflation should remain structurally higher. Our base case expects that Central banks will keep their tight policy for the whole of 2023 while avoiding a policy mistake. Growth should slow and some economies experience a shallow recession. As always, we remain longer-term investors rather than traders and aim to look through the noise that is often present in markets.

The end of the period saw some volatility as two US regional banks defaulted, and a forced merger took place between UBS and Credit Suisse. While much of the attention has focused on the risks posed to deposits, the US regional banks were also a key provider of credit facilities used by funds investing in private assets. As such, these events exacerbated concerned around liquidity supply coupled to higher interest rates increasing debt costs and reducing Net Asset Value leading to concerns around the leverage within such private assets fund structures. We believe that our holdings have leverage levels that are not a threat to their business models.

Consequently, the Alternative allocation had the worst return with -10.5% total return whilst Equities returned -5.5% and Fixed Income +2.3%. Within our Alternatives allocation, we continue to like our Property and Infrastructure assets as they provide an efficient inflation hedge and the "green revolution theme" has been put on the top of world leaders' agenda.

At the sub-asset class level, the largest contributors were Government, Inflation and High Yield bonds with respective total return of +6.9%, +5.8% and +8.8%. The largest detractors were North America and Global Equity/Thematics equities and the Property fund with respective total return of -9.9%, -4.0% and -17.7%.

Investment Manager's Report

continued

Significant Portfolio Changes
for the year ended 31 Mar 2023

Major purchases since 1 April 2022	Cost £
UK Treasury 0.00% 12.09.22	2,794,868
UK Treasury 0.00% 24.10.22	2,794,456
Man GLG High Yield Opportunities Hedged - IF Income GBP	2,360,000
Xtracker S&P 500 Equal Weight ETF	1,645,817
Axa Sterling Credit Short Duration Bond - ZI Income GBP	1,500,000
UK Treasury 0.00% 15.08.22	1,496,159
iShares £ Corporate Bond 0-5yr UCITS ETF - GBP Distribution	1,409,459
UK Treasury 0.125% 31.01.23	1,397,130
UK Treasury 0.00% 28.12.22	1,396,843
US Treasury 0.625% 15.05.30	1,349,276
	18,144,008

Major sales since 1 April 2022	Proceeds £
US Treasury 0.125% Index Linked 15.07.26	2,545,964
US Treasury 0.125% Index Linked 15.10.24	1,918,430
Invesco EQQQ Nasdaq - 100 UCITS ETF	1,647,911
Ninety One Emerging Markets Blended Debt - J Income 2	1,564,468
Baillie Gifford Japanese - B Income	1,130,000
US Treasury 2.00% 15.02.23	1,031,861
US Treasury 1.50% 31.10.24	1,017,003
Edinburgh Worldwide Investment	785,209
Legal & General European Index - C Income	700,000
iShares Core S&P 500 UCITS ETF - GBP (hedged) Distribution	685,501
	13,026,347

Portfolio Statement

as at 31 March 2023

Holding	Security	Market value £	% of total net assets 2023
	Alternatives 9.61% (5.68%)		
430,000	Foresight Solar	476,440	1.03
444,229	Greencoat UK Wind	695,218	1.51
314,687	HICL Infrastructure	484,618	1.05
355,539	International Public Partnerships	514,109	1.12
1,263,389	Legal & General Global Infrastructure Index - C Distribution*	873,634	1.90
1,143,000	Sequoia Economic Infrastructure Income	916,686	1.99
374,000	The Renewables Infrastructure Group	466,752	1.01
		4,427,457	9.61
	Asia ex-Japan Equities 6.50% (6.92%)		
397,639	Schroder Asian Total Return Investment	1,689,966	3.67
159,942	Stewart Investors Asia Pacific Sustainability - B Accumulation GBP*	1,303,348	2.83
		2,993,314	6.50
	Emerging Market Equities 2.42% (2.33%)		
1,025,780	JPMorgan Emerging Markets Investment	1,113,997	2.42
	European Equities 3.72% (4.93%)		
488,011	Legal & General European Index - C Income*	1,710,965	3.72
	Global Equities 6.80% (10.13%)		
453,863	Baillie Gifford Positive Change - B Income*	1,388,820	3.01
3,164,512	Schroder Global Energy Transition - Class Q1 Income GBP*	1,746,811	3.79
		3,135,631	6.80
	HIgh Yield Corporate Bonds 5.38% (0.00%)		
19,499	Man GLG High Yield Opportunities Hedged - IF Income GBP*	2,475,545	5.38
	Inflation-Linked Bonds 2.47% (8.58%)		
$1,200,000	US Treasury 0.75% Index-Linked 15.07.28	1,135,244	2.47
	Investment Grade Corporate Bonds 18.53% (16.98%)		
2,970,139	Axa Sterling Credit Short Duration Bond - ZI Income GBP*	2,805,593	6.09
35,854	iShares £ Corporate Bond 0-5yr UCITS ETF - GBP Distribution	3,477,479	7.55
107,500	iShares £ Ultrashort Bond ESG UCITS ETF	542,875	1.18
3,568,948	Legal & General Sterling Corporate Bond Index - C Income*	1,710,953	3.71
		8,536,900	18.53
	Japanese Equities 5.06% (3.88%)		
70,767	Baillie Gifford Japanese - B Income*	1,088,391	2.36
1,030,176	M&G Japan Fund Sterling - PP Income*	1,242,907	2.70
		2,331,298	5.06
	Property 3.32% (3.85%)		
2,646,393	Legal & General Global Real Estate Dividend Index - C Distribution*	1,529,086	3.32
	UK Equities 4.12% (4.24%)		
150,640	Legal & General UK Index - C Distribution*	251,568	0.55
835,267	MI Charles Stanley Equity - A Income*†	1,644,441	3.57
		1,896,009	4.12

Portfolio Statement
continued

Holding	Security	Market value £	% of total net assets 2023
	US Equities 21.10% (23.58%)		
5,210	Invesco EQQQ Nasdaq - 100 UCITS ETF	1,346,262	2.92
532,550	iShares Core S&P 500 UCITS ETF - GBP (hedged) Distribution	3,701,755	8.04
175,123	Legal & General US Index - C Income*	1,154,762	2.51
28,398	Vanguard S&P 500 UCITS ETF	1,774,591	3.85
28,100	Xtracker S&P 500 Equal Weight ETF	1,740,514	3.78
		9,717,884	21.10
	UK Government Bonds 2.98% (0.00%)		
£200,000	UK Treasury 0.00% 03.04.23	200,000	0.43
£790,000	UK Treasury 0.125% 22.03.24	1,175,253	2.55
		1,375,253	2.98
	US Government Bonds 6.83% (7.31%)		
$1,900,000	US Treasury 0.625% 15.05.30	1,260,042	2.74
$2,473,000	US Treasury 2.25% 15.11.27	1,884,462	4.09
		3,144,504	6.83
	DERIVATIVES 0.31% (0.11%)		
	Forward Currency Contracts^ 0.31% (0.11%)		
	Sold €1,000,000 Bought £885,950 (14.06.23)	3,325	0.01
	Sold $6,000,000 Bought £4,987,738 (14.06.23)	135,054	0.29
	Sold ¥200,000,000 Bought £1,233,624 (14.06.23)	2,329	0.01
		140,708	0.31
	Investment assets	**45,663,795**	**99.15**
	Net other assets	**389,486**	**0.85**
	Net assets	**46,053,281**	**100.00**

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

*Collective Investment Schemes permitted under COLL, not listed on any exchange.

†Represents investment into a related party of the Manager (note 10). Maitland Institutional Services also acts as ACD for this fund.

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

Analysis of bonds by credit rating^^	Market value £	% of total net assets 2023	% of total net assets 2022
Investment grade (BBB & above)	5,655,001	12.28	15.89
	5,655,001	12.28	15.89

^^Source: NTISL

Comparative Tables

Change in net assets per share

	A Income		
	31.03.23 p	31.03.22 p	31.03.21 p
Opening net asset value per share	113.16	111.57	95.90
Return before operating charges^	-5.50	4.30	18.04
Operating charges	-0.92	-0.83	-0.72
Return after operating charges^	-6.42	3.47	17.32
Distributions	-1.87	-1.88	-1.65
Closing net asset value per share	**104.87**	**113.16**	**111.57**
^After direct transaction costs of	0.00	0.00	-0.04
Performance			
Return after charges	-5.67%	3.11%	18.06%
Other information			
Closing net asset value	£10,128,348	£11,423,063	£11,746,562
Closing number of shares	9,658,253	10,094,757	10,528,123
Operating charges	0.87%	0.71%	0.67%
Ongoing operating charges*	0.87%	0.71%	0.67%
Direct transaction costs	0.00%	0.00%	0.04%
Prices			
Highest share price	113.60	122.00	116.37
Lowest share price	99.73	108.25	94.50

	A Accumulation		
	31.03.23 p	31.03.22 p	31.03.21 p
Opening net asset value per share	121.42	117.73	99.69
Return before operating charges^	-5.86	4.57	18.80
Operating charges	-0.99	-0.88	-0.76
Return after operating charges^	-6.85	3.69	18.04
Distributions	-1.97	-1.99	-1.72
Retained distributions on accumulation shares	1.97	1.99	1.72
Closing net asset value per share	**114.57**	**121.42**	**117.73**
^After direct transaction costs of	0.00	0.00	-0.04
Performance			
Return after charges	-5.64%	3.13%	18.10%
Other information			
Closing net asset value	£31,983,846	£33,166,734	£26,001,072
Closing number of shares	27,917,561	27,315,458	22,084,821
Operating charges	0.87%	0.71%	0.67%
Ongoing operating charges*	0.87%	0.71%	0.67%
Direct transaction costs	0.00%	0.00%	0.04%
Prices			
Highest share price	121.89	129.46	121.97
Lowest share price	107.64	115.16	98.24

Comparative Tables
continued

	C Accumulation		
	31.03.23 p	31.03.22 p	31.03.21 p
Opening net asset value per share	116.11	112.57	95.32
Return before operating charges^	-5.68	4.38	17.97
Operating charges	-0.95	-0.84	-0.72
Return after operating charges^	-6.63	3.54	17.25
Distributions	-1.81	-1.92	-1.65
Retained distributions on accumulation shares	1.81	1.92	1.65
Closing net asset value per share	**109.48**	**116.11**	**112.57**
^After direct transaction costs of	0.00	0.00	-0.04
Performance			
Return after charges	-5.71%	3.14%	18.10%
Other information			
Closing net asset value	£3,941,087	£5,095,654	£4,209,123
Closing number of shares	3,599,930	4,388,463	3,739,039
Operating charges	0.87%	0.71%	0.67%
Ongoing operating charges*	0.87%	0.71%	0.67%
Direct transaction costs	0.00%	0.00%	0.04%
Prices			
Highest share price	116.56	123.80	116.63
Lowest share price	102.88	110.13	93.93

*The Investment Manager currently rebates the Sub-fund's operating charges, excluding the Investment Manager's fee and synthetic charges (0.37% of operating charge), in order for them not to exceed 0.20% of the Net Asset Value of the Sub-fund.

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

The return after charges is calculated as the closing Net Asset Value per share plus the distributions on income shares minus the opening Net Asset Value per share as a % of the opening Net Asset Value per share. The basis of valuation of investments used to calculate Net Asset Value per share is described in notes to the Financial Statements 1h) and complies with requirements of the current Statement of Recommended Practice for UK Authorised Funds. This differs from the basis used to calculate daily published single prices, in which listed investments are valued at 12:00 mid prices.

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

Risk and Reward Profile

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

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

1	2	3	4	5	6	7

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

- The Sub-fund may invest in cash and cash equivalent securities to try to protect its value in times of market uncertainty but this may not always be successful.
- Changes in exchange rates may cause the value of investments to decrease or increase.
- Investing in other funds may expose you to increased risk due to restrictions on withdrawals, less strict regulations and use of derivatives.
- Investing in bonds offers you income generation and sometimes a gain on your capital. Nevertheless, there is a risk that the organisation which issued the security will fail, which would result in a loss of income to the Sub-fund, along with its initial investment. Fixed income values are likely to fall if interest rates rise.
- There may be cases where the organisation from which we buy an asset (usually a financial institution such as a bank) fails to carry out its obligations, which could cause losses to the Sub-fund.
- Investment grade bonds, as determined by international ratings agencies, potentially produce a lower level of income than noninvestment grade securities, but they are also considered to be of lower risk.
- This Sub-fund can use derivatives in order to meet its investment objectives. This may result in gains or losses that are greater than the original amount invested.
- Emerging markets are prone to more political, economic and structural challenges and disclosure standards can be less stringent than those of developed economies. This means your money could be at greater risk.
- The Sub-fund title is not related to the risk rating that appears on the 1-7 scale above, which is based solely on past data.
- For further risk information please see the Prospectus.

Risk Warning

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

Statement of Total Return

for the year ended 31 March 2023

	Note	31.03.23 £	31.03.23 £	31.03.22 £	31.03.22 £
Income					
Net capital (losses)/gains	2		(3,499,131)		655,162
Revenue	3	897,830		899,419	
Expenses	4	(226,876)		(239,491)	
Interest payable and similar charges	4	(26)		(1,182)	
Net revenue before taxation		670,928		658,746	
Taxation	5	(37,738)		(54,323)	
Net revenue after taxation			633,190		604,423
Total return before distributions			**(2,865,941)**		**1,259,585**
Distributions	6		(814,694)		(796,002)
Change in net assets attributable to Shareholders from investment activities			**(3,680,635)**		**463,583**

Statement of Change in Net Assets Attributable to Shareholders

for the year ended 31 March 2023

	31.03.23 £	31.03.23 £	31.03.22 £	31.03.22 £
Opening net assets attributable to Shareholders		**49,685,451**		**41,956,757**
Amounts receivable on issue of shares	8,375,211		14,488,510	
Less: Amounts payable on cancellation of shares	(8,951,017)		(7,841,753)	
Breach Compensation	720		–	
		(575,086)		6,646,757
Change in net assets attributable to Shareholders from investment activities (see Statement of Total Return above)		(3,680,635)		463,583
Retained distributions on accumulation shares		623,551		618,354
Closing net assets attributable to Shareholders		**46,053,281**		**49,685,451**

The notes on pages 43 to 51 form an integral part of these Financial Statements.

Balance Sheet
as at 31 March 2023

	Note	31.03.23 £	31.03.23 £	31.03.22 £	31.03.22 £
ASSETS					
Fixed Assets					
Investments			**45,663,795**		**48,959,800**
Current Assets					
Debtors	7	356,239		180,787	
Cash and bank balances	9	550,432		816,936	
Total current assets			**906,671**		**997,723**
Total assets			**46,570,466**		**49,957,523**
LIABILITIES					
Investment liabilities			**–**		**(9,970)**
Creditors					
Distribution payable		(93,511)		(99,070)	
Other creditors	8	(423,674)		(163,032)	
Total creditors			**(517,185)**		**(262,102)**
Total liabilities			**(517,185)**		**(272,072)**
Net assets attributable to Shareholders			**46,053,281**		**49,685,451**

The notes on pages 43 to 51 form an integral part of these Financial Statements.

Notes to the Financial Statements

for the year ended 31 March 2023

1. Accounting Policies

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

2. Net Capital (Losses)/Gains

	31.03.23 £	31.03.22 £
Non-derivative securities	(2,873,741)	1,021,349
Currency gains	200,534	131,975
Forward foreign exchange contracts losses	(817,646)	(491,093)
Transaction charges	(8,278)	(7,069)
Net Capital (losses)/gains	**(3,499,131)**	**655,162**

3. Revenue

	31.03.23 £	31.03.22 £
UK dividends: Ordinary	219,153	157,953
Distributions from Regulated Collective Investment Schemes:		
Franked investment income	174,555	145,043
Unfranked investment income	46,896	39,859
Interest distributions	210,055	186,406
Offshore distributions	88,529	84,137
Interest on debt securities	129,182	268,163
Interest distributions from other investment funds	9,611	17,858
Bank interest	19,849	–
Total revenue	**897,830**	**899,419**

4. Expenses

	31.03.23 £	31.03.22 £
Payable to the Authorised Corporate Director ('ACD'), associates of the ACD and agents of either of them:		
ACD's fee	56,632	58,494
Registration fee	34,090	34,009
	90,722	92,503
Payable to the Investment Manager, associates of the Investment Manager and agents of either of them:		
Investment Manager's fee	141,096	147,777

Notes to the Financial Statements
continued

4. Expenses (continued)	31.03.23 £	31.03.22 £
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fee (including VAT)	12,000	12,147
Safe custody and other bank charges	8,850	8,257
	20,850	20,404
Auditor's remuneration*:		
Audit fee	10,065	9,363
Tax compliance services	2,163	1,978
	12,228	11,341
Other expenses:		
Legal fee	2,156	2,809
Printing costs	1,565	1,455
	3,721	4,264
Operating charge rebates^	(41,741)	(36,798)
Expenses	**226,876**	**239,491**
Interest payable and similar charges	26	1,182
Total	**226,902**	**240,673**

*Included within the auditor's remuneration is irrecoverable VAT of £2,446 (2022: £2,268).

^The Investment Manager currently rebates the Sub-fund's operating charges, excluding the Investment Managers fee and synthetic ongoing charge.

5. Taxation	31.03.23 £	31.03.22 £
(a) Analysis of charge in the year:		
Corporation tax at 20%	37,738	54,323
Income tax deducted at source	9,379	7,972
Income tax recoverable	(9,379)	(7,972)
Total tax charge (note 5b)	**37,738**	**54,323**

Notes to the Financial Statements
continued

5. Taxation (continued)

	31.03.23 £	31.03.22 £
(b) Factors affecting taxation charge for the year:		
Net revenue before taxation	670,928	658,746
Corporation tax at 20%	134,186	131,749
Effects of:		
Franked Investment Income	(78,742)	(60,599)
Non-taxable overseas earnings	(17,706)	(16,827)
Total tax charge (note 5a)	**37,738**	**54,323**

(c) Deferred tax

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

6. Distributions

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

		31.03.23 £	31.03.22 £
First interim distribution	30.06.22	124,398	124,230
Second interim distribution	30.09.22	131,789	127,213
Third interim distribution	31.12.22	131,221	131,627
Final distribution	31.03.23	419,349	427,546
		806,757	810,616
Revenue deducted on cancellation of Shares		44,715	33,235
Revenue received on issue of Shares		(36,778)	(47,849)
Distributions		**814,694**	**796,002**

Reconciliation of net revenue after taxation to net distributions:

	31.03.23 £	31.03.22 £
Net revenue after taxation per Statement of Total Return	633,190	604,423
Expenses allocated to capital	226,876	239,491
Relief on expenses allocated to capital	(45,376)	(47,898)
Undistributed revenue brought forward	24	10
Undistributed revenue carried forward	(20)	(24)
Distributions	**814,694**	**796,002**

Notes to the Financial Statements
continued

7. Debtors

	31.03.23 £	31.03.22 £
Amounts receivable on issues	272,716	78,041
Accrued income:		
Interest on debt securities	22,375	25,240
Dividends receivable	47,046	65,740
UK income tax recoverable	9,379	7,972
Prepaid expenses:		
Legal fee	313	318
Operating charge rebates	4,410	3,476
Total debtors	**356,239**	**180,787**

8. Other Creditors

	31.03.23 £	31.03.22 £
Amounts payable on cancellations	351,462	69,380
Accrued expenses:		
Amounts payable to the Authorised Corporate Director ('ACD'), associates of the ACD and agents of either of them:		
ACD's fee	4,771	4,948
Registration fee	3,034	3,018
	7,805	7,966
Amounts payable to the Investment Manager, associates of the Investment Manager and agents of either of them:		
Investment Manager's fee	11,821	12,387
Amounts payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fee (including VAT)	1,019	4,076
Safe custody and other bank charges	824	2,810
	1,843	6,886
Auditor's remuneration*:		
Audit fee	10,065	9,363
Tax compliance services	2,163	1,978
	12,228	11,341
Other expenses:		
Printing costs	777	750
Taxation payable:		
Corporation tax payable	37,738	54,322
Total other creditors	**423,674**	**163,032**

*Included within the auditor's remuneration is irrecoverable VAT of £2,446 (2022: £2,268).

Notes to the Financial Statements
continued

9. Cash and Bank Balances

	31.03.23 £	31.03.22 £
Cash and bank balances	550,432	816,936
Cash and bank balances	**550,432**	**816,936**

10. Related Party Transactions

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

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

Fees payable to Charles Stanley & Co Limited (the 'Investment Manager') are disclosed in note 4 and amounts due at the year end are shown in note 8.

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

Amounts receivable from the Investment Manager for operating charge rebates accrued against expenses are disclosed in note 4, and amounts due at the year end are shown in note 7.

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

At the year end, the Sub-fund held the following Collective Investment Scheme, managed by the Investment Manager and for which MISL act as ACD.

Income Units	**Held at 31.03.23**	**% of NAV* as at 31.03.23**	**Change in period**	**Held at 31.03.22**	**% of NAV* as at 31.03.22**
MI Charles Stanley Equity - A Income	835,267	10.26	(145,510)	980,777	10.20

*Percentage of the Total Net Assets of the underlying fund held.

No rebate has been accrued for this cross investment.

11. Contingent Liabilities and Outstanding Commitments

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

12. Risk Management Policies and Disclosures

The main risks arising from financial instruments and the ACD's policies for managing these risks are disclosed in note 2 on pages 9 and 10.

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

Market price risk

At the balance sheet date, if the price of the investments held by the Sub-fund increased or decreased by 10%, with all other variables held constant, the net assets attributable to Shareholders would increase or decrease by approximately £4,552,301 (2022: £4,894,983).

Notes to the Financial Statements
continued

12. Risk Management Policies and Disclosures (continued)

Currency risk

The table below details the currency risk profile at the balance sheet date.

Currency	31.03.23 Total £	31.03.22 Total £
Euro	828,341	755,749
Japanese yen	1,100,003	545,444
Pound sterling	29,519,422	32,543,850
United States dollar	14,605,515	15,840,408
	46,053,281	**49,685,451**

At the balance sheet date, if the value of sterling increased or decreased by 10%, with all other variables held constant, then the net assets attributable to Shareholders would increase or decrease by approximately £1,653,386 (2022: £1,714,160).

Interest rate risk

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

31.03.23

Currency	Floating rate financial assets £	Fixed rate financial assets £	Assets on which interest distributions are paid £	Assets on which interest is not paid^ £	Foreign currency hedging position £	Total £
Euro	–	–	–	1,710,965	–	1,710,965
Japanese yen	–	–	–	2,331,298	–	2,331,298
Pound sterling	547,887	1,375,253	11,497,063	9,509,092	7,107,312	30,036,607
United States dollar	1,137,788	3,144,504	–	15,175,908	–	19,458,200
	1,685,675	**4,519,757**	**11,497,063**	**28,727,263**	**7,107,312**	**53,537,070**

^ Comprises of Equity Shares which receive dividend revenue and non interest bearing balance sheet debtors.

Currency	Financial liabilities not carrying interest £	Foreign currency hedging position £	Total £
Euro	–	882,624	882,624
Japanese yen	–	1,231,295	1,231,295
Pound sterling	517,185	–	517,185
United States dollar	–	4,852,685	4,852,685
	517,185	**6,966,604**	**7,483,789**

Notes to the Financial Statements
continued

12. Risk Management Policies and Disclosures (continued)

Interest rate risk (continued)

31.03.22

Currency	Floating rate financial assets £	Fixed rate financial assets £	Assets on which interest distributions are paid £	Assets on which interest is not paid^ £	Foreign currency hedging position £	Total £
Euro	–	–	–	2,447,509	–	2,447,509
Japanese yen	–	–	–	1,925,896	–	1,925,896
Pound sterling	816,936	–	8,994,076	10,732,072	12,262,868	32,805,952
United States dollar	4,265,058	3,630,660	–	17,080,213	–	24,975,931
	5,081,994	**3,630,660**	**8,994,076**	**32,185,690**	**12,262,868**	**62,155,288**

^ Comprises of Equity Shares which receive dividend revenue and non interest bearing balance sheet debtors.

Currency	Financial liabilities not carrying interest £	Foreign currency hedging position £	Total £
Euro	–	1,691,760	1,691,760
Japanese yen	–	1,380,452	1,380,452
Pound sterling	262,102	–	262,102
United States dollar	–	9,135,523	9,135,523
	262,102	**12,207,735**	**12,469,837**

Floating rate interest-bearing assets at the balance sheet date consist of bank balances, on which interest is calculated at a variable rate by reference to sterling bank deposit rates or the international equivalent; and Inflation-Linked Bonds where interest will vary depending on the relevant rate of inflation.

At the balance sheet date, if interest rates increased or decreased by 10%, with all other variables held constant, the net assets attributable to Shareholders would increase or decrease by approximately £168,568 (2022: £508,199) in respect of floating rate assets.

Notes to the Financial Statements

continued

13. Portfolio Transaction Costs

31.03.23

Analysis of purchases	Total purchase cost £	Commissions £	Commissions paid %	Taxes £	Taxes %	Purchases before transaction cost £
Equities	2,614,092	–	0.00	2	0.00	2,614,090
Bonds	13,729,418	–	0.00	–	0.00	13,729,418
Funds	8,013,859	–	0.00	–	0.00	6,604,400
Corporate actions	37,871	–	0.00	–	0.00	37,871
Total purchases after commissions and tax	**24,395,240**					

Analysis of sales	Net sale proceeds £	Commissions £	Commissions paid %	Taxes £	Taxes %	Sales before transaction cost £
Equities	3,124,296	–	0.00	4	0.00	3,124,300
Bonds	6,513,258	–	0.00	–	0.00	6,513,258
Funds	5,413,117	–	0.00	–	0.00	5,413,117
Total sales after commissions and tax	**15,050,671**					

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

31.03.22

Analysis of purchases	Total purchase cost £	Commissions £	Commissions paid %	Taxes £	Taxes %	Purchases before transaction cost £
Equities	1,546,900	–	0.00	1,920	0.12	1,544,980
Bonds	3,087,129	–	0.00	–	0.00	3,087,129
Funds	7,509,632	–	0.00	–	0.00	7,509,632
Corporate actions	32,521	–	0.00	–	0.00	32,521
Total purchases after commissions and tax	**12,176,182**					

Analysis of sales	Net sale proceeds £	Commissions £	Commissions paid %	Taxes £	Taxes %	Sales before transaction cost £
Equities	1,521,425	–	0.00	–	0.00	1,521,425
Bonds	1,910,287	–	0.00	–	0.00	1,910,287
Funds	1,979,344	–	0.00	–	0.00	1,979,344
Total sales after commissions and tax	**5,411,056**					

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

Commissions and taxes as a % of the average net assets form part of the direct transaction costs stated within the comparative tables on pages 38 and 39. The direct transaction costs within the comparative tables may differ due to the effect of dilution levies charged (where applicable).

Notes to the Financial Statements
continued

14. Portfolio Dealing Spread

The average portfolio dealing spread at 31 March 2023 is 0.07% (2022: 0.12%).

15. Events after the Balance Sheet date

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

16. Fair Value Disclosure

Valuation technique	31.03.23		31.03.22	
	Assets £	Liabilities £	Assets £	Liabilities £
Level 1^	24,596,263	–	27,944,897	–
Level 2^^	21,067,532	–	21,014,903	(9,970)
Level 3^^^	–	–	–	–
	45,663,795	**–**	**48,959,800**	**(9,970)**

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

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

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

17. Shares in issue

	A Income	A Accumulation	C Accumulation
Opening number of shares	10,094,757	27,315,458	4,388,463
Shares issued	1,636,970	4,638,918	1,221,357
Shares cancelled	(2,073,474)	(4,036,815)	(2,009,890)
Closing number of shares	**9,658,253**	**27,917,561**	**3,599,930**

Distribution Tables

for the year ended 31 March 2023

Income Share Distributions

Share class	Distribution	Shares	Revenue p	Equalisation p	Distribution paid/payable 2023 p	Distribution paid 2022 p
A	First interim	Group 1	0.3000	–	0.3000	0.3000
		Group 2	0.0134	0.2866	0.3000	0.3000
	Second interim	Group 1	0.3000	–	0.3000	0.3000
		Group 2	–	0.3000	0.3000	0.3000
	Third interim	Group 1	0.3000	–	0.3000	0.3000
		Group 2	–	0.3000	0.3000	0.3000
	Final	Group 1	0.9682	–	0.9682	0.9814
		Group 2	0.2425	0.7257	0.9682	0.9814

Accumulation Share Distributions

Share class	Distribution	Shares	Revenue p	Equalisation p	Amount reinvested 2023 p	Amount reinvested 2022 p
A	First interim	Group 1	0.2989	–	0.2989	0.3152
		Group 2	0.0521	0.2468	0.2989	0.3152
	Second interim	Group 1	0.3146	–	0.3146	0.3172
		Group 2	–	0.3146	0.3146	0.3172
	Third interim	Group 1	0.3197	–	0.3197	0.3178
		Group 2	–	0.3197	0.3197	0.3178
	Final	Group 1	1.0404	–	1.0404	1.0419
		Group 2	0.2271	0.8133	1.0404	1.0419
C	First interim	Group 1	0.2408	–	0.2408	0.3021
		Group 2	0.0068	0.2340	0.2408	0.3021
	Second interim	Group 1	0.2881	–	0.2881	0.3080
		Group 2	–	0.2881	0.2881	0.3080
	Third interim	Group 1	0.2983	–	0.2983	0.3062
		Group 2	–	0.2983	0.2983	0.3062
	Final	Group 1	0.9829	–	0.9829	0.9998
		Group 2	0.1224	0.8605	0.9829	0.9998

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

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

Equalisation

Equalisation applies only to shares purchased during the distribution period (Group 2 shares). It represents accrued revenue included in the purchase price of the shares. After averaging, it is returned with the distribution as a capital repayment. It is not liable to income tax but must be deducted from the cost of the shares for capital gains tax purposes.

Investment Objective and Policy
for the year ended 31 March 2023

Investment objective
The Sub-fund will aim to achieve a combination of capital growth and income over the medium to long term.

The Sub-fund will aim for gross returns over an entire market cycle (5 years) in excess of 3% + inflation (as currently measured by the Consumer Price Index). There is no guarantee that this return will be achieved over that, or any, time period, and investors should note that capital is at risk.

Investment policy
The Sub-fund will adopt a global multi asset approach which is neither constrained by a formal benchmark nor by geographic region and will be constructed with diversified exposure to various asset classes selected from the following: equities, fixed income, real estate, alternatives, currencies, commodities, passive investments and actively managed funds. The Sub-fund may also invest in other transferable securities, cash, near cash, deposits and money market funds. Derivatives can also be used for both investment purposes and efficient portfolio management.

The risk profile of the Sub-fund is moderately aggressive and as such the Sub-fund will have an exposure to equities of <85%.

Performance will be measured over an entire market cycle (5 years).

Investment Manager's Report
for the year ended 31 March 2023

General Market Commentary
Despite a strong start of 2023, stock markets returns were mixed over the last twelve months as concerns about inflation and the financial health of some banks on both sides of the Atlantic spread. However, the latter is a unique situation – and the wider banking sector remains well capitalised and regulators and central banks are ensuring the system remains liquid.

The most significant of these centered on Swiss bank Credit Suisse, but regional US banks such as Silicon Valley Bank found themselves insolvent. Sharply rising interest rates in the US have hit the value of government bonds and for some banks have caused mismatch issues between their lending book and asset book. Some of this problem has abated with recent bond market moves, easing some of the stress for other banks.

Perhaps the most significant result of the banking shock is that the Federal Reserve ('FED') may not raise interest rates as much as previously expected, although inflation remains a significant problem. Nevertheless, the situation means that the FTSE 100 has moved down from its new record high hit in February.

Soaring inflation last year has resulted in aggressive interest-rate rises in the US and UK, as well as more moderate rises by the European Central Bank ('ECB'). Futures markets had been pricing in a "Fed pivot" – where the US central bank reverses its tightening policy and starts to cut interest rates – before the end of 2023. FED officials have been telling markets that this is unlikely, as it will take more time to bring inflation under control.

Inflation hit four-decade highs in several economies last year resulting in a cost-of-living crisis that still threatens to tip the world into recession. Consumers are reducing their spending to cope with soaring bills, especially in energy. Russia's invasion of Ukraine and the sanctions in response to Vladimir Putin's brutal war caused energy prices to spike, although prices have since fallen sharply from peaks seen last year.

Central banks, particularly the FED, maintained ultra-loose monetary policies for an extended period of time in their response to the COVID-19 pandemic. When restrictions on movement ended, bottlenecks and uneven openings worldwide caused a shortage of goods and components, as well as workers. This supply-chain crisis propelled inflation to a level that is many times central banks' target rates. The Bank of England ('BoE'), however, is likely to be almost at the end of its interest-rate hiking cycle.

The uncertain near-term economic outlook has amplified market volatility, as recession fears weigh on expectations for company earnings in 2023. Although recession fears have started to ease recently, growth is likely to be pedestrian. The UK avoided a recession at the end of last year, with growth figures revised slightly higher.

Investment Manager’s Report
continued

The US dollar was strong for the majority of last year compared with a basket of other major currencies – but has now started to fall. A strong dollar is tough for American multinationals, as it hits foreign earnings when translated back into the US currency for reporting purposes. This trend reversed in the final quarter of 2022 after central banks in Europe and Japan applied a more aggressive monetary policy, signaling that they intend to close the gap with higher US yields, which drove their currencies higher.

Outlook
The peak in inflation appears to have been passed in most major economies. Although labour markets in the US and UK remain robust, conditions will ease, and central banks will not have to deal with a wage-price spiral. We expect economic growth to slow and some economies will experience shallow recessions, but not a ‘hard landing’. This should support equity markets that are already pricing in a modest recession.

Although the priority of growth will increase, central bank’s tough action against inflation will continue, with the FED maintaining tight policy for the whole of 2023. Global headline inflation continues to ease with core inflation easing slower, but both remain structurally higher in the medium term. The market is pricing in a ‘Fed pivot’ to a more dovish stance in late 2023, but this is overly optimistic. However, the stuttering growth backdrop will force the BoE and the ECB to pause before reaching base rates that the FED has achieved. Energy and food prices will stabilise at higher levels, but the risks remain to the upside. As fixed income markets already derated during 2022, we believe that such backdrop is supportive for credit.

Green-transition targets will be reviewed to include energy-security considerations as Western nations continue to eliminate Russian energy supplies from their imports. Geopolitical risks such as tensions over technology transfer between Washington and Beijing will continue to create trade frictions.

In 2023, central banks need to ensure that the brakes they are putting on economic growth are strong enough to impact prices, but not so intense that they cause the desired slowdown in economic activity to overshoot. Recent data suggests authorities are on track to achieve their aims, with any slowdown being gentle, but the uncertainty is likely to limit market returns until economic data clearly improves.

During the twelve months that ended on the 31 March 2023, the Sub-fund reported a total return of -7.5% compared to 13.8% for the CPI + 3% long term performance target. (Source: Financial Express Analytics as at 31 March 2023, A Accumulation shares, total return, sterling, bid-to-bid, net income reinvested, net of ongoing charges and fees).

During the period we rebalanced the portfolio three times.

The first changes took place during the second quarter of 2022 and can broadly be summarised as:

- Introducing more sector and stock balance within the US Equity allocation
- Trimming the speculative end of our growth exposure while retaining conviction in quality growth
- Adding more infrastructure equity exposure in the higher risk models
- Reducing the European equity exposure as geopolitical tension and recession risk loom
- Bolstering our short duration credit positions on a short-term basis
- Selling our Emerging Market Debt (‘EMD’) holding

The second changes took at the end of the third quarter of 2022, changes can broadly be summarised as:

- Diversifying our Japanese Equity positions
- Taking advantage of opportunities in high yield credit markets
- Cautiously looking to reduce our underweight duration position

These changes did not look to put more risk back on the table, but rather took advantage of the opportunities being presented across the asset class spectrum due to the volatility we experienced.

Investment Manager's Report
continued

Every January we run through the process of deriving our Strategic Asset Allocation. We carry out all our asset allocation work in house since we believe that it will be the biggest driver of the returns that we generate. The aim of this process is to generate portfolios that we believe would generate the best risk-adjusted returns over the coming 5yr+ period. Clearly since we sat down last year, a lot has changed in the world, most notably in fixed income markets. We want to make sure that our review process is responsive enough, but also not too reactionary or short-term in its construction that the boundary between Strategic (5yr+) and Dynamic (3-18m) Asset Allocation becomes blurred.

We use both quantitative and qualitative inputs into this process to ensure that there is rigour behind the analysis while also leveraging the experience of the team to apply the necessary adjustments. We are conscious of the dramatic regime change seen through 2022 and want to ensure we capture the right elements of this when building our long-term assumptions. Some of the key changes identified this year were:

- An increased preference for Sovereign Bond exposure
- Continued preference for US equity exposure and incrementally European Equities
- Reduced exposure to the Emerging Market / Asia Pacific regions
- More balance between the relative value of Property vs Infrastructure within our Alternatives allocation

Considering these, the third changes to the Sub-fund were characterised as follows:

- Re-introducing Inflation-Linked Bonds
- Continuing to build the High Yield Bond exposure

On a macro standpoint, we remain constructive on global equities with a medium-term view and expect inflationary pressure to continue to ease going through the second half of the year though inflation should remain structurally higher. Our base case expects that Central banks will keep their tight policy for the whole of 2023 while avoiding a policy mistake. Growth should slow and some economies experience a shallow recession. As always, we remain longer-term investors rather than traders and aim to look through the noise that is often present in markets.

The end of the period saw some volatility as two US regional banks defaulted, and a forced merger took place between UBS and Credit Suisse. While much of the attention has focused on the risks posed to deposits, the US regional banks were also a key provider of credit facilities used by funds investing in private assets. As such, these events exacerbated concerned around liquidity supply coupled to higher interest rates increasing debt costs and reducing Net Asset Value leading to concerns around the leverage within such private assets fund structures. We believe that our holdings have leverage levels that are not a threat to their business models.

Consequently, the Alternative allocation had the worst return with -10.5% total return whilst Equities returned -5.5% and Fixed Income -0.6%. Within our Alternatives allocation, we continue to like our Property and Infrastructure assets as they provide an efficient inflation hedge and the "green revolution theme" has been put on the top of world leaders' agenda.

At the sub-asset class level, the largest contributors were High Yield and Inflation-Linked Bonds as well as Asia Pacific ex Japan equities with respective total return of +8.8%, +5.6% and +2.8%. The largest detractors were North America and Global Equity/Thematics equities and the Property fund with respective total returns of -9.3%, -4.3% and -17.7%.

Investment Manager's Report
continued

Significant Portfolio Changes
for the year ended 31 Mar 2023

Major purchases since 1 April 2022	**Cost**
	£
UK Treasury 0.00% 12.09.22	2,794,868
UK Treasury 0.00% 24.10.22	2,794,456
Xtracker S&P 500 Equal Weight ETF	2,711,791
Man GLG High Yield Opportunities Hedged - IF Income GBP	2,370,000
UK Treasury 0.00% 28.12.22	1,496,159
UK Treasury 0.125% 31.01.23	1,397,130
UK Treasury 0.00% 28.12.22	1,396,843
US Treasury 0.625% 15.05.30	1,349,276
M&G Japan Fund Sterling - PP Income	1,200,000
UK Treasury 0.125% 22.03.24	1,167,622
	18,678,145

Major sales since 1 April 2022	**Proceeds**
	£
Invesco EQQQ Nasdaq - 100 UCITS ETF	2,714,207
iShares Core S&P 500 UCITS ETF - GBP (hedged) Distribution	2,018,769
Axa Sterling Credit Short Duration Bond - ZI Income GBP	2,014,225
US Treasury 0.125% Index-Linked 15.07.26	1,501,299
Ninety One Emerging Markets Blended Debt - J Income 2	1,478,753
Baillie Gifford Japanese - B Income	1,200,000
Legal & General European Index - C Income	1,140,000
UK Treasury 0.00% 24.10.22	1,110,544
Edinburgh Worldwide Investment	844,540
Baillie Gifford Positive Change - B Income	570,000
	14,592,337

Portfolio Statement
as at 31 March 2023

Holding	Security	Market value £	% of total net assets 2023
	Alternatives 9.29% (4.76%)		
430,000	Foresight Solar	476,440	1.03
407,069	Greencoat UK Wind	637,063	1.37
263,404	HICL Infrastructure	405,642	0.87
317,281	International Public Partnerships	458,788	0.99
1,177,230	Legal & General Global Infrastructure Index - C Distribution*	814,055	1.75
1,415,000	Sequoia Economic Infrastructure Income	1,134,830	2.45
310,000	The Renewables Infrastructure Group	386,880	0.83
		4,313,698	9.29
	Asia ex-Japan Equities 10.42% (9.42%)		
549,297	Schroder Asian Total Return Investment	2,334,512	5.03
307,080	Stewart Investors Asia Pacific Sustainability - B Accumulation GBP*	2,502,362	5.39
		4,836,874	10.42
	Emerging Market Equities 3.50% (4.30%)		
1,496,850	JPMorgan Emerging Markets Investment	1,625,579	3.50
	European Equities 3.76% (5.80%)		
497,554	Legal & General European Index - C Income*	1,744,423	3.76
	Government Bonds 0.00% (1.77%)		
	Global Equities 7.42% (10.52%)		
550,598	Baillie Gifford Positive Change - B Income*	1,684,829	3.63
3,187,769	Schroder Global Energy Transition - Class Q1 Income GBP*	1,759,648	3.79
		3,444,477	7.42
	High Yield Corporate Bonds 5.35% (0.00%)		
19,577	Man GLG High Yield Opportunities Hedged - IF Income GBP*	2,485,469	5.35
	Inflation-Linked Bonds 2.44% (3.32%)		
1,200,000	US Treasury 0.75% Index-Linked 15.07.28	1,135,244	2.44
	Investment Grade Corporate Bonds 5.58% (12.57%)		
19,768	iShares £ Corporate Bond 0-5yr UCITS ETF - GBP Distribution	1,917,298	4.13
1,402,472	Legal & General Sterling Corporate Bond Index - C Income*	672,345	1.45
		2,589,643	5.58
	Japanese Equities 5.34% (5.07%)		
75,358	Baillie Gifford Japanese - B Income*	1,159,010	2.50
1,093,992	M&G Japan Fund Sterling - PP Income*	1,319,902	2.84
		2,478,912	5.34
	Property 3.86% (4.37%)		
3,098,247	Legal & General Global Real Estate Dividend Index - C Distribution*	1,790,167	3.86
	UK Equities 4.18% (4.29%)		
137,812	Legal & General UK Index - C Distribution*	230,146	0.50
868,867	MI Charles Stanley Equity - A Income*†	1,710,591	3.68
		1,940,737	4.18

Portfolio Statement

continued

Holding	Security	Market value £	% of total net assets 2023
	US Equities 28.12% (31.34%)		
4,730	Invesco EQQQ Nasdaq - 100 UCITS ETF	1,222,232	2.63
237,000	iShares Core S&P 500 UCITS ETF - GBP (hedged) Distribution	1,647,387	3.55
584,858	Legal & General US Index - C Income*	3,856,556	8.31
55,381	Vanguard S&P 500 UCITS ETF	3,460,759	7.45
46,300	Xtracker S&P 500 Equal Weight ETF	2,867,822	6.18
		13,054,756	28.12
	UK Government Bonds 2.96% (0.00%)		
200,000	UK Treasury 0.00% 03.04.23	200,000	0.43
790,000	UK Treasury 0.125% 22.03.24	1,175,253	2.53
		1,375,253	2.96
	US Government Bonds 4.72% (1.77%)		
1,900,000	US Treasury 0.625% 15.05.30	1,260,042	2.71
430,000	US Treasury 1.5% 31.10.24	333,761	0.72
780,000	US Treasury 2.25% 15.08.27	596,197	1.29
		2,190,000	4.72
	DERIVATIVES 0.45% (0.15%)		
	Forward Currency Contracts^ 0.46% (0.15%)		
	Sold €1,000,000 Bought £885,950 (14.06.23)	3,325	0.01
	Sold $9,000,000 Bought £7,481,608 (14.06.23)	202,580	0.44
	Sold ¥200,000,000 Bought £1,233,624 (14.06.23)	2,329	0.00
		208,234	0.45
	Investment assets	**45,213,466**	**97.39**
	Net other assets	**1,210,856**	**2.61**
	Net assets	**46,424,322**	**100.00**

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

*Collective Investment Schemes permitted under COLL, not listed on any exchange.

†Represents investment into a related party of the Manager (note 10). Maitland Institutional Services also acts as ACD for this fund.

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

Analysis of bonds by credit rating^^	Market value £	% of total net assets 2023	% of total net assets 2022
Investment grade (BBB & above)	4,700,497	10.11	5.09
	4,700,497	10.11	5.09

^^Source: NTISL

Comparative Tables

Change in net assets per share

	A Income		
	31.03.23 p	31.03.22 p	31.03.21 p
Opening net asset value per share	121.60	118.25	95.07
Return before operating charges^	-7.35	5.93	25.64
Operating charges	-1.04	-0.91	-0.77
Return after operating charges^	-8.39	5.02	24.87
Distributions	-1.87	-1.67	-1.69
Closing net asset value per share	**111.34**	**121.60**	**118.25**
^After direct transaction costs of	0.00	-0.01	-0.04
Performance			
Return after charges	-6.90%	4.25%	26.16%
Other information			
Closing net asset value	£5,998,465	£7,220,486	£6,151,951
Closing number of shares	5,387,449	5,937,671	5,202,636
Operating charges	0.93%	0.73%	0.69%
Ongoing operating charges*	0.93%	0.73%	0.66%
Direct transaction costs	0.00%	0.01%	0.04%
Prices			
Highest share price	122.23	131.72	123.91
Lowest share price	105.97	114.23	92.84

	A Accumulation		
	31.03.23 p	31.03.22 p	31.03.21 p
Opening net asset value per share	131.48	126.14	99.93
Return before operating charges^	-7.92	6.31	27.02
Operating charges	-1.13	-0.97	-0.81
Return after operating charges^	-9.05	5.34	26.21
Distributions	-2.01	-1.79	-1.78
Retained distributions on accumulation shares	2.01	1.79	1.78
Closing net asset value per share	**122.43**	**131.48**	**126.14**
^After direct transaction costs of	0.00	-0.01	-0.05
Performance			
Return after charges	-6.88%	4.23%	26.23%
Other information			
Closing net asset value	£34,201,675	£37,032,887	£27,580,166
Closing number of shares	27,935,212	28,167,026	21,865,212
Operating charges	0.93%	0.73%	0.69%
Ongoing operating charges*	0.93%	0.73%	0.66%
Direct transaction costs	0.00%	0.01%	0.04%
Prices			
Highest share price	132.15	141.19	131.31
Lowest share price	115.22	122.72	97.63

Comparative Tables

continued

	B Accumulation		
	31.03.23 p	31.03.22 p	31.03.21 p
Opening net asset value per share	173.40	166.37	131.80
Return before operating charges^	-10.44	8.31	35.64
Operating charges	-1.50	-1.28	-1.07
Return after operating charges^	-11.94	7.03	34.57
Distributions	-2.61	-2.37	-2.35
Retained distributions on accumulation shares	2.61	2.37	2.35
Closing net asset value per share	**161.46**	**173.40**	**166.37**
^After direct transaction costs of	0.00	-0.02	-0.06
Performance			
Return after charges	-6.89%	4.23%	26.23%
Other information			
Closing net asset value	£3,650,162	£4,100,841	£5,914,919
Closing number of shares	2,260,777	2,364,899	3,555,355
Operating charges	0.93%	0.73%	0.69%
Ongoing operating charges*	0.93%	0.73%	0.66%
Direct transaction costs	0.00%	0.01%	0.04%
Prices			
Highest share price	174.29	186.22	173.18
Lowest share price	151.96	161.86	128.76

	C Accumulation		
	31.03.23 p	31.03.22 p	31.03.21 p
Opening net asset value per share	123.12	118.11	93.57
Return before operating charges^	-7.45	5.92	25.30
Operating charges	-1.06	-0.91	-0.76
Return after operating charges^	-8.51	5.01	24.54
Distributions	-1.90	-1.68	-1.66
Retained distributions on accumulation shares	1.90	1.68	1.66
Closing net asset value per share	**114.61**	**123.12**	**118.11**
^After direct transaction costs of	0.00	-0.01	-0.04
Performance			
Return after charges	-6.91%	4.24%	26.23%
Other information			
Closing net asset value	£2,574,020	£2,835,114	£2,708,168
Closing number of shares	2,245,955	2,302,795	2,292,860
Operating charges	0.93%	0.73%	0.69%
Ongoing operating charges*	0.93%	0.73%	0.66%
Direct transaction costs	0.00%	0.01%	0.04%
Prices			
Highest share price	123.74	132.21	122.95
Lowest share price	107.85	114.92	91.41

*The Investment Manager currently rebates the Sub-fund's operating charges, excluding the Investment Manager's fee and synthetic charges (0.43% of operating charge), in order for them not to exceed 0.20% of the Net Asset Value (NAV) of the Sub-fund.

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

The return after charges is calculated as the closing Net Asset Value per share plus the distributions on income shares minus the opening Net Asset Value per share as a % of the opening Net Asset Value per share. The basis of valuation of investments

Comparative Tables

continued

used to calculate Net Asset Value per share is described in notes to the Financial Statements 1h) and complies with requirements of the current Statement of Recommended Practice for UK Authorised Funds. This differs from the basis used to calculate daily published single prices, in which listed investments are valued at 12:00pm mid prices.

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

Risk and Reward Profile

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

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

1	2	3	4	5	6	7

This Sub-fund is ranked at 5 because funds of this type have experienced medium to high rises and falls in value in the past. Please note that even the lowest risk class can lose you money and that extreme market circumstances can mean you suffer severe losses in all cases. The indicator does not take into account the following risks of investing in this Sub-fund:

- The Sub-fund may invest in cash and cash equivalent securities to try to protect its value in times of market uncertainty but this may not always be successful.
- Changes in exchange rates may cause the value of investments to decrease or increase.
- Investing in other funds may expose you to increased risk due to restrictions on withdrawals, less strict regulations and use of derivatives.
- Investing in bonds offers you income generation and sometimes a gain on your capital. Nevertheless, there is a risk that the organisation which issued the security will fail, which would result in a loss of income to the Sub-fund, along with its initial investment. Fixed income values are likely to fall if interest rates rise.
- There may be cases where the organisation from which we buy an asset (usually a financial institution such as a bank) fails to carry out its obligations, which could cause losses to the Sub-fund.
- Investment grade bonds, as determined by international ratings agencies, potentially produce a lower level of income than noninvestment grade securities, but they are also considered to be of lower risk.
- This Sub-fund can use derivatives in order to meet its investment objectives. This may result in gains or losses that are greater than the original amount invested.
- Emerging markets are prone to more political, economic and structural challenges and disclosure standards can be less stringent than those of developed economies. This means your money could be at greater risk.
- For further risk information please see the Prospectus.

Risk Warning

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

Statement of Total Return

for the year ended 31 March 2023

	Note	31.03.23 £	31.03.23 £	31.03.22 £	31.03.22 £
Income					
Net capital (losses)/gains	2		(4,192,279)		1,275,092
Revenue	3	836,118		732,980	
Expenses	4	(227,723)		(243,201)	
Interest payable and similar charges	4	(185)		(1,874)	
Net revenue before taxation		608,210		487,905	
Taxation	5	–		–	
Net revenue after taxation			608,210		487,905
Total return before distributions			**(3,584,069)**		**1,762,997**
Distributions	6		(779,261)		(673,896)
Change in net assets attributable to Shareholders from investment activities			**(4,363,330)**		**1,089,101**

Statement of Change in Net Assets Attributable to Shareholders

for the year ended 31 March 2023

	31.03.23 £	31.03.23 £	31.03.22 £	31.03.22 £
Opening net assets attributable to Shareholders		**51,189,328**		**42,355,204**
Amounts receivable on issue of shares	7,419,509		15,090,896	
Less: Amounts payable on cancellation of shares	(8,486,956)		(7,935,376)	
Breach compensation	596		–	
		(1,066,851)		7,155,520
Change in net assets attributable to Shareholders from investment activities (see Statement of Total Return above)		(4,363,330)		1,089,101
Retained distributions on accumulation shares		665,175		589,503
Closing net assets attributable to Shareholders		**46,424,322**		**51,189,328**

The notes on pages 64 to 71 form an integral part of these Financial Statements.

Balance Sheet
as at 31 March 2023

	Note	31.03.23 £	31.03.23 £	31.03.22 £	31.03.22 £
ASSETS					
Fixed Assets					
Investments			**45,213,466**		**50,015,484**
Current Assets					
Debtors	7	327,972		311,653	
Cash and bank balances	9	1,056,703		1,052,659	
Total current assets			**1,384,675**		**1,364,312**
Total assets			**46,598,141**		**51,379,796**
LIABILITIES					
Investment liabilities			**–**		**(11,397)**
Creditors					
Distribution payable		(52,485)		(46,029)	
Other creditors	8	(121,334)		(133,042)	
Total creditors			**(173,819)**		**(179,071)**
Total liabilities			**(173,819)**		**(190,468)**
Net assets attributable to Shareholders			**46,424,322**		**51,189,328**

The notes on pages 64 to 71 form an integral part of these Financial Statements.

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

1. Accounting Policies

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

2. Net Capital (Losses)/Gains

	31.03.23 £	31.03.22 £
Non-derivative securities	(3,728,574)	1,495,151
Currency gains	255,259	104,980
Forward foreign exchange contracts losses	(710,731)	(317,795)
Transaction charges	(8,233)	(7,244)
Net Capital (losses)/gains	**(4,192,279)**	**1,275,092**

3. Revenue

	31.03.23 £	31.03.22 £
UK dividends: Ordinary	233,048	160,257
Distributions from Regulated Collective Investment Schemes:		
Franked investment income	224,922	185,374
Unfranked investment income	55,257	42,636
Interest distributions	125,401	158,644
Offshore distributions	94,533	99,502
Interest on debt securities	67,284	71,592
Interest distributions from other investment Funds	8,045	14,947
Bank interest	27,628	28
Total revenue	**836,118**	**732,980**

4. Expenses

	31.03.23 £	31.03.22 £
Payable to the Authorised Corporate Director ('ACD'), associates of the ACD and agents of either of them:		
ACD's fee	56,905	59,269
Registration fee	44,515	46,882
	101,420	106,151
Payable to the Investment Manager, associates of the Investment Manager and agents of either of them:		
Investment Manager's fee	141,902	150,272
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fee (including VAT)	12,029	12,240
Safe custody and other bank charges	8,875	8,115
	20,904	20,355

Notes to the Financial Statements
continued

4. Expenses (continued)

	31.03.23 £	31.03.22 £
Auditor's remuneration*:		
Audit fee	10,064	9,363
Tax compliance services	2,163	1,978
	12,227	11,341
Other expenses:		
Legal fee	3,056	3,726
Printing costs	2,144	2,024
	5,200	5,750
Operating charge rebates^	(53,930)	(50,668)
Expenses	**227,723**	**243,201**
Interest payable and similar charges	185	1,874
Total	**227,908**	**245,075**

*Included within the auditor's remuneration is irrecoverable VAT of £2,446 (2022: £2,268).

^The Investment Manager currently rebates the Sub-fund's operating charges, excluding the Investment Managers fee and synthetic ongoing charge.

5. Taxation

	31.03.23 £	31.03.22 £
(a) Analysis of charge in the year:		
Income tax deducted at source	11,051	8,527
Income tax recoverable	(11,051)	(8,527)
Total tax charge (note 5b)	**–**	**–**
(b) Factors affecting taxation charge for the year:		
Net revenue before taxation	608,210	487,905
Corporation tax at 20%	121,642	97,581
Effects of:		
UK dividends	(91,594)	(69,125)
Movement in surplus management expenses	(11,141)	(8,556)
Non-taxable overseas earnings	(18,907)	(19,900)
Total tax charge (note 5a)	**–**	**–**

(c) Deferred tax

At the year end there is a potential deferred tax asset of £8,080 (2022: £19,224) in relation to surplus management expenses of £40,398 (2022: £96,118). It is unlikely that the Sub-fund will generate sufficient taxable profits in the future to utilise these expenses and therefore no deferred tax asset has been recognised in the year.

Notes to the Financial Statements
continued

6. Distributions

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

		31.03.23 £	31.03.22 £
First interim distribution	30.06.22	122,244	119,153
Second interim distribution	30.09.22	123,291	120,658
Third interim distribution	31.12.22	125,254	123,699
Final distribution	31.03.23	399,762	324,091
		770,551	687,601
Revenue deducted on cancellation of Shares		46,099	28,388
Revenue received on issue of Shares		(37,389)	(42,093)
Distributions		**779,261**	**673,896**

Reconciliation of net revenue after taxation to net distributions:

Net revenue after taxation per Statement of Total Return	608,210	487,905
Expenses allocated to capital	227,723	243,201
Relief on expenses allocated to capital	(56,687)	(57,195)
Undistributed revenue brought forward	24	9
Undistributed revenue carried forward	(9)	(24)
Distributions	**779,261**	**673,896**

7. Debtors

	31.03.23 £	31.03.22 £
Amounts receivable on issues	257,044	235,186
Accrued income:		
Interest on debt securities	9,388	4,144
Dividends receivable	44,064	58,303
UK income tax recoverable	11,051	8,527
Prepaid expenses:		
Legal fee	418	424
Operating charge rebates	6,007	5,069
Total debtors	**327,972**	**311,653**

8. Other Creditors

	31.03.23 £	31.03.22 £
Amounts payable on cancellations	85,943	91,995
Accrued expenses:		
Amounts payable to the Authorised Corporate Director (‘ACD’), associates of the ACD and agents of either of them:		
ACD’s fee	4,779	5,018
Registration fee	3,851	4,366
	8,630	9,384

Notes to the Financial Statements
continued

8. Other Creditors (continued)	31.03.23 £	31.03.22 £
Amounts payable to the Investment Manager, associates of the Investment Manager and agents of either of them:		
Investment Manager's fee	11,799	12,603
Amounts payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fee (including VAT)	1,019	4,112
Safe custody and other bank charges	816	2,757
	1,835	6,869
Auditor's remuneration*:		
Audit fee	10,064	9,363
Tax compliance services	2,163	1,978
	12,227	11,341
Other expenses:		
Printing costs	900	850
Total other creditors	**121,334**	**133,042**

*Included within the auditor's remuneration is irrecoverable VAT of £2,446 (2022: £2,268).

9. Cash and Bank Balances	31.03.23 £	31.03.22 £
Cash and bank balances	1,056,703	1,052,659
Cash and bank balances	**1,056,703**	**1,052,659**

10. Related Party Transactions

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

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

Fees payable to Charles Stanley & Co Limited (the 'Investment Manager') are disclosed in note 4 and amounts due at the year end are shown in note 8.

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

Amounts receivable from the Investment Manager for operating charge rebates accrued against expenses are disclosed in note 4, and amounts due at the year end are shown in note 7.

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

At the year end, the Sub-fund held the following Collective Investment Scheme, managed by the Investment Manager and for which MISL act as ACD.

Notes to the Financial Statements

continued

10. Related Party Transactions (continued)

Income Units	Held at 31.03.23	% of NAV* as at 31.03.23	Change in period	Held at 31.03.22	% of NAV* as at 31.03.22
MI Charles Stanley Equity - A Income	868,867	11.00	(152,507)	1,021,374	10.62

*Percentage of the Total Net Assets of the underlying fund held.

No rebate has been accrued for this cross investment.

11. Contingent Liabilities and Outstanding Commitments

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

12. Risk Management Policies and Disclosures

The main risks arising from financial instruments and the ACD's policies for managing these risks are disclosed in note 2 on pages 9 and 10.

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

Market price risk

At the balance sheet date, if the price of the investments held by the Sub-fund increased or decreased by 10%, with all other variables held constant, the net assets attributable to Shareholders would increase or decrease by approximately £4,500,523 (2022: £5,118,933).

Currency risk

The table below details the currency risk profile at the balance sheet date.

Currency	31.03.23 Total £	31.03.22 Total £
Euro	861,798	853,844
Japanese yen	1,247,617	715,286
Pound sterling	29,203,187	31,820,497
United States dollar	15,111,720	17,799,701
	46,424,322	**51,189,328**

At the balance sheet date, if the value of sterling increased or decreased by 10%, with all other variables held constant, then the net assets attributable to Shareholders would increase or decrease by approximately £1,722,114 (2022: £1,936,883).

Interest rate risk

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

31.03.23

Currency	Floating rate financial assets £	Fixed rate financial assets £	Assets on which interest distributions are paid £	Assets on which interest is not paid^ £	Foreign currency hedging position £	Total £
Euro	–	–	–	1,744,423	–	1,744,423
Japanese yen	–	–	–	2,478,912	–	2,478,912
Pound sterling	1,054,945	1,375,253	2,995,285	14,350,342	9,601,181	29,377,006
United States dollar	1,137,002	2,190,000	–	19,063,745	–	22,390,747
	2,191,947	**3,565,253**	**2,995,285**	**37,637,422**	**9,601,181**	**55,991,088**

^Comprises of Equity Shares which receive dividend revenue and non interest bearing balance sheet debtors.

Notes to the Financial Statements
continued

12. Risk Management Policies and Disclosures (continued)

Interest rate risk (continued)

Currency	Financial liabilities not carrying interest £	Foreign currency hedging position £	Total £
Euro	–	882,625	882,625
Japanese yen	–	1,231,295	1,231,295
Pound sterling	173,819	–	173,819
United States dollar	–	7,279,027	7,279,027
	173,819	**9,392,947**	**9,566,766**

31.03.22

Currency	Floating rate financial assets £	Fixed rate financial assets £	Assets on which interest distributions are paid £	Assets on which interest is not paid^ £	Foreign currency hedging position £	Total £
Euro	–	–	–	2,968,544	–	2,968,544
Japanese yen	–	–	–	2,597,720	–	2,597,720
Pound sterling	1,052,659	–	6,905,193	13,113,560	10,926,156	31,999,568
United States dollar	1,699,625	904,992	–	22,046,725	–	24,651,342
	2,752,284	**904,992**	**6,905,193**	**40,728,549**	**10,926,156**	**62,217,174**

^Comprises of Equity Shares which receive dividend revenue and non interest bearing balance sheet debtors.

Currency	Financial liabilities not carrying interest £	Foreign currency hedging position £	Total £
Euro	–	2,114,700	2,114,700
Japanese yen	–	1,882,434	1,882,434
Pound sterling	179,070	–	179,070
United States dollar	–	6,851,642	6,851,642
	179,070	**10,848,776**	**11,027,846**

Floating rate interest-bearing assets at the balance sheet date consist of bank balances, on which interest is calculated at a variable rate by reference to sterling bank deposit rates or the international equivalent; and Inflation-Linked Bonds where interest will vary depending on the relevant rate of inflation.

At the balance sheet date, if interest rates increased or decreased by 10%, with all other variables held constant, the net assets attributable to Shareholders would increase or decrease by approximately £219,195 (2022: £275,228) in respect of floating rate assets.

Notes to the Financial Statements

continued

13. Portfolio Transaction Costs

31.03.23

Analysis of purchases	Total purchase cost	Commissions	paid	Taxes		Purchases before transaction cost
	£	£	%	£	%	£
Bonds	13,729,418	–	0.00	–	0.00	13,729,418
Equities	4,658,375	–	0.00	2	0.00	4,658,373
Funds	4,659,300	–	0.00	–	0.00	4,659,300
Corporate actions	123,689	–	0.00	–	0.00	123,689
Total purchases after commissions and tax	**23,170,782**					

Analysis of sales	Net sale proceeds	Commissions	paid	Taxes		Sales before transaction cost
	£	£	%	£	%	£
Bonds	2,885,922	–	0.00	–	0.00	2,885,922
Equities	5,582,220	–	0.00	4	0.00	5,582,224
Funds	7,147,162	–	0.00	1	0.00	7,147,163
Total sales after commissions and tax	**15,615,304**					

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

31.03.22

Analysis of purchases	Total purchase cost	Commissions	paid	Taxes		Purchases before transaction cost
	£	£	%	£	%	£
Equities	1,730,474	–	0.00	2,987	0.17	1,727,487
Bonds	475,272	–	0.00	–	0.00	475,272
Funds	9,807,194	–	0.00	–	0.00	9,807,194
Corporate actions	143,006	–	0.00	–	0.00	143,006
Total purchases after commissions and tax	**12,155,946**					

Analysis of sales	Net sale proceeds	Commissions	paid	Taxes		Sales before transaction cost
	£	£	%	£	%	£
Equities	2,682,167	–	0.00	–	0.00	2,682,167
Bonds	2,349,141	–	0.00	–	0.00	2,349,141
Total sales after commissions and tax	**5,031,308**					

Commission as a % of average net assets 0.00%
Taxes as a % of the average net assets 0.01%

Notes to the Financial Statements
continued

13. Portfolio Transaction Costs (continued)

Commissions and taxes as a % of the average net assets form part of the direct transaction costs stated within the comparative tables on pages 59 to 61. The direct transaction costs within the comparative tables may differ due to the effect of dilution levies charged (where applicable).

14. Portfolio Dealing Spread

The average portfolio dealing spread at 31 March 2023 is 0.08% (2022: 0.14%).

15. Events after the Balance Sheet date

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

16. Fair Value Disclosure

Valuation technique	**31.03.23**		**31.03.22**	
	Assets £	**Liabilities £**	**Assets £**	**Liabilities £**
Level 1^	24,803,865	–	21,465,126	–
Level 2^^	20,409,601	–	28,550,358	(11,397)
Level 3^^^	–	–	–	–
	45,213,466	**–**	**50,015,484**	**(11,397)**

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

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

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

17. Shares in issue

	A Income	**A Accumulation**	**B Accumulation**	**C Accumulation**
Opening number of shares	5,937,671	28,167,026	2,364,899	2,302,795
Shares issued	562,078	4,800,444	216,104	530,003
Shares cancelled	(1,112,300)	(5,034,269)	(318,743)	(586,843)
Shares converted	–	2,011	(1,483)	–
Closing number of shares	**5,387,449**	**27,935,212**	**2,260,777**	**2,245,955**

Distribution Tables

for the year ended 31 March 2023

Income Share Distributions

Share class	Distribution	Shares	Revenue p	Equalisation p	Distribution payable 2023 p	Distribution paid 2022 p
A	First interim	Group 1	0.3000	–	0.3000	0.3000
		Group 2	0.1085	0.1915	0.3000	0.3000
	Second interim	Group 1	0.3000	–	0.3000	0.3000
		Group 2	–	0.3000	0.3000	0.3000
	Third interim	Group 1	0.3000	–	0.3000	0.3000
		Group 2	–	0.3000	0.3000	0.3000
	Final	Group 1	0.9742	–	0.9742	0.7752
		Group 2	0.1234	0.8508	0.9742	0.7752

Accumulation Share Distributions

Share class	Distribution	Shares	Revenue p	Equalisation p	Amount reinvested 2023 p	Amount reinvested 2022 p
A	First interim	Group 1	0.3123	–	0.3123	0.3197
		Group 2	0.0103	0.3020	0.3123	0.3197
	Second interim	Group 1	0.3202	–	0.3202	0.3207
		Group 2	–	0.3202	0.3202	0.3207
	Third interim	Group 1	0.3245	–	0.3245	0.3212
		Group 2	–	0.3245	0.3245	0.3212
	Final	Group 1	1.0519	–	1.0519	0.8314
		Group 2	0.2057	0.8462	1.0519	0.8314
B	First interim	Group 1	0.3875	–	0.3875	0.4238
		Group 2	–	0.3875	0.3875	0.4238
	Second interim	Group 1	0.4137	–	0.4137	0.4236
		Group 2	–	0.4137	0.4137	0.4236
	Third interim	Group 1	0.4233	–	0.4233	0.4239
		Group 2	–	0.4233	0.4233	0.4239
	Final	Group 1	1.3822	–	1.3822	1.0972
		Group 2	0.4388	0.9434	1.3822	1.0972
C	First interim	Group 1	0.3031	–	0.3031	0.3016
		Group 2	–	0.3031	0.3031	0.3016
	Second interim	Group 1	0.3004	–	0.3004	0.3007
		Group 2	0.0371	0.2633	0.3004	0.3007
	Third interim	Group 1	0.3043	–	0.3043	0.3009
		Group 2	–	0.3043	0.3043	0.3009
	Final	Group 1	0.9875	–	0.9875	0.7788
		Group 2	0.1033	0.8842	0.9875	0.7788

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

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

Distribution Tables

continued

Equalisation

Equalisation applies only to shares purchased during the distribution period (Group 2 shares). It represents accrued revenue included in the purchase price of the shares. After averaging, it is returned with the distribution as a capital repayment. It is not liable to income tax but must be deducted from the cost of the shares for capital gains tax purposes.

Investment Objective and Policy

for the year ended 31 March 2023

Investment objective

The Sub-fund will aim to achieve a combination of capital growth and income over the medium to long term.

The Sub-fund will aim for gross returns over an entire market cycle (5 years) in excess of 4% + inflation (as currently measured by the Consumer Price Index). There is no guarantee that this return will be achieved over that, or any, time period, and investors should note that capital is at risk.

Investment policy

The Sub-fund will adopt a global multi asset approach which is neither constrained by a formal benchmark nor by geographic region and will be constructed with diversified exposure to various asset classes selected from the following: equities, fixed income, real estate, alternatives, currencies, commodities, passive investments and actively managed funds. The Sub-fund may also invest in other transferable securities, cash, near cash, deposits and money market funds. Derivatives can also be used for both investment purposes and efficient portfolio management.

The risk profile of the Sub-fund is aggressive and as such the Sub-fund will have an exposure to equities of up to 100%.

Performance will be measured over an entire market cycle (5 years).

Investment Manager's Report

for the year ended 31 March 2023

General Market Commentary

Despite a strong start of 2023, stock markets returns were mixed over the last twelve months as concerns about inflation and the financial health of some banks on both sides of the Atlantic spread. However, the latter is a unique situation – and the wider banking sector remains well capitalised and regulators and central banks are ensuring the system remains liquid.

The most significant of these centered on Swiss bank Credit Suisse, but regional US banks such as Silicon Valley Bank found themselves insolvent. Sharply rising interest rates in the US have hit the value of government bonds and for some banks have caused mismatch issues between their lending book and asset book. Some of this problem has abated with recent bond market moves, easing some of the stress for other banks.

Perhaps the most significant result of the banking shock is that the Federal Reserve ('FED') may not raise interest rates as much as previously expected, although inflation remains a significant problem. Nevertheless, the situation means that the FTSE 100 has moved down from its new record high hit in February.

Soaring inflation last year has resulted in aggressive interest-rate rises in the US and UK, as well as more moderate rises by the European Central Bank ('ECB'). Futures markets had been pricing in a "Fed pivot" – where the US central bank reverses its tightening policy and starts to cut interest rates – before the end of 2023. FED officials have been telling markets that this is unlikely, as it will take more time to bring inflation under control.

Inflation hit four-decade highs in several economies last year resulting in a cost-of-living crisis that still threatens to tip the world into recession. Consumers are reducing their spending to cope with soaring bills, especially in energy. Russia's invasion of Ukraine and the sanctions in response to Vladimir Putin's brutal war caused energy prices to spike, although prices have since fallen sharply from peaks seen last year.

Central banks, particularly the FED, maintained ultra-loose monetary policies for an extended period of time in their response to the COVID-19 pandemic. When restrictions on movement ended, bottlenecks and uneven openings worldwide caused a shortage of goods and components, as well as workers. This supply-chain crisis propelled inflation to a level that is many times central banks' target rates. The Bank of England ('BoE'), however, is likely to be almost at the end of its interest-rate hiking cycle.

The uncertain near-term economic outlook has amplified market volatility, as recession fears weigh on expectations for company earnings in 2023. Although recession fears have started to ease recently, growth is likely to be pedestrian. The UK avoided a recession at the end of last year, with growth figures revised slightly higher.

Investment Manager's Report
continued

The US dollar was strong for the majority of last year compared with a basket of other major currencies – but has now started to fall. A strong dollar is tough for American multinationals, as it hits foreign earnings when translated back into the US currency for reporting purposes. This trend reversed in the final quarter of 2022 after central banks in Europe and Japan applied a more aggressive monetary policy, signaling that they intend to close the gap with higher US yields, which drove their currencies higher.

Outlook
The peak in inflation appears to have been passed in most major economies. Although labour markets in the US and UK remain robust, conditions will ease, and central banks will not have to deal with a wage-price spiral. We expect economic growth to slow and some economies will experience shallow recessions, but not a 'hard landing'. This should support equity markets that are already pricing in a modest recession.

Although the priority of growth will increase, central bank's tough action against inflation will continue, with the FED maintaining tight policy for the whole of 2023. Global headline inflation continues to ease with core inflation easing slower, but both remain structurally higher in the medium term. The market is pricing in a 'Fed pivot' to a more dovish stance in late 2023, but this is overly optimistic. However, the stuttering growth backdrop will force the BoE and the ECB to pause before reaching base rates that the Fed has achieved. Energy and food prices will stabilise at higher levels, but the risks remain to the upside. As fixed income markets already derated during 2022, we believe that such backdrop is supportive for credit.

Green-transition targets will be reviewed to include energy-security considerations as Western nations continue to eliminate Russian energy supplies from their imports. Geopolitical risks such as tensions over technology transfer between Washington and Beijing will continue to create trade frictions.

In 2023, central banks need to ensure that the brakes they are putting on economic growth are strong enough to impact prices, but not so intense that they cause the desired slowdown in economic activity to overshoot. Recent data suggests authorities are on track to achieve their aims, with any slowdown being gentle, but the uncertainty is likely to limit market returns until economic data clearly improves.

During the twelve months that ended on the 31st March 2023, the Sub-fund reported a total return of -7.0% compared to 14.9% for the CPI + 4% long term performance target. (Source: Financial Express Analytics as at 31st March 2023, A Accumulation shares, total return, sterling, bid-to-bid, net income reinvested, net of ongoing charges and fees).

During the period we rebalanced the portfolio three times.

The first changes took place during the second quarter of 2022 and can broadly be summarised as:

- Introducing more sector and stock balance within the US Equity allocation
- Trimming the speculative end of our growth exposure while retaining conviction in quality growth
- Adding more infrastructure equity exposure in the higher risk models
- Reducing the European equity exposure as geopolitical tension and recession risk loom
- Bolstering our short duration credit positions on a short-term basis
- Selling our Emerging Market Debt ('EMD') holding

The second changes took at the end of the third quarter of 2022, changes can broadly be summarised as:

- Diversifying our Japanese Equity positions
- Taking advantage of opportunities in high yield credit markets

These changes did not look to put more risk back on the table, but rather took advantage of the opportunities being presented across the asset class spectrum due to the volatility we experienced.

Investment Manager's Report
continued

Every January we run through the process of deriving our Strategic Asset Allocation. We carry out all our asset allocation work in house since we believe that it will be the biggest driver of the returns that we generate. The aim of this process is to generate portfolios that we believe would generate the best risk-adjusted returns over the coming 5yr+ period. Clearly since we sat down last year, a lot has changed in the world, most notably in fixed income markets. We want to make sure that our review process is responsive enough, but also not too reactionary or short-term in its construction that the boundary between Strategic (5yr+) and Dynamic (3-18m) Asset Allocation becomes blurred.

We use both quantitative and qualitative inputs into this process to ensure that there is rigour behind the analysis while also leveraging the experience of the team to apply the necessary adjustments. We are conscious of the dramatic regime change seen through 2022 and want to ensure we capture the right elements of this when building our long-term assumptions. Some of the key changes identified this year were:

- An increased preference for Sovereign Bond exposure
- Continued preference for US equity exposure and incrementally European Equities
- Reduced exposure to the Emerging Market / Asia Pacific regions
- More balance between the relative value of Property vs Infrastructure within our Alternatives allocation

Considering these, the third changes to the Sub-fund were characterised as follows:

- Re-introducing inflation linked bond
- Continuing to build the High Yield Bond exposure
- Topping up property

On a macro standpoint, we remain constructive on global equities with a medium-term view and expect inflationary pressure to continue to ease going through the second half of the year though inflation should remain structurally higher. Our base case expects that Central banks will keep their tight policy for the whole of 2023 while avoiding a policy mistake. Growth should slow and some economies experience a shallow recession. As always, we remain longer-term investors rather than traders and aim to look through the noise that is often present in markets.

The end of the period saw some volatility as two US regional banks defaulted, and a forced merger took place between UBS and Credit Suisse. While much of the attention has focused on the risks posed to deposits, the US regional banks were also a key provider of credit facilities used by funds investing in private assets. As such, these events exacerbated concerned around liquidity supply coupled to higher interest rates increasing debt costs and reducing Net Asset Value leading to concerns around the leverage within such private assets fund structures. We believe that our holdings have leverage levels that are not a threat to their business models.

Consequently, the Alternative allocation had the worst return with -10.1% total return whilst Equities returned -5.1% and Fixed Income +2.4%. Within our Alternatives allocation, we continue to like our Property and Infrastructure assets as they provide an efficient inflation hedge and the "green revolution theme" has been put on the top of world leaders' agenda.

At the sub-asset class level, the largest contributors were Government, Inflation and High Yield bonds with respective total return of +4.4%, +5.6% and +8.8%. The largest detractors were North America and Global Equity/Thematics equities and the Property fund with respective total return of -8.6%, -4.0% and -17.7%.

Investment Manager's Report
continued

Significant Portfolio Changes
for the year ended 31 Mar 2023

Major purchases since 1 April 2022	**Cost**
	£
Man GLG High Yield Opportunities Hedged- IF Income GBP	516,000
Xtrackers S&P 500 Equal Weight ETF	409,990
M&G Japan Fund Sterling - PP Income	310,000
Legal & General Global Infrastructure - C Distribution	300,000
UK Treasury 0.00% 24.10.22	299,406
UK Treasury 0.00% 12.09.22	299,227
Legal & General US Index - C Income	200,000
Legal & General Global Real Estate Dividend Index - C Income	200,000
UK Treasury 0.125% 31.01.23	199,590
UK Treasury 0.00% 28.12.22	199,549
	2.933,762

Major sales since 1 April 2022	**Proceeds**
	£
Invesco EQQQ Nasdaq - 100 UCITS ETF	413,131
Baillie Gifford Japanese - B Income	310,000
Ninety One Emerging Markets Blended Debt - J Income 2	241,053
Legal & General European Index - C Income	240,000
US Treasury 0.25% Index-Linked 15.07.29	222,758
Edinburgh Worldwide Investment	195,629
iShares Core S&P 500 UCITS ETF - GBP (hedged) Distribution	150,936
JPMorgan Emerging Markets Investment	150,599
iShares £ Corporate Bond 0-5yr UCITS ETF - GBP Distribution	150,142
Legal & General Sterling Corporate Bond Index - C Income	117,466
	2,191,714

Portfolio Statement

as at 31 March 2023

Holding	Security	Market value £	% of total net assets 2023
	Alternatives 9.19% (3.65%)		
100,000	Foresight Solar	110,800	1.07
75,112	Greencoat UK Wind	117,550	1.13
40,220	HICL Infrastructure	61,939	0.59
55,285	International Public Partnerships	79,942	0.77
404,476	Legal & General Global Infrastructure - C Distribution*	279,695	2.68
310,000	Sequoia Economic Infrastructure Income	248,620	2.39
47,000	The Renewables Infrastructure Group	58,656	0.56
		957,202	9.19
	Asia ex-Japan Equities 11.96% (11.90%)		
138,355	Schroder Asian Total Return Investment	588,009	5.65
80,667	Stewart Investors Asia Pacific Sustainability - B Accumulation GBP*	657,348	6.31
		1,245,357	11.96
	Emerging Market Equities 4.06% (4.95%)		
389,040	JPMorgan Emerging Markets Investment	422,497	4.06
	European Equities 4.23% (6.61%)		
125,655	Legal & General European Index - C Income*	440,545	4.23
	Global Equities 7.35% (11.00%)		
115,896	Baillie Gifford Positive Change - B Income*	354,642	3.41
744,122	Schroder Global Energy Transition - Class Q1 Income GBP*	410,755	3.94
		765,397	7.35
	High Yield Corporate Bonds 5.20% (0.00%)		
4,263	Man GLG High Yield Opportunities Hedged- IF Income GBP*	541,254	5.20
	Inflation-Linked Bonds 1.54% (2.61%)		
$170,000	US Treasury 0.75% Index-Linked 15.07.28	160,826	1.54
	Investment Grade Corporate Bonds 0.00% (4.72%)		
	Japanese Equities 6.13% (5.55%)		
19,400	Baillie Gifford Japanese - B Income*	298,371	2.86
282,615	M&G Japan Fund Sterling - PP Income*	340,975	3.27
		639,346	6.13
	Property 4.61% (2.71%)		
831,938	Legal & General Global Real Estate Dividend Index - C Distribution*	480,694	4.61
	UK Equities 4.59% (3.87%)		
50,469	Legal & General UK Index - C Distribution*	84,284	0.81
199,773	MI Charles Stanley Equity - A Income*†	393,304	3.78
		477,588	4.59
	US Equities 35.13% (35.19%)		
1,700	Invesco EQQQ Nasdaq - 100 UCITS ETF	439,280	4.22
95,990	iShares Core S&P 500 UCITS ETF - GBP (hedged) Distribution	667,226	6.41
133,280	Legal & General US Index - C Income*	878,846	8.44

Portfolio Statement

continued

Holding	Security	Market value £	% of total net assets 2023
	US Equities (continued)		
13,354	Vanguard S&P 500 UCITS ETF	834,491	8.01
7,000	Xtrackers S&P 500 Equal Weight ETF	433,580	4.16
6,020	Xtrackers S&P 500 UCITS ETF	404,755	3.89
		3,658,178	35.13
	UK Government Bonds 1.43% (0.00%)		
£100,000	UK Treasury 0.125% 22.03.24	148,766	1.43
	US Government Bonds 1.36% (1.33%)		
$186,000	US Treasury 2.25% 15.11.27	141,735	1.36
	DERIVATIVES 0.21% (0.17%)		
	Forward Currency Contracts^ 0.21% (0.17%)		
	Sold €250,000 Bought £221,488 (14.06.23)	831	0.01
	Sold $900,000 Bought £748,161 (14.06.23)	20,258	0.19
	Sold ¥54,000,000 Bought £333,078 (14.06.23)	629	0.01
		21,718	0.21
	Investment assets	**10,101,103**	**96.99**
	Net other assets	**313,940**	**3.01**
	Net assets	**10,415,043**	**100.00**

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

*Collective Investment Schemes permitted under COLL, not listed on any exchange.

†Represents investment into a related party of the Manager (note 10). Maitland Institutional Services also acts as ACD for this fund.

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

Analysis of bonds by credit rating^^	Market value £	% of total net assets 2023	% of total net assets 2022
Investment grade (BBB & above)	451,327	4.33	3.94
	451,327	4.33	3.94

^^Source: NTISL

Comparative Tables

Change in net assets per share

	A Income		
	31.03.23 p	31.03.22 p	31.03.21 p
Opening net asset value per share	128.78	125.13	95.62
Return before operating charges^	-7.03	6.33	32.02
Operating charges	-1.13	-0.96	-0.79
Return after operating charges^	-8.16	5.37	31.23
Distributions	-1.73	-1.72	-1.72
Closing net asset value per share	**118.89**	**128.78**	**125.13**
^After direct transaction costs of	0.00	-0.01	-0.07
Performance			
Return after charges	-6.34%	4.29%	32.66%
Other information			
Closing net asset value	£603,412	£615,440	£346,429
Closing number of shares	507,551	477,889	276,852
Operating charges	0.95%	0.73%	0.68%
Ongoing operating charges*	0.95%	0.73%	0.68%
Direct transaction costs	0.00%	0.01%	0.06%
Prices			
Highest share price	129.52	140.47	131.31
Lowest share price	112.52	120.18	92.98

	A Accumulation		
	31.03.23 p	31.03.22 p	31.03.21 p
Opening net asset value per share	137.55	131.91	99.36
Return before operating charges^	-7.46	6.66	33.38
Operating charges	-1.22	-1.02	-0.83
Return after operating charges^	-8.68	5.64	32.55
Distributions	-1.86	-1.83	-1.79
Retained distributions on accumulation shares	1.86	1.83	1.79
Closing net asset value per share	**128.87**	**137.55**	**131.91**
^After direct transaction costs of	0.00	-0.01	-0.07
Performance			
Return after charges	-6.31%	4.28%	34.57%
Other information			
Closing net asset value	£8,632,856	£8,654,733	£6,255,350
Closing number of shares	6,698,778	6,291,927	4,742,110
Operating charges	0.95%	0.73%	0.68%
Ongoing operating charges*	0.95%	0.73%	0.68%
Direct transaction costs	0.00%	0.01%	0.06%
Prices			
Highest share price	138.34	148.76	137.52
Lowest share price	120.18	127.55	96.62

Comparative Tables

continued

	C Accumulation		
	31.03.23 p	31.03.22 p	31.03.21 p
Opening net asset value per share	126.39	121.21	91.30
Return before operating charges^	-6.89	6.12	30.67
Operating charges	-1.12	-0.94	-0.76
Return after operating charges^	-8.01	5.18	29.91
Distributions	-1.71	-1.68	-1.65
Retained distributions on accumulation shares	1.71	1.68	1.65
Closing net asset value per share	**118.38**	**126.39**	**121.21**
^After direct transaction costs of	0.00	-0.01	-0.07
Performance			
Return after charges	-6.34%	4.27%	32.76%
Other information			
Closing net asset value	£1,178,586	£1,251,414	£856,177
Closing number of shares	995,590	990,117	706,382
Operating charges	0.95%	0.73%	0.68%
Ongoing operating charges*	0.95%	0.73%	0.68%
Direct transaction costs	0.00%	0.01%	0.06%
Prices			
Highest share price	127.11	136.69	126.36
Lowest share price	110.40	117.20	88.78

*The Investment Manager currently rebates the Sub-fund's operating charges, excluding the Investment Manager's fee and synthetic ongoing charges (0.45% of operating charge) in order for them not to exceed 0.20% of the Net Asset Value of the Sub-fund.

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

The return after charges is calculated as the closing Net Asset Value per share plus the distributions on income shares minus the opening Net Asset Value per share as a % of the opening Net Asset Value per share. The basis of valuation of investments used to calculate Net Asset Value per share is described in notes to the Financial Statements 1h) and complies with requirements of the current Statement of Recommended Practice for UK Authorised Funds. This differs from the basis used to calculate daily published single prices, in which listed investments are valued at 12:00 mid prices.

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

Risk and Reward Profile

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

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

1	2	3	4	5	6	7

The Sub-fund is ranked 5 because funds of this type have experienced medium to high rises and falls in value in the past. Please note that even the lowest risk class can lose you money and that extreme market circumstances can mean you suffer severe losses in all cases. The indicator does not take into account the following risks of investing in this Sub-fund:

- The Sub-fund may invest in cash and cash equivalent securities to try to protect its value in times of market uncertainty but this may not always be successful.
- Changes in exchange rates may cause the value of investments to decrease or increase.
- Investing in other funds may expose you to increased risk due to restrictions on withdrawals, less strict regulations and use of derivatives.
- Investing in bonds offers you income generation and sometimes a gain on your capital. Nevertheless, there is a risk that the organisation which issued the security will fail, which would result in a loss of income to the Sub-fund, along with its initial investment. Fixed income values are likely to fall if interest rates rise.
- There may be cases where the organisation from which we buy an asset (usually a financial institution such as a bank) fails to carry out its obligations, which could cause losses to the Sub-fund.
- Investment grade bonds, as determined by international ratings agencies, potentially produce a lower level of income than noninvestment grade securities, but they are also considered to be of lower risk.
- This Sub-fund can use derivatives in order to meet its investment objectives. This may result in gains or losses that are greater than the original amount invested.
- Emerging markets are prone to more political, economic and structural challenges and disclosure standards can be less stringent than those of developed economies. This means your money could be at greater risk.
- The Sub-fund title is not related to the risk rating that appears on the 1-7 scale above, which is based solely on past data.
- For further risk information please see the Prospectus.

Risk Warning

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

Statement of Total Return

for the year ended 31 March 2023

	Note	31.03.23 £	31.03.23 £	31.03.22 £	31.03.22 £
Income					
Net capital (losses)/gains	2		(797,161)		195,498
Revenue	3	155,027		131,027	
Expenses	4	(44,987)		(40,498)	
Interest payable and similar charges	4	(1)		(187)	
Net revenue before taxation		110,039		90,342	
Taxation	5	–		–	
Net revenue after taxation			110,039		90,342
Total return before distributions			**(687,122)**		**285,840**
Distributions	6		(149,366)		(122,904)
Change in net assets attributable to Shareholders from investment activities			**(836,488)**		**162,936**

Statement of Change in Net Assets Attributable to Shareholders

for the year ended 31 March 2023

	31.03.23 £	31.03.23 £	31.03.22 £	31.03.22 £
Opening net assets attributable to Shareholders		**10,521,587**		**7,457,956**
Amounts receivable on issue of shares	2,303,911		4,303,716	
Less: Amounts payable on cancellation of shares	(1,715,806)		(1,526,962)	
Breach compensation	91		–	
		588,196		2,776,754
Change in net assets attributable to Shareholders from investment activities (see Statement of Total Return above)		(836,488)		162,936
Retained distributions on accumulation shares		141,559		123,941
Closing net assets attributable to Shareholders		**10,414,854**		**10,521,587**

The notes on pages 85 to 93 form an integral part of these Financial Statements.

Balance Sheet
as at 31 March 2023

	Note	31.03.23 £	31.03.23 £	31.03.22 £	31.03.22 £
ASSETS					
Fixed Assets					
Investments			**10,101,103**		**9,920,176**
Current Assets					
Debtors	7	108,497		88,334	
Cash and bank balances	9	370,166		555,544	
Total current assets			**478,663**		**643,878**
Total assets			**10,579,766**		**10,564,054**
LIABILITIES					
Investment liabilities			**–**		**(2,565)**
Creditors					
Distribution payable		(4,560)		(3,939)	
Other creditors	8	(160,352)		(35,963)	
Total creditors			**(164,912)**		**(39,902)**
Total liabilities			**(164,912)**		**(42,467)**
Net assets attributable to Shareholders			**10,414,854**		**10,521,587**

The notes on pages 85 to 93 form an integral part of these Financial Statements.

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

1. Accounting Policies

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

2. Net Capital (Losses)/Gains

	31.03.23 £	31.03.22 £
Non-derivative securities	(724,380)	213,785
Currency (losses)/gains	(70,383)	12,794
Forward foreign exchange contracts gains/(losses)	4,456	(24,299)
Transaction charges	(6,854)	(6,782)
Net Capital (losses)/gains	**(797,161)**	**195,498**

3. Revenue

	31.03.23 £	31.03.22 £
UK dividends: Ordinary	46,260	27,945
Distributions from Regulated Collective Investment Schemes:		
Franked investment income	51,833	34,219
Unfranked investment income	8,404	5,955
Interest distributions	7,549	16,496
Offshore distributions	28,648	28,993
Interest on debt securities	7,720	15,131
Interest distributions from other investment funds	1,228	2,283
Bank interest	3,385	5
Total revenue	**155,027**	**131,027**

4. Expenses

	31.03.23 £	31.03.22 £
Payable to the Authorised Corporate Director ('ACD'), associates of the ACD and agents of either of them:		
ACD's fee	42,000	42,000
Registration fee	27,830	30,070
	69,830	72,070
Payable to the Investment Manager, associates of the Investment Manager and agents of either of them:		
Investment Manager's fee	30,899	28,374

Notes to the Financial Statements
continued

4. Expenses (continued)	31.03.23 £	31.03.22 £
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fee (including VAT)	12,000	12,000
Safe custody and other bank charges	7,464	6,659
	19,464	18,659
Auditor's remuneration*:		
Audit fee	10,065	9,363
Tax compliance services	2,163	1,978
	12,228	11,341
Other expenses:		
Legal fee	2,396	2,809
Printing costs	1,607	1,476
	4,003	4,285
Operating charge rebates^	(91,437)	(94,231)
Expenses	**44,987**	**40,498**
Interest payable and similar charges	1	187
Total	**44,988**	**40,685**

*Included within the auditor's remuneration is irrecoverable VAT of £2,446 (2022: £2,268).

^The Investment Manager currently rebates the Sub-fund's operating charges, excluding the Investment Manager's fee and Synthetic ongoing charge.

5. Taxation	31.03.23 £	31.03.22 £
(a) Analysis of charge in the year:		
Income tax deducted at source	1,681	1,191
Income tax recoverable	(1,681)	(1,191)
Total tax charge (note 5b)	**–**	**–**

Notes to the Financial Statements
continued

5. Taxation (continued)

	31.03.23	31.03.22
	£	£
(b) Factors affecting taxation charge for the year:		
Net revenue before taxation	110,039	90,342
Corporation tax at 20%	22,008	18,069
Effects of:		
Franked investment income	(19,619)	(12,433)
Movement in surplus management expenses	3,341	163
Non-taxable overseas earnings	(5,730)	(5,799)
Total tax charge (note 5a)	**–**	**–**

(c) Deferred tax

At the year end there is a potential deferred tax asset of £8,083 (2022: £4,742) in relation to surplus management expenses of £40,413 (2022: £23,712). It is unlikely that the Sub-fund will generate sufficient taxable profits in the future to utilise these expenses and therefore no deferred tax asset has been recognised in the year.

6. Distributions

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

		31.03.23	31.03.22
		£	£
First interim distribution	30.06.22	26,213	20,248
Second interim distribution	30.09.22	26,260	21,621
Third interim distribution	31.12.22	25,663	23,024
Final distribution	31.03.23	72,142	66,833
		150,278	131,726
Revenue deducted on cancellation of Shares		6,547	5,654
Revenue received on issue of Shares		(7,459)	(14,476)
Distributions		**149,366**	**122,904**

Reconciliation of net revenue after taxation to net distributions:

Net revenue after taxation per Statement of Total Return	110,039	90,342
Expenses allocated to capital	44,987	40,498
Relief on expenses allocated to capital	(5,657)	(7,936)
Undistributed revenue brought forward	2	3
Undistributed revenue carried forward	(5)	(3)
Distributions	**149,366**	**122,904**

Notes to the Financial Statements
continued

7. Debtors

	31.03.23 £	31.03.22 £
Amounts receivable on issues	82,498	65,907
Accrued income:		
Interest on debt securities	1,534	1,274
Dividends receivable	12,237	11,646
UK income tax recoverable	2,872	7,998
Prepaid expenses:		
KIID fee	313	318
Operating charge rebates	9,043	1,191
Total debtors	**108,497**	**88,334**

8. Other Creditors

	31.03.23 £	31.03.22 £
Amounts payable on cancellations	136,922	8,873
Accrued expenses:		
Amounts payable to the Authorised Corporate Director ('ACD'), associates of the ACD and agents of either of them:		
ACD's fee	3,567	3,567
Registration fee	2,524	2,719
	6,091	6,286
Amounts payable to the Investment Manager, associates of the Investment Manager and agents of either of them:		
Investment Manager's fee	2,636	2,545
Amounts payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fee (including VAT)	1,019	3,978
Safe custody and other bank charges	700	2,240
	1,719	6,218
Auditor's remuneration*:		
Audit fee	10,065	9,363
Tax compliance services	2,163	1,978
	12,228	11,341
Other expenses:		
Printing costs	756	700
Total other creditors	**160,352**	**35,963**

*Included within the auditor's remuneration is irrecoverable VAT of £2,446 (2022: £2,268).

Notes to the Financial Statements

continued

9. Cash and Bank Balances

	31.03.23 £	31.03.22 £
Cash and bank balances	370,166	555,544
Cash and bank balances	**370,166**	**555,544**

10. Related Party Transactions

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

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

Fees payable to Charles Stanley & Co Limited (the 'Investment Manager') are disclosed in note 4 and amounts due at the year end are shown in note 8.

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

Amounts receivable from the Investment Manager for operating charge rebates accrued against expenses are disclosed in note 4, and amounts due at the year end are shown in note 7.

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

At the year end, the Sub-fund held the following Collective Investment Scheme, managed by the Investment Manager and for which MISL act as ACD.

Income Units	Held at 31.03.23	% of NAV* as at 31.03.23	Change in period	Held at 31.03.22	% of NAV* as at 31.03.22
MI Charles Stanley Equity - A Income	199,773	2.45	10,409	189,364	1.97

*Percentage of the Total Net Assets of the underlying fund held.

No rebate has been accrued for this cross investment.

11. Contingent Liabilities and Outstanding Commitments

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

12. Risk Management Policies and Disclosures

The main risks arising from financial instruments and the ACD's policies for managing these risks are disclosed in note 2 on pages 9 and 10.

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

Market price risk

At the balance sheet date, if the price of the investments held by the Sub-fund increased or decreased by 10%, with all other variables held constant, the net assets attributable to Shareholders would increase or decrease by approximately £1,007,939 (2022: £991,761).

Notes to the Financial Statements
continued

12. Risk Management Policies and Disclosures (continued)

Currency risk
The table below details the currency risk profile at the balance sheet date.

Currency	31.03.23 Total £	31.03.22 Total £
Euro	219,889	188,122
Japanese yen	306,896	163,446
Pound sterling	5,818,368	5,900,975
United States dollar	4,069,701	4,269,044
	10,414,854	**10,521,587**

At the balance sheet date, if the value of sterling increased or decreased by 10%, with all other variables held constant, then the net assets attributable to Shareholders would increase or decrease by approximately £459,649 (2022: £462,061).

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

31.03.23

Currency	Floating rate financial assets £	Fixed rate financial assets £	Assets on which interest distributions are paid £	Assets on which interest is not paid^ £	Foreign currency hedging position £	Total £
Euro	–	–	–	440,545	–	440,545
Japanese yen	–	–	–	639,346	–	639,346
Pound sterling	370,166	148,766	603,193	3,558,428	1,302,727	5,983,280
United States dollar	160,826	141,735	–	4,495,043	–	4,797,604
	530,992	**290,501**	**603,193**	**9,133,362**	**1,302,727**	**11,860,775**

^Comprises of Equity Shares which receive dividend revenue and non interest bearing balance sheet debtors.

Currency	Financial liabilities not carrying interest £	Foreign currency hedging position £	Total £
Euro	–	220,656	220,656
Japanese yen	–	332,450	332,450
Pound sterling	164,912	–	164,912
United States dollar	–	727,903	727,903
	164,912	**1,281,009**	**1,445,921**

Notes to the Financial Statements

continued

12. Risk Management Policies and Disclosures (continued)

Interest rate risk (continued)

31.03.22

Currency	Floating rate financial assets £	Fixed rate financial assets £	Assets on which interest distributions are paid £	Assets on which interest is not paid^ £	Foreign currency hedging position £	Total £
Euro	–	–	–	695,650	–	695,650
Japanese yen	–	–	–	583,856	–	583,856
Pound sterling	555,544	–	568,670	2,957,911	1,858,752	5,940,877
United States dollar	274,397	139,695	–	4,768,504	–	5,182,596
	829,941	**139,695**	**568,670**	**9,005,921**	**1,858,752**	**12,402,979**

^Comprises of Equity Shares which receive dividend revenue and non interest bearing balance sheet debtors.

Currency	Financial liabilities not carrying interest £	Foreign currency hedging position £	Total £
Euro	–	507,528	507,528
Japanese yen	–	420,410	420,410
Pound sterling	39,902	–	39,902
United States dollar	–	913,552	913,552
	39,902	**1,841,490**	**1,881,392**

Floating rate interest-bearing assets at the balance sheet date consist of bank balances, on which interest is calculated at a variable rate by reference to sterling bank deposit rates or the international equivalent; and Inflation Linked Bonds where interest will vary depending on the relevant rate of inflation.

At the balance sheet date, if interest rates increased or decreased by 10%, with all other variables held constant, the net assets attributable to Shareholders would increase or decrease by approximately £53,099 (2021: £82,994) in respect of floating rate assets.

Notes to the Financial Statements
continued

13. Portfolio Transaction Costs

31.03.23

Analysis of purchases	Total purchase cost £	Commissions paid £	%	Taxes £	%	Purchases before transaction cost £
Equities	715,565	–	0.00	–	0.00	715,565
Bonds	1,822,163	–	0.00	–	0.00	1,822,163
Funds	1,865,291	–	0.00	–	0.00	1,865,291
Corporate actions	36,896	–	0.00	–	0.00	32,857
Total purchases after commissions and tax	**4,439,915**					

Analysis of sales	Net sale proceeds £	Commissions paid £	%	Taxes £	%	Sales before transaction cost £
Equities	346,600	–	0.00	–	0.00	346,600
Bonds	1,194,122	–	0.00	–	0.00	1,194,122
Funds	1,000,126	–	0.00	–	0.00	1,000,126
Total sales after commissions and tax	**2,540,848**					

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

31.03.22

Analysis of purchases	Total purchase cost £	Commissions paid £	%	Taxes £	%	Purchases before transaction cost £
Equities	1,056,994	–	0.00	1,347	0.13	1,055,647
Bonds	295,934	–	0.00	–	0.00	295,934
Funds	2,212,000	–	0.00	–	0.00	2,212,000
Corporate actions	50,088	–	0.00	–	0.00	50,088
Total purchases after commissions and tax	**3,615,016**					

Analysis of sales	Net sale proceeds £	Commissions paid £	%	Taxes £	%	Sales before transaction cost £
Equities	443,845	–	0.00	–	0.00	443,845
Bonds	134,513	–	0.00	–	0.00	134,513
Funds	570,268	–	0.00	–	0.00	570,268
Total sales after commissions and tax	**1,148,626**					

Commission as a % of average net assets	0.00%
Taxes as a % of the average net assets	0.01%

Notes to the Financial Statements
continued

13. Portfolio Transaction Costs (continued)

Commissions and taxes as a % of the average net assets form part of the direct transaction costs stated within the comparative tables on pages 80 to 81. The direct transaction costs within the comparative tables may differ due to the effect of dilution levies charged (where applicable).

14. Portfolio Dealing Spread

The average portfolio dealing spread at 31 March 2023 is 0.09% (2022: 0.78%).

15. Events after the Balance Sheet date

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

16. Fair Value Disclosure

Valuation technique	31.03.23		31.03.22	
	Assets £	Liabilities £	Assets £	Liabilities £
Level 1^	4,918,672	–	5,184,028	–
Level 2^^	5,182,431	–	4,736,148	(2,565)
Level 3^^^	–	–	–	–
	10,101,103	**–**	**9,920,176**	**(2,565)**

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

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

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

17. Shares in issue

	A Income	A Accumulation	C Accumulation
Opening number of shares	477,889	6,291,927	990,117
Shares issued	46,838	1,456,879	317,830
Shares cancelled	(17,176)	(1,050,028)	(312,357)
Closing number of shares	**507,551**	**6,698,778**	**995,590**

Distribution Tables

for the year ended 31 March 2023

Income Share Distributions

Share class	Distribution	Shares	Revenue p	Equalisation p	Distribution payable 2023 p	Distribution paid 2022 p
A	First interim	Group 1	0.3000	–	0.3000	0.3000
		Group 2	0.2827	0.0173	0.3000	0.3000
	Second interim	Group 1	0.3000	–	0.3000	0.3000
		Group 2	–	0.3000	0.3000	0.3000
	Third interim	Group 1	0.3000	–	0.3000	0.3000
		Group 2	–	0.3000	0.3000	0.3000
	Final	Group 1	0.8303	–	0.8303	0.8242
		Group 2	0.3589	0.4714	0.8303	0.8242

Accumulation Share Distributions

Share class	Distribution	Shares	Revenue p	Equalisation p	Amount reinvested 2023 p	Amount reinvested 2022 p
A	First interim	Group 1	0.3204	–	0.3204	0.3199
		Group 2	0.1762	0.1442	0.3204	0.3199
	Second interim	Group 1	0.3211	–	0.3211	0.3171
		Group 2	–	0.3211	0.3211	0.3171
	Third interim	Group 1	0.3216	–	0.3216	0.3175
		Group 2	–	0.3216	0.3216	0.3175
	Final	Group 1	0.8920	–	0.8920	0.8734
		Group 2	0.2245	0.6675	0.8920	0.8734
C	First interim	Group 1	0.3008	–	0.3008	0.2945
		Group 2	–	0.3008	0.3008	0.2945
	Second interim	Group 1	0.2966	–	0.2966	0.2914
		Group 2	–	0.2966	0.2966	0.2914
	Third interim	Group 1	0.2964	–	0.2964	0.2912
		Group 2	–	0.2964	0.2964	0.2912
	Final	Group 1	0.8211	–	0.8211	0.8020
		Group 2	0.1932	0.6279	0.8211	0.8020

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

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

Equalisation

Equalisation applies only to shares purchased during the distribution period (Group 2 shares). It represents accrued revenue included in the purchase price of the shares. After averaging, it is returned with the distribution as a capital repayment. It is not liable to income tax but must be deducted from the cost of the shares for capital gains tax purposes.

General Information

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

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

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

The Company was incorporated in England and Wales on 17 February 2010 under registration number IC000813. The Shareholders are not liable for the debts of the Company.

The Company currently has 4 Sub-funds, which are detailed below:

MI Charles Stanley Multi Asset Cautious Fund
MI Charles Stanley Multi Asset Moderate Fund
MI Charles Stanley Multi Asset Growth Fund
MI Charles Stanley Multi Asset Adventurous Fund

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

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

Base Currency
The base currency of the Company is Pounds Sterling.

Share Capital
The minimum share capital of the Company is £1 and the maximum is £100,000,000,000. Shares in the Company have no par value. The share capital of the Company at all times equals the sum of the Net Asset Value of the Sub-funds.

Classes of Shares
The Instrument of Incorporation allows the Company to issue different classes of shares in respect of any Sub-fund.

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

	Share Class			
Sub-fund	A Acc	A Inc	B Acc	C Acc
MI Charles Stanley Multi Asset Cautious	✔	✔	–	✔
MI Charles Stanley Multi Asset Moderate	✔	✔	–	✔
MI Charles Stanley Multi Asset Growth	✔	✔	✔	✔
MI Charles Stanley Multi Asset Adventurous	✔	✔	–	✔

The Company may issue both Income and Accumulation Shares.

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

Holders of Accumulation shares are not entitled to be paid the revenue attributable to such shares, but that revenue is retained and accumulated for the benefit of Shareholders and is reflected in the price of shares.

General Information
continued

Valuation Point
The scheme property of the Company and each Sub-fund will normally be valued at 12:00 on each dealing day for the purpose of calculating the price at which shares in the Company may be issued, sold, repurchased or redeemed.

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

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

Hamilton Centre, Rodney Way, Chelmsford, Essex CM1 3BY
Or by telephone on:
0345 308 1456

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

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

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

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

Other Information
The Instrument of Incorporation, Prospectus, Key Investor Information Document and the most recent interim and annual reports may be inspected at the office of the ACD which is also the Head Office of the Company. Copies may be obtained free of charge upon application. They are also available from the website of the Company, the details of which are given in the directory of this report.

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

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

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

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

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

The ACD Value Assessment is published on the Maitland website.

General Information
continued

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

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

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

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

The ACD is required to disclose the total remuneration it pays to its staff during the financial year of the Company, split into fixed and variable remuneration, with separate aggregate disclosure for staff whose actions may have a material impact to the risk profile of a Sub-fund or the ACD itself. This includes executives, senior risk and compliance staff and certain senior managers. As the ACD provides UCITS and non-UCITS services, the remuneration figures have been prorated by the Net Asset Value of all the non-UCITS funds it manages as a percentage of the total assets under management.

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

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

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

Maitland Institutional Services Limited