

Quilter Investors Balanced OEIC

Interim Report and Financial Statements (unaudited)
For the period from 1 January 2021 to 30 June 2021

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Company Information

Authorised Corporate Director (“ACD”)

Quilter Investors Limited
Senator House
85 Queen Victoria Street
London
EC4V 4AB

Authorised and regulated by the Financial Conduct Authority.

Directors of the ACD

D Bowden
P Simpson (resigned 31 March 2021)
S Levin (appointed 1 April 2021)
T Breedon – Non-Executive Director
S Fromson – Non-Executive Director
R Skelt – Non-Executive Director

Depository

Citibank Europe plc, UK Branch
Citigroup Centre
Canada Square
Canary Wharf
London
E14 5LB

Authorised by the Central Bank of Ireland and the Prudential Regulation Authority and subject to limited regulation by the Financial Conduct Authority and the Prudential Regulation Authority.

Legal Adviser

Macfarlanes LLP
20 Cursitor Street
London
EC4A 1LT

Independent Auditor

PricewaterhouseCoopers LLP
141 Bothwell Street
Glasgow
G2 7EQ

Administrator

Citibank Europe plc
1, North Wall Quay
Dublin 1
Ireland

Authorised by the Central Bank of Ireland (Central Bank) under the Investment Intermediaries Act 1995.

Registrar

SS&C Financial Services International Limited &
SS&C Financial Services Europe Limited
SS&C House
Saint Nicholas Lane
Basildon
Essex
SS15 5FS

The register of shareholders can be inspected at the above address.

Authorised Corporate Director's Report

Directors' report

The Directors present the report and financial statements for Quilter Investors Balanced OEIC ("the Company") for the period from 1 January 2021 to 30 June 2021.

Authorised status

The Company is an Open-Ended Investment Company incorporated as an Investment Company with Variable Capital ("ICVC") under Regulation 12 (authorisation) of the Open-Ended Investment Company Regulations 2001 (SI 2001/1228) (the "OEIC Regulations"). It is incorporated in England and Wales and authorised by the Financial Conduct Authority under the OEIC Regulations and the Financial Conduct Authority's Collective Investment Schemes Sourcebook (the "COLL Sourcebook"). The Company is a UK UCITS scheme for the purposes of the COLL Sourcebook and an umbrella scheme.

Liability

The Company is under the "protected cell" regime. As such each sub-fund has a specific portfolio of securities to which that sub-fund's assets and liabilities are attributable. So far as investors are concerned each sub-fund will be treated as a separate entity. The assets of a sub-fund shall not be used or made available to discharge (directly or indirectly) the liabilities of, or claims against, any other person or body, including the Company and any other sub-fund and shall not be available for any such purpose.

Director changes

Paul Simpson resigned as a Director of the ACD effective 31 March 2021.

Steven Levin appointed as a Director of the ACD effective 1 April 2021.

Significant event

The ACD has continually assessed the impact of COVID-19 and the developments of the United Kingdom's departure from the European Union (Brexit) on the sub-fund in the Company. Whilst these events may have an impact on global supply chains, global market growth and employee availability over the next few years, the ACD has continued to operate as normal and has not noted a detrimental impact on the Company to date.

The risk remains that the Company may be adversely impacted by falls in equity market levels and adverse investor sentiment affecting revenue. In addition, there are increased operational risks depending on the extent of employment availability, however, the ACD is not adversely affected by Brexit in terms of its employees' rights to work in the United Kingdom and its employees continue to work at home during the COVID-19 pandemic. The ACD continues to work with its counterparties and advisers to ensure that any operational and legal risks are mitigated. The Company's sub-fund is not currently registered for sale in Europe and its customer base is, in the main, the United Kingdom.

The outcome of both events continues to be unclear and therefore there is an element of risk, but the ACD does not expect this to materially change the underlying long-term prospects and going concern basis of the Company.

Assessment of value

The COLL Sourcebook requires the ACD to conduct an "assessment of value" at least annually for the sub-fund in the Company which includes, amongst other things, (i) an assessment of whether the payments out of scheme property set out in the prospectus are justified in the context of the overall value delivered to shareholders; (ii) an assessment of the range and quality of services provided to shareholders; (iii) an assessment of performance over an appropriate timescale and (iv) an assessment of comparable market rates for the services provided by the ACD.

The ACD's assessment of value of the sub-fund in the Company as at 31 March 2021 was published on 30 July 2021. The report is available on the ACD's website at <https://www.quilterinvestors.com/siteassets/documents/legal/assessment-of-value-report-2021-for-multi-asset-portfolio-solutions.pdf>.

Authorised Corporate Director's Report (continued)

Additional information

The UK formally left the European Union (the "EU") on 31 January 2020 and entered into a transition period that ended on 31 December 2020 (the "Transition Period"). During the Transition Period EU law continued to apply in the UK. Now that the Transition Period has ended, there have been a number of changes to UK laws, rules and regulations including those which affect collective investment schemes. The UCITS regime is a European regulatory regime. With effect from the end of the Transition Period, UCITS established in the UK, such as the Company, are no longer eligible to be "UCITS". Instead they are now known as "UK UCITS", which is the UK's equivalent (and currently identical) regime.

These financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP) for Authorised Funds issued by the Investment Association (formerly Investment Management Association) in May 2014 and as amended in June 2017.

The Company is an umbrella scheme which complies with the COLL Sourcebook and as at 30 June 2021 had one sub-fund (listed below). Additional sub-funds may be launched in the future.

Sub-fund name	Launch date
Quilter Investors Strategic Bond Fund	3 November 2003

In accordance with the requirements of the Financial Services and Market Act 2000, we hereby certify these financial statements on behalf of the ACD.



D Bowden
For and on behalf of Quilter Investors Limited
Director

25 August 2021

Authorised Corporate Director's Report (continued)

The purpose of this report is to provide details of the progress of the Company, and the sub-fund contained within. The report provides details of the performance and the portfolio of the sub-fund.

Net asset value of sub-fund

	30 June 2021			31 December 2020		
	Net asset value of sub-fund by share class	Shares in issue	Net asset value pence per share	Net asset value of sub-fund by share class	Shares in issue	Net asset value pence per share
Quilter Investors Strategic Bond Fund						
- Accumulation 'A' EUR Hedged	£301,040	499,634	60.25	£375,954	572,786	65.64
- Accumulation 'A' USD Hedged	£9,344,547	11,401,386	81.96	£10,602,837	12,310,611	86.13
- Income 'A' GBP	£20,424,808	41,007,514	49.81	£23,185,012	44,393,137	52.23
- Income 'R' GBP	£6,140,060	12,304,994	49.90	£6,427,240	12,289,992	52.30

Securities Financing Transactions Regulation Disclosure

The Company does not currently undertake securities financing transactions (as defined in Article 3 of Regulation (EU) 2015/2365) or use total return swaps.

Statement of the Authorised Corporate Director's responsibilities

The COLL Sourcebook requires the ACD to prepare financial statements for each annual and semi-annual accounting period which give a true and fair view of the financial position of the Company and of the net revenue and net capital gains or losses on the property of the Company for the period.

In preparing the financial statements the ACD is responsible for:

- selecting suitable accounting policies and then applying 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 SORP for UK Authorised Funds issued by the Investment Association (formerly Investment Management Association) in May 2014 and as amended in June 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-fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern;
- using the going concern basis of accounting unless it either intends to liquidate the Company or its sub-fund or to cease operations, or has no realistic alternative but to do so;
- such internal control as it determines 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 Sourcebook.

Quilter Investors Strategic Bond Fund

Launch date	3 November 2003
IA Sector	Sterling Strategic Bond
Investment Manager	Quilter Investors Limited
Net asset value	£36,210,455

Objective

To provide a total return from capital growth and income over a period of five years or more.

Policy

The sub-fund will invest not less than 70% of the value of its property through collective investment schemes (which may include those that are managed or operated by the ACD or an associate of the ACD) in order to provide exposure to a well-diversified global portfolio of debt securities (including bonds issued by corporations, governments and supranational entities and asset-backed and mortgage-backed securities), currencies and preference shares.

The sub-fund may also invest directly in cash, near-cash, money-market instruments, permitted deposits and transferable securities, including equities and investment grade and/or sub-investment grade bonds.

The sub-fund may use derivative instruments for investment purposes or Efficient Portfolio Management. The use of derivatives for the purpose of investment may affect the risk profile of the sub-fund although this is not the ACD's intention. The use of derivatives for Efficient Portfolio Management is unlikely to affect the risk profile of the sub fund.

Forward transactions may be used with the aim of reducing currency risk for currency hedged share classes.

Investment Manager's review

Market review

Government bond yields jumped violently in late February as investors began to price-in 'reflation'. This is the period of rising prices and growth that tends to follow a period of 'deflation', characterised by falling prices and growth, like the one caused by the government lockdowns.

Reflation is usually a welcome sign for long-term investors as it shows that a recovery is underway and improving economic growth lies ahead. However, bond markets recoil at the prospect of the higher inflation and interest rates that might accompany it, as both reduce their present value.

In the first half of the period, the yield on 10-year US Treasuries rose more than 82 basis points, meaning they delivered losses to investors, because prices fall when yields rise. This was the third consecutive quarter of losses for US Treasuries while accelerating UK growth expectations also meant UK gilts fell significantly.

Losses were almost as bad among investment-grade bonds. Meanwhile, high-yield bonds, saw more restrained losses early in the review period.

In the second half of the period, ongoing support from central banks took more government bonds out of the market and this helped yields to fall during the second quarter, meaning their prices rose, after the steep yield rises seen in the first half of the review period.

Rising investor risk appetite in the face of falling government bond yields helped to drive interest in higher-risk corporate bonds, those issued by companies, which outperformed.

Nevertheless, the US Federal Open Market Committee meeting in June suggested a significant shift in the outlook for US interest rates as growth, employment and inflation data had improved much faster than anticipated. The Federal Reserve committee, on balance is biased to two rate hikes in 2023, up from zero three months previously. This caused bond yields to fall at longer maturities.

Performance review

During the review period, positive contributors to the performance of the Quilter Investors Strategic Bond Fund included credit – in particular, investment grade, high yield and emerging market debt – and loans.

Government bond duration, emerging local debt and 'risk-off hedging', in the form of government bonds and short equity futures, all detracted from the strategy's performance.

In February, we reduced duration and interest-rate risk in the sub-fund through global bond strategies and government bond exposures. We also reduced high-yield exposure through a full exit of the Wells Fargo High Yield USD Short Duration Fund.

For ESG and diversification purposes, the sub-fund also switched from the Wells Fargo USD Investment Grade Credit Fund into the Wells Fargo Global Investment Grade Credit Fund. The Jupiter Strategic Absolute Return Bond was also added to the sub-fund, which increased the absolute return allocation to 10% of the net asset value (NAV).

Elsewhere, we closed the long protection credit default swap (CDS) Xover position and halved the portfolio level equity-hedge to reduce our 'risk-off hedging' exposure, although we increased the cash buffer to more than 10% of NAV.

Looking ahead, there is no way to gloss over the difficulty that all fixed-income strategies face on the road ahead. The three tenets of fixed income – income, capital gain and diversification – are all being viciously tested.

Longer-term capital gain is only realistic in emerging market debt and select opportunities. Income can be found in high yield/structured credit, but diversification (from equity risk) is problematic.

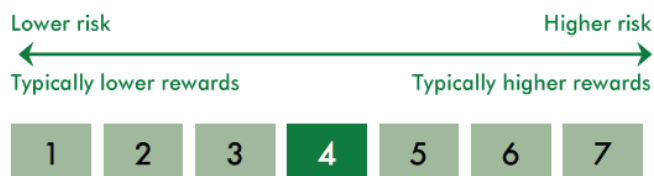
However, we expect the strategy to outperform traditional indices. We have built a 10%-15% cash reserve by trimming areas that have performed well. This cash is ready for better entry points that become available.

Hedging remains in place, albeit at a smaller size, and so we expect that to act as a dampener in a serious 'risk-off' environment. The underlying managers are of institutional quality and are highly active, constantly adjusting for optimal risk/reward across their respective markets.

Therefore, we feel the sub-fund has the right mix of income versus diversification to produce attractive returns.

Quilter Investors Strategic Bond Fund

Risk and Reward Profile



The calculated risk and reward category, as shown above, uses a method of calculation derived from EU rules. It is based on the rate at which the returns of the sub-fund have moved up and down in the past (i.e. volatility) and is not a guide to the future risk and reward category of the sub-fund. The category shown is not a target or guarantee and may shift over time. Even the lowest category 1 does not mean a risk-free investment. The seven-category scale is nonlinear, for example, 2 is not twice as risky as 1.

Sub-funds in category 4 have in the past shown moderate volatility. With a sub-fund of category 4, you have a moderate risk of losing money but your chance for gains is also moderate.

Investment risk - there is no guarantee that the sub-fund will achieve its objective. A capital loss of some or all of the amount invested may occur.

Strategy risk - as the sub-fund invests in other collective investment schemes, which themselves invest in assets such as bonds, company shares, cash and currencies, it will be subject to the collective risks of these other sub-funds. This may include sub-investment grade credit risk.

Credit risk - the issuer of a bond or a similar investment within the sub-fund may not pay income or repay capital to the sub-fund when due. Bonds which are rated below investment grade are considered to have a higher risk exposure with respect to meeting their payment obligations.

Interest rate risk - investments in bonds are affected by interest rates and inflation trends which may affect the value of the sub-fund.

Currency risk (EUR share class) - the sub-fund is denominated in British Pounds and may use techniques to try to reduce the effects of changes in the exchange rate between the currency of the underlying investments and the base currency of the sub-fund. These techniques may not eliminate all the currency risk. This share class is denominated in Euro. The hedging process may not give a precise hedge, and some currency risk may remain. The value of your shares may rise and fall as a result of exchange rate movements between these currencies.

Currency risk (GBP share class) - the sub-fund is denominated in British Pounds and may use techniques to try to reduce the effects of changes in the exchange rate between the currency of the underlying investments and the base currency of the sub-fund. These techniques may not eliminate all the currency risk. The value of your shares may rise and fall as a result of exchange rate movements.

Currency risk (USD share class) - the sub-fund is denominated in British Pounds and may use techniques to try to reduce the effects of changes in the exchange rate between the currency of the underlying investments and the base currency of the sub-fund. These techniques may not eliminate all the currency risk. This share class is denominated in US Dollars. The hedging process may not give a precise hedge, and some currency risk may remain. The value of your shares may rise and fall as a result of exchange rate movements between these currencies.

Derivative risk - the sub-fund uses derivatives to generate returns and/or to reduce costs and the overall risk of the sub-fund. Using derivatives can involve a higher level of risk. A small movement in the price of an underlying investment may result in a disproportionately large movement in the price of the derivative investment. Derivatives also involve counterparty risk where the institutions acting as counterparty to derivatives may not meet its contractual obligations.

Capital erosion risk - the sub-fund takes its charges from the income of the sub-fund in the first instance. The impact of sub-fund charges may be material on the value of any income you receive from your investment. There is potential for capital erosion if insufficient income is generated by the sub-fund to cover these charges. Capital erosion may have the effect of reducing the level of income generated.

For a more detailed explanation of risks, please refer to the "Risks" section of the prospectus.

Performance Records

Comparative Tables

	1 January 2021 to 30 June 2021 p/share	1 January 2020 to 31 December 2020 p/share	1 January 2019 to 31 December 2019 p/share
Accumulation 'A' EUR Hedged			
Change in net assets per share			
Opening net asset value per share	65.64	60.44	58.95
Return before operating charges*	(5.02)	5.95	2.21
Operating charges**	(0.37)	(0.75)	(0.72)
Return after operating charges*	(5.39)	5.20	1.49
Distributions	(0.78)	(1.78)	(1.80)
Retained distributions	0.78	1.78	1.80
Closing net asset value per share	60.25	65.64	60.44
* after direct transaction costs of***	-	0.02	0.01
Performance			
Return after charges	(8.21)%	8.60%	2.53%
Other information			
Closing net asset value (£)	301,040	375,954	288,997
Closing number of shares	499,634	572,786	478,132
Operating charges****	1.20%	1.20%	1.19%
Direct transaction costs***	0.02%	0.03%	0.01%
Prices			
	cents per share	cents per share	cents per share
Highest share price	73.23	73.25	71.37
Lowest share price	69.91	61.36	65.73
Accumulation 'A' USD Hedged			
	1 January 2021 to 30 June 2021 p/share	1 January 2020 to 31 December 2020 p/share	1 January 2019 to 31 December 2019 p/share
Change in net assets per share			
Opening net asset value per share	86.13	85.37	79.32
Return before operating charges*	(3.68)	1.81	7.06
Operating charges**	(0.49)	(1.05)	(1.01)
Return after operating charges*	(4.17)	0.76	6.05
Distributions	(1.05)	(2.46)	(2.52)
Retained distributions	1.05	2.46	2.52
Closing net asset value per share	81.96	86.13	85.37
* after direct transaction costs of***	0.01	0.02	0.01
Performance			
Return after charges	(4.84)%	0.89%	7.63%
Other information			
Closing net asset value (£)	9,344,547	10,602,837	12,193,828
Closing number of shares	11,401,386	12,310,611	14,283,448
Operating charges****	1.20%	1.20%	1.19%
Direct transaction costs***	0.02%	0.03%	0.01%
Prices			
	cents per share	cents per share	cents per share
Highest share price	118.0	117.9	112.7
Lowest share price	112.9	97.45	101.3

Performance Records (continued)

Comparative Tables (continued)

Income 'A' GBP	1 January 2021 to 30 June 2021 p/share	1 January 2020 to 31 December 2020 p/share	1 January 2019 to 31 December 2019 p/share
Change in net assets per share			
Opening net asset value per share	52.23	52.04	48.89
Return before operating charges*	(1.47)	2.25	5.28
Operating charges**	(0.30)	(0.61)	(0.61)
Return after operating charges*	(1.77)	1.64	4.67
Distributions	(0.65)	(1.45)	(1.52)
Retained distributions	-	-	-
Closing net asset value per share	49.81	52.23	52.04
* after direct transaction costs of***	-	0.01	-
Performance			
Return after charges	(3.39)%	3.15%	9.55%
Other information			
Closing net asset value (£)	20,424,808	23,185,012	25,966,615
Closing number of shares	41,007,514	44,393,137	49,892,791
Operating charges****	1.20%	1.20%	1.19%
Direct transaction costs***	0.02%	0.03%	0.01%
Prices	pence per share	pence per share	pence per share
Highest share price	52.59	53.17	52.84
Lowest share price	49.91	44.69	49.01

Income 'R' GBP	1 January 2021 to 30 June 2021 p/share	1 January 2020 to 31 December 2020 p/share	1 January 2019 to 31 December 2019 p/share
Change in net assets per share			
Opening net asset value per share	52.30	52.12	48.95
Return before operating charges*	(1.44)	2.25	5.32
Operating charges**	(0.18)	(0.36)	(0.36)
Return after operating charges*	(1.62)	1.89	4.96
Distributions	(0.78)	(1.71)	(1.79)
Retained distributions	-	-	-
Closing net asset value per share	49.90	52.30	52.12
* after direct transaction costs of***	-	0.01	-
Performance			
Return after charges	(3.10)%	3.63%	10.13%
Other information			
Closing net asset value (£)	6,140,060	6,427,240	7,142,401
Closing number of shares	12,304,994	12,289,992	13,704,447
Operating charges****	0.70%	0.70%	0.69%
Direct transaction costs***	0.02%	0.03%	0.01%
Prices	pence per share	pence per share	pence per share
Highest share price	52.67	53.28	52.96
Lowest share price	50.01	44.80	49.08

** The operating charges include all costs borne by the sub-fund, except for direct transaction costs. They include the operating charges of any collective investment schemes in which the sub-fund invests.

*** The direct transaction costs are made up of fees and commissions paid to agents, advisers, brokers and dealers, levies by regulatory agencies and securities exchanges as well as transfer taxes and duties. They do not include any difference between the quoted bid and offer prices or internal administrative or holding costs. These costs arise as a result of transactions undertaken both for efficient portfolio management and the meeting of the sub-fund's objectives. These costs exclude any effect of dilution adjustments used to offset the costs.

**** The operating charges percentage is the ratio of the sub-fund's ongoing charges (including the ongoing charges of any collective investment schemes in which the sub-fund invests but excluding interest on borrowings) to the average net assets of the sub-fund. This includes a synthetic element of 0.25% (31.12.2020 - 0.25%) (31.12.2019 - 0.24%) to incorporate the OCF of the underlying sub-funds.

* Income 'R' shares

Data Source – FactSet. Figures are calculated on a total return and single price basis, with net income reinvested into the sub-fund.

Portfolio allocation	Percentage of total net assets	Major holdings	Percentage of total net assets
Collective Investment Schemes Overseas Bonds	74.68	Wellington Opportunistic Fixed Income Fund - S Accumulation	7.83
Overseas Bonds	5.85	Federated Hermes Unconstrained Credit Fund - F2 Distributing USD (Hedged)	7.81
Collective Investment Schemes Overseas Alternative Investment Instruments	3.40	Allianz Strategic Bond Fund - I Accumulation	7.73
Collective Investment Schemes United Kingdom Alternative Investment Instruments	3.24	Premier Miton Corporate Bond Monthly Income Fund - C Accumulation	6.35
United Kingdom Bonds	2.68	Premier Miton Strategic Monthly Income Bond Fund - C Accumulation	6.34
Collective Investment Schemes United Kingdom Equities	1.22	Wellington Global Credit Plus Fund - S Accumulation Hedged	4.27
Derivatives	0.43	Premier Miton Financials Capital Securities Fund - C Accumulation	4.19
Net other assets	8.50	Wells Fargo Global Investment Grade Credit Fund - I Accumulation GBP (Hedged)	4.19
Total	100.00	Jupiter Strategic Absolute Return Bond Fund - F2 Accumulation GBP (Hedged)	4.08
Asset allocation		Wellington Emerging Local Debt Advanced Beta Fund - SC Accumulation	3.83
Collective Investment Schemes	82.54		
Bonds	8.53	Number of holdings	31
Derivatives	0.43		
		Total Purchases and Sales for the period	
Net other assets	8.50		
		2021	2020
		£'000	£'000
Total	100.00	Total purchases for the 6 month period to 30 June	7,109
		Total sales for the 6 month period to 30 June	13,389
			26,127
			31,757

Portfolio statement

as at 30 June 2021

Holding	Investment	Market Value £'000	Percentage of total net assets %
Bonds 8.53% (31 December 2020 11.35%)			
Overseas Bonds 5.85% (31 December 2020 8.57%)			
\$97,000	Argentine Government Bond 0.125% 09/07/2046	23	0.06
\$1,330	Argentine Government Bond 1% 09/07/2029*	-	-
AUD800,000	Australia Government Bond 1.75% 21/06/2051	383	1.06
INR11,500,000	Inter-American Development Bank 5.5% 23/08/2021	112	0.31
JPY60,000,000	Japan Government 40 Year Bond 0.5% 20/03/2060	359	0.99
£255,000	Mexico Government Bond 5.625% 19/03/2114	275	0.76
NZ\$1,500,000	New Zealand Local Government Funding Agency Bond 2% 15/04/2037	685	1.89
€200,000	Republic of Austria Government Bond 2.1% 20/09/2117	281	0.78
		2,118	5.85
United Kingdom Bonds 2.68% (31 December 2020 2.78%)			
£225,000	United Kingdom Gilt 0.5% 22/10/2061	178	0.49
£415,000	United Kingdom Gilt 1.5% 22/07/2047	439	1.21
£290,000	United Kingdom Gilt 1.625% 22/10/2071	353	0.98
		970	2.68
Collective Investment Schemes 82.54% (31 December 2020 86.52%)			
United Kingdom Equities 1.22% (31 December 2020 1.92%)			
636,691	BioPharma Credit Fund	443	1.22
		443	1.22
United Kingdom Alternative Investment Instruments 3.24% (31 December 2020 2.67%)			
122,096	Honeycomb Investment Trust	1,172	3.24
		1,172	3.24
Overseas Bonds 74.68% (31 December 2020 77.84%)			
11,012	1167 Capital Global Total Return Bond Fund - E6 (GBP)	1,116	3.08
790,727	Allianz Fixed Income Macro Fund - E Accumulation	931	2.57
2,064,385	Allianz Strategic Bond Fund - I Accumulation	2,801	7.73
11,964	AQR Global Aggregate Bond UCITS Fund	1,310	3.62
11,580	Ashmore Emerging Markets Short Duration Fund	1,216	3.36
1,632,766	Blackstone GSO Loan Financing	1,092	3.01
1,866,425	Fair Oaks Income	875	2.42
2,262,946	Federated Hermes Unconstrained Credit Fund - F2 Distributing (USD) Hedged	2,829	7.81
1,231,921	Jupiter Strategic Absolute Return Bond Fund - F2 Accumulation (GBP) Hedged	1,476	4.08
2,662,477	Premier Miton Corporate Bond Monthly Income Fund - C Accumulation	2,299	6.35
1,368,916	Premier Miton Financials Capital Securities Fund - C Accumulation	1,517	4.19
2,167,248	Premier Miton Strategic Monthly Income Bond Fund - C Accumulation	2,295	6.34
142,155	Wellington Emerging Local Debt Advanced Beta Fund - SC Accumulation	1,387	3.83
133,919	Wellington Global Credit Plus Fund - S Accumulation Hedged	1,546	4.27
276,531	Wellington Opportunistic Fixed Income Fund - S Accumulation	2,835	7.83
14,990	Wells Fargo Global Investment Grade Credit Fund - I Accumulation (GBP) Hedged	1,516	4.19
		27,041	74.68
Overseas Alternative Investment Instruments 3.40% (31 December 2020 4.09%)			
12,784	Tages Eckhardt Systematic Short-Term Fund	1,233	3.40
		1,233	3.40

Portfolio statement (continued)

as at 30 June 2021

Holding	Investment	Market Value £'000	Percentage of total net assets %
	Derivatives 0.43% (31 December 2020 (1.54)%)		
	Sterling Denominated Forward Exchange Contracts (0.07)% (31 December 2020 0.65%)		
	Buy GBP 368,579 Sell AUD 672,656 15/07/2021	4	0.01
	Buy GBP 10,894 Sell AUD 19,904 15/07/2021	-	-
	Buy GBP 4,496 Sell AUD 8,236 15/07/2021	-	-
	Buy GBP 4,309 Sell AUD 7,952 15/07/2021	-	-
	Buy GBP 7,699 Sell AUD 14,224 15/07/2021	-	-
	Buy GBP 1,377,338 Sell EUR 1,602,814 15/07/2021	3	0.01
	Buy GBP 14,902 Sell EUR 17,309 15/07/2021	-	-
	Buy GBP 1,353 Sell EUR 1,579 15/07/2021	-	-
	Buy GBP 361,851 Sell JPY 56,077,800 15/07/2021	(4)	(0.01)
	Buy GBP 1,147 Sell USD 1,588 15/07/2021	-	-
	Buy GBP 13,701 Sell USD 19,338 15/07/2021	-	-
	Buy GBP 1,301,511 Sell USD 1,841,890 15/07/2021	(27)	(0.08)
		(24)	(0.07)
	Sterling Denominated Futures Contracts 0.00% (31 December 2020 0.02%)		
	Australian Dollar Denominated Forward Exchange Contracts 0.00% (31 December 2020 0.00%)		
	Buy AUD 14,392 Sell GBP 7,785 15/07/2021	-	-
	Buy AUD 9,896 Sell GBP 5,406 15/07/2021	-	-
		-	-
	Euro Denominated Forward Exchange Contracts 0.00% (31 December 2020 (0.03)%)		
	Buy EUR 352,171 Sell GBP 302,669 15/07/2021	(1)	-
		(1)	-
	Euro Interest Rate Swap 0.00% (31 December 2020 (0.49)%)		
	Japanese Yen Denominated Forward Exchange Contracts 0.00% (31 December 2020 (0.02)%)		
	Buy JPY 665,400 Sell GBP 4,291 15/07/2021	-	-
		-	-
	US Dollar Denominated Forward Exchange Contracts 0.52% (31 December 2020 (0.88)%)		
	Buy USD 12,922,668 Sell GBP 9,132,557 15/07/2021	189	0.52
	Buy USD 632 Sell GBP 449 15/07/2021	-	-
	Buy USD 397 Sell GBP 286 15/07/2021	-	-
		189	0.52

Portfolio statement (continued)

as at 30 June 2021

Holding	Investment	Market Value £'000	Percentage of total net assets %
	US Dollar Denominated Futures Contracts (0.02)% (31 December 2020 (0.18)%)		
(5)	S&P 500 E-Mini Futures September 2021	(7)	(0.02)
		(7)	(0.02)
	US Dollar Denominated Options Contracts 0.00% (31 December 2020 (0.61)%)		
	Investment assets**	33,134	91.50
	Net other assets	3,076	8.50
	Total net assets	36,210	100.00

* Market value less than £500.

** Including investment liabilities.

All investments (excluding OTC derivatives) are approved securities being either officially listed in a member state or traded on or under the rules of an eligible securities market or collective investment schemes permitted under COLL Sourcebook.

Analysis of investments by asset class

	Market Value £'000	Percentage of total net assets %
Collective Investment Schemes	26,307	72.65
Equities	3,582	9.89
Bonds	3,088	8.53
Derivatives	157	0.43
Portfolio of investments	33,134	91.50
Net other liabilities	3,076	8.50
Total net assets	36,210	100.00

Statement of total return

for the period from 1 January 2021 to 30 June 2021

		01.01.21 to 30.06.21 £'000	01.01.21 to 30.06.21 £'000	01.01.20 to 30.06.20 £'000	01.01.20 to 30.06.20 £'000
	Note				
Income					
Net capital losses			(2,000)		(279)
Revenue		678		594	
Expenses		(161)		(185)	
Interest payable and similar charges		(26)		(7)	
Net revenue before taxation		491		402	
Taxation		(3)		(6)	
Net revenue after taxation			488		396
Total return before distributions			(1,512)		117
Distributions	2		(497)		(434)
Change in net assets attributable to shareholders from investment activities			(2,009)		(317)

Statement of change in net assets attributable to shareholders

for the period from 1 January 2021 to 30 June 2021

		01.01.21 to 30.06.21 £'000	01.01.21 to 30.06.21 £'000	01.01.20 to 30.06.20 £'000	01.01.20 to 30.06.20 £'000
Opening net assets attributable to shareholders			40,591*		45,592
Amounts received on issue of shares		1,769		673	
Amounts paid on cancellation of shares		(4,273)		(3,818)	
			(2,504)		(3,145)
Dilution adjustment			7		16
Change in net assets attributable to shareholders from investment activities			(2,009)		(317)
Retained distribution on accumulation shares			125		114
Closing net assets attributable to shareholders			36,210		42,260*

* Section 3.30 of the SORP requires comparative figures for the above statement. For interim financial statements this will result in the closing comparative net assets not being equal to net assets at the start of the current period.

Balance sheet

as at 30 June 2021

	30.06.21 £'000	31.12.20 £'000
Assets		
Fixed assets		
Investments	33,173	40,117
Current assets		
Debtors	38	49
Cash and bank balances	6,532	2,776
Total assets	39,743	42,942
Liabilities		
Investment liabilities	(39)	(1,015)
Creditors		
Bank overdrafts	(3,126)	(1,027)
Distribution payable	(241)	(202)
Other creditors	(127)	(107)
Total liabilities	(3,533)	(2,351)
Net assets attributable to shareholders	36,210	40,591

Notes to the financial statements

for the period from 1 January 2021 to 30 June 2021

1 Accounting policies

The interim financial statements have been prepared under the historical cost basis, as modified by the revaluation of investments, and in accordance with the Statement of Recommended Practice (SORP) for Authorised Funds, issued by the Investment Association (formerly Investment Management Association) in May 2014 and as amended in 2017.

The accounting policies applied are consistent with those disclosed within the annual Financial Statements for the year ended 31 December 2020.

2 Distributions

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

	01.01.21 to 30.06.21 £'000	01.01.20 to 30.06.20 £'000
First Interim – Accumulation shares (31 March)	41	59
First Interim – Income shares (31 March)	124	164
Second Interim – Accumulation shares (30 June)	84	55
Second Interim – Income shares (30 June)	241	144
	490	422
Revenue deducted on cancellation of shares	10	16
Revenue received on issue of shares	(3)	(4)
Distributions	497	434
Reconciliation of distributions:		
Net revenue after taxation	488	396
Equalisation on Collective Investment Schemes	7	35
Tax effect of fee rebates taken to capital	2	3
Distributions	497	434

Distribution tables

Second interim distribution

Group 1: Shares purchased prior to 1 April 2021
Group 2: Shares purchased from 1 April 2021 to 30 June 2021

	Revenue pence/cents per share	Equalisation pence/cents per share*	Distribution paid 31.08.21 pence/cents per share	Distribution paid 31.08.20 pence/cents per share
Accumulation 'A' EUR Hedged Shares				
Group 1	0.6156	-	0.6156	0.3041
Group 2	0.6156	0.0000	0.6156	0.3041
Accumulation 'A' USD Hedged Shares				
Group 1	0.9840	-	0.9840	0.4977
Group 2	0.5778	0.4062	0.9840	0.4977
Income 'A' GBP Shares				
Group 1	0.4374	-	0.4374	0.2302
Group 2	0.1921	0.2453	0.4374	0.2302
Income 'R' GBP Shares				
Group 1	0.5012	-	0.5012	0.2914
Group 2	0.2028	0.2984	0.5012	0.2914

First interim distribution

Group 1: Shares purchased prior to 1 January 2021
Group 2: Shares purchased from 1 January 2021 to 31 March 2021

	Revenue pence/cents per share	Equalisation pence/cents per share*	Distribution paid 28.05.21 pence/cents per share	Distribution paid 29.05.20 pence/cents per share
Accumulation 'A' EUR Hedged Shares				
Group 1	0.3005	-	0.3005	0.3381
Group 2	0.0000	0.3005	0.3005	0.3381
Accumulation 'A' USD Hedged Shares				
Group 1	0.4736	-	0.4736	0.5208
Group 2	0.0200	0.4536	0.4736	0.5208
Income 'A' GBP Shares				
Group 1	0.2098	-	0.2098	0.2565
Group 2	0.0443	0.1655	0.2098	0.2565
Income 'R' GBP Shares				
Group 1	0.2760	-	0.2760	0.3213
Group 2	0.0583	0.2177	0.2760	0.3213

* Equalisation only applies to shares purchased during the period (Group 2 shares). It is the average amount of revenue included in the purchase price of all Group 2 shares and is refunded to holders as a return of capital. Being capital, it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.