

Quilter Investors OEIC

Interim Report and Financial Statements (unaudited)
For the period from 1 January 2023 to 30 June 2023

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* Collectively, these form the Authorised Corporate Director's report.

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.

Depository

Citibank UK Limited
Citigroup Centre
Canada Square
Canary Wharf
London
E14 5LB

Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

Legal Adviser

Macfarlanes LLP
20 Cursitor Street
London
EC4A 1LT

Independent Auditor

PricewaterhouseCoopers LLP
Atria One
144 Morrison Street
Edinburgh
EH3 8EX

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
SS&C House
Saint Nicholas Lane
Basildon
Essex
SS15 5FS

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

Directors of the ACD

S Levin
L Williams
T Breedon – Non-Executive Director
S Fromson – Non-Executive Director
R Skelt – Non-Executive Director (resigned 28 February 2023)

Company Information (continued)

Investment Advisers

Quilter Investors Absolute Return Bond Fund:

Janus Henderson Investors US LLC (sub-adviser)
201 Bishopsgate
London
EC2M 3AE

Regulated by the US Securities and Exchange Commission.

Quilter Investors Asia Pacific (ex Japan) Equity Fund:

FIL Pensions Management
Beech Gate Millfield Lane
Lower Kingswood
Tadworth
Surrey
KT20 6RP

Authorised and regulated by the Financial Conduct Authority.

Quilter Investors Asia Pacific (ex Japan) Large-Cap Equity Fund:

Invesco Asset Management Limited
Perpetual Park
Perpetual Park Drive
Henley-on-Thames
Oxfordshire
RG9 1HH

Authorised and regulated by the Financial Conduct Authority.

Quilter Investors Bond 3 Fund:

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

Authorised and regulated by the Financial Conduct Authority.

Quilter Investors China Equity Fund:

Janus Henderson Investors UK Limited
201 Bishopsgate
London
EC2M 3AE

Authorised and regulated by the Financial Conduct Authority.

Quilter Investors Corporate Bond Fund:

Premier Fund Managers Limited
Eastgate Court
High Street
Guildford
GU1 3DE

Authorised and regulated by the Financial Conduct Authority.

Quilter Investors Diversified Bond Fund:

Premier Fund Managers Limited
Eastgate Court
High Street
Guildford
GU1 3DE

Authorised and regulated by the Financial Conduct Authority.

Quilter Investors Dynamic Bond Fund:

TwentyFour Asset Management LLP
The Monument Building
11 Monument Street
London
EC3R 8AF

Authorised and regulated by the Financial Conduct Authority.

Company Information (continued)

Investment Advisers (continued)

Quilter Investors Emerging Markets Equity Fund:

Jupiter Investment Management Limited
The Zig Zag Building
70 Victoria Street
London
SW1E 6SQ

Authorised and regulated by the Financial Conduct Authority.

Quilter Investors Emerging Markets Equity Growth Fund:

JPMorgan Asset Management (UK) Limited
25 Bank Street
Canary Wharf
London
E14 5JP

Authorised and regulated by the Financial Conduct Authority.

Quilter Investors Emerging Markets Equity Income Fund:

Allspring Global Investments LLC
1415 Vantage Park Drive
3rd Floor
Charlotte
NC 28203

USA Regulated by the US Securities and Exchange Commission

Quilter Investors Europe (ex UK) Equity Fund:

Janus Henderson Investors UK Limited
201 Bishopsgate
London
EC2M 3AE

Authorised and regulated by the Financial Conduct Authority.

Quilter Investors Europe (ex UK) Equity Growth Fund:

Allianz Global Investors GmbH (up to 31 May 2023 and sub-adviser from 1 June 2023)
Bockenheimer Landstrasse 42-44
60323 Frankfurt
Germany

Authorised and regulated by the German Bundesanstalt für Finanzdienstleistungsaufsicht.

Allianz Global Investors UK Limited (from 1 June 2023)

199 Bishopsgate
London
EC2M 3TY

Authorised and regulated by the Financial Conduct Authority.

Quilter Investors Europe (ex UK) Equity Income Fund:

Schroder Investment Management Limited
1 London Wall Place
London
EC2Y 5AU

Authorised and regulated by the Financial Conduct Authority.

Quilter Investors Gilt Index Fund:

BlackRock Investment Management (UK) Limited
12 Throgmorton Avenue
London
EC2N 2DL

Authorised and regulated by the Financial Conduct Authority.

Quilter Investors Global Equity Growth Fund:

FIL Pensions Management
Beech Gate Millfield Lane
Lower Kingswood
Tadworth
Surrey
KT20 6RP

Authorised and regulated by the Financial Conduct Authority.

Company Information (continued)

Investment Advisers (continued)

Quilter Investors Global Equity Index Fund:
BlackRock Investment Management (UK) Limited
12 Throgmorton Avenue
London
EC2N 2DL

Authorised and regulated by the Financial Conduct Authority.

Quilter Investors Global Equity Value Fund:
RWC Asset Management LLP
Verde 4th Floor
10 Bressenden Place
London
SW1E 5DH

Authorised and regulated by the Financial Conduct Authority.

Quilter Investors Investment Grade Corporate Bond Fund:
Invesco Asset Management Limited
Perpetual Park
Perpetual Park Drive
Henley-on-Thames
Oxfordshire
RG9 1HH

Authorised and regulated by the Financial Conduct Authority.

Quilter Investors Japanese Equity Fund:
M&G Investment Management Limited
10 Fenchurch Avenue
London
EC3M 5AG

Authorised and regulated by the Financial Conduct Authority.

Quilter Investors Natural Resources Equity Fund:
Janus Henderson Investors (Australia) Institutional Funds Management Limited (sub-adviser)
201 Bishopsgate
London
EC2M 3AE

Authorised and regulated by the Australian Securities & Investments Commission.

Quilter Investors Precious Metals Equity Fund:
BlackRock Investment Management (UK) Limited
12 Throgmorton Avenue
London
EC2N 2DL

Authorised and regulated by the Financial Conduct Authority.

Quilter Investors Sterling Corporate Bond Fund:
FIL Pensions Management
Beech Gate Millfield Lane
Lower Kingswood
Tadworth
Surrey KT20 6RP

Authorised and regulated by the Financial Conduct Authority.

Quilter Investors Sterling Diversified Bond Fund:
FIL Pensions Management
Beech Gate Millfield Lane
Lower Kingswood
Tadworth
Surrey KT20 6RP

Authorised and regulated by the Financial Conduct Authority.

Quilter Investors Timber Equity Fund:
Pictet Asset Management S.A.
60 Route des Acacias
CH-1211 Geneva 73
Switzerland

Authorised and regulated by the Swiss Financial Market Supervisory Authority (FINMA).

Company Information (continued)

Investment Advisers (continued)

Quilter Investors US Equity Growth Fund:

JPMorgan Asset Management (UK) Limited
25 Bank Street
Canary Wharf
London
E14 5JP

Authorised and regulated by the Financial Conduct Authority.

Quilter Investors US Equity Income Fund:

Newton Investment Management North America, LLC (sub-adviser)
BNY Mellon Centre
160 Queen Victoria Street
London
EC4V 4LA

Registered in the US as an investment adviser under the Investment Advisers Act 1940.

Quilter Investors US Equity Small/Mid-Cap Fund:

Schroder Investment Management Limited
1 London Wall Place
London
EC2Y 5AU

Authorised and regulated by the Financial Conduct Authority.

Authorised Corporate Director's report

Directors' report

The Directors present the report and financial statements for Quilter Investors OEIC ("the Company") for the period from 1 January 2023 to 30 June 2023.

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 Companies 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 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.

Developments

On 20 January 2023, Quilter Investors Bond 2 Fund and Quilter Investors Global Property Securities Fund were terminated.

On 1 May 2023, Quilter Investors US Equity Income Fund Objective and Target Benchmark was changed. For further information please see the sub-fund's performance records within the report and accounts and the prospectus at www.quilter.com.

Effective 30 May 2023, as part of a post-Brexit restructuring of Allianz, the Investment Adviser for Quilter Investors Europe (ex UK) Equity Growth Fund changed to Allianz Global Investors UK Limited which sub-delegated the performance of certain of its functions to Allianz Global Investors GmbH, the prior Investment Adviser for the sub-fund.

On 1 June 2023, Quilter Investors Global Equity Index Fund was closed and the sub-fund's financial statements have been prepared on a basis other than a going concern.

On 1 June 2023, the ACD clarified that where a fund invests in closed ended funds, such as investment trusts, the costs of investing are borne by the relevant sub-fund in addition to the Fixed Ongoing Charge.

Where a shareholder requests redemption of a number of shares, the ACD at its discretion may, where it considers the deal to be substantial in relation to the total size of the sub-fund concerned or in some way detrimental to the sub-fund, by serving notice to the shareholder (subject to time limits set out in the prospectus) electing that the shareholder shall not be paid the price of their shares, but instead there shall be a transfer to that shareholder of property of the relevant sub-fund having the appropriate value. On 1 June 2023, the ACD removed the right of shareholders where they receive such a notice from the ACD, to serve notice on the ACD requiring the ACD, instead of arranging for a transfer of property, to arrange for a sale of that property and pay the shareholder the net proceeds of that sale.

On 29 June 2023, the Performance Comparator for Quilter Investors Precious Metals Fund and the Target Benchmark and Investment Objectives for Quilter Investors US Equity Growth Fund and Quilter Investors US Equity Small/Mid-Cap Fund were updated. For further information please see the individual sub-fund performance records within the report and accounts and the prospectus at the ACD's website www.quilter.com.

From 1 July 2023, a discount will be applied when Quilter Investors funds reach a certain threshold of assets under management ("AUM"). The move will see a discount of up to 0.05% applied to the Fixed Ongoing Charge of the funds when a fund's AUM reaches £3bn. The discounts will begin to be applied when a fund reaches more than £750m AUM. The discount is available to all share classes of Quilter Investors funds domiciled in the UK, except for Quilter Investors Global Dynamic Equity Fund and Quilter Cheviot Global Income and Growth Fund at this time. These funds operate different charging structure with existing discount provisions. Further information is available at the ACD's website at <https://www.quilter.com/news-and-views/all-articles/aum-discounts-on-fund-and-portfolio-pricing>.

Russia invasion of Ukraine

The Russian invasion of Ukraine is being monitored and assessed by the ACD to ensure any potential disruption for our clients is kept to a minimum.

With the exception of Quilter Investors Emerging Markets Equity Fund and Quilter Investors Precious Metals Equity Fund, which have a small direct exposure to Russia, the other sub-funds did not have any direct exposure to Russia, Ukraine or Belarus as at 30 June 2023. Quilter Investors Emerging Markets Equity Fund holds positions in Magnit & ALROSA while Quilter Investors Precious Metals Equity Fund holds PJSC Polyus.

The impact of the invasion has resulted in an increase in overall global market volatility. Save for Quilter Investors Bond 3 Fund; Quilter Investors Gilt Index Fund and Global Equity Index which are both closed and in the process of being terminated, the sub-funds continue to be managed according to their investment objectives and policies during this period of uncertainty. Valuations of the sub-funds are carried out without any necessary deviation from the ACD's valuation policy.

Assessment of value

The COLL Sourcebook requires the ACD to conduct an "assessment of value" at least annually for each 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-funds in the Company as at 31 March 2023 was published on 31 July 2023. The report provided the assessment of value for all schemes managed by the ACD. The report is available on the ACD's website at <https://www.quilter.com/siteassets/documents/quilter-investors/legal/assessment-of-value-report-2023-for-sub-advised-funds.pdf>.

Authorised Corporate Director's report (continued)

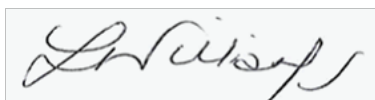
Additional information

These financial statements have been prepared in accordance with the Statement of Recommended Practice ("SORP") for Authorised Funds issued by the Investment Association (formerly the 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 2023 had twenty-nine sub-funds (listed below). Additional sub-funds may be launched in the future.

Sub-fund name	Launch Date
Quilter Investors Absolute Return Bond Fund	7 December 2018
Quilter Investors Asia Pacific (ex Japan) Equity Fund	17 July 2013
Quilter Investors Asia Pacific (ex Japan) Large-Cap Equity Fund	10 July 2013
Quilter Investors Bond 3 Fund	14 January 2005
Quilter Investors China Equity Fund	26 April 2013
Quilter Investors Corporate Bond Fund	21 June 2018
Quilter Investors Diversified Bond Fund	21 June 2018
Quilter Investors Dynamic Bond	20 August 2003
Quilter Investors Emerging Markets Equity Fund	28 June 2018
Quilter Investors Emerging Markets Equity Growth Fund	26 April 2013
Quilter Investors Emerging Markets Equity Income Fund	8 June 2018
Quilter Investors Europe (ex UK) Equity Fund	1 March 2013
Quilter Investors Europe (ex UK) Equity Growth Fund	12 April 2013
Quilter Investors Europe (ex UK) Equity Income Fund	12 April 2017
Quilter Investors Gilt Index Fund	5 February 2003
Quilter Investors Global Equity Absolute Return Fund	21 June 2018
Quilter Investors Global Equity Growth Fund	24 April 2013
Quilter Investors Global Equity Index Fund	25 February 2014
Quilter Investors Global Equity Value Fund	26 April 2013
Quilter Investors Investment Grade Corporate Bond Fund	28 May 2013
Quilter Investors Japanese Equity Fund	1 March 2013
Quilter Investors Natural Resources Equity Fund	30 April 2013
Quilter Investors Precious Metals Equity Fund	30 April 2013
Quilter Investors Sterling Corporate Bond Fund	14 November 2013
Quilter Investors Sterling Diversified Bond Fund	30 April 2013
Quilter Investors Timber Equity Fund	9 September 2022
Quilter Investors US Equity Growth Fund	1 March 2013
Quilter Investors US Equity Income Fund	8 June 2018
Quilter Investors US Equity Small/Mid-Cap Fund	1 March 2013

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



L Williams

For and on behalf of Quilter Investors Limited
Director

31 August 2023

Authorised Corporate Director's report (continued)

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

Net asset value of sub-funds

	31 June 2023			31 December 2022		
	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 Absolute Return Bond Fund						
- Accumulation 'U2'	£788,184,591	762,211,177	103.41	£779,456,721	766,046,300	101.75
Quilter Investors Asia Pacific (ex Japan) Equity Fund						
- Accumulation 'A'	£5,232,215	2,799,723	186.88	£5,713,180	3,067,376	186.26
- Accumulation 'A' EUR	£159,629	98,209	162.54	£96,756	59,727	162.00
- Accumulation 'A' USD	£170,190	122,392	139.05	£49,524	35,736	138.58
- Accumulation 'U2'	£225,724,307	96,319,857	234.35	£216,238,933	93,185,747	232.05
Quilter Investors Asia Pacific (ex Japan) Large-Cap Equity Fund						
- Accumulation 'A'	£17,739,489	7,656,236	231.70	£18,392,555	7,963,454	230.96
- Accumulation 'A' USD	£182,888	118,465	154.38	£208,208	135,298	153.89
- Accumulation 'U2'	£213,267,165	81,865,213	260.51	£211,256,515	81,739,156	258.45
- Income 'U2'	£885	413	214.44	£878	413	212.72
Quilter Investors Bond 3 Fund						
- Income 'A'	£1,116,494	1,566,395	71.28	£3,374,614	3,923,107	86.02
Quilter Investors China Equity Fund						
- Accumulation 'A'	£28,565,370	18,650,065	153.16	£36,089,276	19,955,497	180.85
- Accumulation 'A' EUR	£22,460	22,802	98.50	£26,520	22,802	116.31
- Accumulation 'A' USD	£11,736,166	13,128,225	89.40	£14,708,084	13,934,021	105.56
- Accumulation 'U2'	£39,097,241	24,591,930	158.98	£46,027,888	24,648,679	186.74
Quilter Investors Corporate Bond Fund						
- Accumulation 'U2'	£347,686,028	334,078,462	104.07	£267,849,358	255,220,158	104.95
Quilter Investors Diversified Bond Fund						
- Accumulation 'U2'	£201,333,533	172,119,793	116.97	£158,334,284	132,929,203	119.11
Quilter Investors Dynamic Bond Fund						
- Accumulation 'U2'	£904	1,000	90.40	£892	1,000	89.26
- Income 'A'	£137,087,304	367,180,737	37.34	£119,553,595	313,858,717	38.09
Quilter Investors Emerging Markets Equity Fund						
- Accumulation 'U2'	£113,608,977	10,173,421	1,116.72	£103,974,926	9,463,591	1,098.68
Quilter Investors Emerging Markets Equity Growth Fund						
- Accumulation 'A'	£12,470,766	7,782,915	160.23	£13,361,444	8,294,324	161.09
- Accumulation 'A' EUR	£32,633	23,618	138.17	£32,808	23,618	138.91
- Accumulation 'A' USD	£5,157,774	4,024,211	128.17	£5,426,339	4,211,163	128.86
- Accumulation 'U2'	£154,229,158	74,715,979	206.42	£135,362,729	65,585,249	206.39
- Income 'U2'	£8,709	4,911	177.34	£8,707	4,911	177.30
Quilter Investors Emerging Markets Equity Income Fund						
- Accumulation 'U2'	£127,433,977	107,547,984	118.49	£119,944,709	102,255,985	117.30
Quilter Investors Europe (ex UK) Equity Fund						
- Accumulation 'A'	£54,068,026	24,689,359	218.99	£52,447,710	26,138,138	200.66
- Accumulation 'A' EUR	£645,345	437,678	147.45	£682,977	505,528	135.10
- Accumulation 'A' USD	£335,268	272,516	123.03	£133,951	118,810	112.74
- Accumulation 'U2'	£385,930,238	178,702,662	215.96	£367,198,669	186,449,712	196.94

Authorised Corporate Director's report (continued)

Net asset value of sub-funds (continued)

	31 June 2023			31 December 2022		
	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 Europe (ex UK) Equity Growth Fund						
- Accumulation 'A'	£7,147,810	3,285,839	217.53	£6,446,236	3,379,021	190.77
- Accumulation 'A' EUR	£781,046	540,933	144.39	£698,348	551,591	126.61
- Accumulation 'A' USD	£3,029,512	2,352,098	128.80	£2,783,245	2,463,994	112.96
- Accumulation 'U2'	£218,432,461	96,161,928	227.15	£208,130,661	104,973,431	198.27
Quilter Investors Europe (ex UK) Equity Income Fund						
- Accumulation 'U2'	£218,568,095	163,899,899	133.35	£220,344,156	176,951,325	124.52
Quilter Investors Gilt Index Fund†						
- Accumulation 'A'	-	-	-	-	-	-
- Income 'A'	-	-	-	-	-	-
- Accumulation 'U2'	-	-	-	-	-	-
- Income 'U2'	-	-	-	-	-	-
Quilter Investors Global Equity Absolute Return Fund						
- Accumulation 'U2'	£592,305,734	54,607,150	1,084.67	£527,923,685	50,793,854	1,039.35
Quilter Investors Global Equity Growth Fund						
- Accumulation 'A'	£49,978,849	17,502,964	285.55	£47,407,046	18,230,548	260.04
- Accumulation 'A' USD	£8,472,018	5,316,696	159.35	£8,303,975	5,722,333	145.12
- Accumulation 'U2'	£7,670,714	2,575,594	297.82	£8,012,153	2,967,354	270.01
Quilter Investors Global Equity Index Fund††						
- Accumulation 'U2'	-	-	-	£73,797,597	27,704,691	266.37
Quilter Investors Global Equity Value Fund						
- Accumulation 'A' EUR	£28,912	20,027	144.36	£32,646	22,889	142.63
- Accumulation 'A' USD	£2,327,793	1,681,657	138.42	£2,488,841	1,820,240	136.73
- Income 'A'	£19,318,373	11,570,298	166.97	£19,942,332	11,880,598	167.86
- Accumulation 'U2'	£465,817,906	183,002,961	254.54	£312,115,080	124,789,618	250.11
- Income 'U2'	£13,865,647	7,559,816	183.41	£14,179,499	7,730,484	183.42
Quilter Investors Investment Grade Corporate Bond Fund						
- Income 'A'	£27,169,032	29,982,007	90.62	£29,037,888	31,340,636	92.65
- Accumulation 'U2'	£197,269,534	172,390,241	114.43	£152,312,252	132,555,366	114.90
- Income 'U2'	£6,818	7,559	90.20	£6,972	7,559	92.23
Quilter Investors Japanese Equity Fund						
- Accumulation 'A'	£20,343,977	9,234,121	220.31	£19,870,103	9,817,230	202.40
- Accumulation 'A' EUR	£29,813	21,184	140.73	£27,389	21,184	129.29
- Accumulation 'A' USD	£245,477	203,004	120.92	£239,897	215,952	111.09
- Accumulation 'U2'	£336,885,928	143,275,439	235.13	£309,771,927	144,088,962	214.99
Quilter Investors Natural Resources Equity Fund						
- Accumulation 'A'	£12,741,856	9,335,661	136.49	£14,888,871	9,986,299	149.09
- Accumulation 'A' EUR	£198,043	112,782	175.60	£258,159	134,583	191.82
- Accumulation 'A' USD	£1,025,091	656,726	156.09	£1,259,306	738,547	170.51
- Accumulation 'U2'	£101,820,698	68,587,775	148.45	£89,181,343	55,255,847	161.40
Quilter Investors Precious Metals Equity Fund						
- Accumulation 'A'	£16,750,870	14,459,711	115.85	£18,547,896	15,842,057	117.08
- Accumulation 'A' EUR	£110,620	99,968	110.66	£110,379	98,697	111.84
- Accumulation 'U2'	£240,403,698	161,057,414	149.27	£235,900,750	157,230,425	150.04

Authorised Corporate Director's report (continued)

Net asset value of sub-funds (continued)

	31 June 2023			31 December 2022		
	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 Sterling Corporate Bond Fund						
- Accumulation 'A' EUR Hedged	£101,967	133,367	76.46	£92,377	115,354	80.08
- Accumulation 'A' USD Hedged	£132,844	158,430	83.85	£101,773	115,387	88.20
- Accumulation 'A'	£29,884,556	32,705,755	91.37	£27,855,734	30,318,464	91.88
- Income 'A'	£20,671,133	24,625,069	83.94	£21,705,044	25,114,480	86.42
- Accumulation 'U2'	£157,742,076	138,798,054	113.65	£88,981,281	78,061,493	113.99
- Income 'U2'	£3,265	3,914	83.42	£3,378	3,943	85.67
Quilter Investors Sterling Diversified Bond Fund						
- Accumulation 'A' EUR Hedged	£81,990	100,165	81.85	£83,936	100,018	83.92
- Accumulation 'A' USD Hedged	£145,299	163,885	88.66	£153,640	168,283	91.30
- Income 'A'	£4,203,496	4,527,970	92.83	£4,540,706	4,889,585	92.86
- Accumulation 'U2'	£337,266,972	281,303,773	119.89	£295,362,024	251,091,501	117.63
- Income 'U2'	£25,584	27,086	94.45	£27,369	28,969	94.48
Quilter Investors Timber Equity Fund						
- Accumulation 'U2'	£107,192,916	111,501,673	96.14	£90,328,105	95,618,309	94.47
Quilter Investors US Equity Growth Fund						
- Accumulation 'A'	£64,467,997	14,005,754	460.30	£57,707,216	15,041,425	383.66
- Accumulation 'U2'	£104,315,384	39,991,619	260.84	£86,508,114	39,989,891	216.32
Quilter Investors US Equity Income Fund						
- Accumulation 'A'	£8,987,761	6,445,566	139.44	£10,171,980	7,009,249	145.12
- Accumulation 'U2'	£220,534,452	135,840,781	162.35	£199,686,474	118,833,027	168.04
Quilter Investors US Equity Small/Mid-Cap Fund						
- Accumulation 'A'	£11,888,433	4,014,539	296.13	£13,525,788	4,547,725	297.42
- Accumulation 'A' EUR	£42,652	27,553	154.80	£42,836	27,553	155.47
- Accumulation 'A' USD	£5,152,721	3,714,099	138.73	£5,374,098	3,856,947	139.34
- Accumulation 'U2'	£100,535,469	35,227,429	285.39	£88,040,234	30,869,362	285.20
- Income 'U2'	£48,445	17,995	269.22	£53,912	20,039	269.04

† The sub-fund closed on 29 November 2022.

†† The sub-fund closed on 1 June 2023.

Cross Holdings

There were no cross holdings held by the sub-funds throughout the period to 30 June 2023 (31 December 2022 : No Cross Holdings).

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 the 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-funds' 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-funds or to cease operations, or has no realistic alternative but to do so. For the reasons stated in the ACD's report, the financial statements of some of the sub-funds have been prepared on a basis other than going concern;
- 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 Absolute Return Bond Fund

Launch date	7 December 2018
IA Sector	Unclassified Janus Henderson Investors US LLC (sub-adviser)
Investment Adviser	
Net asset value	£788,184,591

Objective

The sub-fund aims to achieve positive total return through a combination of income and capital growth in all market conditions on a rolling three-year basis net of charges. In order to achieve this objective, the sub-fund aims to outperform the ICE BofA SONIA 3-Month Constant Maturity Index, net of charges, over rolling five-year periods.

Notwithstanding that the sub-fund aims to deliver a positive annual return over rolling three-year periods, any capital invested is, in fact, at risk and there is no guarantee that a positive annual return will be generated over such specified period, or over any period.

Policy

The sub-fund invests at least 80% of the value of its property in debt securities issued by companies, banks, public entities and governments located in developed and emerging markets anywhere in the world. These securities may be investment grade or sub-investment grade. Investment may be direct or indirect (e.g. through collective investment schemes or derivatives). The sub-fund may hold up to 10% in contingent convertible bonds (CoCos).

The Investment Adviser aims to achieve the Investment objective while managing the sub-fund's volatility and limiting losses during difficult market conditions. Non-Sterling currency exposure will typically be hedged into Sterling, but the sub-fund may maintain exposure to other currencies where the Investment Adviser believes this is appropriate.

The sub-fund may also invest in other transferable securities, collective investment schemes, warrants, money market instruments, deposits, cash and derivatives.

Any investment in collective investment schemes may include those managed or operated by the ACD or an associate of the ACD.

The sub-fund may at times hold a significant proportion of its assets in cash and money market instruments as a result of holding derivatives and for when the Investment Adviser wishes to reduce the sub-fund's market risk (for example, in extreme market conditions when the Investment Adviser wishes to control the volatility of the sub-fund).

The sub-fund may use derivatives for investment purposes and/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 not likely to affect the risk profile of the sub-fund.

Investment Adviser's review

Market review

Global bonds rose in the first six months of 2023, with corporates outperforming U.S. Treasuries and other sovereign debt. Global rates rose as central banks continued to battle inflation. The U.S. Federal Reserve ("Fed") raised rates three incremental times before taking a "hawkish pause" at its June meeting. While inflation has fallen materially in the U.S., first quarter GDP was revised higher and labour growth consistently exceed expectations. The European Central Bank also raised rates successively, despite the euro area officially entering a recession in the first half of the year. Global investment-grade and high-yield credit spreads ended the first half tighter as investor risk appetite rose on resilient U.S. economic data and moderating inflation.

Performance review

The portfolio returned 1.67% over the six-month period. The Target Benchmark, the ICE BofA SONIA 3-Month Constant Maturity Index returned 1.81%.

The sub-fund seeks to generate consistent returns by focusing on higher-quality, shorter-dated credits that tend to offer attractive income generation – or carry – as they near maturity. The primary positive contributor during the month was the carry on the portfolio's core of corporate credits. Rising rates detracted from performance. As challenging as 2022 was with respect to rates rising across the curve, the end result is bond portfolios again being able to generate attractive levels of carry, especially along the front end of the yield curve, given the inversion of the U.S. Treasuries curve. Given continued interest rate volatility, we deployed securities with the aim of dampening the impact of future rate swings. These generated modestly negative returns during the period.

Given our view that the Fed is nearing the end of its rate-hiking cycle and that a slowing economy means other central banks may not be far behind, we extended portfolio duration from 0.28 years to 0.79 years over the course of the first half of 2023. Even if the U.S. policy rate climbs modestly higher over the latter half of 2023 and other jurisdictions are compelled to hike further as they seek to rein in inflation, bond investors likely no longer face the immense duration risk that weighed on returns in 2022. By increasing duration toward our neutral target, we are able to capture a higher level of yield while remaining conservatively positioned should recent declines in consumer prices unexpectedly stall.

Outlook

The path of inflation, interest rates, and the economy will continue to play a significant role in the bond market until greater visibility into these forces emerges. However, after several years, a fixed income allocation once again has the potential to offer diversification against swings in riskier asset classes as well as levels of income generation that investors feared had been consigned to the annals of history.

Consensus has coalesced around the global economy slowing in 2023. Many have suggested that with several leading indicators – namely an inverted U.S. Treasuries yield curve – already signalling weakness, the Fed may stick to its tendency of transitioning to rate cuts in relatively short order. We don't think that will be the case, especially given the Fed left the door open for incremental rate hikes despite a pause in June. Many of the quicker pivots occurred during the 1970s and early 1980s, when the central bank prematurely turned dovish. This only allowed inflation to become more imbedded, setting the stage for policy having to ultimately become even more restrictive.

With the end of this tightening cycling likely on the horizon, bond investors can begin thinking about shifting toward an opportunistic stance within the global market. Bond investors now have the ability to not only capture levels of income not available only a year ago, but also position themselves to participate in the capital appreciation that can diversify against riskier assets in times of stress. Indeed, this is how U.S. bonds performed during the volatile stretch caused by banking sector tumult. Lastly, bond investors need to recognize that the days of chasing yield are over. A higher cost of capital has put many companies that are dependent upon cheap financing on the back foot. Tightening credit standards will only exacerbate this trend. We are especially cautious of lower-quality companies and those exposed to a high degree of economic cyclicality.

Quilter Investors Absolute Return 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 2 have in the past shown relatively low volatility. With a sub-fund of category 2, you have a relatively low risk of losing money but your chance for gains is also relatively low.

Investment risk - whilst the sub-fund aims to deliver above zero performance irrespective of market conditions, there can be no guarantee this aim will be achieved. A capital loss of some or all of the amount invested may occur.

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.

Liquidity risk - some investments may become hard to value or sell at a desired time and price. In extreme circumstances this may affect the sub-fund's ability to meet redemption requests upon demand.

Contingent convertible bonds (CoCos) risk - the sub-fund may invest in CoCos which are relatively new and complex instruments, and the behaviour and liquidity of the CoCos market under a stressed financial environment are untested. CoCos can be converted into equity at a time that is chosen by the issuers and this may result in capital loss for the investor.

Currency risk - 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.

Derivative risk - the sub-fund may use derivatives for investment purposes and/or for Efficient Portfolio Management (EPM). 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 their 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 Table

Accumulation 'U2'	1 January 2023 to 30 June 2023 p/share	1 January 2022 31 December 2022 p/share	1 January 2021 to 31 December 2021 p/share
Change in net assets per share			
Opening net asset value per share	101.75	102.89	103.51
Return before operating charges*	1.86	(0.64)	-
Operating charges**	(0.20)	(0.50)	(0.62)
Return after operating charges*	1.66	(1.14)	(0.62)
Distributions	(1.30)	(1.42)	(0.87)
Retained distributions on accumulation shares	1.30	1.42	0.87
Closing net asset value per share	103.41	101.75	102.89
* after direct transaction costs of***	-	-	-
Performance			
Return after charges	1.63%	(1.11)%	(0.60)%
Other information			
Closing net asset value (£)	788,184,591	779,456,721	769,088,189
Closing number of shares	762,211,177	766,046,300	747,512,921
Operating charges****	0.40%	0.49%	0.60%
Direct transaction costs***	-	-	-
Prices			
	pence per share	pence per share	pence per share
Highest share price	103.7	103.2	103.9
Lowest share price	101.9	99.87	102.9

** The operating charges include all costs borne by the sub-fund, except for direct transaction costs.

*** 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 (excluding interest on borrowings) to the average net assets of the sub-fund.

Performance

	6 months to 30 June 2023	1 year to 30 June 2023	3 year to 30 June 2023
Quilter Investors Absolute Return Bond Fund*	1.67%	2.27%	1.06%
Target Benchmark**	1.81%	2.72%	2.98%

* Accumulation 'U2' shares

** ICE BofA SONIA 3-Month Index

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
North America	55.61	New Zealand Government Bond 0.5% 15/05/2024	4.31
Asia Pacific (excluding Japan)	25.77	Wells Fargo Bank 5.25% 01/08/2023	1.39
United Kingdom	4.32	Pfizer Investment Enterprises 4.45% 19/05/2026	1.17
United Kingdom Derivatives	1.46	Athene Global Funding 4.76% 21/04/2027	1.04
Overseas Derivatives	(0.12)	AerCap Ireland 1.15% 29/10/2023	1.03
		Willis North America 3.6% 15/05/2024	1.02
Net other assets	12.96	Global Payments 0% 13/07/2023	0.99
		AT&T 5.539% 20/02/2026	0.99
Total	100.00	Banco Santander 3.496% 24/03/2025	0.96
		GE HealthCare Technologies 5.55% 15/11/2024	0.96
Asset allocation		Number of holdings	225
US Dollar Denominated Fixed Rate Corporate Bonds	44.52		
Australian Dollar Denominated Variable Rate Corporate Bonds	14.76	Total Purchases and Sales for the period	
US Dollar Denominated Variable Rate Corporate Bonds	9.45		2023 2022
Australian Dollar Denominated Fixed Rate Corporate Bonds	6.70		£'000 £'000
Sterling Denominated Fixed Rate Corporate Bonds	4.32	Total purchases for the 6 month period to 30 June	11,134,001 6,650,075
New Zealand Dollar Denominated Fixed Rate Government Bonds	4.31	Total sales for the 6 month period to 30 June	11,109,273 6,695,062
Canadian Dollar Denominated Fixed Rate Corporate Bonds	1.08		
Canadian Dollar Denominated Variable Rate Corporate Bonds	0.33		
US Dollar Denominated Fixed Rate Government Bonds	0.23		
United Kingdom Derivatives	1.46		
Overseas Derivatives	(0.12)		
Net other assets	12.96		
Total	100.00		

Portfolio statement

as at 30 June 2023

Holding	Investment	Market Value £'000	Percentage of total net assets %
Sterling 4.32% (31 December 2022 2.97%)			
Sterling Denominated Fixed Rate Corporate Bonds 4.32% (31 December 2022 2.97%)			
£6,200,000	Citigroup 2.75% 24/01/2024	6,080	0.77
£6,504,000	Commonwealth Bank of Australia 3% 04/09/2026	5,945	0.76
£5,700,000	Royal Bank of Canada 1.125% 15/12/2025	4,990	0.63
£600,000	Volkswagen Financial Services 1.125% 18/09/2023	594	0.08
£3,100,000	Volkswagen Financial Services 1.625% 10/02/2024	3,010	0.38
£2,500,000	Wells Fargo 2.125% 20/12/2023	2,451	0.31
£11,000,000	Wells Fargo Bank 5.25% 01/08/2023	10,983	1.39
		34,053	4.32
Overseas 81.38% (31 December 2022 90.87%)			
Asia Pacific (excluding Japan) 25.77% (31 December 2022 28.00%)			
Australian Dollar Denominated Fixed Rate Corporate Bonds 6.70% (31 December 2022 7.96%)			
AUD17,000,000	Athene Global Funding 4.76% 21/04/2027	8,180	1.04
AUD1,420,000	Ausgrid Finance 3.75% 30/10/2024	728	0.09
AUD8,750,000	Charter Hall 2.086% 03/03/2028	3,734	0.48
AUD6,100,000	Computershare US 3.147% 30/11/2027	2,847	0.36
AUD10,000,000	ElectraNet 2.4737% 15/12/2028	4,372	0.56
AUD300,000	ETSA Utilities Finance 3.5% 29/08/2024	154	0.02
AUD2,660,000	GPT Wholesale Shopping Centre 3.993% 11/09/2024	1,368	0.17
AUD2,150,000	Lloyds Banking 3.9% 23/11/2023	1,117	0.14
AUD7,700,000	Lonsdale Finance 2.1% 15/10/2027	3,482	0.44
AUD10,800,000.00	Lonsdale Finance 2.45% 20/11/2026	5,124	0.65
AUD5,300,000	McDonald's 3% 08/03/2024	2,736	0.35
AUD7,420,000	Mercedes-Benz 0.75% 22/01/2024	3,795	0.48
AUD10,600,000	Network Finance 2.25% 11/11/2026	4,964	0.63
AUD3,100,000	Optus Finance 1.6% 01/07/2025	1,511	0.19
AUD8,600,000	VER Finco 2.4% 21/09/2028	3,702	0.47
AUD6,930,000	Volkswagen Financial Services Australia 4% 14/04/2025	3,524	0.45
AUD1,500,000	Wells Fargo 3.7% 27/07/2026	738	0.09
AUD1,400,000	Westpac Banking 4.6% 16/02/2026	724	0.09
		52,800	6.70
Australian Dollar Denominated Variable Rate Corporate Bonds 14.76% (31 December 2022 13.01%)			
AUD7,100,000	Ausgrid Finance 4.8981% 30/10/2024	3,720	0.47
AUD2,800,000	Ausgrid Finance 4.9715% 05/02/2024	1,465	0.19
AUD4,250,000	Australia & New Zealand Banking 5.0804% 06/12/2023	2,230	0.28
AUD6,000,000	Australia & New Zealand Banking 5.6761% 26/07/2029	3,156	0.40
AUD4,840,000	Australia & New Zealand Banking 5.7976% 26/02/2031	2,532	0.32
AUD13,370,000	Bank of Australia 5.4667% 22/02/2027	7,012	0.89
AUD1,750,000	Bank of Queensland 5.0086% 27/01/2027	917	0.12
AUD6,100,000	Bank of Queensland 5.6794% 19/05/2032	3,084	0.39
AUD3,000,000	Bendigo & Adelaide Bank 5.1343% 14/10/2031	1,510	0.19
AUD8,980,000	Bendigo & Adelaide Bank 5.1459% 15/05/2026	4,706	0.60
AUD7,700,000	Bendigo & Adelaide Bank 6.408% 30/11/2028	4,044	0.51
AUD4,700,000	Commonwealth Bank of Australia 4.7827% 11/01/2024	2,470	0.31
AUD11,800,000	Commonwealth Bank of Australia 5.2367% 20/08/2031	6,048	0.77
AUD8,200,000	Credit Union Australia 5.5259% 09/02/2027	4,302	0.55
AUD2,370,000	ETSA Utilities Finance 5.2565% 13/12/2023	1,241	0.16
AUD4,850,000	Heritage and People's Choice 6.7024% 16/09/2031	2,431	0.31

Portfolio statement (continued)

as at 30 June 2023

Holding	Investment	Market Value £'000	Percentage of total net assets %
Australian Dollar Denominated Variable Rate Corporate Bonds (continued)			
AUD2,000,000	Insurance Australia 6.336% 15/06/2044	1,045	0.13
AUD4,100,000	Insurance Australia 6.586% 15/06/2045	2,143	0.27
AUD6,490,000	Insurance Australia 6.686% 15/12/2036	3,386	0.43
AUD6,250,000	Kiwibank 5.0213% 23/09/2025	3,261	0.41
AUD7,300,000	Korea Southern Power 4.6481% 30/10/2024	3,810	0.48
AUD3,048,116	La Trobe Financial Capital Markets Trust 5.41% 11/02/2051	1,596	0.20
AUD1,655,430	La Trobe Financial Capital Markets Trust 5.91% Perpetual	866	0.11
AUD490,038	Latitude Australia Personal Loans Series 5.16% 17/06/2028	256	0.03
AUD4,900,000	Liberty Financial 6.4797% 25/05/2026	2,472	0.31
AUD10,250,000	Liberty Financial 6.7653% 17/03/2025	5,241	0.67
AUD6,810,000	Macquarie Bank 5.8653% 17/06/2031	3,509	0.45
AUD3,500,000	Macquarie Bank 6.8537% 28/05/2030	1,860	0.24
AUD4,700,000	McDonald's 5.3319% 08/03/2024	2,465	0.31
AUD7,000,000	National Australia Bank 4.665% 12/05/2026	3,664	0.47
AUD2,200,000	National Australia Bank 5.6186% 18/11/2030	1,149	0.15
AUD11,400,000	National Australia Bank 5.9386% 18/11/2031	5,978	0.76
AUD3,510,000	National Australia Bank 6.0726% 17/05/2029	1,847	0.23
AUD2,080,000	Network Finance 5.5792% 06/12/2024	1,090	0.14
AUD1,420,000	New Terminal Financing 5.097% 12/07/2024	740	0.09
AUD2,510,000	Suncorp 6.2226% 05/12/2028	1,317	0.17
AUD3,900,000	Suncorp 6.6645% 01/12/2038	2,056	0.26
AUD4,350,000	Vicinity Centres Trust 5.718% 27/06/2025	2,288	0.29
AUD6,300,000	Westpac Banking 4.6622% 16/02/2026	3,298	0.42
AUD4,700,000	Westpac Banking 4.8622% 16/11/2023	2,464	0.31
AUD1,600,000	Westpac Banking 5.1043% 11/11/2027	848	0.11
AUD4,300,000	Westpac Banking 5.2281% 29/01/2031	2,233	0.28
AUD2,400,000	Westpac Banking 5.9337% 27/08/2029	1,262	0.16
AUD6,300,000	Westpac Banking 6.6213% 23/06/2033	3,322	0.42
		116,334	14.76
Australian Dollar Denominated Fixed Rate Government Bonds 0.00% (31 December 2022 2.34%)			
New Zealand Dollar Denominated Fixed Rate Government Bonds 4.31% (31 December 2022 4.69%)			
NZ\$73,720,000	New Zealand Government Bond 0.5% 15/05/2024	34,003	4.31
		34,003	4.31
North America 55.61% (31 December 2022 62.87%)			
Canadian Dollar Denominated Fixed Rate Corporate Bonds 1.08% (31 December 2022 0.35%)			
CAD10,000,000	General Motors Financial of Canada 3.25% 07/11/2023	5,914	0.75
CAD400,000	McDonald's 3.125% 04/03/2025	230	0.03
CAD4,100,000	Toronto-Dominion Bank 2.85% 08/03/2024	2,399	0.30
		8,543	1.08
Canadian Dollar Denominated Variable Rate Corporate Bonds 0.33% (31 December 2022 0.00%)			
CAD4,450,000	Bank of America 2.932% 25/04/2025	2,592	0.33
		2,592	0.33

Portfolio statement (continued)

as at 30 June 2023

Holding	Investment	Market Value £'000	Percentage of total net assets %
	US Dollar Denominated Fixed Rate Corporate Bonds 44.52% (31 December 2022 58.21%)		
\$10,450,000	AerCap Ireland 1.15% 29/10/2023	8,132	1.03
\$5,650,000	AerCap Ireland 1.65% 29/10/2024	4,189	0.53
\$6,000,000	AerCap Ireland 1.75% 29/10/2024	4,448	0.56
\$850,000	AerCap Ireland 1.75% 30/01/2026	601	0.08
\$1,130,000	AerCap Ireland 3.65% 21/07/2027	816	0.10
\$6,000,000	Air Lease 0.8% 18/08/2024	4,467	0.57
\$2,065,000	Air Lease 1.875% 15/08/2026	1,444	0.18
\$2,500,000	Air Lease 2.2% 15/01/2027	1,745	0.22
\$5,140,000	American Express 4.99% 01/05/2026	4,012	0.51
\$2,050,000	Amgen 5.25% 02/03/2025	1,613	0.20
\$8,700,000	Amgen 5.507% 02/03/2026	6,849	0.87
\$3,100,000	ANZ New Zealand 1.25% 22/06/2026	2,170	0.28
\$2,000,000	ANZ New Zealand 3.4% 19/03/2024	1,554	0.20
\$9,825,000	AT&T 5.539% 20/02/2026	7,766	0.99
\$1,495,000	Athene Global Funding 1.608% 29/06/2026	1,010	0.13
\$402,000	Athene Global Funding 1.716% 07/01/2025	294	0.04
\$2,400,000	Avery Dennison 0.85% 15/08/2024	1,789	0.23
\$3,880,000	Aviation Capital 1.95% 30/01/2026	2,728	0.35
\$6,700,000	Aviation Capital 1.95% 20/09/2026	4,584	0.58
\$10,000,000	Banco Santander 3.496% 24/03/2025	7,572	0.96
\$6,650,000	Bank of America 1.658% 11/03/2027	4,723	0.60
\$3,900,000	Bank of America 5.08% 20/01/2027	3,033	0.38
\$4,800,000	Bank of America 5.202% 25/04/2029	3,741	0.47
\$1,700,000	BMW US Capital 0.75% 12/08/2024	1,274	0.16
\$3,600,000	Canadian Pacific Railway 1.35% 02/12/2024	2,672	0.34
\$6,400,000	Cardinal Health 3.079% 15/06/2024	4,932	0.63
\$1,800,000	Cargill 3.5% 22/04/2025	1,380	0.17
\$4,000,000	Cargill 4.5% 24/06/2026	3,114	0.40
\$2,200,000	Cargill 4.875% 10/10/2025	1,720	0.22
\$925,000	Celanese US 5.9% 05/07/2024	729	0.09
\$6,900,000	Celanese US 6.05% 15/03/2025	5,418	0.69
\$2,375,000	Citigroup 1.122% 28/01/2027	1,671	0.21
\$4,100,000	Citigroup 1.462% 09/06/2027	2,871	0.36
\$1,000,000	Citigroup 2.014% 25/01/2026	742	0.09
\$1,700,000	Conagra Brands 0.5% 11/08/2023	1,337	0.17
\$3,000,000	Constellation Brands 5% 02/02/2026	2,359	0.30
\$5,300,000	Corebridge Financial 3.5% 04/04/2025	3,984	0.51
\$2,900,000	CVS Health 5% 20/02/2026	2,276	0.29
\$1,620,000	DAE Funding 1.55% 01/08/2024	1,214	0.15
\$6,700,000	DBS 1.169% 22/11/2024	5,002	0.63
\$2,650,000	DTE Energy 4.875% 01/06/2028	2,046	0.26
\$4,050,000	Duke Energy 5% 08/12/2025	3,175	0.40
\$5,700,000	Elevance Health 4.9% 08/02/2026	4,421	0.56
\$2,650,000	Enbridge 2.15% 16/02/2024	2,043	0.26
\$6,100,000	Energy Transfer 4.5% 15/04/2024	4,768	0.60
\$4,000,000	Energy Transfer 4.9% 01/02/2024	3,137	0.40
\$2,400,000	Fidelity National Information Services 4.5% 15/07/2025	1,854	0.24
\$3,600,000	Fiserv 2.75% 01/07/2024	2,758	0.35
\$6,100,000	Fiserv 3.8% 01/10/2023	4,798	0.61
\$9,600,000	GE HealthCare Technologies 5.55% 15/11/2024	7,549	0.96
\$2,500,000	General Motors Financial 1.05% 08/03/2024	1,912	0.24
\$5,000,000	General Motors Financial 1.2% 15/10/2024	3,712	0.47
\$3,125,000	General Motors Financial 5.4% 06/04/2026	2,433	0.31

Portfolio statement (continued)

as at 30 June 2023

Holding	Investment	Market Value £'000	Percentage of total net assets %
US Dollar Denominated Fixed Rate Corporate Bonds (continued)			
\$9,100,000	Georgia-Pacific 0.625% 15/05/2024	6,890	0.87
\$2,250,000	Harvest Operations 1% 26/04/2024	1,709	0.22
\$9,300,000	HCA 5.875% 15/02/2026	7,341	0.93
\$1,650,000	Humana 1.35% 03/02/2027	1,134	0.14
\$8,525,000	Humana 5.7% 13/03/2026	6,670	0.85
\$1,000,000	Hyundai Capital America 0.8% 08/01/2024	770	0.10
\$2,040,000	Hyundai Capital America 0.875% 14/06/2024	1,536	0.19
\$1,775,000	Hyundai Capital America 1% 17/09/2024	1,320	0.17
\$7,575,000	Hyundai Capital America 5.5% 30/03/2026	5,934	0.75
\$2,700,000	Hyundai Capital America 5.65% 26/06/2026	2,122	0.27
\$9,375,000	Illumina 5.8% 12/12/2025	7,425	0.94
\$5,380,000	Intuit 0.65% 15/07/2023	4,248	0.54
\$4,700,000	JPMorgan Chase 1.045% 19/11/2026	3,320	0.42
\$1,300,000	JPMorgan Chase 2.595% 24/02/2026	974	0.12
\$200,000	Korea East-West Power 1.75% 06/05/2025	147	0.02
\$2,500,000	Korea East-West Power 3.875% 19/07/2023	1,975	0.25
\$2,000,000	Lloyds Banking 3.9% 12/03/2024	1,552	0.20
\$1,750,000	Lowe's 4.4% 08/09/2025	1,354	0.17
\$3,025,000	Lowe's 4.8% 01/04/2026	2,363	0.30
\$2,375,000	Macquarie 1.201% 14/10/2025	1,759	0.22
\$7,800,000	Macquarie 1.629% 23/09/2027	5,373	0.68
\$5,000,000	Macquarie 6.207% 22/11/2024	3,941	0.50
\$2,300,000	Martin Marietta Materials 0.65% 15/07/2023	1,816	0.23
\$500,000	Mercedes-Benz Finance North America 4.95% 30/03/2025	392	0.05
\$4,200,000	Mercedes-Benz Finance North America 5.5% 27/11/2024	3,314	0.42
\$3,375,000	Mondelez International 0.75% 24/09/2024	2,509	0.32
\$1,450,000	Mondelez International 2.125% 17/03/2024	1,118	0.14
\$2,340,000	Mondelez International 4.25% 15/09/2025	1,797	0.23
\$125,000	Morgan Stanley 1.164% 21/10/2025	92	0.01
\$600,000	Morgan Stanley 2.188% 28/04/2026	445	0.06
\$5,500,000	Morgan Stanley 5.05% 28/01/2027	4,302	0.55
\$4,300,000	Morgan Stanley 6.138% 16/10/2026	3,430	0.44
\$2,250,000	Nasdaq 5.65% 28/06/2025	1,780	0.23
\$5,750,000	NatWest 5.847% 02/03/2027	4,490	0.57
\$11,850,000	Pfizer Investment Enterprises 4.45% 19/05/2026	9,233	1.17
\$1,675,000	Revvity 0.55% 15/09/2023	1,310	0.17
\$8,775,000	Revvity 0.85% 15/09/2024	6,521	0.83
\$6,800,000	Roche Holdings 1.882% 08/03/2024	5,233	0.66
\$4,090,000	Royal Bank of Canada 4.95% 25/04/2025	3,187	0.40
\$850,000	Royal Bank of Canada 5.66% 25/10/2024	669	0.08
\$5,000,000	Santander UK 6.833% 21/11/2026	3,956	0.50
\$1,385,000	Scentre Group Trust 3.25% 28/10/2025	1,030	0.13
\$5,600,000	Spectra Energy Partners 4.75% 15/03/2024	4,385	0.56
\$5,800,000	Suncorp-Metway 3.3% 15/04/2024	4,487	0.57
\$5,275,000	Thermo Fisher Scientific 0.797% 18/10/2023	4,121	0.52
\$5,275,000	Thermo Fisher Scientific 1.215% 18/10/2024	3,942	0.50
\$4,650,000	Toronto-Dominion Bank 0.7% 10/09/2024	3,462	0.44
\$100,000	Toronto-Dominion Bank 1.15% 12/06/2025	73	0.01

Portfolio statement (continued)

as at 30 June 2023

Holding	Investment	Market Value £'000	Percentage of total net assets %
US Dollar Denominated Fixed Rate Corporate Bonds (continued)			
\$2,230,000	Toronto-Dominion Bank 4.285% 13/09/2024	1,732	0.22
\$1,500,000	Verizon Communications 0.75% 22/03/2024	1,145	0.15
\$4,400,000	Verizon Communications 0.85% 20/11/2025	3,132	0.40
\$1,500,000	Verizon Communications 1.45% 20/03/2026	1,075	0.14
\$4,700,000	Vistra Operations 4.875% 13/05/2024	3,643	0.46
\$5,475,000	VMware 1% 15/08/2024	4,097	0.52
\$2,300,000	VMware 1.4% 15/08/2026	1,602	0.20
\$600,000	Volkswagen of America Finance 0.875% 22/11/2023	465	0.06
\$5,050,000	Warnermedia 3.428% 15/03/2024	3,921	0.50
\$2,500,000	Warnermedia 6.412% 15/03/2026	1,977	0.25
\$4,000,000	Westpac Banking 5.35% 18/10/2024	3,155	0.40
\$4,300,000	Williams 5.4% 02/03/2026	3,386	0.43
\$10,415,000	Willis North America 3.6% 15/05/2024	8,036	1.02
		350,898	44.52
US Dollar Denominated Variable Rate Corporate Bonds 9.45% (31 December 2022 4.06%)			
\$2,700,000	American Express 5.811474% 03/05/2024	2,136	0.27
\$5,100,000	American Express 6.040715% 04/03/2025	4,029	0.51
\$2,050,000	Bank of America 3.841% 25/04/2025	1,589	0.20
\$1,150,000	Bank of America 3.864% 23/07/2024	908	0.11
\$2,625,000	BMW US Capital 6.18611% 01/04/2025	2,092	0.26
\$2,520,247	Connecticut Avenue Securities Trust 6.06655% 25/12/2041	1,969	0.25
\$1,851,714	Connecticut Avenue Securities Trust 7.36655% 25/05/2043	1,472	0.19
\$2,549,149	Connecticut Avenue Securities Trust 7.46655% 25/12/2042	2,026	0.26
\$1,051,751	Connecticut Avenue Securities Trust 7.61655% 25/07/2042	842	0.11
2,077,125	Connecticut Avenue Securities Trust FRN 25/09/2042	1,651	0.21
1,540,599	Connecticut Avenue Securities Trust FRN 25/04/2043	1,226	0.16
\$3,100,000	DBS 4.52% 11/12/2028	2,432	0.31
\$8,120,000	DTE Energy 4.22% 01/11/2024	6,274	0.80
\$2,650,000	Enbridge 5.734586% 16/02/2024	2,092	0.27
\$1,086,546	Freddie Mac STACR REMIC Trust 7.06655% 25/05/2043	861	0.11
\$1,865,595	Freddie Mac STACR REMIC Trust 7.16655% 25/03/2043	1,477	0.19
\$680,731	Freddie Mac STACR REMIC Trust 7.21655% 25/09/2042	539	0.07
\$1,725,932	Freddie Mac STACR REMIC Trust 7.36655% 25/08/2042	1,372	0.17
\$2,558,610	Freddie Mac Structured Agency Credit Risk Debt Notes 7.06655% 25/06/2043	2,028	0.26
\$588,480	Freddie Mac Structured Agency Credit Risk Debt Notes 7.16655% 25/04/2043	466	0.06
\$1,269,959	Freddie Mac Structured Agency Credit Risk Debt Notes 7.36655% 25/08/2033	1,004	0.13
\$9,900,000	Global Payments 0% 13/07/2023	7,811	0.99
\$5,250,000	Goldman Sachs 0.657% 10/09/2024	4,106	0.52
\$2,300,000	Goldman Sachs 1.757% 24/01/2025	1,771	0.22
\$6,340,000	JPMorgan Chase 0.824% 01/06/2025	4,765	0.60
\$4,300,000	JPMorgan Chase 0.969% 23/06/2025	3,226	0.41
\$2,500,000	JPMorgan Chase 3.22% 01/03/2025	1,937	0.25
\$9,800,000	Morgan Stanley 0.79% 30/05/2025	7,356	0.93

Portfolio statement (continued)

as at 30 June 2023

Holding	Investment	Market Value £'000	Percentage of total net assets %
	US Dollar Denominated Variable Rate Corporate Bonds (continued)		
\$4,275,000	Nordea Bank 6.070827% 06/06/2025	3,386	0.43
\$40,300	Pepper Residential Securities Trust 6.05657% 18/11/2060	32	-
\$2,000,000	Wells Fargo 6.37895% 25/04/2026	1,592	0.20
		74,467	9.45
	US Dollar Denominated Fixed Rate Government Bonds 0.23% (31 December 2022 0.25%)		
\$2,600,000	Korea National Oil 0.875% 05/10/2025	1,847	0.23
		1,847	0.23
	Derivatives 1.34% (31 December 2022 1.77%)		
	Sterling Denominated Forward Exchange Contracts 1.26% (31 December 2022 1.61%)		
	Buy GBP 184,550,767 Sell AUD 348,000,000 31/07/2023	2,241	0.29
	Buy GBP 4,009,167 Sell AUD 7,480,000 31/07/2023	90	0.01
	Buy GBP 3,376,393 Sell AUD 6,300,000 31/07/2023	76	0.01
	Buy GBP 3,731,212 Sell AUD 7,000,000 31/07/2023	64	0.01
	Buy GBP 859,062 Sell AUD 1,600,000 31/07/2023	21	-
	Buy GBP 750,432 Sell AUD 1,400,000 31/07/2023	17	-
	Buy GBP 2,545,438 Sell CAD 4,353,500 31/07/2023	(50)	(0.01)
	Buy GBP 8,587,856 Sell CAD 14,600,000 31/07/2023	(116)	(0.01)
	Buy GBP 34,522,777 Sell NZD 70,500,000 31/07/2023	621	0.08
	Buy GBP 520,547,616 Sell USD 650,000,000 31/07/2023	6,711	0.85
	Buy GBP 26,300,887 Sell USD 33,000,000 31/07/2023	214	0.03
		9,889	1.26
	Sterling Interest Rate Swap 0.20% (31 December 2022 0.15%)		
£9,500,000	Interest Rate Swap - Pay 0.6935%, Receive EGBP Sterling Overnight Index 27/09/2026 Citi	1,557	0.20
		1,557	0.20
	Australian Dollar Denominated Forward Exchange Contracts (0.01)% (31 December 2022 0.00%)		
	Buy AUD 2,000,000 Sell GBP 1,051,849 31/07/2023	(4)	-
	Buy AUD 2,600,000 Sell GBP 1,378,893 31/07/2023	(17)	-
	Buy AUD 32,600,000 Sell GBP 17,111,456 31/07/2023	(33)	(0.01)
		(54)	(0.01)
	Australian Dollar Denominated Futures Contracts 0.02% (31 December 2022 0.15%)		
(316)	Australia 10 Year Bond Futures September 2023	120	0.02
		120	0.02
	US Dollar Denominated Forward Exchange Contracts (0.04)% (31 December 2022 0.00%)		
	Buy USD 60,000,000 Sell GBP 47,753,561 31/07/2023	(322)	(0.04)
		(322)	(0.04)
	US Dollar Denominated Futures Contracts 0.04% (31 December 2022 0.02%)		
84	US 2 Year Treasury Note Futures September 2023	(123)	(0.02)
(244)	US 5 Year Treasury Note Futures September 2023	433	0.06
		310	0.04

Portfolio statement (continued)

as at 30 June 2023

Holding	Investment	Market Value £'000	Percentage of total net assets %
	US Dollar Denominated Options Contracts 0.00% (31 December 2022 0.01%)		
	US Dollar Credit Default Swap (0.13)% (31 December 2022 (0.17)%)		
\$92,200,000	Buy Protection CDS Index L58 20/06/2028 Citi	(1,015)	(0.13)
		(1,015)	(0.13)
	Investment assets*	686,022	87.04
	Net other assets	102,163	12.96
	Total net assets	788,185	100.00

* 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, unless otherwise stated.

Analysis of investments by asset class

	Market Value £'000	Percentage of total net assets %
Bonds	675,537	85.70
Derivatives	10,485	1.34
Portfolio of investments	686,022	87.04
Net other assets	102,163	12.96
Total net assets	788,185	100.00

Statement of total return

for the period from 1 January 2023 to 30 June 2023

	Note	01.01.23 to 30.06.23 £'000	01.01.23 to 30.06.23 £'000	01.01.22 to 30.06.22 £'000	01.01.22 to 30.06.22 £'000
Income					
Net capital gains/(losses)			2,597		(17,810)
Revenue		11,884		5,962	
Expenses		(1,614)		(2,199)	
Interest payable and similar charges		(3)		(35)	
Net revenue before taxation		10,267		3,728	
Taxation		-		(3)	
Net revenue after taxation			10,267		3,725
Total return before distributions			12,864		(14,085)
Distributions	2		(10,266)		(3,725)
Change in net assets attributable to shareholders from investment activities			2,598		(17,810)

Statement of change in net assets attributable to shareholders

for the period from 1 January 2023 to 30 June 2023

	01.01.23 to 30.06.23 £'000	01.01.23 to 30.06.23 £'000	01.01.22 to 30.06.22 £'000	01.01.22 to 30.06.22 £'000
Opening net assets attributable to shareholders		779,457*		769,088
Amounts received on issue of shares	55,590		37,202	
Amounts paid on cancellation of shares	(59,781)		(30,798)	
Dilution adjustment		(4,191)		6,404
Change in net assets attributable to shareholders from investment activities		173		12
Retained distributions on accumulation shares		2,598		(17,810)
		10,148		3,721
Closing net assets attributable to shareholders		788,185		761,415*

* 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 2023

	30.06.23 £'000	31.12.22 £'000
Assets		
Fixed assets		
Investments	687,702	750,725
Current assets		
Debtors	80,457	4,812
Cash and bank balances	25,941	34,261
Total assets	794,100	789,798
Liabilities		
Investment liabilities	(1,680)	(5,489)
Creditors		
Bank overdrafts	(3,973)	(4,598)
Other creditors	(262)	(254)
Total liabilities	(5,915)	(10,341)
Net assets attributable to shareholders	788,185	779,457

Notes to the financial statements

for the period from 1 January 2023 to 30 June 2023

1 Accounting policies

The 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 the Investment Management Association) in May 2014 and as amended in June 2017.

The accounting policies applied are consistent with those disclosed within the annual Financial Statements for the year ended 31 December 2022.

2 Distributions

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

	01.01.23 to 30.06.23 £'000	01.01.22 to 30.06.22 £'000
First Interim – Accumulation shares (31 March)	4,808	1,565
Second Interim – Accumulation shares (30 June)	5,340	2,156
	<u>10,148</u>	<u>3,721</u>
Revenue deducted on cancellation of shares	295	48
Revenue received on issue of shares	(177)	(44)
Distributions	<u>10,266</u>	<u>3,725</u>
Reconciliation of distributions:		
Net revenue after taxation	10,267	3,725
Undistributed net revenue carried forward	(1)	-
Distributions	<u>10,266</u>	<u>3,725</u>

Distribution tables

Second interim distribution

Group 1: Shares purchased prior to 1 April 2023
 Group 2: Shares purchased from 1 April 2023 to 30 June 2023

	Revenue pence per share	Equalisation pence per share*	Distribution paid 31.08.23 pence per share	Distribution paid 31.08.22 pence per share
Accumulation 'U2' Shares				
Group 1	0.7006	-	0.7006	0.2860
Group 2	0.3569	0.3437	0.7006	0.2860

First interim distribution

Group 1: Shares purchased prior to 1 January 2023
 Group 2: Shares purchased from 1 January 2023 to 31 March 2023

	Revenue pence per share	Equalisation pence per share*	Distribution paid 31.05.23 pence per share	Distribution paid 31.05.22 pence per share
Accumulation 'U2' Shares				
Group 1	0.6021	-	0.6021	0.2090
Group 2	0.2832	0.3189	0.6021	0.2090

* Equalisation only applies to shares purchased during the distribution 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 of these shares 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.

Quilter Investors Asia Pacific (ex Japan) Equity Fund

Launch date	17 July 2013
IA Sector	Asia Pacific ex Japan
Investment Adviser	FIL Pensions Management
Net asset value	£231,286,341

Objective

The sub-fund aims to achieve capital growth and to outperform the MSCI All Countries Asia Pacific ex Japan Index, net of charges, over rolling five-year periods.

Policy

The sub-fund invests at least 80% of the value of its property in shares of companies that are listed, located or have a significant portion of their business in developed and emerging markets in Asia and Australasia, excluding Japan. Investment may be direct or indirect (e.g. through collective investment schemes or derivatives), however the ACD expects that the sub-fund will typically hold investments directly.

The sub-fund may invest in companies of any size, including smaller companies. The sub-fund may at times be concentrated in terms of the number of investments it holds (i.e. have less than 50 holdings).

The sub-fund may invest in China A Shares through the Hong Kong Stock Connect. The sub-fund may also invest in other transferable securities, collective investment schemes, warrants, money market instruments, deposits and cash.

Any investment in collective investment schemes may include those managed or operated by the ACD or an associate of the ACD.

The sub-fund may only use derivatives for the purpose of Efficient Portfolio Management. The use of derivatives for this purpose is not likely to affect the risk profile of the sub-fund.

Investment Adviser's review

Market review

Regional equities were subdued over the first six months of the year. Weakness in China amid rising geopolitical tensions and concerns over potential curbs on investment in Chinese firms from the US, weighed on investor sentiment. Gains were also capped following the release of weaker-than-expected data in China, indicating a slowdown in the overall macroeconomic environment. Notwithstanding recent marginal improvements, inflationary pressure remained high across most global markets, driving major central banks to announce rate hikes during the period. The impact of these events was slightly offset by the rise in Asian technology indices. Domestic consumption-led stocks in China were sold-off in the second half of the period, given slower-than-expected consumption in China. Faced with escalating price pressures, the US Federal Reserve ("Fed") responded with interest rate hikes, which saw regional currencies weaken against the US dollar. The turmoil in the global banking sector in March and concerns over global economic downtrend also added to volatility in the region. Nonetheless, information technology holdings in South Korea and Taiwan were supported by the significant outperformance of semiconductors and new developments in artificial intelligence ("AI"). Indian equities gained amid an improving current account balance, robust corporate balance sheets and the relative strengthening of the currency against the US dollar. Indonesia also outperformed as it witnessed modest foreign inflows, as investors continued to enter the market in search of mispriced opportunities.

Performance review

The sub-fund outperformed the Target Benchmark over the first half of the year. An overweight stance and security selection in the IT sector contributed to performance. Stock picking in the consumer discretionary sector also added notable value. The exposure to semiconductor names including SK Hynix, ASML Holding, MediaTek and Taiwan Semiconductor Manufacturing ("TSMC") supported performance. Optimism around increasing demand for AI chips and sooner-than-expected recovery in the overall chip industry, buoyed investor sentiment. Separately, China's announcement to ban US memory chip rival Micron Technology boosted shares in SK Hynix, as state media reported that domestic players could benefit from this move. News that NVIDIA, the market leader in providing chips for training AI systems, is partnering with SK Hynix for the next-generation High Bandwidth Memory product, was well received by investors. SK Hynix is currently developing the product with the goal of mass production in the first half of next year. The position in ASML Holding is supported by a full order book until 2026 for new generation machines from Korean and Taiwanese firms. This enables the company to deliver robust revenue growth in an environment where overall equipment spending is muted. MediaTek is a smartphone recovery play, which maintains a strong leadership position as a mobile system-on-chip provider.

TSMC's market leadership position is undisputed and supported by its emphasis on technological expertise in its industry. It has a long runway of growth from new applications in 5G, artificial intelligence, autonomous driving and the Internet of Things. Elsewhere, the exposure to fibre cement producer James Hardie Industries ("JHX") contributed to returns. The company has a strong correlation with the US housing market, which is driven by interest rates. The prospect of ceasing interest rate hikes and continued momentum in US housing permits, supported JHX's share price. We believe that the US housing sector remains undersupplied, and their strong market position supports margins. It is a high-quality company that is ahead of peers in terms of technological capability.

Conversely, a weak property market in China weighed on positions in the materials sector. Property related stocks have been derated with a lack of stimulus measures coming through and consequently the holdings in building material stocks detracted. Holdings in paint manufacturer SKSHU Paint and building materials group Beijing Oriental Yuhong detracted from relative returns. The former reported in-line FY22 and Q1 2023 result, but increasing competition and expectations of a subdued recovery in margins weighed on investor sentiment. Nevertheless, SKSHU Paint is a structural winner and has potential for market share gain. Beijing Oriental Yuhong is expected to gain from industry consolidation as competitors have failed in the property downcycle, which points to improving margins. Overall, the property sector is undergoing significant change as weaker players exit the market and those who survive have gained market share, which will translate into better margins in the future. The exposure to fertilizer company Incitec Pivot held back gains. The company reported disappointing half yearly results largely due to subdued performance of its fertilizer business. Margins declined on lower commodity prices and an increase in the cost of gas. Nonetheless, the company is expected to benefit from better fertilizer prices, which are heavily linked to the price of gas.

Outlook

The market outlook appears challenging as there is no clear pathway for Chinese GDP growth. It seems that economics is being trumped by ideology and security in that country. Valuation appears less attractive and we expect global interest rates and inflation to remain higher for longer. This creates a challenging backdrop for equity markets.

Overall, the Asia Pacific region more broadly presents some interesting opportunities on a fundamental level, but caution is needed to find those that present an attractive risk-reward profile. We have to consider the possibility of a difficult scenario for markets in the second half of this year and focus on firms with dominant market positions and strong balance sheets. At a country level, India is increasingly coming into focus as valuation multiples for certain segments of the market have derated. Meanwhile, the A-share market continues to produce individual stock ideas.

With reopening across the region, opportunity is still to be found in the aviation space. As air traffic rebounds, more aircraft will be needed to fill the gap in the market. While there are well-documented beneficiaries of the energy transition, we remain confident in the investment case for very large crude carriers on a multi-year view. We believe that the increasing supply shortfall is yet to be fully priced, providing investment opportunities in the coming years. Hardware technology also remains in focus, given the massive investment expected in artificial intelligence, cloud computing and electric vehicles etc over the next 5–10 years. A more rational supply side, such as memory chips, and an accelerating demand side are supportive for the sector over the long term.

We continue to believe that careful stock selection, underpinned by rigorous company research, can effectively mitigate areas of risk and successfully capitalise on the beneficiaries of the region's long-term growth story.

Quilter Investors Asia Pacific (ex Japan) Equity 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 6 have in the past shown relatively high volatility. With a sub-fund of category 6, you have a relatively high risk of losing money but your chance for gains is also relatively high.

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.

Company shares (i.e. equities) risk - the value of company shares may rise and fall due to the performance of individual companies or because of general market and economic conditions.

Geographic concentration risk - a fall in the Asia Pacific markets may have a significant impact on the value of the sub-fund because it primarily invests in these markets.

Emerging markets risk - less developed countries may face more political, economic or structural challenges than developed countries.

Stock Connect risk - the sub-fund may invest in China A Shares through Stock Connect. Stock Connect is governed by regulations which are untested and subject to change. This may result in additional operational risks. Trading limitations and restrictions on foreign ownership may constrain the sub-fund's ability to pursue its investment strategy.

Concentration risk (number of investments) - the sub-fund may at times hold a smaller number of investments, and therefore a fall in the value of a single investment may have a greater impact on the sub-fund's value than if it held a larger number of investments.

Liquidity risk - some investments may become hard to value or sell at a desired time and price. In extreme circumstances this may affect the sub-fund's ability to meet redemption requests upon demand.

Currency risk (EUR share class) - the sub-fund is denominated in British Pounds but holds assets denominated in other currencies. This share class is denominated in Euro. The value of your shares may rise and fall as a result of exchange rate movements.

Currency risk (GBP share class) - the sub-fund is denominated in British Pounds but holds assets denominated in other currencies. 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 but holds assets denominated in other currencies. This share class is denominated in US Dollars. The value of your shares may rise and fall as a result of exchange rate movements.

Derivative risk - the sub-fund may use derivatives for Efficient Portfolio Management (EPM). Derivatives involve a level of risk, however, for EPM they should not increase the overall riskiness of the sub-fund. Derivatives also involve counterparty risk where the institutions acting as counterparty to derivatives may not meet their 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 full details of the sub-fund's risks, please see the section in the Prospectus headed "Risks".

Performance records

Comparative Tables

Accumulation 'A'	1 January 2023 to 30 June 2023 p/share	1 January 2022 to 31 December 2022 p/share	1 January 2021 to 31 December 2021 p/share
Change in net assets per share			
Opening net asset value per share	186.26	215.13	192.65
Return before operating charges*	2.54	(25.02)	26.65
Operating charges**	(1.92)	(3.85)	(4.17)
Return after operating charges*	0.62	(28.87)	22.48
Distributions	-	-	-
Retained distributions on accumulation shares	-	-	-
Closing net asset value per share	186.88	186.26	215.13
* after direct transaction costs of***	0.07	0.27	0.36
Performance			
Return after charges	0.33%	(13.42)%	11.67%
Other information			
Closing net asset value (£)	5,232,215	5,713,180	7,844,462
Closing number of shares	2,799,723	3,067,376	3,646,410
Operating charges****	2.00%	2.00%	2.00%
Direct transaction costs***	0.08%	0.14%	0.17%
Prices			
	pence per share	pence per share	pence per share
Highest share price	206.7	217.0	221.9
Lowest share price	184.8	165.4	195.6

Accumulation 'A' EUR	1 January 2023 to 30 June 2023 p/share	1 January 2022 to 31 December 2022 p/share	1 January 2021 to 31 December 2021 p/share
Change in net assets per share			
Opening net asset value per share	162.00	187.12	167.58
Return before operating charges*	2.20	(21.76)	23.17
Operating charges**	(1.66)	(3.36)	(3.63)
Return after operating charges*	0.54	(25.12)	19.54
Distributions	-	-	-
Retained distributions on accumulation shares	-	-	-
Closing net asset value per share	162.54	162.00	187.12
* after direct transaction costs of***	0.06	0.24	0.31
Performance			
Return after charges	0.33%	(13.42)%	11.66%
Other information			
Closing net asset value (£)	159,629	96,756	149,603
Closing number of shares	98,209	59,727	79,950
Operating charges****	2.00%	2.00%	2.00%
Direct transaction costs***	0.08%	0.14%	0.17%
Prices			
	cents per share	cents per share	cents per share
Highest share price	202.1	225.9	223.6
Lowest share price	181.7	166.9	189.2

Performance records (continued)

Comparative Tables (continued)

Accumulation 'A' USD	1 January 2023 to 30 June 2023 p/share	1 January 2022 to 31 December 2022 p/share	1 January 2021 to 31 December 2021 p/share
Change in net assets per share			
Opening net asset value per share	138.58	159.94	143.23
Return before operating charges*	1.89	(18.46)	19.81
Operating charges**	(1.42)	(2.90)	(3.10)
Return after operating charges*	0.47	(21.36)	16.71
Distributions	-	-	-
Retained distributions on accumulation shares	-	-	-
Closing net asset value per share	139.05	138.58	159.94
* after direct transaction costs of***	0.05	0.21	0.27
Performance			
Return after charges	0.34%	(13.36)%	11.67%
Other information			
Closing net asset value (£)	170,190	49,524	209,638
Closing number of shares	122,392	35,736	131,072
Operating charges****	2.00%	2.00%	2.00%
Direct transaction costs***	0.08%	0.14%	0.17%
Prices			
	cents per share	cents per share	cents per share
Highest share price	189.1	217.7	228.7
Lowest share price	167.9	141.9	198.8
Accumulation 'U2'	1 January 2023 to 30 June 2023 p/share	1 January 2022 to 31 December 2022 p/share	1 January 2020 to 31 December 2020 p/share
Change in net assets per share			
Opening net asset value per share	232.05	264.85	234.71
Return before operating charges*	3.14	(30.87)	32.57
Operating charges**	(0.84)	(1.93)	(2.43)
Return after operating charges*	2.30	(32.80)	30.14
Distributions	-	(2.68)	(0.83)
Retained distributions on accumulation shares	-	2.68	0.83
Closing net asset value per share	234.35	232.05	264.85
* after direct transaction costs of***	0.09	0.34	0.44
Performance			
Return after charges	0.99%	(12.38)%	12.84%
Other information			
Closing net asset value (£)	225,724,307	216,238,933	258,455,691
Closing number of shares	96,319,857	93,185,747	97,583,995
Operating charges****	0.70%	0.81%	0.95%
Direct transaction costs***	0.08%	0.14%	0.17%
Prices			
	pence per share	pence per share	pence per share
Highest share price	257.9	267.2	270.7
Lowest share price	231.3	205.7	238.3

**The operating charges include all costs borne by the sub-fund, except for direct transaction costs.

***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 (excluding interest on borrowings) to the average net assets of the sub-fund.

Performance

	6 months to 30 June 2023	1 year to 30 June 2023	3 years to 30 June 2023	5 years to 30 June 2023
Quilter Investors Asia Pacific (ex Japan) Equity Fund*	0.94%	(2.93)%	21.75%	47.95%
Target Benchmark**	(2.52)%	(3.71)%	4.63%	12.34%
IA Asia Pacific ex Japan (sector average)	(2.62)%	(3.06)%	9.81%	17.62%
Quartile ranking	1	2	1	1

* Accumulation 'U2' shares

** MSCI All Countries Asia Pacific ex Japan Index

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
Asia Pacific (excluding Japan)	67.74	Taiwan Semiconductor Manufacturing	8.10
Europe	15.89	Franco-Nevada	6.73
North America	6.73	ASML	5.83
United Kingdom	1.99	HDFC Bank	4.89
		James Hardie Industries ADR	4.66
Net other assets	7.65	SK Hynix	4.47
		Kweichow Moutai	4.28
Total	100.00	Techtronic Industries	4.14
		Focus Media Information Technology	4.11
		CSL	4.08
Asset allocation		Number of holdings	40
Equities	92.35	Total Purchases and Sales for the period	
Net other assets	7.65		2023 2022
			£'000 £'000
Total	100.00	Total purchases for the 6 month period to 30 June	48,922 71,481
		Total sales for the 6 month period to 30 June	53,943 72,177

Portfolio statement

as at 30 June 2023

Holding	Investment	Market Value £'000	Percentage of total net assets %
United Kingdom 1.99% (31 December 2022 2.39%)			
United Kingdom Equities 1.99% (31 December 2022 2.39%)			
4,039,194	Focus Media Information Technology (Warrant - HSBC)	2,994	1.30
224,974	Skshu Paint (Warrant - HSBC)	1,602	0.69
		<u>4,596</u>	<u>1.99</u>
Overseas 90.36% (31 December 2022 96.00%)			
Asia Pacific (excluding Japan) 67.74% (31 December 2022 71.36%)			
Australia Equities 10.99% (31 December 2022 10.46%)			
65,091	CSL	9,442	4.08
2,051,989	Incitec Pivot	2,933	1.27
65,282	Macquarie	6,066	2.62
3,391,133	Nine Entertainment	3,488	1.51
996,530	Whitehaven Coal	3,500	1.51
		<u>25,429</u>	<u>10.99</u>
China Equities 16.96% (31 December 2022 22.69%)			
141,995	Bafang Electric Suzhou 'C1'	1,084	0.47
1,216,900	Beijing Oriental Yuhong Waterproof Technology 'C2'	3,611	1.56
8,042,835	China Merchants Energy Shipping	5,060	2.19
12,819,306	Focus Media Information Technology	9,503	4.11
53,723	Kweichow Moutai	9,889	4.28
534,373	Skshu Paint 'C1'	3,805	1.64
150,570	Suzhou Sushi Testing	353	0.15
33,550	Yum China (Hong Kong listing)	1,494	0.65
99,259	Yum China (New York listing)	4,426	1.91
		<u>39,225</u>	<u>16.96</u>
Hong Kong Equities 8.02% (31 December 2022 8.90%)			
1,124,000	AIA	8,972	3.88
1,113,500	Techtronic Industries	9,567	4.14
		<u>18,539</u>	<u>8.02</u>
India Equities 9.50% (31 December 2022 8.79%)			
613,447	Fortis Healthcare	1,860	0.80
689,819	HDFC Bank	11,304	4.89
160,594	HDFC Bank ADR	8,819	3.81
		<u>21,983</u>	<u>9.50</u>
Indonesia Equities 0.00% (31 December 2022 1.21%)			
New Zealand Equities 0.36% (31 December 2022 0.38%)			
278,032	Restaurant Brands New Zealand	836	0.36
		<u>836</u>	<u>0.36</u>
Singapore Equities 1.90% (31 December 2022 2.31%)			
688,699	BOC Aviation	4,392	1.90
		<u>4,392</u>	<u>1.90</u>

Portfolio statement (continued)

as at 30 June 2023

Holding	Investment	Market Value £'000	Percentage of total net assets %
South Korea Equities 8.16% (31 December 2022 4.02%)			
197,038	Samsung Electronics	8,537	3.69
149,582	SK Hynix	10,332	4.47
		18,869	8.16
Taiwan Equities 11.85% (31 December 2022 12.60%)			
288,000	MediaTek	5,030	2.17
1,283,000	Taiwan Semiconductor Manufacturing	18,729	8.10
1,467	Taiwan Semiconductor Manufacturing ADR	117	0.05
1,323,000	Zhen Ding Technology	3,527	1.53
		27,403	11.85
Europe 15.89% (31 December 2022 17.52%)			
Ireland Equities 5.06% (31 December 2022 3.85%)			
1,247,500	Focus Media Information Technology (Warrant - Citi)	925	0.40
525,433	James Hardie Industries ADR	10,782	4.66
		11,707	5.06
Luxembourg Equities 5.00% (31 December 2022 8.05%)			
57,288	Bafang Electric Suzhou (Warrant - BNP Paribas)	437	0.19
67,001	Bafang Electric Suzhou (Warrant - UBS)	512	0.22
807,406	Beijing Oriental Yuhong Waterproof Technology (Warrant - JPM)	2,396	1.04
520,693	Beijing Oriental Yuhong Waterproof Technology (Warrant - UBS)	1,545	0.67
4,009,361	Focus Media Information Technology (Warrant - BNP Paribas)	2,972	1.28
2,982,600	Focus Media Information Technology (Warrant - UBS)	2,211	0.96
209,148	Skshu Paint (Warrant - BNP Paribas)	1,489	0.64
		11,562	5.00
Netherlands Equities 5.83% (31 December 2022 5.62%)			
23,827	ASML	13,486	5.83
		13,486	5.83
North America 6.73% (31 December 2022 7.12%)			
Canada Equities 6.73% (31 December 2022 7.12%)			
142,012	Franco-Nevada	15,576	6.73
		15,576	6.73
	Investment assets	213,603	92.35
	Net other assets	17,683	7.65
	Total net assets	231,286	100.00

All investments are approved securities being either officially listed in a member state or traded on or under the rules of an eligible securities market, unless otherwise stated.

All investments are in ordinary shares unless otherwise stated.

Statement of total return

for the period from 1 January 2023 to 30 June 2023

	Note	01.01.23 to 30.06.23 £'000	01.01.23 to 30.06.23 £'000	01.01.22 to 30.06.22 £'000	01.01.22 to 30.06.22 £'000
Income					
Net capital gains/(losses)			72		(25,055)
Revenue		3,022		2,639	
Expenses		(859)		(1,153)	
Interest payable and similar charges		(3)		-	
Net revenue before taxation		2,160		1,486	
Taxation		(328)		(288)	
Net revenue after taxation			1,832		1,198
Total return before distributions			1,904		(23,857)
Distributions	2		(1)		(4)
Change in net assets attributable to shareholders from investment activities			1,903		(23,861)

Statement of change in net assets attributable to shareholders

for the period from 1 January 2023 to 30 June 2023

	01.01.23 to 30.06.23 £'000	01.01.23 to 30.06.23 £'000	01.01.22 to 30.06.22 £'000	01.01.22 to 30.06.22 £'000
Opening net assets attributable to shareholders		222,098*		266,659
Amounts received on issue of shares	23,014		16,116	
Amounts paid on cancellation of shares	(15,813)		(24,408)	
		7,201		(8,292)
Dilution adjustment		84		122
Change in net assets attributable to shareholders from investment activities		1,903		(23,861)
Closing net assets attributable to shareholders		231,286		234,628*

* 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 2023

	30.06.23 £'000	31.12.22 £'000
Assets		
Fixed assets		
Investments	213,603	218,513
Current assets		
Debtors	2,091	976
Cash and bank balances	16,470	2,871
Total assets	232,164	222,360
Liabilities		
Provisions for liabilities	(131)	(81)
Creditors		
Bank overdrafts	-	(4)
Other creditors	(747)	(177)
Total liabilities	(878)	(262)
Net assets attributable to shareholders	231,286	222,098

Notes to the financial statements

for the period from 1 January 2023 to 30 June 2023

1 Accounting policies

The 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 the Investment Management Association) in May 2014 and as amended in June 2017.

The accounting policies applied are consistent with those disclosed within the annual Financial Statements for the year ended 31 December 2022.

2 Distributions

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

	01.01.23 to 30.06.23 £'000	01.01.22 to 30.06.22 £'000
Revenue deducted on cancellation of shares	61	9
Revenue received on issue of shares	(60)	(5)
Distributions	1	4
Reconciliation of distributions:		
Net revenue after taxation	1,832	1,198
Overseas capital gains tax	50	(14)
Undistributed net revenue carried forward	(1,881)	(1,180)
Distributions	1	4

Quilter Investors Asia Pacific (ex Japan) Large-Cap Equity Fund

Launch date	10 July 2013
IA Sector	Asia Pacific ex Japan
Investment Adviser	Invesco Asset Management Limited
Net asset value	£231,190,427

Objective

The sub-fund aims to achieve capital growth and to outperform the MSCI All Countries Asia Pacific ex Japan Index, net of charges, over rolling five-year periods.

Policy

The sub-fund invests at least 80% of the value of its property in shares of companies that are listed, located or have a significant portion of their business in developed and emerging markets in Asia and Australasia, excluding Japan. Investment may be direct or indirect (e.g. through collective investment schemes or derivatives), however the ACD expects that the sub-fund will typically hold investments directly.

The sub-fund invests a minimum of 60% of its property in large-cap companies, while the remainder may be invested in companies of any size, including smaller companies. The sub-fund may at times be concentrated in terms of the number of investments it holds (i.e. have less than 50 holdings).

The sub-fund may invest in China A Shares through the Hong Kong Stock Connect. The sub-fund may also invest in other transferable securities, collective investment schemes, warrants, money market instruments, deposits and cash.

Any investment in collective investment schemes may include those managed or operated by the ACD or an associate of the ACD.

The sub-fund may only use derivatives for the purpose of Efficient Portfolio Management. The use of derivatives for this purpose is not likely to affect the risk profile of the sub-fund.

Investment Adviser's review

Market review

Asian Pacific equity markets started the period strongly, with sentiment bolstered by the reopening of China's economy. However, momentum waned in the early months of 2023 on doubts over the strength of China's recovery, deteriorating Sino-US relations and the repricing of a more aggressive path of US interest rate hikes. Markets also had to contend with the ongoing Russia-Ukraine conflict and the collapse of Credit Suisse, although Asian technology stocks have been the standout performers amidst excitement about the potential of artificial intelligence.

Performance review

Strong stock selection across different countries and sectors contributed towards the portfolio's relative performance. Having a balanced portfolio also helped. In India, Shriram Finance's share price surged to a record high after the expected sale of large blocks of stock removed a significant overhang for the share price. Aurobindo Pharma advanced higher, supported by stabilising price pressures in the US and lower raw material costs. In Korea, memory chip manufacturer Samsung Electronics outperformed. Astra International contributed positively, as the Indonesian auto conglomerate benefited from a strong recovery in domestic demand for both 2W and 4W vehicles, while Australia's Newcrest Mining rallied following acceptance of a \$19.2 billion Newmont takeover deal.

Exposure to China weighed on overall returns although a positive contribution from NetEase helped to partially offset the impact of weakness from the likes of JD.com, Ming Yang Smart Energy and Tencent Music Entertainment, as macroeconomic and competitive pressures remained a concern. Lotte Chemical fell, in line with other Asian chemical stocks, on concerns that weak demand from industrial customers could weigh on earnings this year. While banking stocks, led by Thailand's Kasikornbank and Singapore United Overseas Bank, detracted from performance, relative returns from financials were boosted by the outperformance of Australia's QBE Insurance and Korea's Samsung Fire & Marine Insurance.

In terms of positioning, the portfolio continues to have a modest overweight position in China and Hong Kong, compared to the benchmark, where we have a mix of large internet companies, life insurers, auto parts manufacturers as well as selected property and consumer-related stocks. We also have an overweight position in Korea, where we feel improvements in corporate governance and dividend pay-outs are being underappreciated by the market. The portfolio continues to have significant exposure to dominant semiconductor companies in Taiwan and Korea. Excitement surrounding AI-related demand persists, but it seems to us that the level of

semiconductor demand required to support the growth of AI has not been fully priced into the mega cap Asian tech stocks.

We remain active in seeking out new opportunities to invest in companies that we believe are undervalued. Over the period we introduced several new stocks, including Inner Mongolian Yili (Chinese dairy producer), Grab (provider of on-demand services such as food delivery in Singapore), Full Truck Alliance (internet company), Delhivery (India's largest third-party logistics firm), Hyundai Mobis (auto parts manufacturer), Link (a real estate investment trust based in Hong Kong) and Jardine Matheson (a diversified conglomerate with a significant property portfolio in Hong Kong and China).

In turn, we sold POSCO, China South Publishing, Uni-President Enterprises, Dongfeng Motor Group, China Overseas Land & Investments, Worley and Meituan.

Asia Pacific ex-Japan equity markets have rebounded from their recent lows, benefiting from China's reopening economy, with consumer demand showing signs of recovery. However, uncertainty over the strength of cyclical recovery in China lingers, as do US/China tensions, and China's equity market continues to trade at a discount, even as fundamental improvement in the outlook for corporate earnings mean there is scope for positive surprises that would validate a re-rating. The rest of Asia should be a relative beneficiary of China reopening and as such may see less earnings vulnerability from the global slowdown compared to many advanced economies, with revisions beginning to improve.

Asian markets continue to trade below their long-term historic average level and at a significant discount to developed markets, particularly the US. We believe there is scope for this to narrow, with US dollar strength challenged by a potential recession in the US as the Fed seeks to root out inflation. Inflationary pressures in Asia are less of a concern, suggesting greater policy flexibility, which should also be supportive for markets. Further ahead, US inflation might be stickier than expected, but it is declining from a high base which could lead to an easing of financial conditions at a time when Asia is enjoying a favourable growth differential. Combined, we feel this makes Asia an attractive place to be investing over the medium-term, with divergence between countries and sectors providing attractive opportunities.

Quilter Investors Asia Pacific (ex Japan) Large-Cap Equity 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 6 have in the past shown relatively high volatility. With a sub-fund of category 6, you have a relatively high risk of losing money but your chance for gains is also relatively high.

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.

Company shares (i.e. equities) risk - the value of company shares may rise and fall due to the performance of individual companies or because of general market and economic conditions.

Geographic concentration risk - a fall in the Asia Pacific markets may have a significant impact on the value of the sub-fund because it primarily invests in these markets.

Emerging markets risk - less developed countries may face more political, economic or structural challenges than developed countries.

Stock Connect risk - the sub-fund may invest in China A Shares through Stock Connect. Stock Connect is governed by regulations which are untested and subject to change. This may result in additional operational risks. Trading limitations and restrictions on foreign ownership may constrain the sub-fund's ability to pursue its investment strategy.

Concentration risk (number of investments) - the sub-fund may at times hold a smaller number of investments, and therefore a fall in the value of a single investment may have a greater impact on the sub-fund's value than if it held a larger number of investments.

Liquidity risk - some investments may become hard to value or sell at a desired time and price. In extreme circumstances this may affect the sub-fund's ability to meet redemption requests upon demand.

Style bias risk - sub-funds that favour shares of either undervalued companies ("value stocks") or companies with the potential for growth ("growth stocks") may be subject to periods of underperformance, as value and growth stocks typically outperform each other, and markets generally, at different times.

Currency risk (GBP share class) - the sub-fund is denominated in British Pounds but holds assets denominated in other currencies. 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 but holds assets denominated in other currencies. This share class is denominated in US Dollars. The value of your shares may rise and fall as a result of exchange rate movements.

Derivative risk - the sub-fund may use derivatives for Efficient Portfolio Management (EPM). Derivatives involve a level of risk, however, for EPM they should not increase the overall riskiness of the sub-fund. Derivatives also involve counterparty risk where the institutions acting as counterparty to derivatives may not meet their 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 full details of the sub-fund's risks, please see the section in the Prospectus headed "Risks".

Performance records

Comparative Tables

Accumulation 'A'	1 January 2023 to 30 June 2023 p/share	1 January 2022 to 31 December 2022 p/share	1 January 2021 to 31 December 2021 p/share
Change in net assets per share			
Opening net asset value per share	230.96	226.09	222.84
Return before operating charges*	2.80	8.84	7.32
Operating charges**	(2.06)	(3.97)	(4.07)
Return after operating charges*	0.74	4.87	3.25
Distributions	-	(4.00)	(1.15)
Retained distributions on accumulation shares	-	4.00	1.15
Closing net asset value per share	231.70	230.96	226.09
* after direct transaction costs of***	0.14	0.30	0.29
Performance			
Return after charges	0.32%	2.15%	1.46%
Other information			
Closing net asset value (£)	17,739,489	18,392,555	19,805,531
Closing number of shares	7,656,236	7,963,454	8,760,211
Operating charges****	1.75%	1.75%	1.75%
Direct transaction costs***	0.12%	0.13%	0.12%
Prices			
	pence per share	pence per share	pence per share
Highest share price	250.5	239.1	251.7
Lowest share price	227.5	201.8	213.3

Accumulation 'A' EUR†	1 January 2021 to 31 December 2021 p/share
Change in net assets per share	
Opening net asset value per share	158.46
Return before operating charges*	9.99
Operating charges**	(1.48)
Return after operating charges*	8.51
Distributions	-
Retained distributions on accumulation shares	-
Redemption value	(166.97)
Closing net asset value per share	-
* after direct transaction costs of***	0.21
Performance	
Return after charges	5.37%
Other information	
Closing net asset value (£)	-
Closing number of shares	-
Operating charges****	1.75%
Direct transaction costs***	0.12%
Prices	
	cents per share
Highest share price	205.7
Lowest share price	179.3

Performance records (continued)

Comparative Tables (continued)

Accumulation 'A' USD	1 January 2023 to 30 June 2023 p/share	1 January 2022 to 31 December 2022 p/share	1 January 2021 to 31 December 2021 p/share
Change in net assets per share			
Opening net asset value per share	153.89	150.63	148.47
Return before operating charges*	1.86	5.91	4.87
Operating charges**	(1.37)	(2.65)	(2.71)
Return after operating charges*	0.49	3.26	2.16
Distributions	-	(2.67)	(0.77)
Retained distributions on accumulation shares	-	2.67	0.77
Closing net asset value per share	154.38	153.89	150.63
* after direct transaction costs of***	0.09	0.20	0.19
Performance			
Return after charges	0.32%	2.16%	1.45%
Other information			
Closing net asset value (£)	182,888	208,208	508,453
Closing number of shares	118,465	135,298	337,558
Operating charges****	1.75%	1.75%	1.75%
Direct transaction costs***	0.12%	0.13%	0.12%
Prices			
	cents per share	cents per share	cents per share
Highest share price	206.4	215.3	232.4
Lowest share price	186.0	153.5	193.6
Accumulation 'U2'	1 January 2023 to 30 June 2023 p/share	1 January 2022 to 31 December 2022 p/share	1 January 2021 to 31 December 2021 p/share
Change in net assets per share			
Opening net asset value per share	258.45	250.66	244.86
Return before operating charges*	3.12	9.86	7.98
Operating charges**	(1.06)	(2.07)	(2.18)
Return after operating charges*	2.06	7.79	5.80
Distributions	-	(6.81)	(3.61)
Retained distributions on accumulation shares	-	6.81	3.61
Closing net asset value per share	260.51	258.45	250.66
* after direct transaction costs of***	0.15	0.34	0.31
Performance			
Return after charges	0.80%	3.11%	2.37%
Other information			
Closing net asset value (£)	213,267,165	211,256,515	253,198,998
Closing number of shares	81,865,213	81,739,156	101,010,916
Operating charges****	0.80%	0.82%	0.85%
Direct transaction costs***	0.12%	0.13%	0.12%
Prices			
	pence per share	pence per share	pence per share
Highest share price	280.5	266.7	276.9
Lowest share price	255.6	225.5	235.7

Performance records (continued)

Comparative Tables (continued)

Income 'U2'	1 January 2023 to 30 June 2023 p/share	1 January 2022 to 31 December 2022 p/share	1 January 2021 to 31 December 2021 p/share
Change in net assets per share			
Opening net asset value per share	212.72	212.04	210.12
Return before operating charges*	2.59	8.15	6.90
Operating charges**	(0.87)	(1.76)	(1.89)
Return after operating charges*	1.72	6.39	5.01
Distributions	-	(5.71)	(3.09)
Closing net asset value per share	214.44	212.72	212.04
* after direct transaction costs of***	0.13	0.28	0.27
Performance			
Return after charges	0.81%	3.01%	2.38%
Other information			
Closing net asset value (£)	885	878	5,354
Closing number of shares	413	413	2,525
Operating charges****	0.80%	0.82%	0.85%
Direct transaction costs***	0.12%	0.13%	0.12%
Prices			
	pence per share	pence per share	pence per share
Highest share price	231.0	225.4	237.7
Lowest share price	210.4	190.6	202.3

† The share class closed on 1 July 2021.

** The operating charges include all costs borne by the sub-fund, except for direct transaction costs.

*** 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 ratio of the sub-fund's ongoing charges (excluding interest on borrowings) to the average net assets of the sub-fund.

Performance

	6 months to 30 June 2023	1 year to 30 June 2023	3 years to 30 June 2023	5 years to 30 June 2023
Quilter Investors Asia Pacific (ex Japan) Large-Cap Equity Fund*	0.77%	0.46%	28.56%	31.94%
Target Benchmark**	(2.52)%	(3.71)%	4.63%	12.34%
IA Asia Pacific ex Japan (sector average)	(2.62)%	(3.06)%	9.81%	17.62%
Quartile ranking	1	1	1	1

* Accumulation 'U2' shares

** MSCI All Countries Asia Pacific ex Japan Index

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
Asia Pacific (excluding Japan)	96.16	Samsung Electronics	7.50
Europe	1.37	Taiwan Semiconductor Manufacturing	7.13
North America	0.59	Tencent	3.89
		Housing Development Finance	3.21
Net other assets	1.88	Samsung Fire & Marine Insurance	3.20
		NetEase	3.15
Total	100.00	Kasikornbank (Depository receipt)	3.07
		Alibaba	2.85
Asset allocation		Astra International	2.71
		United Overseas Bank	2.54
Equities	98.12	Number of holdings	56
Net other assets	1.88	Total Purchases and Sales for the period	
Total	100.00		
			2023
			2022
			£'000
			£'000
		Total purchases for the 6 month period to 30 June	46,710
		Total sales for the 6 month period to 30 June	44,246
			38,442
			78,681

Portfolio statement

as at 30 June 2023

Holding	Investment	Market Value £'000	Percentage of total net assets %
Overseas 98.12% (31 December 2022 97.95%)			
Asia Pacific (excluding Japan) 96.16% (31 December 2022 96.44%)			
Australia Equities 8.58% (31 December 2022 10.25%)			
5,088,808	Alumina	3,663	1.58
233,405	Newcrest Mining	3,226	1.40
563,927	QBE Insurance	4,576	1.98
159,229	Sims	1,248	0.54
145,331	Westpac Banking	1,619	0.70
305,076	Woodside Energy	5,495	2.38
		19,827	8.58
China Equities 27.28% (31 December 2022 29.01%)			
804,396	Alibaba	6,591	2.85
161,081	Autohome ADR	3,695	1.60
445,299	Full Truck Alliance ADR	2,183	0.94
1,217,680	Gree Electric Appliances	4,838	2.09
1,276,900	Inner Mongolia Yili Industrial	3,936	1.70
296,187	JD.com	3,957	1.71
95,382	JD.com ADR	2,565	1.11
1,832,264	Ming Yang Smart Energy	3,365	1.46
1,180,000	Minth	2,554	1.11
473,055	NetEase	7,280	3.15
763,000	Ping An Insurance China	3,834	1.66
1,277,096	Suofeiya Home Collection	2,420	1.05
268,900	Tencent	8,998	3.89
531,037	Tencent Music Entertainment ADR	3,094	1.34
3,060,000	Tingyi Cayman Islands	3,755	1.62
		63,065	27.28
Hong Kong Equities 8.45% (31 December 2022 8.05%)			
556,400	AIA	4,441	1.92
1,085,577	CK Asset	4,754	2.06
1,008,824	CK Hutchison	4,871	2.11
2,804,000	COSCO Shipping Ports	1,319	0.57
57,900	Jardine Matheson	2,319	1.00
418,700	Link REIT	1,838	0.79
		19,542	8.45
India Equities 10.31% (31 December 2022 9.25%)			
578,312	Aurobindo Pharma	4,052	1.75
671,141	Delhivery	2,460	1.06
272,990	Housing Development Finance	7,422	3.21
199,289	ICICI Bank ADR	3,640	1.58
75,884	Larsen & Toubro	1,810	0.78
266,648	Shriram Transport Finance	4,462	1.93
		23,846	10.31
Indonesia Equities 4.39% (31 December 2022 3.79%)			
17,509,300	Astra International	6,256	2.71
3,011,300	Indocement Tunggal Prakarsa	1,560	0.67
11,101,000	Telkom Indonesia Persero	2,342	1.01
		10,158	4.39

Portfolio statement (continued)

as at 30 June 2023

Holding	Investment	Market Value £'000	Percentage of total net assets %
	Macau Equities 0.52% (31 December 2022 2.15%)		
446,000	Sands China	1,202	0.52
		1,202	0.52
	Singapore Equities 4.73% (31 December 2022 4.48%)		
3,439,400	ComfortDelGro	2,326	1.01
1,025,407	Grab	2,740	1.18
359,500	United Overseas Bank	5,863	2.54
		10,929	4.73
	South Korea Equities 17.69% (31 December 2022 15.83%)		
23,459	E-Mart	1,083	0.47
16,904	Hyundai Mobis	2,358	1.02
35,456	Hyundai Motor (Preference shares 2nd)	2,334	1.01
78,284	KB Financial	2,243	0.97
57,698	LG	3,047	1.32
28,601	Lotte Chemical	2,652	1.15
12,961	NAVER	1,422	0.60
400,005	Samsung Electronics	17,331	7.50
53,588	Samsung Fire & Marine Insurance	7,396	3.20
15,018	SK Hynix	1,037	0.45
		40,903	17.69
	Taiwan Equities 11.14% (31 December 2022 10.73%)		
85,000	Largan Precision	4,597	1.99
268,000	MediaTek	4,681	2.02
1,129,000	Taiwan Semiconductor Manufacturing	16,481	7.13
		25,759	11.14
	Thailand Equities 3.07% (31 December 2022 2.90%)		
2,462,600	Kasikornbank (Depositary receipt)	7,085	3.07
		7,085	3.07
	Europe 1.37% (31 December 2022 1.51%)		
	Netherlands Equities 1.37% (31 December 2022 1.51%)		
55,481	Prosus	3,162	1.37
		3,162	1.37
	North America 0.59% (31 December 2022 0.00%)		
	United States Equities 0.59% (31 December 2022 0.00%)		
7,724	EPAM Systems	1,372	0.59
		1,372	0.59

Portfolio statement (continued)

as at 30 June 2023

Holding	Investment	Market Value £'000	Percentage of total net assets %
	Derivatives 0.00% (31 December 2022 0.00%)		
	US Dollar Denominated Forward Exchange Contracts 0.00% (31 December 2022 0.00%)		
	Buy USD 280,456 Sell GBP 220,919 03/07/2023	1	-
		1	-
	Investment assets	226,851	98.12
	Net other assets	4,339	1.88
	Total net assets	231,190	100.00

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, unless otherwise stated.

Statement of total return

for the period from 1 January 2023 to 30 June 2023

	Note	01.01.23 to 30.06.23 £'000	01.01.23 to 30.06.23 £'000	01.01.22 to 30.06.22 £'000	01.01.22 to 30.06.22 £'000
Income					
Net capital (losses)/gains			(871)		4,497
Revenue		4,725		4,842	
Expenses		(1,032)		(1,145)	
Interest payable and similar charges		-		(4)	
Net revenue before taxation		3,693		3,693	
Taxation		(927)		(306)	
Net revenue after taxation			2,766		3,387
Total return before distributions			1,895		7,884
Distributions	2		(35)		(199)
Change in net assets attributable to shareholders from investment activities			1,860		7,685

Statement of change in net assets attributable to shareholders

for the period from 1 January 2023 to 30 June 2023

	01.01.23 to 30.06.23 £'000	01.01.23 to 30.06.23 £'000	01.01.22 to 30.06.22 £'000	01.01.22 to 30.06.22 £'000
Opening net assets attributable to shareholders		229,858*		273,518
Amounts received on issue of shares	20,226		11,853	
Amounts paid on cancellation of shares	(20,829)		(57,264)	
		(603)		(45,411)
Dilution adjustment		75		192
Change in net assets attributable to shareholders from investment activities		1,860		7,685
Closing net assets attributable to shareholders		231,190		235,984*

* 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 2023

	30.06.23 £'000	31.12.22 £'000
Assets		
Fixed assets		
Investments	226,851	225,140
Current assets		
Debtors	2,947	1,441
Cash and bank balances	2,777	3,703
Total assets	232,575	230,284
Liabilities		
Provisions for liabilities	(481)	(256)
Creditors		
Bank overdrafts	(21)	-
Other creditors	(883)	(170)
Total liabilities	(1,385)	(426)
Net assets attributable to shareholders	231,190	229,858

Notes to the financial statements

for the period from 1 January 2023 to 30 June 2023

1 Accounting policies

The 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 Investment Association (formerly the Investment Management Association) in May 2014 and as amended in June 2017.

The accounting policies applied are consistent with those disclosed within the annual Financial Statements for the year ended 31 December 2022.

2 Distributions

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

	01.01.23 to 30.06.23 £'000	01.01.22 to 30.06.22 £'000
Revenue deducted on cancellation of shares	137	249
Revenue received on issue of shares	(102)	(50)
Distributions	35	199
Reconciliation of distributions:		
Net revenue after taxation	2,766	3,387
Overseas capital gains tax	363	(150)
Undistributed net revenue carried forward	(3,094)	(3,038)
Distributions	35	199

Quilter Investors Bond 3 Fund

Launch date	14 January 2005
IA Sector	Unclassified
Investment Adviser	Quilter Investors Limited
Net asset value	£1,116,494

Quilter Investors Bond 3 Fund closed to investors on 16 October 2020.

Objective

The sub-fund aimed to achieve a total return through a combination of income and capital growth and to outperform the ICE BofAML Global Corporate & High Yield Index, net of charges, over rolling five year periods.

Policy

The sub-fund invests in a diversified portfolio primarily composed (at least 70%) of fixed and variable rate income securities issued by companies, banks, public entities and governments. These securities may be investment grade or sub-investment grade. The sub-fund invests in both Sterling and non-Sterling denominated securities. Any non-Sterling denominated securities will normally be hedged to minimise currency risk.

Investments may be made through collective investment schemes (which may include those managed or operated by the ACD or an associate of the ACD) or through directly invested portfolios. The sub-fund may also invest in money market instruments and hold cash.

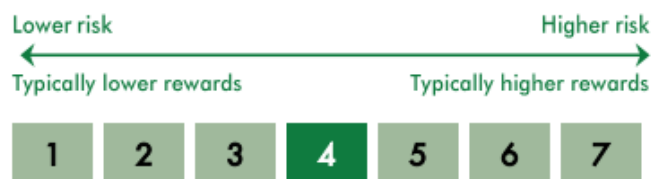
The sub-fund may use derivative instruments for investment purposes or Efficient Portfolio Management. The use of derivatives for the purpose of investment may affect the risk profile of the sub-fund although this is not the ACD's intention. The use of derivatives for Efficient Portfolio Management is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

The sub-fund is managed by an Investment Adviser selected by the ACD for their expected ability to manage the sub-fund according to the investment objective and policy. The ACD continuously monitors and may periodically make changes to this appointment.

Investment Adviser's review

Please note this sub-fund closed on 16 October 2020.

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.

Emerging markets risk - less developed countries may face more political, economic or structural challenges than developed countries.

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.

Liquidity risk - some investments may become hard to value or sell at a desired time and price, in extreme circumstances this may affect the sub-fund's ability to meet redemption requests upon demand.

Currency risk - 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 (i.e. the reporting 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.

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 their contractual obligations.

Capital erosion risk - the sub-fund takes its charges from capital of the sub-fund. Investors should be aware that there is potential for capital erosion if insufficient capital growth is achieved by the sub-fund to cover the charges. Capital erosion may have the effect of reducing the level of income generated.

For full details of the sub-fund's risks, please see the section in the Prospectus headed "Risks".

Performance records

Comparative Table

Income 'A'†	1 January 2023 to 30 June 2023 p/share	1 January 2022 to 31 December 2022 p/share	1 January 2021 to 31 December 2021 p/share
Change in net assets per share			
Opening net asset value per share	86.02	85.65	33.57
Return before operating charges*	(14.74)	0.37	52.08
Operating charges**	-	-	-
Return after operating charges*	(14.74)	0.37	52.08
Distributions	-	-	-
Closing net asset value per share	71.28	86.02	85.65
* after direct transaction costs of***	-	-	-
Performance			
Return after charges	(17.14)%	0.43%	155.14%
Other information			
Closing net asset value (£)	1,116,494	3,374,614	4,959,441
Closing number of shares	1,566,395	3,923,107	5,790,426
Operating charges****‡	-	-	-
Direct transaction costs***	-	-	-
Prices	pence per share††	pence per share††	pence per share††
Highest share price	-	-	-
Lowest share price	-	-	-

† Closed to investors on 16 October 2020.

‡ The sub-fund had no fee charged since closing.

†† While the sub-fund still had holdings, no prices were issued to the market.

** The operating charges include all costs borne by the sub-fund, except for direct transaction costs.

*** 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 (excluding interest on borrowings) to the average net assets of the sub-fund.

Performance

As the sub-fund closed on 16 October 2020 there are no performance figures presented for the period under review.

Portfolio allocation	Percentage of total net assets	Major holdings	Percentage of total net assets	
Europe	62.28	Nueva Pescanova Tramo Senior De Deuda Ordinaria†***^	42.21	
North America	35.84	Thunderbird Resources^	33.60	
		Nueva Pescanova Tramo Junior De Deuda Ordinaria†***^	15.05	
Net other assets	1.88	Nueva Pescanova†** ^ ‡	4.93	
		Newland International Properties 9.5% 03/07/2017 (Defaulted)†^	1.16	
Total	100.00	Lumara Health^	0.99	
		Nueva Pescanova Tramo Senior De Deuda Subordinada†***^	0.09	
		Bakrie Telecom 11.5% 07/05/2015 (Defaulted)†^	0.09	
Asset allocation		Number of holdings	26	
Euro Denominated Debt Securities	57.35	Total Purchases and Sales for the period		
United States Equities	34.59		2023	2022
European Equities	4.93		£'000	£'000
US Dollar Denominated Debt Securities	1.25	Total purchases for the 6 month period to 30 June	2	-
Net other assets	1.88	Total sales for the 6 month period to 30 June	17	1,199
Total	100.00			

Portfolio statement

as at 30 June 2023

Holding	Investment	Market Value £'000	Percentage of total net assets %
Overseas 98.12% (31 December 2022 40.12%)			
Europe 62.28% (31 December 2022 20.60%)			
Euro Denominated Fixed Rate Corporate Bonds 57.35% (31 December 2022 18.91%)			
€506,157	Nueva Pescanova Tramo Junior De Deuda Ordinaria† [^]	168	15.05
€8,830	Nueva Pescanova Tramo Junior De Deuda Subordinada*† [^]	-	-
€618,506	Nueva Pescanova Tramo Senior De Deuda Ordinaria † [^]	471	42.21
€11,777	Nueva Pescanova Tramo Senior De Deuda Subordinada† [^]	1	0.09
		640	57.35
European Equities 4.93% (31 December 2022 1.69%)			
354,122	Nueva Pescanova† [^]	55	4.93
		55	4.93
North America 35.84% (31 December 2022 19.52%)			
US Dollar Denominated Fixed Rate Corporate Bonds 1.25% (31 December 2022 0.47%)			
\$8,190,000	ATP Oil & Gas 11.875% 01/05/2015 (Defaulted)*† [^]	-	-
\$350,000.00	Bakrie Telecom 11.5% 07/05/2015 (Defaulted)† [^]	1	0.09
\$368,297	Banco Cruzeiro do Sul Brazil 7% 08/07/2013 (Defaulted)*† [^]	-	-
\$791,782	Banco Cruzeiro do Sul Brazil 7.625% 21/04/2014 (Defaulted)*† [^]	-	-
\$964,478	Banco Cruzeiro do Sul Brazil 8% 17/09/2012 (Defaulted)*† [^]	-	-
\$783,302	Banco Cruzeiro do Sul Brazil 8.25% 20/01/2016 (Defaulted)*† [^]	-	-
\$502,288	Banco Cruzeiro do Sul Brazil 8.5% 20/02/2015 (Defaulted)*† [^]	-	-
\$2,500,000	Banco Cruzeiro do Sul Brazil 8.875% 22/09/2020 (Defaulted)*†* [^]	-	-
\$1,300,000	Corp GEO 9.25% 30/06/2020 (Defaulted)*†† [^]	-	-
\$2,000,000	Green Field Energy Services 13% 25/01/2020 (Defaulted)*† [^]	-	-
\$495,000	Gymboree Escrow 9.125% 01/12/2018 (Defaulted)*† [^]	-	-
\$1,000,000	MF Global 9% 20/06/2038 (Defaulted)*† [^]	-	-
\$5,173,737	Newland International Properties 9.5% 03/07/2017 (Defaulted)† [^]	13	1.16
\$18,729	Oro Negro Drilling 0% (NOR Listed Defaulted)*† [^]	-	-
\$18,729	Oro Negro Drilling 0% (SGD listing Defaulted)*† [^]	-	-
\$375,000	Powerwave Technologies 2.75% 15/07/2041 (Defaulted)*† [^]	-	-
\$3,900,000	Powerwave Technologies 3.875% 01/10/2027 (Defaulted)*† [^]	-	-
\$9,452	Roust Trading 14% 30/06/2020 (Defaulted)*† [^]	-	-
		14	1.25

Portfolio statement (continued)

as at 30 June 2023

Holding	Investment	Market Value £'000	Percentage of total net assets %
	United States Equities 34.59% (31 December 2022 19.05%)		
206,082	Banro 'B'*^	-	-
64,969	Lumara Health^	11	0.99
116	Thunderbird Resources^	375	33.60
		<hr/>	<hr/>
		386	34.59
		<hr/>	<hr/>
	Investment assets	1,095	98.12
	Net other assets	21	1.88
		<hr/>	<hr/>
	Total net assets	1,116	100.00
		<hr/>	<hr/>

The sub-fund closed to investors on 16 October 2020.

† Delisted.

^ Securities with fair value price approved by the ACD.

* Market value less than £500.

All investments are approved securities being either officially listed in a member state or traded on or under the rules of an eligible securities market, unless otherwise stated.

Statement of total return

for the period from 1 January 2023 to 30 June 2023

	Note	01.01.23 to 30.06.23 £'000	01.01.23 to 30.06.23 £'000	01.01.22 to 30.06.22 £'000	01.01.22 to 30.06.22 £'000
Income					
Net capital (losses)/gains			(239)		151
Revenue		31		13	
Expenses		-		-	
Net revenue before taxation		31		13	
Taxation		(6)		(3)	
Net revenue after taxation			25		10
Total return before distributions			(214)		161
Distributions	2		(20)		(3)
Change in net assets attributable to shareholders from investment activities			(234)		158

Statement of change in net assets attributable to shareholders

for the period from 1 January 2023 to 30 June 2023

	01.01.23 to 30.06.23 £'000	01.01.23 to 30.06.23 £'000	01.01.22 to 30.06.22 £'000	01.01.22 to 30.06.22 £'000
Opening net assets attributable to shareholders		3,375*		4,959
Amounts received on issue of shares	-		-	
Amounts paid on cancellation of shares	(2,025)		(645)	
		(2,025)		(645)
Dilution adjustment		-		-
Change in net assets attributable to shareholders from investment activities		(234)		158
Closing net assets attributable to shareholders		1,116		4,472*

* 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.

The sub-fund closed to investors on 16 October 2020.

Balance sheet

as at 30 June 2023

	30.06.23 £'000	31.12.22 £'000
Assets		
Current assets		
Investments*	1,095	1,354
Debtors	23	15
Cash and bank balances	21	2,025
Total assets	<u>1,139</u>	<u>3,394</u>
Liabilities		
Creditors		
Other creditors	(23)	(19)
Total liabilities	<u>(23)</u>	<u>(19)</u>
Net assets attributable to shareholders	<u>1,116</u>	<u>3,375</u>

* The total value of investments in the portfolio statement have been reflected as current assets as the sub-fund closed to investors on 16 October 2020.

Cash flow statement

For the period ended 30 June 2023

	01.01.23 to 30.06.23 £'000	01.01.22 to 30.06.22 £'000
Cash flows from operating activities		
Net revenue before taxation	31	13
Adjustments for:		
Movement in debtors	(8)	-
Movement in creditors	-	-
Interest payable and similar charges	-	-
Cash from operations	23	13
Interest payable and similar charges	-	-
Taxation	(6)	(1)
Net cash from operating activities	17	12
Cash flows from financing activities		
Purchases of investments	(2)	-
Disposals of investments	17	1,199
Net cash (used in)/from financing activities	15	1,199
Cash flows from financing activities		
Amounts paid on cancellation of shares	(2,025)	(645)
Net cash (used in)/from financing activities	(2,025)	(645)
Net (decrease)/increase in cash and cash equivalents	(1,993)	566
Reconciliation to net cash		
Cash and cash equivalents at the start of the year	2,025	2,325
Foreign exchange adjustment	(11)	(12)
(Decrease)/increase in cash and cash equivalents	(1,993)	566
Cash and cash equivalents at the end of the year	21	2,879

Notes to the financial statements

for the period from 1 January 2023 to 30 June 2023

1 Accounting policies

The financial statements have been prepared on a basis other than going concern. In applying this basis of preparation, the assets and liabilities continue to be stated at their fair values which materially equate to their recoverable values and fixed assets have been reclassified as current assets, and in accordance with the Statement of Recommended Practice (SORP) for Authorised Funds, issued by the Investment Association (formerly the Investment Management Association) in May 2014 and as amended in June 2017.

The accounting policies applied are consistent with those disclosed within the annual Financial Statements for the year ended 31 December 2022.

2 Distributions

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

	01.01.23 to 30.06.23 £'000	01.01.22 to 30.06.22 £'000
Revenue deducted on cancellation of shares	20	3
Distributions	20	3
Reconciliation of distributions:		
Net revenue after taxation	25	10
Undistributed revenue carried forward	(5)	(7)
Distributions	20	3

Quilter Investors China Equity Fund

Launch date	26 April 2013
IA Sector	China/Greater China
Investment Adviser	Janus Henderson Investors UK Limited
Net asset value	£79,421,237

Objective

The sub-fund aims to achieve a combination of income and capital growth and to outperform the MSCI Zhong Hua 10/40 Index, net of charges, over rolling five year periods.

Policy

The sub-fund invests at least 80% of the value of its property in shares of companies that are listed, located or have a significant portion of their business in Hong Kong and China. Investment may be direct or indirect (e.g. through collective investment schemes or derivatives), however the ACD expects that the sub-fund will typically hold investments directly.

The sub-fund may invest in companies of any size, including smaller companies. The sub-fund may at times be concentrated in terms of the number of investments it holds (i.e. have less than 50 holdings).

The sub-fund may invest in China A Shares through the Hong Kong Stock Connect. The sub-fund may also invest in other transferable securities, collective investment schemes, warrants, money market instruments, deposits, cash and derivatives.

Any investment in collective investment schemes may include those managed or operated by the ACD or an associate of the ACD.

The sub-fund may use derivatives for investment purposes and/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 not likely to affect the risk profile of the sub-fund.

Investment Adviser's review

Market review

The Chinese markets started the year on a strong note on expectations that the re-opening of the Chinese economy would lead to a stronger business and consumption environment in China. Market sentiment soon fizzled by the Spring Festival as US-China relations came to the forefront with the discovery of China's surveillance balloon over the US followed by heightened tensions in the technology sector when Japan and the Netherlands took a unified stand alongside the US on restricting sales of advanced semiconductor equipment to China. The sustainability and strength of China's post COVID recovery was called into question as macroeconomic data started to underwhelm. Producer prices were negative, while consumer prices saw little upward pressure indicating a weak pricing environment in China. At the end of the first half, the reduction in policy rates improved sentiment, with investors looking toward some policy action to boost growth of the economy.

Performance review

Over the six months to the end June 2023 the sub-fund fell 14.86%, compared with the Target Benchmark MSCI Zhong Hua Index which fell 11.4%.

The sub-fund's holdings in the consumer and healthcare sector performed poorly over the half year. Sportswear brand Li Ning sold off due to concerns that the international brands, Nike in particular, were gaining back traction with the Chinese consumer at the expense of domestic sportswear brands. In healthcare, contract research organisation services provider, Wuxi Biologics, performed poorly on concerns of a weak biotech funding environment would impact order inflows from their global as well as domestic Chinese biotech customers. In the auto sector, the fund not owning EV start-up, Li Auto detracted as the stock performed strongly on the back of stronger than expected sales.

On a more positive note, online game publisher NetEase performed strongly due to a strong pipeline expected in the second half of the year as well as sustained strength in its existing game portfolio. Integrated energy producer, PetroChina also made good gains on a lift in its gas prices and expectations that state owned enterprise reform would lead to better dividends and stronger capital management from the company. Foundry services provider, Taiwan Semiconductor Manufacturing Company outperformed due to its supply relationship with Nvidia and expectations of a bottoming of the semiconductor cycle.

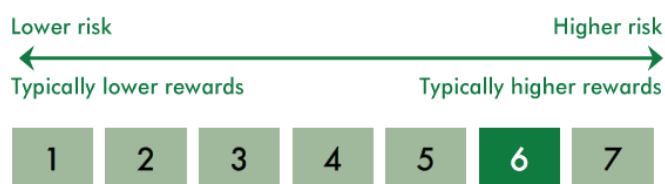
In terms of portfolio activity, we initiated a position in leading foundry services provider Taiwan Semiconductor Manufacturing, cybersecurity services provider Venustech Group and internet search engine provider Baidu Inc. To fund these, we closed off positions in Contemporary Amperex Technology, duty free operator China Tourism Group and grid equipment provider Nari Technology.

Outlook

We've reached the half way point of the year. To date, the post re-opening recovery in the Chinese economy has underwhelmed, leading to downward earnings revisions as well as de-rating of specific companies and market overall. We are finding a combination of idiosyncratic growth, good value and dividend streams in our portfolio companies. Expectations of what a "opening" of the Chinese economy can bring have adjusted downward as with stock prices and multiples. We are headed to the first half year earnings season in August where investors will assess the ability of companies to deliver into their full year targets. We expect a disparate and divergent earnings season where companies who have driven down costs and reinvested in their businesses over the past few years have the ability to deliver on earnings and cashflows. The end July Politburo meeting could potentially bring some policy action for the economy.

Quilter Investors China Equity 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 6 have in the past shown relatively high volatility. With a sub-fund of category 6, you have a relatively high risk of losing money but your chance for gains is also relatively high.

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.

Company shares (i.e. equities) risk - the value of company shares may rise and fall due to the performance of individual companies or because of general market and economic conditions.

Geographic concentration risk - a fall in the Chinese market may have a significant impact on the value of the sub-fund because it primarily invests in this market.

Emerging markets risk - less developed countries may face more political, economic or structural challenges than developed countries.

Stock Connect risk - the sub-fund may invest in China A Shares through Stock Connect. Stock Connect is governed by regulations which are untested and subject to change. This may result in additional operational risks. Trading limitations and restrictions on foreign ownership may constrain the sub-fund's ability to pursue its investment strategy.

Concentration risk (number of investments) - the sub-fund may at times hold a smaller number of investments, and therefore a fall in the value of a single investment may have a greater impact on the sub-fund value than if it held a larger number of investments.

Liquidity risk - some investments may become hard to value or sell at a desired time and price. In extreme circumstances this may affect the sub-fund's ability to meet redemption requests upon demand.

Currency risk (EUR share class) - the sub-fund is denominated in British Pounds but holds assets denominated in other currencies. This share class is denominated in Euro. The value of your shares may rise and fall as a result of exchange rate movements.

Currency risk (GBP share class) - the sub-fund is denominated in British Pounds but holds assets denominated in other currencies. 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 but holds assets denominated in other currencies. This share class is denominated in US Dollars. The value of your shares may rise and fall as a result of exchange rate movements.

Derivative risk - the sub-fund may use derivatives for investment purposes and/or for Efficient Portfolio Management (EPM). 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 their 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 full details of the sub-fund's risks, please see the section in the Prospectus headed "Risks".

Performance records

Comparative Tables

	1 January 2023 to 30 June 2023	1 January 2022 to 31 December 2022	1 January 2021 to 31 December 2021
Accumulation 'A'			
	p/share	p/share	p/share
Change in net assets per share			
Opening net asset value per share	180.85	215.49	264.66
Return before operating charges*	(26.13)	(31.24)	(44.69)
Operating charges**	(1.56)	(3.40)	(4.48)
Return after operating charges*	(27.69)	(34.64)	(49.17)
Distributions	(0.28)	(0.01)	-
Retained distributions on accumulation shares	0.28	0.01	-
Closing net asset value per share	153.16	180.85	215.49
* after direct transaction costs of***	0.16	0.38	0.33
Performance			
Return after charges	(15.31)%	(16.07)%	(18.58)%
Other information			
Closing net asset value (£)	28,565,370	36,089,276	47,639,516
Closing number of shares	18,650,065	19,955,497	22,107,131
Operating charges****	1.80%	1.80%	1.80%
Direct transaction costs***	0.19%	0.20%	0.13%
Prices	pence per share	pence per share	pence per share
Highest share price	202.9	222.0	306.5
Lowest share price	148.5	139.1	212.6
Accumulation 'A' EUR			
	p/share	p/share	p/share
Change in net assets per share			
Opening net asset value per share	116.31	138.58	170.20
Return before operating charges*	(16.81)	(20.09)	(28.75)
Operating charges**	(1.00)	(2.18)	(2.87)
Return after operating charges*	(17.81)	(22.27)	(31.62)
Distributions	(0.20)	(0.03)	-
Retained distributions on accumulation shares	0.20	0.03	-
Closing net asset value per share	98.50	116.31	138.58
* after direct transaction costs of***	0.11	0.24	0.21
Performance			
Return after charges	(15.31)%	(16.07)%	(18.58)%
Other information			
Closing net asset value (£)	22,460	26,520	31,600
Closing number of shares	22,802	22,802	22,802
Operating charges****	1.80%	1.80%	1.80%
Direct transaction costs***	0.19%	0.20%	0.13%
Prices	cents per share	cents per share	cents per share
Highest share price	148.4	170.8	226.5
Lowest share price	111.2	103.9	160.7

Performance records (continued)

Comparative Tables (continued)

	1 January 2023 to 30 June 2023 p/share	1 January 2022 to 31 December 2022 p/share	1 January 2021 to 31 December 2021 p/share
Accumulation 'A' USD			
Change in net assets per share			
Opening net asset value per share	105.56	125.77	154.47
Return before operating charges*	(15.25)	(18.22)	(26.09)
Operating charges**	(0.91)	(1.99)	(2.61)
Return after operating charges*	(16.16)	(20.21)	(28.70)
Distributions	(0.16)	-	-
Retained distributions on accumulation shares	0.16	-	-
Closing net asset value per share	89.40	105.56	125.77
* after direct transaction costs of***	0.10	0.22	0.19
Performance			
Return after charges	(15.31)%	(16.07)%	(18.58)%
Other information			
Closing net asset value (£)	11,736,166	14,708,084	20,212,272
Closing number of shares	13,128,225	13,934,021	16,070,256
Operating charges****	1.80%	1.80%	1.80%
Direct transaction costs***	0.19%	0.20%	0.13%
Prices			
	cents per share	cents per share	cents per share
Highest share price	146.5	175.6	248.0
Lowest share price	107.9	93.67	165.9
	1 January 2023 to 30 June 2023 p/share	1 January 2022 to 31 December 2022 p/share	1 January 2021 to 31 December 2021 p/share
Accumulation 'U2'			
Change in net assets per share			
Opening net asset value per share	186.74	220.32	268.17
Return before operating charges*	(27.09)	(31.98)	(45.59)
Operating charges**	(0.67)	(1.60)	(2.26)
Return after operating charges*	(27.76)	(33.58)	(47.85)
Distributions	(1.27)	(1.63)	(0.73)
Retained distributions on accumulation shares	1.27	1.63	0.73
Closing net asset value per share	158.98	186.74	220.32
* after direct transaction costs of***	0.17	0.39	0.34
Performance			
Return after charges	(14.87)%	(15.24)%	(17.84)%
Other information			
Closing net asset value (£)	39,097,241	46,027,888	71,757,558
Closing number of shares	24,591,930	24,648,679	32,569,344
Operating charges****	0.75%	0.82%	0.90%
Direct transaction costs***	0.19%	0.20%	0.13%
Prices			
	pence per share	pence per share	pence per share
Highest share price	209.7	227.1	311.0
Lowest share price	154.0	143.4	217.3

** The operating charges include all costs borne by the sub-fund, except for direct transaction costs.

*** 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 (excluding interest on borrowings) to the average net assets of the sub-fund.

Performance

	6 months to 30 June 2023	1 year to 30 June 2023	3 years to 30 June 2023	5 years to 30 June 2023
Quilter Investors China Equity Fund*	(14.86)%	(26.19)%	(32.58)%	(25.81)%
Target Benchmark**	(11.04)%	(19.60)%	(25.88)%	(17.77)%
IA China and Greater China (sector average)	(12.85)%	(23.71)%	(22.52)%	(10.04)%
Quartile ranking	3	3	4	3

* Accumulation 'U2' shares

** Prior to 01/11/2021: MSCI Zhong Hua Index, from 01/11/2021 to present: MSCI Zhong Hua 10/40 Index

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
Asia Pacific (excluding Japan)	97.62	Tencent	9.76
Europe	1.57	Alibaba	7.79
		AIA	7.73
Net other assets	0.81	NetEase	4.71
		Kweichow Moutai	3.00
Total	100.00	Wuliangye Yibin	2.98
		Tsingtao Brewery	2.96
Asset allocation		Taiwan Semiconductor Manufacturing	2.96
		Ping An Insurance China	2.93
Equities	99.19	Yum China	2.75
Net other assets	0.81	Number of holdings	43
Total	100.00	Total Purchases and Sales for the period	
			2023
			2022
			£'000
			£'000
		Total purchases for the 6 month period to 30 June	26,059
		Total sales for the 6 month period to 30 June	27,421
			29,196
			48,167

Portfolio statement

as at 30 June 2023

Holding	Investment	Market Value £'000	Percentage of total net assets %
	Overseas 99.19% (31 December 2022 97.84%)		
	Asia Pacific (excluding Japan) 97.62% (31 December 2022 94.70%)		
	China Equities 77.80% (31 December 2022 74.51%)		
	Alternative Energy 0.00% (31 December 2022 0.23%)		
	Automobiles and Parts 0.00% (31 December 2022 1.68%)		
	Banks 2.74% (31 December 2022 3.37%)		
605,000	China Merchants Bank 'H'	2,173	2.74
		<u>2,173</u>	<u>2.74</u>
	Beverages 9.71% (31 December 2022 7.43%)		
12,925	Kweichow Moutai	2,379	3.00
328,000	Tsingtao Brewery	2,353	2.96
133,087	Wuliangye Yibin	2,370	2.98
769,000	ZJLD	608	0.77
		<u>7,710</u>	<u>9.71</u>
	Chemicals 0.00% (31 December 2022 0.33%)		
	Construction and Materials 1.40% (31 December 2022 1.55%)		
374,357	Beijing Oriental Yuhong Waterproof Technology 'C2'	1,111	1.40
		<u>1,111</u>	<u>1.40</u>
	Consumer Services 0.36% (31 December 2022 0.53%)		
9,165	New Oriental Education & Technology ADR	283	0.36
		<u>283</u>	<u>0.36</u>
	Electricity 0.00% (31 December 2022 1.45%)		
	Electronic and Electrical Equipment 0.00% (31 December 2022 1.43%)		
	Food Producers 0.00% (31 December 2022 0.71%)		
	General Industrials 0.00% (31 December 2022 0.48%)		
	Health Care Providers 0.90% (31 December 2022 0.00%)		
354,055	Aier Eye Hospital	714	0.90
		<u>714</u>	<u>0.90</u>
	Household Goods and Home Construction 2.02% (31 December 2022 2.07%)		
250,139	Midea	1,604	2.02
		<u>1,604</u>	<u>2.02</u>
	Industrial Engineering 1.04% (31 December 2022 1.48%)		
118,792	Shenzhen Inovance Technology	830	1.04
		<u>830</u>	<u>1.04</u>
	Industrial Transportation 3.31% (31 December 2022 1.72%)		
1,690,400	Beijing-Shanghai High Speed Railway	968	1.22
83,329	ZTO Express Cayman ADR	1,661	2.09
		<u>2,629</u>	<u>3.31</u>

Portfolio statement (continued)

as at 30 June 2023

Holding	Investment	Market Value £'000	Percentage of total net assets %
	Leisure Goods 4.71% (31 December 2022 2.28%)		
243,140	NetEase	3,742	4.71
		<u>3,742</u>	<u>4.71</u>
	Life Insurance 3.84% (31 December 2022 1.66%)		
548,000	China Life Insurance 'H'	722	0.91
463,500	Ping An Insurance China	2,329	2.93
		<u>3,051</u>	<u>3.84</u>
	Medical Equipment and Services 2.41% (31 December 2022 2.85%)		
58,701	Shenzhen Mindray Bio-Medical Electronics	1,916	2.41
		<u>1,916</u>	<u>2.41</u>
	Oil, Gas and Coal 4.00% (31 December 2022 1.75%)		
1,864,000	China Oilfield Services	1,516	1.91
3,038,000	PetroChina	1,662	2.09
		<u>3,178</u>	<u>4.00</u>
	Personal Goods 4.60% (31 December 2022 4.09%)		
442,500	Li Ning	1,880	2.37
235,300	Shenzhou International	1,775	2.23
		<u>3,655</u>	<u>4.60</u>
	Pharmaceuticals and Biotechnology 3.77% (31 December 2022 4.24%)		
156,600	WuXi AppTec	987	1.24
529,500	Wuxi Biologics Cayman	2,004	2.53
		<u>2,991</u>	<u>3.77</u>
	Precious Metals and Mining 1.05% (31 December 2022 1.15%)		
718,000	Zijin Mining	832	1.05
		<u>832</u>	<u>1.05</u>
	Retailers 8.65% (31 December 2022 12.59%)		
755,412	Alibaba	6,190	7.79
50,926	JD.com	680	0.86
		<u>6,870</u>	<u>8.65</u>
	Software and Computer Services 15.66% (31 December 2022 13.18%)		
85,200	Baidu	1,142	1.44
164,630	Meituan	2,030	2.55
231,700	Tencent	7,753	9.76
468,281	Venustech	1,517	1.91
		<u>12,442</u>	<u>15.66</u>
	Technology Hardware and Equipment 1.08% (31 December 2022 1.29%)		
1,042,000	Lenovo	858	1.08
		<u>858</u>	<u>1.08</u>
	Telecommunications Equipment 0.00% (31 December 2022 0.41%)		
	Travel and Leisure 6.55% (31 December 2022 4.56%)		
34,242	H World ADR	1,035	1.30
72,394	Trip.com ADR	1,984	2.50
49,008	Yum China	2,185	2.75
		<u>5,204</u>	<u>6.55</u>

Portfolio statement (continued)

as at 30 June 2023

Holding	Investment	Market Value £'000	Percentage of total net assets %
	Hong Kong Equities 16.86% (31 December 2022 20.19%)		
	Beverages 0.59% (31 December 2022 2.07%)		
77,500	Swire Pacific 'A'	469	0.59
		469	0.59
	Food Producers 0.29% (31 December 2022 1.94%)		
78,000	China Mengniu Dairy	232	0.29
		232	0.29
	Industrial Engineering 1.71% (31 December 2022 1.10%)		
158,000	Techtronic Industries	1,358	1.71
		1,358	1.71
	Investment Banking and Brokerage Services 2.02% (31 December 2022 2.20%)		
53,800	Hong Kong Exchanges and Clearing	1,603	2.02
		1,603	2.02
	Life Insurance 7.73% (31 December 2022 8.71%)		
769,200	AIA	6,140	7.73
		6,140	7.73
	Real Estate Investment and Services 2.11% (31 December 2022 1.97%)		
500,000	China Resources Land	1,675	2.11
		1,675	2.11
	Real Estate Investment Trusts 0.60% (31 December 2022 0.94%)		
108,060	Link REIT	474	0.60
		474	0.60
	Travel and Leisure 1.81% (31 December 2022 1.26%)		
287,000	Galaxy Entertainment	1,439	1.81
		1,439	1.81
	Taiwan Equities 2.96% (31 December 2022 0.00%)		
	Technology Hardware and Equipment 2.96% (31 December 2022 0.00%)		
161,000	Taiwan Semiconductor Manufacturing	2,350	2.96
		2,350	2.96
	Europe 1.57% (31 December 2022 3.14%)		
	Ireland Equities 1.57% (31 December 2022 3.14%)		

Portfolio statement (continued)

as at 30 June 2023

Holding	Investment	Market Value £'000	Percentage of total net assets %
	Software and Computer Services 1.57% (31 December 2022 3.14%)		
22,878	PDD ADR	1,246	1.57
		<hr/> 1,246	<hr/> 1.57
	Investment assets	<hr/> 78,779	<hr/> 99.19
	Net other assets	<hr/> 642	<hr/> 0.81
	Total net assets	<hr/> 79,421	<hr/> 100.00

All investments are approved securities being either officially listed in a member state or traded on or under the rules of an eligible securities market, unless otherwise stated.

All investments are in ordinary shares unless otherwise stated.

Statement of total return

for the period from 1 January 2023 to 30 June 2023

	Note	01.01.23 to 30.06.23 £'000	01.01.23 to 30.06.23 £'000	01.01.22 to 30.06.22 £'000	01.01.22 to 30.06.22 £'000
Income					
Net capital losses			(14,639)		(4,746)
Revenue		1,029		1,057	
Expenses		(585)		(782)	
Interest payable and similar charges		(1)		-	
Net revenue before taxation		443		275	
Taxation		(56)		(51)	
Net revenue after taxation			387		224
Total return before distributions			(14,252)		(4,522)
Distributions	2		(387)		(225)
Change in net assets attributable to shareholders from investment activities			(14,639)		(4,747)

Statement of change in net assets attributable to shareholders

for the period from 1 January 2023 to 30 June 2023

	01.01.23 to 30.06.23 £'000	01.01.23 to 30.06.23 £'000	01.01.22 to 30.06.22 £'000	01.01.22 to 30.06.22 £'000
Opening net assets attributable to shareholders		96,852*		139,641
Amounts received on issue of shares	4,097		3,957	
Amounts paid on cancellation of shares	(7,280)		(27,378)	
		(3,183)		(23,421)
Dilution adjustment		6		48
Change in net assets attributable to shareholders from investment activities		(14,639)		(4,747)
Retained distributions on accumulation shares		385		209
Closing net assets attributable to shareholders		79,421		111,730*

* 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 2023

	30.06.23 £'000	31.12.22 £'000
Assets		
Fixed assets		
Investments	78,779	94,759
Current assets		
Debtors	707	375
Cash and bank balances	108	2,119
Total assets	79,594	97,253
Liabilities		
Creditors		
Other creditors	(173)	(401)
Total liabilities	(173)	(401)
Net assets attributable to shareholders	79,421	96,852

Notes to the financial statements

for the period from 1 January 2023 to 30 June 2023

1 Accounting policies

The 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 the Investment Management Association) in May 2014 and as amended in June 2017.

The accounting policies applied are consistent with those disclosed within the annual Financial Statements for the year ended 31 December 2022.

2 Distributions

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

	01.01.23 to 30.06.23 £'000	01.01.22 to 30.06.22 £'000
Interim – Accumulation shares (30 June)	385	209
	385	209
Revenue deducted on cancellation of shares	6	17
Revenue received on issue of shares	(4)	(1)
Distributions	387	225
Reconciliation of distributions:		
Net revenue after taxation	387	224
Revenue deficit transferred to capital	-	1
Distributions	387	225

Distribution table

Interim distribution

Group 1: Shares purchased prior to 1 January 2023
 Group 2: Shares purchased from 1 January 2023 to 30 June 2023

	Revenue pence/cents per share	Equalisation pence/cents per share*	Distribution paid 31.08.23 pence/cents per share	Distribution paid 31.08.22 pence/cents per share
Accumulation 'A' Shares				
Group 1	0.2776	-	0.2776	0.0110
Group 2	0.2776	0.0000	0.2776	0.0110
Accumulation 'A' EUR Shares				
Group 1	0.2341	-	0.2341	0.0390
Group 2	0.2341	0.0000	0.2341	0.0390
Accumulation 'A' USD Shares				
Group 1	0.2035	-	0.2035	0.0000
Group 2	0.2035	0.0000	0.2035	0.0000
Accumulation 'U2' Shares				
Group 1	1.2696	-	1.2696	0.8855
Group 2	1.1159	0.1537	1.2696	0.8855

* Equalisation only applies to shares purchased during the distribution 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 of these shares 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.

Quilter Investors Corporate Bond Fund

Launch date	21 June 2018
IA Sector	Sterling Corporate
Investment Adviser	Premier Fund Managers Limited
Net asset value	£347,686,028

Objective

The sub-fund aims to achieve a combination of income and capital growth and to outperform the ICE BofAML Sterling Non-Gilt Index, net of charges, over rolling five-year periods.

Policy

The sub-fund invests at least 80% of the value of its property in Sterling-denominated (or hedged back to Sterling) investment grade debt securities issued by companies located anywhere in the world. The sub-fund may also invest in investment grade and sub-investment grade debt securities issued by companies, banks, public entities and governments located anywhere in the world. Investment may be direct or indirect (e.g. through collective investment schemes or derivatives). The sub-fund may hold up to 10% in contingent convertible bonds (CoCos).

The sub-fund may also invest in other transferable securities, collective investment schemes, warrants, money market instruments, deposits, cash and derivatives.

Any investment in collective investment schemes may include those managed or operated by the ACD or an associate of the ACD.

The sub-fund may use derivatives for investment purposes and/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 not likely to affect the risk profile of the sub-fund.

Investment Adviser's review

Market review

The first half of the year saw the markets continue to be volatile as investors were focused on whether peak inflation had been reached and its impact and slowdown on global growth. Concerns over the banking sector also caused extreme movements in the market during the period, as a consequence interest rates continued to remain volatile.

January saw markets off to a strong start with positive macro sentiment. Government bond yields fell significantly as European and US inflation data drove both bond and equity markets to rally. Credit markets also began extremely strongly with a record level of issuance after a relatively dry 2022. Despite the Federal Reserve, Bank of England ("BoE") and the European Central Bank ("ECB") all raising interest rates at the start of February, the initial interpretation from the markets were that the outlook for inflation was slowing and again this resulted in a collapse in government bond yields. However, this was short lived as US labour data dramatically beat estimates causing bond yields to rise again. The 10-year UK government bond yields rose 49bps in February alone with the BoE also expecting a shallower recession than previously forecast. Interest rate yields then fell sharply in March after the collapse of a number of regional banks in the US, swiftly followed by the run on Credit Suisse causing panic amongst risk investors.

The second quarter started with both manufacturing and labour market data deteriorating with retail sales also showing a downturn. Central bank commentators still highlighted the need to be aware that inflation was still significantly high and that the markets should still be anticipating rate hikes in the US and Europe. The UK inflation data then led to more fears of continued inflation with an increase of 10.1% in the 12 months to March 2023 and although the number was a fall from the previous month, it was not as low as expected. With the Bank of England Governor reiterating his commitment to getting inflation back to 2%, the UK 10-year government bond yield rose by 46bps in May. The period also saw the potential of an unthinkable US default with US congress finally passing the bill to raise the US Debt Ceiling after weeks of negotiation between President Biden and Republican House Speaker McCarthy. Despite the anticipated pause by the Federal Reserve in their rate hike cycle, Chairman Powell still warned that higher rates would be needed to combat inflation. Over the six months, the UK 10-year government bond yields increased by 71bps to 4.38% and the US 10-year government bond yield fell by 4bps to 3.84% after reaching a low of 3.3% reflecting the volatility over the period.

Credit markets were fairly resilient with bouts of volatility particularly in bonds of financial companies. In March the banking sector became the focus of global market volatility. Initially, financial worries surfaced due to huge deposit withdrawals and the subsequent collapse of SVB in the US. Confidence in the banking system came to

the fore and the negative sentiment moved over to Europe with pressure on Credit Suisse mounting especially after their biggest shareholder ruled out further assistance. The instability reached dramatic levels as the following weekend saw the collapse of Credit Suisse and the announcement of a UBS takeover causing a full write down of their AT1 bank capital resulting in a collapse in pricing across the asset class.

Sterling corporate bonds were generally strong throughout especially due to the lack of Sterling corporate bond issuance. The Bank of England also completed the sales of their corporate bond holdings into the market strengthening the sterling market overall. There was a deluge of new issues in May despite the various bank holidays and bonds were having to come to market with a decent concession to secondary bonds to perform well, although general market strength helped performance. Financial bonds continued their rehabilitation from the Credit Suisse collapse and the markets began to focus on the relatively strong Q1 earnings of the rest of the banking sector. Credit default swaps indices tightened for the first half, with the European Crossover index falling by 74bps to 400bps.

Performance review

The overall performance of the fund for the half year was -0.95% in contrast to the overall sector at -0.70%, an underperformance of 25bps. Initially the sub-fund underperformed as a result of its defensive nature in January and despite an extremely strong February was negatively impacted due to its exposure to subordinated financial bonds in March. The financial sector rallied in the second quarter with names such as Quilters and Barclays doing well for the sub-fund. The sub-fund's short duration position in credit bonds limited the negative impact from the rise in government bond yields towards the second half of the period though the duration within the sub-fund was held in government bond futures which were ultimately a detractor in performance as government bonds sold off as the half year came to an end. The sub-fund has a small credit hedge which proved to be a detractor to performance as the market rallied as the debt ceiling agreement came into view.

With the first quarter of the year seeing a deluge of new issues coming to the market, the sub-fund was provided the opportunity to invest in high quality corporate and financial bonds with significant premiums such as Metlife, Toyota, Harley Davidson, General Mills and East Japan Rail. With the anticipation of government bond yields widening in February the sub-fund took the opportunity to lighten up in recently issued bonds with longer duration such as British Telecom and Vodafone. The Utility sector were frequent issuers and names such as United Utilities, National Gas Transmission and ENBW were invested in. The sub-fund rotated out of bonds which had performed well since issuance and on a relative basis were expensive such as RBC, Centrica,

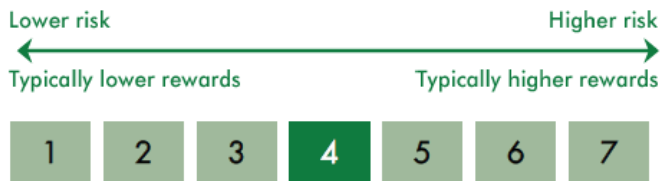
Weir Group and Stora. The sub-fund continued to invest in shorter duration bonds with names such as Close Brothers, New York Life and Firstgroup providing attractive yields with limited price risk.

Outlook

The macro backdrop remains difficult for credit as interest rates continue to rise, impacting higher levered consumers and companies whom will likely struggle to service their debt obligations. Whilst the sub-fund remains highly active and the sub-fund managers look to continue optimising the portfolio, the sub-fund is relatively defensively positioned in credit and has increased duration to take advantage of a slowing inflationary backdrop and a deteriorating credit back drop.

Quilter Investors Corporate 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.

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.

Liquidity risk - some investments may become hard to value or sell at a desired time and price. In extreme circumstances this may affect the sub-fund's ability to meet redemption requests upon demand.

Contingent convertible bonds (CoCos) risk - the sub-fund may invest in CoCos which are relatively new and complex instruments, and the behaviour and liquidity of the CoCos market under a stressed financial environment are untested. CoCos can be converted into equity at a time that is chosen by the issuers and this may result in capital loss for the investor.

Currency risk - 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.

Derivative risk - the sub-fund may use derivatives for investment purposes and/or for Efficient Portfolio Management (EPM). 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 their 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 Table

Accumulation 'U2'	1 January 2023 to 30 June 2023 p/share	1 January 2022 to 31 December 2022 p/share	1 January 2021 to 31 December 2021 p/share
Change in net assets per share			
Opening net asset value per share	104.95	121.20	122.98
Return before operating charges*	(0.69)	(15.77)	(1.11)
Operating charges**	(0.19)	(0.48)	(0.67)
Return after operating charges*	(0.88)	(16.25)	(1.78)
Distributions	(2.40)	(2.67)	(1.65)
Retained distributions on accumulation shares	2.40	2.67	1.65
Closing net asset value per share	104.07	104.95	121.20
* after direct transaction costs of***	-	-	-
Performance			
Return after charges	(0.84)%	(13.41)%	(1.45)%
Other information			
Closing net asset value (£)	347,686,028	267,849,358	262,459,915
Closing number of shares	334,078,462	255,220,158	216,551,541
Operating charges****	0.35%	0.44%	0.55%
Direct transaction costs***	-	-	-
Prices	pence per share	pence per share	pence per share
Highest share price	111.0	121.4	124.4
Lowest share price	104.6	98.46	119.5

** The operating charges include all costs borne by the sub-fund, except for direct transaction costs.

*** 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 (excluding interest on borrowings) to the average net assets of the sub-fund.

Performance

	6 months to 30 June 2023	1 year to 30 June 2023	3 years to 30 June 2023	5 years to 30 June 2023
Quilter Investors Corporate Bond Fund*	(0.95)%	(3.68)%	(10.90)%	4.60%
Target Benchmark**	(1.06)%	(7.10)%	(17.58)%	(7.03)%
IA Sterling Corporate Bond (sector average)	(0.70)%	(4.81)%	(14.43)%	(4.50)%
Quartile ranking	2	2	2	1

* Accumulation 'U2' shares

** ICE BofA Sterling Non-Gilt Index

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	
United Kingdom	43.55	Anglian Water Services Financing 6% 20/06/2039	1.94	
Europe	30.53	International Business Machines 4.875% 06/02/2038	1.91	
North America	16.75	Skipton Building Society 6.25% 25/04/2029	1.87	
Collective Investment Schemes Overseas Bonds	1.79	UBS 2.125% 12/09/2025	1.84	
Asia Pacific (excluding Japan)	0.73	Premier Miton Financials Capital Securities Fund - C Income	1.79	
Japan	0.65	Virgin Money UK 7.875% 14/12/2028	1.59	
United Kingdom Derivatives	0.17	Honeywell International 3.75% 17/05/2032	1.50	
Overseas Derivatives	(0.13)	Oldenburgische Landesbank 5.625% 02/02/2026	1.49	
		Yorkshire Water Finance 5.5% 28/04/2035	1.44	
Net other assets	5.96	Volkswagen Financial Services 1.625% 10/02/2024	1.34	
Total	100.00	Number of holdings	171	
Asset allocation		Total Purchases and Sales for the period		
			2023	2022
			£'000	£'000
Sterling Denominated Debt Securities	74.60	Total purchases for the 6 month period to 30 June	505,454	315,773
Euro Denominated Debt Securities	14.66	Total sales for the 6 month period to 30 June	413,949	284,552
US Dollar Denominated Debt Securities	2.95			
Collective Investment Schemes	1.79			
United Kingdom Derivatives	0.17			
Overseas Derivatives	(0.13)			
Net other assets	5.96			
Total	100.00			

Portfolio statement

as at 30 June 2023

Holding	Investment	Market Value £'000	Percentage of total net assets %
Sterling 74.60% (31 December 2022 80.62%)			
Sterling Denominated Fixed Rate Corporate Bonds 71.81% (31 December 2022 75.01%)			
£1,867,000	AA 5.5% 31/07/2050	1,624	0.47
£1,468,000	AA 6.269% 02/07/2043	1,402	0.40
£1,342,000	AA 7.375% 31/07/2050	1,207	0.35
£6,790,000	Anglian Water Services Financing 6% 20/06/2039	6,747	1.94
£3,675,000	Anglian Water Services Financing 6.875% 21/08/2023	3,675	1.06
£1,800,000	Anglo American Capital 3.375% 11/03/2029	1,519	0.44
£1,736,000	Arqiva Financing 7.21% 30/06/2045	1,727	0.50
£400,000	Assura Financing 1.5% 15/09/2030	288	0.08
£397,000	Athene Global Funding 1.75% 24/11/2027	313	0.09
£2,291,000	Athene Global Funding 1.875% 30/11/2028	1,734	0.50
£4,900,000	Banco Santander 3.125% 06/10/2026	4,434	1.27
£1,800,000	Bank of Montreal 1.5% 18/12/2024	1,676	0.48
£1,700,000	Bank of Nova Scotia 1.375% 05/12/2023	1,665	0.48
£550,000	Barclays 3.125% 17/01/2024	540	0.15
£2,300,000	Barclays 7.125% Perpetual	2,076	0.60
£1,461,000	Barclays 9.25% Perpetual	1,314	0.38
£3,500,000	BMW International Investment 5.5% 06/06/2026	3,437	0.99
£637,000	Channel Link Enterprises Finance 3.043% 30/06/2050	521	0.15
£3,311,000	Church Commissioners for England 3.625% 14/07/2052	2,463	0.71
£1,275,000	Citigroup 2.75% 24/01/2024	1,250	0.36
£3,179,000	Close Brothers 7.75% 14/06/2028	3,137	0.90
£1,500,000	Commerzbank 8.625% 28/02/2033	1,442	0.41
£1,300,000	Co-Operative Bank Finance 6% 06/04/2027	1,192	0.34
£1,033,000	Co-Operative Bank Finance 9.5% 24/05/2028	1,028	0.30
£1,386,000	Coventry Building Society 1.875% 24/10/2023	1,367	0.39
£950,000	Coventry Building Society 6.875% Perpetual	875	0.25
£2,720,000	CPUK Finance 5.876% 28/08/2027	2,577	0.74
£400,000	Credit Agricole 7.375% 18/12/2023	400	0.11
£800,000	Deutsche Bank 3.875% 12/02/2024	781	0.22
£3,600,000	Deutsche Bank 4% 24/06/2026	3,326	0.96
£3,900,000	Deutsche Bank 6.125% 12/12/2030	3,571	1.03
£1,400,000	DNB Bank 1.375% 02/12/2025	1,298	0.37
£3,887,000	DNB Bank 2.625% 10/06/2026	3,591	1.03
£1,200,000	DWR Cymru Financing 6.015% 31/03/2028	1,188	0.34
£2,862,000	East Japan Railway 1.162% 15/09/2028	2,260	0.65
£2,311,000	Eastern Power Networks 5.75% 08/03/2024	2,299	0.66
£2,800,000	Electricite de France 5.875% Perpetual	2,294	0.66
£3,400,000	Engie 5.625% 03/04/2053	3,196	0.92
£2,304,000	Equitable Financial Life Global Funding 6.375% 02/06/2028	2,268	0.65
£650,000	Fidelity International 7.125% 13/02/2024	649	0.19
£1,113,000	Firstgroup 6.875% 18/09/2024	1,102	0.32
£1,800,000	Folio Residential Finance No 1 1.246% 31/10/2037	1,455	0.42
£1,474,000	Ford Motor Credit 6.86% 05/06/2026	1,436	0.41
£4,302,000	General Motors Financial 5.15% 15/08/2026	4,075	1.17
£2,664,000	Goldman Sachs 1% 16/12/2025	2,455	0.71
£1,075,000	Heathrow Funding 2.625% 16/03/2028	871	0.25
£3,650,000	Heathrow Funding 6.75% 03/12/2028	3,640	1.05
£1,000,000	Heathrow Funding 7.125% 14/02/2024	1,000	0.29
£1,150,000	Iberdrola Finanzas 7.375% 29/01/2024	1,156	0.33
£3,502,000	IG 3.125% 18/11/2028	2,592	0.75
£7,486,000	International Business Machines 4.875% 06/02/2038	6,636	1.91

Portfolio statement (continued)

as at 30 June 2023

Holding	Investment	Market Value £'000	Percentage of total net assets %
Sterling Denominated Fixed Rate Corporate Bonds (continued)			
£4,689,000	Intesa Sanpaolo 6.5% 14/03/2029	4,400	1.27
£485,000	Intesa Sanpaolo 6.625% 31/05/2033	462	0.13
£1,575,000	Just 7% 15/04/2031	1,500	0.43
£138,189	Jutura European Loan Conduit No 16 5.0636% 10/08/2033	130	0.04
£2,500,000	Land Securities Capital Markets 1.974% 08/02/2026	2,431	0.70
£1,030,000	Land Securities Capital Markets 4.875% 15/09/2034	973	0.28
£380,000	Land Securities Capital Markets 5.391% 31/03/2027	370	0.11
£799,000	Land Securities Capital Markets 5.396% 31/07/2032	765	0.22
£1,000,000	Lloyds Bank 7.5% 15/04/2024	1,007	0.29
£300,000	Lloyds Bank 11.75% Perpetual	428	0.12
£2,840,000	Logicor 1.875% 17/11/2031	2,415	0.69
£1,025,000	MetLife 5.375% 09/12/2024	1,004	0.29
£2,488,000	Metropolitan Life Global Funding I 4.125% 02/09/2025	2,361	0.68
£3,338,000	Metropolitan Life Global Funding I 5% 10/01/2030	3,153	0.91
£2,912,000	National Gas Transmission 5.75% 05/04/2035	2,755	0.79
£2,288,000	NatWest Markets 6.625% 22/06/2026	2,265	0.65
£2,913,000	New York Life Global Funding 1.5% 15/07/2027	2,433	0.70
£1,069,000	New York Life Global Funding 1.625% 15/12/2023	1,047	0.30
£3,502,000	New York Life Global Funding 4.35% 16/09/2025	3,342	0.96
£1,500,000	NIBC Bank 3.125% 15/11/2023	1,477	0.42
£1,705,000	Northern Gas Networks Finance 6.125% 02/06/2033	1,676	0.48
£230,000	Northern Powergrid Yorkshire 2.5% 01/04/2025	214	0.06
£200,000	Northern Powergrid Yorkshire 4.375% 05/07/2032	178	0.05
£2,472,000	OSB 9.993% 27/07/2033	2,471	0.71
£2,452,000	PACCAR Financial Europe 2.375% 15/03/2025	2,297	0.66
£1,804,000	Pacific Life Global Funding II 5% 12/01/2028	1,704	0.49
£829,900	Paragon Banking 6% 28/08/2024	819	0.24
£981,000	Pension Insurance 7.375% Perpetual	828	0.24
£1,525,000	Phoenix 6.625% 18/12/2025	1,487	0.43
£1,010,000	Pinewood Finance 3.25% 30/09/2025	927	0.27
£1,007,000	Places for People Treasury 2.5% 26/01/2036	683	0.20
£4,506,000	Principality Building Society 2.375% 23/11/2023	4,425	1.27
£3,302,000	Protective Life Global Funding 5.248% 13/01/2028	3,143	0.90
£5,000,000	Rio Tinto Finance 4% 11/12/2029	4,504	1.30
£4,583,000	Rothesay Life 5.5% 17/09/2029	4,443	1.28
£3,063,000	Rothesay Life 6.875% Perpetual	2,517	0.72
£1,322,000	Rothesay Life 8% 30/10/2025	1,317	0.38
£2,128,000	Sainsbury's Bank 10.5% 12/03/2033	2,212	0.64
£3,870,000	Santander UK 7.098% 16/11/2027	3,795	1.09
£687,000	Santander UK 10.0625% Perpetual	993	0.29
£6,919,000	Skipton Building Society 6.25% 25/04/2029	6,520	1.87
£1,545,000	Society of Lloyd's 4.75% 30/10/2024	1,495	0.43
£2,875,000	Southern Gas Networks 4.875% 21/03/2029	2,696	0.78
£2,500,000	Southern Water Services Finance 6.192% 31/03/2029	2,461	0.71
£404,467	Telereal Secured Finance 4.01% 10/12/2033	356	0.10
£911,899	Telereal Securitisation 1.3657% 10/12/2033	751	0.22
£790,000	Telereal Securitisation 1.9632% 10/12/2033	682	0.20
£3,810,000	Telereal Securitisation 3.5625% 10/12/2036	3,177	0.91
£174,545	Telereal Securitisation 6.1645% 10/12/2033	166	0.05
£2,837,000	TP ICAP Finance 2.625% 18/11/2028	2,084	0.60
£4,667,000	TP ICAP Finance 5.25% 29/05/2026	4,282	1.23
£1,822,000	TP ICAP Finance 7.875% 17/04/2030	1,720	0.49
£6,843,000	UBS 2.125% 12/09/2025	6,394	1.84

Portfolio statement (continued)

as at 30 June 2023

Holding	Investment	Market Value £'000	Percentage of total net assets %
Sterling Denominated Fixed Rate Corporate Bonds (continued)			
£529,000	UBS 2.75% 08/08/2025	478	0.14
£883,000	UNITE USAF II 3.921% 30/06/2030	826	0.24
£700,000	United Parcel Service 5.5% 12/02/2031	671	0.19
£2,800,000	Verizon Communications 1.125% 03/11/2028	2,170	0.62
£1,400,000	Verizon Communications 2.5% 08/04/2031	1,100	0.32
£580,000	Virgin Money UK 3.375% 24/04/2026	527	0.15
£2,201,000	Virgin Money UK 4% 25/09/2026	1,986	0.57
£2,500,000	Volkswagen Financial Services 0.875% 20/02/2025	2,273	0.65
£4,800,000	Volkswagen Financial Services 1.625% 10/02/2024	4,660	1.34
£1,373,000	Volvo Treasury 4.75% 15/06/2026	1,311	0.38
£2,978,000	Volvo Treasury 6.125% 22/06/2028	2,960	0.85
£800,000	Wells Fargo Bank 5.25% 01/08/2023	799	0.23
£2,559,000	Westfield Stratford City Finance 1.642% 04/08/2031	2,160	0.62
£1,385,500	Yorkshire Building Society 13.5% 01/04/2025	1,503	0.43
£6,644,000	Yorkshire Water Finance 2.75% 18/04/2041	4,212	1.21
£5,362,000	Yorkshire Water Finance 5.5% 28/04/2035	5,002	1.44
£100,000	Yorkshire Water Finance 6.454% 28/05/2027	99	0.03
£4,670,000	Zurich Finance Ireland Designated Activity 5.125% 23/11/2052	4,022	1.16
		249,663	71.81
Sterling Denominated Variable Rate Corporate Bonds 2.41% (31 December 2022 5.12%)			
£115,000	Aroundtown 4.75% Perpetual	40	0.01
£830,354	Channel Link Enterprises Finance 5.841073% 30/06/2050	712	0.21
£701,000	Santander UK 6.75% Perpetual	652	0.19
£5,590,000	Virgin Money UK 7.875% 14/12/2028	5,543	1.59
£1,520,000	Virgin Money UK 9.25% Perpetual	1,430	0.41
		8,377	2.41
Sterling Denominated Fixed Rate Government Bonds 0.38% (31 December 2022 0.49%)			
£2,015,000	Saltaire Finance 2.711% 09/05/2054	1,321	0.38
		1,321	0.38
Overseas 19.40% (31 December 2022 9.46%)			
Europe 14.66% (31 December 2022 5.63%)			
Euro Denominated Fixed Rate Corporate Bonds 13.45% (31 December 2022 4.77%)			
€1,000,000	Abanca Corporation Bancaria 8.375% 23/09/2033	857	0.25
€2,700,000	Abertis Infraestructuras 4.125% 31/01/2028	2,296	0.66
€2,679,000	Alperia 5.701% 05/07/2028	2,290	0.66
€1,524,000	Arion Banki 7.25% 25/05/2026	1,299	0.37
€2,842,000	Athora 6.625% 16/06/2028	2,414	0.69
€3,500,000	Banque Internationale a Luxembourg 1.75% 18/08/2031	2,624	0.75
€800,000	Ceska sporitelna 5.943% 29/06/2027	685	0.20
€200,000	Daimler Truck International Finance 3.875% 19/06/2029	170	0.05
€5,042,000	DHL 3.375% 03/07/2033	4,256	1.22
€3,500,000.00	Ethias 6.75% 05/05/2033	2,982	0.86
€1,400,000	Holcim Finance Luxembourg 1.375% 08/10/2036	757	0.22
€6,215,000	Honeywell International 3.75% 17/05/2032	5,217	1.50
€872,000	INEOS Finance 6.625% 15/05/2028	733	0.21
€3,650,000	Lehman Brothers 4.625% 14/03/2019 (Defaulted) ††*	-	-
€1,585,000	Marex 8.375% 02/02/2028	1,349	0.39

Portfolio statement (continued)

as at 30 June 2023

Holding	Investment	Market Value £'000	Percentage of total net assets %
Euro Denominated Fixed Rate Corporate Bonds (continued)			
€2,951,000	NBN 4.125% 15/03/2029	2,536	0.73
€6,200,000	Oldenburgische Landesbank 5.625% 02/02/2026	5,196	1.49
€1,200,000	Oldenburgische Landesbank 6% Perpetual	886	0.25
€690,000	Permanent TSB 3% 19/08/2031	511	0.15
€1,477,000	Permanent TSB 6.625% 30/06/2029	1,265	0.36
€1,400,000	Quintet Private Bank Europe 7.5% Perpetual	1,019	0.29
€800,000	Robert Bosch 3.625% 02/06/2027	683	0.20
€1,500,000	Robert Bosch 3.625% 02/06/2030	1,273	0.37
€1,600,000	Santander Consumer Bank 4.5% 30/06/2026	1,373	0.40
€485,000	UBS 1.25% 17/07/2025	398	0.11
€4,400,000	Volksbank Wien 4.75% 15/03/2027	3,713	1.07
		46,782	13.45
Euro Denominated Variable Rate Corporate Bonds 1.14% (31 December 2022 0.86%)			
€1,400,000	Banco Santander 5.25% Perpetual	1,148	0.33
€810,000	Barclays 4.236% Perpetual	617	0.17
€1,300,000	Permanent TSB 2.125% 26/09/2024	1,106	0.32
€1,300,000	Permanent TSB 5.25% 30/06/2025	1,104	0.32
		3,975	1.14
Euro Denominated Fixed Rate Government Bonds 0.07% (31 December 2022 0.00%)			
€300,000	Banco de Credito Social Cooperativo 8% 22/09/2026	261	0.07
		261	0.07
US Dollar 2.95% (31 December 2022 3.83%)			
US Dollar Denominated Fixed Rate Corporate Bonds 1.57% (31 December 2022 3.39%)			
\$2,557,000	Commerzbank 8.125% 19/09/2023	2,020	0.58
\$1,600,000	Credit Suisse 6.5% 08/08/2023	1,258	0.36
\$1,600,000	Deutsche Bank 7.5% Perpetual	1,113	0.32
\$1,341,000	General Motors Financial 5.8% 23/06/2028	1,053	0.31
		5,444	1.57
US Dollar Denominated Variable Rate Corporate Bonds 1.38% (31 December 2022 0.44%)			
\$1,000,000	Barclays 5.35857% Perpetual	788	0.23
\$1,900,000	Societe Generale 7.875% Perpetual	1,470	0.42
\$3,300,000	UBS 7% Perpetual	2,526	0.73
		4,784	1.38
Collective Investment Schemes 1.79% (31 December 2022 0.00%)			
Overseas Bonds 1.79% (31 December 2022 0.00%)			
7,087,829	Premier Miton Financials Capital Securities Fund - C Income	6,212	1.79
		6,212	1.79
Derivatives 0.04% (31 December 2022 (0.44%))			
Sterling Denominated Forward Exchange Contracts 0.39% (31 December 2022 0.10%)			
	Buy GBP 41,062,831 Sell EUR 46,468,446 20/07/2023	1,146	0.33
	Buy GBP 1,213,205 Sell EUR 1,375,000 20/07/2023	32	0.01
	Buy GBP 953,583 Sell EUR 1,080,000 20/07/2023	26	0.01
	Buy GBP 565,010 Sell EUR 640,000 20/07/2023	15	-

Portfolio statement (continued)

as at 30 June 2023

Holding	Investment	Market Value £'000	Percentage of total net assets %
	Sterling Denominated Forward Exchange Contracts (continued)		
	Buy GBP 635,855 Sell EUR 735,000 20/07/2023	4	-
	Buy GBP 85,630 Sell EUR 100,000 20/07/2023	-	-
	Buy GBP 857,462 Sell EUR 1,000,000 20/07/2023	(2)	-
	Buy GBP 1,714,082 Sell EUR 2,000,000 20/07/2023	(4)	-
	Buy GBP 939,535 Sell EUR 1,100,000 20/07/2023	(5)	-
	Buy GBP 4,283,705 Sell EUR 5,000,000 20/07/2023	(11)	-
	Buy GBP 7,853,609 Sell USD 9,763,674 20/07/2023	135	0.04
	Buy GBP 1,204,456 Sell USD 1,500,000 20/07/2023	19	-
	Buy GBP 140,507 Sell USD 175,000 20/07/2023	2	-
	Buy GBP 3,158,163 Sell USD 4,000,000 20/07/2023	(4)	-
		<u>1,353</u>	<u>0.39</u>
	Sterling Denominated Futures Contracts (0.22)% (31 December 2022 (0.93)%)		
1,039	Long Gilt Futures September 2023	(779)	(0.22)
		<u>(779)</u>	<u>(0.22)</u>
	Euro Denominated Forward Exchange Contracts 0.00% (31 December 2022 0.04%)		
	Buy EUR 4,000,000 Sell GBP 3,421,125 20/07/2023	15	-
	Buy EUR 565,000 Sell GBP 501,012 20/07/2023	(16)	-
		<u>(1)</u>	<u>-</u>
	Euro Denominated Futures Contracts (0.01)% (31 December 2022 0.39%)		
(230)	Euro-Bobl Futures September 2023	(18)	(0.01)
		<u>(18)</u>	<u>(0.01)</u>
	Euro Credit Default Swap (0.08)% (31 December 2022 (0.02)%)		
€7,800,000	Buy Protection CDS Indice L58 20/06/2028 Barclays	(266)	(0.08)
		<u>(266)</u>	<u>(0.08)</u>
	US Dollar Denominated Forward Exchange Contracts 0.00% (31 December 2022 (0.02)%)		
	Buy USD 2,000,000 Sell GBP 1,582,093 20/07/2023	(1)	-
		<u>(1)</u>	<u>-</u>
	US Dollar Credit Default Swap (0.04)% (31 December 2022 0.00%)		
\$8,230,000	Buy Protection CDS Indice L58 20/06/2028 JP Morgan	(145)	(0.04)
		<u>(145)</u>	<u>(0.04)</u>
	Investment assets**	326,962	94.04
	Net other assets	20,724	5.96
	Total net assets	347,686	100.00

‡ Fair Value Price approved by the ACD.

* 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, unless otherwise stated.

Portfolio statement (continued)

as at 30 June 2023

Analysis of investments by asset class

	Market Value £'000	Percentage of total net assets %
Bonds	320,607	92.21
Collective Investment Schemes	6,212	1.79
Derivatives	143	0.04
Portfolio of investments	326,962	94.04
Net other assets	20,724	5.96
Total net assets	347,686	100.00

Statement of total return

for the period from 1 January 2023 to 30 June 2023

	Note	01.01.23 to 30.06.23 £'000	01.01.23 to 30.06.23 £'000	01.01.22 to 30.06.22 £'000	01.01.22 to 30.06.22 £'000
Income					
Net capital losses			(10,111)		(31,685)
Revenue		6,915		2,908	
Expenses		(501)		(667)	
Interest payable and similar charges		57		(24)	
Net revenue before taxation		6,471		2,217	
Taxation		(24)		(10)	
Net revenue after taxation			6,447		2,207
Total return before distributions			(3,664)		(29,478)
Distributions	2		(6,471)		(2,207)
Change in net assets attributable to shareholders from investment activities			(10,135)		(31,685)

Statement of change in net assets attributable to shareholders

for the period from 1 January 2023 to 30 June 2023

	01.01.23 to 30.06.23 £'000	01.01.23 to 30.06.23 £'000	01.01.22 to 30.06.22 £'000	01.01.22 to 30.06.22 £'000
Opening net assets attributable to shareholders		267,849*		262,460
Amounts received on issue of shares	83,654		35,587	
Amounts paid on cancellation of shares	(1,132)		(5,661)	
		82,522		29,926
Dilution adjustment		239		113
Change in net assets attributable to shareholders from investment activities		(10,135)		(31,685)
Retained distributions on accumulation shares		7,211		2,315
Closing net assets attributable to shareholders		347,686		263,129*

* 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 to 30 June 2023

	30.06.23 £'000	31.12.22 £'000
Assets		
Fixed assets		
Investments	328,213	243,249
Current assets		
Debtors	11,201	3,810
Cash and bank balances	25,738	24,042
Total assets	365,152	271,101
Liabilities		
Investment liabilities	(1,251)	(3,139)
Creditors		
Bank overdrafts	-	(34)
Other creditors	(16,215)	(79)
Total liabilities	(17,466)	(3,252)
Net assets attributable to shareholders	347,686	267,849

Notes to the financial statements

for the period from 1 January 2023 to 30 June 2023

1 Accounting policies

The 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 the Investment Management Association) in May 2014 and as amended in June 2017.

The accounting policies applied are consistent with those disclosed within the annual Financial Statements for the year ended 31 December 2022.

2 Distributions

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

	01.01.23 to 30.06.23 £'000	01.01.22 to 30.06.22 £'000
Interim – Accumulation shares (31 March)	2,993	954
Interim – Accumulation shares (30 June)	4,218	1,361
	<u>7,211</u>	<u>2,315</u>
Revenue deducted on cancellation of shares	7	13
Revenue received on issue of shares	(747)	(121)
Distributions	<u>6,471</u>	<u>2,207</u>
Reconciliation of distributions:		
Net revenue after taxation	6,447	2,207
Equalisation on Collective Investment Schemes	12	-
Overseas capital gains tax	12	-
Distributions	<u>6,471</u>	<u>2,207</u>

Distribution tables

Second interim distribution

Group 1: Shares purchased prior to 1 April 2023
 Group 2: Shares purchased from 1 April 2023 to 30 June 2023

	Revenue pence per share	Equalisation pence per share*	Distribution paid 31.08.23 pence per share	Distribution paid 31.08.22 pence per share
Accumulation 'U2' Shares				
Group 1	1.2625	-	1.2625	0.5586
Group 2	0.3352	0.9273	1.2625	0.5586

First interim distribution

Group 1: Shares purchased prior to 1 January 2023
 Group 2: Shares purchased from 1 January 2023 to 31 March 2023

	Revenue pence per share	Equalisation pence per share*	Distribution paid 31.05.23 pence per share	Distribution paid 31.05.22 pence per share
Accumulation 'U2' Shares				
Group 1	1.1360	-	1.1360	0.4332
Group 2	0.4871	0.6489	1.1360	0.4332

* Equalisation only applies to shares purchased during the distribution 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 of these shares 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.

Quilter Investors Diversified Bond Fund

Launch date	21 June 2018
IA Sector	Sterling Strategic Bond
Investment Adviser	Premier Fund Managers Limited
Net asset value	£201,333,533

Objective

The sub-fund aims to achieve a combination of income and capital growth and to outperform the ICE BofA Q9AX Custom Index, net of charges, over rolling five-year periods.

Policy

The sub-fund invests at least 80% of the value of its property in a diversified range of Sterling-denominated (or hedged back to Sterling) investment grade and sub-investment grade debt securities issued by companies, banks, public entities and governments located in developed and emerging markets anywhere in the world. Investment may be direct or indirect (e.g. through collective investment schemes or derivatives). The sub-fund may hold up to 20% in contingent convertible bonds (CoCos).

The sub-fund may also invest in other transferable securities, collective investment schemes, warrants, money market instruments, deposits, cash and derivatives.

Any investment in collective investment schemes may include those managed or operated by the ACD or an associate of the ACD.

The sub-fund may use derivatives for investment purposes and/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 not likely to affect the risk profile of the sub-fund.

Investment Adviser's review

Market review

The first half of the year saw the markets continue to be volatile as investors were focused on whether peak inflation had been reached and its impact and slowdown on global growth. Concerns over the banking sector also caused extreme movements in the market during the period, as a consequence interest rates continued to remain volatile.

January saw markets off to a strong start with positive macro sentiment. Government bond yields fell significantly as European and US inflation data drove both bond and equity markets to rally. Credit markets also began extremely strongly with a record level of issuance after a relatively dry 2022. Despite the Federal Reserve ("Fed"), Bank of England ("BoE") and the European Central Bank ("ECB") all raising interest rates at the start of February, the initial interpretation from the markets were that the outlook for inflation was slowing and again this resulted in a collapse in government bond yields. However, this was short lived as US labour data dramatically beat estimates causing bond yields to rise again. The 10-year UK government bond yields rose 49bps in February alone with the BoE also expecting a shallower recession than previously forecast. Interest rate yields then fell sharply in March after the collapse of a number of regional banks in the US, swiftly followed by the run on Credit Suisse causing panic amongst risk investors.

The second quarter started with both manufacturing and labour market data deteriorating with retail sales also showing a downturn. Central bank commentators still highlighted the need to be aware that inflation was still significantly high and that the markets should still be anticipating rate hikes in the US and Europe. The UK inflation data then led to more fears of continued inflation with an increase of 10.1% in the 12 months to March 2023 and although the number was a fall from the previous month, it was not as low as expected. With the Bank of England Governor reiterating his commitment to getting inflation back to 2%, the UK 10-year government bond yield rose by 46bps in May. The period also saw the potential of an unthinkable US default with US congress finally passing the bill to raise the US Debt Ceiling after weeks of negotiation between President Biden and Republican House Speaker McCarthy. Despite the anticipated pause by the Fed in their rate hike cycle, Chairman Powell still warned that higher rates would be needed to combat inflation. Over the six months, the UK 10-year government bond yields increased by 71bps to 4.38% and the US 10-year government bond yield fell by 4bps to 3.84% after reaching a low of 3.3% reflecting the volatility over the period.

Credit markets were fairly resilient with bouts of volatility particularly in bonds of financial companies. In March the banking sector became the focus of global market volatility. Initially, financial worries surfaced due to huge deposit withdrawals and the subsequent collapse of SVB in the US. Confidence in the banking system came to

the fore and the negative sentiment moved over to Europe with pressure on Credit Suisse mounting especially after their biggest shareholder ruled out further assistance. The instability reached dramatic levels as the following weekend saw the collapse of Credit Suisse and the announcement of a UBS takeover causing a full write down of their AT1 bank capital resulting in a collapse in pricing across the asset class.

Sterling corporate bonds were generally strong throughout especially due to the lack of Sterling corporate bond issuance. The Bank of England also completed the sales of their corporate bond holdings into the market strengthening the sterling market overall. There was a deluge of new issues in May despite the various bank holidays and bonds were having to come to market with a decent concession to secondary bonds to perform well, although general market strength helped performance. Financial bonds continued their rehabilitation from the Credit Suisse collapse and the markets began to focus on the relatively strong Q1 earnings of the rest of the banking sector. Credit default swaps indices tightened for the first half, with the European Crossover index falling by 74bps to 400bps.

Performance review

The overall performance of the sub-fund for the half year was -1.59% in contrast to the overall sector at 0.68 %, an underperformance of 227bps. Initially the sub-fund underperformed as a result of the rally in government bonds in January and its overall defensive nature. Despite an extremely strong February the sub-fund was negatively impacted due to its exposure to subordinated financial bonds in March although the asset class saw a rebound in prices as sentiment improved. The sub-fund's short duration position in credit bonds limited the negative impact from the rise in government bonds yields towards the second half of the period. However, any duration within the sub-fund was held in government bond futures which were ultimately a detractor in performance as they sold off as the half year came to an end. The sub-fund has a small credit hedge which proved to be a detractor to performance as the market rallied as the debt ceiling agreement came into view. With the widening of the long end of the rates market bonds with longer duration such as IBM underperformed for the sub-fund.

With a significant amount of new issuance coming to market, the sub-fund was able to take advantage of bonds coming to market with significant premiums such as RWE and Mizuho. As financial bonds sold off into the end of the first quarter it also provided the opportunity for the sub-fund to buy subordinated financial bonds at attractive yields such as Permanent TSB, Virgin Money and Societe Generale. The sub-fund continued to optimise the portfolio and rotate out of bonds which were relatively expensive and had performed well since issuance. During the period, concerns about market liquidity rose and the sub-fund added a credit hedge as the move in rates impacted credit conditions.

Outlook

The macro backdrop remains difficult for credit as interest rates continue to rise, impacting higher levered consumers and companies whom will likely struggle to service their debt obligations. Whilst the sub-fund remains highly active and the sub-fund managers look to continue optimising the portfolio, the sub-fund is relatively defensively positioned in credit and has increased duration to take advantage of a slowing inflationary backdrop and a deteriorating credit back drop.

Quilter Investors Diversified 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.

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.

Liquidity risk - some investments may become hard to value or sell at a desired time and price. In extreme circumstances this may affect the sub-fund's ability to meet redemption requests upon demand.

Contingent convertible bonds (CoCos) risk - the sub-fund may invest in CoCos which are relatively new and complex instruments, and the behaviour and liquidity of the CoCos market under a stressed financial environment are untested. CoCos can be converted into equity at a time that is chosen by the issuers and this may result in capital loss for the investor.

Currency risk - 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.

Derivative risk - the sub-fund may use derivatives for investment purposes and/or for Efficient Portfolio Management (EPM). 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 their contractual obligations.

Capital erosion risk - the sub-fund takes its charges from the capital of the sub-fund. Investors should be aware that there is potential for capital erosion if insufficient capital growth is achieved by the sub-fund to cover the 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 Table

Accumulation 'U2'	1 January 2023 to 30 June 2023 p/share	1 January 2022 to 31 December 2022 p/share	1 January 2021 to 31 December 2021 p/share
Change in net assets per share			
Opening net asset value per share	119.11	124.68	122.79
Return before operating charges*	(1.87)	(4.92)	2.70
Operating charges**	(0.27)	(0.65)	(0.81)
Return after operating charges*	(2.14)	(5.57)	1.89
Distributions	(3.37)	(4.26)	(3.50)
Retained distributions on accumulation shares	3.37	4.26	3.50
Closing net asset value per share	116.97	119.11	124.68
* after direct transaction costs of***	-	-	-
Performance			
Return after charges	(1.80)%	(4.47)%	1.54%
Other information			
Closing net asset value (£)	201,333,533	158,334,284	147,061,952
Closing number of shares	172,119,793	132,929,203	117,946,851
Operating charges****	0.45%	0.54%	0.65%
Direct transaction costs***	-	-	-
Prices			
	pence per share	pence per share	pence per share
Highest share price	121.6	125.0	126.0
Lowest share price	117.3	115.2	123.1

** The operating charges include all costs borne by the sub-fund, except for direct transaction costs. Since the sub-fund invests less than 10% of net assets in underlying sub-funds there is no inclusion of a synthetic element for underlying sub-funds ongoing charges.

*** 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 (excluding interest on borrowings) to the average net assets of the sub-fund.

Performance

	6 months to 30 June 2023	1 year to 30 June 2023	3 years to 30 June 2023	5 years to 30 June 2023
Quilter Investors Diversified Bond Fund*	(1.59)%	(0.59)%	3.34%	19.45%
Target Benchmark**	0.63%	1.23%	(7.12)%	1.69%
IA Sterling Strategic Bond (sector average)	0.68%	(0.21)%	(5.07)%	2.90%
Quartile ranking	4	3	1	1

* Accumulation 'U2' shares

** Prior to 18/08/2022: ICE BofAML Q880 Custom Index, from 19/08/2022 to present: ICE BofA Q9AX Custom Index

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	
United Kingdom	62.33	Premier Miton Financials Capital Securities Fund - C Income	5.31	
Europe	18.12	Premier Miton UK Money Market Fund - B Income	4.24	
Collective Investment Schemes Overseas Bonds	5.31	Heathrow Funding 7.125% 14/02/2024	3.18	
Collective Investment Schemes United Kingdom Bonds	4.24	Principality Building Society 2.375% 23/11/2023	2.71	
North America	3.16	Virgin Money UK 7.875% 14/12/2028	2.29	
United Kingdom Derivatives	2.34	NIBC Bank 3.125% 15/11/2023	2.25	
Overseas Derivatives	(2.53)	EDP Finance 8.625% 04/01/2024	2.24	
		Oldenburgische Landesbank 5.625% 02/02/2026	2.04	
Net other assets	7.03	Skipton Building Society 6.25% 25/04/2029	1.98	
		UBS 2.125% 12/09/2025	1.82	
Total	100.00	Number of holdings	148	
Asset allocation		Total Purchases and Sales for the period		
Sterling Denominated Debt Securities	62.24		2023	2022
Euro Denominated Debt Securities	18.12		£'000	£'000
Collective Investment Schemes	9.55	Total purchases for the 6 month period to 30 June	314,704	214,736
US Dollar Denominated Debt Securities	3.16	Total sales for the 6 month period to 30 June	261,742	205,797
United Kingdom Equities	0.09			
United Kingdom Derivatives	2.34			
Overseas Derivatives	(2.53)			
Net other assets	7.03			
Total	100.00			

Portfolio statement

as at 30 June 2023

Holding	Investment	Market Value £'000	Percentage of total net assets %
United Kingdom 62.33% (31 December 2022 63.59%)			
Sterling Denominated Fixed Rate Corporate Bonds 58.07% (31 December 2022 58.26%)			
£1,011,000	AA 5.5% 31/07/2050	880	0.44
£847,000	AA 6.269% 02/07/2043	809	0.40
£772,000	AA 7.375% 31/07/2050	695	0.34
£3,164,000	Admiral 5.5% 25/07/2024	3,126	1.55
£900,000	Anglo American Capital 3.375% 11/03/2029	760	0.38
£1,003,000	Arqiva Financing 7.21% 30/06/2045	998	0.50
£74,000	Athene Global Funding 1.75% 24/11/2027	58	0.03
£2,100,000	Banco Santander 3.125% 06/10/2026	1,900	0.94
£1,100,000	Barclays 7.125% Perpetual	993	0.49
£1,469,000	Barclays 9.25% Perpetual	1,321	0.66
£165,000	BASF 0.875% 06/10/2023	163	0.08
£459,072	Bracken Midco1-Anleihe 6.75% 01/11/2027	355	0.18
£966,000	Citigroup 2.75% 24/01/2024	947	0.47
£1,250,000	Close Brothers 7.75% 14/06/2028	1,234	0.61
£800,000	Commerzbank 8.625% 28/02/2033	769	0.38
£800,000	Co-Operative Bank Finance 6% 06/04/2027	733	0.36
£1,200,000	Co-Operative Bank Finance 9.5% 24/05/2028	1,194	0.59
£650,000	Coventry Building Society 6.875% Perpetual	599	0.30
£1,449,000	CPUK Finance 5.876% 28/08/2027	1,373	0.68
£900,000	Deutsche Bank 2.625% 16/12/2024	836	0.42
£2,300,000	Deutsche Bank 3.875% 12/02/2024	2,246	1.12
£1,700,000	Deutsche Bank 4% 24/06/2026	1,570	0.78
£2,100,000	Deutsche Bank 6.125% 12/12/2030	1,923	0.95
£4,475,000	EDP Finance 8.625% 04/01/2024	4,519	2.24
£1,700,000	Electricite de France 5.875% Perpetual	1,393	0.69
£375,000	Fidelity International 7.125% 13/02/2024	375	0.19
£1,112,000	Firstgroup 6.875% 18/09/2024	1,101	0.55
£425,000	Folio Residential Finance No 1 1.246% 31/10/2037	343	0.17
£3,113,000	Ford Motor Credit 6.86% 05/06/2026	3,033	1.51
£450,000	Galaxy Finco 9.25% 31/07/2027	394	0.20
£2,159,000	General Motors Financial 5.15% 15/08/2026	2,045	1.02
£1,250,000	Heathrow Funding 6.75% 03/12/2028	1,246	0.62
£6,400,000	Heathrow Funding 7.125% 14/02/2024	6,403	3.18
£1,269,000	IG 3.125% 18/11/2028	939	0.47
£1,277,000	International Business Machines 4.875% 06/02/2038	1,132	0.56
£171,000	Intesa Sanpaolo 6.625% 31/05/2033	163	0.08
£775,000	Just 3.5% 07/02/2025	720	0.36
£300,000	Just 7% 15/04/2031	286	0.14
£500,000	Lloyds Bank 7.5% 15/04/2024	504	0.25
£1,099,000	Lloyds Banking 8.5% Perpetual	1,015	0.50
£550,000	MetLife 5.375% 09/12/2024	538	0.27
£1,064,000	Metropolitan Life Global Funding I 4.125% 02/09/2025	1,010	0.50
£825,000	Mobico 2.5% 11/11/2023	813	0.40
£775,000	National Gas Transmission 7% 16/12/2024	773	0.38
£3,698,000	National Grid Electricity Distribution 3.625% 06/11/2023	3,664	1.82
£1,450,000	NatWest 2.875% 19/09/2026	1,314	0.65
£1,308,000	NatWest Markets 6.625% 22/06/2026	1,295	0.64

Portfolio statement (continued)

as at 30 June 2023

Holding	Investment	Market Value £'000	Percentage of total net assets %
Sterling Denominated Fixed Rate Corporate Bonds (continued)			
£1,479,000	New York Life Global Funding 4.35% 16/09/2025	1,411	0.70
£4,600,000	NIBC Bank 3.125% 15/11/2023	4,530	2.25
£2,151,000	OSB 6% Perpetual	1,653	0.82
£1,664,000	OSB 9.993% 27/07/2033	1,663	0.83
£856,000	PACCAR Financial Europe 2.375% 15/03/2025	802	0.40
£2,250,000	Pacific National Finance 5% 19/09/2023	2,237	1.11
£621,200	Paragon Banking 6% 28/08/2024	613	0.30
£555,000	Pension Insurance 8% 23/11/2026	552	0.27
£3,112,000	Phoenix 6.625% 18/12/2025	3,034	1.51
£829,000	Pinewood Finance 3.25% 30/09/2025	761	0.38
£5,550,000	Principality Building Society 2.375% 23/11/2023	5,450	2.71
£2,153,000	Rothsay Life 5.5 % 17/09/2029	2,087	1.04
£1,694,000	Rothsay Life 6.875% Perpetual	1,392	0.69
£783,000	Rothsay Life 8% 30/10/2025	780	0.39
£1,143,000	Sainsbury's Bank 10.5% 12/03/2033	1,188	0.59
£280,000	Santander UK 10.0625% Perpetual	405	0.20
£950,000	Shawbrook 9% 10/10/2030	905	0.45
£929,000	Shawbrook 12.103% Perpetual	829	0.41
£4,220,000	Skipton Building Society 6.25% 25/04/2029	3,977	1.98
£1,400,000	Society of Lloyd's 4.75% 30/10/2024	1,355	0.67
£2,520,000	Southern Gas Networks 4.875% 05/10/2023	2,510	1.25
£287,000	Telereal Securitisation 1.9632% 10/12/2033	248	0.12
£1,809,000	Thames Water Utilities Finance 1.875% 24/01/2024	1,716	0.85
£1,056,000	TP ICAP Finance 2.625% 18/11/2028	776	0.39
£2,300,000	TP ICAP Finance 5.25% 29/05/2026	2,110	1.05
£1,004,000	TP ICAP Finance 7.875% 17/04/2030	948	0.47
£276,000	TVL Finance 10.25% 28/04/2028	270	0.13
£3,927,000	UBS 2.125% 12/09/2025	3,670	1.82
£524,000	UBS 2.75% 08/08/2025	474	0.24
£2,116,000	Vanquis Banking 8.875% 13/01/2032	1,879	0.93
£400,000	Virgin Money UK 4% 25/09/2026	361	0.18
£800,000	Volkswagen Financial Services 0.875% 20/02/2025	727	0.36
£400,000	Volkswagen Financial Services 1.125% 18/09/2023	396	0.20
£2,900,000	Volkswagen Financial Services 1.625% 10/02/2024	2,816	1.40
£1,900,000	Wells Fargo Bank 5.25% 01/08/2023	1,897	0.94
		116,922	58.07
Sterling Denominated Variable Rate Corporate Bonds 4.17% (31 December 2022 5.22%)			
£375,000	Aroundtown 4.75% Perpetual	130	0.06
£1,700,000	Co-Operative Bank Finance 9.5% 25/04/2029	1,669	0.83
£432,000	Santander UK 6.75% Perpetual	402	0.20
£4,642,000	Virgin Money UK 7.875% 14/12/2028	4,603	2.29
£1,682,000	Virgin Money UK 9.25% Perpetual	1,582	0.79
		8,386	4.17
United Kingdom Equities 0.09% (31 December 2022 0.11%)			
£146,000	Aviva 8.75% Cumulative Irredeemable Preference	173	0.09
		173	0.09

Portfolio statement (continued)

as at 30 June 2023

Holding	Investment	Market Value £'000	Percentage of total net assets %
Overseas 30.83% (31 December 2022 22.97%)			
Euro 18.12% (31 December 2022 10.50%)			
Euro Denominated Fixed Rate Corporate Bonds 16.16% (31 December 2022 8.44%)			
€400,000	Abanca Corporation Bancaria 6% Perpetual	294	0.15
€1,100,000	Abanca Corporation Bancaria 8.375% 23/09/2033	942	0.47
€1,500,000	Abertis Infraestructuras 4.125% 31/01/2028	1,276	0.63
€1,547,000	Alperia 5.701% 05/07/2028	1,323	0.66
€960,000	Alpha Services 11.875% Perpetual	813	0.40
€1,093,000	Arion Banki 7.25% 25/05/2026	932	0.46
€700,000	Arval Service Lease 4.625% 02/12/2024	602	0.30
€1,839,000	Athora 6.625% 16/06/2028	1,562	0.78
€1,150,000	Athora Netherlands 7% Perpetual	928	0.46
€600,000.00	Banco de Credito Social Cooperativo 5.25% 27/11/2031	422	0.21
€736,000	Bank of Cyprus 11.875% Perpetual	636	0.32
€1,100,000	Banque Internationale a Luxembourg 1.75% 18/08/2031	825	0.41
€400,000	Banque Internationale a Luxembourg 5.25% Perpetual	279	0.14
€431,000	BFF Bank 5.875% Perpetual	311	0.16
€500,000	Ceska sporitelna 5.943% 29/06/2027	428	0.21
€2,930,000	DHL 3.375% 03/07/2033	2,473	1.23
€482,908	Hellas Telecommunications Finance 8.011% 15/07/2015 (Defaulted) ††*	-	-
€1,000,000	Ibercaja Banco 9.125% Perpetual	801	0.40
€422,000	INEOS Finance 6.625% 15/05/2028	354	0.18
€600,000	Kommunalkredit Austria 6.5% Perpetual	422	0.21
€1,400,000	Lehman Brothers 4.625% 14/03/2019 (Defaulted) ††*	-	-
€922,000	Marex 8.375% 02/02/2028	785	0.39
€2,200,000	Novo Banco 9.875% 01/12/2033	1,940	0.96
€4,900,000	Oldenburgische Landesbank 5.625% 02/02/2026	4,106	2.04
€1,400,000	Oldenburgische Landesbank 6% Perpetual	1,034	0.51
€799,000	Permanent TSB 3% 19/08/2031	592	0.29
€1,133,000	Permanent TSB 6.625% 30/06/2029	971	0.48
€931,000	Permanent TSB 7.875% Perpetual	733	0.36
€936,000	Permanent TSB 13.25% Perpetual	890	0.44
€1,200,000	Quintet Private Bank Europe 7.5% Perpetual	874	0.43
€900,000	Robert Bosch 3.625% 02/06/2027	768	0.38
€900,000	Robert Bosch 3.625% 02/06/2030	764	0.38
€900,000	Santander Consumer Bank 4.5% 30/06/2026	772	0.38
€300,000	Sirius Real Estate 1.125% 22/06/2026	212	0.11
€545,000	UBS 1.25% 17/07/2025	447	0.22
€2,400,000	Volksbank Wien 4.75% 15/03/2027	2,025	1.01
		32,536	16.16
Euro Denominated Variable Rate Corporate Bonds 1.87% (31 December 2022 2.06%)			
€800,000	Abanca Corporation Bancaria 7.5% Perpetual	664	0.33
€800,000	Banco Santander 5.25% Perpetual	656	0.33
€800,000	CaixaBank 6.375% Perpetual	679	0.34
€1,000,000	CaixaBank 6.75% Perpetual	828	0.41
€500,000	Permanent TSB 2.125% 26/09/2024	425	0.21
€600,000	Permanent TSB 5.25% 30/06/2025	509	0.25
		3,761	1.87

Portfolio statement (continued)

as at 30 June 2023

Holding	Investment	Market Value £'000	Percentage of total net assets %
	Euro Denominated Fixed Rate Government Bonds 0.09% (31 December 2022 0.00%)		
€200,000	Banco de Credito Social Cooperativo 8% 22/09/2026	174	0.09
		174	0.09
	US Dollar 3.16% (31 December 2022 3.70%)		
	US Dollar Denominated Fixed Rate Corporate Bonds 2.31% (31 December 2022 2.98%)		
\$1,000,000	Arion Banki 6.25% Perpetual	660	0.33
\$1,416,000	Commerzbank 8.125% 19/09/2023	1,118	0.55
\$2,000,000	Credit Suisse 6.5% 08/08/2023	1,573	0.78
\$1,000,000	Deutsche Bank 7.5% Perpetual	696	0.35
\$773,000	General Motors Financial 5.8% 23/06/2028	607	0.30
		4,654	2.31
	US Dollar Denominated Variable Rate Corporate Bonds 0.85% (31 December 2022 0.72%)		
\$600,000	Barclays 5.35857% Perpetual	473	0.23
\$790,000	Hongkong & Shanghai Banking 5.46021% Perpetual	623	0.31
\$800,000	Societe Generale 7.875% Perpetual	619	0.31
		1,715	0.85
	Collective Investment Schemes 9.55% (31 December 2022 8.77%)		
	United Kingdom Bonds 4.24% (31 December 2022 3.38%)		
16,791,158	Premier Miton UK Money Market Fund - B Income	8,535	4.24
		8,535	4.24
	Overseas Bonds 5.31% (31 December 2022 5.39%)		
12,186,936	Premier Miton Financials Capital Securities Fund - C Income	10,682	5.31
		10,682	5.31
	Derivatives (0.19)% (31 December 2022 1.59%)		
	United Kingdom Derivatives 2.34% (31 December 2022 0.90%)		
	Sterling Denominated Forward Exchange Contracts 2.51% (31 December 2022 0.26%)		
	Buy GBP 31,370,993 Sell EUR 35,500,750 20/07/2023	876	0.43
	Buy GBP 833,803 Sell EUR 945,000 20/07/2023	22	0.01
	Buy GBP 799,067 Sell EUR 905,000 20/07/2023	22	0.01
	Buy GBP 485,555 Sell EUR 550,000 20/07/2023	13	0.01
	Buy GBP 1,725,711 Sell EUR 2,000,000 20/07/2023	8	-
	Buy GBP 428,731 Sell EUR 500,000 20/07/2023	(1)	-
	Buy GBP 428,520 Sell EUR 500,000 20/07/2023	(1)	-
	Buy GBP 3,855,334 Sell EUR 4,500,000 20/07/2023	(10)	-
	Buy GBP 42,902,438 Sell JPY 7,105,797,808 20/07/2023	3,918	1.95
	Buy GBP 259,061 Sell JPY 42,902,438 20/07/2023	24	0.01
	Buy GBP 7,148,509 Sell USD 8,887,088 20/07/2023	122	0.06
	Buy GBP 883,841 Sell USD 1,100,000 20/07/2023	14	0.01

Portfolio statement (continued)

as at 30 June 2023

Holding	Investment	Market Value £'000	Percentage of total net assets %
	Sterling Denominated Forward Exchange Contracts (continued)		
	Buy GBP 804,255 Sell USD 1,000,000 20/07/2023	14	0.01
	Buy GBP 802,970 Sell USD 1,000,000 20/07/2023	12	0.01
	Buy GBP 801,777 Sell USD 1,000,000 20/07/2023	11	-
	Buy GBP 562,632 Sell USD 700,000 20/07/2023	9	-
	Buy GBP 973,309 Sell USD 1,225,000 20/07/2023	5	-
	Buy GBP 176,637 Sell USD 220,000 20/07/2023	3	-
	Buy GBP 1,579,081 Sell USD 2,000,000 20/07/2023	(2)	-
		5,059	2.51
	Sterling Denominated Futures Contracts (0.17)% (31 December 2022 0.64%)		
710	Long Gilt Futures September 2023	(350)	(0.17)
		(350)	(0.17)
	Euro Denominated Derivatives (0.30)% (31 December 2022 0.71%)		
	Euro Denominated Forward Exchange Contracts (0.08)% (31 December 2022 0.06%)		
	Buy EUR 600,000 Sell GBP 513,169 20/07/2023	2	-
	Buy EUR 1,000,000 Sell GBP 873,590 20/07/2023	(15)	(0.01)
	Buy EUR 680,763 Sell GBP 600,000 20/07/2023	(15)	(0.01)
	Buy EUR 590,000 Sell GBP 523,181 20/07/2023	(16)	(0.01)
	Buy EUR 1,719,381 Sell GBP 1,500,000 20/07/2023	(23)	(0.01)
	Buy EUR 1,369,316 Sell GBP 1,200,000 20/07/2023	(24)	(0.01)
	Buy EUR 2,260,692 Sell GBP 2,000,000 20/07/2023	(58)	(0.03)
		(149)	(0.08)
	Euro Denominated Futures Contracts 0.00% (31 December 2022 0.67%)		
(125)	Euro-Bobl Futures September 2023	9	-
		9	-
	Euro Credit Default Swap (0.22)% (31 December 2022 (0.02)%)		
€13,200,000	Buy Protection CDS Index L58 20/06/2028 Barclays	(450)	(0.22)
		(450)	(0.22)
	Japanese Dollar Denominated Derivatives (1.92)% (31 December 2022 0.22%)		
	Japanese Yen Denominated Forward Exchange Contracts (1.96)% (31 December 2022 0.02%)		
	Buy JPY 7,101,713,496 Sell GBP 42,902,438 20/07/2023	(3,953)	(1.96)
		(3,953)	(1.96)
	Japanese Yen Denominated Futures Contracts (0.01)% (31 December 2022 0.05%)		
(6)	Japan 10 Year Bond Futures September 2023	(18)	(0.01)
		(18)	(0.01)
	Japanese Yen Credit Default Swap 0.05% (31 December 2022 0.15%)		
JPY285,000,000	Buy Protection CDS Softbank 20/12/2027 JP Morgan	97	0.05
		97	0.05

Portfolio statement (continued)

as at 30 June 2023

Holding	Investment	Market Value £'000	Percentage of total net assets %
	US Dollar Denominated Derivatives (0.31)% (31 December 2022 (0.24)%)		
	US Dollar Denominated Forward Exchange Contracts 0.01% (31 December 2022 (0.14)%)		
	Buy USD 4,173,369 Sell EUR 3,770,000 20/07/2023	61	0.03
	Buy USD 870,000 Sell GBP 686,134 20/07/2023	2	-
	Buy USD 700,000 Sell GBP 553,732 20/07/2023*	-	-
	Buy USD 495,000 Sell GBP 398,775 20/07/2023	(7)	-
	Buy USD 2,152,122 Sell GBP 1,730,000 20/07/2023	(29)	(0.02)
		<u>27</u>	<u>0.01</u>
	US Dollar Denominated Futures Contracts (0.07)% (31 December 2022 (0.10)%)		
105	US 10 Year Ultra Bond Futures September 2023	(138)	(0.07)
		<u>(138)</u>	<u>(0.07)</u>
	US Dollar Credit Default Swap (0.25)% (31 December 2022 0.00%)		
\$28,300,000	Buy Protection CDS Indice L58 20/06/2028 JP Morgan	(500)	(0.25)
		<u>(500)</u>	<u>(0.25)</u>
	Investment assets**	187,172	92.97
	Net other assets	14,162	7.03
	Total net assets	201,334	100.00

‡ Fair Value Price approved by the ACD.

* 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 the COLL Sourcebook.

Analysis of investments by asset class

	Market Value £'000	Percentage of total net assets %
Bonds	168,321	83.61
Collective Investment Schemes	19,217	9.55
Derivatives	(366)	(0.19)
Portfolio of investments	187,172	92.97
Net other assets	14,162	7.03
Total net assets	201,334	100.00

Statement of total return

for the period from 1 January 2023 to 30 June 2023

	Note	01.01.23 to 30.06.23 £'000	01.01.23 to 30.06.23 £'000	01.01.22 to 30.06.22 £'000	01.01.22 to 30.06.22 £'000
Income					
Net capital losses			(7,783)		(10,060)
Revenue		4,697		2,154	
Expenses		(368)		(451)	
Interest payable and similar charges		(12)		(28)	
Net revenue before taxation		4,317		1,675	
Taxation		(26)		18	
Net revenue after taxation			4,291		1,693
Total return before distributions			(3,492)		(8,367)
Distributions	2		(4,676)		(2,173)
Change in net assets attributable to shareholders from investment activities			(8,168)		(10,540)

Statement of change in net assets attributable to shareholders

for the period from 1 January 2023 to 30 June 2023

	01.01.23 to 30.06.23 £'000	01.01.23 to 30.06.23 £'000	01.01.22 to 30.06.22 £'000	01.01.22 to 30.06.22 £'000
Opening net assets attributable to shareholders		158,334*		147,062
Amounts received on issue of shares	47,435		14,361	
Amounts paid on cancellation of shares	(1,161)		(3,326)	
		46,274		11,035
Dilution adjustment		133		34
Change in net assets attributable to shareholders from investment activities		(8,168)		(10,540)
Retained distributions on accumulation shares		4,761		2,191
Closing net assets attributable to shareholders		201,334		149,782

* 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 2023

	30.06.23 £'000	31.12.22 £'000
Assets		
Fixed assets		
Investments	192,782	140,536
Current assets		
Debtors	3,981	2,437
Cash and bank balances	19,025	16,436
Total assets	215,788	159,409
Liabilities		
Investment liabilities	(5,610)	(967)
Creditors		
Bank overdrafts	-	(51)
Other creditors	(8,844)	(57)
Total liabilities	(14,454)	(1,075)
Net assets attributable to shareholders	201,334	158,334

Notes to the financial statements

for the period from 1 January 2023 to 30 June 2023

1 Accounting policies

The 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 the Investment Management Association) in May 2014 and as amended in June 2017.

The accounting policies applied are consistent with those disclosed within the annual Financial Statements for the year ended 31 December 2022.

2 Distributions

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

	01.01.23 to 30.06.23 £'000	01.01.22 to 30.06.22 £'000
First Interim – Accumulation shares (31 January)	675	334
Second Interim – Accumulation shares (28 February)	703	334
Third Interim – Accumulation shares (31 March)	790	318
Fourth Interim – Accumulation shares (30 April)	701	361
Fifth Interim – Accumulation shares (31 May)	930	447
Sixth Interim – Accumulation shares (30 June)	962	397
	<hr/> 4,761	<hr/> 2,191
Revenue deducted on cancellation of shares	2	1
Revenue received on issue of shares	(87)	(19)
Distributions	<hr/> 4,676	<hr/> 2,173
Reconciliation of distributions:		
Net revenue after taxation	4,291	1,693
Capitalised fees	368	451
Equalisation on Collective Investment Schemes	-	22
Overseas capital gains tax	17	-
Tax charge on income taken to capital	-	7
Distributions	<hr/> 4,676	<hr/> 2,173

Distribution tables

Sixth interim distribution

Group 1: Shares purchased prior to 1 June 2023
 Group 2: Shares purchased from 1 June 2023 to 30 June 2023

	Revenue pence per share	Equalisation pence per share*	Distribution paid 31.07.23 Pence per share	Distribution paid 29.07.22 Pence per share
Accumulation 'U2' Shares				
Group 1	0.5590	-	0.5590	0.3122
Group 2	0.3518	0.2072	0.5590	0.3122

Fifth interim distribution

Group 1: Shares purchased prior to 1 May 2023
 Group 2: Shares purchased from 1 May 2023 to 31 May 2023

	Revenue pence per share	Equalisation pence per share*	Distribution paid 30.06.23 pence per share	Distribution paid 30.06.22 pence per share
Accumulation 'U2' Shares				
Group 1	0.6791	-	0.6791	0.3737
Group 2	0.2965	0.3826	0.6791	0.3737

Fourth interim distribution

Group 1: Shares purchased prior to 1 April 2023
 Group 2: Shares purchased from 1 April 2023 to 30 April 2023

	Revenue pence per share	Equalisation pence per share*	Distribution paid 31.05.23 pence per share	Distribution paid 31.05.22 pence per share
Accumulation 'U2' Shares				
Group 1	0.5146	-	0.5146	0.3037
Group 2	0.2217	0.2929	0.5146	0.3037

Third interim distribution

Group 1: Shares purchased prior to 1 March 2023
 Group 2: Shares purchased from 1 March 2023 to 31 March 2023

	Revenue pence per share	Equalisation pence per share*	Distribution paid 28.04.23 pence per share	Distribution paid 29.04.22 pence per share
Accumulation 'U2' Shares				
Group 1	0.5835	-	0.5835	0.2689
Group 2	0.2260	0.3575	0.5835	0.2689

Distribution tables (continued)

Second interim distribution

Group 1: Shares purchased prior to 1 February 2023
 Group 2: Shares purchased from 1 February 2023 to 28 February 2023

	Revenue pence per share	Equalisation pence per share*	Distribution paid 31.03.23 pence per share	Distribution paid 31.03.22 pence per share
Accumulation 'U2' Shares				
Group 1	0.5234	-	0.5234	0.2811
Group 2	0.2348	0.2886	0.5234	0.2811

First interim distribution

Group 1: Shares purchased prior to 1 January 2022
 Group 2: Shares purchased from 1 January 2022 to 31 January 2022

	Revenue pence per share	Equalisation pence per share*	Distribution paid 28.02.23 pence per share	Distribution paid 28.02.22 pence per share
Accumulation 'U2' Shares				
Group 1	0.5058	-	0.5058	0.2828
Group 2	0.2380	0.2678	0.5058	0.2828

* Equalisation only applies to shares purchased during the distribution 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 of these shares 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.

Quilter Investors Dynamic Bond Fund

Launch date	20 August 2003
IA Sector	Sterling Strategic Bond
Investment Adviser	TwentyFour Asset Management LLP
Net asset value	£137,088,208

Objective

The sub-fund aims to achieve a combination of income and capital growth and to outperform the ICE BofA Q9AX Custom Index, net of charges, over rolling five-year periods.

Policy

The sub-fund invests at least 70% of the value of its property in a diversified range of Sterling-denominated (or hedged back to Sterling) investment grade and sub-investment grade debt securities issued by companies, banks, public entities and governments located in developed and emerging markets anywhere in the world. Investment may be direct or indirect (e.g. through collective investment schemes or derivatives).

The sub-fund's dynamic approach allows investment in a broad range of fixed interest assets and allocation to sub-asset classes of greatest opportunity at any given point in time, while derivatives can be used as a cost effective way to adjust the risk profile of the sub-fund, depending on market conditions. The sub-fund's investments tend to be held for the medium to long term, although can be sold sooner if it is in the interests of the sub-fund. At any time the sub-fund may invest up to 50% of its property in sub-investment grade bonds. The sub-fund may invest up to 60% of its property in debt securities whose issuers are in the financial sector (which may include up to 49% of the value of its property in contingent convertible bonds (CoCos)). The sub-fund may also invest up to 50% of its property in asset-backed and mortgage-backed securities.

The sub-fund may also invest in other transferable securities, collective investment schemes, warrants, money market instruments, deposits, cash and derivatives.

Any investment in collective investment schemes may include those managed or operated by the ACD or an associate of the ACD.

The sub-fund may use derivatives for investment purposes and/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 not likely to affect the risk profile of the sub-fund.

Investment Adviser's review

Market review

Markets got off to the strongest start to a year since 2019 in January, after a number of issues that had driven sentiment in 2022 started to ease. Starting in Europe gas prices continued their significant decline from the highs thanks to the combination of a warmer winter and effective management of liquified natural gas flows by European economies. With lower gas prices came better growth forecasts, and an expectation that Europe would probably stave off a recession over winter. In the US, the recent turn in sentiment continued its positive momentum as headline inflation in January came in -0.1% month-on-month. February marked a return to more negative investor sentiment. Renewed inflation fears and a strong labour market in the US lowered the likelihood of a dovish pivot by the Fed this year.

The US regional banking crisis came to the fore on 10 March, when Silicon Valley Bank was seized by the Californian authorities. Although there was very little read-across to European banks, they nevertheless suffered contagion, and spreads began to widen across the capital structure. CS was caught by the negative sentiment, which intensified as the SEC forced the delay of the bank's results announcement. With CS facing a liquidity crisis, the Swiss National Bank ("SNB") provided a CHF 50bn liquidity line, which only partially stemmed the negative news flow. Although both the SNB and Swiss regulator, FINMA, had stated that CS was solvent and well capitalised, over the course of the weekend, it was decided that UBS would take over CS in what seemed a forced union. However, the most controversial decision taken was that CHF 3bn would be paid to CS shareholders but the Additional Tier1 ("AT1") bonds would be written down to zero. This decision, which put equity holders in front of subordinated debt holders, led to a sharp move lower in European bank debt the following morning, until statements from the European Central Bank ("ECB") and the Bank of England confirmed that hierarchy of payments would be respected and was enshrined in law, with ECB President Christine Lagarde adding: "Switzerland does not set standards in Europe". These statements led to a sharp rebound in Euro and UK bank debt, with Swiss banks unsurprisingly lagging.

May saw fears of the regional banking crisis heighten again. The month began with a deal being brokered for JP Morgan to buy the struggling US regional bank, First Republic. This led to the shares of other regional banks falling sharply in the following days. With fear that the headlines could become a self-fulfilling prophecy, the 10-year US Treasury rallied. However, updates from regional banks announcing new net inflows helped turn the momentum and share prices began to rebound. The ongoing issue throughout May of the US debt ceiling caused alarm to the market. With Treasury Secretary Yellen warning that the debt ceiling could be hit by the beginning of June, the market was closely following the negotiations between President Biden and House Speaker McCarthy. As these soured in the middle of the month, the June 2023 Treasury bill spiked to 5.40% as market participants questioned whether the US Government might default or delay its due payments. Biden and McCarthy eventually came to an agreement at the end of the month which will see fiscal spending reduced by \$64bn in 2024.

The end of the period was dominated by central bank meetings and, in particular the forward guidance from the Federal Reserve ("Fed"), ECB and the Bank of England. With labour markets still strong and core inflation still sticky across the geographies all central banks were remaining hawkish. At the end of June markets were pricing in one more hike for the Fed to a rate of 5.5%, two hikes for the Eurozone to 4% and five hikes for the Bank of England to 6.25%.

Performance review

The team has been increasing the duration of the Government bond section of the portfolio by switching from short dated bills to 10Y US Treasuries opportunistically as yields rise. This adds risk off protection to the portfolio as we expect an upcoming slowdown. Moreover, to make the portfolio robust for any potential slowdown the team has been increasing the credit quality of the portfolio. This has been done within each sector and seen a reduction in high yield exposure.

CLOs have been the best performer YTD – benefitting from the very high current yields in the sector. The sector which has been lagging is financials – led by AT1s due to contagion from the US regional bank crisis and the Credit Suisse write down event – however we do expect spreads in this sector to normalise as banks continue to call AT1 bonds and issue new AT1s.

We believe the portfolio currently looks very attractive with an average rating of BBB+ and yielding 9.12% with a Credit Spread duration of 2.63 years.

Outlook

After a more constructive period in terms of performance and a higher rates backdrop, we anticipate the summer months to be quieter. The market will remain nervous of any signs of inflation accelerating, but we would expect a constructive response if core inflation were to fall. Tightness in the job market will be closely monitored as an indicator of the effectiveness of central bank rate hikes in slowing down economies. The first rate hike from the Fed was 18 months ago, which is generally seen as an inflection point. The next earning season will again be closely monitored. Over the last six months, the portfolio has been gradually positioning itself for a slowdown in the economy. The more liquid and defensive profile of the portfolio is expected to remain the core approach to try to navigate the upcoming uncertain period.

Quilter Investors Dynamic 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.

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.

Liquidity risk - some investments may become hard to value or sell at a desired time and price. In extreme circumstances this may affect the sub-fund's ability to meet redemption requests upon demand.

Asset-backed and mortgage-backed securities risk - asset-backed and mortgage-backed securities may be subject to greater credit, liquidity, interest rate, prepayment and extension risk, and their value may be more volatile than other debt securities.

Contingent convertible bonds (CoCos) risk - the sub-fund may invest in CoCos which are relatively new and complex instruments, and the behaviour and liquidity of the CoCos market under a stressed financial environment are untested. CoCos can be converted into equity at a time that is chosen by the issuers and this may result in capital loss for the investor.

Currency risk - 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.

Derivative risk - the sub-fund may use derivatives for investment purposes and/or for Efficient Portfolio Management (EPM). 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 their contractual obligations.

Capital erosion risk - the sub-fund takes its charges from the capital of the sub-fund. Investors should be aware that there is potential for capital erosion if insufficient capital growth is achieved by the sub-fund to cover the charges. Capital erosion may have the effect of reducing the level of income generated.

For full details of the sub-fund's risks, please see the section in the Prospectus headed "Risks".

Performance records

Comparative Tables

	1 January 2023 to 30 June 2023 p/share	1 January 2022 to 31 December 2022 p/share	1 January 2021 to 31 December 2021 p/share
Accumulation 'U2'†			
Change in net assets per share			
Opening net asset value per share	89.26	100.70	100.00
Return before operating charges*	1.37	(10.94)	0.77
Operating charges**	(0.23)	(0.50)	(0.05)
Return after operating charges*	1.14	(11.44)	0.70
Distributions	(2.75)	(4.56)	(0.37)
Retained distributions on accumulation shares	2.75	4.56	0.37
Closing net asset value per share	90.40	89.26	100.70
* after direct transaction costs of***	-	-	-
Performance			
Return after charges	1.28%	(11.36)%	0.68%
Other information			
Closing net asset value (£)	904	892	1,007
Closing number of shares	1,000	1,000	1,000
Operating charges****	0.50%	0.54%	0.60%
Direct transaction costs***	-	-	-
Prices			
	pence per share	pence per share	pence per share
Highest share price	94.14	101.4	101.3
Lowest share price	88.21	84.73	99.77
Income 'A'			
	1 January 2023 to 30 June 2023 p/share	1 January 2022 to 31 December 2022 p/share	1 January 2021 to 31 December 2021 p/share
Change in net assets per share			
Opening net asset value per share	38.09	45.37	46.07
Return before operating charges*	0.61	(4.86)	1.60
Operating charges**	(0.19)	(0.41)	(0.46)
Return after operating charges*	0.42	(5.27)	1.14
Distributions	(1.17)	(2.01)	(1.84)
Closing net asset value per share	37.34	38.09	45.37
* after direct transaction costs of***	-	-	-
Performance			
Return after charges	1.10%	(11.62)%	2.47%
Other information			
Closing net asset value (£)	137,087,304	119,553,595	124,655,990
Closing number of shares	367,180,737	313,858,717	274,760,520
Operating charges****	1.00%	1.00%	1.00%
Direct transaction costs***	-	-	-
Prices			
	pence per share	pence per share	pence per share
Highest share price	39.96	45.67	46.92
Lowest share price	37.24	36.71	45.28

† The share class was launched on 29 November 2021.

** The operating charges include all costs borne by the sub-fund, except for direct transaction costs.

*** 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 (excluding interest on borrowings) to the average net assets of the sub-fund.

Performance

	6 months to 30 June 2023	1 year to 30 June 2023	3 years to 30 June 2023	5 years to 30 June 2023
Quilter Investors Dynamic Bond Fund*	0.81%	2.89%	(2.12)%	5.82%
Target Benchmark**	0.63%	(1.55)%	(1.30)%	0.33%
IA Sterling Strategic Bond (sector average)	0.68%	(0.21)%	(5.07)%	2.90%
Quartile ranking	2	1	2	2

* Income 'A' shares

** Prior to 18/08/2022: ICE BofA SONIA 3-Month Constant Maturity Index, from 19/08/2022 to present: ICE BofA Q9AX Custom Index

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	
Europe	41.41	United States Treasury 4.125% 15/11/2032	10.32	
North America	30.44	United States Treasury 3.5% 15/02/2033	8.06	
United Kingdom	24.96	United States Treasury 3.375% 15/05/2033	3.62	
Asia Pacific (excluding Japan)	0.35	United States Treasury 2.875% 31/10/2023	2.04	
Overseas Derivatives	0.60	Coventry Building Society 6.875% Perpetual	1.81	
United Kingdom Derivatives	0.26	BNP Paribas 7.375% Perpetual	1.21	
		HSBC 5.875% Perpetual	1.19	
Net other assets	1.98	Charles Street Conduit 2 7.90319% 12/03/2027	1.09	
		Hayfin Emerald CLO I 6.277% 17/04/2034	1.05	
Total	100.00	Castell 9.68574% 25/03/2053	1.02	
Asset allocation		Number of holdings	203	
US Dollar Denominated Debt Securities	40.38	Total Purchases and Sales for the period		
Euro Denominated Debt Securities	33.40		2023	2022
Sterling Denominated Debt Securities	23.38		£'000	£'000
Overseas Derivatives	0.60	Total purchases for the 6 month period to 30 June	73,997	36,913
United Kingdom Derivatives	0.26	Total sales for the 6 month period to 30 June	51,417	39,236
Net other assets	1.98			
Total	100.00			

Portfolio statement

as at 30 June 2023

Holding	Investment	Market Value £'000	Percentage of total net assets %
Sterling 23.38% (31 December 2022 21.43%)			
Sterling Denominated Fixed Rate Corporate Bonds 19.86% (31 December 2022 18.35%)			
£300,000	AA 6.5% 31/01/2026	259	0.19
£400,000	America Movil 5% 27/10/2026	382	0.28
£570,000	Aviva 4% 03/06/2055	424	0.31
£466,000	Barclays 3.75% 22/11/2030	416	0.30
£201,000	Barclays 5.875% Perpetual	179	0.13
£600,000	Barclays 6.375% Perpetual	514	0.38
£439,000	Barclays 7.125% Perpetual	396	0.29
£350,000	Barclays 8.875% Perpetual	321	0.23
£210,000	Bellis Finco 4% 16/02/2027	155	0.11
£700,000	Bracken Midco1-Anleihe 6.75% 01/11/2027	541	0.39
£1,500,000	BUPA Finance 4% Perpetual	885	0.65
£200,000	Burford Capital 5% 01/12/2026	181	0.13
£150,000	Cadent Finance 2.125% 22/09/2028	121	0.09
£2,688,000	Coventry Building Society 6.875% Perpetual	2,476	1.81
£240,000	Deuce Finco 5.5% 15/06/2027	203	0.15
£950,000	Direct Line Insurance 4.75% Perpetual	629	0.46
£250,000	Encore Capital 4.25% 01/06/2028	190	0.14
£325,000	esure 6% Perpetual	219	0.16
£250,000	Ford Motor Credit 6.86% 05/06/2026	244	0.18
£200,000	Galaxy Bidco 6.5% 31/07/2026	182	0.13
£170,000	Garfunkelux Holdco 3 7.75% 01/11/2025	121	0.09
£1,880,000	HSBC 5.875% Perpetual	1,631	1.19
£699,000	Investec 6.75% Perpetual	594	0.43
£450,000	Investec 9.125% 06/03/2033	436	0.32
£375,000	Jerrold Finco 5.25% 15/01/2027	312	0.23
£200,000	La Financiere Atalian 6.625% 15/05/2025	136	0.10
£850,000	Legal & General 5.625% Perpetual	651	0.48
£1,450,000	Lloyds Banking 8.5% Perpetual	1,339	0.98
£400,000	Maison Finco 6% 31/10/2027	309	0.23
£100,000	National Grid Electricity Distribution 3.625% 06/11/2023	99	0.07
£350,000	National Grid Electricity Distribution West Midlands 3.875% 17/10/2024	338	0.25
£1,400,000	Nationwide Building Society 5.75% Perpetual	1,192	0.87
£9,904	Nationwide Building Society 10.25% Perpetual	1,128	0.82
£660,000	NatWest 3.622% 14/08/2030	607	0.44
£1,100,000	NatWest 4.5% Perpetual	822	0.60
£400,000	NatWest 5.125% Perpetual	329	0.24
£600,000	NIE Finance 6.375% 02/06/2026	595	0.43
£750,000	OSB 6% Perpetual	576	0.42
£502,000	Paragon Banking 4.375% 25/09/2031	418	0.30
£1,230,000	Pension Insurance 7.375% Perpetual	1,038	0.76
£1,413,000	Phoenix 5.75% Perpetual	1,099	0.80
£350,000	Punch Finance 6.125% 30/06/2026	298	0.22
£350,000	RAC Bond 5.25% 04/11/2046	277	0.20
£900,000	Rothsay Life 5% Perpetual	573	0.42
£740,000	Rothsay Life 6.875% Perpetual	608	0.44
£200,000	Severn Trent Utilities Finance 6.25% 07/06/2029	197	0.14
£760,000	Shawbrook 12.103% Perpetual	678	0.49
£690,000	Sherwood Financing 6% 15/11/2026	574	0.42
£500,000	Svenska Handelsbanken 4.625% 23/08/2032	444	0.32
£170,000	TalkTalk Telecom 3.875% 20/02/2025	137	0.10
£400,000	Virgin Media Secured Finance 5.25% 15/05/2029	336	0.25
£550,000	Zenith Finco 6.5% 30/06/2027	413	0.30
		27,222	19.86

Portfolio statement (continued)

as at 30 June 2023

Holding	Investment	Market Value £'000	Percentage of total net assets %
Sterling Denominated Variable Rate Corporate Bonds 3.52% (31 December 2022 3.08%)			
£1,400,000	Castell 9.68574% 25/03/2053	1,404	1.02
£1,500,000	Charles Street Conduit 2 7.90319% 12/03/2027†	1,500	1.09
£200,000	Clariane 4.125% Perpetual	159	0.12
768,343	Syon Securities FRN 19/07/2026	732	0.53
£1,100,000	Virgin Money UK 9.25% Perpetual	1,035	0.76
		4,830	3.52
Overseas 73.78% (31 December 2022 75.94%)			
Euro 33.40% (31 December 2022 29.12%)			
Euro Denominated Fixed Rate Corporate Bonds 17.01% (31 December 2022 13.15%)			
€400,000	Abanca Corporation Bancaria 6% Perpetual	294	0.21
€1,000,000	Achmea 4.625% Perpetual	662	0.48
€1,350,000	Aegon 5.625% Perpetual	1,028	0.75
€200,000	Altice France 4.125% 15/01/2029	124	0.09
€300,000	Altice France 8% 15/05/2027	149	0.11
€1,000,000	ASR Nederland 4.625% Perpetual	709	0.52
€600,000	Assicurazioni Generali 5.8% 06/07/2032	536	0.39
€1,400,000	Banco Bilbao Vizcaya Argentaria 5.75% 15/09/2033	1,185	0.86
€800,000.00	Banco Bilbao Vizcaya Argentaria 8.375% Perpetual	681	0.50
€800,000	Banco de Sabadell 5% Perpetual	509	0.37
€1,000,000	Banco de Sabadell 5.75% Perpetual	718	0.52
€600,000	Banco Santander 3.625% Perpetual	337	0.25
€320,000	Bank of Ireland 6.75% 01/03/2033	278	0.20
€700,000	BNP Paribas 2.5% 31/03/2032	534	0.39
€2,000,000	BNP Paribas 7.375% Perpetual	1,660	1.21
€475,000	BP Capital Markets 3.625% Perpetual	354	0.26
€400,000	CaixaBank 3.625% Perpetual	232	0.17
€300,000	CaixaBank 6.25% 23/02/2033	258	0.19
€250,000	Cheplapharm Arzneimittel 3.5% 11/02/2027	194	0.14
€100,000	CNP Assurances 4.75% Perpetual	78	0.06
€1,600,000	Commerzbank 6.5% 06/12/2032	1,357	0.99
€600,000	Deutsche Pfandbriefbank 8.474% Perpetual	348	0.25
€300,000	Digital Euro Finco 2.625% 15/04/2024	252	0.18
€400,000	doValue 5% 04/08/2025	323	0.24
€400,000	Erste 4.25% Perpetual	260	0.19
€330,000	Fidelity National Information Services 1.5% 21/05/2027	257	0.19
€52,515	FTA Santander Consumo 4 3.7% 18/09/2032	42	0.03
€200,000	Garfunkelux Holdco 3 6.75% 01/11/2025	126	0.09
€300,000	Heimstaden 4.25% 09/03/2026	136	0.10
€300,000	Heimstaden 4.375% 06/03/2027	166	0.12
€280,000	House of HR 9% 03/11/2029	237	0.17
€170,000	INEOS Finance 6.625% 15/05/2028	143	0.10
€200,000	International Consolidated Airlines 3.75% 25/03/2029	149	0.11
€400,000	Intesa Sanpaolo 5.875% Perpetual	272	0.20
€1,400,000	Intesa Sanpaolo 6.184% 20/02/2034	1,185	0.86
€570,000	Intesa Sanpaolo 6.375% Perpetual	422	0.31
€1,000,000	Intesa Sanpaolo Vita 4.75% Perpetual	832	0.61
€300,000	Jaguar Land Rover Automotive 4.5% 15/07/2028	224	0.16
€400,000	Julius Baer 6.625% Perpetual	295	0.22
€100,000	La Financiere Atalian 4% 15/05/2024	64	0.05
€270,000	Marex 8.375% 02/02/2028	230	0.17
€700,000	Mutuelle Assurance 3.5% Perpetual	430	0.31

Portfolio statement (continued)

as at 30 June 2023

Holding	Investment	Market Value £'000	Percentage of total net assets %
Euro Denominated Fixed Rate Corporate Bonds (continued)			
€500,000	Siemens Energy Finance 4% 05/04/2026	418	0.30
€200,000	SIG 5.25% 30/11/2026	145	0.11
€100,000	Summer 5.75% 31/10/2026	76	0.06
€198,232	Summer 9.25% 31/10/2027	139	0.10
€600,000	Telefonica Europe 4.375% Perpetual	502	0.37
€400,000	Telefonica Europe 6.135% Perpetual	330	0.24
€530,000	Trafigura Funding 3.875% 02/02/2026	427	0.31
€800,000	Unicaja Banco 3.125% 19/07/2032	559	0.41
€1,150,000	UniCredit 4.45% Perpetual	772	0.56
€950,000	UnipolSai Assicurazioni 6.375% Perpetual	702	0.51
€160,000	Vodafone International Financing 3.25% 02/03/2029	133	0.10
€1,100,000	Volkswagen International Finance 4.625% Perpetual	848	0.62
		23,321	17.01
Euro Denominated Variable Rate Corporate Bonds 16.39% (31 December 2022 15.97%)			
€1,400,000	Alme Loan Funding IV 5.627% 15/01/2032	1,125	0.82
€500,000	Aqueduct European CLO 4-2019 8.727% 15/07/2032	391	0.29
€1,000,000	Aqueduct European CLO 5-2020 9.11% 20/04/2034	761	0.55
€300,000	Arbour CLO III 9.067% 30/07/2034	229	0.17
€300,000	Armada Euro CLO I 9.301% 24/04/2034	236	0.17
€250,000	Avondale Park CLO 9.607% 20/09/2034	192	0.14
€400,000	Banco Bilbao Vizcaya Argentaria 6% Perpetual	331	0.24
€1,500,000	Black Diamond CLO 2017-2 DAC 8.3% 20/01/2032	1,150	0.84
€250,000	BNPP AM Euro CLO 2021 9.326% 15/12/2033	183	0.13
€300,000	Bridgepoint CLO 2 8.967% 15/04/2035	235	0.17
€250,000	CVC Cordatus Loan Fund VIII 8.977% 15/07/2034	190	0.14
€500,000	CVC Cordatus Loan Fund XVII 9.502% 18/11/2033	384	0.28
€1,000,000	Dillon's Park 9.287% 15/10/2034	744	0.54
€1,000,000	Dryden 79 Euro CLO 2020 9.645% 18/01/2035	698	0.51
€1,000,000	Harvest CLO VII 10.515% 12/04/2031	782	0.57
€450,000	Harvest CLO XXIII 8.53% 20/10/2032	339	0.25
€1,300,000	Harvest CLO XXVIII 10.591% 25/10/2034	1,034	0.75
€2,000,000	Hayfin Emerald CLO I 6.277% 17/04/2034	1,442	1.05
€1,000,000	Hayfin Emerald CLO IV 6.627% 15/10/2034	722	0.53
€1,000,000	Hayfin Emerald CLO IV 9.237% 15/10/2034	679	0.50
€300,000	Hayfin Emerald CLO VII 11.827% 15/04/2034	190	0.14
€1,000,000	Invesco Euro CLO II 9.383% 15/08/2034	712	0.52
€1,000,000	Madison Park Euro Funding IX 6.377% 15/07/2035	783	0.57
€1,000,000	Madison Park Euro Funding XI 8.183% 15/02/2031	741	0.54
€1,000,000	Man GLG Euro CLO I 5.627% 15/10/2030	783	0.57
€1,000,000	Man GLG Euro CLO I 8.027% 15/10/2030	739	0.54
€200,000	Milltown Park CLO 7.997% 15/01/2031	151	0.11
€1,000,000	Penta 8.601% 25/01/2033	760	0.55
€1,000,000	Penta CLO 2021-2 9.394% 04/11/2034	764	0.56
€500,000	Providus CLO V 8.613% 15/02/2035	373	0.27
€300,000	RRE 7 Loan Management 9.377% 15/10/2036	231	0.17
€1,000,000	RRE 9 Loan Management 9.327% 15/10/2036	765	0.56
€1,000,000	St Paul's CLO VIII 9.077% 17/07/2030	662	0.48
€1,079,902	Stichting AK Rabobank Certificaten 6.5% Perpetual	857	0.63
€1,500,000	Sutton Park 8.523% 15/11/2031	1,144	0.83
€800,000	Volksbank Wien 7.75% Perpetual	585	0.43
€250,000	Voya Euro CLO III 8.267% 15/04/2033	186	0.14
€250,000	Voya Euro CLO V 8.987% Perpetual	190	0.14
		22,463	16.39

Portfolio statement (continued)

as at 30 June 2023

Holding	Investment	Market Value £'000	Percentage of total net assets %
US Dollar 40.38% (31 December 2022 46.82%)			
US Dollar Denominated Fixed Rate Corporate Bonds 15.17% (31 December 2022 21.64%)			
\$1,600,000	Allianz 3.5% Perpetual	1,047	0.76
\$330,000	American Axle & Manufacturing 6.875% 01/07/2028	241	0.18
\$450,000	Antero Midstream Partners 5.75% 15/01/2028	339	0.25
\$300,000	Banco Mercantil del Norte 5.875% Perpetual	202	0.15
\$200,000	Banco Mercantil del Norte 6.75% Perpetual	152	0.11
\$200,000	Banco Mercantil del Norte 8.375% Perpetual	147	0.11
\$946,000	Barclays 4.375% Perpetual	504	0.37
\$380,000	Berry Global Escrow 5.625% 15/07/2027	294	0.21
\$700,000	Burford Capital Global Finance 6.25% 15/04/2028	508	0.37
\$550,000	C&W Senior Financing 6.875% 15/09/2027	378	0.28
\$350,000	Cheplapharm Arzneimittel 5.5% 15/01/2028	253	0.18
\$400,000	Consolidated Communications 5% 01/10/2028	237	0.17
\$1,600,000	Credit Agricole 4.75% Perpetual	1,002	0.73
\$2,000,000	Danske Bank 4.375% Perpetual	1,339	0.98
\$585,000	Edgewell Personal Care 5.5% 01/06/2028	439	0.32
\$450,000	EnLink Midstream 5.625% 15/01/2028	343	0.25
\$442,130	Guara Norte 5.198% 15/06/2034	306	0.22
\$400,000	Hess Midstream Operations LP 5.5% 15/10/2030	292	0.21
\$1,745,000	ING 3.875% Perpetual	984	0.72
\$1,000,000	Julius Baer 3.625% Perpetual	521	0.38
\$450,000	Kinetik 5.875% 15/06/2030	338	0.25
\$211,750	Level 3 Financing 10.5% 15/05/2030	169	0.12
\$1,300,000	Lloyds Banking 7.953% 15/11/2033	1,104	0.81
\$800,000	Marex 13.25% Perpetual	631	0.46
\$400,000	MHP 7.75% 10/05/2024	215	0.16
\$400,000	NESCO 5.5% 15/04/2029	285	0.21
\$650,000	Nordea Bank 3.75% Perpetual	378	0.28
\$200,000	Petroleos Mexicanos 6.625% 15/06/2038	105	0.08
\$640,000	Petroleos Mexicanos 6.84% 23/01/2030	401	0.29
\$430,000	Prestige Brands 5.125% 15/01/2028	323	0.24
\$356,000	QBE Insurance 5.25% Perpetual	257	0.19
\$287,000	Sable International Finance 5.75% 07/09/2027	213	0.16
\$500,000	Sealed Air 6.125% 01/02/2028	391	0.29
\$225,000	Societe Generale 5.375% Perpetual	132	0.10
\$760,000	Societe Generale 6.691% 10/01/2034	606	0.44
\$1,000,000	Societe Generale 6.75% Perpetual	641	0.47
\$700,000	Societe Generale 9.375% Perpetual	541	0.39
\$500,000	Solaris Midstream 7.625% 01/04/2026	383	0.28
\$2,150,000	Standard Chartered 4.3% Perpetual	1,230	0.90
\$1,200,000	Swedbank 4% Perpetual	678	0.49
\$400,000	Titan International 7% 30/04/2028	295	0.20
\$325,000	Trafigura 5.875% Perpetual	223	0.16
\$800,000	UBS 4.875% Perpetual	503	0.37
\$1,100,000	UBS 5.959% 12/01/2034	857	0.62
\$400,000	Unifin Financiera 8.375% 27/01/2028	13	0.01
\$200,000	Unifin Financiera 9.875% 28/01/2029	7	-
\$530,000	UPL 5.25% Perpetual	345	0.25
		20,792	15.17
US Dollar Denominated Variable Rate Corporate Bonds 0.45% (31 December 2022 0.00%)			
\$800,000	UniCredit 8% Perpetual	619	0.45
		619	0.45

Portfolio statement (continued)

as at 30 June 2023

Holding	Investment	Market Value £'000	Percentage of total net assets %
	US Dollar Denominated Fixed Rate Government Bonds 24.76% (31 December 2022 25.18%)		
\$3,560,000	United States Treasury 2.875% 31/10/2023	2,793	2.04
\$1,340,000	United States Treasury 2.875% 15/05/2032	978	0.72
\$6,550,000	United States Treasury 3.375% 15/05/2033	4,966	3.62
\$14,420,000	United States Treasury 3.5% 15/02/2033	11,050	8.06
\$17,597,500	United States Treasury 4.125% 15/11/2032	14,151	10.32
		33,938	24.76
	Derivatives 0.86% (31 December 2022 (0.83)%)		
	Sterling Denominated Forward Exchange Contracts 0.26% (31 December 2022 (1.45)%)		
	Buy GBP 42,105,149 Sell EUR 48,959,157 14/07/2023	63	0.04
	Buy GBP 1,580,636 Sell EUR 1,829,662 14/07/2023	9	0.01
	Buy GBP 663,519 Sell EUR 774,043 14/07/2023	(1)	-
	Buy GBP 689,558 Sell EUR 806,135 14/07/2023	(3)	-
	Buy GBP 880,266 Sell EUR 1,029,192 14/07/2023	(3)	-
	Buy GBP 1,491,356 Sell EUR 1,744,994 14/07/2023	(7)	(0.01)
	Buy GBP 55,444,275 Sell USD 69,736,507 14/07/2023	309	0.22
	Buy GBP 1,148,451 Sell USD 1,458,659 14/07/2023	(5)	-
		362	0.26
	Euro Interest Rate Swap 0.60% (31 December 2022 0.62%)		
€10,000,000	Interest Rate Swap - Pay EUR 6M LIBOR, Receive EUR 0.859% 23/02/2027 Morgan Stanley	821	0.60
		821	0.60
	Investment assets*	134,368	98.02
	Net other assets	2,720	1.98
	Total net assets	137,088	100.00

* Including investment liabilities.

† Listed during the prior year and being valued at cost price.

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, unless otherwise stated.

Analysis of investments by asset class

	Market Value £'000	Percentage of total net assets %
Bonds	133,185	97.16
Derivatives	1,183	0.86
Portfolio of investments	134,368	98.02
Net other assets	2,720	1.98
Total net assets	137,088	100.00

Statement of total return

for the period from 1 January 2023 to 30 June 2023

	Note	01.01.23 to 30.06.23 £'000	01.01.23 to 30.06.23 £'000	01.01.22 to 30.06.22 £'000	01.01.22 to 30.06.22 £'000
Income					
Net capital losses			(2,233)		(16,869)
Revenue		3,858		2,595	
Expenses		(628)		(565)	
Interest payable and similar charges		-		(3)	
Net revenue before taxation		3,230		2,027	
Taxation		-		(10)	
Net revenue after taxation			3,230		2,017
Total return before distributions			997		(14,852)
Distributions	2		(3,858)		(2,582)
Change in net assets attributable to shareholders from investment activities			(2,861)		(17,434)

Statement of change in net assets attributable to shareholders

for the period from 1 January 2023 to 30 June 2023

	01.01.23 to 30.06.23 £'000	01.01.23 to 30.06.23 £'000	01.01.22 to 30.06.22 £'000	01.01.22 to 30.06.22 £'000
Opening net assets attributable to shareholders		119,554*		124,657
Amounts received on issue of shares	22,987		17,133	
Amounts paid on cancellation of shares	(2,692)		(18,342)	
		20,295		(1,209)
Dilution adjustment		100		101
Change in net assets attributable to shareholders from investment activities		(2,861)		(17,434)
Closing net assets attributable to shareholders		137,088		106,115*

* 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 2023

	30.06.23 £'000	31.12.22 £'000
Assets		
Fixed assets		
Investments	134,387	117,161
Current assets		
Debtors	1,888	1,475
Cash and bank balances	2,462	4,008
Total assets	138,737	122,644
Liabilities		
Investment liabilities	(19)	(1,739)
Creditors		
Bank overdrafts	(740)	(670)
Distribution payable	(704)	(582)
Other creditors	(186)	(99)
Total liabilities	(1,649)	(3,090)
Net assets attributable to shareholders	137,088	119,554

Notes to the financial statements

for the period from 1 January 2023 to 30 June 2023

1 Accounting policies

The 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 the Investment Management Association) in May 2014 and as amended in June 2017.

The accounting policies applied are consistent with those disclosed within the annual Financial Statements for the year ended 31 December 2022.

2 Distributions

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

	01.01.23 to 30.06.23 £'000	01.01.22 to 30.06.22 £'000
First Interim – Income shares (31 January)	620	444
First Interim – Accumulation shares (31 January)	-	-
Second Interim – Income shares (28 February)	603	363
Second Interim – Accumulation shares (28 February)	-	-
Third Interim – Income shares (31 March)	650	402
Third Interim – Accumulation shares (31 March)	-	-
Fourth Interim – Income shares (30 April)	634	409
Fourth Interim – Accumulation shares (30 April)	-	-
Fifth Interim – Income shares (31 May)	696	476
Fifth Interim – Accumulation shares (31 May)	-	-
Sixth Interim – Income shares (30 June)	704	463
Sixth Interim – Accumulation shares (30 June)	-	-
	<hr/> 3,907	<hr/> 2,557
Revenue deducted on cancellation of shares	5	52
Revenue received on issue of shares	(54)	(27)
Distributions	<hr/> 3,858	<hr/> 2,582
Reconciliation of distributions:		
Net revenue after taxation	3,230	2,017
Capitalised fees	628	565
Distributions	<hr/> 3,858	<hr/> 2,582

Distribution tables

Sixth interim distribution

Group 1: Shares purchased prior to 1 June 2023
 Group 2: Shares purchased from 1 June 2023 to 30 June 2023

	Revenue pence per share	Equalisation pence per share*	Distribution paid 31.07.23 pence per share	Distribution paid 29.07.22 pence per share
Accumulation 'U2' Shares				
Group 1	0.4540	-	0.4540	0.3870
Group 2	0.4540	0.0000	0.4540	0.3870
Income 'A' Shares				
Group 1	0.1917	-	0.1917	0.1694
Group 2	0.1163	0.0754	0.1917	0.1694

Fifth interim distribution

Group 1: Shares purchased prior to 1 May 2023
 Group 2: Shares purchased from 1 May 2023 to 31 May 2023

	Revenue pence per share	Equalisation pence per share*	Distribution paid 30.06.23 pence per share	Distribution paid 30.06.22 pence per share
Accumulation 'U2' Shares				
Group 1	0.4970	-	0.4970	0.4220
Group 2	0.4970	0.0000	0.4970	0.4220
Income 'A' Shares				
Group 1	0.2111	-	0.2111	0.1863
Group 2	0.0891	0.1220	0.2111	0.1863

Fourth interim distribution

Group 1: Shares purchased prior to 1 April 2023
 Group 2: Shares purchased from 1 April 2023 to 30 April 2023

	Revenue pence per share	Equalisation pence per share*	Distribution paid 31.05.23 pence per share	Distribution paid 31.05.22 pence per share
Accumulation 'U2' Shares				
Group 1	0.4500	-	0.4500	0.3610
Group 2	0.4500	0.0000	0.4500	0.3610
Income 'A' Shares				
Group 1	0.1918	-	0.1918	0.1607
Group 2	0.0867	0.1051	0.1918	0.1607

Distribution tables (continued)

Third interim distribution

Group 1: Shares purchased prior to 1 March 2023
 Group 2: Shares purchased from 1 March 2023 to 31 March 2023

	Revenue pence per share	Equalisation pence per share*	Distribution paid 28.04.23 pence per share	Distribution paid 29.04.22 pence per share
Accumulation 'U2' Shares				
Group 1	0.4540	-	0.4540	0.3570
Group 2	0.4540	0.0000	0.4540	0.3570
Income 'A' Shares				
Group 1	0.1972	-	0.1972	0.1570
Group 2	0.0911	0.1061	0.1972	0.1570

Second interim distribution

Group 1: Shares purchased prior to 1 February 2023
 Group 2: Shares purchased from 1 February 2023 to 28 February 2023

	Revenue pence per share	Equalisation pence per share*	Distribution paid 31.03.23 pence per share	Distribution paid 31.03.22 pence per share
Accumulation 'U2' Shares				
Group 1	0.4330	-	0.4330	0.3060
Group 2	0.4330	0.0000	0.4330	0.3060
Income 'A' Shares				
Group 1	0.1852	-	0.1852	0.1400
Group 2	0.0521	0.1331	0.1852	0.1400

First interim distribution

Group 1: Shares purchased prior to 1 January 2023
 Group 2: Shares purchased from 1 January 2023 to 31 January 2023

	Revenue pence per share	Equalisation pence per share*	Distribution paid 28.02.23 pence per share	Distribution paid 28.02.22 pence per share
Accumulation 'U2' Shares				
Group 1	0.4640	-	0.4640	0.3590
Group 2	0.4640	0.0000	0.4640	0.3590
Income 'A' Shares				
Group 1	0.1971	-	0.1971	0.1626
Group 2	0.1004	0.0967	0.1971	0.1626

* Equalisation only applies to shares purchased during the distribution 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 of these shares 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.

Quilter Investors Emerging Markets Equity Fund

Launch date	28 June 2018
IA Sector	Global Emerging Markets
Investment Adviser	Jupiter Investment Management Limited
Net asset value	£113,608,977

Objective

The sub-fund aims to achieve capital growth and to outperform the MSCI Emerging Markets Index, net of charges, over rolling five-year periods.

Policy

The sub-fund invests at least 80% of the value of its property in shares of companies that are listed, located or have a significant portion of their business in emerging markets worldwide. An emerging market is a less developed country in the process of growing its financial markets. Investment may be direct or indirect (e.g. through collective investment schemes or derivatives), however the ACD expects that the sub-fund will typically hold investments directly.

The sub-fund may invest in companies of any size, including smaller companies. The sub-fund may at times be concentrated in terms of the number of investments it holds (i.e. have less than 50 holdings).

The sub-fund may invest in China A Shares through the Hong Kong Stock Connect. The sub-fund may also invest in other transferable securities, collective investment schemes, warrants, money market instruments, deposits, cash and derivatives.

Any investment in collective investment schemes may include those managed or operated by the ACD or an associate of the ACD.

The sub-fund may currently only use derivatives for the purpose of Efficient Portfolio Management. The use of derivatives for Efficient Portfolio Management is not likely to affect the risk profile of the sub-fund. The sub-fund's investment strategy may require the use of derivatives for the purpose of meeting the investment objective, which it may do, provided the ACD has given shareholders 60 days' notice of such change. Such notice will be required to explain the reason for the change and to give shareholders sufficient time to consider their position in the sub-fund, as the use of derivatives for investment purposes may affect the risk profile of the sub-fund, although this is not the ACD's intention.

Investment Adviser's review

Market review

Emerging market equities began the year strongly, helped by the continued weakening of the US dollar, as investors remained optimistic about the US economy avoiding recession in 2023 in a fabled 'soft-landing.' However, a subsequent combination of factors contributed to the emerging market equities ending the first half of the year behind their developed market peers.

These were the strong performance of US tech's 'Magnificent Seven' (the seven largest US-tech firms), and the poor performance of Chinese equities. There was strong underlying performance of most emerging market countries apart from China.

US dollar weakening buoyed emerging market equities, as investors remained optimistic about the US economy avoiding recession in 2023. Geopolitical tensions, stubbornly high developed market inflation and the twin banking crises of Silicon Valley Bank and Credit Suisse in March capped off an eventful opening quarter to the year. In Q2 the environment remained supportive for emerging markets in the face of mixed economic data. Continued US dollar weakening and an interest rate-hiking pause by the US Federal Reserve ("US Fed") buoyed emerging market equities in general, although China's sluggish recovery was a drag on returns.

Asset flows into the emerging market equities have been strong year-to-date. However, we believe there may be much more to come. Recent research from JPMorgan showed that investors globally remain significantly underweight emerging market equities compared to their developed market peers. A return to the long-term average allocation would imply significant inflows into emerging market equities this year, which would provide a tailwind for the performance of the underlying markets.

Performance review

Over the six months to 30 June 2023, the Quilter Investors Emerging Markets Equity Fund returned +1.54% compared to a total return of -0.76% for the MSCI Emerging Markets Index.

Several positions contributed to performance over the period under review, chief among these were Aspeed Technology, MercadoLibre, and Sinbon Electronics.

MercadoLibre is Latin America's leading e-commerce platform, present in most of the major economies of the region. The business also has a payment wallet, Mercado Pago, that has gained significant traction with users both on the platform and off it. E-commerce and digital payments are underpenetrated in Latin America compared to other regions of the world, giving MercadoLibre a long runway for growth ahead. The company is now guiding to strong operating profit and margin growth over the next five years. Its stock also benefited from the news of significant accounting irregularities at a key competitor.

Aspeed Technology is the world's leading designer of a tiny but critical part of every server – a baseboard management chip ("BMC"), which is a remote backdoor into the server to allow for maintenance. Because of the very high trust nature of this component, Aspeed Technology engineers work early in the design process of server chips with key customers like Intel and AMD. The BMC typically costs only around US\$10, which is a tiny fraction of a server costing thousands of dollars. Combine this low cost with Aspeed Technology's expertise and market share of c.70% and the customers have little incentive to aggressively haggle Aspeed Technology's price. This allows the company to earn excellent margins and returns on capital. The stock performed strongly, buoyed by the tailwinds of interest in AI.

Other strong performers included Localiza, TSMC, and Bank of Georgia. Localiza is Brazil's leading car rental company, which reported decent results and benefitted from a newly announced government stimulus package. TSMC is the largest holding in the sub-fund and is the leading contract manufacturer of silicon chips globally. It reported strong quarterly results and benefitted from the interest in artificial intelligence. Bank of Georgia, the nation of Georgia's leading bank, reported record profits and raised its forward guidance.

The main detractors from performance were Transaction Capital, EC Healthcare, and Meituan.

South Africa's Transaction Capital provides funding, sales, repairs, and support for South Africa's vitally important minibus taxi network. The company reported a shock profit warning, indicating it believed a full return to profitability for the SA taxis subsidiary was unlikely and earnings would remain significantly lower. We fully exited our holding as a result.

EC Healthcare is a leading integrated medical services provider in China and Hong Kong. The company is transforming its offering into a multi-discipline healthcare provider, expanding via acquisitions and partnership with registered medical practitioners. The company's stock price fell in-line with the broader Chinese market during the period, as a slower-than-expected economic recovery in Chinese consumption compounded by geopolitical concerns weighed on investor sentiment. Meituan operates China's leading service-based e-commerce platform, covering grocery and food delivery, ride-hailing, and bike-sharing. The company's stock price fell after the announcement of increased competition and the sale of Tencent's 25% stake.

Outlook

At the halfway point of the year, it's an opportunity to reflect on how our thesis for the asset class at the start of the year has played out. Earlier this year, we set out four factors which we believed would drive emerging market performance this year: A weakening US Dollar ("USD") as US Fed rates hit their zenith; Chinese economic recovery; the relative growth differential between emerging and developed economies; and low initial investor allocations to emerging markets. Let's look at how each of these factors have supported emerging markets ("EM") equity returns this year.

Firstly, a weakening USD as the US Fed and other developed central banks reach the peak of their tightening cycles. While not yet at peak, it is clear that the pace of rate hiking is slowing in most developed markets, evidenced by the US Fed's pause in June. The impact of rate hikes so far will take time to filter through to inflation, with central banks keen to avoid the economic collateral damage seen in US banks earlier in the year. The USD, as measured by the US Dollar Index ("DXY"), has remained relatively consistent so far this year, with strong weakening not yet forthcoming. The peak of US rates should precipitate a weakening of the USD in response. As there is a strong inverse relationship between the DXY and EM equities, the peak should be positive for the asset class. Outcome: This factor has supported returns somewhat, but there is clearly upside from here.

Secondly, China's recovery from zero-COVID lockdowns. China's economic performance year-to-date has been sluggish at best; the much-feted recovery yet to materialize. We believe this will take more time. China's experience through COVID, China's investment/consumption profile, and the nature of their stimulus packages are different to the West, hence the world should expect a different path to recovery. This fact often gets overlooked. Early signs of Chinese stimulus during June are a welcome change in tone from the Government and we believe we're likely to see greater movement on this front in the second half of 2023 as the nation repositions to meet its

Quilter Investors Emerging Markets Equity Fund

+5% GDP growth ambitions. Outcome: This factor has detracted from returns year-to-date, but there is compelling evidence that a shift is underway.

Thirdly, the relative growth differential between emerging and developed markets. Emerging markets reported strong GDP growth. However, indications from EM central banks are that we are likely to see continued monetary policy easing from here. EM central banks began their rate-hiking cycles, in some cases, a year in advance of developed markets. Consequently, core EM inflation has continued to weaken, in stark contrast to developed markets, where it remains stubbornly high. The weakening of EM rates should drive continued investment and growth in EM businesses. Outcome: This factor has supported returns, but there continues to be upside from here.

Finally, we note that after a decade of underperformance, starting investor allocations to emerging market equities are near 20-year lows. Flows into EM equities have been positive each month of 2023, but even with these moves, investors in aggregate remain underweight. Returning to long-term average allocations would result in flows of more than \$600bn into the asset class. At the end of June, Goldman Sachs published a report showing that the aggregate market cap of emerging market equities would exceed developed markets by 2030 – in just seven years' time. Should their prediction hold, investors' neutral weight to EM equities could be much higher than it is now. Even a return to neutral weighting would be a significant tailwind for returns. Outcome: Significant long-term upside from here.

At first glance it looks like a mixed bag. On one hand, the growth differential between emerging and developed markets is becoming increasingly evident and flows into the asset class year-to-date suggest growing investor interest. On the other, the tailwinds from China's recovery are still emerging and the USD has further to weaken from here. We believe all four of these factors have much longer to run.

Emerging markets offer investors access to some of the most structurally advantaged growth opportunities on the planet. World-class businesses, favourable demographics, and low-cost and highly skilled labour forces make emerging markets an exciting universe to invest in. Our style is ideally placed to make the most of this growth, hunting for high-quality businesses, with strong moats and long runways for growth. We remain very optimistic about the outlook for emerging markets and believe the conditions are ripe for a significant outperformance of the asset class over developed markets from here.

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 6 have in the past shown relatively high volatility. With a sub-fund of category 6, you have a relatively high risk of losing money but your chance for gains is also relatively high.

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.

Company shares (i.e. equities) risk - the value of company shares may rise and fall due to the performance of individual companies or because of general market and economic conditions.

Emerging markets risk - less developed countries may face more political, economic or structural challenges than developed countries.

Stock Connect risk - the sub-fund may invest in China A Shares through the Stock Connect. Stock Connect is governed by regulations which are untested and subject to change. This may result in additional operational risks. Trading limitations and restrictions on foreign ownership may constrain the sub-fund's ability to pursue its investment strategy.

Concentration risk (number of investments) - the sub-fund may at times hold a smaller number of investments, and therefore a fall in the value of a single investment may have a greater impact on the sub-fund's value than if it held a larger number of investments.

Liquidity risk - some investments may become hard to value or sell at a desired time and price. In extreme circumstances this may affect the sub-fund's ability to meet redemption requests upon demand.

Style bias risk - sub-funds that favour shares of either undervalued companies ("value stocks") or companies with the potential for growth ("growth stocks") may be subject to periods of underperformance, as value and growth stocks typically outperform each other, and markets generally, at different times.

Currency risk - the sub-fund is denominated in British Pounds but holds assets denominated in other currencies. The value of your shares may rise and fall as a result of exchange rate movements.

Derivative risk - the sub-fund may use derivatives for Efficient Portfolio Management (EPM). Derivatives involve a level of risk, however, for EPM they should not increase the overall riskiness of the sub-fund. Derivatives also involve counterparty risk where the institutions acting as counterparty to derivatives may not meet their contractual obligations.

Capital erosion risk - the sub-fund takes its charges from 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 Table

Accumulation 'U2'	1 January 2023 to 30 June 2023 p/share	1 January 2022 to 31 December 2022 p/share	1 January 2021 to 31 December 2021 p/share
Change in net assets per share			
Opening net asset value per share	1,098.68	1,296.47	1,246.18
Return before operating charges*	21.38	(189.61)	61.30
Operating charges**	(3.34)	(8.18)	(11.01)
Return after operating charges*	18.04	(197.79)	50.29
Distributions	-	(11.95)	(5.44)
Retained distributions on accumulation shares	-	11.95	5.44
Closing net asset value per share	1,116.72	1,098.68	1,296.47
* after direct transaction costs of**	0.48	1.25	1.14
Performance			
Return after charges	1.64%	(15.26)%	4.04%
Other information			
Closing net asset value (£)	113,608,977	103,974,926	128,395,932
Closing number of shares	10,173,421	9,463,591	9,903,506
Operating charges****	0.60%	0.72%	0.86%
Direct transaction costs***	0.09%	0.11%	0.09%
Prices			
	pence per share	cents per share	pence per share
Highest share price	1,205.0	1,301.0	1,372.0
Lowest share price	1,070.0	1,023.0	1,207.0

** The operating charges include all costs borne by the sub-fund, except for direct transaction costs.

*** 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 (excluding interest on borrowings) to the average net assets of the sub-fund.

Performance

	6 months to 30 June 2023	1 year to 30 June 2023	3 years to 30 June 2023	5 years to 30 June 2023
Quilter Investors Emerging Markets Equity Fund*	1.54%	2.94%	12.62%	15.79%
Target Benchmark**	(0.76)%	(2.80)%	4.11%	8.77%
IA Global Emerging Markets (sector average)	0.63%	(0.31)%	5.78%	8.49%
Quartile ranking	2	1	1	2

* Accumulation 'U2' shares

** MSCI Emerging Markets Index

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	
Asia Pacific (excluding Japan)	74.80	Taiwan Semiconductor Manufacturing ADR	9.21	
South America	12.79	HDFC Bank ADR	5.92	
United Kingdom	5.70	Bank of Georgia	5.70	
Middle East	2.33	MercadoLibre	5.58	
Europe	1.50	Localiza Rent a Car	5.09	
North America	1.10	Bank Central Asia	5.05	
		Sinbon Electronics	4.19	
Net other assets	1.78	Bajaj Finance	4.04	
		Alibaba	4.03	
Total	100.00	ASPEED Technology	3.79	
Asset allocation		Number of holdings	33	
Equities	98.22	Total Purchases and Sales for the period	2023	2022
Net other assets	1.78		£'000	£'000
		Total purchases for the 6 month period to 30 June	20,759	18,035
Total	100.00	Total sales for the 6 month period to 30 June	13,540	22,059

Portfolio statement

as at 30 June 2023

Holding	Investment	Market Value £'000	Percentage of total net assets %
	Equities 98.22% (31 December 2022 99.31%)		
	United Kingdom 5.70% (31 December 2022 5.55%)		
	United Kingdom Equities 5.70% (31 December 2022 5.55%)		
219,361	Bank of Georgia	6,471	5.70
		<u>6,471</u>	<u>5.70</u>
	Overseas 92.52% (31 December 2022 93.76%)*		
	Africa 0.00% (31 December 2022 3.56%)		
	South Africa Equities 0.00% (31 December 2022 3.56%)		
	Asia Pacific (excluding Japan) 74.80% (31 December 2022 75.53%)		
	China Equities 18.41% (31 December 2022 20.85%)		
559,300	Alibaba	4,583	4.03
334,738	Foshan Haitian Flavouring & Food	1,707	1.50
3,104,455	JNBY Design	2,609	2.30
18,242	Kweichow Moutai	3,358	2.96
282,900	Meituan	3,488	3.07
587,618	Ping An Insurance China	2,953	2.60
3,234,000	Topsports International	2,216	1.95
		<u>20,914</u>	<u>18.41</u>
	Hong Kong Equities 7.08% (31 December 2022 9.11%)		
408,800	AIA	3,263	2.87
3,733,000	EC Healthcare	1,571	1.39
373,000	Techtronic Industries	3,205	2.82
		<u>8,039</u>	<u>7.08</u>
	India Equities 21.62% (31 December 2022 21.14%)		
101,337	Asian Paints	3,281	2.89
66,467	Bajaj Finance	4,585	4.04
122,582	HDFC Bank ADR	6,732	5.92
89,694	Hindustan Unilever	2,314	2.04
87,882	Infosys ADR	1,105	0.97
30,842	L&T Technology Services	1,169	1.03
86,757	Polycab India	2,966	2.61
81,961	Titan	2,411	2.12
		<u>24,563</u>	<u>21.62</u>
	Indonesia Equities 5.05% (31 December 2022 4.83%)		
11,933,800	Bank Central Asia	5,743	5.05
		<u>5,743</u>	<u>5.05</u>
	Malaysia Equities 0.00% (31 December 2022 0.95%)		
	Singapore Equities 1.24% (31 December 2022 1.31%)		
77,259	Karooooo	1,409	1.24
		<u>1,409</u>	<u>1.24</u>

Portfolio statement (continued)

as at 30 June 2023

Holding	Investment	Market Value £'000	Percentage of total net assets %
	South Korea Equities 0.77% (31 December 2022 0.38%)		
6,185	Leeno Industrial	545	0.48
7,659	Samsung Electronics	332	0.29
		<u>877</u>	<u>0.77</u>
	Taiwan Equities 20.63% (31 December 2022 16.96%)		
376,441	Advantech	3,909	3.44
59,700	ASPEED Technology	4,312	3.79
507,000	Sinbon Electronics	4,756	4.19
131,502	Taiwan Semiconductor Manufacturing ADR	10,466	9.21
		<u>23,443</u>	<u>20.63</u>
	Europe 1.50% (31 December 2022 0.00%)*		
	Poland Equities 1.50% (31 December 2022 0.00%)		
18,727	Dino Polska	1,703	1.50
		<u>1,703</u>	<u>1.50</u>
	Middle East 2.33% (31 December 2022 1.72%)		
	Saudi Arabia Equities 2.33% (31 December 2022 1.72%)		
97,443	Leejam Sports	2,642	2.33
		<u>2,642</u>	<u>2.33</u>
	North America 1.10% (31 December 2022 1.09%)		
	United States Equities 1.10% (31 December 2022 1.09%)		
46,000	Parade Technologies	1,250	1.10
		<u>1,250</u>	<u>1.10</u>
	South America 12.79% (31 December 2022 11.86%)		
	Argentina Equities 5.58% (31 December 2022 4.24%)		
6,844	MercadoLibre	6,335	5.58
		<u>6,335</u>	<u>5.58</u>
	Brazil Equities 5.09% (31 December 2022 5.47%)		
521,078	Localiza Rent a Car	5,784	5.09
		<u>5,784</u>	<u>5.09</u>
	Uruguay Equities 2.12% (31 December 2022 2.15%)		
17,314	Globant	2,414	2.12
		<u>2,414</u>	<u>2.12</u>
	Investment assets	111,587	98.22
	Net other assets	2,022	1.78
	Total net assets	113,609	100.00

All investments are approved securities being either officially listed in a member state or traded on or under the rules of an eligible securities market, unless otherwise stated.

All investments are in ordinary shares unless otherwise stated.

The sectors in the portfolio statement have been updated from the prior year, due to this update the comparative percentages have been restated and will not agree to the 31st December 2022 published report and accounts.

Statement of total return

for the period from 1 January 2023 to 30 June 2023

	Note	01.01.23 to 30.06.23 £'000	01.01.23 to 30.06.23 £'000	01.01.22 to 30.06.22 £'000	01.01.22 to 30.06.22 £'000
Income					
Net capital gains/(losses)			1,109		(21,965)
Revenue		1,246		1,053	
Expenses		(331)		(486)	
Interest payable and similar charges		(6)		-	
Net revenue before taxation		909		567	
Taxation		(281)		(102)	
Net revenue after taxation			628		465
Total return before distributions			1,737		(21,500)
Distributions	2		5		(14)
Change in net assets attributable to shareholders from investment activities			1,742		(21,514)

Statement of change in net assets attributable to shareholders

for the period from 1 January 2023 to 30 June 2023

	01.01.23 to 30.06.23 £'000	01.01.23 to 30.06.23 £'000	01.01.22 to 30.06.22 £'000	01.01.22 to 30.06.22 £'000
Opening net assets attributable to shareholders		103,975*		128,396
Amounts received on issue of shares	11,854		8,086	
Amounts paid on cancellation of shares	(3,985)		(13,080)	
		7,869		(4,994)
Dilution adjustment		23		60
Change in net assets attributable to shareholders from investment activities		1,742		(21,514)
Closing net assets attributable to shareholders		113,609		101,948*

*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 2023

	30.06.23 £'000	31.12.22 £'000
Assets		
Fixed assets		
Investments	111,587	103,260
Current assets		
Debtors	1,103	390
Cash and bank balances	1,157	377
Total assets	113,847	104,027
Liabilities		
Provisions for liabilities	(182)	-
Creditors		
Other creditors	(56)	(52)
Total liabilities	(238)	(52)
Net assets attributable to shareholders	113,609	103,975

Notes to the financial statements

for the period from 1 January 2023 to 30 June 2023

1 Accounting policies

The 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 the Investment Management Association) in May 2014 and as amended in June 2017.

The accounting policies applied are consistent with those disclosed within the annual Financial Statements for the year ended 31 December 2022.

2 Distributions

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

	01.01.23 to 30.06.23 £'000	01.01.22 to 30.06.22 £'000
Revenue deducted on cancellation of shares	4	16
Revenue received on issue of shares	(9)	(2)
Distributions	(5)	14
Reconciliation of distributions:		
Net revenue after taxation	628	465
Overseas deferred capital gains tax on unrealised gains	182	-
Undistributed net revenue carried forward	(815)	(451)
Distributions	(5)	14

Quilter Investors Emerging Markets Equity Growth Fund

Launch date	26 April 2013
IA Sector	Global Emerging Markets
Investment Adviser	JPMorgan Asset Management (UK) Limited
Net asset value	£171,899,040

Objective

The sub-fund aims to achieve capital growth and to outperform the MSCI Emerging Markets Index, net of charges, over rolling five-year periods.

Policy

The sub-fund invests at least 80% of the value of its property in shares of companies that are listed, located or have a significant portion of their business in emerging markets worldwide. An emerging market is a less developed country in the process of growing its financial markets. Investment may be direct or indirect (e.g. through collective investment schemes or derivatives), however the ACD expects that the sub-fund will typically hold investments directly.

The sub-fund may invest in companies of any size, including smaller companies. The Investment Adviser typically has a preference to invest in shares of companies it believes to have the potential for growth.

The sub-fund may invest in China A Shares through the Hong Kong Stock Connect. The sub-fund may also invest in other transferable securities, collective investment schemes, warrants, money market instruments, deposits and cash.

Any investment in collective investment schemes may include those managed or operated by the ACD or an associate of the ACD.

The sub-fund may only use derivatives for the purpose of Efficient Portfolio Management. The use of derivatives for this purpose is not likely to affect the risk profile of the sub-fund.

Investment Adviser's review

Market review

Emerging market ("EM") equities returned -1.9% GBP over the first quarter underperforming developed market equities. US-China tensions were a contributing factor behind EM underperformance, as were concerns about China's lacklustre economic recovery. US debt ceiling uncertainty added to the gloomy mood, although this was resolved in early June.

Hungary, Poland and Greece were the top-performing index markets despite climbing recessionary fears in Europe. Central European markets began to anticipate rate cuts as inflation eased, and Hungary cut rates in June. Meanwhile, Greece's outperformance came as the ruling New Democracy party won a second term in office in May, signalling a continuation of market friendly policies.

Brazil too was a top performer amid easing fiscal policy concerns, optimism about potentially imminent rate cuts and a better-than-expected Q1 GDP print. Improved macroeconomic data and signs that accommodative monetary policy will be ongoing were also supportive in India, which gained strongly in the quarter. Korea and Taiwan outperformed led by technology names on optimism about AI growth.

China underperformed amid concerns over a weaker-than-expected recovery. South Africa was also among the worst performers as the country's power situation continued to deteriorate, with severe consequences for economic growth. Turkey posted the largest loss as President Erdogan won re-election in May, extending his two-decade rule.

Performance review

The portfolio outperformed its Target Benchmark (MSCI Emerging Markets Net Index) in the first half of the year.

Stock selection in financials across India and Indonesia was a leading contributor to performance. HDFC Bank in India reported healthy results for 1Q23 with a strong pick-up in deposit gathering, reduction in non-performing assets and continued rise in loan growth. As for Indonesia, consumer confidence improved and credit growth remained solid with recent 1Q23 bank results reporting strong underlying trends. This saw the portfolio's holdings in Bank Rakyat and Bank Central Asia rise.

Overweight exposure in the information technology sector was a tailwind to performance. Samsung Electronics, Delta Electronics and Taiwan Semiconductor Manufacturing were among the top contributors, rallying during Q2 as AI-related names did well, helped by the current enthusiasm around the theme. However, the IT sector detracted from performance overall on account of negative stock selection. A

large stock-level detractor was the off-benchmark position in EPAM Systems, where concerns of a weaker demand environment for IT services weighed on the company.

In Mexico, overweight exposure added to performance with Walmart de Mexico (Walmex) and Grupo Financiero Banorte delivering strong returns. Despite high inflation pressuring overall consumer purchasing power in Mexico, Walmex has benefited from robust retail demand that is supported by strong remittances. For Banorte, results were strong in the second half of last year and the company raised its guidance, supported by better interest margins and stronger loan growth.

In China, stock selection was a headwind to performance. Despite economic data starting to show signs of a more sustained recovery, as well as a pro-business stance by the government, the momentum witnessed at the start of the calendar year appeared to be weakening, evidenced by slower than expected recovery in household balance sheets. JD.com was negatively impacted by the sluggish consumption recovery and increased competition from rivals, creating uncertainty regarding near-term revenue growth. Concerns about the impact of weaker consumer demand also weighed on Wuliangye Yibin and Budweiser Brewing.

Outlook

Headline inflation has been falling across the world as the major issues of supply chain constraints, high shipping and energy costs, and commodity scarcity seem mostly resolved. Consequently, within EM, LatAm and EMEA inflation rates have started to fall sharply, while Asia largely continues to have a relatively muted inflation picture. With the Fed pausing and now much more data dependent on how much further it needs to raise sort-term rates this year, EM central banks may well have room pause or start their own rate-cutting cycles. This should support domestic growth, and, in some cases, lower deposit rates may urge domestic investors to pivot into domestic equities.

From late last year China's re-opening and a weaker USD were expected to provide strong support for GEM and Asia equities performance, if only on a relative basis were the US to go into recession. While the USD fell in real terms from multi-decade highs even more rapidly than anticipated, the expected tailwind to emerging markets from the recovery in Chinese consumption disappointed. With significant pent-up savings, demand for services did rebound in the first quarter but manufacturing activity and the real-estate sector remained weak. A more gradual recovery in consumer confidence, still hampered by multiple years of lockdown and high levels of unemployment among the young, means the transition from services demand to bigger ticket consumer goods will be more extended. China's state-owned enterprises are also worth monitoring, as their outperformance has been notable year-to-date.

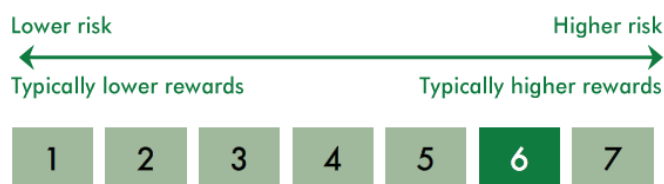
While China's policy pendulum has swung more pro-growth and business, the sugar rush of a large fiscal stimulus is not expected as it would be short-lived and the authorities are likely more focused on sustainable growth over debt fuelled spending. Chinese consumption will recover, albeit gradually over the coming year, in turn supporting earnings. Chinese valuations look to be capped by geopolitics, but traditional measures are at historically attractive levels with likely upside once earnings begin to surprise positively.

In contrast to China, Latin America, Eastern Europe and tech heavy North Asia have delivered strong returns. Although the risk of US recession and weaker global demand still looms large, emerging market and Asian corporates look increasingly well positioned for the next decade's big trends: investment in materials and manufactured goods to support carbon transition and high-powered computing spurred on by AI adoption.

While markets have certainly been more volatile, there are reasons to be more optimistic about EM equities: falling global inflation provides EM central banks room to cut aggressively, the US dollar is down 20% and China's economy is growing, even if the recovery has been delayed and will take longer to unfold than had originally been envisaged. Clearly, earnings expectation in the first half of the year have disappointed largely driven by the weak recovery seen so far in China. Valuations are around long-term averages and EM earnings potentially have some upside. As always, we continue to look for opportunities in EM equities where earnings growth can compound over the long-run.

Quilter Investors Emerging Markets Equity Growth 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 6 have in the past shown relatively high volatility. With a sub-fund of category 6, you have a relatively high risk of losing money but your chance for gains is also relatively high.

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.

Company shares (i.e. equities) risk - the value of company shares may rise and fall due to the performance of individual companies or because of general market and economic conditions.

Emerging markets risk - less developed countries may face more political, economic or structural challenges than developed countries.

Stock Connect risk - the sub-fund may invest in China A Shares through Stock Connect. Stock Connect is governed by regulations which are untested and subject to change. This may result in additional operational risks. Trading limitations and restrictions on foreign ownership may constrain the sub-fund's ability to pursue its investment strategy.

Liquidity risk - some investments may become hard to value or sell at a desired time and price. In extreme circumstances this may affect the sub-fund's ability to meet redemption requests upon demand.

Style bias risk - sub-funds that favour shares of either undervalued companies ("value stocks") or companies with the potential for growth ("growth stocks") may be subject to periods of underperformance, as value and growth stocks typically outperform each other, and markets generally, at different times.

Currency risk (EUR share class) - the sub-fund is denominated in British Pounds but holds assets denominated in other currencies. This share class is denominated in Euro. The value of your shares may rise and fall as a result of exchange rate movements.

Currency risk (GBP share class) - the sub-fund is denominated in British Pounds but holds assets denominated in other currencies. 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 but holds assets denominated in other currencies. This share class is denominated in US Dollars. The value of your shares may rise and fall as a result of exchange rate movements.

Derivative risk - the sub-fund may use derivatives for Efficient Portfolio Management (EPM). Derivatives involve a level of risk, however, for EPM they should not increase the overall riskiness of the sub-fund. Derivatives also involve counterparty risk where the institutions acting as counterparty to derivatives may not meet their 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 full details of the sub-fund's risks, please see the section in the Prospectus headed "Risks".

Performance records

Comparative Tables

Accumulation 'A'	1 January 2023 to 30 June 2023 p/share	1 January 2022 to 31 December 2022 p/share	1 January 2021 to 31 December 2021 p/share
Change in net assets per share			
Opening net asset value per share	161.09	194.28	214.46
Return before operating charges*	0.60	(30.20)	(16.40)
Operating charges**	(1.46)	(2.99)	(3.78)
Return after operating charges*	(0.86)	(33.19)	(20.18)
Distributions	-	-	-
Retained distributions on accumulation shares	-	-	-
Closing net asset value per share	160.23	161.09	194.28
* after direct transaction costs of***	-	0.11	0.15
Performance			
Return after charges	(0.53)%	(17.08)%	(9.41)%
Other information			
Closing net asset value (£)	12,470,766	13,361,444	18,853,257
Closing number of shares	7,782,915	8,294,324	9,704,362
Operating charges****	1.80%	1.80%	1.80%
Direct transaction costs***	-	0.07%	0.07%
Prices			
	pence per share	pence per share	pence per share
Highest share price	175.4	195.0	239.9
Lowest share price	155.6	145.4	192.9
Accumulation 'A' EUR	1 January 2023 to 30 June 2023 p/share	1 January 2022 to 31 December 2022 p/share	1 January 2021 to 31 December 2021 p/share
Change in net assets per share			
Opening net asset value per share	138.91	167.53	184.91
Return before operating charges*	0.52	(26.05)	(14.17)
Operating charges**	(1.26)	(2.57)	(3.21)
Return after operating charges*	(0.74)	(28.62)	(17.38)
Distributions	-	-	-
Retained distributions on accumulation shares	-	-	-
Closing net asset value per share	138.17	138.91	167.53
* after direct transaction costs of***	-	0.09	0.13
Performance			
Return after charges	(0.53)%	(17.08)%	(9.40)%
Other information			
Closing net asset value (£)	32,633	32,808	39,567
Closing number of shares	23,618	23,618	23,618
Operating charges****	1.80%	1.80%	1.80%
Direct transaction costs***	-	0.07%	0.07%
Prices			
	cents per share	cents per share	cents per share
Highest share price	170.5	201.2	237.7
Lowest share price	152.4	145.3	194.8

Performance records (continued)

Comparative Tables (continued)

	1 January 2023 to 30 June 2023 p/share	1 January 2022 to 31 December 2022 p/share	1 January 2021 to 31 December 2021 p/share
Accumulation 'A' USD			
Change in net assets per share			
Opening net asset value per share	128.86	155.40	171.55
Return before operating charges*	0.48	(24.15)	(13.12)
Operating charges**	(1.17)	(2.39)	(3.03)
Return after operating charges*	(0.69)	(26.54)	(16.15)
Distributions	-	-	-
Retained distributions on accumulation shares	-	-	-
Closing net asset value per share	128.17	128.86	155.40
* after direct transaction costs of***	-	0.09	0.12
Performance			
Return after charges	(0.54)%	(17.08)%	(9.41)%
Other information			
Closing net asset value (£)	5,157,774	5,426,339	8,266,428
Closing number of shares	4,024,211	4,211,163	5,319,349
Operating charges****	1.80%	1.80%	1.80%
Direct transaction costs***	-	0.07%	0.07%
Prices			
	cents per share	cents per share	cents per share
Highest share price	172.0	211.2	266.0
Lowest share price	153.0	132.9	203.7
Accumulation 'U2'			
Change in net assets per share			
Opening net asset value per share	206.39	246.41	269.58
Return before operating charges*	0.76	(38.35)	(20.78)
Operating charges**	(0.73)	(1.67)	(2.39)
Return after operating charges*	0.03	(40.02)	(23.17)
Distributions	-	(1.84)	-
Retained distributions on accumulation shares	-	1.84	-
Closing net asset value per share	206.42	206.39	246.41
* after direct transaction costs of***	-	0.14	0.19
Performance			
Return after charges	0.01%	(16.24)%	(8.59)%
Other information			
Closing net asset value (£)	154,229,158	135,362,729	161,114,061
Closing number of shares	74,715,979	65,585,249	65,384,062
Operating charges****	0.70%	0.79%	0.90%
Direct transaction costs***	-	0.07%	0.07%
Prices			
	pence per share	pence per share	pence per share
Highest share price	225.0	247.3	301.9
Lowest share price	200.1	185.9	244.6

Performance records (continued)

Comparative Tables (continued)

Income 'U2'	1 January 2023 to 30 June 2023 p/share	1 January 2022 to 31 December 2022 p/share	1 January 2021 to 31 December 2021 p/share
Change in net assets per share			
Opening net asset value per share	177.30	213.63	233.68
Return before operating charges*	0.67	(33.26)	(17.98)
Operating charges**	(0.63)	(1.45)	(2.07)
Return after operating charges*	0.04	(34.71)	(20.05)
Distributions	-	(1.62)	-
Closing net asset value per share	177.34	177.30	213.63
* after direct transaction costs of***	-	0.12	0.17
Performance			
Return after charges	0.02%	(16.25)%	(8.59)%
Other information			
Closing net asset value (£)	8,709	8,707	11,226
Closing number of shares	4,911	4,911	5,255
Operating charges****	0.70%	0.79%	0.90%
Direct transaction costs***	-	0.07%	0.07%
Prices			
	pence per share	pence per share	pence per share
Highest share price	193.3	214.4	261.7
Lowest share price	172.0	161.2	212.1

** The operating charges include all costs borne by the sub-fund, except for direct transaction costs. Since the sub-fund invests less than 10% of net assets in underlying sub-funds there is no inclusion of a synthetic element for underlying sub-funds ongoing charges.

*** 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 (excluding interest on borrowings) to the average net assets of the sub-fund.

Performance

	6 months to 30 June 2023	1 year to 30 June 2023	3 years to 30 June 2023	5 years to 30 June 2023
Quilter Investors Emerging Markets Equity Growth Fund*	0.00%	(0.77)%	(3.72)%	20.71%
Target Benchmark**	(0.76)%	(2.80)%	4.11%	8.77%
IA Global Emerging Markets (sector average)	0.63%	(0.31)%	5.78%	8.49%
Quartile ranking	2	2	4	1

* Accumulation 'U2' shares

** MSCI Emerging Markets Index

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	
Asia Pacific (excluding Japan)	74.92	Samsung Electronics	6.46	
South America	7.72	Taiwan Semiconductor Manufacturing ADR	6.30	
North America	7.71	Tencent	4.46	
Europe	4.75	HDFC Bank	4.31	
Africa	3.21	Housing Development Finance	3.74	
United Kingdom	0.83	Taiwan Semiconductor Manufacturing	2.88	
		MercadoLibre	2.79	
Net other assets	0.86	AIA	2.65	
		Bank Rakyat Indonesia Persero	2.54	
Total	100.00	NU	2.38	
Asset allocation		Number of holdings	67	
Equities	99.14	Total Purchases and Sales for the period		
Net other assets	0.86		2023	2022
			£'000	£'000
Total	100.00	Total purchases for the 6 month period to 30 June	55,702	47,790
		Total sales for the 6 month period to 30 June	38,708	51,062

Portfolio statement

as at 30 June 2023

Holding	Investment	Market Value £'000	Percentage of total net assets %
	Equities 0.83% (31 December 2022 1.24%)		
	United Kingdom 0.83% (31 December 2022 1.24%)		
	United Kingdom Equities 0.83% (31 December 2022 1.24%)		
129,994	Prudential	1,426	0.83
		<u>1,426</u>	<u>0.83</u>
	Overseas 98.31% (31 December 2022 98.88%)		
	Africa 3.21% (31 December 2022 2.83%)		
	South Africa Equities 3.21% (31 December 2022 2.83%)		
110,896	Bid	1,893	1.10
18,847	Capitec Bank	1,219	0.71
852,980	FirstRand	2,413	1.40
		<u>5,525</u>	<u>3.21</u>
	Asia Pacific (excluding Japan) 74.92% (31 December 2022 77.40%)		
	China Equities 20.97% (31 December 2022 26.33%)		
325,500	Beijing Oriental Yuhong Waterproof Technology 'C2'	966	0.56
65,435	Dada Nexus ADR	274	0.16
223,458	Foshan Haitian Flavouring & Food	1,140	0.66
265,297	Fuyao Glass Industry	1,035	0.60
222,445	JD.com	2,972	1.73
17,671	JD.com ADR	475	0.28
401,600	Jiangsu Hengli Hydraulic	2,812	1.64
678,000	Kingdee International Software	716	0.42
317,522	Midea	2,036	1.18
151,380	NetEase	2,330	1.36
4,047	NetEase ADR	313	0.18
48,000	Shenzhen Mindray Bio-Medical Electronics	1,566	0.91
286,900	Shenzhou International	2,164	1.26
85,000	Silergy	828	0.48
229,400	Tencent	7,676	4.46
233,100	Wanhua Chemical	2,229	1.30
129,683	Wuliangye Yibin	2,309	1.34
171,800	WuXi AppTec	1,165	0.68
260,000	Wuxi Biologics Cayman	984	0.57
46,273	Yum China	2,063	1.20
		<u>36,053</u>	<u>20.97</u>
	Hong Kong Equities 5.86% (31 December 2022 7.65%)		
569,800	AIA	4,548	2.65
558,700	Budweiser Brewing	1,136	0.66
36,500	Hong Kong Exchanges and Clearing	1,087	0.63
478,016	JS Global Lifestyle	403	0.23
338,000	Techtronic Industries	2,904	1.69
		<u>10,078</u>	<u>5.86</u>
	India Equities 21.32% (31 December 2022 21.81%)		
44,132	Apollo Hospitals Enterprise	2,167	1.26
45,841	Asian Paints	1,484	0.86
27,718	Britannia Industries	1,343	0.78

Portfolio statement (continued)

as at 30 June 2023

Holding	Investment	Market Value £'000	Percentage of total net assets %
	India Equities (continued)		
452,076	HDFC Bank	7,408	4.31
341,351	HDFC Life Insurance	2,134	1.24
73,786	Hindustan Unilever	1,903	1.11
236,354	Housing Development Finance	6,425	3.74
89,800	Infosys	1,158	0.67
131,166	Infosys ADR	1,649	0.96
212,204	Kotak Mahindra Bank	3,769	2.19
141,729	Reliance Industries	3,488	2.03
117,123	Tata Consultancy Services	3,720	2.17
		36,648	21.32
	Indonesia Equities 4.69% (31 December 2022 3.73%)		
7,674,100	Bank Central Asia	3,693	2.15
15,255,643	Bank Rakyat Indonesia Persero	4,365	2.54
		8,058	4.69
	Macau Equities 0.64% (31 December 2022 0.73%)		
410,800	Sands China	1,107	0.64
		1,107	0.64
	South Korea Equities 8.53% (31 December 2022 7.20%)		
5,150	LG Chem	2,062	1.20
256,332	Samsung Electronics	11,106	6.46
21,620	SK Hynix	1,493	0.87
		14,661	8.53
	Taiwan Equities 12.91% (31 December 2022 9.95%)		
417,262	Chailase	2,156	1.26
333,000	Delta Electronics	2,912	1.69
137,000	Realtek Semiconductor	1,346	0.78
339,000	Taiwan Semiconductor Manufacturing	4,949	2.88
136,100	Taiwan Semiconductor Manufacturing ADR	10,833	6.30
		22,196	12.91
	Europe 4.75% (31 December 2022 4.52%)		
	Germany Equities 0.36% (31 December 2022 0.58%)		
18,380	Delivery Hero	620	0.36
		620	0.36
	Liquidity Funds 1.72% (31 December 2022 2.55%)		
3,732,172	JPMorgan US Dollar Liquidity Fund - X Distributing	2,951	1.72
		2,951	1.72
	Poland Equities 0.00% (31 December 2022 0.13%)		
	Portugal Equities 1.56% (31 December 2022 1.26%)		
123,242	Jeronimo Martins	2,680	1.56
		2,680	1.56
	Spain Equities 1.11% (31 December 2022 0.00%)		
313,327	Banco Bilbao Vizcaya Argentaria	1,908	1.11
		1,908	1.11

Portfolio statement (continued)

as at 30 June 2023

Holding	Investment	Market Value £'000	Percentage of total net assets %
	North America 7.71% (31 December 2022 7.65%)		
	Mexico Equities 3.78% (31 December 2022 3.43%)		
413,700	Grupo Financiero Banorte	2,720	1.58
1,197,395	Wal-Mart de Mexico	3,770	2.20
		6,490	3.78
	Panama Equities 1.23% (31 December 2022 0.96%)		
24,640	Copa	2,117	1.23
		2,117	1.23
	United States Equities 2.70% (31 December 2022 3.26%)		
10,148	EPAM Systems	1,802	1.05
11,334	Estee Lauder	1,725	1.00
2,645	Monolithic Power Systems	1,121	0.65
		4,648	2.70
	South America 7.72% (31 December 2022 6.48%)		
	Argentina Equities 2.79% (31 December 2022 2.59%)		
5,181	MercadoLibre	4,795	2.79
		4,795	2.79
	Brazil Equities 4.49% (31 December 2022 3.40%)		
346,839	Itau Unibancog ADR	1,596	0.93
663,959	NU	4,090	2.38
434,427	Raia Drogasil	2,029	1.18
		7,715	4.49
	Uruguay Equities 0.44% (31 December 2022 0.49%)		
5,380	Globant	750	0.44
		750	0.44
	Investment assets	170,426	99.14
	Net other assets	1,473	0.86
	Total net assets	171,899	100.00

All investments are approved securities being either officially listed in a member state or traded on or under the rules of an eligible securities market, unless otherwise stated.

All investments are in ordinary shares unless otherwise stated.

Statement of total return

for the period from 1 January 2023 to 30 June 2023

	Note	01.01.23 to 30.06.23 £'000	01.01.23 to 30.06.23 £'000	01.01.22 to 30.06.22 £'000	01.01.22 to 30.06.22 £'000
Income					
Net capital losses			(1,017)		(31,095)
Revenue		2,024		1,683	
Expenses		(652)		(823)	
Net revenue before taxation		1,372		860	
Taxation		(319)		80	
Net revenue after taxation			1,053		940
Total return before distributions			36		(30,155)
Distributions	2		54		(45)
Change in net assets attributable to shareholders from investment activities			90		(30,200)

Statement of change in net assets attributable to shareholders

for the period from 1 January 2023 to 30 June 2023

	01.01.23 to 30.06.23 £'000	01.01.23 to 30.06.23 £'000	01.01.22 to 30.06.22 £'000	01.01.22 to 30.06.22 £'000
Opening net assets attributable to shareholders		154,192*		188,285
Amounts received on issue of shares	21,072		17,433	
Amounts paid on cancellation of shares	(3,489)		(24,429)	
		17,583		(6,996)
Dilution adjustment		34		75
Change in net assets attributable to shareholders from investment activities		90		(30,200)
Closing net assets attributable to shareholders		171,899		151,164*

* 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 2023

	30.06.23 £'000	31.12.22 £'000
Assets		
Fixed assets		
Investments	170,426	154,383
Current assets		
Debtors	916	388
Cash and bank balances	1,503	310
Total assets	172,845	155,081
Liabilities		
Provisions for liabilities	(799)	(749)
Creditors		
Other creditors	(147)	(140)
Total liabilities	(946)	(889)
Net assets attributable to shareholders	171,899	154,192

Notes to financial statements

From 1 January 2023 to 30 June 2023

1 Accounting policies

The 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 the Investment Management Association) in May 2014 and as amended in June 2017.

The accounting policies applied are consistent with those disclosed within the annual Financial Statements for the year ended 31 December 2022.

2 Distributions

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

	01.01.23 to 30.06.23 £'000	01.01.22 to 30.06.22 £'000
Revenue deducted on cancellation of shares	4	49
Revenue received on issue of shares	(58)	(4)
Distributions	(54)	45
Reconciliation of distributions:		
Net revenue after taxation	1,053	940
Overseas capital gains tax	70	(256)
Undistributed net revenue carried forward	(1,177)	(639)
Distributions	(54)	45

Quilter Investors Emerging Markets Equity Income Fund

Launch date	8 June 2018
IA Sector	Global Emerging Markets
Investment Adviser	Allspring Global Investments LLC
Net asset value	£127,433,977

Objective

The sub-fund aims to achieve a combination of income and capital growth and to outperform the MSCI Emerging Markets Index, net of charges, over rolling five year periods.

Policy

The sub-fund invests at least 80% of the value of its property in shares of companies that are listed, located or have a significant portion of their business in emerging markets worldwide. An emerging market is a less developed country in the process of growing its financial markets. Investment may be direct or indirect (e.g. through collective investment schemes or derivatives), however the ACD expects that the sub-fund will typically hold investments directly.

The sub-fund may invest in companies of any size, including smaller companies. The Investment Adviser typically has a preference to invest in shares of companies it believes are likely to provide dividend payments.

The sub-fund may invest in China A Shares through the Hong Kong Stock Connect. The sub-fund may also invest in other transferable securities, collective investment schemes, warrants, money market instruments, deposits, cash and derivatives.

Any investment in collective investment schemes may include those managed or operated by the ACD or an associate of the ACD.

The sub-fund may currently only use derivatives for the purpose of Efficient Portfolio Management. The use of derivatives for Efficient Portfolio Management is not likely to affect the risk profile of the sub-fund. The sub-fund's investment strategy may require the use of derivatives for the purpose of meeting the investment objective, which it may do, provided the ACD has given shareholders 60 days' notice of such change. Such notice will be required to explain the reason for the change and to give shareholders sufficient time to consider their position in the sub-fund, as the use of derivatives for investment purposes may affect the risk profile of the sub-fund, although this is not the ACD's intention.

Investment Adviser's review

Market review

The MSCI Emerging Markets Index (net) advanced 4.9% in the first half of 2023 underperforming developed markets (MSCI World Index (net)) by 10.20%. During the period, the MSCI Emerging Markets Value index (net) outperformed its Growth complement returning 6.5% versus 3.3%, while the MSCI Emerging Markets High Dividend Yield index returned 7.5%. At the country level, fifteen out of twenty-five countries generated positive returns including Greece, Hungary, Mexico, the Czech Republic, and Poland, each of which advanced more than 20%, whereas Turkey, Malaysia, Thailand, South Africa, and China/Hong Kong declined. IT, energy, and communication services were the best performing sectors during the period while health care, utilities, and real estate underperformed.

Latin America ("LatAm") was the best performing region in the index gaining 18.5% in the first half of 2023. Mexico (27.1%) led the region given optimism on China reopening as well as the prospect of more nearshoring particularly following the three amigos summit between Mexico, Canada, and the US. Mexico also stood out among its LatAm peers given its greater political stability. The central bank hiked the policy rate for a 15th consecutive time in March but by a smaller 25 bp margin resulting in a new record high of 11.25% as headline inflation declined more than expected. The EMEA region modestly underperformed returning 4.5% during the period. Greece (43.3%) was the best performing country in the index as second round elections were positive with the new Democracy party gaining a majority in parliament with 41% of the vote, which should enable it to pass market friendly reforms. On the other hand, Turkey (-19.1%) underperformed as it experienced its worst natural disaster in more than 20 years as a 7.8 magnitude earthquake near the Syrian border left more than 50,000 dead and President Erdogan won re-election with 52% of the vote dimming investor hopes for an opposition President. The Asian region also underperformed (-21.1%) primarily due to weakness in China/Hong Kong (-5.5%) despite a rebound in real GDP growth to a stronger-than-expected 4.5% Year-on-Year ("YOY") in the first quarter as April activity data came in well below consensus forecasts suggesting weakening post-COVID recovery momentum.

Performance review

The strategy outperformed the core index primarily due positive stock selection effects. At the sector level, stock selection in consumer discretionary, industrials, and utilities drove positive attribution but was partially offset by negative selection effects in real estate, financials, and consumer staples as well as negative allocation effects emanating from an average overweight to real estate. At the country level, stock selection in Korea, Taiwan, and South Africa drove positive relative attribution but was partially offset by negative selection effects in Brazil, Mexico, and India.

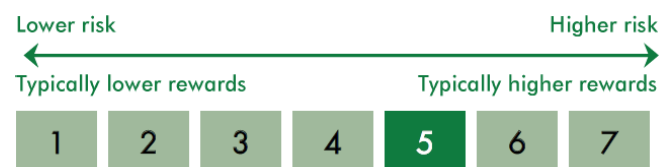
Korea was the leading relative contributor in the portfolio due to stock selection including a position in Doosan Bobcat, Inc., a construction equipment maker, which outperformed as it reported solid first quarter earnings and beat consensus by 47% with operating margin coming in at a record high of 15.4% on improved product mix, higher volume, and favourable cost environment. Despite market concerns, construction machinery demand in the U.S was better-than-expected due to strong housing and manufacturing factory investments. Conversely, Brazil was the leading relative detractor in the portfolio due to negative selection effects driven in part by a position in Companhia Brasileira de Alumínio, a Brazilian integrated aluminium producer, which underperformed as it reported weak FCF generation on weaker volumes and higher costs, driving leverage higher. Additionally, aluminium prices continued to weaken in the second quarter, keeping pressure on stock performance.

Positive selection effects drove positive attribution in the consumer discretionary sector including a position in Kia Corp., a major automobile maker in Korea, which stood out in the first quarter as it reported record earnings in the fourth quarter with wholesale volumes up 13% YOY owing to an easing of chip shortages. Strong sales continued in 2023 with wholesale up 15% YOY in February including North America, which was up 30% YOY while US incentives declined 55% YOY. The company also announced a share buyback and year-end dividend equivalent to 1.8% and 5.1%, respectively. Real estate was one of the weaker sectors during the period as it declined 6.4% resulting in negative allocation effects from an average overweight while selection effects were also negative. The leading detractor in the sector was Country Garden Services Holdings Co. Ltd., the largest residential property manager in China. The company underperformed as it released a profit alert forecasting a 51-57% decline in 2022 net income net profits due to pandemic prevention expenses and disruptions as well as impairment of goodwill and intangible assets from M&A. Unlike property developers, as a property management company, Country Garden Services had solid operating cashflow and provided good 2023 guidance, but weak property sales in China in recent months weighed on the share price and sector sentiment.

The largest changes in the first half of the year on a sector basis included an increase in IT and utilities with offsetting trims in financials and consumer staples. On a country basis, the team added exposure in Taiwan while reducing exposure to China/Hong Kong. Overall, the team added to areas expected to benefit from reopening in China as well those less exposed to financial risk and with less systemic risk/higher level of visibility. The team reduced exposure to financials to manage potential contagion from allegations against the Adani Group and bank failures in developed markets as well as the prospect for an end to NIM expansion as central banks approach their terminal rates. Additionally, the team reduced exposure to stocks where the thesis may take longer to play out. In terms of country positioning, the strategy's largest overweight positions as of the end of the period were Brazil (1.1%), Peru (1.1%), and Panama (0.9%). The biggest underweight positions by country were Saudi Arabia (-2.6%), China/Hong Kong (-1.3%), and South Africa (-1.2%). In terms of sector allocations, the strategy is overweight utilities (3.7%), real estate (2.1%), and industrials (1.5%), and underweight energy (-2.7%), health care (-2.2%), and materials (-2.0%).

Quilter Investors Emerging Markets Equity Income 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 5 have in the past shown moderately high volatility. With a sub-fund of category 5, you have a moderately high risk of losing money but your chance for gains is also moderately high.

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.

Company shares (i.e. equities) risk - the value of company shares may rise and fall due to the performance of individual companies or because of general market and economic conditions.

Emerging markets risk - less developed countries may face more political, economic or structural challenges than developed countries.

Stock Connect risk - the sub-fund may invest in China A Shares through Stock Connect. Stock Connect is governed by regulations which are untested and subject to change. This may result in additional operational risks. Trading limitations and restrictions on foreign ownership may constrain the sub-fund's ability to pursue its investment strategy.

Liquidity risk - some investments may become hard to value or sell at a desired time and price. In extreme circumstances this may affect the sub-fund's ability to meet redemption requests upon demand.

Style bias risk - sub-funds that favour shares of either undervalued companies ("value stocks") or companies with the potential for growth ("growth stocks") may be subject to periods of underperformance, as value and growth stocks typically outperform each other, and markets generally, at different times. This sub-fund is likely to favour value stocks as they typically provide higher dividend payments.

Currency risk - the sub-fund is denominated in British Pounds but holds assets denominated in other currencies. The value of your shares may rise and fall as a result of exchange rate movements.

Derivative risk - the sub-fund may use derivatives for Efficient Portfolio Management (EPM). Derivatives involve a level of risk, however, for EPM they should not increase the overall riskiness of the sub-fund. Derivatives also involve counterparty risk where the institutions acting as counterparty to derivatives may not meet their 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 "Risk Factors" section of the Prospectus.

Performance records

Comparative Table

Accumulation 'U2'	1 January 2023 to 30 June 2023 p/share	1 January 2022 to 31 December 2022 p/share	1 January 2021 to 31 December 2021 p/share
Change in net assets per share			
Opening net asset value per share	117.30	125.46	118.79
Return before operating charges*	1.61	(7.20)	7.80
Operating charges**	(0.42)	(0.96)	(1.13)
Return after operating charges*	1.19	(8.16)	6.67
Distributions	(1.64)	(3.54)	(2.45)
Retained distributions on accumulation shares	1.64	3.54	2.45
Closing net asset value per share	118.49	117.30	125.46
* after direct transaction costs of**	0.15	0.28	0.30
Performance			
Return after charges	1.01%	(6.50)%	5.61%
Other information			
Closing net asset value (£)	127,433,977	119,944,709	149,741,110
Closing number of shares	107,547,984	102,255,985	119,352,865
Operating charges****	0.70%	0.79%	0.90%
Direct transaction costs***	0.25%	0.24%	0.24%
Prices			
	pence per share	pence per share	pence per share
Highest share price	126.8	130.7	130.8
Lowest share price	115.9	109.6	120.3

** The operating charges include all costs borne by the sub-fund, except for direct transaction costs. Since the sub-fund invests less than 10% of net assets in underlying sub-funds there is no inclusion of a synthetic element for underlying sub-funds ongoing charges.

*** 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 (excluding interest on borrowings) to the average net assets of the sub-fund.

Performance

	6 months to 30 June 2023	1 year to 30 June 2023	3 years to 30 June 2023	5 years to 30 June 2023
Quilter Investors Emerging Markets Equity Income Fund*	1.02%	(0.92)%	20.33%	24.97%
Target Benchmark**	(0.76)%	(2.80)%	4.11%	8.77%
IA Global Emerging Markets (sector average)	0.63%	(0.31)%	5.78%	8.49%
Quartile ranking	2	2	1	1

* Accumulation 'U2' shares

** MSCI Emerging Markets Equity Index

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	
Asia Pacific (excluding Japan)	74.52	Taiwan Semiconductor Manufacturing	7.81	
South America	9.14	Tencent	3.90	
North America	4.14	Samsung Electronics	3.20	
Middle East	2.85	Samsung Electronics (Preference shares)	3.04	
Europe	2.50	Alibaba	2.80	
Africa	2.00	China Construction Bank	1.94	
United Kingdom	0.58	LIC Housing Finance	1.79	
		Midea	1.66	
Net other assets	4.27	Power Grid Corporation of India	1.64	
		LG Chem (Preference shares)	1.61	
Total	100.00	Number of holdings	102	
Asset allocation		Total Purchases and Sales for the period		
Equities	95.73		2023	2022
			£'000	£'000
Net other assets	4.27	Total purchases for the 6 month period to 30 June	44,798	40,843
		Total sales for the 6 month period to 30 June	37,049	59,712
Total	100.00			

Portfolio statement

as at 30 June 2023

Holding	Investment	Market Value £'000	Percentage of total net assets %
	United Kingdom 0.58% (31 December 2022 0.00%)		
	United Kingdom Equities 0.58% (31 December 2022 0.00%)		
33,412	Anglo American	746	0.58
		<u>746</u>	<u>0.58</u>
	Overseas 95.15% (31 December 2022 95.48%)		
	Africa 2.00% (31 December 2022 3.11%)		
	South Africa Equities 2.00% (31 December 2022 3.11%)		
62,893	Bidvest	680	0.53
374,347	Sanlam	905	0.71
131,677	Standard Bank	966	0.76
		<u>2,551</u>	<u>2.00</u>
	Asia Pacific (excluding Japan) 74.52% (31 December 2022 75.33%)		
	China Equities 24.03% (31 December 2022 26.26%)		
435,500	Alibaba	3,568	2.80
91,600	ANTA Sports Products	740	0.58
90,654	Baidu	1,215	0.95
841,100	Baoshan Iron & Steel	514	0.40
2,246,000	China Communications Services	875	0.69
4,823,000	China Construction Bank	2,467	1.94
689,200	China International Capital	956	0.75
9,280,000	China Tower	815	0.64
678,000	Country Garden Services	691	0.54
1,246,000	CSPC Pharmaceutical	856	0.67
107,100	ENN Energy	1,055	0.83
124,560	Ganfeng Lithium	642	0.50
600,300	Hengli Petrochemical	936	0.73
4,428,000	Industrial & Commercial Bank of China	1,868	1.47
291,506	Inner Mongolia Yili Industrial	899	0.71
47,450	JD.com	634	0.50
764,000	Lenovo	629	0.49
14,140	Meituan	174	0.14
329,300	Midea	2,112	1.66
301,000	Ping An Insurance China	1,513	1.19
229,200	Sinopharm	565	0.44
148,700	Tencent	4,976	3.90
488,000	Tingyi Cayman Islands	599	0.47
19,100	Yum China	851	0.67
284,427	Zhejiang	477	0.37
		<u>30,627</u>	<u>24.03</u>
	Hong Kong Equities 2.99% (31 December 2022 5.74%)		
78,100	ASMP	608	0.48
344,000	China Resources Land	1,152	0.90
948,000	China State Construction International	852	0.67
842,000	Chow Tai Fook Jewellery	1,195	0.94
		<u>3,807</u>	<u>2.99</u>

Portfolio statement (continued)

as at 30 June 2023

Holding	Investment	Market Value £'000	Percentage of total net assets %
India Equities 13.44% (31 December 2022 12.81%)			
43,880	Bajaj Auto	1,983	1.56
523,871	Bank of Baroda	960	0.75
535,528	Embassy Office Parks REIT	1,506	1.18
1,832,702	GAIL India	1,855	1.45
457,449	Indus Towers	723	0.57
156,737	Infosys ADR	1,970	1.55
602,430	LIC Housing Finance	2,278	1.79
199,976	Mahanagar Gas	2,022	1.59
2,312,800	NHPC	1,021	0.80
341,117	Power Finance	709	0.56
856,522	Power Grid Corporation of India	2,097	1.64
		17,124	13.44
Indonesia Equities 2.60% (31 December 2022 2.29%)			
5,542,400	Bank Mandiri	1,520	1.19
2,620,735	Bank Negara Indonesia	1,261	0.99
2,512,092	Telkom Indonesia Persero	530	0.42
		3,311	2.60
Malaysia Equities 0.41% (31 December 2022 1.03%)			
577,478	RHB Bank	528	0.41
		528	0.41
Philippines Equities 0.54% (31 December 2022 0.49%)			
439,579	Bank of the Philippine Islands	685	0.54
		685	0.54
Singapore Equities 0.74% (31 December 2022 0.84%)			
147,600	BOC Aviation	941	0.74
		941	0.74
South Korea Equities 11.88% (31 December 2022 11.67%)			
34,903	Doosan Bobcat	1,230	0.97
25,942	Hana Financial	610	0.48
27,741	KB Financial	795	0.62
24,339	Kia	1,291	1.01
9,719	LG Chem (Preference shares)	2,053	1.61
94,106	Samsung Electronics	4,077	3.20
108,336	Samsung Electronics (Preference shares)	3,868	3.04
43,389	SK Telecom	1,213	0.95
		15,137	11.88
Taiwan Equities 15.96% (31 December 2022 11.92%)			
36,000	Advanced Energy Solution	743	0.58
61,000	Advantech	633	0.50
200,000	ASE Technology	561	0.44
1,114,000	Cathay Financial	1,220	0.96
157,000	Chroma	996	0.78
185,000	E Ink	1,057	0.83
259,000	Formosa Plastics	564	0.44
230,000	Hon Hai Precision Industry	657	0.52
74,000	MediaTek	1,293	1.01
47,000	Poya International	705	0.55
107,000	Realtek Semiconductor	1,051	0.83

Portfolio statement (continued)

as at 30 June 2023

Holding	Investment	Market Value £'000	Percentage of total net assets %
	Taiwan Equities (continued)		
682,000	Taiwan Semiconductor Manufacturing	9,956	7.81
405,000	Vanguard International Semiconductor	904	0.71
		20,340	15.96
	Thailand Equities 1.93% (31 December 2022 2.28%)		
457,200	Bangkok Bank (Foreign Reg)	1,627	1.28
2,470,700	Thai Beverage	835	0.65
		2,462	1.93
	Europe 2.50% (31 December 2022 0.52%)		
	Italy Equities 0.55% (31 December 2022 0.00%)		
131,300	Prada	696	0.55
		696	0.55
	Greece Equities 1.06% (31 December 2022 0.00%)		
51,763	Hellenic Telecommunications Organization	696	0.55
127,331	National Bank of Greece	654	0.51
		1,350	1.06
	Poland Equities 0.89% (31 December 2022 0.52%)		
53,526	Bank Polska Kasa Opieki	1,140	0.89
		1,140	0.89
	Russia Equities 0.00% (31 December 2022 0.00%)		
625,120	Alosa††*	-	-
15,180	Magnitt††*	-	-
		-	-
	Middle East 2.85% (31 December 2022 4.13%)		
	Saudi Arabia Equities 1.86% (31 December 2022 2.89%)		
38,788	Al Rajhi Bank	596	0.47
23,482	Arabian Drilling	761	0.60
109,930	Saudi Telecom	1,008	0.79
		2,365	1.86
	United Arab Emirates Equities 0.99% (31 December 2022 1.24%)		
1,155,225	Aldar Properties	1,261	0.99
		1,261	0.99
	North America 4.14% (31 December 2022 4.49%)		
	Mexico Equities 2.62% (31 December 2022 2.73%)		
38,081	America Movil ADR	660	0.52
3,622	Grupo Aeroportuario del Sureste ADR	792	0.62
151,000	Grupo Bimbo	635	0.50
97,780	Grupo Financiero Banorte	643	0.50
193,537	Wal-Mart de Mexico	609	0.48
		3,339	2.62
	Panama Equities 0.88% (31 December 2022 0.51%)		
13,031	Copa	1,120	0.88
		1,120	0.88

Portfolio statement (continued)

as at 30 June 2023

Holding	Investment	Market Value £'000	Percentage of total net assets %
	United States Equities 0.64% (31 December 2022 1.25%)		
14,500	Southern Copper	810	0.64
		<u>810</u>	<u>0.64</u>
	South America 9.14% (31 December 2022 7.90%)		
	Brazil Equities 6.57% (31 December 2022 5.46%)		
384,800	Ambev	953	0.75
478,500	B3 SA Brasil Bolsa Balcao	1,141	0.89
266,288	Banco BTG Pactual (1 Common & 2 Preference Class 'A')	1,342	1.05
171,445	Cia Brasileira de Aluminio	140	0.11
106,110	Embraer ADR	1,277	1.00
225,500	Itau Unibancog (Preference shares)	1,046	0.82
147,011	Petroleo Brasileiro ADR	1,490	1.17
92,700	Vale	989	0.78
		<u>8,378</u>	<u>6.57</u>
	Chile Equities 1.31% (31 December 2022 1.15%)		
679,155	Cencosud	1,020	0.80
11,467	Sociedad Quimica y Minera de Chile ADR	648	0.51
		<u>1,668</u>	<u>1.31</u>
	Colombia Equities 0.56% (31 December 2022 0.71%)		
87,235	Ecopetrol ADR	710	0.56
		<u>710</u>	<u>0.56</u>
	Peru Equities 0.70% (31 December 2022 0.58%)		
7,765	Credicorp	896	0.70
		<u>896</u>	<u>0.70</u>
	Investment assets	121,992	95.73
	Net other assets	5,442	4.27
	Total net assets	127,434	100.00

‡ Fair Value Price approved by the ACD. Shares are listed in Russia which is no longer an eligible market.

* Market value less than £500.

All investments are approved securities being either officially listed in a member state or traded on or under the rules of an eligible securities market, unless otherwise stated.

All investments are in ordinary shares unless otherwise stated.

Statement of total return

for the period from 1 January 2023 to 30 June 2023

	Note	01.01.23 to 30.06.23 £'000	01.01.23 to 30.06.23 £'000	01.01.22 to 30.06.22 £'000	01.01.22 to 30.06.22 £'000
Income					
Net capital losses			(442)		(8,663)
Revenue		2,440		2,841	
Expenses		(443)		(620)	
Interest payable and similar charges		-		(2)	
Net revenue before taxation		1,997		2,219	
Taxation		(381)		(268)	
Net revenue after taxation			1,616		1,951
Total return before distributions			1,174		(6,712)
Distributions	2		(1,752)		(1,951)
Change in net assets attributable to shareholders from investment activities			(578)		(8,663)

Statement of change in net assets attributable to shareholders

for the period from 1 January 2023 to 30 June 2023

	01.01.23 to 30.06.23 £'000	01.01.23 to 30.06.23 £'000	01.01.22 to 30.06.22 £'000	01.01.22 to 30.06.22 £'000
Opening net assets attributable to shareholders		119,945*		149,741
Amounts received on issue of shares	11,378		7,137	
Amounts paid on cancellation of shares	(5,084)		(29,572)	
		6,294		(22,435)
Dilution adjustment		16		111
Change in net assets attributable to shareholders from investment activities		(578)		(8,663)
Retained distributions on accumulation shares		1,757		1,821
Closing net assets attributable to shareholders		127,434		120,575*

* 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 2023

	30.06.23 £'000	31.12.22 £'000
Assets		
Fixed assets		
Investments	121,992	114,523
Current assets		
Debtors	2,081	842
Cash and bank balances	3,744	4,650
Total assets	127,817	120,015
Liabilities		
Provisions for liabilities	(136)	-
Creditors		
Bank overdrafts	(173)	-
Other creditors	(74)	(70)
Total liabilities	(383)	(70)
Net assets attributable to shareholders	127,434	119,945

Notes to the financial statements

for the period from 1 January 2023 to 30 June 2023

1 Accounting policies

The 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 the Investment Management Association) in May 2014 and as amended in June 2017.

The accounting policies applied are consistent with those disclosed within the annual Financial Statements for the year ended 31 December 2022.

2 Distributions

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

	01.01.23 to 30.06.23 £'000	01.01.22 to 30.06.22 £'000
First Interim – Accumulation shares (31 March)	267	226
Second Interim – Accumulation shares (30 June)	1,490	1,595
	1,757	1,821
Revenue deducted on cancellation of shares	25	141
Revenue received on issue of shares	(30)	(11)
Distributions	1,752	1,951
Reconciliation of distributions:		
Net revenue after taxation	1,616	1,951
Overseas capital gains tax	136	-
Distributions	1,752	1,951

Distribution tables

Second interim distribution

Group 1: Shares purchased prior to 1 April 2023
 Group 2: Shares purchased from 1 April 2023 to 30 June 2023

	Revenue pence per share	Equalisation pence per share*	Distribution paid 31.08.23 pence per share	Distribution paid 31.08.22 pence per share
Accumulation 'U2' Shares				
Group 1	1.3853	-	1.3853	1.5818
Group 2	0.8221	0.5632	1.3853	1.5818

First interim distribution

Group 1: Shares purchased prior to 1 January 2023
 Group 2: Shares purchased from 1 January 2023 to 31 March 2023

	Revenue pence per share	Equalisation pence per share*	Distribution paid 31.05.23 pence per share	Distribution paid 31.05.22 pence per share
Accumulation 'U2' Shares				
Group 1	0.2531	-	0.2531	0.1985
Group 2	0.2195	0.0336	0.2531	0.1985

* Equalisation only applies to shares purchased during the distribution 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 of these shares 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.

Quilter Investors Europe (ex UK) Equity Fund

Launch date	1 March 2013
IA Sector	Europe ex UK
Investment Adviser	Janus Henderson Investors UK Limited
Net asset value	£440,978,877

Objective

The sub-fund aims to achieve capital growth and to outperform the MSCI Europe ex UK Index, net of charges, over rolling five year periods.

Policy

The sub-fund invests at least 80% of the value of its property in shares of companies listed or located in Europe, excluding the United Kingdom. Investment may be direct or indirect (e.g. through collective investment schemes or derivatives), however the ACD expects that the sub-fund will typically hold investments directly.

The sub-fund may invest in companies of any size, including smaller companies. The sub-fund may at times be concentrated in terms of the number of investments it holds (i.e. have less than 50 holdings).

The sub-fund may also invest in other transferable securities which may include shares in UK companies, collective investment schemes, warrants, money market instruments, deposits and cash.

Any investment in collective investment schemes may include those managed or operated by the ACD or an associate of the ACD.

The sub-fund may only use derivatives for the purpose of Efficient Portfolio Management. The use of derivatives for this purpose is not likely to affect the risk profile of the sub-fund.

Investment Adviser's review

Market review

Equity markets were strong over the first half of 2023 as major central banks turned less hawkish, and cooling inflation and the absence of a winter energy shortage improved the economic outlook. Some positive corporate results provided further support, although worries about a banking sector crisis caused volatility in March and April. The eurozone inflation rate generally slowed, hitting 5.5% year on year in June, which compared with January's 8.6% level. The European Central Bank reduced the size of its rate hikes, although it continued to warn that the pricing pressures remained too high. In June, it raised its deposit rate by 25 basis points to 3.5% and signalled further tightening in 2023. The eurozone economy slipped into a mild recession in the first quarter, shrinking by 0.1% from the previous three months, following a contraction of the same margin in the fourth quarter of 2022.

Performance review

The sub-fund gained 9.07% over the six months under review, compared to the Target Benchmark MSCI Europe ex-UK benchmark, which rose 8.97%.

An overweight position in the energy sector and underweight positions in the materials, financials and consumer discretionary sectors detracted from performance. UPM-Kymmene's business was hurt by lower pulp prices and elevated inventories, aggravating inventory destocking. We consider this to be temporary. Other notable detractors included Norwegian oil and gas company Aker BP, pan-European bourse Euronext and Dutch insurer ASR Nederland. AB InBev also detracted from performance following backlash to its US beer brand, Bud Light, from the conservative-leaning portion of its customer base in response to a single sponsored post from a social media influencer. This episode could reshape consumer marketing strategies across corporate America. For AB InBev specifically, the share price fall appears to more than price in a permanent impairment to the brand, which may or may not turn out to be the case. But, with AB InBev being a highly diversified, highly profitable global beer behemoth – for which Bud Light accounts for only 7-8% of group sales – we think this should prove to be a blip.

Security selection contributed to returns overall, with solid contributions from the information technology and industrials sectors, in particular. US 'big tech' is back in vogue and we saw very narrow market leadership in the second half of the period. However, some of the investor appetite for AI trickled down to Europe. Here, beneficiaries included capital goods businesses that form the supply chain, such as semiconductor manufacturing equipment firms (ASM and BEI), along with Schneider, which has a large datacentre hardware/software business. We also had good returns from Adidas, Hugo Boss, Saint Gobain and CRH. The first two continued to be rewarded by the market for their brand turnaround strategies. The latter two were helped by improved sentiment towards construction material companies.

Portfolio activity at the beginning of the period involved a reduction in the sub-fund's banks weighting as we believed the SVB and Credit Suisse collapses had largely brought the earnings upgrade cycle for banks to a premature end. Deposit funding will become more expensive to stem the deposit drain. Highly leveraged real estate exposures present possible provisioning issues. A tightening of regulation over time is a likely policy response to the banking crisis. Elsewhere, we added Siemens at what appeared to us to be an undemanding valuation. We believe it is a much better company today versus five years ago, with its digital industries and smart infrastructure divisions covering a number of structural growth areas including automation, digitalisation, electrification and sustainability.

We also retained the sub-fund's overweight position in energy in the first quarter of the year, as we believed in a stronger-for-longer oil price, which was not reflected in the attractive free cash flow yields of the sector. Disposals included some pharmaceuticals and the complete sale of Carlsberg. The brewer had outperformed nicely since we bought it in the aftermath of the Russian invasion, but the valuation became less compelling as further turnover in the senior management team seemed likely – a key facet of our investment case due to its quality and track record.

Into the second half of the period, we sold the position in BP and trimmed the rest of the sub-fund's energy sector exposure due to poor price action following the announcement of another OPEC+ supply cut. We are waiting for confirmation of our medium-term thesis of stronger-for-longer oil prices before taking the sub-fund's allocation back up. We used the capital liberated to switch into what we see as oversold, high-conviction ideas where we think valuations look attractive. Elsewhere, we increased the sub-fund's position in Danone as we see tangible evidence of the new CEO's strategy working.

Outlook

Regular readers of these commentaries will be familiar with our view that inflation should prove sticky, owing to entrenched labour expectations (causing higher salary increase demands) as well as the inflationary pressures from supply chains being nearshored over the medium term. This underpins an interest rate regime that looks very different to the last decade - one where borrowing money has a cost associated to it. We continue to believe that this new paradigm favours our flexible, valuation-conscious investment style.

Quilter Investors Europe (ex UK) Equity 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 6 have in the past shown relatively high volatility. With a sub-fund of category 6, you have a relatively high risk of losing money but your chance for gains is also relatively high.

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.

Company shares (i.e. equities) risk - the value of company shares may rise and fall due to the performance of individual companies or because of general market and economic conditions.

Geographic concentration risk - a fall in the European market may have a significant impact on the value of the sub-fund because it primarily invests in this market.

Concentration risk (number of investments) - the sub-fund may at times hold a smaller number of investments, and therefore a fall in the value of a single investment may have a greater impact on the sub-fund's value than if it held a larger number of investments.

Currency risk (EUR share class) - the sub-fund is denominated in British Pounds but holds assets denominated in other currencies. This share class is denominated in Euro. The value of your shares may rise and fall as a result of exchange rate movements.

Currency risk (GBP share class) - the sub-fund is denominated in British Pounds but holds assets denominated in other currencies. 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 but holds assets denominated in other currencies. This share class is denominated in US Dollars. The value of your shares may rise and fall as a result of exchange rate movements.

Derivative risk - the sub-fund may use derivatives for Efficient Portfolio Management (EPM). Derivatives involve a level of risk, however, for EPM they should not increase the overall riskiness of the sub-fund. Derivatives also involve counterparty risk where the institutions acting as counterparty to derivatives may not meet their 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 full details of the sub-fund's risks, please see the section in the Prospectus headed "Risks".

Performance records

Comparative Tables

Accumulation 'A'	1 January 2023 to 30 June 2023 p/share	1 January 2022 to 31 December 2022 p/share	1 January 2021 to 31 December 2021 p/share
Change in net assets per share			
Opening net asset value per share	200.66	215.25	186.09
Return before operating charges*	20.10	(11.38)	32.51
Operating charges**	(1.77)	(3.21)	(3.35)
Return after operating charges*	18.33	(14.59)	29.16
Distributions	-	(2.57)	(1.13)
Retained distributions on accumulation shares	-	2.57	1.13
Closing net asset value per share	218.99	200.66	215.25
* after direct transaction costs of***	0.12	0.30	0.25
Performance			
Return after charges	9.13%	(6.78)%	15.67%
Other information			
Closing net asset value (£)	54,068,026	52,447,710	61,817,663
Closing number of shares	24,689,359	26,138,138	28,718,851
Operating charges****	1.65%	1.65%	1.65%
Direct transaction costs***	0.11%	0.15%	0.12%
Prices			
	pence per share	pence per share	pence per share
Highest share price	223.5	218.6	221.9
Lowest share price	204.4	175.7	182.3

Accumulation 'A' EUR	1 January 2023 to 30 June 2023 p/share	1 January 2022 to 31 December 2022 p/share	1 January 2021 to 31 December 2021 p/share
Change in net assets per share			
Opening net asset value per share	135.10	144.92	125.29
Return before operating charges*	13.54	(7.66)	21.87
Operating charges**	(1.19)	(2.16)	(2.24)
Return after operating charges*	12.35	(9.82)	19.63
Distributions	-	(1.73)	(0.72)
Retained distributions on accumulation shares	-	1.73	0.72
Closing net asset value per share	147.45	135.10	144.92
* after direct transaction costs of***	0.08	0.20	0.16
Performance			
Return after charges	9.14%	(6.78)%	15.67%
Other information			
Closing net asset value (£)	645,345	682,977	512,993
Closing number of shares	437,678	505,528	353,980
Operating charges****	1.65%	1.65%	1.65%
Direct transaction costs***	0.11%	0.15%	0.12%
Prices			
	cents per share	cents per share	cents per share
Highest share price	172.9	176.0	175.8
Lowest share price	156.0	136.7	138.5

Performance records (continued)

Comparative Tables (continued)

	1 January 2023 to 30 June 2023 p/share	1 January 2022 to 31 December 2022 p/share	1 January 2021 to 31 December 2021 p/share
Accumulation 'A' USD			
Change in net assets per share			
Opening net asset value per share	112.74	120.97	104.55
Return before operating charges*	11.29	(6.39)	18.31
Operating charges**	(1.00)	(1.84)	(1.89)
Return after operating charges*	10.29	(8.23)	16.42
Distributions	-	(1.30)	(0.62)
Retained distributions on accumulation shares	-	1.30	0.62
Closing net asset value per share	123.03	112.74	120.97
* after direct transaction costs of***	0.07	0.17	0.14
Performance			
Return after charges	9.13%	(6.80)%	15.71%
Other information			
Closing net asset value (£)	335,268	133,951	546,679
Closing number of shares	272,516	118,810	451,927
Operating charges****	1.65%	1.65%	1.65%
Direct transaction costs***	0.11%	0.15%	0.12%
Prices			
	cents per share	cents per share	cents per share
Highest share price	157.9	166.3	169.1
Lowest share price	137.1	109.5	139.8
Accumulation 'U2'			
Change in net assets per share			
Opening net asset value per share	196.94	209.32	179.34
Return before operating charges*	19.76	(11.01)	31.46
Operating charges**	(0.74)	(1.37)	(1.48)
Return after operating charges*	19.02	(12.38)	29.98
Distributions	-	(4.28)	(2.86)
Retained distributions on accumulation shares	-	4.28	2.86
Closing net asset value per share	215.96	196.94	209.32
* after direct transaction costs of***	0.12	0.29	0.24
Performance			
Return after charges	9.66%	(5.91)%	16.72%
Other information			
Closing net asset value (£)	385,930,238	367,198,669	326,854,942
Closing number of shares	178,702,662	186,449,712	156,152,386
Operating charges****	0.70%	0.72%	0.75%
Direct transaction costs***	0.11%	0.15%	0.12%
Prices			
	pence per share	pence per share	pence per share
Highest share price	219.8	212.6	215.5
Lowest share price	200.7	171.2	175.9

** The operating charges include all costs borne by the sub-fund, except for direct transaction costs.

*** 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 (excluding interest on borrowings) to the average net assets of the sub-fund.

Performance

	6 months to 30 June 2023	1 year to 30 June 2023	3 years to 30 June 2023	5 years to 30 June 2023
Quilter Investors Europe (ex UK) Equity Fund*	9.07%	22.68%	33.42%	50.38%
Target Benchmark**	8.97%	19.00%	29.62%	38.97%
IA Europe ex UK (sector average)	8.07%	18.63%	28.44%	34.01%
Quartile ranking	2	1	2	1

* Accumulation 'U2' shares

** MSCI Europe ex UK Index

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	
France	29.19	Novo Nordisk	5.58	
Netherlands	15.45	LVMH Moet Hennessy Louis Vuitton	4.44	
Germany	12.06	UPM-Kymmene (FIN listing)	3.75	
Switzerland	8.15	ASML	3.46	
Denmark	7.07	Airbus	3.12	
Finland	5.78	adidas	3.12	
Belgium	4.15	Holcim	2.97	
Ireland	3.60	BE Semiconductor Industries	2.89	
Sweden	3.14	TotalEnergies	2.82	
United States	2.60	Cie de Saint-Gobain	2.76	
United Kingdom	1.49			
Norway	1.28	Number of holdings	48	
Spain	1.27			
Italy	1.13	Total Purchases and Sales for the period		
Portugal	0.95			
			2023	2022
			£'000	£'000
Net other assets	2.69	Total purchases for the 6 month period to 30 June	135,060	190,251
		Total sales for the 6 month period to 30 June	149,575	128,855
Total	100.00			
Asset allocation				
Equities	97.31			
Net other assets	2.69			
Total	100.00			

Portfolio statement

as at 30 June 2023

Holding	Investment	Market Value £'000	Percentage of total net assets %
	United Kingdom 1.49% (31 December 2022 5.25%)		
	United Kingdom Equities 1.49% (31 December 2022 5.25%)		
280,880	Shell	6,582	1.49
		<u>6,582</u>	<u>1.49</u>
	Overseas 95.82% (31 December 2022 92.18%)		
	Europe 93.22% (31 December 2022 92.18%)		
	Belgium Equities 4.15% (31 December 2022 3.39%)		
205,109	Anheuser-Busch InBev	9,169	2.08
104,702	Solvay	9,151	2.07
		<u>18,320</u>	<u>4.15</u>
	Denmark Equities 7.07% (31 December 2022 7.54%)		
39,783	DSV	6,590	1.49
196,338	Novo Nordisk	24,603	5.58
		<u>31,193</u>	<u>7.07</u>
	Finland Equities 5.78% (31 December 2022 6.12%)		
1,019,712	Nordea Bank	8,734	1.98
705,748	UPM-Kymmene (FIN listing)	16,517	3.75
9,965	UPM-Kymmene (UK listing)	229	0.05
		<u>25,480</u>	<u>5.78</u>
	France Equities 29.19% (31 December 2022 26.05%)		
121,651	Airbus	13,775	3.12
91,827	Arkema	6,821	1.55
109,061	BNP Paribas	5,408	1.23
254,191	Cie de Saint-Gobain	12,148	2.76
228,446	Danone	11,020	2.50
46,814	EssilorLuxottica	6,897	1.56
26,177	L'Oreal	9,568	2.17
26,570	LVMH Moet Hennessy Louis Vuitton	19,594	4.44
97,834	Safran	11,991	2.72
94,758	Sanofi	7,983	1.81
77,841	Schneider Electric	11,073	2.51
273,698	TotalEnergies	12,451	2.82
		<u>128,729</u>	<u>29.19</u>
	Germany Equities 12.06% (31 December 2022 14.73%)		
90,138	adidas	13,746	3.12
47,505	Deutsche Boerse	6,878	1.56
143,348	HUGO BOSS	8,752	1.99
149,106	Infineon Technologies	4,781	1.08
95,816	RWE	3,280	0.74
79,483	Siemens	10,388	2.36
119,829	Siemens Healthineers	5,339	1.21
		<u>53,164</u>	<u>12.06</u>

Portfolio statement (continued)

as at 30 June 2023

Holding	Investment	Market Value £'000	Percentage of total net assets %
	Ireland Equities 3.60% (31 December 2022 2.43%)		
188,174	CRH (UK listing)	8,181	1.86
89,711	Ryanair ADR	7,676	1.74
		15,857	3.60
	Italy Equities 1.13% (31 December 2022 0.00%)		
270,640	UniCredit	4,996	1.13
		4,996	1.13
	Netherlands Equities 15.45% (31 December 2022 14.19%)		
22,516	ASM International	7,420	1.68
26,944	ASML	15,250	3.46
256,190	ASR Nederland	8,994	2.04
151,579	BE Semiconductor Industries	12,748	2.89
147,785	Euronext	7,939	1.80
369,803	Koninklijke Ahold Delhaize	9,919	2.25
334,654	Universal Music	5,865	1.33
		68,135	15.45
	Norway Equities 1.28% (31 December 2022 1.47%)		
306,267	Aker	5,650	1.28
		5,650	1.28
	Portugal Equities 0.95% (31 December 2022 1.07%)		
1,084,030	EDP - Energias de Portugal	4,181	0.95
		4,181	0.95
	Spain Equities 1.27% (31 December 2022 0.88%)		
93,773	Amadeus IT	5,609	1.27
		5,609	1.27
	Sweden Equities 3.14% (31 December 2022 1.96%)		
575,363	Atlas Copco 'A'	6,477	1.47
485,170	Sandvik	7,370	1.67
		13,847	3.14
	Switzerland Equities 8.15% (31 December 2022 12.35%)		
248,098	Holcim	13,095	2.97
115,798	Nestle	10,951	2.48
27,185	Roche	6,569	1.49
136,910	STMicroelectronics	5,334	1.21
		35,949	8.15
	North America 2.60% (31 December 2022 0.00%)		
	United States Equities 2.60% (31 December 2022 0.00%)		
37,295	Linde (Frankfurt listing)	11,188	2.54
847	Linde (New York listing)	254	0.06
		11,442	2.60

Portfolio statement (continued)

as at 30 June 2023

Holding	Investment	Market Value £'000	Percentage of total net assets %
	Derivatives 0.00% (31 December 2022 0.00%)		
	US Dollar Denominated Forward Exchange Contracts 0.00% (31 December 2022 0.00%)		
	Buy USD 39,967 Sell GBP 31,601 03/07/2023	-	-
		-	-
	Investment assets	429,134	97.31
	Net other assets	11,845	2.69
	Total net assets	440,979	100.00

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, unless otherwise stated.

Statement of total return

for the period from 1 January 2023 to 30 June 2023

	Note	01.01.23 to 30.06.23 £'000	01.01.23 to 30.06.23 £'000	01.01.22 to 30.06.22 £'000	01.01.22 to 30.06.22 £'000
Income					
Net capital gains/(losses)			33,920		(70,657)
Revenue		9,171		10,511	
Expenses		(1,813)		(1,719)	
Interest payable and similar charges		(1)		(8)	
Net revenue before taxation		7,357		8,784	
Taxation		(609)		(790)	
Net revenue after taxation			6,748		7,994
Total return before distributions			40,668		(62,663)
Distributions	2		(189)		(14)
Change in net assets attributable to shareholders from investment activities			40,479		(62,677)

Statement of change in net assets attributable to shareholders

for the period from 1 January 2023 to 30 June 2023

	01.01.23 to 30.06.23 £'000	01.01.23 to 30.06.23 £'000	01.01.22 to 30.06.22 £'000	01.01.22 to 30.06.22 £'000
Opening net assets attributable to shareholders		420,463*		389,732
Amounts received on issue of shares	31,547		74,835	
Amounts paid on cancellation of shares	(51,596)		(17,411)	
		(20,049)		57,424
Dilution adjustment		86		104
Change in net assets attributable to shareholders from investment activities		40,479		(62,677)
Closing net assets attributable to shareholders		440,979		384,583*

* 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 2023

	30.06.23 £'000	31.12.22 £'000
Assets		
Fixed assets		
Investments	429,134	409,674
Current assets		
Debtors	3,595	2,954
Cash and bank balances	8,999	8,185
Total assets	441,728	420,813
Liabilities		
Investment liabilities	-	(1)
Creditors		
Other creditors	(749)	(349)
Total liabilities	(749)	(350)
Net assets attributable to shareholders	440,979	420,463

Notes to the financial statements

for the period from 1 January 2023 to 30 June 2023

1 Accounting policies

The 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 Investment Association (formerly the Investment Management Association) in May 2014 and as amended in June 2017.

The accounting policies applied are consistent with those disclosed within the annual Financial Statements for the year ended 31 December 2022.

2 Distributions

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

	01.01.23 to 30.06.23 £'000	01.01.22 to 30.06.22 £'000
Revenue deducted on cancellation of shares	402	238
Revenue received on issue of shares	(213)	(224)
Distributions	189	14
Reconciliation of distributions:		
Net revenue after taxation	6,748	7,994
Undistributed net revenue carried forward	(6,559)	(7,980)
Distributions	189	14

Quilter Investors Europe (ex UK) Equity Growth Fund

Launch date	12 April 2013
IA Sector	Europe ex UK
Investment Adviser	Allianz Global Investors GmbH (sub-adviser from 1 June 2023)
Net asset value	£229,390,829

Objective

The sub-fund aims to achieve capital growth and to outperform the MSCI Europe ex UK Index, net of charges, over rolling five-year periods.

Policy

The sub-fund invests at least 80% of the value of its property in shares of companies listed or located in Europe, excluding the United Kingdom. Investment may be direct or indirect (e.g. through collective investment schemes or derivatives), however the ACD expects that the sub-fund will typically hold investments directly.

The sub-fund may invest in companies of any size, including smaller companies. The Investment Adviser typically has a preference to invest in shares of companies it believes to have the potential for growth. The sub-fund may at times be concentrated in terms of the number of investments it holds (i.e. have less than 50 holdings).

The sub-fund may also invest in other transferable securities which may include shares in UK companies, collective investment schemes, warrants, money market instruments, deposits and cash.

Any investment in collective investment schemes may include those managed or operated by the ACD or an associate of the ACD.

The sub-fund may only use derivatives for the purpose of Efficient Portfolio Management. The use of derivatives for this purpose is not likely to affect the risk profile of the sub-fund.

Investment Adviser's review

Market review

Eurozone equities delivered double-digit gains over the first half of 2023 (in EUR terms), underpinned by generally better-than-expected corporate earnings. Hopes the region may avoid a sharp recession were boosted by falling energy prices, as well as China's zero-COVID pivot, helping investors overlook the headwinds of rising interest rates. The emergency rescue of Credit Suisse caused a sharp sell-off in March, but stocks later recovered as fears of wider contagion faded. At a sector level, information technology and consumer discretionary companies were the strongest, followed by industrials, while the energy and real estate sectors declined.

Eurozone GDP shrank 0.1% in the first quarter, as contractions in Germany and the Netherlands offset expansions in France, Spain and Italy. This mirrored the 0.1% contraction in the final quarter of 2022 and meant the eurozone economy had entered a small technical recession. The HCOB eurozone composite purchasing manager's index rose to an 11-month high of 54.1 in April, but the flash estimate fell back to 50.3 in June, indicating the economy was stagnating as the contraction in manufacturing activity deepened and services activity also lost momentum. Eurozone headline inflation eased to a 17-month low of 5.5% in June, while core inflation came in at 5.4%.

After two 50-basis-point ("bps") rate hikes in February and March, the European Central Bank ("ECB") subsequently slowed the pace at which it raised rates, implementing 25-bps increases in May and June and taking rates to a 22-year high of 3.5%. However, ECB President Christine Lagarde warned that the ECB had more ground to cover and would likely continue raising rates in July. Central banks in Switzerland and the Nordics also raised rates.

Performance review

Quilter Europe (ex UK) Equity Growth Fund delivered superb performance of 12.97% during the first half of 2023, outperforming its Target Benchmark MSCI Europe ex UK strongly by +4%. In 2022, investors flocked to Energy and Utilities given the assumed energy crisis, but also big Pharma and Consumer Staples, with ESG unfriendly spaces like Weapons and Tobacco also strong. This defensive positioning by labels had already begun to unwind late last year and has continued in our favour. We have also seen some recovery of our construction linked names like Nemetschek and Kingspan, as well as Adidas, pleasing since each of these top contributors this year was a top five detractor last year. China's reopening placed a spotlight on luxury, favouring top three holding LVMH, where Q1 results nearly doubled consensus expectations. Overall, our last set of earnings results were outstanding, especially our highest conviction positions. Novo Nordisk kicked off the year with a giant upgrade, raising sales and EBIT guidance by c. 10 percentage points, Infineon defied the semiconductor slowdown with a meaningful upgrade to mid-term growth and margin

targets, and also L'Oreal doubled market expectations. Perhaps the best story was Atlas Copco, demonstrating how sector labels are rarely a good guide to resilience: the Industrials firm posted blow-out order growth of 19%, with their energy efficient compressors in high demand after the energy price spike.

During the six-month period, we added a new position in Straumann to the portfolio. Straumann is a global leader in dental implants, and also has a clear aligner business, that benefit from demographic shifts, rising wealth, and the transition away from fixed orthodontics. We expect Straumann's rapidly growing, value-oriented products to match their leadership in premium dental implants over time. Straumann offers double-digit revenue and earnings growth with high resilience given the nature of its products. We exited our position in GN Store Nord, having strong positions in hearing aids and audio devices. Here we had some concerns about the balance sheet following a gaming acquisition, as earnings softened. We also sold Temenos, offering software for banks, with the quality of the business called into question.

Outlook

Our strategy concluded the first half of 2023 with outstanding performance, surpassing both the Growth style benchmark and the broader market significantly.

Many of our stocks are halfway back to the 2021 highs, while valuations remain moderate, suggesting upside. Currently, the P/E ratio of our sub-fund stands at 29.9x, versus the Growth style benchmark at 25.1x. Considering historical portfolio multiples, this is well below the 5-year average of 32.7x.

Generally, we are well positioned with our structurally growing, high Quality names even in a downturn, and see our companies as capable climbers of this wall of worry. We summarise the optimistic case for Growth below:

- Any pause or reduction in the rate hike story should be helpful for our Growth orientation, given multiple compression was the main cause for underperformance in 2022.
- Our high IT allocation includes meaningful exposure to the generative AI story unfolding.
- China's eventual recovery, and return to travel at 2019 levels or better, would help many of our companies that have high exposure to the region or travel sales channel.
- Upside remains, even for stocks reaching new highs like LVMH, the Tiffany acquisition can shine.
- Elements we hunt for like pricing power, sticky revenues, critical products and services, and strong management teams suit any possibly weaker macro scenario.

For several quarters now, we have anticipated greater earnings resilience from our companies as the market environment deteriorated. This is indeed the case. Currently our strategy is enjoying EPS growth of 14.5%, versus the Growth style benchmark at 9.1%. The difference is +5.4 percentage points, much higher than a year ago when the difference was +3.1 percentage points. This widening gap can aid relative returns, especially versus the broader market. Naturally, decent earnings growth is also supportive of valuations ahead.

We respect earnings could lower from here, especially if the weaker US macro picture adds pressure, but for now our Management teams are also cautiously optimistic. In any case, we will focus on opportunities that will best compound our client's wealth over the long-term.

Quilter Investors Europe (ex UK) Equity Growth 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 6 have in the past shown relatively high volatility. With a sub-fund of category 6, you have a relatively high risk of losing money but your chance for gains is also relatively high.

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.

Company shares (i.e. equities) risk - the value of company shares may rise and fall due to the performance of individual companies or because of general market and economic conditions.

Geographic concentration risk - a fall in the European market may have a significant impact on the value of the sub-fund because it primarily invests in this market.

Concentration risk (number of investments) - the sub-fund may at times hold a smaller number of investments, and therefore a fall in the value of a single investment may have a greater impact on the sub-fund's value than if it held a larger number of investments.

Style bias risk - sub-funds that favour shares of either undervalued companies ("value stocks") or companies with the potential for growth ("growth stocks") may be subject to periods of underperformance, as value and growth stocks typically outperform each other, and markets generally, at different times.

Currency risk (EUR share class) - the sub-fund is denominated in British Pounds but holds assets denominated in other currencies. This share class is denominated in Euro. The value of your shares may rise and fall as a result of exchange rate movements.

Currency risk (GBP share class) - the sub-fund is denominated in British Pounds but holds assets denominated in other currencies. 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 but holds assets denominated in other currencies. This share class is denominated in US Dollars. The value of your shares may rise and fall as a result of exchange rate movements.

Derivative risk - the sub-fund may use derivatives for Efficient Portfolio Management (EPM). Derivatives involve a level of risk, however, for EPM they should not increase the overall riskiness of the sub-fund. Derivatives also involve counterparty risk where the institutions acting as counterparty to derivatives may not meet their 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 full details of the sub-fund's risks, please see the section in the Prospectus headed "Risks".

Performance records

Comparative Tables

Accumulation 'A'	1 January 2023 to 30 June 2023 p/share	1 January 2022 to 31 December 2022 p/share	1 January 2021 to 31 December 2021 p/share
Change in net assets per share			
Opening net asset value per share	190.77	265.12	218.21
Return before operating charges*	28.50	(71.04)	50.91
Operating charges**	(1.74)	(3.31)	(4.00)
Return after operating charges*	26.76	(74.35)	46.91
Distributions	-	-	-
Retained distributions on accumulation shares	-	-	-
Closing net asset value per share	217.53	190.77	265.12
* after direct transaction costs of***	0.03	0.10	0.14
Performance			
Return after charges	14.03%	(28.04)%	21.50%
Other information			
Closing net asset value (£)	7,147,810	6,446,236	10,818,375
Closing number of shares	3,285,839	3,379,021	4,080,620
Operating charges****	1.65%	1.65%	1.65%
Direct transaction costs***	0.02%	0.05%	0.06%
Prices			
	pence per share	pence per share	pence per share
Highest share price	221.8	264.6	272.9
Lowest share price	194.3	168.5	208.0
Accumulation 'A' EUR	1 January 2023 to 30 June 2023 p/share	1 January 2022 to 31 December 2022 p/share	1 January 2021 to 31 December 2021 p/share
Change in net assets per share			
Opening net asset value per share	126.61	175.97	144.83
Return before operating charges*	18.93	(47.19)	33.79
Operating charges**	(1.15)	(2.17)	(2.65)
Return after operating charges*	17.78	(49.36)	31.14
Distributions	-	-	-
Retained distributions on accumulation shares	-	-	-
Closing net asset value per share	144.39	126.61	175.97
* after direct transaction costs of***	0.02	0.07	0.09
Performance			
Return after charges	14.04%	(28.05)%	21.50%
Other information			
Closing net asset value (£)	781,046	698,348	750,441
Closing number of shares	540,933	551,591	426,465
Operating charges****	1.65%	1.65%	1.65%
Direct transaction costs***	0.02%	0.05%	0.06%
Prices			
	cents per share	cents per share	cents per share
Highest share price	171.6	210.1	215.3
Lowest share price	146.1	127.2	160.8

Performance records (continued)

Comparative Tables (continued)

	1 January 2023 to 30 June 2023 p/share	1 January 2022 to 31 December 2022 p/share	1 January 2021 to 31 December 2021 p/share
Accumulation 'A' USD			
Change in net assets per share			
Opening net asset value per share	112.96	156.97	129.20
Return before operating charges*	16.87	(42.05)	30.14
Operating charges**	(1.03)	(1.96)	(2.37)
Return after operating charges*	15.84	(44.01)	27.77
Distributions	-	-	-
Retained distributions on accumulation shares	-	-	-
Closing net asset value per share	128.80	112.96	156.97
* after direct transaction costs of***	0.02	0.06	0.08
Performance			
Return after charges	14.02%	(28.04)%	21.49%
Other information			
Closing net asset value (£)	3,029,512	2,783,245	4,864,558
Closing number of shares	2,352,098	2,463,994	3,099,022
Operating charges****	1.65%	1.65%	1.65%
Direct transaction costs***	0.02%	0.05%	0.06%
Prices			
	cents per share	cents per share	cents per share
Highest share price	167.4	211.4	221.3
Lowest share price	137.3	109.4	170.3
Accumulation 'U2'			
	1 January 2023 to 30 June 2023 p/share	1 January 2022 to 31 December 2022 p/share	1 January 2021 to 31 December 2021 p/share
Change in net assets per share			
Opening net asset value per share	198.27	272.98	222.68
Return before operating charges*	29.65	(73.24)	52.18
Operating charges**	(0.77)	(1.47)	(1.88)
Return after operating charges*	28.88	(74.71)	50.30
Distributions	-	(1.15)	(0.19)
Retained distributions on accumulation shares	-	1.15	0.19
Closing net asset value per share	227.15	198.27	272.98
* after direct transaction costs of***	0.03	0.11	0.14
Performance			
Return after charges	14.57%	(27.37)%	22.59%
Other information			
Closing net asset value (£)	218,432,461	208,130,661	196,257,162
Closing number of shares	96,161,928	104,973,431	71,894,953
Operating charges****	0.70%	0.72%	0.75%
Direct transaction costs***	0.02%	0.05%	0.06%
Prices			
	pence per share	pence per share	pence per share
Highest share price	231.4	272.4	280.6
Lowest share price	201.9	174.7	212.6

** The operating charges include all costs borne by the sub-fund, except for direct transaction costs.

*** 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 (excluding interest on borrowings) to the average net assets of the sub-fund.

Performance

	6 months to 30 June 2023	1 year to 30 June 2023	3 years to 30 June 2023	5 years to 30 June 2023
Quilter Investors Europe (ex UK) Equity Growth Fund*	12.97%	22.56%	16.81%	44.54%
Target Benchmark**	8.97%	19.00%	29.62%	38.97%
IA Europe ex UK (sector average)	8.07%	18.63%	28.44%	34.01%
Quartile ranking	1	1	4	1

* Accumulation 'U2' shares

** MSCI Europe ex UK Index

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	
Denmark	19.50	ASML	8.58	
Sweden	15.48	DSV	6.10	
France	14.86	Novo Nordisk	6.00	
Germany	14.35	LVMH Moet Hennessy Louis Vuitton	5.59	
Switzerland	14.20	Sika	4.10	
Netherlands	11.99	Infineon Technologies	3.85	
Ireland	4.44	Adyen	3.41	
Italy	2.35	Atlas Copco 'A'	3.29	
Spain	1.17	L'Oreal	2.99	
Luxembourg	0.43	Coloplast	2.84	
Net other assets	1.23	Number of holdings	49	
Total	100.00	Total Purchases and Sales for the period		
Asset allocation			2023	2022
			£'000	£'000
Equities	98.77	Total purchases for the 6 month period to 30 June	23,977	76,434
		Total sales for the 6 month period to 30 June	42,317	12,292
Net other assets	1.23			
Total	100.00			

Portfolio statement

as at 30 June 2023

Holding	Investment	Market Value £'000	Percentage of total net assets %
Overseas 98.77% (31 December 2022 98.19%)			
Europe 98.77% (31 December 2022 98.19%)			
Denmark Equities 19.50% (31 December 2022 21.51%)			
230,901	Ambu	2,978	1.30
58,324	Chr Hansen	3,200	1.40
66,177	Coloplast	6,518	2.84
84,308	DSV	13,995	6.10
90,292	Netcompany	2,944	1.28
108,396	Novo Nordisk	13,769	6.00
16,038	SimCorp	1,339	0.58
		44,743	19.50
France Equities 14.86% (31 December 2022 14.35%)			
162,476	Dassault Systemes	5,671	2.47
50,042	Legrand	3,904	1.70
18,715	L'Oreal	6,867	2.99
17,278	LVMH Moet Hennessy Louis Vuitton	12,812	5.59
24,645	Sartorius Stedim Biotech	4,843	2.11
		34,097	14.86
Germany Equities 14.35% (31 December 2022 13.71%)			
27,236	adidas	4,170	1.82
64,933	Bechtle	2,030	0.89
24,630	Carl Zeiss Meditec	2,095	0.91
271,904	Infineon Technologies	8,838	3.85
41,270	Knorr-Bremse	2,480	1.08
48,237	Nemetschek	2,844	1.24
2,399	Rational	1,364	0.60
44,500	SAP	4,773	2.08
25,904	Symrise	2,142	0.93
96,794	Zalando	2,187	0.95
		32,923	14.35
Ireland Equities 4.44% (31 December 2022 4.57%)			
33,212	DCC	1,461	0.64
5,955	Kerry (Irish listing)	457	0.20
29,090	Kerry (UK listing)	2,213	0.96
41,017	Kingspan (Irish listing)	2,146	0.94
77,292	Kingspan (UK listing)	3,898	1.70
		10,175	4.44
Italy Equities 2.35% (31 December 2022 2.40%)			
152,264	Amplifon	4,394	1.92
57,608	De' Longhi	991	0.43
		5,385	2.35
Luxembourg Equities 0.43% (31 December 2022 0.59%)			
19,836	Eurofins Scientific	991	0.43
		991	0.43

Portfolio statement (continued)

as at 30 June 2023

Holding	Investment	Market Value £'000	Percentage of total net assets %
	Netherlands Equities 11.99% (31 December 2022 10.66%)		
5,739	Adyen	7,820	3.41
34,569	ASML	19,689	8.58
		27,509	11.99
	Spain Equities 1.17% (31 December 2022 0.96%)		
88,125	Industria de Diseno Textil	2,685	1.17
		2,685	1.17
	Sweden Equities 15.48% (31 December 2022 15.40%)		
166,419	AddTech	2,846	1.24
333,312	Assa Abloy	6,312	2.75
665,998	Atlas Copco 'A'	7,544	3.29
185,537	Elekta	1,130	0.49
405,642	Epiroc	6,047	2.64
456,253	Hexagon	4,407	1.92
442,844	Hexpol	3,695	1.61
185,052	Trelleborg	3,522	1.54
		35,503	15.48
	Switzerland Equities 14.20% (31 December 2022 14.04%)		
300	Chocoladefabriken Lindt & Spruengli	2,956	1.29
9,982	Daetwyler	1,676	0.73
16,195	Kardex	2,849	1.24
6,441	Lonza	3,021	1.32
7,259	Partners	5,373	2.34
41,866	Sika	9,414	4.10
12,305	Straumann	1,571	0.69
17,522	VAT	5,702	2.49
		32,562	14.20
	Investment assets	226,573	98.77
	Net other assets	2,818	1.23
	Total net assets	229,391	100.00

All investments are approved securities being either officially listed in a member state or traded on or under the rules of an eligible securities market, unless otherwise stated.

All investments are in ordinary shares unless otherwise stated.

Statement of total return

for the period from 1 January 2023 to 30 June 2023

	Note	01.01.23 to 30.06.23 £'000	01.01.23 to 30.06.23 £'000	01.01.22 to 30.06.22 £'000	01.01.22 to 30.06.22 £'000
Income					
Net capital gains/(losses)			30,618		(76,895)
Revenue		2,456		2,187	
Expenses		(881)		(791)	
Interest payable and similar charges		-		(1)	
Net revenue before taxation		1,575		1,395	
Taxation		(316)		(264)	
Net revenue after taxation			1,259		1,131
Total return before distributions			31,877		(75,764)
Distributions	2		(128)		118
Change in net assets attributable to shareholders from investment activities			31,749		(75,646)

Statement of change in net assets attributable to shareholders

for the period from 1 January 2023 to 30 June 2023

	01.01.23 to 30.06.23 £'000	01.01.23 to 30.06.23 £'000	01.01.22 to 30.06.22 £'000	01.01.22 to 30.06.22 £'000
Opening net assets attributable to shareholders		218,058*		212,691
Amounts received on issue of shares	16,778		67,561	
Amounts paid on cancellation of shares	(37,489)		(3,001)	
		(20,711)		64,560
Dilution adjustment		295		131
Change in net assets attributable to shareholders from investment activities		31,749		(75,646)
Closing net assets attributable to shareholders		229,391		201,736*

* 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 2023

	30.06.23 £'000	31.12.22 £'000
Assets		
Fixed assets		
Investments	226,573	214,117
Current assets		
Debtors	1,313	1,001
Cash and bank balances	1,647	3,086
Total assets	229,533	218,204
Liabilities		
Creditors		
Other creditors	(142)	(146)
Total liabilities	(142)	(146)
Net assets attributable to shareholders	229,391	218,058

Notes to the financial statements

for the period from 1 January 2023 to 30 June 2023

1 Accounting policies

The 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 Investment Association (formerly the Investment Management Association) in May 2014 and as amended in June 2017.

The accounting policies applied are consistent with those disclosed within the annual Financial Statements for the year ended 31 December 2022.

2 Distributions

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

	01.01.23 to 30.06.23 £'000	01.01.22 to 30.06.22 £'000
Revenue deducted on cancellation of shares	156	5
Revenue received on issue of shares	(28)	(123)
Distributions	128	(118)
Reconciliation of distributions:		
Net revenue after taxation	1,259	1,131
Undistributed net revenue carried forward	(1,131)	(1,249)
Distributions	128	(118)

Quilter Investors Europe (ex UK) Equity Income Fund

Launch date	12 April 2017
IA Sector	Europe ex UK
Investment Adviser	Schroder Investment Management Limited
Net asset value	£218,568,095

Objective

The sub-fund aims to achieve income and capital growth and to outperform the MSCI Europe ex UK Index, net of charges, over rolling five-year periods.

Policy

The sub-fund invests at least 80% of the value of its property in shares of companies listed or located in developed and emerging markets in Europe, excluding the United Kingdom. Investment may be direct or indirect (e.g. through collective investment schemes or derivatives), however the ACD expects that the sub-fund will typically hold investments directly.

The sub-fund may invest in companies of any size, including smaller companies. The Investment Adviser typically has a preference to invest in shares of companies it believes are likely to provide dividend payments. The sub-fund may at times be concentrated in terms of the number of investments it holds (i.e. have less than 50 holdings).

The sub-fund may also invest in other transferable securities which may include shares in UK companies, collective investment schemes, warrants, money market instruments, deposits and cash.

Any investment in collective investment schemes may include those managed or operated by the ACD or an associate of the ACD.

The sub-fund may only use derivatives for the purpose of Efficient Portfolio Management. The use of derivatives for this purpose is not likely to affect the risk profile of the sub-fund.

Investment Adviser's review

Market review

Equity markets enjoyed a strong start to the year with most developed markets all posting strong gains after a challenging 2022. European indices were between 5 and 10% higher across the board. Market movements continued to be dominated by economic expectations and the associated interest rate policy of central banks around the world.

In many markets inflation has been falling, with some areas demonstrating more embedded inflation than others. The UK being one. Nonetheless, markets have continued to rebound as economic growth looks resilient.

Closer to home, the biggest news story of the year was around the regional banking crisis in the US, which happened at the same time that Credit Suisse was bought by UBS, an acquisition forced on UBS by the regulator to save one of Switzerland's most storied financial institutions. While value areas of the market enjoyed a stellar first quarter, growth equities rebounded strongly in the second quarter. The strongest performing sector was information technology, with much excitement around developments in artificial technology. The consumer discretionary and industrial sectors also performed well while energy was the worst performer. Real estate has also come under significant pressure as rate rises have led to steep de-valuations for many commercial properties across the continent.

Performance review

The sub-fund underperformed its Target Benchmark. As highlighted, while cheaper shares (those we invest in) enjoyed a good start to the year market sentiment shifted against this since March. Our best performers have been those more cyclically exposed businesses. UniCredit, the Italian bank enjoyed strong results; a beneficiary of higher rates and increased its dividend and launched a share buy back programme. Technip Energies and Heidelberg Materials also showed strong performance, with both shares up nearly 40%.

Not holding some of the big growth companies in Europe has been a headwind to performance so far this year. ASML, one of the world's largest semiconductor businesses has performed well due to excitement around Artificial Intelligence. In terms of our own holdings, Ageas the insurance business and Repsol the Spanish energy business detracted. We still have conviction in both of these positions.

There was only one trade in the second quarter of the year, as we invested in Rio Tinto, the mining business. The company's share prices have been weak YTD, after a strong 2023. Rio offers the combination of a strong balance sheet, high quality assets (particularly iron ore) and a sensible capital allocation policy, all for an undemanding valuation. The company is highly cash generative at current commodity prices and is returning much of that cash to shareholders.

We established a position in property development company British Land Company. British Land own a portfolio of retail and office property in the UK. The shares have become cheap following a combination of rising interest rates as well weakening sentiment towards UK consumers and subsequently retailers, who occupy a meaningful portion of British Land's assets by valuation. While known for their large retail parks, shopping centres and fulfilment sites, in reality the vast majority of British Land's exposure is actually to Campus sites. These sites are primarily occupied by large, non-consumer, multinational companies e.g. Meta Platforms, Visa, Vodaphone, Microsoft etc and based in London where rents and prices tend to be more resilient.

We initiated a position in French asset manager Amundi. We have done a deep dive into the asset management sector given broad share price weakness over the last six months. Amundi had an attractive balance of low valuation, lower exposure to the structural threats facing the industry and well positioned to benefit from industry changes.

We sold French aviation and defence business Dassault Aviation. Shares have performed strongly over the last 12 months and we believe the upside to fair value is now diminished.

Outlook

We are candid about the short term drivers of the market. As long term investors we have to be alive to what is happening in the portfolio (especially with regards to risk management) yet exhibit borderline apathy for its impact on our decision making. This can be a challenge. There will always be the daily siren call of market noise looking to distract us. Thankfully, we sit with eight other likeminded investors in the value team that are also laser focussed on company fundamentals. The team have built a process that forces us, completely willingly, to concentrate on the bottom-up. There is very little room to ponder about the possible direction of rates and inflation, which suits us and our skill set.

However, when we do have periods such as the last quarter where the macro dominates even more than usual and we may be tempted to join the crowds in the speculation, one place we can look for comfort that our bottom-up approach is sound is history. The evidence to suggest investors have a shockingly poor ability to accurately predict macroeconomic variables is overwhelming. That's not to say we think we are smarter than anyone else. It is to say we think the world is an incredibly complex place, and trying to predict the outcome of thousands of non-stationary variables is an endeavour with limited prospects of success. This is why we focus on valuation, where there is robust data going back 130 years to suggest the relationship to long term investment returns is clear.

When we look at the cheapest part of the market today, we see far more diversification than we have had for some time. The volatility of markets over the last 3 years since COVID-19 has brought in new sectors and companies into the cheapest valuation quintile, our typical hunting ground.

To bring this to life, just before the COVID-19 pandemic, our wider European portfolio had roughly 55% across Energy, Banks and Miners, such was the narrowness in valuations. Today that figure is around 35%, with the bulk of the residual being funded across increased exposure in Health Care, Communication Services and Consumer Discretionary.

Our forecast today is the same as it has ever been; we believe buying cheap companies leads to the best long term investment returns. Focusing on company fundamentals is where we think we can do this most effectively, and so will continue to do so.

Quilter Investors Europe (ex UK) Equity Income 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 6 have in the past shown relatively high volatility. With a sub-fund of category 6, you have a relatively high risk of losing money but your chance for gains is also relatively high.

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.

Company shares (i.e. equities) risk - the value of company shares may rise and fall due to the performance of individual companies or because of general market and economic conditions.

Geographic concentration risk - a fall in the European market may have a significant impact on the value of the sub-fund because it primarily invests in this market.

Concentration risk (number of investments) - the sub-fund may at times hold a smaller number of investments, and therefore a fall in the value of a single investment may have a greater impact on the sub-fund's value than if it held a larger number of investments.

Style bias risk - sub-funds that favour shares of either undervalued companies ("value stocks") or companies with the potential for growth ("growth stocks") may be subject to periods of underperformance, as value and growth stocks typically outperform each other, and markets generally, at different times. This sub-fund is likely to favour value stocks as they typically provide higher dividend payments.

Currency risk - the sub-fund is denominated in British Pounds but holds assets denominated in other currencies. The value of your shares may rise and fall as a result of exchange rate movements.

Derivative risk - the sub-fund may use derivatives for Efficient Portfolio Management (EPM). Derivatives involve a level of risk, however, for EPM they should not increase the overall riskiness of the sub-fund. Derivatives also involve counterparty risk where the institutions acting as counterparty to derivatives may not meet their contractual obligations.

Capital erosion risk - the sub-fund takes its charges from the capital of the sub-fund. Investors should be aware that there is potential for capital erosion if insufficient capital growth is achieved by the sub-fund to cover the 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 Table

Accumulation 'U2'	1 January 2023 to 30 June 2023 p/share	1 January 2022 to 31 December 2022 p/share	1 January 2021 to 31 December 2021 p/share
Change in net assets per share			
Opening net asset value per share	124.52	118.18	102.07
Return before operating charges*	9.30	7.17	16.97
Operating charges**	(0.47)	(0.83)	(0.86)
Return after operating charges*	8.83	6.34	16.11
Distributions	-	(5.32)	(4.37)
Retained distributions on accumulation shares	-	5.32	4.37
Closing net asset value per share	133.35	124.52	118.18
* after direct transaction costs of***	0.08	0.11	0.13
Performance			
Return after charges	7.09%	5.36%	15.78%
Other information			
Closing net asset value (£)	218,568,095	220,344,156	181,797,276
Closing number of shares	163,899,899	176,951,325	153,826,427
Operating charges****	0.70%	0.72%	0.75%
Direct transaction costs***	0.11%	0.10%	0.11%
Prices			
	pence per share	pence per share	pence per share
Highest share price	142.1	125.9	121.5
Lowest share price	127.1	102.0	100.8

** The operating charges include all costs borne by the sub-fund, except for direct transaction costs.

*** 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 (excluding interest on borrowings) to the average net assets of the sub-fund.

Performance

	6 months to 30 June 2023	1 year to 30 June 2023	3 years to 30 June 2023	5 years to 30 June 2023
Quilter Investors Europe (ex UK) Equity Income Fund*	7.05%	16.99%	52.41%	18.54%
Target Benchmark**	8.97%	19.00%	29.62%	38.97%
IA Europe ex UK (sector average)	8.07%	18.63%	28.44%	34.01%
Quartile ranking	3	3	1	4

* Accumulation 'U2' shares

** MSCI Europe ex UK Index

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
Europe	86.32	Allianz	4.13
United Kingdom	7.29	Sanofi	4.07
		Endesa	3.65
Net other assets	6.39	Orange	3.47
		AXA	3.26
Total	100.00	Eni	2.87
		Fresenius	2.83
Asset allocation		Bayer	2.70
Equities	93.61	ING	2.63
		Swiss Re	2.64
Net other assets	6.39	Number of holdings	42
Total	100.00	Total Purchases and Sales for the period	
			2023
			2022
			£'000
			£'000
		Total purchases for the 6 month period to 30 June	47,359
		Total sales for the 6 month period to 30 June	63,134
			88,899
			53,421

Portfolio statement

as at 30 June 2023

Holding	Investment	Market Value £'000	Percentage of total net assets %
United Kingdom 7.29% (31 December 2022 6.69%)			
United Kingdom Equities 7.29% (31 December 2022 6.69%)			
885,731	British Land REIT	2,710	1.24
242,769	GSK	3,380	1.55
185,691	Imperial Brands	3,250	1.49
61,455	Rio Tinto	3,071	1.40
1,418,167	Tesco	3,523	1.61
		<u>15,934</u>	<u>7.29</u>
Overseas 86.32% (31 December 2022 89.27%)			
Europe 86.32% (31 December 2022 89.27%)			
Belgium Equities 2.41% (31 December 2022 2.79%)			
165,062	Ageas	5,264	2.41
		<u>5,264</u>	<u>2.41</u>
Denmark Equities 1.82% (31 December 2022 1.30%)			
1,070,914	H Lundbeck	3,984	1.82
		<u>3,984</u>	<u>1.82</u>
Finland Equities 1.47% (31 December 2022 1.82%)			
304,507	Fortum	3,220	1.47
		<u>3,220</u>	<u>1.47</u>
France Equities 25.71% (31 December 2022 26.26%)			
101,477	Amundi	4,737	2.17
49,662	Arkema	3,689	1.69
306,091	AXA	7,129	3.26
112,048	BNP Paribas	5,556	2.54
821,213	Orange	7,580	3.47
33,862	Publicis	2,155	0.99
135,613	Renault	4,491	2.05
105,493	Sanofi	8,888	4.07
81,838	Societe BIC	3,705	1.69
253,732	Technip Energies	4,512	2.06
683,386	Television Francaise 1	3,751	1.72
		<u>56,193</u>	<u>25.71</u>
Germany Equities 26.99% (31 December 2022 26.77%)			
49,158	Allianz	9,028	4.13
139,497	BASF	5,318	2.43
134,763	Bayer	5,891	2.70
1,972,249	Ceconomy	3,829	1.75
87,400	Continental	5,190	2.37
285,564	Fresenius	6,181	2.83
69,071	Heidelberg Materials	4,454	2.04
93,003	Henkel	5,170	2.37
157,551	Jungheinrich (Preference shares)	4,511	2.06
871,599	Schaeffler (Preference shares)	4,241	1.94
2,330,884	Telefonica Deutschland	5,171	2.37
		<u>58,984</u>	<u>26.99</u>

Portfolio statement (continued)

as at 30 June 2023

Holding	Investment	Market Value £'000	Percentage of total net assets %
	Italy Equities 7.31% (31 December 2022 7.26%)		
555,047	Eni	6,282	2.87
2,233,797	Intesa Sanpaolo	4,627	2.12
274,679	UniCredit	5,070	2.32
		15,979	7.31
	Luxembourg Equities 3.62% (31 December 2022 3.70%)		
106,263	RTL	3,400	1.56
978,317	SES	4,508	2.06
		7,908	3.62
	Netherlands Equities 5.05% (31 December 2022 6.58%)		
429,252	ABN AMRO (Depositary receipt)	5,284	2.42
541,679	ING	5,760	2.63
		11,044	5.05
	Spain Equities 6.26% (31 December 2022 5.55%)		
470,429	Endesa	7,971	3.65
495,547	Repsol	5,714	2.61
		13,685	6.26
	Switzerland Equities 5.68% (31 December 2022 7.24%)		
93,696	Adecco	2,400	1.10
18,498	Swatch	4,247	1.94
72,577	Swiss Re	5,754	2.64
		12,401	5.68
	Investment assets	204,596	93.61
	Net other assets	13,972	6.39
	Total net assets	218,568	100.00

All investments are approved securities being either officially listed in a member state or traded on or under the rules of an eligible securities market, unless otherwise stated.

All investments are in ordinary shares unless otherwise stated.

Statement of total return

for the period from 1 January 2023 to 30 June 2023

	Note	01.01.23 to 30.06.23 £'000	01.01.23 to 30.06.23 £'000	01.01.22 to 30.06.22 £'000	01.01.22 to 30.06.22 £'000
Income					
Net capital gains/(losses)			8,722		(10,972)
Revenue		9,540		8,996	
Expenses		(801)		(753)	
Interest payable and similar charges		-		(25)	
Net revenue before taxation		8,739		8,218	
Taxation		(942)		(853)	
Net revenue after taxation			7,797		7,365
Total return before distributions			16,519		(3,607)
Distributions	2		(202)		(321)
Change in net assets attributable to shareholders from investment activities			16,317		(3,928)

Statement of change in net assets attributable to shareholders

for the period from 1 January 2023 to 30 June 2023

	01.01.23 to 30.06.23 £'000	01.01.23 to 30.06.23 £'000	01.01.22 to 30.06.22 £'000	01.01.22 to 30.06.22 £'000
Opening net assets attributable to shareholders		220,344*		181,797
Amounts received on issue of shares	13,495		38,702	
Amounts paid on cancellation of shares	(31,642)		(16,201)	
		(18,147)		22,501
Dilution adjustment		54		83
Change in net assets attributable to shareholders from investment activities		16,317		(3,928)
Closing net assets attributable to shareholders		218,568		200,453*

* 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 2023

	30.06.23 £'000	31.12.22 £'000
Assets		
Fixed assets		
Investments	204,596	211,440
Current assets		
Debtors	2,340	1,385
Cash and bank balances	11,757	7,644
Total assets	218,693	220,469
Liabilities		
Creditors		
Other creditors	(125)	(125)
Total liabilities	(125)	(125)
Net assets attributable to shareholders	218,568	220,344

Notes to the financial statements

for the period from 1 January 2023 to 30 June 2023

1 Accounting policies

The 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 the Investment Management Association) in May 2014 and as amended in June 2017.

The accounting policies applied are consistent with those disclosed within the annual Financial Statements for the year ended 31 December 2022.

2 Distributions

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

	01.01.23 to 30.06.23 £'000	01.01.22 to 30.06.22 £'000
Revenue deducted on cancellation of shares	421	566
Revenue received on issue of shares	(219)	(245)
Distributions	202	321
Reconciliation of distributions:		
Net revenue after taxation	7,797	7,365
Capitalised fees	801	753
Undistributed net revenue carried forward	(8,396)	(7,797)
Distributions	202	321

Quilter Investors Gilt Index Fund

Launch date	5 February 2003
IA Sector	UK Gilts
Investment Adviser	BlackRock Investment Management (UK) Limited
Net asset value	£Nil

Quilter Investors Gilt Index Fund closed on 29 November 2022.

Objective

The sub-fund aims to achieve capital growth through a portfolio of investments aimed at tracking the performance of the ICE BofA UK Gilt Index before fees are deducted.

Policy

The sub-fund invests at least 95% of the value of its property in UK Gilts (i.e. government bonds). Investment will generally be made in proportion to the weightings in the ICE BofA UK Gilt Index.

Non-Sterling currency exposure will be hedged back into Sterling.

The sub-fund may also invest in other transferable securities, collective investment schemes, money market instruments, deposits and cash. Any investment in collective investment schemes may include those managed or operated by the ACD or an associate of the ACD.

The sub-fund may only use derivatives for the purpose of Efficient Portfolio Management. The use of derivatives for this purpose is not likely to affect the risk profile of the sub-fund.

Investment Adviser's review

Please note this sub-fund closed on 29 November 2022.

Risk and Reward Profile

Lower risk ← Higher risk
Typically lower rewards ← Typically higher rewards



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.

Index-tracking risk - the performance of the sub-fund will depend on the performance of the relevant index and the success of the sub-fund in tracking that index.

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

Derivative risk - the sub-fund may use derivatives for Efficient Portfolio Management (EPM). Derivatives involve a level of risk, however, for EPM they should not increase the overall riskiness of the sub-fund. Derivatives also involve counterparty risk where the institutions acting as counterparty to derivatives may not meet their contractual obligations.

Capital erosion risk - the sub-fund takes its charges from capital of the sub-fund. Investors should be aware that there is potential for capital erosion if insufficient capital growth is achieved by the sub-fund to cover the charges. Capital erosion may have the effect of reducing the level of income generated.

For full details of the sub-fund's risks, please see the section in the Prospectus headed "Risks".

Performance records

Comparative Tables

	1 January 2022 to 31 December 2022	1 January 2021 to 31 December 2021
	p/share	p/share
Accumulation 'A'†		
Change in net assets per share		
Opening net asset value per share	94.10	99.82
Return before operating charges*	(17.72)	(5.15)
Operating charges**	(0.46)	(0.57)
Return after operating charges*	(18.18)	(5.72)
Distributions	(1.84)	(1.78)
Retained distributions on accumulation shares	1.84	1.78
Redemption value	(75.92)	-
Closing net asset value per share	-	94.10
* after direct transaction costs of***	-	-
Performance		
Return after charges	(19.32)%	(5.73)%
Other information		
Closing net asset value (£)	-	31,923,706
Closing number of shares	-	33,923,545
Operating charges****	0.60%	0.60%
Direct transaction costs***	-	-
Prices		
	pence per share	pence per share
Highest share price	93.50	100.1
Lowest share price	65.11	90.15
Income 'A'†		
Change in net assets per share		
Opening net asset value per share	69.48	75.11
Return before operating charges*	(13.04)	(3.87)
Operating charges**	(0.33)	(0.43)
Return after operating charges*	(13.37)	(4.30)
Distributions	(1.35)	(1.33)
Redemption value	(54.76)	-
Closing net asset value per share	-	69.48
* after direct transaction costs of***	-	-
Performance		
Return after charges	(19.24)%	(5.72)%
Other information		
Closing net asset value (£)	-	54,675
Closing number of shares	-	78,692
Operating charges****	0.60%	0.60%
Direct transaction costs***	-	-
Prices		
	pence per share	pence per share
Highest share price	69.02	75.31
Lowest share price	47.44	67.19

Performance records (continued)

Comparative Tables (continued)

Accumulation 'U2'†	1 January 2022 to 31 December 2022	1 January 2021 to 31 December 2021
	p/share	p/share
Change in net assets per share		
Opening net asset value per share	137.29	145.04
Return before operating charges*	(25.84)	(7.47)
Operating charges**	(0.23)	(0.28)
Return after operating charges*	(26.07)	(7.75)
Distributions	(2.69)	(2.59)
Retained distributions on accumulation shares	2.69	2.59
Redemption value	(111.22)	-
Closing net asset value per share	-	137.29
* after direct transaction costs of***	-	-
Performance		
Return after charges	(18.99)%	(5.34)%
Other information		
Closing net asset value (£)	-	426,959,814
Closing number of shares	-	310,988,875
Operating charges****	0.20%	0.20%
Direct transaction costs****	-	-
Prices	pence per share	pence per share
Highest share price	136.4	145.4
Lowest share price	95.34	131.4
Income 'U2'†	1 January 2022 to 31 December 2022	1 January 2021 to 31 December 2021
	p/share	p/share
Change in net assets per share		
Opening net asset value per share	113.30	121.99
Return before operating charges*	(21.28)	(6.29)
Operating charges**	(0.18)	(0.23)
Return after operating charges*	(21.46)	(6.52)
Distributions	(2.21)	(2.17)
Redemption value	(89.63)	-
Closing net asset value per share	-	113.30
* after direct transaction costs of***	-	-
Performance		
Return after charges	(18.95)%	(5.34)%
Other information		
Closing net asset value (£)	-	1,709,306
Closing number of shares	-	1,508,670
Operating charges****	0.20%	0.20%
Direct transaction costs****	-	-
Prices	pence per share	pence per share
Highest share price	112.6	122.3
Lowest share price	77.60	109.5

† The sub-fund closed on 29 November 2022. The closing net asset value per share used in the comparative tables is the net asset value as at closure date.

** The operating charges include all costs borne by the sub-fund, except for direct transaction costs.

*** 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 (excluding interest on borrowings) to the average net assets of the sub-fund.

Performance

As the sub-fund closed on the 29 November 2022 there are no performance figures presented for the period under review.

Total Purchases and Sales for the period

	2023	2022
	£'000	£'000
Total purchases for the 6 month period to 30 June	-	32,828
Total sales for the 6 month period to 30 June	-	398,034

Statement of total return

for the period from 1 January 2023 to 30 June 2023

	Note	01.01.23 to 30.06.23 £'000	01.01.23 to 30.06.23 £'000	01.01.22 to 30.06.22 £'000	01.01.22 to 30.06.22 £'000
Income					
Net capital losses			-		(60,159)
Revenue		4		3,420	
Expenses		-		(372)	
Net revenue before taxation		4		3,048	
Taxation		(1)		-	
Net revenue after taxation			3		3,048
Total return before distributions			3		(57,111)
Distributions	2		-		(3,420)
Change in net assets attributable to shareholders from investment activities			3		(60,531)

Statement of change in net assets attributable to shareholders

for the period from 1 January 2023 to 30 June 2023

	01.01.23 to 30.06.23 £'000	01.01.23 to 30.06.23 £'000	01.01.22 to 30.06.22 £'000	01.01.22 to 30.06.22 £'000
Opening net assets attributable to shareholders		*		460,648
Amounts received on issue of shares	-		20,257	
Amounts paid on cancellation of shares	-		(388,419)	
		-		(368,162)
Dilution adjustment		-		210
Change in net assets attributable to shareholders from investment activities		3		(60,531)
Retained distributions on accumulation shares		-		419
Change in residual payment in respect of sub-fund closure		(3)		-
Closing net assets attributable to shareholders		-		32,584*

* 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.

The sub-fund closed to investors on 29 November 2022.

Balance sheet

as at 30 June 2023

	30.06.23 £'000	31.12.22 £'000
Assets		
Current assets		
Cash and bank balances	8	13
Total assets	8	13
Liabilities		
Creditors		
Distribution payable	-	(10)
Other creditors	(8)	(3)
Total liabilities	(8)	(13)
Net assets attributable to shareholders	-	-

The sub-fund closed to investors on 29 November 2022.

Notes to the financial statements

for the period from 1 January 2023 to 30 June 2023

1 Accounting policies

The 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 the Investment Management Association) in May 2014 and as amended in June 2017.

The accounting policies applied are consistent with those disclosed within the annual Financial Statements for the year ended 31 December 2022.

2 Distributions

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

	01.01.23 to 30.06.23 £'000	01.01.22 to 30.06.22 £'000
Interim – Accumulation shares (30 June)†	-	419
Interim – Income shares (30 June)†	-	16
	-	435
Revenue deducted on cancellation of shares	-	3,084
Revenue received on issue of shares	-	(99)
Distributions	-	3,420
Reconciliation of distributions:		
Net revenue after taxation	3	3,048
Capitalised fees	-	372
Undistributed revenue payable on termination	(3)	-
Distributions	-	3,420

† The sub-fund closed on 29 November 2022.

Distribution table

Interim distribution

Group 1: Shares purchased prior to 1 January 2023
 Group 2: Shares purchased from 1 January 2023 to 30 June 2023

	Net revenue pence per share	Equalisation pence per share*	Distribution paid 31.08.23 pence per share	Distribution paid 31.08.22 pence per share
Accumulation 'A' Shares†				
Group 1	-	-	-	1.0845
Group 2	-	-	-	1.0845
Income 'A' Shares†				
Group 1	-	-	-	0.8009
Group 2	-	-	-	0.8009
Accumulation 'U2' Shares†				
Group 1	-	-	-	1.5841
Group 2	-	-	-	1.5841
Income 'U2' Shares†				
Group 1	-	-	-	1.3073
Group 2	-	-	-	1.3073

† The sub-fund closed on 29 November 2022.

* Equalisation only applies to shares purchased during the distribution 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 of these shares 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.

Quilter Investors Global Equity Absolute Return Fund

Launch date	21 June 2018
IA Sector	Targeted Absolute Return
Investment adviser	Quilter Investors Limited
Net asset value	£592,305,734

Objective

The sub-fund aims to achieve capital growth by investing at least 85% of its assets in the Jupiter Merian Global Equity Absolute Return Fund (the Master Fund).

The investment objective of the Master Fund is capital appreciation while closely controlling risk. In addition, the Master Fund intends to deliver absolute returns that have a low correlation with equity and bond markets over rolling 12-month periods. In seeking to achieve its investment objective, the Master Fund aims to deliver a return, net of fees, in excess of the Federal Reserve sub-funds Target Rate over rolling three-year periods.

Notwithstanding that the Master Fund is expressed to be an "absolute return" sub-fund, any capital invested is, in fact, at risk. The Master Fund aims to deliver a positive absolute return over rolling 12-month periods, but there is no guarantee that such return will be generated over that specific time period or within another time period.

Policy

The sub-fund invests at least 85% of its assets in the Master Fund and may hold up to a maximum of 15% of its assets in money market instruments, deposits and cash.

The Master Fund focusses on investing (either directly or indirectly) in the shares of companies located anywhere in the world and listed or traded on regulated markets.

The Master Fund may invest through transferable securities, collective investment schemes, warrants, money market instruments, deposits and cash.

The Master Fund will be structured as a market neutral portfolio by taking long positions in stocks determined most likely to deliver a positive relative return, and short positions in stocks determined most likely to deliver a negative relative return. The total value of the long positions will be approximately matched by the total value of the short positions.

The Master Fund may use derivatives for investment purposes and/or Efficient Portfolio Management. The Master Fund may take long and short positions through the use of derivatives, which may result in the Master Fund being leveraged. The Master Fund's use of derivatives for investment purposes may affect the risk profile of the sub-fund. The Master Fund's use of derivatives for Efficient Portfolio Management is not likely to affect the risk profile of the sub-fund.

Investment Adviser's review

Market review

The first quarter of 2023 was a volatile period, with markets continuing to be driven by macroeconomic news and inflation prints. The quarter started on a positive note, thanks both to investor optimism about China's reopening and to expectations of slower interest rate increases, given the cooling inflation data. This resulted in most equity markets rallying strongly throughout January, and in particular US technology companies.

In February, the tone in markets became more negative. A number of strong US data releases and higher than expected inflation prints led to concerns about faster rate hikes, sparking a major sell-off in global bonds, and with most equity markets finishing with losses in February.

March was dominated by the turmoil in the global banking sector, starting with the collapse of Silicon Valley Bank and Signature Bank, followed by dramatic acquisition of Credit Suisse by rival UBS. Strong performance in the tech sector help to offset weakness in the financial sector, and the quarter finished with positive returns across most asset classes, after the weakness seen in 2022.

Global equity markets in general continued the strong recovery from the second half of March. However, the recovery was quite volatile: there was a sharp dip and strong rally towards the end of the month. Inflation in the US has come down quite substantially to around 5%, whilst it was still sticky in Europe at 5.7% and in the UK was stubbornly high at over 10%.

Equity markets were broadly flat during May, with the MSCI World index falling around 1%. Large cap technology pushed markets higher, but only 28% of the MSCI World's constituents outperformed the index during the month. Smaller cap cheap names struggled relative to their larger, growth-orientated counterparts.

Equity markets had another good month in June, with the MSCI World index up around 6%. Europe was a relative underperformer compared to the US. Inflation appears to have been gradually decreasing and US investors seem to have been gaining confidence that a recession can be avoided. Overall, this resulted in improved market sentiment, a positive market response and cyclical outperforming defensives. Inflation remained a considerable concern in the UK.

Performance review

As part of our investment process, the impact of varying macroeconomic conditions on investor behaviour is captured by our market environment analysis. It includes measures of market sentiment as well as of the risk environment.

During the first quarter of 2023 most regions maintained the similar market environment positioning as in the previous quarter. During the second quarter of 2023 there was a significant shift towards the more positive market sentiment across all regions. North America moved from pessimistic to optimistic territory, exhibiting the most aggressive shift among the regions. Europe moved from neutral to optimistic. Japan remained optimistic, however, improving toward even more positive sentiment. Asia Pacific shifted from pessimistic to neutral. The risk environment measure, which captures the broad uncertainty in the markets also improved; however, the shift was a little more cautious compared to market sentiment. North America remained in high-risk territory and Europe just tipped over to medium risk. Asia Pacific remained in medium and Japan in low-risk environment.

Along with our assessment of the market environment, we also assess risk appetite. This indicator evaluates investors' willingness to hold cheaper assets with riskier cashflows (value), versus more certain cashflows from more expensive assets (quality). Risk appetite, after having had a very high reading during the first two months of the year, dropped to neutral during March, as a result of the banking crisis and lower interest rate expectations. This suggests investors have less appetite for risky value, and therefore our process favoured a more balanced approach to looking for attractively valued companies that also have strong balance sheets. This still comes at least partly from investors being cautious about the risk of expensive growth stocks, following a difficult 2022 for those stocks.

Risk appetite continued dropping in the second quarter of 2023, before rebounding strongly in June. These moves resulted in significant rotation out of value and, later in the quarter, the value position started building again. This demonstrated dynamism and speed with which the portfolio is able to navigate volatile markets.

The portfolio outperformed its cash benchmark during the period. All stock selection criteria contributed positively over the last two quarters, with performance mostly coming from North America and Europe. Both stock selection and sector allocation added value with most return coming from the short book over the last six months.

Outlook

Inflation appears to be gradually decreasing and US investors seem to have been gaining confidence that a recession can be avoided. The banking crisis, debt ceiling concerns and fears of excessively high interest rates also seem to have been fading. However, significant risk is still present in global markets with macroeconomic outcomes still very uncertain as well as the continuous geopolitical tensions. Relying on market neutrality, diversification, and tactical rotations in stormy markets should continue to bear fruit for the portfolio, in our view.

Quilter Investors Global Equity Absolute Return 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 - whilst the Master Fund aims to deliver above zero performance irrespective of market conditions, there can be no guarantee this aim will be achieved. A capital loss of some or all of the amount invested may occur.

Company shares (i.e. equities) risk - the value of company shares may rise and fall due to the performance of individual companies or because of general market and economic conditions.

Stock Connect risk - the Master Fund may invest in China A-Shares through the Hong Kong Stock Connect ("Stock Connect"). Stock Connect is governed by regulations which are untested and subject to change. Trading limitations and restrictions on foreign ownership may constrain the Master Fund's ability to pursue its investment strategy.

Currency risk - the Master Fund is denominated in US Dollars and may use hedging 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 Master Fund. These techniques may not eliminate all currency risk. The sub-fund invests in a share class of the Master Fund which is denominated in British Pounds and which aims to hedge the share class currency to the base currency of the Master Fund. The hedging process may not give a precise hedge and some currency risk may remain. In addition, where the Master Fund holds assets denominated in currencies other than US Dollars, the value of your shares may rise and fall as a result of exchange rate movements.

Derivative risk - the Master Fund uses derivatives for investment purposes and for Efficient Portfolio Management (EPM). 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 their 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 "**Risk Factors**" section of the Prospectus.

Performance records

Comparative Table

Accumulation 'U2'	1 January 2023 to 30 June 2023 p/share	1 January 2022 to 31 December 2022 p/share	1 January 2021 to 31 December 2021 p/share
Change in net assets per share			
Opening net asset value per share	1,039.35	954.04	802.79
Return before operating charges*	48.72	91.75	157.19
Operating charges**	(3.40)	(6.44)	(5.94)
Return after operating charges*	45.32	85.31	151.25
Distributions	-	(0.46)	(0.76)
Retained distributions on accumulation shares	-	0.46	0.76
Closing net asset value per share	1,084.67	1,039.35	954.04
* after direct transaction costs of**	-	-	-
Performance			
Return after charges	4.36%	8.94%	18.84%
Other information			
Closing net asset value (£)	592,305,734	527,923,685	376,058,018
Closing number of shares	54,607,150	50,793,854	39,417,610
Operating charges****	0.65%	0.65%	0.66%
Direct transaction costs***	0.12%	0.10%	0.14%
Prices			
	pence per share	pence per share	pence per share
Highest share price	1,088.86	1,041.38	958.64
Lowest share price	1,036.21	954.53	803.34

** 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 Master Fund. This includes a synthetic element of 0.28% (31.12.2022 - 0.26%) (31.12.2021 - 0.32%) to incorporate the ongoing charges of the underlying Master Fund.

Performance

	6 months to 30 June 2023	1 year to 30 June 2023	3 years to 30 June 2023	5 years to 30 June 2023
Quilter Investors Global Equity Absolute Return Fund*	4.36%	10.29%	37.31%	11.42%
Performance Comparator**	2.00%	3.09%	3.51%	4.75%

* Accumulation 'U2' shares

** The performance comparator for the sub-fund is the Bank of England Base Rate. While the benchmark of the Master Fund is the Federal Reserve Funds Target Rate, for performance measurement purposes the benchmark differs for share classes that are denominated in a different currency to the base currency of the Master Fund (which is US Dollars). As the sub-fund only invests in the Z2 GBP Hedged Acc share class of the Master Fund, it is appropriate for the sub-fund to use the Bank of England Base Rate as a performance comparator, since that share class also uses the Bank of England Base Rate for performance measurement purposes. The Master Fund is actively managed.

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	99.78	Jupiter Merian Global Equity Absolute Return Fund - U2 Accumulation (GBP) Hedged	99.78	
Net other assets	0.22			
Total	100.00	Number of holdings	1	
Asset allocation		Total Purchases and Sales for the period	2023	2022
			£'000	£'000
Collective Investment Schemes	99.78	Total purchases for the 6 month period to 30 June	60,435	94,645
Net other assets	0.22	Total sales for the 6 month period to 30 June	19,566	5,622
Total	100.00			

Portfolio statement

as at 30 June 2023

Holding	Investment	Market Value £'000	Percentage of total net assets %
	Collective Investment Schemes 99.78% (31 December 2022 99.69%)		
432,600,956	Jupiter Merian Global Equity Absolute Return Fund - U2 Accumulation (GBP) Hedged	590,976	99.78
		<hr/> 590,976	<hr/> 99.78
	Investment assets	<hr/> 590,976	<hr/> 99.78
	Net other assets	<hr/> 1,330	<hr/> 0.22
	Total net assets	<hr/> 592,306	<hr/> 100.00

All investments are approved securities being either officially listed in a member state or traded on or under the rules of an eligible securities market, unless otherwise stated.

All investments are in ordinary shares unless otherwise stated.

Statement of total return

for the period from 1 January 2023 to 30 June 2023

	Note	01.01.23 to 30.06.23 £'000	01.01.23 to 30.06.23 £'000	01.01.22 to 30.06.22 £'000	01.01.22 to 30.06.22 £'000
Income					
Net capital gains			23,801		12,535
Revenue		1,250		973	
Expenses		(1,028)		(867)	
Interest payable and similar charges		(7)		(9)	
Net revenue before taxation		215		97	
Taxation		(43)		(19)	
Net revenue after taxation			172		78
Total return before distributions			23,973		12,613
Distributions	2		8		7
Change in net assets attributable to shareholders from investment activities			23,981		12,620

Statement of change in net assets attributable to shareholders

for the period from 1 January 2023 to 30 June 2023

	01.01.23 to 30.06.23 £'000	01.01.23 to 30.06.23 £'000	01.01.22 to 30.06.22 £'000	01.01.22 to 30.06.22 £'000
Opening net assets attributable to shareholders		527,924*		376,058
Amounts received on issue of shares	61,020		95,638	
Amounts paid on cancellation of shares	(20,624)		(6,138)	
		40,396		89,500
Dilution adjustment		5		1
Change in net assets attributable to shareholders from investment activities		23,981		12,620
Closing net assets attributable to shareholders		592,306		478,179*

* 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 2023

	30.06.23 £'000	31.12.22 £'000
Assets		
Fixed assets		
Investments	590,976	526,306
Current assets		
Debtors	1,051	995
Cash and bank balances	841	1,210
Total assets	592,868	528,511
Liabilities		
Creditors		
Other creditors	(562)	(587)
Total liabilities	(562)	(587)
Net assets attributable to shareholders	592,306	527,924

Notes to the financial statements

for the period from 1 January 2023 to 30 June 2023

1 Accounting policies

The 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 the Investment Management Association) in May 2014 and as amended in June 2017.

The accounting policies applied are consistent with those disclosed within the annual Financial Statements for the year ended 31 December 2022.

2 Distributions

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

	01.01.23 to 30.06.23 £'000	01.01.22 to 30.06.22 £'000
Revenue deducted on cancellation of shares	6	-
Revenue received on issue of shares	(14)	(7)
Distributions	(8)	(7)
Reconciliation of distributions:		
Net revenue after taxation	172	78
Net expense carried forward	(180)	(85)
Distributions	(8)	(7)

Quilter Investors Global Equity Growth Fund

Launch date	24 April 2013
IA Sector	Global
Investment Adviser	FIL Pensions Management
Net asset value	£66,121,581

Objective

The sub-fund aims to achieve capital growth and to outperform the MSCI All Countries World Index, net of charges, over rolling five year periods.

Policy

The sub-fund invests at least 80% of the value of its property in shares of companies located in developed and emerging markets anywhere in the world. Investment may be direct or indirect (e.g. through collective investment schemes or derivatives), however the ACD expects that the sub-fund will typically hold investments directly.

The sub-fund may invest in companies of any size, including smaller companies. The Investment Adviser typically has a preference to invest in shares of companies it believes to have the potential for growth.

The sub-fund may also invest in other transferable securities, collective investment schemes, warrants, money market instruments, deposits and cash.

Any investment in collective investment schemes may include those managed or operated by the ACD or an associate of the ACD.

The sub-fund may only use derivatives for the purpose of Efficient Portfolio Management. The use of derivatives for this purpose is not likely to affect the risk profile of the sub-fund.

Investment Adviser's review.

Market review

Global fixed income markets posted mixed returns over the period, with corporate bonds outperforming government bonds. The year started on a positive note on the back of investor expectations that monetary policy tightening may be coming to an end amid China's economic reopening and a fall in natural gas prices in Europe.

However, sticky inflation and tight labour markets led global central banks to maintain a hawkish stance. The banking sector crisis, led by Silicon Valley Bank in the US and Credit Suisse in Europe, and the US debt ceiling crisis also led to significant volatility for a brief period. While yields fell in the first quarter, sovereign bonds lost ground during the second quarter. The US Federal Reserve and European Central Bank raised interest rates over the period and indicated continued interest rate hikes to bring stubbornly high inflation down.

Meanwhile, UK sovereign bonds were the worst hit, falling to their lowest levels since the mini-budget turmoil last October, amid several upside inflation surprises and an unexpected 0.50 percentage point hike by the Bank of England in June, following rate hikes of 0.50% in February and 0.25% in May. On the economic front, US GDP growth was revised sharply higher to an annualised 2% in the first quarter of 2023, versus expectations of 1.4% growth. Economic data releases were mixed, with some consumer and most labour readings healthy, while manufacturing continued to signal a contraction. The S&P Global US manufacturing Purchasing Managers' Index ("PMI") fell to a six-month low of 46.3 in June. The UK and eurozone PMI followed suit. The UK manufacturing PMI fell to a six-month low of 46.5 in June and the eurozone manufacturing PMI fell to 43.3 in June, its lowest reading since the COVID-19 pandemic was cementing its grip on the world.

Performance review

The sub-fund reported strong positive returns during the period in review and outperformed the Target Benchmark*. At a sector level, robust security selection in the industrials sector buoyed returns, while not owning selected technology majors held back gains, as generative Artificial Intelligence pushed valuations on certain AI-linked mega cap stocks to high multiples.

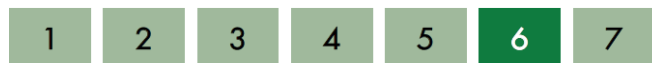
At a stock level, advanced semiconductor solutions supplier Renesas Electronics contributed to returns, on the back of solid quarterly revenues and earnings guidance. Cost efficiency gains as well as an improvement in the product mix due to higher sales of advanced automotive microcontrollers held it in good stead. US software products and services company Microsoft and Google's parent company Alphabet continued to add value, following optimism surrounding rapid advances in generative AI. Microsoft is well positioned to benefit from its partnership with OpenAI creator ChatGPT, which it is using to power its cloud apps and services, and upcoming releases of AI powered products. Strong growth prospects of YouTube and Alphabet's underappreciated cloud business also helped maintain dominance in the space. Meanwhile, social

media conglomerate Meta Platforms outperformed, as a recovering advertising market, Meta's ability to use artificial intelligence to regain engagement and ad targeting capabilities buoyed share performance. Within industrials, General Electric reported stronger than expected quarterly earnings, due to robust orders in ultrasound and imaging. It is a great transformational story with a relatively new management team, pathway to higher margins, organic growth and a strong outlook in the aviation, renewable and power segments. Ride hailing major Uber Technologies outperformed on the back of a recent rating upgrade stating strong potential free cash flows and earnings growth in the long-term.

In contrast, the lack of exposure to semiconductor company Nvidia weighed on relative returns, as the stock rallied on the back of stellar revenues and earnings guidance. The underweight stance in Apple also held back relative gains, as the investors looked for relatively safe haven stocks amidst market volatility. The holding in UnitedHealth Group fell even though it reported upbeat quarterly earnings. The company offers best in class services compared to peers, while the continued shift from traditional Medicare fee-for-service to Medicare Advantage is driven by better patient outcomes and better health care resource utilisation. Health care industrial conglomerate Danaher declined as the company is going through a trough cycle and revised down its 2023 revenue guidance, driven lower by biotech funding challenges. Nevertheless, it is a high-quality compounder which benefits from two significant and durable trends: increasing R&D spend by pharma companies on biological drugs and the shift to molecular diagnostic testing which is more accurate and results in better patient outcomes.

Quilter Investors Global Equity Growth 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 6 have in the past shown relatively high volatility. With a sub-fund of category 6, you have a relatively high risk of losing money but your chance for gains is also relatively high.

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.

Company shares (i.e. equities) risk - the value of company shares may rise and fall due to the performance of individual companies or because of general market and economic conditions.

Style bias risk - sub-funds that favour shares of either undervalued companies ("value stocks") or companies with the potential for growth ("growth stocks") may be subject to periods of underperformance, as value and growth stocks typically outperform each other, and markets generally, at different times.

Currency risk - the sub-fund is denominated in British Pounds but holds assets denominated in other currencies. 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 but holds assets denominated in other currencies. This share class is denominated in US Dollars. The value of your shares may rise and fall as a result of exchange rate movements between these currencies.

Derivative risk - the sub-fund may use derivatives for Efficient Portfolio Management (EPM). Derivatives involve a level of risk, however, for EPM they should not increase the overall riskiness of the sub-fund. Derivatives also involve counterparty risk where the institutions acting as counterparty to derivatives may not meet their 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 full details of the sub-fund's risks, please see the section in the Prospectus headed "Risks".

Performance records

Comparative Tables

Accumulation 'A'	1 January 2023 to 30 June 2023 p/share	1 January 2022 to 31 December 2022 p/share	1 January 2021 to 31 December 2021 p/share
Change in net assets per share			
Opening net asset value per share	260.04	284.31	250.76
Return before operating charges*	27.81	(19.81)	38.18
Operating charges**	(2.30)	(4.46)	(4.63)
Return after operating charges*	25.51	(24.27)	33.55
Distributions	-	-	-
Retained distributions on accumulation shares	-	-	-
Closing net asset value per share	285.55	260.04	284.31
* after direct transaction costs of***	0.02	0.08	0.11
Performance			
Return after charges	9.81%	(8.54)%	13.38%
Other information			
Closing net asset value (£)	49,978,849	47,407,046	59,330,739
Closing number of shares	17,502,964	18,230,548	20,868,646
Operating charges****	1.70%	1.70%	1.70%
Direct transaction costs***	0.01%	0.03%	0.04%
Prices			
	pence per share	pence per share	pence per share
Highest share price	284.8	287.1	292.0
Lowest share price	260.0	236.3	252.2

Accumulation 'A' EUR+	1 January 2021 to 31 December 2021 p/share
Change in net assets per share	
Opening net asset value per share	158.73
Return before operating charges*	18.04
Operating charges**	(1.42)
Return after operating charges*	16.62
Distributions	-
Retained distributions on accumulation shares	-
Redemption value	(175.35)
Closing net asset value per share	-
* after direct transaction costs of***	0.07
Performance	
Return after charges	10.47%
Other information	
Closing net asset value (£)	-
Closing number of shares	-
Operating charges****	1.70%
Direct transaction costs***	0.04%
Prices	
	cents per share
Highest share price	203.7
Lowest share price	176.7

Performance records (continued)

Comparative Tables (continued)

	1 January 2023 to 30 June 2023 p/share	1 January 2022 to 31 December 2022 p/share	1 January 2021 to 31 December 2021 p/share
Accumulation 'A' USD			
Change in net assets per share			
Opening net asset value per share	145.12	158.66	139.93
Return before operating charges*	15.52	(11.05)	21.31
Operating charges**	(1.29)	(2.49)	(2.58)
Return after operating charges*	14.23	(13.54)	18.73
Distributions	-	-	-
Retained distributions on accumulation shares	-	-	-
Closing net asset value per share	159.35	145.12	158.66
* after direct transaction costs of***	0.01	0.04	0.06
Performance			
Return after charges	9.81%	(8.53)%	13.39%
Other information			
Closing net asset value (£)	8,472,018	8,303,975	11,071,611
Closing number of shares	5,316,696	5,722,333	6,978,402
Operating charges****	1.70%	1.70%	1.70%
Direct transaction costs***	0.01%	0.03%	0.04%
Prices			
	cents per share	cents per share	cents per share
Highest share price	203.2	216.2	219.5
Lowest share price	173.9	155.4	191.4
Accumulation 'U2'			
	1 January 2023 to 30 June 2023 p/share	1 January 2022 to 31 December 2022 p/share	1 January 2021 to 31 December 2021 p/share
Change in net assets per share			
Opening net asset value per share	270.01	292.56	255.73
Return before operating charges*	28.94	(20.38)	39.06
Operating charges**	(1.13)	(2.17)	(2.23)
Return after operating charges*	27.81	(22.55)	36.83
Distributions	-	(0.78)	(0.39)
Retained distributions on accumulation shares	-	0.78	0.39
Closing net asset value per share	297.82	270.01	292.56
* after direct transaction costs of***	0.02	0.08	0.11
Performance			
Return after charges	10.30%	(7.71)%	14.40%
Other information			
Closing net asset value (£)	7,670,714	8,012,153	20,231,435
Closing number of shares	2,575,594	2,967,354	6,915,232
Operating charges****	0.80%	0.80%	0.80%
Direct transaction costs***	0.01%	0.03%	0.04%
Prices			
	pence per share	pence per share	pence per share
Highest share price	296.8	295.5	300.1
Lowest share price	270.0	244.2	257.3

† The share class closed on 1 July 2021.

** The operating charges include all costs borne by the sub-fund, except for direct transaction costs.

*** 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 (excluding interest on borrowings) to the average net assets of the sub-fund.

Performance

	6 months to 30 June 2023	1 year to 30 June 2023	3 years to 30 June 2023	5 years to 30 June 2023
Quilter Investors Global Equity Growth Fund*	9.67%	16.27%	34.68%	60.21%
Target Benchmark**	7.80%	11.31%	32.88%	53.31%
IA Global (sector average)	6.55%	10.78%	26.74%	42.89%
Quartile ranking	1	1	2	1

* Accumulation 'U2' shares

** MSCI All Countries World Index

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	
North America	65.28	Microsoft	4.86	
Europe	13.86	Alphabet 'A'	3.85	
Japan	7.58	Berkshire Hathaway	3.25	
Asia Pacific (excluding Japan)	7.22	Arthur J Gallagher	2.88	
United Kingdom	2.80	UnitedHealth	2.57	
		Amazon.com	2.33	
Net other assets	3.26	Canadian Pacific Kansas City	2.21	
		JPMorgan Chase	2.16	
Total	100.00	Apple	2.08	
		S&P Global	1.91	
Asset allocation		Number of holdings	88	
Equities	96.74			
Net other assets	3.26	Total Purchases and Sales for the period		
			2023	2022
Total	100.00		£'000	£'000
		Total purchases for the 6 month period to 30 June	4,667	9,009
		Total sales for the 6 month period to 30 June	9,279	18,810

Portfolio statement

as at 30 June 2023

Holding	Investment	Market Value £'000	Percentage of total net assets %
	United Kingdom 2.80% (31 December 2022 3.09%)		
	United Kingdom Equities 2.80% (31 December 2022 3.09%)		
140,000	Haleon	451	0.68
45,000	Prudential	499	0.76
22,000	Unilever	902	1.36
		<u>1,852</u>	<u>2.80</u>
	Asia Pacific (excluding Japan) 7.22% (31 December 2022 7.34%)		
	China Equities 0.93% (31 December 2022 0.78%)		
75,000	Alibaba	612	0.93
		<u>612</u>	<u>0.93</u>
	Hong Kong Equities 0.66% (31 December 2022 1.45%)		
55,000	AIA	437	0.66
		<u>437</u>	<u>0.66</u>
	India Equities 2.62% (31 December 2022 2.25%)		
90,000	Axis Bank	852	1.29
9,000	HDFC Bank ADR	493	0.74
22,000	Kotak Mahindra Bank	389	0.59
		<u>1,734</u>	<u>2.62</u>
	South Korea Equities 2.17% (31 December 2022 2.17%)		
2,000	LG Chem	797	1.20
18,000	Samsung Electronics (Preference shares)	640	0.97
		<u>1,437</u>	<u>2.17</u>
	Taiwan Equities 0.84% (31 December 2022 0.69%)		
7,000	Taiwan Semiconductor Manufacturing ADR	556	0.84
		<u>556</u>	<u>0.84</u>
	Europe 13.86% (31 December 2022 15.45%)		
	Denmark Equities 0.68% (31 December 2022 0.72%)		
6,000	Orsted	448	0.68
		<u>448</u>	<u>0.68</u>
	Finland Equities 0.00% (31 December 2022 1.06%)		
	France Equities 4.35% (31 December 2022 3.86%)		
3,900	Air Liquide	550	0.83
4,000	Arkema	297	0.45
800	LVMH Moet Hennessy Louis Vuitton	593	0.90
3,000	Schneider Electric	429	0.65
11,000	Vinci	1,005	1.52
		<u>2,874</u>	<u>4.35</u>

Portfolio statement (continued)

as at 30 June 2023

Holding	Investment	Market Value £'000	Percentage of total net assets %
	Germany Equities 0.00% (31 December 2022 0.84%)		
	Ireland Equities 1.39% (31 December 2022 1.21%)		
5,000	Aptiv	402	0.61
35,000	Ryanair	518	0.78
		<u>920</u>	<u>1.39</u>
	Italy Equities 0.56% (31 December 2022 0.71%)		
70,000	Enel	371	0.56
		<u>371</u>	<u>0.56</u>
	Netherlands Equities 2.47% (31 December 2022 1.97%)		
1,600	ASML	911	1.38
2,700	NXP Semiconductors	435	0.66
5,000	Prosus	288	0.43
		<u>1,634</u>	<u>2.47</u>
	Sweden Equities 0.81% (31 December 2022 1.27%)		
8,000	Autoliv	536	0.81
		<u>536</u>	<u>0.81</u>
	Switzerland Equities 3.60% (31 December 2022 3.81%)		
5,000	Cie Financiere Richemont	667	1.01
130,000	Glencore	578	0.87
12,000	Nestle	1,136	1.72
		<u>2,381</u>	<u>3.60</u>
	Japan 7.58% (31 December 2022 7.02%)		
	Japan Equities 7.58% (31 December 2022 7.02%)		
9,000	Hamamatsu Photonics	344	0.52
1,000	Keyence	370	0.56
11,000	Murata Manufacturing	494	0.75
10,000	Nintendo	357	0.54
60,000	Renesas Electronics	884	1.34
25,000	Shin-Etsu Chemical	650	0.98
12,000	Sony	847	1.28
35,000	TDK	1,063	1.61
		<u>5,009</u>	<u>7.58</u>
	North America 65.28% (31 December 2022 65.32%)		
	Bermuda Equities 0.55% (31 December 2022 0.73%)		
2,500	RenaissanceRe	367	0.55
		<u>367</u>	<u>0.55</u>

Portfolio statement (continued)

as at 30 June 2023

Holding	Investment	Market Value £'000	Percentage of total net assets %
Canada Equities 2.77% (31 December 2022 3.48%)			
23,000	Canadian Pacific Kansas City	1,463	2.21
33,536	Fairfax India	367	0.56
		1,830	2.77
United States Equities 61.96% (31 December 2022 61.11%)			
1,700	Adobe	654	0.99
27,000	Alphabet 'A'	2,545	3.85
15,000	Amazon.com	1,539	2.33
4,000	Amphenol	268	0.40
9,000	Apple	1,373	2.08
11,000	Arthur J Gallagher	1,902	2.88
8,000	Berkshire Hathaway	2,148	3.25
300	Booking	638	0.96
28,000	Boston Scientific	1,192	1.80
4,000	Bristol-Myers Squibb	201	0.30
8,500	Bunge	631	0.95
8,000	Charles Schwab	357	0.54
8,000	Colgate-Palmolive	485	0.73
4,500	Danaher	851	1.29
9,000	eBay	316	0.48
6,500	Expedia	560	0.85
16,000	Flex	348	0.53
10,000	GE Healthcare Technologies	640	0.97
10,000	General Electric	865	1.31
4,500	HCA Healthcare	1,075	1.63
4,000	Hess	428	0.65
4,000	Honeywell International	653	0.99
18,000	Intel	473	0.72
11,000	Intercontinental Exchange	979	1.48
1,000	Intuit	361	0.55
6,000	IQVIA	1,061	1.60
12,500	JPMorgan Chase	1,431	2.16
500	KLA	191	0.29
9,000	Marvell Technology	424	0.64
3,000	Mastercard	928	1.40
4,000	Meta Platforms	903	1.37
5,000	Micron Technology	248	0.37
12,000	Microsoft	3,215	4.86
12,000	Monster Beverage	543	0.82
1,000	Netflix	347	0.52
4,500	Norfolk Southern	803	1.21
7,000	Oracle	656	0.99
7,000	PVH	468	0.71
8,000	QUALCOMM	750	1.13
3,500	Quanta Services	541	0.82
4,000	S&P Global	1,263	1.91
750	SBA Communications Class A REIT	137	0.21
4,000	TransUnion	247	0.37

Portfolio statement (continued)

as at 30 June 2023

Holding	Investment	Market Value £'000	Percentage of total net assets %
	United States Equities (continued)		
20,000	Uber Technologies	680	1.03
4,500	UnitedHealth	1,702	2.57
5,800	Visa	1,084	1.64
5,000	Vmware	566	0.86
2,700	Vulcan Materials	479	0.72
20,000	Wells Fargo	672	1.02
5,000	Western Digital	149	0.23
		40,970	61.96
	Investment assets	63,968	96.74
	Net other assets	2,154	3.26
	Total net assets	66,122	100.00

All investments are approved securities being either officially listed in a member state or traded on or under the rules of an eligible securities market, unless otherwise stated.

All investments are in ordinary shares unless otherwise stated.

Statement of total return

for the period from 1 January 2023 to 30 June 2023

	Note	01.01.23 to 30.06.23 £'000	01.01.23 to 30.06.23 £'000	01.01.22 to 30.06.22 £'000	01.01.22 to 30.06.22 £'000
Income					
Net capital gains/(losses)			6,200		(11,379)
Revenue		464		517	
Expenses		(504)		(581)	
Interest payable and similar charges		-		-	
Net expense before taxation		(40)		(64)	
Taxation		(49)		(51)	
Net expense after taxation			(89)		(115)
Total return before distributions			6,111		(11,494)
Distributions			(1)		-
Change in net assets attributable to shareholders from investment activities			6,110		(11,494)

Statement of change in net assets attributable to shareholders

for the period from 1 January 2023 to 30 June 2023

		01.01.23 to 30.06.23 £'000	01.01.23 to 30.06.23 £'000	01.01.22 to 30.06.22 £'000	01.01.22 to 30.06.22 £'000
Opening net assets attributable to shareholders			63,723*		90,634
Amounts received on issue of shares		291		457	
Amounts paid on cancellation of shares		(4,006)		(9,574)	
			(3,715)		(9,117)
Dilution adjustment			4		10
Change in net assets attributable to shareholders from investment activities			6,110		(11,494)
Closing net assets attributable to shareholders			66,122		70,033*

* 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 2023

	30.06.23 £'000	31.12.22 £'000
Assets		
Fixed assets		
Investments	63,968	62,590
Current assets		
Debtors	437	79
Cash and bank balances	1,859	1,201
Total assets	66,264	63,870
Liabilities		
Provisions for liabilities	(56)	(63)
Creditors		
Other creditors	(86)	(84)
Total liabilities	(142)	(147)
Net assets attributable to shareholders	66,122	63,723

Notes to the financial statements

for the period from 1 January 2023 to 30 June 2023

1 Accounting policies

The 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 the Investment Management Association) in May 2014 and as amended in June 2017.

The accounting policies applied are consistent with those disclosed within the annual Financial Statements for the year ended 31 December 2022.

2 Distributions

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

	01.01.23 to 30.06.23 £'000	01.01.22 to 30.06.22 £'000
Revenue deducted on cancellation of shares	1	-
Revenue received on issue of shares	-	-
Distributions	1	-
Reconciliation of distributions:		
Net expense after taxation	(89)	(115)
Overseas capital gains tax	3	(5)
Net expense carried forward	87	120
Distributions	1	-

Quilter Investors Global Equity Index Fund

Launch date	25 February 2014
IA Sector	Global
Investment Adviser	BlackRock Investment Management (UK) Limited
Net asset value	£Nil

Quilter Investors Global Equity Index Fund closed on 1 June 2023.

Objective

The sub-fund aims to achieve capital growth through a portfolio of investments aimed at tracking the performance of the FTSE Developed ex UK Index before fees are deducted.

Policy

The sub-fund invests at least 70% of the value of its property in collective investment schemes, (which may include those managed or operated by the ACD or an associate of the ACD), which aim to track the performance of developed market indices around the world by investing in the shares of companies that make up those indices. Investment will be made in proportion to the geographical weightings in the FTSE Developed ex UK Index.

The sub-fund may also invest in transferable securities, warrants, money market instruments, deposits and cash.

The sub-fund may only use derivatives for the purpose of Efficient Portfolio Management. The use of derivatives for this purpose is not likely to affect the risk profile of the sub-fund.

Investment Adviser's review

Market review

Global equities, as represented by the MSCI World Index, finished the quarter with a positive return of 7.88%. Developed market ("DM") equities started the year with robust gain. Markets rebounded in January 2023 on the back of optimism of cooling inflation pressure and resilient economic data. Some of this optimism cooled as the quarter progressed and as central banks reaffirmed their commitment to fight inflation. Investors' attention pivoted to banking sector later in the quarter. Headline news about the banking sector dampened market sentiments. The overall market calmed after the central banks set out reassuring plans. In the U.S., the US Federal Reserve ("Fed") raised the interest rate by 25 basis points in February and March 2023, bringing it to the range of 4.75% and 5.00%. This represented the 9th consecutive interest rate hike. A slight shift in rhetoric was interpreted that the rate hiking cycle is nearing a pause, although Fed Chair Jerome Powell was clear that additional 'policy firming' may be required. In Europe, the decline in headline inflation raised hopes that the eurozone may continue to avoid recession. The European Central Bank ("ECB") and Bank of England ("BoE") both raised the interest rate over the quarter, the former reiterating the Bank's commitment to return inflation to its 2% target. In Japan, the Bank of Japan ("BoJ") kept their stance toward loose monetary policy amidst currency strength concerns, despite inflation reaching its highest level in 40 years. Japanese equity gains over the quarter were supported by the reopening of Japan and tourism. From a sector perspective, Information Technology (23.27%), Communication Services (18.15%), and Consumer Discretionary (17.13%) were among the best performers. While Energy (-3.16%), Health Care (-1.42%) and Financials (-0.52%) were among the worst performers.

Global equities, as represented by the MSCI World Index, finished the second quarter with a positive return of 6.83%. DM equities posted robust gains supported by resilient economic data and strong performance from large-cap growth stocks. Concerns surrounding the U.S. debt ceiling dampened market performance in May 2023. Markets rebounded in June on the back of positive sentiment around artificial intelligence and a declining inflation rate. In the United States, policy makers reached an agreement to lift the debt ceiling which dominated investor concerns throughout the first half of the quarter. The Fed raised the interest rate by 25 basis points during the quarter and emphasized the need to address inflationary pressures. The U.S. equity market rallied, driven by optimism surrounding artificial intelligence and chipmakers industry. The ECB raised the interest rate to 4% over the quarter, indicating a potential for further rate hikes due to elevated inflation rates. In the United Kingdom, the BoE raised the interest rate to 5% in response to increased inflation triggered by wage growth. In Japan, equity markets posted positive return over the quarter supported by a weaker Yen, improved sentiment towards the semiconductor industry, and a strong corporate earnings season. From a sector perspective, Information Technology (16.01%), Consumer Discretionary (10.96%), and Communication Services (9.64%) were among the best performers. While Energy (-0.53%), Utilities (-0.53%) and Consumer Staples (-0.04%) were among the worst performers.

The sub-fund closed on 1 June 2023 and is in the process of being terminated.

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 6 have in the past shown relatively high volatility. With a sub-fund of category 6, you have a relatively high risk of losing money but your chance for gains is also relatively high.

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.

Index-tracking risk - the performance of the sub-fund will depend on the performance of the relevant index and the success of the sub-fund in tracking that index.

Strategy risk - as the sub-fund invests in other collective investment schemes, it will be subject to the collective risks of these other sub-funds. This may include smaller companies risk.

Company shares (i.e. equities) risk - the value of company shares may rise and fall due to the performance of individual companies or because of general market and economic conditions.

Currency risk - the sub-fund is denominated in British Pounds but may hold assets rise and fall as a result of exchange rate movements.

Derivative risk - the sub-fund may use derivatives for Efficient Portfolio Management (EPM). Derivatives involve a level of risk, however, for EPM they should not increase the overall riskiness of the sub-fund. Derivatives also involve counterparty risk where the institutions acting as counterparty to derivatives may not meet their 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 full details of the sub-fund's risks, please see the section in the Prospectus headed "Risks".

Performance records

Comparative Table

Accumulation 'U2'†	1 January 2023 to 30 June 2023 p/share	1 January 2022 to 31 December 2022 p/share	1 January 2021 to 31 December 2021 p/share
Change in net assets per share			
Opening net asset value per share	266.37	289.80	235.06
Return before operating charges*	19.62	(22.62)	55.53
Operating charges**	(0.35)	(0.81)	(0.79)
Return after operating charges*	19.27	(23.43)	54.74
Distributions	-	(8.95)	(2.98)
Retained distributions on accumulation shares	-	8.95	2.98
Redemption value	(285.64)	-	-
Closing net asset value per share	-	266.37	289.80
* after direct transaction costs of***	0.03	0.01	0.01
Performance			
Return after charges	7.23%	(8.08)%	23.29%
Other information			
Closing net asset value (£)	-	73,797,597	521,535,596
Closing number of shares	-	27,704,691	179,961,849
Operating charges****	0.30%	0.30%	0.30%
Direct transaction costs***	0.02%	-	-
Prices			
	pence per share	pence per share	pence per share
Highest share price	289.2	291.1	292.5
Lowest share price	266.1	247.3	234.2

† The sub-fund closed on 1 June 2023.

** 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 0.06% (31.12.2022 - 0.06%) (31.12.2021 - 0.04%) to incorporate the ongoing charges of the underlying sub-funds.

Performance

As the sub-fund closed on 1 June 2023 there are no performance figures presented for the period under review.

Total Purchases and Sales for the period

	2023	2022
	£'000	£'000
Total purchases for the 6 month period to 30 June	2,642	191,565
Total sales for the 6 month period to 30 June	81,407	566,055

Portfolio statement

as at 30 June 2023

Holding	Investment	Market Value £'000	Percentage of total net assets %
	Collective Investment Schemes 0.00% (31 December 2022 99.73%)		
	Overseas Equities 0.00% (31 December 2022 99.73%)		
	Investment assets	-	-
	Net other assets	-	-
	Total net assets	-	-

The sub-fund closed to investors on 1 June 2023. There were no investments held at period end.

Statement of total return

for the period from 1 January 2023 to 30 June 2023

	Note	01.01.23 to 30.06.23 £'000	01.01.23 to 30.06.23 £'000	01.01.22 to 30.06.22 £'000	01.01.22 to 30.06.22 £'000
Income					
Net capital gains/(losses)			4,400		(72,669)
Revenue		879		3,000	
Expenses		(75)		(701)	
Net revenue before taxation		804		2,299	
Taxation		-		-	
Net revenue after taxation			804		2,299
Total return before distributions			5,204		(70,370)
Distributions	2		(806)		(2,423)
Change in net assets attributable to shareholders from investment activities			4,398		(72,793)

Statement of change in net assets attributable to shareholders

for the period from 1 January 2023 to 30 June 2023

	01.01.23 to 30.06.23 £'000	01.01.23 to 30.06.23 £'000	01.01.22 to 30.06.22 £'000	01.01.22 to 30.06.22 £'000
Opening net assets attributable to shareholders		73,798*		521,536
Amounts received on issue of shares	515		150,614	
Amounts paid on cancellation of shares	(78,708)		(524,376)	
		(78,193)		(373,762)
Dilution adjustment		2		502
Change in net assets attributable to shareholders from investment activities		4,398		(72,793)
Retained distributions on accumulation shares		-		385
Change in residual payment in respect of sub-fund closure		(5)		-
Closing net assets attributable to shareholders		-		75,868*

* 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.

The sub-fund closed to investors on 1 June 2023.

Balance sheet

as at 30 June 2023

	30.06.23 £'000	31.12.22 £'000
Assets		
Current assets		
Investments*	-	73,598
Debtors	-	187
Cash and bank balances	6	73
Total assets	6	73,858
Liabilities		
Creditors		
Other creditors	(6)	(60)
Total liabilities	(6)	(60)
Net assets attributable to shareholders	-	73,798

* The total value of investments in the portfolio statement have been reflected as current assets in the prior year as the sub-fund closed on 1 June 2023.

Notes to the financial statements

for the period from 1 January 2023 to 30 June 2023

1 Accounting policies

The 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 the Investment Management Association) in May 2014 and as amended in June 2017.

The sub-fund has closed and is being prepared on a basis other than a going concern. Aside this, the accounting policies applied are consistent with those disclosed within the annual Financial Statements for the year ended 31 December 2022. The accounting policies applied are consistent with those disclosed within the annual Financial Statements for the year ended 31 December 2022.

2 Distributions

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

	01.01.23 to 30.06.23 £'000	01.01.22 to 30.06.22 £'000
Interim – Accumulation shares (30 June)†	-	385
	-	385
Revenue deducted on cancellation of shares	810	2,707
Revenue received on issue of shares	(4)	(669)
Distributions	806	2,423
Reconciliation of distributions:		
Net revenue after taxation	804	2,299
Equalisation on Collective Investment Schemes	2	124
Distributions	806	2,423

† The sub-fund closed on 1 June 2023.

Distribution table

Interim distribution

Group 1: Shares purchased prior to 1 January 2023
 Group 2: Shares purchased from 1 January 2023 to 30 June 2023

	Revenue pence per share	Equalisation pence per share*	Distribution paid 31.08.23 pence per share	Distribution paid 31.08.22 pence per share
Accumulation 'U2' Shares†				
Group 1	-	-	-	1.2934
Group 2	-	-	-	1.2934

† The sub-fund closed on 1 June 2023.

* Equalisation only applies to shares purchased during the distribution 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 of these shares 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.

Quilter Investors Global Equity Value Fund

Launch date	26 April 2013
IA Sector	Global Equity Income
Investment Adviser	RWC Asset Management LLP
Net asset value	£501,358,631

Objective

The sub-fund aims to achieve a combination of income and capital growth and to outperform the MSCI All Countries World Index, net of charges, over rolling five year periods.

Policy

The sub-fund invests at least 80% of the value of its property in shares of companies located in developed and emerging markets anywhere in the world. Investment may be direct or indirect (e.g. through collective investment schemes or derivatives), however the ACD expects that the sub-fund will typically hold investments directly.

The sub-fund may invest in companies of any size, including smaller companies. The Investment Adviser typically has a preference to invest in shares of companies it believes to be undervalued. The sub-fund may at times be concentrated in terms of the number of investments it holds (i.e. have less than 50 holdings).

The sub-fund may also invest in other transferable securities, collective investment schemes, warrants, money market instruments, deposits and cash.

Any investment in collective investment schemes may include those managed or operated by the ACD or an associate of the ACD.

The sub-fund may only use derivatives for the purpose of Efficient Portfolio Management. The use of derivatives for this purpose is not likely to affect the risk profile of the sub-fund.

Investment Adviser's review

Market review

The first half of 2023 saw markets rally strongly; some even rose enough to be labelled a new bull market. The reason behind the strong markets is that sentiment has shifted meaningfully from worries about interest rate rises from the US Federal Reserve, to expectations that the pivot in rate increases is upon us and soon rates will be falling again. Couple this with an economy that remains resilient, and the Goldilocks scenario of inflation falling whilst avoiding a recession has become the consensus view. Sprinkle over this consensus the prospect of a new technology revolution in Artificial Intelligence and investors once again are salivating over long duration growth stocks, this time the large incumbent players. This has led to a highly concentrated rally in markets, with the 7 largest stocks in the world (Apple, Microsoft, Nvidia, Alphabet, Amazon, Tesla and Meta Platforms) accounting for almost all of the rise in the S&P 500 Year to Date, to marked NASDAQ outperformance and outperformance of the US versus the world index according to Bloomberg. The magnificent 7 indeed.

Performance review

In the six month period, the sub-fund underperformed against the Target Benchmark.

The strategy underperformed as expected against this strong backdrop although was positive in an absolute sense; the total level of underperformance almost all explained by not being able to hold those 7 technology stocks above owing to yield. This meant Technology as a sector was the worst contributor by far, despite positive contributions from holdings in Sage and TSMC. The other side of the change in sentiment also meant staples companies fell out of favour and were the second worst performing sector in the portfolio with the likes of BAT, Diageo the largest drags on performance. Despite the confidence in no recession, the more cyclical sectors of Financials, Materials and Energy were all beneficiaries over the 6 months due to the underweight positioning. Healthcare was the biggest positive contributor, Philips the strongest on improving trading. The best stock contributor was Inditex with continued strong results over the period, as it continues to deliver on a good top line, margins and investment. The US was the largest geographical drag on performance for reasons stated above.

Activity only occurred in the second quarter. The sub-fund exited from Emerson Electric and Progressive Corp. Both stocks had triggered the sell discipline following strong performance over the last year. American Towers was a new holding added in the troubled compounding bucket, the controversy being that its US business is now mature and Europe is not replacing the growth. The US business is mature yet behaves like an annuity. The value of this part of the business alone means the rest of the operations outside of the US have a valuation very much skewed to the upside. The trends are also in place for Europe to follow the outsourcing model of the US

operator's mobile towers. The valuation asymmetry means the range of outcomes is skewed to the upside. The number of holdings in the sub-fund is now 41.

Outlook

Little has changed from a backdrop perspective over the last quarter, despite the market roaring upwards. The experiment of QE and zero interest rates has truly ended, as US and UK 10-year yields have now returned to the levels last seen before the financial crisis in 2008 and the start of the experiment. Europe's yields are heading in the same direction. This brings to the end a long and highly distorted financial backdrop for asset classes, especially equities. This has also been accompanied by the withdrawal of liquidity from Central Banks across the world, especially the Fed.

The market believes that the arrival of this juncture is simply a short prelude before the return to the experimental backdrop – rates falling again and inflation disappearing. The Team still place a low probability of this Goldilocks scenario being the outcome. If anything, the world is now entering the most dangerous phase, where policy error is at its most pronounced. The lagged effect of interest rates rises coupled with liquidity tightening means it is virtually impossible for Central Banks to know when they have done too much or not enough. It certainly seems naïve to believe that the extraction from the experimental years will be pain free. And with China increasingly struggling to take up the running of the global economy (due to their own experiment ending and problems in the property market coupled with oppression from the USA) it seems highly likely that the foreseeable future will start to reveal the true cost of the monetary experiment that has been in place since 2008.

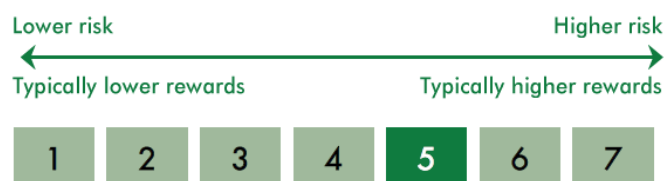
This is likely to manifest itself through increased volatility in asset classes. It is likely to reveal those companies whose margins are simply high because of the previous environment and not for structural reasons. Certain asset classes such as commercial real estate could be greatly undermined. The probability that artificial Intelligence can bridge this adjustment period is low, yet today the market is fully confident that it can – will no less - and has, once again, marched the first order, obvious, plays back up to extreme valuations. At the time of writing this Nvidia, after the upgrades from the hoped for riches of AI, is trading on 25x sales and 55x p/e to the end of January 2024 according to Bloomberg consensus. This confidence in such a narrow cohort of stocks and the belief in the fact that they can deliver irrespective of any outcome and thus valuation matters not, again, the Team respectfully disagree with.

Over the fullness of this transition back to a more normal investment environment of volatility, cycles, and probably inflation, the importance of valuation as well as the quality of businesses will matter greatly. This requires discipline to remained focused on these two characteristics, disciplines which the strategy has within its process, to stop it simply following the crowd in an attempt to navigate what is to come.

Quilter Investors Global Equity Value Fund

Risk and Reward Profile

Classes Accumulation 'A' EUR, Income 'A', Accumulation 'U2' and Income 'U2'



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 5 have in the past shown moderately high volatility. With a sub-fund of category 5, you have a moderately high risk of losing money but your chance for gains is also moderately high.

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.

Company shares (i.e. equities) risk - the value of company shares may rise and fall due to the performance of individual companies or because of general market and economic conditions.

Concentration risk (number of investments) - the sub-fund may at times hold a smaller number of investments, and therefore a fall in the value of a single investment may have a greater impact on the sub-fund's value than if it held a larger number of investments.

Style bias risk - sub-funds that favour shares of either undervalued companies ("value stocks") or companies with the potential for growth ("growth stocks") may be subject to periods of underperformance, as value and growth stocks typically outperform each other, and markets generally, at different times.

Currency risk (EUR share class) - the sub-fund is denominated in British Pounds but holds assets denominated in other currencies. This share class is denominated in Euro. The value of your shares may rise and fall as a result of exchange rate movements.

Currency risk (GBP share class) - the sub-fund is denominated in British Pounds but holds assets denominated in other currencies. The value of your shares may rise and fall as a result of exchange rate movements.

Derivative risk - the sub-fund may use derivatives for Efficient Portfolio Management (EPM). Derivatives involve a level of risk, however, for EPM they should not increase the overall riskiness of the sub-fund. Derivatives also involve counterparty risk where the institutions acting as counterparty to derivatives may not meet their contractual obligations.

Capital erosion risk - the sub-fund takes its charges from the capital of the sub-fund. Investors should be aware that there is potential for capital erosion if insufficient capital growth is achieved by the sub-fund to cover the charges. Capital erosion may have the effect of reducing the level of income generated.

For full details of the sub-fund's risks, please see the section in the Prospectus headed "Risks".

Risk and Reward Profile (continued)

Class Accumulation 'A' USD



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 6 have in the past shown moderately high volatility. With a sub-fund of category 6, you have a relatively high risk of losing money but your chance for gains is also relatively high.

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.

Company shares (i.e. equities) risk - the value of company shares may rise and fall due to the performance of individual companies or because of general market and economic conditions.

Concentration risk (number of investments) - the sub-fund may at times hold a smaller number of investments, and therefore a fall in the value of a single investment may have a greater impact on the sub-fund's value than if it held a larger number of investments.

Style bias risk - sub-funds that favour shares of either undervalued companies ("value stocks") or companies with the potential for growth ("growth stocks") may be subject to periods of underperformance, as value and growth stocks typically outperform each other, and markets generally, at different times.

Currency risk (USD share class) - the sub-fund is denominated in British Pounds but holds assets denominated in other currencies. This share class is denominated in US Dollars. The value of your shares may rise and fall as a result of exchange rate movements.

Derivative risk - the sub-fund may use derivatives for Efficient Portfolio Management (EPM). Derivatives involve a level of risk, however, for EPM they should not increase the overall riskiness of the sub-fund. Derivatives also involve counterparty risk where the institutions acting as counterparty to derivatives may not meet their contractual obligations.

Capital erosion risk - the sub-fund takes its charges from the capital of the sub-fund. Investors should be aware that there is potential for capital erosion if insufficient capital growth is achieved by the sub-fund to cover the charges. Capital erosion may have the effect of reducing the level of income generated.

For full details of the sub-fund's risks, please see the section in the Prospectus headed "Risks".

Performance records

Comparative Tables

	1 January 2023 to 30 June 2023 p/share	1 January 2022 to 31 December 2022 p/share	1 January 2021 to 31 December 2021 p/share
Accumulation 'A' EUR			
Change in net assets per share			
Opening net asset value per share	142.63	138.71	121.95
Return before operating charges*	2.96	6.28	18.92
Operating charges**	(1.23)	(2.36)	(2.16)
Return after operating charges*	1.73	3.92	16.76
Distributions	(2.55)	(3.92)	(3.42)
Retained distributions on accumulation shares	2.55	3.92	3.42
Closing net asset value per share	144.36	142.63	138.71
* after direct transaction costs of***	0.07	0.07	0.12
Performance			
Return after charges	1.21%	2.83%	13.74%
Other information			
Closing net asset value (£)	28,912	32,646	1,106
Closing number of shares	20,027	22,889	797
Operating charges****	1.70%	1.70%	1.70%
Direct transaction costs***	0.10%	0.05%	0.10%
Prices			
	cents per share	cents per share	cents per share
Highest share price	169.8	171.3	165.9
Lowest share price	160.7	151.2	135.6
Accumulation 'A' USD			
Change in net assets per share			
Opening net asset value per share	136.73	132.97	116.86
Return before operating charges*	2.86	6.01	18.20
Operating charges**	(1.17)	(2.25)	(2.09)
Return after operating charges*	1.69	3.76	16.11
Distributions	(2.45)	(3.76)	(3.28)
Retained distributions on accumulation shares	2.45	3.76	3.28
Closing net asset value per share	138.42	136.73	132.97
* after direct transaction costs of***	0.07	0.07	0.12
Performance			
Return after charges	1.24%	2.83%	13.79%
Other information			
Closing net asset value (£)	2,327,793	2,488,841	3,098,913
Closing number of shares	1,681,657	1,820,240	2,330,610
Operating charges****	1.70%	1.70%	1.70%
Direct transaction costs***	0.10%	0.05%	0.10%
Prices			
	cents per share	cents per share	cents per share
Highest share price	178.2	183.3	180.1
Lowest share price	164.2	141.8	157.0

Performance records (continued)

Comparative Tables (continued)

Income 'A'	1 January 2023 to 30 June 2023 p/share	1 January 2022 to 31 December 2022 p/share	1 January 2021 to 31 December 2021 p/share
Change in net assets per share			
Opening net asset value per share	167.86	168.01	151.62
Return before operating charges*	3.54	7.36	23.28
Operating charges**	(1.44)	(2.81)	(2.68)
Return after operating charges*	2.10	4.55	20.60
Distributions	(2.99)	(4.70)	(4.21)
Closing net asset value per share	166.97	167.86	168.01
* after direct transaction costs of***	0.09	0.08	0.15
Performance			
Return after charges	1.25%	2.71%	13.59%
Other information			
Closing net asset value (£)	19,318,373	19,942,332	22,763,060
Closing number of shares	11,570,298	11,880,598	13,548,345
Operating charges****	1.70%	1.70%	1.70%
Direct transaction costs***	0.10%	0.05%	0.10%
Prices			
	pence per share	pence per share	pence per share
Highest share price	176.4	173.3	169.7
Lowest share price	165.8	156.3	148.1
Accumulation 'U2'			
	1 January 2023 to 30 June 2023 p/share	1 January 2022 to 31 December 2022 p/share	1 January 2021 to 31 December 2021 p/share
Change in net assets per share			
Opening net asset value per share	250.11	240.90	209.94
Return before operating charges*	5.25	10.99	32.85
Operating charges**	(0.82)	(1.78)	(1.89)
Return after operating charges*	4.43	9.21	30.96
Distributions	(4.49)	(6.84)	(5.91)
Retained distributions on accumulation shares	4.49	6.84	5.91
Closing net asset value per share	254.54	250.11	240.90
* after direct transaction costs of***	0.13	0.12	0.21
Performance			
Return after charges	1.77%	3.82%	14.75%
Other information			
Closing net asset value (£)	465,817,906	312,115,080	283,240,783
Closing number of shares	183,002,961	124,789,618	117,576,634
Operating charges****	0.65%	0.74%	0.85%
Direct transaction costs***	0.10%	0.05%	0.10%
Prices			
	pence per share	pence per share	pence per share
Highest share price	263.2	254.2	242.0
Lowest share price	247.9	226.7	205.4

Performance records (continued)

Comparative Tables (continued)

Income 'U2'	1 January 2023 to 30 June 2023 p/share	1 January 2022 to 31 December 2022 p/share	1 January 2021 to 31 December 2021 p/share
Change in net assets per share			
Opening net asset value per share	183.42	181.83	162.75
Return before operating charges*	3.87	8.03	25.09
Operating charges**	(0.60)	(1.33)	(1.47)
Return after operating charges*	3.27	6.70	23.62
Distributions	(3.28)	(5.11)	(4.54)
Closing net asset value per share	183.41	183.42	181.83
* after direct transaction costs of***	0.10	0.09	0.17
Performance			
Return after charges	1.78%	3.68%	14.51%
Other information			
Closing net asset value (£)	13,865,647	14,179,499	12,610,595
Closing number of shares	7,559,816	7,730,484	6,935,214
Operating charges****	0.65%	0.74%	0.85%
Direct transaction costs***	0.10%	0.05%	0.10%
Prices			
	pence per share	pence per share	pence per share
Highest share price	193.0	188.7	183.6
Lowest share price	181.8	170.0	159.2

** The operating charges include all costs borne by the sub-fund, except for direct transaction costs.

*** 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 (excluding interest on borrowings) to the average net assets of the sub-fund.

Performance

	6 months to 30 June 2023	1 year to 30 June 2023	3 years to 30 June 2022	5 years to 30 June 2023
Quilter Investors Global Equity Value Fund*	1.76%	9.58%	30.50%	46.30%
Target Benchmark**	7.80%	11.31%	32.88%	53.31%
IA Global Equity Income (sector average)	3.44%	9.06%	34.16%	42.23%
Quartile ranking	3	2	3	2

* Accumulation 'U2' shares

** MSCI All Countries World Index

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	
North America	36.28	Cisco Systems	5.13	
Europe	29.89	Industria de Diseno Textil	4.64	
United Kingdom	17.35	QUALCOMM	4.32	
Asia Pacific (excluding Japan)	6.97	Tapestry	3.69	
South America	1.99	Sage	3.58	
Japan	1.72	BAE Systems	3.10	
		Samsung Electronics (Preference shares)	2.94	
Net other assets	5.80	American Tower REIT	2.94	
		Zurich Insurance	2.67	
Total	100.00	Taiwan Semiconductor Manufacturing	2.64	
Asset allocation		Number of holdings	41	
Equities	94.20	Total Purchases and Sales for the period		
Net other assets	5.80		2023	2022
			£'000	£'000
		Total purchases for the 6 month period to 30 June	158,900	29,511
Total	100.00	Total sales for the 6 month period to 30 June	20,863	24,715

Portfolio statement

as at 30 June 2023

Holding	Investment	Market Value £'000	Percentage of total net assets %
United Kingdom 17.35% (31 December 2022 17.35%)			
United Kingdom Equities 17.35% (31 December 2022 17.35%)			
554,333	Admiral	11,508	2.30
1,675,147	BAE Systems	15,539	3.10
413,338	British American Tobacco	10,825	2.16
382,544	Diageo	12,903	2.57
240,097	Intertek	10,178	2.03
1,946,046	Sage	17,954	3.58
340,837	Shell	8,092	1.61
		86,999	17.35
Overseas 76.85% (31 December 2022 78.62%)			
Asia Pacific (excluding Japan) 6.97% (31 December 2022 6.90%)			
India Equities 1.39% (31 December 2022 1.75%)			
555,976	Infosys ADR	6,990	1.39
		6,990	1.39
South Korea Equities 2.94% (31 December 2022 2.84%)			
413,025	Samsung Electronics (Preference shares)	14,747	2.94
		14,747	2.94
Taiwan Equities 2.64% (31 December 2022 2.31%)			
907,000	Taiwan Semiconductor Manufacturing	13,240	2.64
		13,240	2.64
Europe 29.89% (31 December 2022 29.54%)			
France Equities 7.34% (31 December 2022 7.35%)			
29,951	Kering	13,021	2.60
152,203	Sanofi	12,823	2.56
240,952	TotalEnergies	10,962	2.18
		36,806	7.34
Germany Equities 2.44% (31 December 2022 2.51%)			
279,301	Bayer	12,210	2.44
		12,210	2.44
Netherlands Equities 1.41% (31 December 2022 1.03%)			
412,555	Koninklijke Philips	7,042	1.41
		7,042	1.41
Spain Equities 4.64% (31 December 2022 3.74%)			
769,005	Industria de Diseno Textil	23,237	4.64
		23,237	4.64
Sweden Equities 3.30% (31 December 2022 3.33%)			
638,089	Sandvik	9,693	1.93
1,040,096	Svenska Handelsbanken	6,852	1.37
		16,545	3.30

Portfolio statement (continued)

as at 30 June 2023

Holding	Investment	Market Value £'000	Percentage of total net assets %
Switzerland Equities 10.76% (31 December 2022 11.58%)			
69,933	Cie Financiere Richemont	9,307	1.86
97,138	Nestle	9,187	1.83
143,813	Novartis	11,347	2.26
44,296	Roche	10,704	2.14
35,704	Zurich Insurance	13,377	2.67
		53,922	10.76
Japan 1.72% (31 December 2022 1.85%)			
Japan Equities 1.72% (31 December 2022 1.85%)			
355,300	KDDI	8,643	1.72
		8,643	1.72
North America 36.28% (31 December 2022 38.97%)			
United States Equities 36.28% (31 December 2022 38.97%)			
96,753	American Tower REIT	14,744	2.94
333,152	Brixmor Property REIT	5,793	1.16
635,383	Cisco Systems	25,738	5.13
149,546	CMS Energy	6,906	1.38
132,856	Eversource Energy	7,325	1.46
212,349	Exelon	6,736	1.34
69,767	Federal Realty Investment Trust REIT	5,315	1.06
95,554	Johnson & Johnson	12,399	2.47
104,633	Merck	9,394	1.87
174,052	Omnicom	12,954	2.58
85,369	Paychex	7,381	1.47
82,802	PepsiCo	12,035	2.40
102,549	Philip Morris International	7,923	1.58
60,458	Procter & Gamble	7,141	1.43
231,990	QUALCOMM	21,653	4.32
545,474	Tapestry	18,469	3.69
		181,906	36.28
South America 1.99% (31 December 2022 1.36%)			
Brazil Equities 1.99% (31 December 2022 1.36%)			
4,070,164	Ambev ADR	9,977	1.99
		9,977	1.99
	Investment assets	472,264	94.20
	Net other assets	29,095	5.80
	Total net assets	501,359	100.00

All investments are approved securities being either officially listed in a member state or traded on or under the rules of an eligible securities market, unless otherwise stated.

All investments are in ordinary shares unless otherwise stated.

Statement of total return

for the period from 1 January 2023 to 30 June 2023

	Note	01.01.23 to 30.06.23 £'000	01.01.23 to 30.06.23 £'000	01.01.22 to 30.06.22 £'000	01.01.22 to 30.06.22 £'000
Income					
Net capital losses			(546)		(15,782)
Revenue		8,267		5,901	
Expenses		(1,432)		(1,428)	
Interest payable and similar charges		-		(1)	
Net revenue before taxation		6,835		4,472	
Taxation		(1,076)		(500)	
Net revenue after taxation			5,759		3,972
Total return before distributions			5,213		(11,810)
Distributions	2		(7,191)		(5,399)
Change in net assets attributable to shareholders from investment activities			(1,978)		(17,209)

Statement of change in net assets attributable to shareholders

for the period from 1 January 2023 to 30 June 2023

	01.01.23 to 30.06.23 £'000	01.01.23 to 30.06.23 £'000	01.01.22 to 30.06.22 £'000	01.01.22 to 30.06.22 £'000
Opening net assets attributable to shareholders		348,758*		321,714
Amounts received on issue of shares	149,924		15,933	
Amounts paid on cancellation of shares	(2,970)		(10,845)	
		146,954		5,088
Dilution adjustment		226		11
Change in net assets attributable to shareholders from investment activities		(1,978)		(17,209)
Retained distributions on accumulation shares		7,399		4,837
Closing net assets attributable to shareholders		501,359		314,441*

* 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 2023

	30.06.23 £'000	31.12.22 £'000
Assets		
Fixed assets		
Investments	472,264	334,687
Current assets		
Debtors	32,536	1,450
Cash and bank balances	387	13,273
Total assets	505,187	349,410
Liabilities		
Creditors		
Bank overdrafts	(3,148)	-
Distribution payable	(325)	(187)
Other creditors	(355)	(465)
Total liabilities	(3,828)	(652)
Net assets attributable to shareholders	501,359	348,758

Notes to the financial statements

for the period from 1 January 2023 to 30 June 2023

1 Accounting policies

The 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 the Investment Management Association) in May 2014 and as amended in June 2017.

The accounting policies applied are consistent with those disclosed within the annual Financial Statements for the year ended 31 December 2022.

2 Distributions

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

	01.01.23 to 30.06.23 £'000	01.01.22 to 30.06.22 £'000
Interim – Accumulation shares (31 March)	2,860	2,028
Interim – Income shares (31 March)	274	239
Interim – Accumulation shares (30 June)	4,539	2,809
Interim – Income shares (30 June)	325	327
	<hr/> 7,998	<hr/> 5,403
Revenue deducted on cancellation of shares	15	55
Revenue received on issue of shares	(822)	(59)
Distributions	<hr/> 7,191	<hr/> 5,399
Reconciliation of distributions:		
Net revenue after taxation	5,759	3,972
Capitalised fees	1,432	1,427
Distributions	<hr/> 7,191	<hr/> 5,399

Distribution tables

Second interim distribution

Group 1: Shares purchased prior to 1 April 2023
 Group 2: Shares purchased from 1 April 2023 to 30 June 2023

	Revenue pence/cents per share	Equalisation pence/cents per share*	Distribution paid 31.08.23 pence/cents per share	Distribution paid 31.08.22 pence/cents per share
Accumulation 'A' EUR Shares				
Group 1	1.6339	-	1.6339	1.5450
Group 2	1.6339	0.0000	1.6339	1.5450
Accumulation 'A' USD Shares				
Group 1	1.7006	-	1.7006	1.5411
Group 2	1.7006	0.0000	1.7006	1.5411
Income 'A' Shares				
Group 1	1.6379	-	1.6379	1.5972
Group 2	0.3935	1.2444	1.6379	1.5972
Accumulation 'U2' Shares				
Group 1	2.4681	-	2.4681	2.3128
Group 2	0.8189	1.6492	2.4681	2.3128
Income 'U2' Shares				
Group 1	1.7965	-	1.7965	1.7339
Group 2	0.6057	1.1908	1.7965	1.7339

Distribution tables (continued)

First interim distribution

Group 1: Shares purchased prior to 1 January 2023
 Group 2: Shares purchased from 1 January 2023 to 31 March 2023

	Revenue pence/cents per share	Equalisation pence/cents per share*	Distribution paid 31.05.23 pence/cents per share	Distribution paid 31.05.22 pence/cents per share
Accumulation 'A' EUR Shares				
Group 1	1.3123	-	1.3123	1.1352
Group 2	1.3123	0.0000	1.3123	1.1352
Accumulation 'A' USD Shares				
Group 1	1.3674	-	1.3674	1.2040
Group 2	0.8512	0.5162	1.3674	1.2040
Income 'A' Shares				
Group 1	1.3569	-	1.3569	1.1594
Group 2	0.8040	0.5529	1.3569	1.1594
Accumulation 'U2' Shares				
Group 1	2.0238	-	2.0238	1.6642
Group 2	1.3381	0.6857	2.0238	1.6642
Income 'U2' Shares				
Group 1	1.4851	-	1.4851	1.2566
Group 2	1.1663	0.3188	1.4851	1.2566

* Equalisation only applies to shares purchased during the distribution 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 of these shares 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.

Quilter Investors Investment Grade Corporate Bond Fund

Launch date	28 May 2013
IA Sector	Sterling Corporate Bond
Investment Adviser	Invesco Asset Management Limited
Net asset value	£224,445,384

Objective

The sub-fund aims to achieve a combination of income and capital growth and to outperform the ICE BofA Sterling Corporate Index, net of charges, over rolling five-year periods.

Policy

The sub-fund invests at least 80% of the value of its property in Sterling-denominated (or hedged back to Sterling) investment grade debt securities issued by companies located anywhere in the world.

The sub-fund may also invest in investment grade and sub-investment grade debt securities issued by companies, banks, public entities and governments located anywhere in the world.

Investment may be direct or indirect (e.g. through collective investment schemes or derivatives). The sub-fund may hold up to 10% in contingent convertible bonds (CoCos).

The sub-fund may also invest in other transferable securities, collective investment schemes, warrants, money market instruments, deposits, cash and derivatives.

Any investment in collective investment schemes may include those managed or operated by the ACD or an associate of the ACD.

The sub-fund may use derivatives for investment purposes and/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 not likely to affect the risk profile of the sub-fund.

Investment Adviser's review

Market review

Corporate bond markets faced headwinds with returns from sterling investment grade being adversely affected by the underperformance of UK gilts. Weakness in UK government bonds was mainly due to disappointing CPI data with core inflation remaining stubbornly high although the headline rate fell more than expected to 7.9% in the year to June. The Bank of England raised interest rates four times during the review period, taking the Bank Rate from 3.50% to 5.0%, its highest level since 2008. For the first time since the mini-budget turmoil last September, futures markets started to price in a 6% Bank Rate. The US Federal Reserve and the European Central Bank also raised interest rates during 1H. Final Q1 23 GDP confirmed that the UK economy steered clear of a recession but made a lacklustre start to the year.

Credit spreads narrowed, moving from 194bps to 174bps for sterling-denominated investment grade. The spread hit a low of 158 in February before sharply rising to a high of 204 in March following news of the collapse of Silicon Valley Bank and UBS's takeover of Credit Suisse.

Performance review

In the six months to 30 June 2023, the sub-fund returned -0.52%. By comparison, the IA Sterling Corporate Bond Sector returned -0.06%. With the yield on UK government bonds rising due to higher interest rate expectations, duration was the largest detractor from performance. By contrast, credit contributed positively with gains being led by subordinated financials and investment grade. There was also positive input from senior bank debt and corporate hybrids.

In terms of relative performance, overweight positions in dollar duration (versus a zero weighting in the benchmark) and financials/AT1 debt boosted relative returns. With all of this in mind, valuations seem attractive and higher commodity prices in the medium term could enable well-run companies to create significant shareholder value. We are mindful, however, that slower economic growth could weigh on short-term commodity prices and that economic weakness has not yet been reflected in meaningfully lower earnings. As a result, we continue to prefer companies that trade at attractive valuations yet boast world-class assets, strong balance sheets, low costs or high margins, access to funding and good or improving ESG profiles.

Given the repricing in corporate bond markets over recent months, we continue to find opportunities across a range of sectors and maturities. During the review period we participated in several new issues, including BP, Anglian Water and Equitable

Financial Life. In the secondary market, we added Tesco and JPMorgan (senior bank debt). We also added some long-dated UK government gilts at discounts to par. We sold Shaftesbury, National Grid and Royal London. In financials, we sold our Credit Suisse Additional Tier 1s in January and reduced exposure to UBS AT1s. This was followed by further reductions. Elsewhere, we are still finding attractive opportunities in strongly capitalised European banks which are fundamentally sound.

Following the large shift higher in interest rate expectations in 2022, it feels like the markets have spent the last few months trying to find the top of the rates cycle. UK inflation has been worse than expected, and for longer. But with the softening in the most recent data and a growing body of evidence to suggest that the global economy is cooling, the third quarter has gotten off to a strong start – a marked change in tone from the second quarter.

We have gradually increased our exposure to UK interest rates as yields have risen over the last several quarters. As of 30 June 2023, the sub-fund's modified duration was 6.9 (up from 5.8 at the start of the year) compared to 6.2 for the broader market, as measured by the ICE BofA Sterling Corporate Index.

We continue to think that the combination of higher gilt yields and spreads that are a little wider than the long-term average makes a good case for investment grade credit. We continue to see good opportunities to add attractive yields to the sub-fund on a risk-adjusted basis. As always, credit selection is crucial, especially if growth continues to weaken. We are more wary of some of the lower credit quality areas of the market.

Quilter Investors Investment Grade Corporate 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.

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.

Liquidity risk - some investments may become hard to value or sell at a desired time and price. In extreme circumstances this may affect the sub-fund's ability to meet redemption requests upon demand.

Contingent convertible bonds (CoCos) risk - the sub-fund may invest in CoCos which are relatively new and complex instruments, and the behaviour and liquidity of the CoCos market under a stressed financial environment are untested. CoCos can be converted into equity at a time that is chosen by the issuers and this may result in capital loss for the investor.

Currency risk - 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.

Derivative risk - the sub-fund may use derivatives for investment purposes and/or for Efficient Portfolio Management (EPM). 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 their 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 full details of the sub-fund's risks, please see the section in the Prospectus headed "Risks".

Performance records

Comparative Tables

Income 'A'	1 January 2023 to 30 June 2023 p/share	1 January 2022 to 31 December 2022 p/share	1 January 2021 to 31 December 2021 p/share
Change in net assets per share			
Opening net asset value per share	92.65	109.35	113.52
Return before operating charges*	(0.10)	(13.46)	(1.39)
Operating charges**	(0.50)	(1.10)	(1.28)
Return after operating charges*	(0.60)	(14.56)	(2.67)
Distributions	(1.43)	(2.14)	(1.50)
Closing net asset value per share	90.62	92.65	109.35
* after direct transaction costs of***	-	-	-
Performance			
Return after charges	(0.65)%	(13.32)%	(2.35)%
Other information			
Closing net asset value (£)	27,169,032	29,037,888	37,517,227
Closing number of shares	29,982,007	31,340,636	34,310,778
Operating charges****	1.06%	1.11%	1.15%
Direct transaction costs***	-	-	-
Prices			
	pence per share	pence per share	pence per share
Highest share price	98.97	109.6	114.4
Lowest share price	92.55	85.24	109.9
Accumulation 'U2'	1 January 2023 to 30 June 2023 p/share	1 January 2022 to 31 December 2022 p/share	1 January 2021 to 31 December 2021 p/share
Change in net assets per share			
Opening net asset value per share	114.90	131.86	134.32
Return before operating charges*	(0.15)	(16.27)	(1.66)
Operating charges**	(0.32)	(0.69)	(0.80)
Return after operating charges*	(0.47)	(16.96)	(2.46)
Distributions	(2.08)	(3.26)	(2.51)
Retained distributions on accumulation shares	2.08	3.26	2.51
Closing net asset value per share	114.43	114.90	131.86
* after direct transaction costs of***	-	-	-
Performance			
Return after charges	(0.41)%	(12.86)%	(1.83)%
Other information			
Closing net asset value (£)	197,269,534	152,312,252	146,259,955
Closing number of shares	172,390,241	132,555,366	110,919,638
Operating charges****	0.55%	0.57%	0.60%
Direct transaction costs***	-	-	-
Prices			
	pence per share	pence per share	pence per share
Highest share price	122.8	132.2	135.4
Lowest share price	115.0	104.2	131.1

Performance records (continued)

Comparative Tables (continued)

Income 'U2'	1 January 2023 to 30 June 2023 p/share	1 January 2022 to 31 December 2022 p/share	1 January 2021 to 31 December 2021 p/share
Change in net assets per share			
Opening net asset value per share	92.23	108.87	113.04
Return before operating charges*	(0.11)	(13.40)	(1.40)
Operating charges**	(0.26)	(0.57)	(0.67)
Return after operating charges*	(0.37)	(13.97)	(2.07)
Distributions	(1.66)	(2.67)	(2.10)
Closing net asset value per share	90.20	92.23	108.87
* after direct transaction costs of***	-	-	-
Performance			
Return after charges	(0.40)%	(12.83)%	(1.83)%
Other information			
Closing net asset value (£)	6,818	6,972	8,313
Closing number of shares	7,559	7,559	7,636
Operating charges****	0.55%	0.57%	0.60%
Direct transaction costs***	-	-	-
Prices			
	pence per share	pence per share	pence per share
Highest share price	98.57	109.1	113.9
Lowest share price	92.31	84.99	109.6

**The operating charges include all costs borne by the sub-fund, except for direct transaction costs.

***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 (excluding interest on borrowings) to the average net assets of the sub-fund.

Performance

	6 months to 30 June 2023	1 year to 30 June 2023	3 years to 30 June 2023	5 years to 30 June 2023
Quilter Investors Investment Grade Corporate Bond Fund*	(0.52)%	(2.12)%	(11.18)%	(1.20)%
Target Benchmark**	(0.96)%	(6.89)%	(18.93)%	(7.02)%
IA Sterling Corporate Bond (sector average)	(0.70)%	(4.81)%	(14.43)%	(4.50)%
Quartile ranking	2	1	2	1

* Accumulation 'U2' shares

** ICE BofA Sterling Corporate Index

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	
United Kingdom	88.99	United Kingdom Gilt 3.75% 22/10/2053	3.15	
North America	3.44	United Kingdom Gilt 3.5% 22/10/2025	2.13	
Europe	3.02	Verizon Communications 1.125% 03/11/2028	1.73	
United Kingdom Derivatives	0.12	Lloyds Banking 2.707% 03/12/2035	1.45	
		European Investment Bank 5.5% 15/04/2025	1.33	
Net other assets	4.43	JPMorgan Chase 0.991% 28/04/2026	1.21	
		Electricite de France 5.5% 17/10/2041	1.14	
Total	100.00	BMW International Investment 5.5% 06/06/2026	1.09	
		Societe Generale 6.25% 22/06/2033	1.06	
Asset allocation		Walmart 5.625% 27/03/2034	1.05	
Sterling Denominated Debt Securities	88.99	Number of holdings	209	
US Dollar Denominated Debt Securities	3.44			
Euro Denominated Debt Securities	3.02	Total Purchases and Sales for the period		
United Kingdom Derivatives	0.12		2023	2022
			£'000	£'000
Net other assets	4.43	Total purchases for the 6 month period to 30 June	93,508	65,944
		Total sales for the 6 month period to 30 June	43,698	50,934
Total	100.00			

Portfolio statement

as at 30 June 2023

Holding	Investment	Market Value £'000	Percentage of total net assets %
	Sterling 88.99% (31 December 2022 76.04%)		
	Sterling Denominated Corporate Bonds 81.53% (31 December 2022 75.60%)		
	Sterling Denominated Fixed Rate Corporate Bonds 81.53% (31 December 2022 75.04%)		
£2,000,000	American Honda Finance 0.75% 25/11/2026	1,672	0.74
£1,500,000	Anglian Water Services Financing 6% 20/06/2039	1,490	0.66
£500,000	Annington Funding 2.308% 06/10/2032	345	0.15
£600,000	Annington Funding 3.935% 12/07/2047	407	0.18
£1,131,000	Annington Funding 4.75% 09/08/2033	941	0.42
£2,100,000	Apple 3.05% 31/07/2029	1,851	0.82
£369,867	Arqiva Financing 4.882% 31/12/2032	333	0.15
£833,000	Assura Financing 1.625% 30/06/2033	543	0.24
£1,500,000	AT&T 2.9% 04/12/2026	1,334	0.59
£1,000,000	AT&T 4.375% 14/09/2029	899	0.40
£2,500,000	AT&T 4.875% 01/06/2044	2,055	0.92
£2,906,000	Aviva 4% 03/06/2055	2,161	0.96
£1,000,000	Aviva 6.875% Perpetual	827	0.37
£1,209,000	AXA 5.453% Perpetual	1,172	0.52
£1,182,000	AXA 6.6862% Perpetual	1,174	0.52
£900,000	Banco Santander 1.75% 17/02/2027	745	0.33
£1,500,000	Bank of America 1.667% 02/06/2029	1,196	0.53
£2,012,000	Bank of America 3.584% 27/04/2031	1,697	0.76
£1,350,000	Barclays 3.25% 17/01/2033	1,004	0.45
£500,000	Barclays 3.75% 22/11/2030	447	0.20
£1,000,000	Barclays 8.407% 14/11/2032	990	0.44
£606,000	Barclays 8.875% Perpetual	555	0.25
£500,000	Barclays 9.25% Perpetual	450	0.20
£2,000,000	BAT Capital 2.125% 15/08/2025	1,809	0.81
£190,000	BG Energy Capital 5% 04/11/2036	175	0.08
£2,500,000	BMW International Investment 5.5% 06/06/2026	2,455	1.09
£1,500,000	BNP Paribas 1.25% 13/07/2031	1,025	0.46
£1,200,000	BNP Paribas 1.875% 14/12/2027	977	0.44
£1,000,000	BNP Paribas 2% 24/05/2031	839	0.37
£1,000,000	BNP Paribas 3.375% 23/01/2026	919	0.41
£2,500,000	BP Capital Markets 4.25% Perpetual	2,191	0.98
£2,100,000	BP Capital Markets 5.773% 25/05/2038	2,055	0.92
£1,200,000	British Land 2.375% 14/09/2029	911	0.41
£142,000	British Land 5.264% 24/09/2035	128	0.06
£414,000	British Land 5.357% 31/03/2028	387	0.17
£1,000,000	British Telecommunications 3.125% 21/11/2031	802	0.36
£700,000	British Telecommunications 6.375% 23/06/2037	679	0.30
£470,000	BUPA Finance 5% 08/12/2026	435	0.19
£300,000	Cadent Finance 2.75% 22/09/2046	173	0.08
£400,000	CaixaBank 3.5% 06/04/2028	347	0.15
£1,200,000	Centrica 4.375% 13/03/2029	1,081	0.48
£982,000	Comcast 1.5% 20/02/2029	780	0.35
£800,000	Comcast 1.875% 20/02/2036	532	0.24
£2,000,000	Cooperatieve Rabobank 4.625% 23/05/2029	1,750	0.78
£2,400,000	Credit Agricole 4.875% 23/10/2029	2,228	0.99
£296,974	Delamare Finance 5.5457% 19/02/2029	283	0.13
£700,000	Deutsche Bank 1.875% 22/12/2028	546	0.24
£400,000	Deutsche Bank 4% 24/06/2026	370	0.16
£1,100,000	Diageo Finance 1.25% 28/03/2033	760	0.34
£1,576,000	Diageo Finance 2.75% 08/06/2038	1,140	0.51
£700,000	Direct Line Insurance 4% 05/06/2032	502	0.22

Portfolio statement (continued)

as at 30 June 2023

Holding	Investment	Market Value £'000	Percentage of total net assets %
Sterling Denominated Fixed Rate Corporate Bonds (continued)			
£2,450,000	E.ON International Finance 5.875% 30/10/2037	2,343	1.04
£1,500,000	Eastern Power Networks 1.875% 01/06/2035	1,002	0.45
£500,000	Electricite de France 5.5% 27/03/2037	435	0.19
£3,000,000	Electricite de France 5.5% 17/10/2041	2,561	1.14
£1,500,000	Electricite de France 6% 23/01/2114	1,299	0.58
£1,000,000	Electricite de France 6.125% 02/06/2034	941	0.42
£400,000	Enel Finance International 1% 20/10/2027	321	0.14
£895,000	Enel Finance International 2.875% 11/04/2029	742	0.33
£1,350,000	Engie 5% 01/10/2060	1,172	0.52
£1,100,000	Engie 5.625% 03/04/2053	1,034	0.46
£1,454,000	Equitable Financial Life Global Funding 6.375% 02/06/2028	1,431	0.64
£3,000,000	European Investment Bank 5.5% 15/04/2025	2,980	1.33
£2,000,000	Ford Motor Credit 2.748% 14/06/2024	1,908	0.85
£1,000,000	Gatwick Funding 2.875% 05/07/2051	576	0.26
£2,000,000	GlaxoSmithKline Capital 1.25% 12/10/2028	1,606	0.72
£1,848,000	GlaxoSmithKline Capital 1.625% 12/05/2035	1,240	0.55
£2,324,000	Goldman Sachs 3.625% 29/10/2029	2,003	0.89
£370,000	Grainger 3.375% 24/04/2028	305	0.14
£230,850	Great Rolling Stock 6.875% 27/07/2035	229	0.10
£79,298	Grosvenor UK Finance 6.5% 29/09/2026	79	0.03
£193,000	Haleon UK Capital 3.375% 29/03/2038	145	0.06
£1,155,000	Heathrow Funding 2.75% 13/10/2031	940	0.42
£2,500,000	HSBC 1.75% 24/07/2027	2,128	0.95
£1,300,000	ING Groep 6.25% 20/05/2033	1,203	0.54
£1,000,000	InterContinental Hotels 2.125% 24/08/2026	864	0.38
£2,300,000	International Business Machines 4.875% 06/02/2038	2,039	0.91
£1,000,000	Intesa Sanpaolo 2.625% 11/03/2036	648	0.29
£1,253,000	Intesa Sanpaolo 5.148% 10/06/2030	1,007	0.45
£389,000	Intesa Sanpaolo 6.5% 14/03/2029	365	0.16
£1,250,000	Intesa Sanpaolo 8.505% 20/09/2032	1,195	0.53
£1,000,000	John Lewis 4.25% 18/12/2034	612	0.27
£2,999,000	JPMorgan Chase 0.991% 28/04/2026	2,710	1.21
£3,000,000	JPMorgan Chase 1.895% 28/04/2033	2,161	0.96
£1,400,000	Land Securities Capital Markets 2.625% 22/09/2039	975	0.43
£293,000	Land Securities Capital Markets 4.875% 15/09/2034	277	0.12
£1,006,000	Legal & General 3.75% 26/11/2049	809	0.36
£260,000	Legal & General 5.125% 14/11/2048	233	0.10
£300,000	Legal & General 5.375% 27/10/2045	284	0.13
£2,365,000	Legal & General 5.5% 27/06/2064	2,127	0.95
£500,000	Legal & General 5.625% Perpetual	383	0.17
£50,000	Lloyds Bank 11.75% Perpetual	71	0.03
£4,500,000	Lloyds Banking 2.707% 03/12/2035	3,244	1.45
£1,000,000	Lloyds Banking 7.875% Perpetual	880	0.39
£783,000	Lloyds Banking 8.5% Perpetual	731	0.33
£330,000	London Power Networks 2.625% 01/03/2029	274	0.12
£1,000,000	M&G 5.56% 20/07/2055	849	0.38
£250,000	M&G 6.34% 19/12/2063	214	0.10
£1,500,000	Manchester Airport 2.875% 30/09/2044	942	0.42
£600,000	McDonald's 2.95% 15/03/2034	468	0.21
£1,069,000	McDonald's 3.75% 31/05/2038	848	0.38
£1,647,000	Metropolitan Life Global Funding I 5% 10/01/2030	1,556	0.69
£2,178,000	Morgan Stanley 5.789% 18/11/2033	2,080	0.93
£1,000,000	National Gas Transmission 1.125% 14/01/2033	634	0.28
£454,000	National Gas Transmission 1.375% 07/02/2031	321	0.14
£307,000	National Grid Electricity Distribution West Midlands 3.875% 17/10/2024	297	0.13

Portfolio statement (continued)

as at 30 June 2023

Holding	Investment	Market Value £'000	Percentage of total net assets %
Sterling Denominated Fixed Rate Corporate Bonds (continued)			
£1,059,000	National Grid Electricity Transmission 1.125% 07/07/2028	829	0.37
£721,000	National Grid Electricity Transmission 5.272% 18/01/2043	656	0.29
£1,549,000	Nationwide Building Society 5.75% Perpetual	1,319	0.59
£50,000	Nationwide Building Society 5.769% Perpetual	47	0.02
£1,011,000	Nationwide Building Society 6.178% 07/12/2027	977	0.44
£200,000	Nationwide Building Society 7.859% Perpetual	192	0.09
£739,000	Nats En Route 1.375% 31/03/2031	601	0.27
£2,000,000	NatWest 2.105% 28/11/2031	1,644	0.73
£700,000	NatWest 3.125% 28/03/2027	627	0.28
£650,000	NatWest 3.619% 29/03/2029	557	0.25
£1,000,000	NatWest 5.125% Perpetual	823	0.37
£898,000	NatWest 7.416% 06/06/2033	868	0.39
£1,956,000	NatWest Markets 6.625% 22/06/2026	1,936	0.86
£2,000,000	Nestle 1.375% 23/06/2033	1,408	0.63
£1,000,000	NGG Finance 5.625% 18/06/2073	947	0.42
£235,000	NIE Finance 6.375% 02/06/2026	233	0.10
£2,000,000	Northumbrian Water Finance 4.5% 14/02/2031	1,784	0.79
£533,000	Omnicom Capital 2.25% 22/11/2033	382	0.17
£1,600,000	Orange 3.25% 15/01/2032	1,339	0.60
£500,000	Orsted 5.375% 13/09/2042	466	0.21
£1,300,000	Orsted 5.75% 09/04/2040	1,267	0.56
£1,215,000	Reckitt Benckiser Treasury Services 1.75% 19/05/2032	908	0.40
£1,000,000	RL Finance No. 3 6.125% 13/11/2028	928	0.41
£357,000	RL Finance No. 4 4.875% 07/10/2049	258	0.11
£26,000	Rothschild Continuation Finance 9% Perpetual	26	0.01
£1,000,000	Scottish Hydro Electric Transmission 2.125% 24/03/2036	664	0.30
£1,714,000	Segro 5.125% 06/12/2041	1,546	0.69
£143,000	Severn Trent Utilities Finance 2.625% 22/02/2033	108	0.05
£770,000	Severn Trent Utilities Finance 2.75% 05/12/2031	604	0.27
£472,000	Severn Trent Utilities Finance 4.625% 30/11/2034	418	0.19
£244,000	Severn Trent Utilities Finance 5.25% 04/04/2036	226	0.10
£3,167,000	Shell International Finance 1.75% 10/09/2052	1,439	0.64
£1,000,000	Siemens Financieringsmaatschappij 1% 20/02/2025	923	0.41
£800,000	Siemens Financieringsmaatschappij 3.75% 10/09/2042	664	0.30
£2,400,000	Societe Generale 6.25% 22/06/2033	2,371	1.06
£1,300,000	Southern Electric Power Distribution 4.625% 20/02/2037	1,128	0.50
£707,000	SP Distribution 5.875% 17/07/2026	693	0.31
£306,000	SP Manweb 4.875% 20/09/2027	289	0.13
£1,200,000	SP Transmission 2% 13/11/2031	914	0.41
£1,472,000	SSE 3.74% Perpetual	1,326	0.59
£1,500,000	Telefonica Emisiones 5.445% 08/10/2029	1,427	0.64
£555,000	Tesco Corporate Treasury Services 1.875% 02/11/2028	443	0.20
£1,321,797	Tesco Property Finance 2 6.0517% 13/10/2039	1,258	0.56
£273,231	Tesco Property Finance 3 5.744% 13/04/2040	253	0.11
£924,597	Tesco Property Finance 4 5.8006% 13/10/2040	857	0.38
£1,108,000	Thames Water Utilities Finance 2.375% 22/04/2040	631	0.28
£1,000,000	Thames Water Utilities Finance 2.625% 24/01/2032	734	0.33
£1,100,000	Thames Water Utilities Finance 3.5% 25/02/2028	938	0.42
£1,000,000	Thames Water Utilities Finance 4.625% 04/06/2046	748	0.33
£1,050,000	Time Warner Cable 5.75% 02/06/2031	955	0.43
£1,000,000	TotalEnergies Capital International 1.25% 16/12/2024	936	0.42
£2,500,000	TotalEnergies Capital International 1.405% 03/09/2031	1,823	0.81
£1,000,000	Toyota Motor Finance Netherlands 4.625% 08/06/2026	954	0.42
£1,115,000	UBS 2.25% 09/06/2028	919	0.41
£1,621,000	Unilever 2.125% 28/02/2028	1,395	0.62

Portfolio statement (continued)

as at 30 June 2023

Holding	Investment	Market Value £'000	Percentage of total net assets %
Sterling Denominated Fixed Rate Corporate Bonds (continued)			
£900,000	United Utilities Water Finance 0.875% 28/10/2029	657	0.29
£4,194,000	University of Oxford 2.544% 08/12/2117	2,153	0.96
£208,000	Vattenfall 2.5% 29/06/2083	166	0.07
£896,000	Vattenfall 6.875% 17/08/2083	878	0.39
£5,000,000	Verizon Communications 1.125% 03/11/2028	3,875	1.73
£1,000,000	Virgin Money UK 4% 25/09/2026	902	0.40
£4,000,000	Vodafone 3% 12/08/2056	2,201	0.98
£500,000	Vodafone 4.875% 03/10/2078	466	0.21
£2,500,000	Vodafone 5.125% 02/12/2052	2,099	0.94
£2,000,000	Volkswagen Financial Services 1.875% 03/12/2024	1,869	0.83
£1,000,000	Volkswagen Financial Services 2.125% 27/06/2024	958	0.43
£2,300,000	Walmart 5.625% 27/03/2034	2,366	1.05
£2,000,000	Wellcome Trust 2.517% 07/02/2118	1,022	0.46
£823,000	Wessex Water Services Finance 5.125% 31/10/2032	760	0.34
£1,000,000	Westfield Stratford City Finance 1.642% 04/08/2031	844	0.38
£1,000,000	Whitbread 2.375% 31/05/2027	830	0.37
£500,000	Whitbread 3% 31/05/2031	381	0.17
£700,000	Whitbread 3.375% 16/10/2025	641	0.29
£638,000	Yorkshire Building Society 1.5% 15/09/2029	480	0.21
£300,000	Yorkshire Water Finance 4.965% 13/06/2033	257	0.11
£1,500,000	Zurich Finance Ireland Designated Activity 5.125% 23/11/2052	1,292	0.58
		182,991	81.53
Sterling Denominated Variable Rate Corporate Bonds 0.00% (31 December 2022 0.56%)			
Sterling Denominated Government Bonds 7.46% (31 December 2022 0.44%)			
Sterling Denominated Fixed Rate Government Bonds 7.46% (31 December 2022 0.44%)			
£5,000,000	United Kingdom Gilt 0.5% 22/10/2061	1,559	0.69
£3,500,000	United Kingdom Gilt 1.5% 31/07/2053	1,807	0.80
£5,000,000	United Kingdom Gilt 3.5% 22/10/2025	4,771	2.13
£8,000,000	United Kingdom Gilt 3.75% 22/10/2053	7,059	3.15
£958,000	United Kingdom Gilt 4% 22/10/2063	910	0.41
£686,000	United Kingdom Inflation-Linked Gilt 0.625% 22/03/2045	638	0.28
		16,744	7.46
Overseas 6.46% (31 December 2022 17.90%)			
Euro 3.02% (31 December 2022 4.92%)			
Euro Denominated Corporate Bonds 3.02% (31 December 2022 4.92%)			
Euro Denominated Fixed Rate Corporate Bonds 3.02% (31 December 2022 4.92%)			
€1,000,000	Allianz 4.252% 05/07/2052	794	0.35
€639,000	AXA 4.25% 10/03/2043	501	0.22
€1,000,000	Banco Santander 3.625% Perpetual	561	0.25
€200,000	Deutsche Bank 6.75% Perpetual	138	0.06
€233,000	Enel 6.625% Perpetual	201	0.09
€1,100,000	Iberdrola Finanzas 4.875% Perpetual	912	0.41
€1,200,000	Iberdrola International 2.25% Perpetual	844	0.38
€1,505,000	SSE 4% Perpetual	1,186	0.53
€1,000,000	TotalEnergies 3.25% Perpetual	630	0.28

Portfolio statement (continued)

as at 30 June 2023

Holding	Investment	Market Value £'000	Percentage of total net assets %
Euro Denominated Fixed Rate Corporate Bonds (continued)			
€1,000,000.00	Volkswagen International Finance 3.875% Perpetual	717	0.32
€400,000	Volkswagen International Finance 4.375% Perpetual	285	0.13
		6,769	3.02
US Dollar 3.44% (31 December 2022 12.98%)			
US Dollar Denominated Corporate Bonds 3.44% (31 December 2022 12.98%)			
US Dollar Denominated Fixed Rate Corporate Bonds 2.99% (31 December 2022 12.25%)			
\$400,000	Barclays 4.375% Perpetual	213	0.09
\$600,000	CNP Assurances 4.875% Perpetual	353	0.16
\$674,000	Intesa Sanpaolo 7.778% 20/06/2054	519	0.23
\$1,500,000	JPMorgan Chase 4.586% 26/04/2033	1,122	0.50
\$500,000	Julius Baer 6.875% Perpetual	348	0.16
\$1,200,000	Muenchener Rueckversicherungs-Gesellschaft in Muenchen 5.875% 23/05/2042	948	0.42
\$1,000,000	UBS 4.875% Perpetual	629	0.28
\$554,000	UBS 7% Perpetual	416	0.19
\$3,500,000	Zurich Finance Ireland Designated Activity 3% 19/04/2051	2,156	0.96
		6,704	2.99
US Dollar Denominated Variable Rate Corporate Bonds 0.45% (31 December 2022 0.73%)			
\$1,300,000	HSBC Bank 5.45957% Perpetual	1,021	0.45
		1,021	0.45
Derivatives 0.12% (31 December 2022 0.24%)			
Sterling Denominated Forward Exchange Contracts 0.12% (31 December 2022 0.22%)			
	Buy GBP 2,621,029 Sell EUR 3,000,000 25/08/2023	40	0.02
	Buy GBP 4,496,076 Sell EUR 5,200,000 08/09/2023	18	0.01
	Buy GBP 4,111,802 Sell USD 5,100,000 25/08/2023	80	0.03
	Buy GBP 4,576,420 Sell USD 5,700,000 21/07/2023	70	0.03
	Buy GBP 3,782,393 Sell USD 4,700,000 08/09/2023	67	0.03
		275	0.12
US Dollar Denominated Forward Exchange Contracts 0.00% (31 December 2022 0.00%)			
	Buy USD 3,000,000 Sell GBP 2,359,619 25/08/2023	12	-
	Buy USD 1,900,000 Sell GBP 1,507,687 21/07/2023	(6)	-
		6	-
US Dollar Denominated Futures Contracts 0.00% (31 December 2022 0.02%)			
		214,510	95.57
	Investment assets*		
		9,935	4.43
	Net other assets		
		224,445	100.00
	Total net assets		

* 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, unless otherwise stated.

Portfolio statement (continued)

as at 30 June 2023

Analysis of investments by asset class

	Market Value £'000	Percentage of total net assets %
Bonds	214,229	95.45
Derivatives	281	0.12
Portfolio of investments	214,510	95.57
Net other assets	9,935	4.43
Total net assets	224,445	100.00

Statement of total return

for the period from 1 January 2023 to 30 June 2023

	Note	01.01.23 to 30.06.23 £'000	01.01.23 to 30.06.23 £'000	01.01.22 to 30.06.22 £'000	01.01.22 to 30.06.22 £'000
Income					
Net capital losses			(4,956)		(23,308)
Revenue		3,944		2,517	
Expenses		(603)		(617)	
Interest payable and similar charges		-		(2)	
Net revenue before taxation		3,341		1,898	
Taxation		-		-	
Net revenue after taxation			3,341		1,898
Total return before distributions			(1,615)		(21,410)
Distributions	2		(3,341)		(1,898)
Change in net assets attributable to shareholders from investment activities			(4,956)		(23,308)

Statement of change in net assets attributable to shareholders

for the period from 1 January 2023 to 30 June 2023

	01.01.23 to 30.06.23 £'000	01.01.23 to 30.06.23 £'000	01.01.22 to 30.06.22 £'000	01.01.22 to 30.06.22 £'000
Opening net assets attributable to shareholders		181,357*		183,785
Amounts received on issue of shares	46,931		17,904	
Amounts paid on cancellation of shares	(2,612)		(3,221)	
		44,319		14,683
Dilution adjustment		144		47
Change in net assets attributable to shareholders from investment activities		(4,956)		(23,308)
Retained distributions on accumulation shares		3,581		1,753
Closing net assets attributable to shareholders		224,445		176,960*

* 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 2023

	30.06.23 £'000	31.12.22 £'000
Assets		
Fixed assets		
Investments	214,516	171,140
Current assets		
Debtors	3,264	2,608
Cash and bank balances	7,271	8,431
Total assets	225,051	182,179
Liabilities		
Investment liabilities	(6)	(329)
Creditors		
Distribution payable	(429)	(397)
Other creditors	(171)	(96)
Total liabilities	(606)	(822)
Net assets attributable to shareholders	224,445	181,357

Notes to the financial statements

for the period from 1 January 2023 to 30 June 2023

1 Accounting policies

The 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 the Investment Management Association) in May 2014 and as amended in June 2017.

The accounting policies applied are consistent with those disclosed within the annual Financial Statements for the year ended 31 December 2022.

2 Distributions

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

	01.01.23 to 30.06.23 £'000	01.01.22 to 30.06.22 £'000
Interim – Accumulation shares (30 June)	3,581	1,753
Interim – Income shares (30 June)	429	286
	<hr/> 4,010	<hr/> 2,039
Revenue deducted on cancellation of shares	22	13
Revenue received on issue of shares	(691)	(154)
Distributions	<hr/> 3,341	<hr/> 1,898

Distribution table

Interim distribution

Group 1: Shares purchased prior to 1 January 2023
 Group 2: Shares purchased from 1 January 2023 to 30 June 2023

	Revenue pence per share	Equalisation pence per share*	Distribution paid 31.08.23 pence per share	Distribution paid 31.08.22 pence per share
Income 'A' Shares				
Group 1	1.4320	-	1.4320	0.8780
Group 2	0.9359	0.4961	1.4320	0.8780
Accumulation 'U2' Shares				
Group 1	2.0771	-	2.0771	1.4057
Group 2	0.4996	1.5775	2.0771	1.4057
Income 'U2' Shares				
Group 1	1.6639	-	1.6639	1.1630
Group 2	1.6639	0.0000	1.6639	1.1630

* Equalisation only applies to shares purchased during the distribution 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 of these shares 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.

Quilter Investors Japanese Equity Fund

Launch date	1 March 2013
IA Sector	Japan
Investment Adviser	M&G Investment Management Limited
Net asset value	£357,505,195

Objective

The sub-fund aims to achieve capital growth and to outperform the MSCI Japan Index, net of charges, over rolling five year periods.

Policy

The sub-fund invests at least 80% of the value of its property in shares of companies listed or located in Japan. Investment may be direct or indirect (e.g. through collective investment schemes or derivatives), however the ACD expects that the sub-fund will typically hold investments directly.

The sub-fund may invest in companies of any size, including smaller companies. The sub-fund may at times be concentrated in terms of the number of investments it holds (i.e. have less than 50 holdings).

The sub-fund may also invest in other transferable securities, collective investment schemes, warrants, money market instruments, deposits and cash.

Any investment in collective investment schemes may include those managed or operated by the ACD or an associate of the ACD.

The sub-fund may only use derivatives for the purpose of Efficient Portfolio Management. The use of derivatives for this purpose is not likely to affect the risk profile of the sub-fund.

Investment Adviser's review

Market review

The Japanese stock market rose strongly in the second quarter in local currency terms, with the Nikkei 225 reaching its highest level in 33 years. As well as the familiar themes of attractive valuations and improvements in corporate governance, the stock market was buoyed by news that the economy grew faster than expected in the first quarter of 2023 and that global chipmakers plan to ramp up production in Japan significantly. Early on in the quarter, the new governor of the Bank of Japan ("BoJ"), Kazuo Ueda, signalled that he would stick to the BoJ's ultra-loose monetary policy, the purpose of which is to increase inflation and encourage borrowing and spending. Japan has been grappling with low inflation and deflationary pressures for many years. In another positive move, the Japanese stock exchange said it planned to "name and shame" companies persistently trading below book value. The aim of this is to encourage these companies to improve shareholder returns.

Performance review

The sub-fund recorded a positive return (in sterling) in the first half of 2023, and was ahead of its benchmark, the MSCI Japan Index.

Outperformance was driven by stock picking, with Toyota Industries (a provider of fork lift trucks and warehouse automation services), Nikon Corp and Keisei Electric Railway adding value.

Holdings hurting relative performance included Seven & I, Sanrio and online recruiter DIP. Shares in Seven & I (Japan's largest convenience store operator) fell after its AGM. An activist investor had unsuccessfully tried to get the company to divest its underperforming department store, which could have been beneficial.

Sanrio is a company we have extensively engaged with and owns the intellectual property for the Hello Kitty franchise. Over the past three years, the company's share price has gone up four-fold, which demonstrates the power of self-help in a company that has been undervalued for a long time. We continue to engage with the management and aim to add value through our engagements.

During the period we began a position in Rakuten Bank. We believe Rakuten is a compelling investment opportunity. We were anchor investors at its IPO, when the company came to the market on an attractive valuation of 8x forward earnings and a return-on-equity (ROE) of 12% (most Japanese banks have ROEs of 7-9%). More importantly, we think Rakuten can grow its customer base by the low-to-mid teens each year, leveraging its ties to Rakuten Card, Rakuten Securities, Rakuten Pay and the e-commerce eco-system of Rakuten Group. In time, we believe the company can increase its Japanese customer base to 100 million. As a low cost, virtual bank, Rakuten is a unique growth play in the mature Japanese banking market.

We also began a position in materials and electronics company Taiyo Yuden, taking advantage of share price weakness to invest at an attractive valuation, in our view. The company has above-industry growth due to its exposure to the auto sector.

At the same time we closed positions in "system-on-a-chip" design company Socionext and Biprogly.

Outlook

The Japanese equity market delivered one of its best quarterly returns in recent history in the second quarter. Much of this was linked to a growing appreciation of corporate reform efforts and the policy regime that is enforcing it. The market did also experience some Artificial Intelligence (AI)-linked enthusiasm, but the contribution to the market's return was not overwhelming.

Similar to global trends, the AI impact on the Japanese market has so far been most notable in semiconductor stocks. Large cap semiconductor names like Tokyo Electron, Renesas, Advantest were all very strong in the quarter, rising between 30% and 60%, but even outside of this thematic, the broader market was also strong.

Our discussions with Japanese companies thus far in 2023 have revealed a high level of both awareness of, as well as investment in, AI - and generative AI in particular. This was not what one might expect. In general terms, Japanese corporates have been behind in digital transformation ("DX") implementation. However, within DX investments, AI in recent years has received particular attention. Telecommunications company NTT, for example, is already training its own large language model ("LLM") which it will launch later in 2023. Its LLM is bespoke for the Japanese market.

Companies like Panasonic already use LLMs widely within their businesses. Elsewhere in industrial companies, we are seeing investments in Machine Learning ("ML") and LLM technology already having an impact on business prospects.

On a multi-year view, we believe the implementation of this technology will be a critical differentiator between the winners and losers across all industry types. As stock pickers, this is not just all about semiconductors. The level of AI preparedness and implementation in the companies we research is a key line of enquiry for us as we think about medium-term earnings prospects.

Quilter Investors Japanese Equity Fund

Risk and Reward Profile

Class Accumulation 'A' GBP; 'U2' and 'A' EUR



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 5 have in the past shown moderately high volatility. With a sub-fund of category 5, you have a moderately high risk of losing money but your chance for gains is also moderately high.

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.

Company shares (i.e. equities) risk - the value of company shares may rise and fall due to the performance of individual companies or because of general market and economic conditions.

Geographic concentration risk - a fall in the Japanese market may have a significant impact on the value of the sub-fund because it primarily invests in this market.

Concentration risk (number of investments) - the sub-fund may at times hold a smaller number of investments, and therefore a fall in the value of a single investment may have a greater impact on the sub-fund's value than if it held a larger number of investments.

Currency risk (EUR share class) - the sub-fund is denominated in British Pounds but holds assets denominated in other currencies. This share class is denominated in Euro. The value of your shares may rise and fall as a result of exchange rate movements.

Currency risk (GBP share class) - the sub-fund is denominated in British Pounds but holds assets denominated in other currencies. The value of your shares may rise and fall as a result of exchange rate movements.

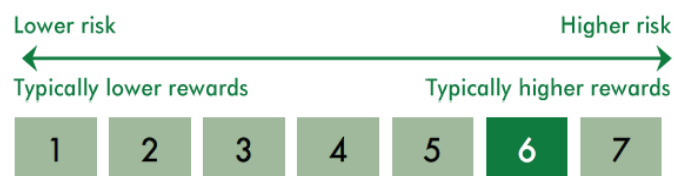
Derivative risk - the sub-fund may use derivatives for Efficient Portfolio Management (EPM). Derivatives involve a level of risk, however, for EPM they should not increase the overall riskiness of the sub-fund. Derivatives also involve counterparty risk where the institutions acting as counterparty to derivatives may not meet their 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 full details of the sub-fund's risks, please see the section in the Prospectus headed "Risks".

Risk and Reward Profile

Class Accumulation 'A' USD



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 6 have in the past shown relatively high volatility. With a sub-fund of category 6, you have a relatively high risk of losing money but your chance for gains is also relatively high.

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.

Company shares (i.e. equities) risk - the value of company shares may rise and fall due to the performance of individual companies or because of general market and economic conditions.

Geographic concentration risk - a fall in the Japanese market may have a significant impact on the value of the sub-fund because it primarily invests in this market.

Concentration risk (number of investments) - the sub-fund may at times hold a smaller number of investments, and therefore a fall in the value of a single investment may have a greater impact on the sub-fund's value than if it held a larger number of investments.

Currency risk (USD share class) - the sub-fund is denominated in British Pounds but holds assets denominated in other currencies. This share class is denominated in US Dollars. The value of your shares may rise and fall as a result of exchange rate movements.

Derivative risk - the sub-fund may use derivatives for Efficient Portfolio Management (EPM). Derivatives involve a level of risk, however, for EPM they should not increase the overall riskiness of the sub-fund. Derivatives also involve counterparty risk where the institutions acting as counterparty to derivatives may not meet their 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 full details of the sub-fund's risks, please see the section in the Prospectus headed "Risks".

Performance records

Comparative Tables

Accumulation 'A'	1 January 2023 to 30 June 2023 p/share	1 January 2022 to 31 December 2022 p/share	1 January 2021 to 31 December 2021 p/share
Change in net assets per share			
Opening net asset value per share	202.40	191.70	190.09
Return before operating charges*	19.63	13.88	4.81
Operating charges**	(1.72)	(3.18)	(3.20)
Return after operating charges*	17.91	10.70	1.61
Distributions	-	(1.48)	(0.80)
Retained distributions on accumulation shares	-	1.48	0.80
Closing net asset value per share	220.31	202.40	191.70
* after direct transaction costs of***	0.04	0.08	0.10
Performance			
Return after charges	8.85%	5.58%	0.85%
Other information			
Closing net asset value (£)	20,343,977	19,870,103	21,098,986
Closing number of shares	9,234,121	9,817,230	11,006,354
Operating charges****	1.65%	1.65%	1.65%
Direct transaction costs***	0.03%	0.04%	0.05%
Prices			
	pence per share	pence per share	pence per share
Highest share price	226.7	203.8	210.9
Lowest share price	199.4	179.7	181.7

Accumulation 'A' EUR	1 January 2023 to 30 June 2023 p/share	1 January 2022 to 31 December 2022 p/share	1 January 2021 to 31 December 2021 p/share
Change in net assets per share			
Opening net asset value per share	129.29	122.45	121.42
Return before operating charges*	12.54	8.87	3.08
Operating charges**	(1.10)	(2.03)	(2.05)
Return after operating charges*	11.44	6.84	1.03
Distributions	-	(0.95)	(0.52)
Retained distributions on accumulation shares	-	0.95	0.52
Closing net asset value per share	140.73	129.29	122.45
* after direct transaction costs of***	0.02	0.05	0.06
Performance			
Return after charges	8.85%	5.59%	0.85%
Other information			
Closing net asset value (£)	29,813	27,389	25,940
Closing number of shares	21,184	21,184	21,184
Operating charges****	1.65%	1.65%	1.65%
Direct transaction costs***	0.03%	0.04%	0.05%
Prices			
	cents per share	cents per share	cents per share
Highest share price	169.4	152.4	158.3
Lowest share price	144.2	135.8	134.1

Performance records (continued)

Comparative Tables (continued)

Accumulation 'A' USD	1 January 2023 to 30 June 2023 p/share	1 January 2022 to 31 December 2022 p/share	1 January 2021 to 31 December 2021 p/share
Change in net assets per share			
Opening net asset value per share	111.09	105.22	104.33
Return before operating charges*	10.78	7.61	2.65
Operating charges**	(0.95)	(1.74)	(1.76)
Return after operating charges*	9.83	5.87	0.89
Distributions	-	(0.82)	(0.44)
Retained distributions on accumulation shares	-	0.82	0.44
Closing net asset value per share	120.92	111.09	105.22
* after direct transaction costs of***	0.02	0.04	0.05
Performance			
Return after charges	8.85%	5.58%	0.85%
Other information			
Closing net asset value (£)	245,477	239,897	244,605
Closing number of shares	203,004	215,952	232,480
Operating charges****	1.65%	1.65%	1.65%
Direct transaction costs***	0.03%	0.04%	0.05%
Prices			
	cents per share	cents per share	cents per share
Highest share price	157.3	146.6	160.5
Lowest share price	130.3	113.9	139.8
Accumulation 'U2'	1 January 2023 to 30 June 2023 p/share	1 January 2022 to 31 December 2022 p/share	1 January 2021 to 31 December 2021 p/share
Change in net assets per share			
Opening net asset value per share	214.99	201.75	198.26
Return before operating charges*	20.92	14.71	5.02
Operating charges**	(0.78)	(1.47)	(1.53)
Return after operating charges*	20.14	13.24	3.49
Distributions	-	(3.46)	(2.66)
Retained distributions on accumulation shares	-	3.46	2.66
Closing net asset value per share	235.13	214.99	201.75
* after direct transaction costs of***	0.04	0.08	0.10
Performance			
Return after charges	9.37%	6.56%	1.76%
Other information			
Closing net asset value (£)	336,885,928	309,771,927	276,923,881
Closing number of shares	143,275,439	144,088,962	137,263,945
Operating charges****	0.70%	0.72%	0.75%
Direct transaction costs***	0.03%	0.04%	0.05%
Prices			
	pence per share	pence per share	pence per share
Highest share price	241.9	216.3	221.3
Lowest share price	211.8	189.4	190.1

** The operating charges include all costs borne by the sub-fund, except for direct transaction costs.

*** 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 (excluding interest on borrowings) to the average net assets of the sub-fund.

Performance

	6 months to 30 June 2023	1 year to 30 June 2023	3 years to 30 June 2023	5 years to 30 June 2023
Quilter Investors Japanese Equity Fund*	9.32%	18.79%	30.06%	26.57%
Target Benchmark**	6.92%	12.85%	14.77%	21.14%
IA Japan (sector average)	6.19%	12.39%	12.04%	16.84%
Quartile ranking	1	1	1	1

* Accumulation 'U2' shares

** MSCI Japan Index

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	
Industrial Support Services	12.34	Mitsubishi UFJ Financial	5.29	
Automobiles and Parts	11.66	Seven & I	4.73	
Technology Hardware and Equipment	9.62	Toyota Motor	4.70	
Leisure Goods	9.50	Mitsui	4.07	
Banks	6.79	Hitachi	3.88	
Telecommunications Service Providers	6.27	Honda Motor	3.67	
Personal Care, Drug and Grocery Stores	5.54	ORIX	3.56	
General Industrials	4.86	Nippon Telegraph & Telephone	3.36	
Pharmaceuticals and Biotechnology	4.72	Sony	3.25	
Investment Banking and Brokerage Services	4.67	Toyota Industries	3.16	
Electronic and Electrical Equipment	3.37			
Industrial Transportation	3.16	Number of holdings	49	
Real Estate Investment and Services	3.14	Total Purchases and Sales for the period		
Chemicals	2.17		2023	2022
Industrial Engineering	1.88		£'000	£'000
Household Goods and Home Construction	1.77	Total purchases for the 6 month period to 30 June	94,134	102,554
Media	1.76	Total sales for the 6 month period to 30 June	102,351	66,952
Construction and Materials	1.39			
Travel and Leisure	1.34			
Software and Computer Services	0.92			
Beverages	0.91			
Net other assets	2.22			
Total	100.00			
Asset allocation				
Equities	97.78			
Net other assets	2.22			
Total	100.00			

Portfolio statement

as at 30 June 2023

Holding	Investment	Market Value £'000	Percentage of total net assets %
	Overseas 97.78% (31 December 2022 99.40%)		
	Middle East 0.13% (31 December 2022 0.13%)		
	Israel Equities 0.13% (31 December 2022 0.13%)		
	Automobiles and Parts 0.13% (31 December 2022 0.13%)		
1,555,005	REE Automotive	474	0.13
		<u>474</u>	<u>0.13</u>
	Japan 97.65% (31 December 2022 99.27%)		
	Japan Equities 97.65% (31 December 2022 99.27%)		
	Automobiles and Parts 11.53% (31 December 2022 8.43%)		
554,500	Honda Motor	13,127	3.67
201,700	Toyota Industries	11,292	3.16
1,332,400	Toyota Motor	16,781	4.70
		<u>41,200</u>	<u>11.53</u>
	Banks 6.79% (31 December 2022 6.49%)		
3,254,300	Mitsubishi UFJ Financial	18,914	5.29
503,600	Rakuten Bank	5,358	1.50
		<u>24,272</u>	<u>6.79</u>
	Beverages 0.91% (31 December 2022 2.30%)		
284,100	Kirin	3,263	0.91
		<u>3,263</u>	<u>0.91</u>
	Chemicals 2.17% (31 December 2022 2.00%)		
367,200	Showa Denko	4,664	1.30
710,000	Toray Industries	3,107	0.87
		<u>7,771</u>	<u>2.17</u>
	Construction and Materials 1.39% (31 December 2022 1.52%)		
181,100	Taisei	4,971	1.39
		<u>4,971</u>	<u>1.39</u>
	Electronic and Electrical Equipment 3.37% (31 December 2022 4.38%)		
85,700	Hamamatsu Photonics	3,286	0.92
8,800	Keyence	3,263	0.91
520,300	Ushio	5,506	1.54
		<u>12,055</u>	<u>3.37</u>
	General Industrials 4.86% (31 December 2022 6.16%)		
285,600	Hitachi	13,861	3.88
175,700	Kawasaki Heavy Industries	3,521	0.98
		<u>17,382</u>	<u>4.86</u>
	Household Goods and Home Construction 1.77% (31 December 2022 1.92%)		
332,100	Sumitomo Forestry	6,322	1.77
		<u>6,322</u>	<u>1.77</u>
	Industrial Engineering 1.88% (31 December 2022 1.85%)		
1,294,900	Hitachi Zosen	6,712	1.88
		<u>6,712</u>	<u>1.88</u>

Portfolio statement (continued)

as at 30 June 2023

Holding	Investment	Market Value £'000	Percentage of total net assets %
	Industrial Support Services 12.34% (31 December 2022 12.22%)		
692,200	BeNext-Yumeshin	7,932	2.22
715,300	Credit Saison	8,620	2.41
258,700	Dip	5,049	1.41
492,100	Mitsui	14,540	4.07
320,500	Recruit	7,985	2.23
		44,126	12.34
	Industrial Transportation 3.16% (31 December 2022 3.88%)*		
237,600	Kamigumi	4,228	1.18
217,500	Keisei Electric Railway	7,082	1.98
		11,310	3.16
	Investment Banking and Brokerage Services 4.67% (31 December 2022 6.34%)		
892,300	ORIX	12,731	3.56
475,952	Sparx	3,958	1.11
		16,689	4.67
	Leisure Goods 9.50% (31 December 2022 8.51%)		
788,200	Nikon	7,996	2.24
215,000	Sanrio	7,241	2.03
164,200	Sony	11,617	3.25
315,100	Yamaha Motor	7,088	1.98
		33,942	9.50
	Media 1.76% (31 December 2022 2.68%)		
245,200	Dentsu	6,305	1.76
		6,305	1.76
	Personal Care, Drug and Grocery Stores 5.54% (31 December 2022 4.03%)		
104,900	Earth	2,890	0.81
499,100	Seven & I	16,897	4.73
		19,787	5.54
	Pharmaceuticals and Biotechnology 4.72% (31 December 2022 4.33%)		
283,700	Astellas Pharma	3,333	0.93
636,800	PeptiDream	7,433	2.08
248,000	Takeda Pharmaceutical	6,123	1.71
		16,889	4.72
	Real Estate Investment and Services 3.14% (31 December 2022 2.77%)		
586,200	Mitsubishi Estate	5,477	1.53
368,100	Mitsui Fudosan	5,756	1.61
		11,233	3.14
	Software and Computer Services 0.92% (31 December 2022 3.92%)		
300,800	NTT Data	3,298	0.92
		3,298	0.92
	Technology Hardware and Equipment 9.62% (31 December 2022 9.25%)		
105,600	Fujifilm	4,930	1.38
205,300	NEC	7,811	2.19
300,100	Renesas Electronics	4,430	1.24
104,200	Rohm	7,691	2.15

Portfolio statement (continued)

as at 30 June 2023

Holding	Investment	Market Value £'000	Percentage of total net assets %
	Technology Hardware and Equipment (continued)		
226,400	Taiyo Yuden	5,058	1.41
39,800	Tokyo Electron	4,455	1.25
		34,375	9.62
	Telecommunications Service Providers 6.27% (31 December 2022 4.09%)		
12,897,500	Nippon Telegraph & Telephone	11,995	3.36
281,200	SoftBank	10,402	2.91
		22,397	6.27
	Travel and Leisure 1.34% (31 December 2022 2.20%)		
57,100	Oriental Land	1,748	0.49
445,212	Skymark Airlines	3,055	0.85
		4,803	1.34
	Investment assets	349,576	97.78
	Net other assets	7,929	2.22
	Total net assets	357,505	100.00

All investments are approved securities being either officially listed in a member state or traded on or under the rules of an eligible securities market, unless otherwise stated.

All investments are in ordinary shares unless otherwise stated.

The sectors in the portfolio statement have been updated from the prior year, due to this update the comparative percentages have been restated and will not agree to the 31st December 2022 published report and accounts.

Statement of total return

for the period from 1 January 2023 to 30 June 2023

	Note	01.01.23 to 30.06.23 £'000	01.01.23 to 30.06.23 £'000	01.01.22 to 30.06.22 £'000	01.01.22 to 30.06.22 £'000
Income					
Net capital gains/(losses)			29,214		(8,936)
Revenue		4,455		4,687	
Expenses		(1,313)		(1,210)	
Interest payable and similar charges		(1)		(1)	
Net revenue before taxation		3,141		3,476	
Taxation		(479)		(480)	
Net revenue after taxation			2,662		2,996
Total return before distributions			31,876		(5,940)
Distributions	2		(72)		264
Change in net assets attributable to shareholders from investment activities			31,804		(5,676)

Statement of change in net assets attributable to shareholders

for the period from 1 January 2023 to 30 June 2023

	01.01.23 to 30.06.23 £'000	01.01.23 to 30.06.23 £'000	01.01.22 to 30.06.22 £'000	01.01.22 to 30.06.22 £'000
Opening net assets attributable to shareholders		329,909*		298,293
Amounts received on issue of shares	25,138		45,675	
Amounts paid on cancellation of shares	(29,394)		(13,315)	
		(4,256)		32,360
Dilution adjustment		48		65
Change in net assets attributable to shareholders from investment activities		31,804		(5,676)
Closing net assets attributable to shareholders		357,505		325,042*

* 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 2023

	30.06.23 £'000	31.12.22 £'000
Assets		
Fixed assets		
Investments	349,576	327,932
Current assets		
Debtors	1,733	6,576
Cash and bank balances	6,455	2,188
Total assets	357,764	336,696
Liabilities		
Creditors		
Other creditors	(259)	(6,787)
Total liabilities	(259)	(6,787)
Net assets attributable to shareholders	357,505	329,909

Notes to the financial statements

for the period from 1 January 2023 to 30 June 2023

1 Accounting policies

The 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 the Investment Management Association) in May 2014 and as amended in June 2017.

The accounting policies applied are consistent with those disclosed within the annual Financial Statements for the year ended 31 December 2022.

2 Distributions

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

	01.01.23 to 30.06.23 £'000	01.01.22 to 30.06.22 £'000
Revenue deducted on cancellation of shares	169	60
Revenue received on issue of shares	(97)	(324)
Distributions	72	(264)
Reconciliation of distributions:		
Net revenue after taxation	2,662	2,996
Undistributed net revenue carried forward	(2,590)	(3,260)
Distributions	72	(264)

Quilter Investors Natural Resources Equity Fund

Launch date	30 April 2013
IA Sector	Specialist
Investment Adviser	Henderson Global Investors Limited delegated to Janus Henderson Investors (Australia) Institutional Funds Management Limited (sub-adviser)
Net asset value	£115,785,688

Objective

The sub-fund aims to achieve capital growth and to outperform the S&P Global Natural Resources Index, net of charges, over rolling five-year periods.

Policy

The sub-fund invests at least 80% of the value of its property in shares of companies located in developed and emerging markets anywhere in the world, that are engaged in natural resources and commodities businesses. Investment may be direct or indirect (e.g. through collective investment schemes or derivatives), however the ACD expects that the sub-fund will typically hold investments directly.

The sub-fund may invest in companies of any size, including smaller companies. The sub-fund may at times be concentrated in terms of the number of investments it holds. (i.e. have less than 50 holdings).

The sub-fund may also invest in other transferable securities, collective investment schemes, warrants, money market instruments, deposits and cash.

Any investment in collective investment schemes may include those managed or operated by the ACD or an associate of the ACD.

The sub-fund may only use derivatives for the purpose of Efficient Portfolio Management. The use of derivatives for this purpose is not likely to affect the risk profile of the sub-fund.

Investment Adviser's review

Market review

The Target Benchmark returned -8.7% and underperformed the MSCI World Index as most commodity prices weakened over the period. Agriculture stocks lost 13.6%, Metals and Mining shares fell by 5.5% and Energy stocks lost 6.7%.

In US dollar terms, WTI Crude prices fell by 12% and US natural gas prices fell by 32%. Industrial metals initially rallied on hopes of higher Chinese demand but faded later in the period with copper down 2% and iron ore limping to a 1% gain. Crop prices were weak across the board. Meanwhile, uranium prices rose 17% on strong demand and gold prices rose by 6% as the pace of interest rate hikes slowed. Lithium prices hit an 18-month low in April but recovered slightly in Q2 to finish around 40% lower.

Performance review

The Quilter Investors Natural Resources Equity Fund (Portfolio) returned -8.18% compared with a -8.68% return from the S&P Global Natural Resources Index (net dividends reinvested) in GBP ("Benchmark"). The Portfolio's holdings in Energy detracted 3.0% from the overall return, positions in Agriculture detracted 2.8% and holdings in Metals and Mining detracted 1.4%.

The Portfolio outperformed its Benchmark over the period. This was largely due to positive stock selection in Agriculture and Metals and Mining. In the latter, several of the Portfolio's holdings benefitted from merger and acquisition activity. Selections in Energy weighed on relative performance.

At the stock level, top contributors included gold mining firm Newcrest and lithium miners Albemarle and Pilbara Minerals. Albemarle and Pilbara were purchased after lithium prices had fallen heavily and both shares benefitted from the subsequent rebound in prices. Newcrest was sold for a profit after the firm agreed to be taken over by Newmont.

Key detractors included oil and gas producer APA and lithium miners Ganfeng and AVZ Minerals. The underperformance of these shares was mostly due to weakness in underlying commodity prices, although AVZ shares also suffered from the company's on-going suspension from trading.

Turning to trading activity, the Portfolio was positioned further towards growth and sub-industries with stronger long-term demand tailwinds.

In Energy, we cut exposure to oil majors and offshore names by exiting Shell, Exxon Mobil, Total and Petrobras. Some of these proceeds were used to increase exposure to US natural gas and onshore oil producers, where we purchased shares including

Chesapeake, Range Resources, Pioneer and Occidental Petroleum. Elsewhere, we increased the Portfolio's overweight in uranium by purchasing Cameco and adding to holdings including NexGen and Denison. We also scaled up exposure to renewable energy generation through several new positions including Vestas, Orsted and Iberdola.

In Agriculture, we trimmed exposure to fertiliser by cutting the position in Nutrien and exiting UPM-Kymmene. We also trimmed Archer Daniels Midland and cut the allocation to paper and packaging by selling Stora Enso and Smurfit Kappa. By contrast, exposure to timberland and building materials was increased through new positions in Canfor and Louisiana-Pacific.

In Metals and Mining, we added further copper exposure through smaller miners including Ero, Filo and Capstone. We also increased the overweight in lithium by buying Pilbara, Albemarle, SQM and Lithium Americas, among others. These purchases were partly funded by selling out of Glencore and Alcoa, and by taking profits in shares that rose strongly on the back of M&A activity. These included Alkerm, Newcrest and Teck Resources.

Against the Benchmark, the Portfolio is overweight the following sub-industries – Diversified Metals & Mining, Oil & Gas Exploration & Production, Forest Products, uranium and Electric Utilities (with a renewable energy focus). These overweight positions are counterbalanced by underweight positions in the following sub-industries: Integrated Oil & Gas, Steel, Paper & Plastic Packaging, Paper Products, and Oil & Gas Refining & Marketing.

Outlook

The recent correction in commodity prices has washed out the market's expectations and left natural resource stocks at modest valuations with little growth factored in. This is despite many sub-sectors having strong long-term demand drivers and significant barriers to supply growth.

Despite the high oil prices seen in 2022, major oil and gas companies prioritised efficiency, debt reduction and buybacks ahead of growth. This continued more than a decade of underinvestment in supply and could mean that oil markets become finely balanced again if growth improves or China increases stimulus. Elsewhere in Energy, we remain bullish on uranium as more countries accept nuclear energy as a reliable and safe source of low-emission energy.

In Metals and Mining, the transition to renewable energy and electric vehicles remains the biggest demand tailwind we've ever seen for several metals and rare earths. The energy transition has been accelerated by the Inflation Reduction Act incentives in the US, and will require huge amounts of steel for turbines and copper for electric grids. At the same time, inflation-adjusted mining capex remains near 30-year lows due to higher costs, tight regulations and the amount of time it takes to establish new capacity. Combine this with the bumper profits generated by many mining majors in 2022, and balance sheets in the sector have rarely looked so strong. This could sustain further M&A activity as firms position for long-term demand growth. We expect the focus to remain on smaller, high-quality assets and larger targets of strategic value to mining majors.

As for Agriculture, Earth's growing population entails an obvious need for more food. Meanwhile, farming acreage is being eaten up by urbanisation and changing weather patterns caused by climate change. This imbalance will require more innovation and investment in farm equipment, precision farming services and inputs, such as fertiliser, that increase yield. As noted previously, we expect fertiliser demand and pricing to recover as buyer inventories fall.

With all of this in mind, valuations seem attractive and higher commodity prices in the medium term could enable well-run companies to create significant shareholder value. We are mindful, however, that slower economic growth could weigh on short-term commodity prices and that economic weakness has not yet been reflected in meaningfully lower earnings. As a result, we continue to prefer companies that trade at attractive valuations yet boast world-class assets, strong balance sheets, low costs or high margins, access to funding and good or improving ESG profiles.

Quilter Investors Natural Resources Equity Fund

Risk and Reward Profile

For Class A, U2, A (EUR) Accumulation



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 6 have in the past shown relatively high volatility. With a sub-fund of category 6, you have a relatively high risk of losing money but your chance for gains is also relatively high.

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.

Sector concentration risk - the sub-fund's investments are concentrated in natural resource companies, and may be subject to a greater degree of risk and volatility than a sub-fund following a more diversified strategy.

Company shares (i.e. equities) risk - the value of company shares may rise and fall due to the performance of individual companies or because of general market and economic conditions.

Concentration risk (number of investments) - the sub-fund may at times hold a smaller number of investments, and therefore a fall in the value of a single investment may have a greater impact on the sub-fund's value than if it held a larger number of investments.

Smaller companies risk - smaller companies are subject to greater risk and reward potential. Investments may be volatile or difficult to buy or sell.

Liquidity risk - some investments may become hard to value or sell at a desired time and price. In extreme circumstances this may affect the sub-fund's ability to meet redemption requests upon demand.

Currency risk (EUR share class) - the sub-fund is denominated in British Pounds but holds assets denominated in other currencies. This share class is denominated in Euro. The value of your shares may rise and fall as a result of exchange rate movements.

Currency risk (GBP share class) - the sub-fund is denominated in British Pounds but holds assets denominated in other currencies. The value of your shares may rise and fall as a result of exchange rate movements.

Derivative risk - the sub-fund may use derivatives for Efficient Portfolio Management (EPM). Derivatives involve a level of risk, however, for EPM they should not increase the overall riskiness of the sub-fund. Derivatives also involve counterparty risk where the institutions acting as counterparty to derivatives may not meet their 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 full details of the sub-fund's risks, please see the section in the Prospectus headed "Risks"

Risk and Reward Profile

Class A (USD) Accumulation



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 7 have in the past shown very high volatility. With a sub-fund of category 7, you have a very high risk of losing money but your chance for gains is also very high.

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.

Sector concentration risk - the sub-fund's investments are concentrated in natural resource companies, and may be subject to a greater degree of risk and volatility than a sub-fund following a more diversified strategy.

Company shares (i.e. equities) risk - the value of company shares may rise and fall due to the performance of individual companies or because of general market and economic conditions.

Concentration risk (number of investments) - the sub-fund may at times hold a smaller number of investments, and therefore a fall in the value of a single investment may have a greater impact on the sub-fund's value than if it held a larger number of investments.

Smaller companies risk - smaller companies are subject to greater risk and reward potential. Investments may be volatile or difficult to buy or sell.

Liquidity risk - some investments may become hard to value or sell at a desired time and price. In extreme circumstances this may affect the sub-fund's ability to meet redemption requests upon demand.

Currency risk (USD share class) - the sub-fund is denominated in British Pounds but holds assets denominated in other currencies. This share class is denominated in US Dollars. The value of your shares may rise and fall as a result of exchange rate movements.

Derivative risk - the sub-fund may use derivatives for Efficient Portfolio Management (EPM). Derivatives involve a level of risk, however, for EPM they should not increase the overall riskiness of the sub-fund. Derivatives also involve counterparty risk where the institutions acting as counterparty to derivatives may not meet their 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 full details of the sub-fund's risks, please see the section in the Prospectus headed "Risks"

Performance records

Comparative Tables

Accumulation 'A'	1 January 2023 to 30 June 2023 p/share	1 January 2022 to 31 December 2022 p/share	1 January 2021 to 31 December 2021 p/share
Change in net assets per share			
Opening net asset value per share	149.09	137.14	114.09
Return before operating charges*	(11.38)	14.40	25.19
Operating charges**	(1.22)	(2.45)	(2.14)
Return after operating charges*	(12.60)	11.95	23.05
Distributions	-	(0.64)	(0.94)
Retained distributions on accumulation shares	-	0.64	0.94
Closing net asset value per share	136.49	149.09	137.14
* after direct transaction costs of***	0.29	0.58	0.61
Performance			
Return after charges	(8.45)%	8.71%	20.20%
Other information			
Closing net asset value (£)	12,741,856	14,888,871	15,155,268
Closing number of shares	9,335,661	9,986,299	11,050,861
Operating charges****	1.70%	1.70%	1.70%
Direct transaction costs***	0.40%	0.40%	0.48%
Prices			
	pence per share	pence per share	pence per share
Highest share price	158.8	163.0	138.9
Lowest share price	130.4	122.4	113.8

Accumulation 'A' EUR	1 January 2023 to 30 June 2023 p/share	1 January 2022 to 31 December 2022 p/share	1 January 2021 to 31 December 2021 p/share
Change in net assets per share			
Opening net asset value per share	191.82	176.44	146.78
Return before operating charges*	(14.65)	18.54	32.42
Operating charges**	(1.57)	(3.16)	(2.76)
Return after operating charges*	(16.22)	15.38	29.66
Distributions	-	(0.86)	(1.21)
Retained distributions on accumulation shares	-	0.86	1.21
Closing net asset value per share	175.60	191.82	176.44
* after direct transaction costs of***	0.37	0.75	0.79
Performance			
Return after charges	(8.46)%	8.72%	20.21%
Other information			
Closing net asset value (£)	198,043	258,159	112,385
Closing number of shares	112,782	134,583	63,695
Operating charges****	1.70%	1.70%	1.70%
Direct transaction costs***	0.40%	0.40%	0.48%
Prices			
	cents per share	cents per share	cents per share
Highest share price	231.6	253.1	211.8
Lowest share price	195.4	185.4	166.0

Performance records (continued)

Comparative Tables (continued)

	1 January 2023 to 30 June 2023	1 January 2022 to 31 December 2022	1 January 2021 to 31 December 2021
Accumulation 'A' USD			
	p/share	p/share	p/share
Change in net assets per share			
Opening net asset value per share	170.51	156.84	130.47
Return before operating charges*	(13.02)	16.47	28.82
Operating charges**	(1.40)	(2.80)	(2.45)
Return after operating charges*	(14.42)	13.67	26.37
Distributions	-	(0.73)	(1.08)
Retained distributions on accumulation shares	-	0.73	1.08
Closing net asset value per share	156.09	170.51	156.84
* after direct transaction costs of***	0.33	0.66	0.70
Performance			
Return after charges	(8.46)%	8.72%	20.21%
Other information			
Closing net asset value (£)	1,025,091	1,259,306	1,420,834
Closing number of shares	656,726	738,547	905,922
Operating Charges****	1.70%	1.70%	1.70%
Direct transaction costs***	0.40%	0.40%	0.48%
Prices	cents per share	cents per share	cents per share
Highest share price	224.0	243.2	218.7
Lowest share price	186.0	165.7	178.5
Accumulation 'U2'			
	p/share	p/share	p/share
Change in net assets per share			
Opening net asset value per share	161.40	147.09	121.26
Return before operating charges*	(12.37)	15.51	26.91
Operating charges**	(0.58)	(1.20)	(1.08)
Return after operating charges*	(12.95)	14.31	25.83
Distributions	-	(2.13)	(2.22)
Retained distributions on accumulation shares	-	2.13	2.22
Closing net asset value per share	148.45	161.40	147.09
* after direct transaction costs of***	0.31	0.62	0.65
Performance			
Return after charges	(8.02)%	9.73%	21.30%
Other information			
Closing net asset value (£)	101,820,698	89,181,343	87,698,522
Closing number of shares	68,587,775	55,255,847	59,623,292
Operating Charges****	0.75%	0.77%	0.80%
Direct transaction costs***	0.40%	0.40%	0.48%
Prices	pence per share	pence per share	pence per share
Highest share price	172.1	175.3	148.8
Lowest share price	141.8	131.9	121.1

** The operating charges include all costs borne by the sub-fund, except for direct transaction costs.

*** 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 (excluding interest on borrowings) to the average net assets of the sub-fund.

Performance

	6 months to 30 June 2023	1 year to 30 June 2023	3 years to 30 June 2023	5 years to 30 June 2023
Quilter Investors Natural Resources Equity Fund*	(8.18)%	4.92%	49.20%	31.69%
Target Benchmark**)	(8.68)%	2.82%	58.72%	33.66%

* Accumulation 'U2' shares

** S&P Global Natural Resources Index

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	
North America	61.87	BHP	2.39	
Asia Pacific (excluding Japan)	15.64	Weyerhaeuser REIT	2.29	
Europe	12.77	West Fraser Timber	2.25	
United Kingdom	4.22	Louisiana-Pacific	2.21	
South America	2.13	Sociedad Quimica y Minera de Chile ADR	2.13	
		Pilbara Minerals	2.11	
Net other assets	3.37	Cheniere Energy	2.10	
		Chesapeake Energy	2.07	
Total	100.00	Occidental Petroleum	2.05	
		FMC	2.04	
Asset allocation		Number of holdings	72	
Equities	96.63	Total Purchases and Sales for the period		
Net other assets	3.37		2023	2022
			£'000	£'000
Total	100.00	Total purchases for the 6 month period to 30 June	150,935	95,373
		Total sales for the 6 month period to 30 June	130,897	105,698

Portfolio statement

as at 30 June 2023

Holding	Investment	Market Value £'000	Percentage of total net assets %
	United Kingdom 4.22% (31 December 2022 6.85%)		
	United Kingdom Equities 4.22% (31 December 2022 6.85%)		
	Industrial Metals and Mining 2.23% (31 December 2022 0.75%)		
220,641	Adriatic Metals CDI	357	0.31
99,539	Anglo American	2,223	1.92
		<u>2,580</u>	<u>2.23</u>
	Oil, Gas and Coal 1.99% (31 December 2022 6.10%)		
499,705	BP	2,306	1.99
		<u>2,306</u>	<u>1.99</u>
	Precious Metals and Mining 0.00% (31 December 2022 0.00%)		
291,346	Target Resources*† ‡‡	-	-
		<u>-</u>	<u>-</u>
	Overseas 92.41% (31 December 2022 90.09%)		
	Asia Pacific (excluding Japan) 15.64% (31 December 2022 21.94%)		
	Australia Equities 14.13% (31 December 2022 21.94%)		
137,933	Allkem	1,156	1.00
1,357,523	AVZ Minerals‡‡	277	0.24
657,095	Azure Minerals	518	0.45
117,537	BHP	2,766	2.39
1,219,931	Delta Lithium	546	0.47
1,740,213	Firefinch‡ ‡‡	167	0.14
289,798	IGO	2,298	1.99
1,199,599	Leo Lithium	672	0.58
30,697	Mineral Resources	1,147	0.99
956,851	Pilbara Minerals	2,444	2.11
37,400	Rio Tinto	2,236	1.93
575,022	Sandfire Resources	1,776	1.53
467,980	Talga	363	0.31
		<u>16,366</u>	<u>14.13</u>
	China Equities 0.00% (31 December 2022 0.00%)		
146,000	Real Gold Mining*† ‡‡	-	-
		<u>-</u>	<u>-</u>
	Malaysia Equities 1.51% (31 December 2022 0.00%)		
487,996	Lynas Rare Earths	1,745	1.51
		<u>1,745</u>	<u>1.51</u>
	Europe 12.77% (31 December 2022 19.44%)		
	Denmark Equities 1.98% (31 December 2022 0.00%)		
17,017	Orsted	1,265	1.09
48,898	Vestas Wind Systems	1,023	0.89
		<u>2,288</u>	<u>1.98</u>
	Finland Equities 0.00% (31 December 2022 5.34%)		

Portfolio statement (continued)

as at 30 June 2023

Holding	Investment	Market Value £'000	Percentage of total net assets %
	France Equities 0.00% (31 December 2022 4.33%)		
	Guernsey Equities 0.00% (31 December 2022 0.00%)		
76,105	Archipelago Metals (Warrants)*† ‡‡	-	-
		-	-
	Ireland Equities 0.00% (31 December 2022 2.62%)		
	Netherlands Equities 1.00% (31 December 2022 0.00%)		
61,141	OCI	1,157	1.00
		1,157	1.00
	Norway Equities 3.88% (31 December 2022 3.89%)		
124,108	Aker	2,289	1.97
96,273	Equinor	2,209	1.91
		4,498	3.88
	Portugal Equities 1.97% (31 December 2022 0.00%)		
298,858	EDP - Energias de Portugal	1,153	0.99
423,628	Navigator	1,130	0.98
		2,283	1.97
	Spain Equities 2.07% (31 December 2022 0.00%)		
8,707	Acciona	1,168	1.01
119,517	Iberdrola	1,227	1.06
		2,395	2.07
	Sweden Equities 1.87% (31 December 2022 1.80%)		
216,401	Svenska Cellulosa	2,163	1.87
		2,163	1.87
	Switzerland Equities 0.00% (31 December 2022 1.46%)		
	North America 61.87% (31 December 2022 46.02%)		
	Canada Equities 25.64% (31 December 2022 21.39%)		
110,810	ARC Resources	1,165	1.01
737,242	B2Gold	2,021	1.74
46,495	Cameco	1,130	0.98
91,399	Canfor	1,266	1.09
228,682	Capstone Copper	803	0.69
2,005,803	Denison Mines	1,948	1.68
86,117	ERO Copper	1,385	1.20
48,558	Filo	725	0.63
94,264	First Quantum Minerals	1,713	1.48
570,572	Hudbay Minerals	2,074	1.79
242,555	Ivanhoe Mines	1,746	1.51
454,750	K92 Mining	1,545	1.33
106,770	Lithium Americas	1,642	1.42
310,909	NexGen Energy	1,132	0.98
117,580	NGEx Minerals	505	0.44
24,467	Nutrien	1,136	0.98

Portfolio statement (continued)

as at 30 June 2023

Holding	Investment	Market Value £'000	Percentage of total net assets %
	Canada Equities (continued)		
119,311	Osisko Gold Royalties	1,416	1.22
985,584	Osisko Mining	1,821	1.57
707,619	Uranium Energy	1,908	1.65
39,077	West Fraser Timber	2,601	2.25
		29,682	25.64
	United States Equities 36.23% (31 December 2022 24.63%)		
9,719	Albemarle	1,683	1.45
67,226	Antero Resources	1,215	1.05
88,184	APA	2,366	2.04
19,700	Archer-Daniels-Midland	1,162	1.00
27,319	Bunge	2,005	1.73
42,375	CF Industries	2,356	2.04
20,333	Cheniere Energy	2,432	2.10
36,116	Chesapeake Energy	2,398	2.07
18,013	Chevron	2,225	1.92
25,969	Corteva	1,185	1.02
22,167	Darling Ingredients	1,087	0.94
26,236	EOG Resources	2,344	2.03
28,624	FMC	2,366	2.04
43,041	Louisiana-Pacific	2,553	2.21
41,536	Mosaic	1,142	0.99
101,514	MP Materials	1,834	1.58
51,187	Occidental Petroleum	2,368	2.05
14,387	Pioneer Natural Resources	2,344	2.02
101,791	Range Resources	2,361	2.04
172,480	SSR Mining	1,875	1.62
100,617	Weyerhaeuser REIT	2,651	2.29
		41,952	36.23
	South America 2.13% (31 December 2022 2.69%)		
	Brazil Equities 0.00% (31 December 2022 2.69%)		
	Chile Equities 2.13% (31 December 2022 0.00%)		
43,744	Sociedad Quimica y Minera de Chile ADR	2,472	2.13
		2,472	2.13
	Investment assets	111,887	96.63
	Net other assets	3,899	3.37
	Total net assets	115,786	100.00

* Market values less than £500.

† Delisted securities in liquidation.

‡ Suspended security.

†† Fair Value Price approved by the ACD.

All investments are approved securities being either officially listed in a member state or traded on or under the rules of an eligible securities market, unless otherwise stated.

All investments are in ordinary shares unless otherwise stated.

The sectors in the portfolio statement have been updated from the prior year, due to this update the comparative percentages have been restated and will not agree to the 31st December 2022 published report and accounts.

Statement of total return

for the period from 1 January 2023 to 30 June 2023

	Note	01.01.23 to 30.06.23 £'000	01.01.23 to 30.06.23 £'000	01.01.22 to 30.06.22 £'000	01.01.22 to 30.06.22 £'000
Income					
Net capital losses			(10,373)		(3,763)
Revenue		1,781		1,095	
Expenses		(473)		(488)	
Interest payable and similar charges		(3)		(2)	
Net revenue before taxation		1,305		605	
Taxation		(164)		(91)	
Net revenue after taxation			1,141		514
Total return before distributions			(9,232)		(3,249)
Distributions	2		182		(18)
Change in net assets attributable to shareholders from investment activities			(9,050)		(3,267)

Statement of change in net assets attributable to shareholders

for the period from 1 January 2023 to 30 June 2023

	01.01.23 to 30.06.23 £'000	01.01.23 to 30.06.23 £'000	01.01.22 to 30.06.22 £'000	01.01.22 to 30.06.22 £'000
Opening net assets attributable to shareholders		105,588*		104,387
Amounts received on issue of shares	20,522		5,606	
Amounts paid on cancellation of shares	(1,329)		(16,398)	
		19,193		(10,792)
Dilution adjustment		55		61
Change in net assets attributable to shareholders from investment activities		(9,050)		(3,267)
Closing net assets attributable to shareholders		115,786		90,389*

* 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 2023

	30.06.23 £'000	31.12.22 £'000
Assets		
Fixed assets		
Investments	111,887	102,360
Current assets		
Debtors	543	1,601
Cash and bank balances	3,455	1,928
Total assets	115,885	105,889
Liabilities		
Investment liabilities	-	(1)
Creditors		
Other creditors	(99)	(300)
Total liabilities	(99)	(301)
Net assets attributable to shareholders	115,786	105,588

Notes to the financial statements

for the period from 1 January 2023 to 30 June 2023

1 Accounting policies

The 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 the Investment Management Association) in May 2014 and as amended in June 2017.

The accounting policies applied are consistent with those disclosed within the annual Financial Statements for the year ended 31 December 2022.

2 Distributions

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

	01.01.23 to 30.06.23 £'000	01.01.22 to 30.06.22 £'000
Revenue deducted on cancellation of shares	5	28
Revenue received on issue of shares	(187)	(10)
Distributions	(182)	18
Reconciliation of distributions:		
Net revenue after taxation	1,141	514
Undistributed net revenue carried forward	(1,323)	(496)
Distributions	(182)	18

Quilter Investors Precious Metals Equity Fund

Launch date	30 April 2013
IA Sector	Specialist
Investment Adviser	BlackRock Investment Management (UK) Limited
Net asset value	£257,265,188

Objective

The sub-fund aims to achieve capital growth, over rolling five-year periods.

Policy

The sub-fund invests at least 80% of the value of its property in shares of companies located in developed and emerging markets anywhere in the world, that are engaged in precious metals, and commodities related businesses. Investment may be direct or indirect (e.g. through collective investment schemes or derivatives), however the ACD expects that the sub-fund will typically hold investments directly.

The sub-fund may invest in companies of any size, including smaller companies. The sub-fund may at times be concentrated in terms of the number of investments it holds (i.e. have less than 50 holdings).

The sub-fund may also invest in other transferable securities, collective investment schemes, warrants, money market instruments, deposits and cash.

Any investment in collective investment schemes may include those managed or operated by the ACD or an associate of the ACD.

The sub-fund may only use derivatives for the purpose of Efficient Portfolio Management. The use of derivatives for this purpose is not likely to affect the risk profile of the sub-fund.

Investment Adviser's review

Market review

The gold price returned +8.9% over the quarter, ending at ~\$1,976/oz, as a weakening US dollar and falling interest rate expectations were tailwinds. For reference, the DXY, a US Dollar Index fell -1.0% to 102.5. Equity stock markets continued to recover in the first quarter of 2023, with the MSCI All Country World Index rising +6.8%. Despite interest rate hikes, global growth surprised positively. However, the end of quarter was characterised by increased volatility, banking sector stocks declined sharply following the collapse of two US banks, Silicon Valley Bank and Signature Bank. Meanwhile, issues emerged in Europe around Credit Suisse's financial position and the investment bank was bought by UBS in an emergency deal. Gold reaffirmed its status as a 'safe-haven' asset amidst uncertainty in the banking sector and increased volatility in broader equity markets. Gold performed strongly despite physically backed gold ETFs recording outflows, with total holdings down to ~2,852 tonnes from ~2,926 tonnes at the end of December. Performance of the non-gold precious metals was mixed. The silver price rose +1.7% however, the palladium and platinum price declined -16.1% and -4.8% respectively. In company news, major gold producer, Newmont, launched a \$16.9 billion bid for Australian gold producer, Newcrest, which was subsequently rejected. This had a mixed impact on relative performance with our underweight position in Newmont a positive contributor but our underweight position in Newcrest the largest individual detractor. We expect to see further deals in the gold equity space this year as producers seek to overcome challenges such as low reserve lives and declining ore grades.

The gold price fell -3.1% during the second quarter of 2023, ending at ~\$1,927/oz, on expectations that the Fed would keep rates higher for longer, given the resistant US core inflation data. The DXY remained flat ending the period at 102.9. Gold equities delivered a beta to the downside move in the gold price. However, some of the inflationary pressures gold mining companies have faced in the last year have started to moderate as energy related costs come down. Equity markets posted positive returns during the second quarter of 2023 driven by resilient economic data despite the aggressive monetary policy tightening. Positive sentiment around the opportunity in artificial intelligence has also supported returns. For reference, the MSCI All Country World Index returning +5.6%. Physically backed gold ETFs recorded inflows, with total holdings up to ~2,889 tonnes from ~2,852 tonnes at the end of March. Performance of the non-gold precious metals was weak. The silver price fell -5.8%, the palladium and platinum price declined -15.8% and -8.6% respectively. In company news, Pan American Silver completed its previously announced acquisition of Yamana Gold, following the sale of Yamana Gold's Canadian's assets and other subsidiaries to Agnico Eagle, which was also completed during the month. Newmont's entered into a definitive agreement to acquire Newcrest; the latter received a final offer of new share ratio of 0.4 Newmont shares plus a dividend to Newcrest shareholders.

Performance review

In the first quarter, the sub-fund's underweight positions in the larger cap gold companies, Newmont, Agnico Eagle and Barrick, were among the largest positive contributors to relative performance. These are underweight positions, but we have been decreasing our exposure to these names, particularly Newmont, which has proved beneficial for relative returns. On the negative side, the sub-fund's off-benchmark positions in silver miners, MAG Silver and Fresnillo were among the largest detractors. The sub-fund's off-benchmark position in the high quality royalty company, Wheaton Precious Metals, was a notable contributor to returns.

During the first quarter, we sold out of the sub-fund's exposure to a physical gold ETC and added to a physical silver ETC. We also sought to increase the sub-fund's beta through increasing our position in a Canadian senior gold producer. We reduced our exposure to companies subject to operational risks and cost inflation.

In the second quarter, the sub-fund's underweight position in the senior gold producer, Agnico Eagle, was a notable detractor. The company announced strong first quarter results, beating consensus production estimates and maintained their full year guidance. The sub-fund retains an underweight position in the company due to operational and cost inflation concerns. The sub-fund's underweight position in Gold Fields, detracted from relative performance. The company displayed resilient relative performance; we have been reducing this underweight position in the sub-fund. The sub-fund's overweight position in West African mid-tier gold producer, Endeavour, was a notable contributor to returns. The company announced another quarter of strong results. The sub-fund's off-benchmark silver positions, Pan American Silver, MAG Silver and Fresnillo, detracted from relative performance on the back of weakness in the silver price relative to the gold price. Lastly, the sub-fund's overweight position in some of our favoured mid-cap gold companies performed well. Alamos and Lundin contributed positively to relative performance.

We reduced the sub-fund's positions in companies which have seen recent operational challenges and companies, we believe, are relatively expensive in terms of valuations. We took profits in a Canadian royalty company. The team attended the Bank of America Global Metals, Mining & Steel Conference on the 15th and 16th of May where they met with global metals and mining companies.

Quilter Investors Precious Metals Equity 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 7 have in the past shown very high volatility. With a sub-fund of category 7, you have a very high risk of losing money but your chance for gains is also very high.

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.

Sector concentration risk - the sub-fund's investments are concentrated in natural resources companies, and may be subject to a greater degree of risk and volatility than a sub-fund following a more diversified strategy.

Company shares (i.e. equities) risk - the value of company shares may rise and fall due to the performance of individual companies or because of general market and economic conditions.

Concentration risk (number of investments) - the sub-fund may at times hold a smaller number of investments, and therefore a fall in the value of a single investment may have a greater impact on the sub-fund's value than if it held a larger number of investments.

Smaller companies risk - smaller companies are subject to greater risk and reward potential. Investments may be volatile or difficult to buy or sell.

Liquidity risk - some investments may become hard to value or sell at a desired time and price. In extreme circumstances this may affect the sub-fund's ability to meet redemption requests upon demand.

Currency risk (EUR share class) - the sub-fund is denominated in British Pounds but holds assets denominated in other currencies. This share class is denominated in Euro. The value of your shares may rise and fall as a result of exchange rate movements.

Currency risk (GBP share class) - the sub-fund is denominated in British Pounds but holds assets denominated in other currencies. The value of your shares may rise and fall as a result of exchange rate movements.

Derivative risk - the sub-fund may use derivatives for Efficient Portfolio Management (EPM). Derivatives involve a level of risk, however, for EPM they should not increase the overall riskiness of the sub-fund. Derivatives also involve counterparty risk where the institutions acting as counterparty to derivatives may not meet their 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 full details of the sub-fund's risks, please see the section in the Prospectus headed "Risks".

Performance records

Comparative Tables

Accumulation 'A'	1 January 2023 to 30 June 2023 p/share	1 January 2022 to 31 December 2022 p/share	1 January 2021 to 31 December 2021 p/share
Change in net assets per share			
Opening net asset value per share	117.08	122.68	138.59
Return before operating charges*	(0.03)	(3.32)	(13.45)
Operating charges**	(1.20)	(2.28)	(2.46)
Return after operating charges*	(1.23)	(5.60)	(15.91)
Distributions	-	(0.02)	(0.10)
Retained distributions on accumulation shares	-	0.02	0.10
Closing net asset value per share	115.85	117.08	122.68
* after direct transaction costs of***	0.04	0.08	0.09
Performance			
Return after charges	(1.05)%	(4.56)%	(11.48)%
Other information			
Closing net asset value (£)	16,750,870	18,547,896	22,111,449
Closing number of shares	14,459,711	15,842,057	18,023,071
Operating charges****	1.95%	1.95%	1.95%
Direct transaction costs***	0.07%	0.07%	0.07%
Prices			
	pence per share	pence per share	pence per share
Highest share price	139.3	144.9	148.4
Lowest share price	110.9	99.07	111.5

Accumulation 'A' EUR	1 January 2023 to 30 June 2023 p/share	1 January 2022 to 31 December 2022 p/share	1 January 2021 to 31 December 2021 p/share
Change in net assets per share			
Opening net asset value per share	111.84	117.17	132.36
Return before operating charges*	(0.03)	(3.23)	(12.84)
Operating charges**	(1.15)	(2.10)	(2.35)
Return after operating charges*	(1.18)	(5.33)	(15.19)
Distributions	-	(0.06)	(0.11)
Retained distributions on accumulation shares	-	0.06	0.11
Closing net asset value per share	110.66	111.84	117.17
* after direct transaction costs of***	0.04	0.08	0.08
Performance			
Return after charges	(1.06)%	(4.55)%	(11.48)%
Other information			
Closing net asset value (£)	110,620	110,379	27,873
Closing number of shares	99,968	98,697	23,788
Operating charges****	1.95%	1.95%	1.95%
Direct transaction costs***	0.07%	0.07%	0.07%
Prices			
	cents per share	cents per share	cents per share
Highest share price	150.6	167.0	156.8
Lowest share price	120.0	107.4	123.6

Performance records (continued)

Comparative Tables (continued)

Accumulation 'A' USD†	1 January 2022 to 31 December 2022 p/share	1 January 2021 to 31 December 2021 p/share
Change in net assets per share		
Opening net asset value per share	144.73	163.50
Return before operating charges*	(4.99)	(15.87)
Operating charges**	(1.34)	(2.90)
Return after operating charges*	(6.33)	(18.77)
Distributions	-	(0.14)
Retained distributions on accumulation shares	-	0.14
Redemption value	(138.40)	-
Closing net asset value per share	-	144.73
* after direct transaction costs of***	0.11	0.10
Performance		
Return after charges	(4.37)%	(11.48)%
Other information		
Closing net asset value (£)	-	3,382,087
Closing number of shares	-	2,336,803
Operating charges****	1.95%	1.95%
Direct transaction costs***	0.07%	0.07%
Prices		
	cents per share	cents per share
Highest share price	222.7	238.0
Lowest share price	168.8	176.7

Accumulation 'U2'	1 January 2023 to 30 June 2023 p/share	1 January 2022 to 31 December 2022 p/share	1 January 2021 to 31 December 2021 p/share
Change in net assets per share			
Opening net asset value per share	150.04	155.54	173.87
Return before operating charges*	(0.10)	(4.21)	(16.90)
Operating charges**	(0.67)	(1.29)	(1.43)
Return after operating charges*	(0.77)	(5.50)	(18.33)
Distributions	-	(1.65)	(1.81)
Retained distributions on accumulation shares	-	1.65	1.81
Closing net asset value per share	149.27	150.04	155.54
* after direct transaction costs of***	0.06	0.11	0.11
Performance			
Return after charges	(0.51)%	(3.54)%	(10.54)%
Other information			
Closing net asset value (£)	240,403,698	235,900,750	257,725,883
Closing number of shares	161,057,414	157,230,425	165,700,100
Operating charges****	0.85%	0.87%	0.90%
Direct transaction costs***	0.07%	0.07%	0.07%
Prices			
	pence per share	pence per share	pence per share
Highest share price	179.1	184.3	186.2
Lowest share price	142.4	126.5	141.0

† The share class closed on 15 June 2022.

** The operating charges include all costs borne by the sub-fund, except for direct transaction costs.

*** 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 (excluding interest on borrowings) to the average net assets of the sub-fund.

Performance

	6 months to 30 June 2023	1 year to 30 June 2023	3 years to 30 June 2023	5 years to 30 June 2023
Quilter Investors Precious Metals Equity Fund*	(1.98)%	5.46%	(19.02)%	36.71%
Performance Comparator**	(0.41)%	3.84%	(23.09)%	43.23%

* Accumulation 'U2' shares

** Prior to 29/06/2023: FTSE Gold Mines Index, from 29/06/2023 to present: MSCI ACWI Select Gold Miners IMI Index

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	
North America	72.23	Barrick Gold	6.51	
Asia Pacific (excluding Japan)	11.08	Newmont	6.50	
United Kingdom	9.17	Endeavour Mining	6.28	
Africa	6.75	Wheaton Precious Metals	5.99	
Europe	0.44	B2Gold	5.32	
		Franco-Nevada	5.26	
Net other assets	0.33	Agnico Eagle Mines	4.59	
		Alamos Gold (CAD Regd)	4.57	
Total	100.00	Northern Star Resources	3.85	
		Newcrest Mining	3.71	
Asset allocation		Number of holdings	46	
Equities	96.78	Total Purchases and Sales for the period		
Money Market Funds	2.13			
Alternative Investment Instruments	0.76			
			2023	2022
			£'000	£'000
Net other assets	0.33	Total purchases for the 6 month period to 30 June	110,507	87,213
		Total sales for the 6 month period to 30 June	107,995	105,862
Total	100.00			

Portfolio statement

as at 30 June 2023

Holding	Investment	Market Value £'000	Percentage of total net assets %
	United Kingdom 9.17% (31 December 2022 10.12%)		
	Liquidity Funds 2.13% (31 December 2022 2.29%)		
5,487,245	BlackRock Institutional Cash Series Sterling Liquidity Fund - Income	5,487	2.13
		<hr/>	<hr/>
		5,487	2.13
	United Kingdom Equities 6.28% (31 December 2022 6.59%)		
858,573	Endeavour Mining	16,157	6.28
		<hr/>	<hr/>
		16,157	6.28
	United Kingdom Alternative Investment Instruments 0.76% (31 December 2022 1.24%)		
1,398	Invesco Physical Gold ETC	204	0.08
117,244	Royal Mint Physical Gold ETC	1,756	0.68
		<hr/>	<hr/>
		1,960	0.76
	Overseas 90.50% (31 December 2022 89.57%)		
	Africa 6.75% (31 December 2022 5.12%)		
	South Africa Equities 6.75% (31 December 2022 5.12%)		
253,009	AngloGold Ashanti ADR	4,201	1.63
835,451	Gold Fields	9,145	3.56
168,410	Gold Fields ADR	1,833	0.71
212,958	Impala Platinum	1,116	0.43
203,380	Northam Platinum	1,068	0.42
		<hr/>	<hr/>
		17,363	6.75
	Asia Pacific (excluding Japan) 11.08% (31 December 2022 13.77%)		
	Australia Equities 11.08% (31 December 2022 13.77%)		
7,802,385	Bellevue Gold	5,177	2.01
8,158,860	Challenger Gold	428	0.17
2,102,122	Emerald Resources	2,238	0.87
689,159	Newcrest Mining	9,543	3.71
1,565,022	Northern Star Resources	9,917	3.85
14,261,593	Predictive Discovery ††	1,197	0.47
		<hr/>	<hr/>
		28,500	11.08
	Europe 0.44% (31 December 2022 0.57%)		
	Cyprus Equities 0.44% (31 December 2022 0.57%)		
599,569	Polymetal International	1,127	0.44
		<hr/>	<hr/>
		1,127	0.44
	Russia Equities 0.00% (31 December 2022 0.00%)		
190,951	Polyus GDR*‡	-	-
		<hr/>	<hr/>
		-	-
	North America 72.23% (31 December 2022 70.11%)		
	North America Equities 72.23% (31 December 2022 70.11%)		
	Canada Equities 59.46% (31 December 2022 57.68%)		
301,335	Agnico Eagle Mines	11,823	4.59
1,258,000	Alamos Gold (CAD Regd)	11,762	4.57

Portfolio statement (continued)

as at 30 June 2023

Holding	Investment	Market Value £'000	Percentage of total net assets %
Canada Equities (continued)			
636,403	Artemis Gold	1,744	0.68
4,886,949	B2Gold	13,681	5.32
4,739	Banro*‡‡	-	-
1,258,122	Barrick Gold	16,762	6.51
1,506,269	Centerra Gold	7,073	2.75
802,541	Dundee Precious Metals	4,131	1.61
234,109	Eldorado Gold	1,862	0.72
121,731	Franco-Nevada	13,524	5.26
2,106,894	Kinross Gold	7,889	3.07
183,552	Kinross Gold (Rights)*	-	-
789,388	Lundin Gold	7,399	2.88
459,282	MAG Silver (CAD listing)	4,018	1.56
118,528	MAG Silver (USD listing)	1,040	0.40
2,258,950	Marathon Gold	1,074	0.42
452,838	Osisko Gold Royalties	5,454	2.12
2,565,360	Osisko Mining	4,879	1.90
547,124	Pan American Silver	6,281	2.44
567,107	Rupert Resources	1,406	0.55
649,348	Skeena Resources	2,462	0.96
1,229,129	Sprott Physical Silver Trust	7,549	2.93
513,452	Torex Gold Resources	5,738	2.23
453,589	Wheaton Precious Metals	15,416	5.99
		152,967	59.46
Mexico Equities 0.71% (31 December 2022 1.48%)			
300,798	Fresnillo	1,835	0.71
		1,835	0.71
United States Equities 12.06% (31 December 2022 10.95%)			
168,650	Freeport-McMoRan	5,311	2.06
497,642	Newmont	16,712	6.50
362,393	SSR Mining (CAD listing)	4,004	1.56
447,396	SSR Mining (USD listing)	4,995	1.94
		31,022	12.06
Investment assets		256,418	99.67
Net other assets		847	0.33
Total net assets		257,265	100.00

* Market value less than £500.

† Delisted security in liquidation.

‡ Suspended security due to the Russian invasion of Ukraine.

‡‡ Fair Value Price approved by the ACD.

All investments are approved securities being either officially listed in a member state or traded on or under the rules of an eligible securities market, unless otherwise stated.

All investments are in ordinary shares unless otherwise stated.

Portfolio statement (continued)

as at 30 June 2023

Analysis of investments by asset class

	Market Value £'000	Percentage of total net assets %
Equities	250,931	97.54
Collective Investment Schemes	5,487	2.13
Portfolio of investments	256,418	99.67
Net other assets	847	0.33
Total net assets	257,265	100.00

Statement of total return

for the period from 1 January 2023 to 30 June 2023

	Note	01.01.23 to 30.06.23 £'000	01.01.23 to 30.06.23 £'000	01.01.22 to 30.06.22 £'000	01.01.22 to 30.06.22 £'000
Income					
Net capital losses			(671)		(23,322)
Revenue		2,889		2,475	
Expenses		(1,260)		(1,342)	
Net revenue before taxation		1,629		1,133	
Taxation		(297)		(309)	
Net revenue after taxation			1,332		824
Total return before distributions			661		(22,498)
Distributions	2		20		44
Change in net assets attributable to shareholders from investment activities			681		(22,454)

Statement of change in net assets attributable to shareholders

for the period from 1 January 2023 to 30 June 2023

		01.01.23 to 30.06.23 £'000	01.01.23 to 30.06.23 £'000	01.01.22 to 30.06.22 £'000	01.01.22 to 30.06.22 £'000
Opening net assets attributable to shareholders			254,559*		283,247
Amounts received on issue of shares		25,654		20,968	
Amounts paid on cancellation of shares		(23,766)		(41,272)	
			1,888		(20,304)
Dilution adjustment			137		272
Change in net assets attributable to shareholders from investment activities			681		(22,454)
Closing net assets attributable to shareholders			257,265		240,761*

* 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 2023

	30.06.23 £'000	31.12.22 £'000
Assets		
Fixed assets		
Investments	256,418	253,781
Current assets		
Debtors	1,254	744
Cash and bank balances	758	256
Total assets	258,430	254,781
Liabilities		
Creditors		
Bank overdrafts	-	(29)
Other creditors	(1,165)	(193)
Total liabilities	(1,165)	(222)
Net assets attributable to shareholders	257,265	254,559

Notes to the financial statements

for the period from 1 January 2023 to 30 June 2023

1 Accounting policies

The 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 the Investment Management Association) in May 2014 and as amended in June 2017.

The accounting policies applied are consistent with those disclosed within the annual Financial Statements for the year ended 31 December 2022.

2 Distributions

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

	01.01.23 to 30.06.23 £'000	01.01.22 to 30.06.22 £'000
Revenue deducted on cancellation of shares	76	11
Revenue received on issue of shares	(96)	(55)
Distributions	(20)	(44)
Reconciliation of distributions:		
Net revenue after taxation	1,332	824
Undistributed net revenue carried forward	(1,352)	(868)
Distributions	(20)	(44)

Quilter Investors Sterling Corporate Bond Fund

Launch date	14 November 2013
IA Sector	Sterling Corporate
Investment Adviser	FIL Pensions Management
Net asset value	£208,535,841

Objective

The sub-fund aims to achieve a combination of income and capital growth and to outperform the ICE BofA Sterling Non-Gilt Index, net of charges, over rolling five-year periods.

Policy

The sub-fund invests at least 80% of the value of its property in Sterling-denominated (or hedged back to Sterling) investment grade debt securities issued by companies located anywhere in the world.

The sub-fund may also invest in investment grade and sub-investment grade debt securities issued by companies, banks, public entities and governments located anywhere in the world.

Investment may be direct or indirect (e.g. through collective investment schemes or derivatives). The sub-fund may invest in asset-backed and mortgage-backed securities and may hold up to 10% in contingent convertible bonds (CoCos).

The sub-fund may also invest in other transferable securities, collective investment schemes, warrants, money market instruments, deposits, cash and derivatives.

Any investment in collective investment schemes may include those managed or operated by the ACD or an associate of the ACD.

The sub-fund may use derivatives for investment purposes and/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 not likely to affect the risk profile of the sub-fund.

Investment Adviser's review

Market review

Global fixed income markets posted mixed returns over the period, with corporate bonds outperforming government bonds. The year started on a positive note on the back of investor expectations that monetary policy tightening may be coming to an end amid China's economic reopening and a fall in natural gas prices in Europe.

However, sticky inflation and tight labour markets led global central banks to maintain a hawkish stance. The banking sector crisis, led by Silicon Valley Bank in the US and Credit Suisse in Europe, and the US debt ceiling crisis also led to significant volatility for a brief period. While yields fell in the first quarter, sovereign bonds lost ground during the second quarter. The US Federal Reserve ("Fed") and European Central Bank ("ECB") raised interest rates over the period and indicated continued interest rate hikes to bring stubbornly high inflation down.

Meanwhile, UK sovereign bonds were the worst hit, falling to their lowest levels since the mini-budget turmoil last October, amid several upside inflation surprises and an unexpected 0.50 percentage point hike by the Bank of England ("BoE") in June, following rate hikes of 0.50% in February and 0.25% in May. On the economic front, US GDP growth was revised sharply higher to an annualised 2% in the first quarter of 2023, versus expectations of 1.4% growth. Economic data releases were mixed, with some consumer and most labour readings healthy, while manufacturing continued to signal a contraction. The S&P Global US manufacturing Purchasing Managers' Index ("PMI") fell to a six-month low of 46.3 in June. The UK and eurozone PMI followed suit. The UK manufacturing PMI fell to a six-month low of 46.5 in June and the eurozone manufacturing PMI fell to 43.3 in June, its lowest reading since the COVID-19 pandemic was cementing its grip on the world.

Performance review

The portfolio fell by 0.43% over the period but outperformed the ICE BofA Sterling Non-Gilt Index, Target Benchmark by 0.62%*. Our excess yield over the index was a consistent positive over the review period, primarily through our positioning in ABS and property names. Credit selection in financial names such as Credit Suisse and Axacor added value. The overweight in ABS names such as AA Bond and RAC also enhanced returns. On the duration front, small underweight in euro duration weighed on returns as German bunds rallied over the period amid drop in inflation numbers.

The global economy is softening but not collapsing, inflation is heading down but disappointingly slow, and hiking cycles are close to over but with some of the impact

yet to play out. Given where the valuations are, neither stocks nor bonds appear attractive. The central banks could keep interest rates at elevated levels for longer than expected amid lack of visibility into terminal rates. The coming quarter should be one of consolidation in financial markets and we expect major asset classes to trade in a range.

We are slightly long credit risk but have reduced this over the period given where the valuations are in terms of credit spreads. There is some complacency in the market participants as everyone is positioned for a summer grind and plans to de-risk in August after a quiet summer. We trimmed our exposure in property and housing associations and reduced exposure in names that had performed well such as Platform Housing. Our key sector positions remain defensive with a bias to bonds with underlying asset security, such as ABS and utilities. We think these areas of the credit market should outperform as we move through to recession.

Outlook

Global economies have been clearly more resilient than expected to the impact of higher rates, as inflation is receding - albeit at a slower pace in the US and Europe, while it remains entrenched in the UK. Meanwhile, labour market remains tight and corporate fundamentals are relatively plausible. However, developed market central banks are likely approaching the end of their interest rate rising cycles, even though rates might plateau for a while as the lagged impact of cumulative central bank tightening takes hold. The US faces relatively greater growth headwinds from fiscal tightening, more aggressive monetary tightening, and banking sector issues. We expect tighter financial conditions over the rest of 2023, could weigh on economic activity. Weaker economic activity could lead to higher unemployment, as households cut back on consumption and businesses trim investments. Falling commodities prices and leading indicators of earnings, such as new orders, credit availability, etc. also point to weakness in coming quarters. Similarly, the UK risks getting caught in a price-wage spiral given the stubbornly high inflation. However, the scope for further resilience is limited in our opinion and it would be hard for the Bank of England to avoid a recession after the sticky inflation prints of late. High levels of debt amongst corporates and households will create refinancing issues amid higher interest rates. Elsewhere, credit conditions in Europe have deteriorated and the yield curve is now inverted, which is a leading indicator of an economic recession. While the households are less sensitive to rates, the corporates are certainly exposed to higher refinancing rates and debt maturities coming over the next 2-years. Worries around the banking sector and the ongoing Russia-Ukraine war have been headwinds for the region's growth outlook, and we may see a renewal of hostilities over the coming months. In this environment, we are looking for sectors and regions with structural tailwinds, defensive characteristics and attractive valuations that present the best balance between risk and reward.

Quilter Investors Sterling Corporate 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.

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.

Liquidity risk - some investments may become hard to value or sell at a desired time and price. In extreme circumstances this may affect the sub-fund's ability to meet redemption requests upon demand.

Asset-backed and mortgage-backed securities risk - asset-backed and mortgage-backed securities may be subject to greater credit, liquidity, interest rate, prepayment and extension risk, and their value may be more volatile than other debt securities.

Contingent convertible bonds (CoCos) risk - the sub-fund may invest in CoCos which are relatively new and complex instruments, and the behaviour and liquidity of the CoCos market under a stressed financial environment are untested. CoCos can be converted into equity at a time that is chosen by the issuers and this may result in capital loss for the investor.

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.

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.

Derivative risk - the sub-fund may use derivatives for investment purposes and/or for Efficient Portfolio Management (EPM). 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 their contractual obligations.

Capital erosion risk (Accumulation share classes) - 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.

Capital erosion risk (Income share classes) - the sub-fund takes its charges from the capital of the sub-fund. Investors should be aware that there is potential for capital erosion if insufficient capital growth is achieved by the sub-fund to cover the charges. Capital erosion may have the effect of reducing the level of income generated.

For full details of the sub-fund's risks, please see the section in the Prospectus headed "Risks".

Performance records

Comparative Tables

	1 January 2023 to 30 June 2023 p/share	1 January 2022 to 31 December 2022 p/share	1 January 2021 to 31 December 2021 p/share
Accumulation 'A' EUR Hedged			
Change in net assets per share			
Opening net asset value per share	80.08	95.54	105.21
Return before operating charges*	(3.24)	(14.65)	(8.73)
Operating charges**	(0.38)	(0.81)	(0.94)
Return after operating charges*	(3.62)	(15.46)	(9.67)
Distributions	(1.52)	(2.34)	(2.32)
Retained distributions on accumulation shares	1.52	2.34	2.32
Closing net asset value per share	76.46	80.08	95.54
* after direct transaction costs of***	-	-	-
Performance			
Return after charges	(4.52)%	(16.18)%	(9.19)%
Other information			
Closing net asset value (£)	101,967	92,377	117,509
Closing number of shares	133,367	115,354	122,995
Operating charges****	0.95%	0.95%	0.95%
Direct transaction costs***	-	-	-
Prices			
	cents per share	cents per share	cents per share
Highest share price	96.38	114.1	118.5
Lowest share price	89.81	84.15	112.6
Accumulation 'A' USD Hedged			
	1 January 2023 to 30 June 2023 p/share	1 January 2022 to 31 December 2022 p/share	1 January 2021 to 31 December 2021 p/share
Change in net assets per share			
Opening net asset value per share	88.20	97.12	97.82
Return before operating charges*	(3.93)	(8.03)	0.21
Operating charges**	(0.42)	(0.89)	(0.91)
Return after operating charges*	(4.35)	(8.92)	(0.70)
Distributions	(1.66)	(2.58)	(2.24)
Retained distributions on accumulation shares	1.66	2.58	2.24
Closing net asset value per share	83.85	88.20	97.12
* after direct transaction costs of***	-	-	-
Performance			
Return after charges	(4.93)%	(9.18)%	(0.72)%
Other information			
Closing net asset value (£)	132,844	101,773	246,450
Closing number of shares	158,430	115,387	253,762
Operating charges****	0.95%	0.95%	0.95%
Direct transaction costs***	-	-	-
Prices			
	cents per share	cents per share	cents per share
Highest share price	113.7	131.3	135.2
Lowest share price	106.9	98.30	129.1

Performance records (continued)

Comparative Tables (continued)

	1 January 2023 to 30 June 2023 p/share	1 January 2022 to 31 December 2022 p/share	
Accumulation 'A'†			
Change in net assets per share			
Opening net asset value per share	91.88	100.00	
Return before operating charges*	(0.07)	(7.23)	
Operating charges**	(0.44)	(0.89)	
Return after operating charges*	(0.51)	(8.12)	
Distributions	(1.77)	(1.35)	
Retained distributions on accumulation shares	1.77	1.35	
Closing net asset value per share	91.37	91.88	
* after direct transaction costs of***	-	-	
Performance			
Return after charges	(0.56)%	(8.12)%	
Other information			
Closing net asset value (£)	29,884,556	27,855,734	
Closing number of shares	32,705,755	30,318,464	
Operating charges****	0.95%	0.95%	
Direct transaction costs***	-	-	
Prices			
	pence per share	pence per share	
Highest share price	98.24	103.8	
Lowest share price	92.11	85.33	
	1 January 2023 to 30 June 2023 p/share	1 January 2022 to 31 December 2022 p/share	1 January 2021 to 31 December 2021 p/share
Income 'A'			
Change in net assets per share			
Opening net asset value per share	86.42	110.92	115.91
Return before operating charges*	-	(20.66)	(1.27)
Operating charges**	(0.41)	(0.91)	(1.07)
Return after operating charges*	(0.41)	(21.57)	(2.34)
Distributions	(2.07)	(2.93)	(2.65)
Closing net asset value per share	83.94	86.42	110.92
* after direct transaction costs of***	-	-	-
Performance			
Return after charges	(0.47)%	(19.45)%	(2.02)%
Other information			
Closing net asset value (£)	20,671,133	21,705,044	19,625,213
Closing number of shares	24,625,069	25,114,480	17,693,237
Operating charges****	0.95%	0.95%	0.95%
Direct transaction costs***	-	-	-
Prices			
	pence per share	pence per share	pence per share
Highest share price	92.08	111.3	117.4
Lowest share price	84.94	81.09	110.2

Performance records (continued)

Comparative Tables (continued)

	1 January 2023 to 30 June 2023 p/share	1 January 2022 to 31 December 2022 p/share	1 January 2021 to 31 December 2021 p/share
Accumulation 'U2'			
Change in net assets per share			
Opening net asset value per share	113.99	141.12	143.40
Return before operating charges*	(0.08)	(26.55)	(1.57)
Operating charges**	(0.26)	(0.58)	(0.71)
Return after operating charges*	(0.34)	(27.13)	(2.28)
Distributions	(2.49)	(4.02)	(3.96)
Retained distributions on accumulation shares	2.49	4.02	3.96
Closing net asset value per share	113.65	113.99	141.12
* after direct transaction costs of***	-	-	-
Performance			
Return after charges	(0.30)%	(19.22)%	(1.59)%
Other information			
Closing net asset value (£)	157,742,076	88,981,281	81,238,039
Closing number of shares	138,798,054	78,061,493	57,566,062
Operating charges****	0.45%	0.47%	0.50%
Direct transaction costs***	-	-	-
Prices			
	pence per share	pence per share	pence per share
Highest share price	121.9	141.6	145.2
Lowest share price	114.6	105.7	138.8
Income 'U2'			
Change in net assets per share			
Opening net asset value per share	85.67	109.96	114.70
Return before operating charges*	(0.01)	(20.64)	(1.05)
Operating charges**	(0.19)	(0.45)	(0.56)
Return after operating charges*	(0.20)	(21.09)	(1.61)
Distributions	(2.05)	(3.20)	(3.13)
Closing net asset value per share	83.42	85.67	109.96
* after direct transaction costs of***	-	-	-
Performance			
Return after charges	(0.23)%	(19.18)%	(1.40)%
Other information			
Closing net asset value (£)	3,265	3,378	4,469
Closing number of shares	3,914	3,943	4,065
Operating charges****	0.45%	0.47%	0.50%
Direct transaction costs***	-	-	-
Prices			
	pence per share	pence per share	pence per share
Highest share price	91.31	110.1	116.2
Lowest share price	84.41	80.29	109.1

† The share class was launched on 15 July 2022.

** The operating charges include all costs borne by the sub-fund, except for direct transaction costs.

*** 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 (excluding interest on borrowings) to the average net assets of the sub-fund.

Performance

	6 months to 30 June 2023	1 year to 30 June 2023	3 years to 30 June 2023	5 years to 30 June 2023
Quilter Investors Sterling Corporate Bond Fund*	(0.43)%	(6.53)%	(15.55)%	(7.36)%
Target Benchmark**	(1.06)%	(7.10)%	(17.58)%	(7.03)%
IA Sterling Corporate Bond (sector average)	(0.70)%	(4.81)%	(14.43)%	(4.50)%
Quartile ranking	1	3	2	3

* Accumulation 'U2' shares

** ICE BofA Sterling Non-Gilt Index

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	
United Kingdom	69.48	United Kingdom Gilt 0.5% 31/01/2029	2.44	
Europe	22.09	Westfield Stratford City Finance 1.642% 04/08/2031	1.42	
North America	5.76	United Kingdom Gilt 0.125% 30/01/2026	1.23	
Middle East	0.64	Land Securities Capital Markets 4.875% 15/09/2034	1.12	
Asia Pacific (excluding Japan)	0.23	United Kingdom Gilt 4.75% 07/12/2030	1.07	
United Kingdom Derivatives	0.02	Channel Link Enterprises Finance 3.043% 30/06/2050	1.07	
Overseas Derivatives	0.01	Virgin Money UK 5.125% 11/12/2030	0.97	
		Telereal Securitisation 1.9632% 10/12/2033	0.95	
Net other assets	1.77	E.ON International Finance 6.125% 06/07/2039	0.94	
		Aspire Defence Finance 4.674% 31/03/2040 'A'	0.93	
Total	100.00			
		Number of holdings	254	
Asset allocation		Total Purchases and Sales for the period		
			2023	2022
			£'000	£'000
Sterling Denominated Debt Securities	92.68	Total purchases for the 6 month period to 30 June	128,224	38,149
Euro Denominated Debt Securities	4.89	Total sales for the 6 month period to 30 June	54,047	19,883
US Dollar Denominated Debt Securities	0.63			
United Kingdom Derivatives	0.02			
Overseas Derivatives	0.01			
Net other assets	1.77			
Total	100.00			

Portfolio statement

as at 30 June 2023

Holding	Investment	Market Value £'000	Percentage of total net assets %
Sterling 92.68% (31 December 2022 91.52%)			
Sterling Denominated Corporate Bonds 85.24% (31 December 2022 84.91%)			
Sterling Denominated Fixed Rate Corporate Bonds 83.35% (31 December 2022 82.33%)			
£1,200,000	AA 6.269% 02/07/2043	1,146	0.55
£1,500,000	AA 7.375% 31/07/2050 (Issue June 2022)	1,353	0.65
£735,000	AA 7.375% 31/07/2050 (Issue June 2023)	661	0.32
£1,500,000	Abertis Infraestructuras 3.375% 27/11/2026	1,332	0.64
£1,250,000	ABP Finance 6.25% 14/12/2026	1,220	0.58
£1,250,000	Admiral 5.5% 25/07/2024	1,235	0.59
£981,000	Anglian Water Osprey Financing 2% 31/07/2028	735	0.35
£700,000	Anglian Water Osprey Financing 4% 08/03/2026	627	0.30
£700,000	Anglian Water Services Financing 2.625% 15/06/2027	605	0.29
£1,044,000	Anglian Water Services Financing 5.875% 20/06/2031	1,028	0.49
£575,000	Anglian Water Services Financing 6% 20/06/2039	571	0.27
£1,000,000	Annington Funding 2.646% 12/07/2025	907	0.43
£1,400,000	Annington Funding 3.935% 12/07/2047	949	0.45
£1,313,000	Arqiva Financing 7.21% 30/06/2045	1,306	0.63
£2,145,146	Aspire Defence Finance 4.674% 31/03/2040 'A'	1,940	0.93
£233,694	Aspire Defence Finance 4.674% 31/03/2040 'B'	212	0.10
£150,000	Assicurazioni Generali 6.269% Perpetual	145	0.07
£1,292,000	Aster Treasury 5.412% 20/12/2032	1,284	0.62
£1,250,000	AT&T 7% 30/04/2040	1,310	0.63
£1,500,000	Banque Federative du Credit Mutuel 5% 19/01/2026	1,437	0.69
£450,000	Barclays 1.7% 03/11/2026	395	0.19
£400,000	Barclays 3.75% 22/11/2030	357	0.17
£1,000,000	Barclays 6.369% 31/01/2031	954	0.46
£1,027,000	Barclays 8.407% 14/11/2032	1,017	0.49
£2,000,000	Bazalgette Finance 2.75% 10/03/2034	1,493	0.72
£431,366	Bishopsgate Asset Finance 4.808% 14/08/2044	292	0.14
£674,000	Blackstone Property Partners Europe 2% 20/10/2025	572	0.27
£845,000	Blackstone Property Partners Europe 2.625% 20/10/2028	617	0.30
£1,000,000	BNP Paribas 5.75% 13/06/2032	945	0.45
£1,400,000	BPCE 6% 29/09/2028	1,343	0.64
£550,000	British Land 5.357% 31/03/2028	514	0.25
£375,000	Broadgate Financing 4.821% 05/07/2036	341	0.16
£1,750,000	Cadent Finance 2.75% 22/09/2046	1,007	0.48
£1,300,000	CaixaBank 3.5% 06/04/2028	1,129	0.54
£250,000	Canary Wharf 2.625% 23/04/2025	200	0.10
£920,000	Canary Wharf 3.375% 23/04/2028	612	0.29
£400,000	Centrica 4.25% 12/09/2044	306	0.15
£400,000	Centrica 7% 19/09/2033	425	0.20
£2,723,000	Channel Link Enterprises Finance 3.043% 30/06/2050	2,228	1.07
£700,000	Church Commissioners for England 3.25% 14/07/2032	595	0.29
£243,000	Church Commissioners for England 3.625% 14/07/2052	181	0.09
£1,000,000	Citizen Treasury 3.25% 20/10/2048	691	0.33
£1,200,000	Clarion Funding 1.875% 22/01/2035	801	0.38
£600,000	Clarion Funding 1.875% 07/09/2051	280	0.13
£400,000	Commerzbank 8.625% 28/02/2033	384	0.18
£1,500,000	Cooperatieve Rabobank 1.875% 12/07/2028	1,255	0.60
£1,275,000	CPI Property 2.75% 22/01/2028	844	0.40
£1,192,000	CPUK Finance 3.69% 28/02/2047	1,007	0.48
£513,000	CPUK Finance 5.876% 28/08/2027	486	0.23
£1,000,000	CPUK Finance 6.136% 28/02/2047	941	0.45

Portfolio statement (continued)

as at 30 June 2023

Holding	Investment	Market Value £'000	Percentage of total net assets %
Sterling Denominated Fixed Rate Corporate Bonds (continued)			
£900,000	Credit Agricole 1.874% 09/12/2031	733	0.35
£1,200,000	Danske Bank 2.25% 14/01/2028	1,002	0.48
£1,400,000	Deutsche Bank 1.875% 22/12/2028	1,092	0.52
£700,000	Deutsche Bank 6.125% 12/12/2030	641	0.31
£1,500,000	Digital Stout 3.3% 19/07/2029	1,209	0.58
£850,920	Dignity Finance 3.5456% 31/12/2034	732	0.35
£1,514,000	DNB Bank 2.625% 10/06/2026	1,399	0.67
£2,000,000	E.ON International Finance 6.125% 06/07/2039	1,956	0.94
£300,000	E.ON International Finance 6.25% 03/06/2030	301	0.14
£400,000	EDP Finance 8.625% 04/01/2024	404	0.19
£1,600,000	Electricite de France 5.625% 25/01/2053	1,354	0.65
£1,200,000	Electricite de France 5.875% 18/07/2031	1,135	0.54
£1,100,000	Electricite de France 6% 23/01/2114	953	0.46
£450,000	Electricite de France 6.125% 02/06/2034	423	0.20
£400,000	Electricity North West 8.875% 25/03/2026	422	0.20
£1,750,000	Enel Finance International 2.875% 11/04/2029	1,451	0.70
£1,100,000	Engie 5.625% 03/04/2053	1,034	0.50
£1,000,000	ENW Finance 4.893% 24/11/2032	917	0.44
£362,637	Equity Release Funding No 2 5.88% 26/05/2032	355	0.17
£1,000,000	Grainger 3% 03/07/2030	753	0.36
£450,750	Greene King Finance 3.593% 15/03/2035	363	0.17
£967,676	Greene King Finance 4.0643% 15/03/2035	789	0.38
£600,000	Hammerson 6% 23/02/2026	541	0.26
£1,500,000	Heathrow Funding 2.75% 13/10/2031	1,221	0.59
£700,000	Heathrow Funding 4.625% 31/10/2046	563	0.27
£842,000	Heathrow Funding 6.45% 10/12/2031	851	0.41
£1,500,000	Hexagon Housing Association 3.625% 22/04/2048	1,011	0.48
£1,759,000	High Speed Rail Finance 1 4.375% 01/11/2038	1,516	0.73
£1,400,000	Home Group 3.125% 27/03/2043	944	0.45
£1,000,000	Housing & Care 21 3.288% 08/11/2049	680	0.33
£596,913	Housing Finance 8.625% 13/11/2023	601	0.29
£1,657,000	HSBC 8.201% 16/11/2034	1,675	0.80
£900,000	HSBC Bank Capital Funding Sterling 1 5.844% Perpetual	894	0.43
£762,600	Income Contingent Student Loans 2.5% 24/07/2056	554	0.27
£1,000,000	Incommunities Treasury 3.25% 21/03/2049	702	0.34
£750,000	Informa 3.125% 05/07/2026	674	0.32
£1,200,000	ING Groep 6.25% 20/05/2033	1,110	0.53
£249,540	Intu Debenture 5.562% 31/12/2027 (Defaulted) †	100	0.05
£292,000	Investec 1.875% 16/07/2028 (Defaulted) †	228	0.11
£1,500,000	JPMorgan Chase 1.895% 28/04/2033	1,081	0.52
£1,339,745	Juturna European Loan Conduit No 16 5.0636% 10/08/2033	1,263	0.61
£2,471,000	Land Securities Capital Markets 4.875% 15/09/2034	2,333	1.12
£1,500,000	Legal & General 3.75% 26/11/2049	1,207	0.58
£1,200,000	Libra Longhurst Treasury No 2 3.25% 15/05/2043	834	0.40
£553,000	Lloyds Banking 2% 12/04/2028	458	0.22
£1,700,000	Lloyds Banking 6.625% 02/06/2033	1,608	0.77
£2,000,000	Logicor 1.875% 17/11/2031	1,701	0.82
£1,300,000	London & Quadrant Housing Trust 2% 31/03/2032	958	0.46
£600,000	London Merchant Securities 6.5% 16/03/2026	588	0.28
£1,750,000	London Stock Exchange 1.625% 06/04/2030	1,359	0.65
£200,103	Longstone Finance 4.791% 19/04/2036	187	0.09
£250,000	Lunar Funding I 6.125% 09/06/2027	242	0.12
£1,000,000	M&G 5.625% 20/10/2051	880	0.42
£350,000	M&G 6.25% 20/10/2068	294	0.14

Portfolio statement (continued)

as at 30 June 2023

Holding	Investment	Market Value £'000	Percentage of total net assets %
Sterling Denominated Fixed Rate Corporate Bonds (continued)			
£300,000	M&G 6.34% 19/12/2063	257	0.12
£750,000	Majedie Investments 7.25% 31/03/2025	752	0.36
£1,000,000	McDonald's 3.75% 31/05/2038	793	0.38
£1,300,000	MDGH GMTN RSC 6.875% 14/03/2026	1,328	0.64
£1,865,365	Metrocentre Finance 8.75% 06/12/2028	889	0.43
£1,000,000	Metropolitan Funding 4.125% 05/04/2048	764	0.37
£19,272	Mitchells & Butlers Finance 5.574% 15/12/2030	18	0.01
£700,000	Mobico 4.25% Perpetual	607	0.29
£850,000	Motability Operations 2.125% 18/01/2042	525	0.25
£550,000	Motability Operations 3.625% 10/03/2036	455	0.22
£800,000	Motability Operations 4.875% 17/01/2043	741	0.36
£600,000	MPT Operating Partnership 2.55% 05/12/2023	577	0.28
£581,000	National Australia Bank 1.699% 15/09/2031	474	0.23
£291,000	National Gas Transmission 5.75% 05/04/2035	275	0.13
£228,000	National Grid Electricity Transmission 2% 16/09/2038	138	0.07
£1,000,000	National Grid Electricity Transmission 5.272% 18/01/2043	910	0.44
£1,000,000	Nationwide Building Society 6.178% 07/12/2027	967	0.46
£1,000,000	Nats En Route 1.375% 31/03/2031	813	0.39
£398,000	NatWest 2.105% 28/11/2031	327	0.16
£990,000	NatWest 7.416% 06/06/2033	957	0.46
£1,100,000	NatWest Markets 6.375% 08/11/2027	1,079	0.52
£1,236,000	NatWest Markets 6.625% 22/06/2026	1,224	0.59
£250,000	NGG Finance 5.625% 18/06/2073	237	0.11
£1,050,000	NIE Finance 2.5% 27/10/2025	955	0.46
£1,567,000	Nordea Bank 6% 02/06/2026	1,538	0.74
£1,438,000	Northern Gas Networks Finance 6.125% 02/06/2033	1,414	0.68
£250,000	Northumbrian Water Finance 2.375% 05/10/2027	212	0.10
£610,000	Northumbrian Water Finance 6.375% 28/10/2034	609	0.29
£500,000	Optivo Finance 2.857% 07/10/2035	369	0.18
£1,150,000	Orbit Capital 3.375% 14/06/2048	782	0.37
£500,000	Orsted 2.5% 18/02/3021	329	0.16
£1,041,000	Pacific Life Global Funding II 5% 12/01/2028	983	0.47
£820,000	Paradigm Homes Charitable Housing Association 2.25% 20/05/2051	452	0.22
£1,500,000	Peabody Capital 5.25% 17/03/2043	1,393	0.67
£500,000	Peabody Capital No 2 2.75% 02/03/2034	380	0.18
£779,088	Peel Land & Property Investments 8.375% 30/04/2040	758	0.36
£550,000	Penarian Housing Finance 3.212% 07/06/2052	372	0.18
£1,150,000	Pension Insurance 5.625% 20/09/2030	992	0.48
£1,000,000	PepsiCo 3.55% 22/07/2034	848	0.41
£250,000	Phoenix 5.625% 28/04/2031	216	0.10
£850,000	Phoenix 5.867% 13/06/2029	757	0.36
£600,000	Places for People Homes 5.09% 31/07/2043	590	0.28
£1,408,000	Places for People Treasury 2.5% 26/01/2036	955	0.46
£549,902	Premiertel 6.175% 08/05/2032	491	0.24
£650,000	Quadgas Finance 3.375% 17/09/2029	512	0.25
£1,800,000	RAC Bond 4.87% 06/05/2046	1,611	0.77
£1,300,000	RL Finance No. 4 4.875% 07/10/2049	940	0.45
£1,757,878	RMPA Services 5.337% 30/09/2038	1,693	0.81
£600,000	Rothesay Life 3.375% 12/07/2026	532	0.25
£1,100,000	Rothesay Life 7.734% 16/05/2033	1,059	0.51
£800,000	Sanctuary Capital 2.375% 14/04/2050	450	0.22
£300,000	Santander UK 2.92% 08/05/2026	275	0.13
£400,000	Santander UK 5.25% 16/02/2029	393	0.19
£1,830,000	Santander UK 7.098% 16/11/2027	1,794	0.86

Portfolio statement (continued)

as at 30 June 2023

Holding	Investment	Market Value £'000	Percentage of total net assets %
Sterling Denominated Fixed Rate Corporate Bonds (continued)			
£262,000	Severn Trent Utilities Finance 4.625% 30/11/2034	232	0.11
£258,000	Severn Trent Utilities Finance 5.25% 04/04/2036	239	0.11
£123,688	SGS Finance 9% 17/03/2028	55	0.03
£692,000	Skipton Building Society 6.25% 25/04/2029	652	0.31
£900,000	Societe Generale 6.25% 22/06/2033	889	0.43
£1,000,000	Society of Lloyd's 4.875% 07/02/2047	900	0.43
£375,000	South Eastern Power Networks 1.75% 30/09/2034	251	0.12
£300,000	South Eastern Power Networks 6.375% 12/11/2031	308	0.15
£800,000	Southern Housing 3.5% 19/10/2047	552	0.26
£506,000	Southern Water Services Finance 2.375% 28/05/2028	412	0.20
£400,000	SP Distribution 5.875% 17/07/2026	392	0.19
£750,000	SP Manweb 4.875% 20/09/2027	710	0.34
£900,000	SSE 3.74% Perpetual	811	0.39
£1,350,000	SSE 8.375% 20/11/2028	1,470	0.70
£650,000	Swedbank 7.272% 15/11/2032	629	0.30
£1,063,829	TC Dudgeon OFTO 3.158% 12/11/2038	863	0.41
£1,700,000	Telefonica Emisiones 5.445% 08/10/2029	1,617	0.78
£181,220	Telereal Securitisation 1.3657% 10/12/2033	149	0.07
£2,300,000	Telereal Securitisation 1.9632% 10/12/2033	1,986	0.95
£1,400,000	Telereal Securitisation 3.5625% 10/12/2036	1,167	0.56
£219,068	Telereal Securitisation 5.3887% 10/12/2033	208	0.10
£106,430	Telereal Securitisation 6.1645% 10/12/2033	101	0.05
£892,024	Tesco Property Finance 2 6.0517% 13/10/2039	849	0.41
£953,577	Tesco Property Finance 3 5.744% 13/04/2040	881	0.42
£434,740	Tesco Property Finance 5 5.6611% 13/10/2041	396	0.19
£1,000,000	Thames Water Utilities Finance 5.5% 11/02/2041	849	0.41
£756,000	Thames Water Utilities Finance 7.738% 09/04/2058	819	0.39
£1,175,000	THFC Funding No 2 6.35% 08/07/2041	1,245	0.60
£1,250,000	THFC Funding No 3 5.2% 11/10/2045	1,157	0.55
£1,000,000	Toronto-Dominion Bank 2.875% 05/04/2027	872	0.42
£263,718	Trafford Centre Finance 6.5% 28/07/2033	250	0.12
£1,000,000	UBS 2.125% 12/09/2025	934	0.45
£700,000	UBS 2.125% 15/11/2029	545	0.26
£600,000	UBS 7% 30/09/2027	590	0.28
£500,000	UBS 7.375% 07/09/2033	521	0.25
£400,093	Unique Pub Finance 5.659% 30/06/2027	391	0.19
£640,000	UNITE USAF II 3.921% 30/06/2030	599	0.29
£1,928,596	UPP Bond 1 Issuer 4.9023% 28/02/2040	1,719	0.82
£2,250,000	Virgin Money UK 5.125% 11/12/2030	2,018	0.97
£1,050,000	Vodafone 5.125% 02/12/2052	882	0.42
£907,000	Vodafone 8% 30/08/2086	894	0.43
£1,000,000	Volkswagen Financial Services 3.25% 13/04/2027	877	0.42
£1,400,000	Walmart 5.625% 27/03/2034	1,440	0.69
£865,000	Weir 6.875% 14/06/2028	851	0.41
£439,000	Wessex Water Services Finance 5.125% 31/10/2032	405	0.19
£1,300,000	Wessex Water Services Finance 5.75% 14/10/2033	1,244	0.60
£3,721	West Bromwich Building Society 4.5% Perpetual	170	0.08
£3,500,000	Westfield Stratford City Finance 1.642% 04/08/2031	2,954	1.42

Portfolio statement (continued)

as at 30 June 2023

Holding	Investment	Market Value £'000	Percentage of total net assets %
Sterling Denominated Fixed Rate Corporate Bonds (continued)			
£523,324	White City Property Finance 5.1202% 17/04/2035	495	0.24
£1,129,444	Wods Transmission 3.446% 24/08/2034	982	0.47
£1,000,000	Yorkshire Building Society 3.511% 11/10/2030	816	0.39
£1,250,000	Yorkshire Housing Finance 4.125% 31/10/2044	984	0.47
£1,000,000	Yorkshire Power Finance 7.25% 04/08/2028	1,028	0.49
£332,000	Yorkshire Water Finance 5.25% 28/04/2030	312	0.15
		173,814	83.35
Sterling Denominated Variable Rate Corporate Bonds 1.89% (31 December 2022 2.58%)			
£514,996	Highways 6.25296% 18/12/2031	493	0.24
£1,366,869	Marston's Issuer 5.90508% 15/10/2027	1,234	0.59
£559,782	Mitchells & Butlers Finance 5.720455% 15/12/2033	475	0.23
£500,000	Sage AR Funding No 1 8.96923% 17/11/2030	448	0.21
£1,300,000	Virgin Money UK 7.875% 14/12/2028	1,289	0.62
		3,939	1.89
Sterling Denominated Government Bonds 7.44% (31 December 2022 6.61%)			
Sterling Denominated Fixed Rate Government Bonds 7.44% (31 December 2022 6.61%)			
£1,600,000	La Banque Postale 5.625% 21/09/2028	1,487	0.71
£300,000	SNCF Reseau 5.25% 07/12/2028	297	0.14
£2,900,000	United Kingdom Gilt 0.125% 30/01/2026	2,556	1.23
£6,420,000	United Kingdom Gilt 0.5% 31/01/2029	5,099	2.44
£2,000,000	United Kingdom Gilt 0.875% 31/07/2033	1,427	0.68
£1,290,000	United Kingdom Gilt 1.625% 22/10/2071	628	0.30
£200,000	United Kingdom Gilt 1.75% 22/07/2057	110	0.05
£100,000	United Kingdom Gilt 3.5% 22/07/2068	86	0.04
£370,000	United Kingdom Gilt 3.75% 22/10/2053	326	0.16
£750,000	United Kingdom Gilt 4.25% 07/12/2040	722	0.35
£570,000	United Kingdom Gilt 4.25% 07/12/2055	554	0.27
£2,190,000	United Kingdom Gilt 4.75% 07/12/2030	2,232	1.07
		15,524	7.44
Overseas 5.52% (31 December 2022 5.86%)			
Europe 4.89% (31 December 2022 4.58%)			
Euro Denominated Corporate Bonds 4.89% (31 December 2022 4.58%)			
Euro Denominated Fixed Rate Corporate Bonds 4.72% (31 December 2022 4.31%)			
€1,100,000	Acef 0.75% 14/06/2028	767	0.37
€1,900,000	Autostrade per l'Italia 2.25% 25/01/2032	1,319	0.63
€373,000	Autostrade per l'Italia 5.125% 14/06/2033	319	0.15
€1,199,000	AXA 5.5% 11/07/2043	1,026	0.49
€300,000	Blackstone Property Partners Europe 1.75% 12/03/2029	191	0.09
€630,000	Digital Dutch Finco 1.25% 01/02/2031	401	0.19
€800,000.00	Eni 3.375% Perpetual	576	0.28
€500,000	Heimstaden Bostad Treasury 0.25% 13/10/2024	376	0.18
€2,000,000	Holding d'Infrastructures de Transport 1.475% 18/01/2031	1,396	0.67

Portfolio statement (continued)

as at 30 June 2023

Holding	Investment	Market Value £'000	Percentage of total net assets %
	Euro Denominated Fixed Rate Corporate Bonds (continued)		
€1,400,000	Prologis International Funding II 4.625% 21/02/2035	1,151	0.55
€2,300,000	Roadster Finance 2.375% 08/12/2032	1,556	0.75
€900,000	Societe Generale 5.625% 02/06/2033	761	0.37
		9,839	4.72
	Euro Denominated Variable Rate Corporate Bonds 0.17% (31 December 2022 0.27%)		
€500,000	Unibail-Rodamco 2.125% Perpetual	362	0.17
		362	0.17
	US Dollar 0.63% (31 December 2022 1.28%)		
	US Dollar Denominated Corporate Bonds 0.63% (31 December 2022 1.28%)		
	US Dollar Denominated Fixed Rate Corporate Bonds 0.63% (31 December 2022 1.28%)		
\$837,069	Delta Air Lines 4.75% 20/10/2028	641	0.31
\$131,000	Electricite de France 6% 22/01/2114	91	0.04
\$610,000	UBS 9.016% 15/11/2033	573	0.28
		1,305	0.63
	Derivatives 0.03% (31 December 2022 0.31%)		
	Sterling Denominated Forward Exchange Contracts 0.04% (31 December 2022 0.05%)		
	Buy GBP 6,336,304 Sell EUR 7,257,000 18/08/2023	94	0.04
	Buy GBP 443,228 Sell EUR 513,000 18/08/2023	2	-
	Buy GBP 128,395 Sell EUR 147,000 18/08/2023	2	-
	Buy GBP 341,705 Sell EUR 396,000 18/08/2023	1	-
	Buy GBP 272,490 Sell EUR 316,000 18/08/2023	1	-
	Buy GBP 324,097 Sell EUR 376,000 18/08/2023	-	-
	Buy GBP 363,064 Sell EUR 423,000 18/08/2023	(1)	-
	Buy GBP 2,700,311 Sell EUR 3,148,000 18/08/2023	(7)	-
	Buy GBP 1,402,391 Sell USD 1,773,000 18/08/2023	1	-
	Buy GBP 206,633 Sell USD 261,000 18/08/2023	-	-
		93	0.04
	Sterling Denominated Futures Contracts (0.02)% (31 December 2022 (0.11)%)		
51	Long Gilt Futures September 2023	(33)	(0.02)
		(33)	(0.02)
	Euro Denominated Forward Exchange Contracts 0.00% (31 December 2022 0.03%)		
	Buy EUR 119,749 Sell GBP 103,109 17/07/2023	-	-
	Buy EUR 114,000 Sell GBP 99,391 18/08/2023	(1)	-
	Buy EUR 132,000 Sell GBP 115,202 18/08/2023	(2)	-
	Buy EUR 422,000 Sell GBP 367,371 18/08/2023	(5)	-
		(8)	-
	Euro Denominated Futures Contracts 0.01% (31 December 2022 0.26%)		
(23)	Euro-Bobl Futures September 2023	21	0.01
(31)	Euro-Bund Futures September 2023	17	0.01
(6)	Euro-Buxl 30 Year Bond Futures September 2023	(16)	(0.01)
		22	0.01

Portfolio statement (continued)

as at 30 June 2023

Holding	Investment	Market Value £'000	Percentage of total net assets %
	Euro Credit Default Swap 0.00% (31 December 2022 0.07%)		
	US Dollar Denominated Forward Exchange Contracts 0.00% (31 December 2022 0.00%)		
	Buy USD 499,000 Sell GBP 390,770 18/08/2023	4	-
	Buy USD 5,000 Sell GBP 3,945 17/07/2023	-	-
	Buy USD 165,710 Sell GBP 131,784 17/07/2023	(1)	-
		3	-
	US Dollar Denominated Futures Contracts 0.00% (31 December 2022 0.01%)		
5	US 5 Year Treasury Note Futures September 2023	(9)	-
11	US 10 Year Treasury Note Futures September 2023	(22)	(0.01)
(3)	US 10 Year Ultra Bond Futures September 2023	5	-
(21)	US Long Bond Futures September 2023	27	0.01
9	US Ultra Bond Futures September 2023	(7)	-
		(6)	-
	Investment assets**	204,854	98.23
	Net other assets	3,682	1.77
	Total net assets	208,536	100.00

† Delisted.

** 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, unless otherwise stated.

Analysis of investments by asset class

	Market Value £'000	Percentage of total net assets %
Bonds	204,783	98.20
Derivatives	71	0.03
Portfolio of investments	204,854	98.23
Net other assets	3,682	1.77
Total net assets	208,536	100.00

Statement of total return

for the period from 1 January 2023 to 30 June 2023

	Note	01.01.23 to 30.06.23 £'000	01.01.23 to 30.06.23 £'000	01.01.22 to 30.06.22 £'000	01.01.22 to 30.06.22 £'000
Income					
Net capital losses			(4,918)		(16,304)
Revenue		3,529		1,703	
Expenses		(471)		(284)	
Net revenue before taxation		3,058		1,419	
Taxation		-		-	
Net revenue after taxation			3,058		1,419
Total return before distributions			(1,860)		(14,885)
Distributions	2		(3,211)		(1,419)
Change in net assets attributable to shareholders from investment activities			(5,071)		(16,304)

Statement of change in net assets attributable to shareholders

for the period from 1 January 2023 to 30 June 2023

	01.01.23 to 30.06.23 £'000	01.01.23 to 30.06.23 £'000	01.01.22 to 30.06.22 £'000	01.01.22 to 30.06.22 £'000
Opening net assets attributable to shareholders		138,740*		101,232
Amounts received on issue of shares	74,135		17,871	
Amounts paid on cancellation of shares	(2,330)		(2,445)	
		71,805		15,426
Dilution adjustment		269		60
Change in net assets attributable to shareholders from investment activities		(5,071)		(16,304)
Retained distributions on accumulation shares		2,793		1,220
Closing net assets attributable to shareholders		208,536		101,634*

* 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 2023

	30.06.23 £'000	31.12.22 £'000
Assets		
Fixed assets		
Investments	204,958	135,792
Current assets		
Debtors	3,577	2,156
Cash and bank balances	2,317	1,210
Total assets	210,852	139,158
Liabilities		
Investment liabilities	(104)	(255)
Creditors		
Distribution payable	(79)	(71)
Other creditors	(2,133)	(92)
Total liabilities	(2,316)	(418)
Net assets attributable to shareholders	208,536	138,740

Notes to the financial statements

for the period from 1 January 2023 to 30 June 2023

1 Accounting policies

The 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 the Investment Management Association) in May 2014 and as amended in June 2017.

The accounting policies applied are consistent with those disclosed within the annual Financial Statements for the year ended 31 December 2022.

2 Distributions

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

	01.01.23 to 30.06.23 £'000	01.01.22 to 30.06.22 £'000
First Interim – Accumulation shares (31 January)	389	181
First Interim – Income shares (31 January)	83	36
Second Interim – Accumulation shares (28 February)	444	176
Second Interim – Income shares (28 February)	91	35
Third Interim – Accumulation shares (31 March)	449	215
Third Interim – Income shares (31 March)	88	38
Fourth Interim – Accumulation shares (30 April)	400	199
Fourth Interim – Income shares (30 April)	79	34
Fifth Interim – Accumulation shares (31 May)	483	216
Fifth Interim – Income shares (31 May)	93	37
Sixth Interim – Accumulation shares (30 June)	628	233
Sixth Interim – Income shares (30 June)	79	34
	3,306	1,434
Revenue deducted on cancellation of shares	5	2
Revenue received on issue of shares	(100)	(17)
Distributions	3,211	1,419
Reconciliation of distributions:		
Net revenue after taxation	3,058	1,419
Capitalised fees	104	-
Effective yield adjustment	49	-
Distributions	3,211	1,419

Distribution tables

Sixth interim distribution

Group 1: Shares purchased prior to 1 June 2023
 Group 2: Shares purchased from 1 June 2023 to 30 June 2023

	Revenue pence/cents per share	Equalisation pence/cents per share*	Distribution paid 31.07.23 pence/cents per share	Distribution paid 29.07.22 pence/cents per share
Accumulation 'A' EUR Hedged Shares				
Group 1	0.2671	-	0.2671	0.2218
Group 2	0.2671	0.0000	0.2671	0.2218
Accumulation 'A' USD Hedged Shares				
Group 1	0.3181	-	0.3181	0.2517
Group 2	0.1611	0.1570	0.3181	0.2517
Accumulation 'A' Shares†				
Group 1	0.2737	-	0.2737	0.0000
Group 2	0.1864	0.0873	0.2737	0.0000
Income 'A' Shares				
Group 1	0.3190	-	0.3190	0.2156
Group 2	0.2496	0.0694	0.3190	0.2156
Accumulation 'U2' Shares				
Group 1	0.3875	-	0.3875	0.3272
Group 2	0.2312	0.1563	0.3875	0.3272
Income 'U2' Shares				
Group 1	0.3162	-	0.3162	0.2495
Group 2	0.3162	0.0000	0.3162	0.2495

Distribution tables (continued)

Fifth interim distribution

Group 1: Shares purchased prior to 1 May 2023
 Group 2: Shares purchased from 1 May 2023 to 31 May 2023

	Revenue pence/cents per share	Equalisation pence/cents per share*	Distribution paid 30.06.23 pence/cents per share	Distribution paid 30.06.22 pence/cents per share
Accumulation 'A' EUR Hedged Shares				
Group 1	0.3216	-	0.3216	0.2283
Group 2	0.3216	0.0000	0.3216	0.2283
Accumulation 'A' USD Hedged Shares				
Group 1	0.3748	-	0.3748	0.2664
Group 2	0.3748	0.0000	0.3748	0.2664
Accumulation 'A' Shares†				
Group 1	0.3263	-	0.3263	0.0000
Group 2	0.1972	0.1291	0.3263	0.0000
Income 'A' Shares				
Group 1	0.3772	-	0.3772	0.2219
Group 2	0.2330	0.1442	0.3772	0.2219
Accumulation 'U2' Shares				
Group 1	0.4585	-	0.4585	0.3356
Group 2	0.2008	0.2577	0.4585	0.3356
Income 'U2' Shares				
Group 1	0.3740	-	0.3740	0.2584
Group 2	0.3740	0.0000	0.3740	0.2584

Distribution tables (continued)

Fourth interim distribution

Group 1: Shares purchased prior to 1 April 2023
 Group 2: Shares purchased from 1 April 2023 to 30 April 2023

	Revenue pence/cents per share	Equalisation pence/cents per share*	Distribution paid 31.05.23 pence/cents per share	Distribution paid 31.05.22 pence/cents per share
Accumulation 'A' EUR Hedged Shares				
Group 1	0.2665	-	0.2665	0.2115
Group 2	0.2665	0.0000	0.2665	0.2115
Accumulation 'A' USD Hedged Shares				
Group 1	0.3164	-	0.3164	0.2317
Group 2	0.3164	0.0000	0.3164	0.2317
Accumulation 'A' Shares†				
Group 1	0.2727	-	0.2727	0.0000
Group 2	0.1487	0.1240	0.2727	0.0000
Income 'A' Shares				
Group 1	0.3181	-	0.3181	0.2066
Group 2	0.1268	0.1913	0.3181	0.2066
Accumulation 'U2' Shares				
Group 1	0.3841	-	0.3841	0.3117
Group 2	0.1745	0.2096	0.3841	0.3117
Income 'U2' Shares				
Group 1	0.3142	-	0.3142	0.2405
Group 2	0.3142	0.0000	0.3142	0.2405

Distribution tables (continued)

Third interim distribution

Group 1: Shares purchased prior to 1 March 2023
 Group 2: Shares purchased from 1 March 2023 to 31 March 2023

	Revenue pence/cents per share	Equalisation pence/cents per share*	Distribution paid 28.04.23 pence/cents per share	Distribution paid 29.04.22 pence/cents per share
Accumulation 'A' EUR Hedged Shares				
Group 1	0.3018	-	0.3018	0.2295
Group 2	0.1554	0.1464	0.3018	0.2295
Accumulation 'A' USD Hedged Shares				
Group 1	0.3636	-	0.3636	0.2658
Group 2	0.1912	0.1724	0.3636	0.2658
Accumulation 'A' Shares†				
Group 1	0.3074	-	0.3074	0.0000
Group 2	0.2142	0.0932	0.3074	0.0000
Income 'A' Shares				
Group 1	0.3583	-	0.3583	0.2257
Group 2	0.2914	0.0669	0.3583	0.2257
Accumulation 'U2' Shares				
Group 1	0.4317	-	0.4317	0.3393
Group 2	0.2463	0.1854	0.4317	0.3393
Income 'U2' Shares				
Group 1	0.3553	-	0.3553	0.2609
Group 2	0.3553	0.0000	0.3553	0.2609

Distribution tables (continued)

Second interim distribution

Group 1: Shares purchased prior to 1 February 2023

Group 2: Shares purchased from 1 February 2023 to 28 February 2023

	Revenue pence/cents per share	Equalisation pence/cents per share*	Distribution paid 31.03.23 pence/cents per share	Distribution paid 31.03.22 pence/cents per share
Accumulation 'A' EUR Hedged Shares				
Group 1	0.3154	-	0.3154	0.2059
Group 2	0.3154	0.0000	0.3154	0.2059
Accumulation 'A' USD Hedged Shares				
Group 1	0.3668	-	0.3668	0.2340
Group 2	0.1913	0.1755	0.3668	0.2340
Accumulation 'A' Shares†				
Group 1	0.3179	-	0.3179	0.0000
Group 2	0.0531	0.2648	0.3179	0.0000
Income 'A' Shares				
Group 1	0.3635	-	0.3635	0.2001
Group 2	0.1611	0.2024	0.3635	0.2001
Accumulation 'U2' Shares				
Group 1	0.4403	-	0.4403	0.3019
Group 2	0.1893	0.2510	0.4403	0.3019
Income 'U2' Shares				
Group 1	0.3595	-	0.3595	0.2339
Group 2	0.3595	0.0000	0.3595	0.2339

Distribution tables (continued)

First interim distribution

Group 1: Shares purchased prior to 1 January 2023
 Group 2: Shares purchased from 1 January 2023 to 31 January 2023

	Revenue pence/cents per share	Equalisation pence/cents per share*	Distribution paid 28.02.23 pence/cents per share	Distribution paid 28.02.22 pence/cents per share
Accumulation 'A' EUR Hedged Shares				
Group 1	0.2691	-	0.2691	0.2089
Group 2	0.2691	0.0000	0.2691	0.2089
Accumulation 'A' USD Hedged Shares				
Group 1	0.3192	-	0.3192	0.2370
Group 2	0.3192	0.0000	0.3192	0.2370
Accumulation 'A' Shares†				
Group 1	0.2730	-	0.2730	0.0000
Group 2	0.1552	0.1178	0.2730	0.0000
Income 'A' Shares				
Group 1	0.3310	-	0.3310	0.2031
Group 2	0.2687	0.0623	0.3310	0.2031
Accumulation 'U2' Shares				
Group 1	0.3902	-	0.3902	0.3119
Group 2	0.1949	0.1953	0.3902	0.3119
Income 'U2' Shares				
Group 1	0.3278	-	0.3278	0.2430
Group 2	0.3278	0.0000	0.3278	0.2430

† From 15 July 2022.

* Equalisation only applies to shares purchased during the distribution 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 of these shares 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.

Quilter Investors Sterling Diversified Bond Fund

Launch date	30 April 2013
IA Sector	Sterling Strategic Bond
Investment Adviser	FIL Pensions Management
Net asset value	£341,723,341

Objective

The sub-fund aims to achieve a combination of income and capital growth and to outperform the ICE BofA Q880 Custom Index, net of charges, over rolling five-year periods.

Policy

The sub-fund invests at least 80% of the value of its property in a diversified range of Sterling-denominated (or hedged back to Sterling) investment grade and sub-investment grade debt securities issued by companies, banks, public entities and governments located in developed and emerging markets anywhere in the world. Investment may be direct or indirect (e.g. through collective investment schemes or derivatives). The sub-fund may invest in asset-backed and mortgage-backed securities and may hold up to 20% in contingent convertible bonds (CoCos).

The sub-fund may also invest in other transferable securities, collective investment schemes, warrants, money market instruments, deposits, cash and derivatives.

Any investment in collective investment schemes may include those managed or operated by the ACD or an associate of the ACD.

The sub-fund may use derivatives for investment purposes and/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 not likely to affect the risk profile of the sub-fund.

Investment Adviser's review

Market review

Global fixed income markets posted mixed returns over the period, with corporate bonds outperforming government bonds. The year started on a positive note on the back of investor expectations that monetary policy tightening may be coming to an end amid China's economic reopening and a fall in natural gas prices in Europe.

However, sticky inflation and tight labour markets led global central banks to maintain a hawkish stance. The banking sector crisis, led by Silicon Valley Bank in the US and Credit Suisse in Europe, and the US debt ceiling crisis also led to significant volatility for a brief period. While yields fell in the first quarter, sovereign bonds lost ground during the second quarter. The US Federal Reserve and European Central Bank raised interest rates over the period and indicated continued interest rate hikes to bring stubbornly high inflation down.

Meanwhile, UK sovereign bonds were the worst hit, falling to their lowest levels since the mini-budget turmoil last October, amid several upside inflation surprises and an unexpected 0.50 percentage point hike by the Bank of England in June, following rate hikes of 0.50% in February and 0.25% in May. On the economic front, US GDP growth was revised sharply higher to an annualised 2% in the first quarter of 2023, versus expectations of 1.4% growth. Economic data releases were mixed, with some consumer and most labour readings healthy, while manufacturing continued to signal a contraction. The S&P Global US manufacturing Purchasing Managers' Index ("PMI") fell to a six-month low of 46.3 in June. The UK and eurozone PMI followed suit. The UK manufacturing PMI fell to a six-month low of 46.5 in June and the eurozone manufacturing PMI fell to 43.3 in June, its lowest reading since the COVID-19 pandemic was cementing its grip on the world.

Performance review

The portfolio posted positive returns over the period. Credit exposure and stable couple income contributed to performance, while interest rate risk positioning weighed on returns. On the credit front, spreads tightened as investors downgraded recession risks. High yield bonds outperformed investment grade bonds except for Asian high yield bonds, which continued to disappoint amid a broad-based sell-off in China's property sector. Strong balance sheets, positive technicals and improving capital market conditions supported tighter credit spreads. At a sector level, the exposure to financials, consumer cyclicals and energy outperformed property and utilities. From an issuer standpoint, the exposure to UK-based energy company Petrofac contributed the most to returns. Holdings in the UK-based The Cooperative Bank and Italy-based Evoca Group also significantly added value. Conversely, the allocation to real estate names such as Sino Ocean Land Treasure, Fastighets AB Balder and Country Garden Holdings detracted from returns. Meanwhile, the portfolio's sterling, US dollar and euro

interest rate risk weighed on returns as sovereign yields on UK Government bond, US Treasuries and German bunds rose across the curve as markets priced in higher terminal interest rates amid ongoing inflation headwinds and greater resolve from key central banks to combat inflation. However, these losses were partially offset by Australian dollar duration position.

Outlook

The markets continue to oscillate between resilience and fragility. Current fundamentals are still relatively robust - the labour market remains tight, and services PMIs are holding up for now. However, in the wake of the lagged effect of high interest rates and tightening lending standards, we believe that the fundamentals will soon deteriorate. Falling commodities prices and leading indicators of earnings, such as new orders and credit availability, also point to weakness in coming quarters, which reinforces our view of a cyclical recession across developed markets over the next 12 months. Against this backdrop, we look to become more defensive and prefer government bonds and investment grade bonds to high yield bonds and emerging market debt as risk still seems towards the downside. We believe high quality assets stand to do well in a deteriorating growth environment. Consequently, we pared credit beta over the year by reducing allocation to high yield bonds and emerging market debt, while selectively increasing exposure to developed market sovereign bonds and investment grade bonds. Meanwhile, we remain optimistic on duration and used the recent sell-off in the rates market to increase our US-dollar and sterling duration positions, taking our headline duration to 6.4 years. Overall yields have become heavily inverted, particularly in the US, and appear attractive following an aggressive central bank hiking cycle. We expect yields to gradually fall and curves to steepen, as developed markets head into recession amid tighter financial conditions, making duration risk increasingly appealing compared to spread risk.

Quilter Investors Sterling Diversified 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.

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.

Liquidity risk - some investments may become hard to value or sell at a desired time and price. In extreme circumstances this may affect the sub-fund's ability to meet redemption requests upon demand.

Contingent convertible bonds (CoCos) risk - the sub-fund may invest in CoCos which are relatively new and complex instruments, and the behaviour and liquidity of the CoCos market under a stressed financial environment are untested. CoCos can be converted into equity at a time that is chosen by the issuers and this may result in capital loss for the investor.

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.

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.

Derivative risk - the sub-fund may use derivatives for investment purposes and/or for Efficient Portfolio Management (EPM). 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 their 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 full details of the sub-fund's risks, please see the section in the Prospectus headed "Risks".

Performance records

Comparative Tables

	1 January 2023 to 30 June 2023 p/share	1 January 2022 to 31 December 2022 p/share	1 January 2021 to 31 December 2021 p/share
Accumulation 'A' EUR Hedged			
Change in net assets per share			
Opening net asset value per share	83.92	95.41	104.25
Return before operating charges*	(1.59)	(10.49)	(7.70)
Operating charges**	(0.48)	(1.00)	(1.14)
Return after operating charges*	(2.07)	(11.49)	(8.84)
Distributions	(1.34)	(1.95)	(1.31)
Retained distributions on accumulation shares	1.34	1.95	1.31
Closing net asset value per share	81.85	83.92	95.41
* after direct transaction costs of***	-	-	-
Performance			
Return after charges	(2.47)%	(12.04)%	(8.48)%
Other information			
Closing net asset value (£)	81,990	83,936	169,382
Closing number of shares	100,165	100,018	177,526
Operating charges****	1.15%	1.15%	1.15%
Direct transaction costs***	-	-	-
Prices			
	cents per share	cents per share	cents per share
Highest share price	100.0	113.8	117.0
Lowest share price	95.69	91.06	113.6
Accumulation 'A' USD Hedged			
Change in net assets per share			
Opening net asset value per share	91.30	95.80	95.78
Return before operating charges*	(2.12)	(3.42)	1.11
Operating charges**	(0.52)	(1.08)	(1.09)
Return after operating charges*	(2.64)	(4.50)	0.02
Distributions	(1.45)	(2.14)	(1.25)
Retained distributions on accumulation shares	1.45	2.14	1.25
Closing net asset value per share	88.66	91.30	95.80
* after direct transaction costs of***	-	-	-
Performance			
Return after charges	(2.89)%	(4.70)%	0.02%
Other information			
Closing net asset value (£)	145,299	153,640	230,465
Closing number of shares	163,885	168,283	240,563
Operating charges****	1.15%	1.15%	1.15%
Direct transaction costs***	-	-	-
Prices			
	cents per share	cents per share	cents per share
Highest share price	116.5	129.3	132.6
Lowest share price	111.3	105.1	128.4

Performance records (continued)

Comparative Tables (continued)

Income 'A'	1 January 2023 to 30 June 2023 p/share	1 January 2022 to 31 December 2022 p/share	1 January 2021 to 31 December 2021 p/share
Change in net assets per share			
Opening net asset value per share	92.86	112.53	115.57
Return before operating charges*	2.01	(16.27)	(0.22)
Operating charges**	(0.54)	(1.15)	(1.31)
Return after operating charges*	1.47	(17.42)	(1.53)
Distributions	(1.50)	(2.25)	(1.51)
Closing net asset value per share	92.83	92.86	112.53
* after direct transaction costs of***	-	-	-
Performance			
Return after charges	1.58%	(15.48)%	(1.32)%
Other information			
Closing net asset value (£)	4,203,496	4,540,706	6,999,087
Closing number of shares	4,527,970	4,889,585	6,219,597
Operating charges****	1.15%	1.15%	1.15%
Direct transaction costs***	-	-	-
Prices	pence per share	pence per share	pence per share
Highest share price	98.11	112.7	116.4
Lowest share price	93.51	89.71	112.7
Accumulation 'U2'	1 January 2023 to 30 June 2023 p/share	1 January 2022 to 31 December 2022 p/share	1 January 2021 to 31 December 2021 p/share
Change in net assets per share			
Opening net asset value per share	117.63	138.42	139.54
Return before operating charges*	2.53	(20.15)	(0.28)
Operating charges**	(0.27)	(0.64)	(0.84)
Return after operating charges*	2.26	(20.79)	(1.12)
Distributions	(2.34)	(3.59)	(2.60)
Retained distributions on accumulation shares	2.34	3.59	2.60
Closing net asset value per share	119.89	117.63	138.42
* after direct transaction costs of***	-	-	-
Performance			
Return after charges	1.92%	(15.02)%	(0.80)%
Other information			
Closing net asset value (£)	337,266,972	295,362,024	293,022,358
Closing number of shares	281,303,773	251,091,501	211,692,758
Operating charges****	0.45%	0.52%	0.60%
Direct transaction costs***	-	-	-
Prices	pence per share	pence per share	pence per share
Highest share price	124.7	138.7	141.9
Lowest share price	119.1	112.7	137.1

Performance records (continued)

Comparative Tables (continued)

Income 'U2'	1 January 2023 to 30 June 2023 p/share	1 January 2022 to 31 December 2022 p/share	1 January 2021 to 31 December 2021 p/share
Change in net assets per share			
Opening net asset value per share	94.48	114.50	117.61
Return before operating charges*	2.05	(16.56)	(0.24)
Operating charges**	(0.22)	(0.53)	(0.70)
Return after operating charges*	1.83	(17.09)	(0.94)
Distributions	(1.86)	(2.93)	(2.17)
Closing net asset value per share	94.45	94.48	114.50
* after direct transaction costs of***	-	-	-
Performance			
Return after charges	1.94%	(14.93)%	(0.80)%
Other information			
Closing net asset value (£)	25,584	27,369	33,857
Closing number of shares	27,086	28,969	29,570
Operating charges****	0.45%	0.52%	0.60%
Direct transaction costs***	-	-	-
Prices			
	pence per share	pence per share	pence per share
Highest share price	99.82	114.7	118.5
Lowest share price	95.19	91.31	114.7

** The operating charges include all costs borne by the sub-fund, except for direct transaction costs.

*** 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 (excluding interest on borrowings) to the average net assets of the sub-fund.

Performance

	6 months to 30 June 2023	1 year to 30 June 2023	3 years to 30 June 2023	5 years to 30 June 2023
Quilter Investors Sterling Diversified Bond Fund*	1.69%	0.42%	(9.39)%	3.34%
Target Benchmark**	2.42%	0.92%	(7.40)%	1.38%
IA Sterling Strategic Bond (sector average)	0.68%	(0.21)%	(5.07)%	2.90%
Quartile ranking	1	2	3	2

* Accumulation 'U2' shares

** ICE BofA Q880 Custom Index

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
Europe	31.99	United Kingdom Gilt 0.75% 22/07/2023	18.03
United Kingdom	30.51	United States Treasury Inflation Indexed Bonds 0.875% 15/01/2029	2.80
North America	27.49	New Zealand Government Bond 3.5% 14/04/2033	2.36
Asia Pacific (excluding Japan)	4.20	United States Treasury 2.75% 15/08/2032	2.17
Middle East	1.17	United Kingdom Gilt 6% 07/12/2028	1.35
South America	1.10	United States Treasury 2.625% 31/05/2027	1.30
Africa	0.94	United States Treasury 0.875% 15/11/2030	1.27
United Kingdom Derivatives	0.65	International Bank for Reconstruction & Development 5.75% 07/06/2032	1.15
Overseas Derivatives	(0.63)	United States Treasury 3.5% 15/02/2033	1.11
Net other assets	2.58	New Zealand Government Bond 4.25% 15/05/2034	1.07
Total	100.00	Number of holdings	336
Asset allocation		Total Purchases and Sales for the period	
US Dollar Denominated Debt Securities	33.50		2023
Sterling Denominated Debt Securities	32.20		2022
Euro Denominated Debt Securities	28.27		£'000
Asia Pacific (excluding Japan) Debt Securities	3.43	Total purchases for the 6 month period to 30 June	272,598
United Kingdom Derivatives	0.65	Total sales for the 6 month period to 30 June	234,796
Overseas Derivatives	(0.63)		217,635
Net other assets	2.58		203,574
Total	100.00		

Portfolio statement

as at 30 June 2023

Holding	Investment	Market Value £'000	Percentage of total net assets %
Sterling 32.20% (31 December 2022 34.40%)			
Sterling Denominated Corporate Bonds 10.28% (31 December 2022 10.60%)			
Sterling Denominated Fixed Rate Corporate Bonds 10.25% (31 December 2022 10.56%)			
£776,000	AA 3.25% 31/07/2050	588	0.17
£900,000	AA 6.5% 31/01/2026	778	0.23
£500,000	AA 7.375% 31/07/2050 (Issue June 2022)	451	0.13
£1,103,000	AA 7.375% 31/07/2050 (Issue June 2023)	992	0.29
£1,715,000	Arqiva Financing 7.21% 30/06/2045	1,706	0.50
£867,000	Aviva 6.875% Perpetual	717	0.21
£1,300,000	Banco Santander 2.25% 04/10/2032	1,026	0.30
£825,000	Bank of Nova Scotia 1.375% 05/12/2023	808	0.24
£816,000	Barclays 8.407% 14/11/2032	808	0.24
£510,000	Bellis Acquisition 3.25% 16/02/2026	426	0.12
£336,000	Berkeley 2.5% 11/08/2031	218	0.06
£831,000	Blackstone Property Partners Europe 2.625% 20/10/2028	607	0.18
£1,200,000	BNP Paribas 2% 24/05/2031	1,007	0.29
£791,000	BUFA Finance 4% Perpetual	467	0.14
£875,000	Canary Wharf 2.625% 23/04/2025	700	0.20
£450,000	Channel Link Enterprises Finance 3.043% 30/06/2050	368	0.11
£800,000	Commerzbank 8.625% 28/02/2033	769	0.23
£1,183,000	Co-Operative Bank Finance 6% 06/04/2027	1,085	0.32
£1,275,000	Co-Operative Bank Finance 9% 27/11/2025	1,268	0.37
£1,384,000	CPUK Finance 5.876% 28/08/2027	1,311	0.38
£1,400,000	Deutsche Bank 6.125% 12/12/2030	1,282	0.38
£1,200,000	Deutsche Pfandbriefbank 7.625% 08/12/2025	1,144	0.33
£1,000,000	Electricite de France 6% Perpetual	906	0.27
£1,217,025	Greene King Finance 3.593% 15/03/2035	981	0.29
£895,000	HSBC Bank Capital Funding Sterling 1 5.844% Perpetual	889	0.26
£900,000	Iceland Bondco 4.375% 15/05/2028	698	0.20
£775,000	Income Contingent Student Loans 2.5% 24/07/2056	563	0.16
£1,677,000	Intesa Sanpaolo 6.625% 31/05/2033	1,599	0.47
£41,590	Intu Debenture 5.562% 31/12/2027 (Defaulted)*	17	-
£684,000	Investec 9.125% 06/03/2033	663	0.19
£260,000	Just 5% Perpetual	165	0.05
£936,000	MPT Operating Partnership 3.692% 05/06/2028	640	0.19
£839,000	National Gas Transmission 1.125% 14/01/2033	532	0.16
£862,000	National Gas Transmission 1.625% 14/01/2043	423	0.12
£1,000,000	RAC Bond 5.25% 04/11/2046	792	0.23
£1,636,000	Royal Bank of Canada 5% 24/01/2028	1,533	0.45
£1,000,000	Thames Water Utilities Finance 6.5% 09/02/2032	947	0.28
£1,063,000	Vodafone 8% 30/08/2086	1,048	0.31
£700,000	Volkswagen Financial Services 1.875% 03/12/2024	654	0.19
£1,900,000	Volkswagen Financial Services 3.25% 13/04/2027	1,667	0.49
£1,558,000	Wessex Water Services Finance 1.25% 12/01/2036	888	0.26
£1,050,000	Westfield Stratford City Finance 1.642% 04/08/2031	886	0.26
		35,017	10.25
Sterling Denominated Variable Rate Corporate Bonds 0.03% (31 December 2022 0.04%)			
£115,298	Income Contingent Student Loans 2 2007-2009 4.79319% 24/07/2058	115	0.03
		115	0.03

Portfolio statement (continued)

as at 30 June 2023

Holding	Investment	Market Value £'000	Percentage of total net assets %
Sterling Denominated Government Bonds 21.92% (31 December 2022 23.80%)			
Sterling Denominated Fixed Rate Government Bonds 21.92% (31 December 2022 23.80%)			
£3,675,000	International Bank for Reconstruction & Development 5.75% 07/06/2032	3,929	1.15
£2,726,000	Kreditanstalt fuer Wiederaufbau 1.125% 04/07/2025	2,485	0.72
£61,750,000	United Kingdom Gilt 0.75% 22/07/2023	61,604	18.03
£1,813,000	United Kingdom Gilt 0.875% 31/07/2033	1,293	0.38
£1,000,000	United Kingdom Gilt 1.5% 22/07/2026	900	0.26
£100,000	United Kingdom Gilt 4.75% 07/12/2030	102	0.03
£4,350,000	United Kingdom Gilt 6% 07/12/2028	4,605	1.35
		74,918	21.92
Overseas 65.20% (31 December 2022 61.15%)			
Asia Pacific (excluding Japan) 3.43% (31 December 2022 0.00%)			
New Zealand Dollar Denominated Government Bonds 3.43% (31 December 2022 0.00%)			
New Zealand Dollar Denominated Fixed Rate Government Bonds 3.43% (31 December 2022 0.00%)			
NZ\$18,364,000	New Zealand Government Bond 3.5% 14/04/2033	8,063	2.36
NZ\$7,881,000	New Zealand Government Bond 4.25% 15/05/2034	3,655	1.07
		11,718	3.43
Europe 28.27% (31 December 2022 26.02%)			
Euro Denominated Corporate Bonds 26.29% (31 December 2022 23.43%)			
Euro Denominated Fixed Rate Corporate Bonds 25.12% (31 December 2022 22.53%)			
€871,000	888 Acquisitions 7.558% 15/07/2027	703	0.21
€900,000	Abertis Infraestructuras Finance 3.248% Perpetual	693	0.20
€900,000	ABN AMRO Bank 4.375% Perpetual	692	0.20
€597,000	Acef 0.75% 14/06/2028	417	0.12
€990,000	Akelius Residential Property 2.249% 17/05/2081	693	0.20
€1,200,000	Allianz 2.6% Perpetual	683	0.20
€964,000	Allwyn Entertainment Financing UK 7.25% 30/04/2030	838	0.25
€1,636,000	Alpha Bank 6.875% 27/06/2029	1,394	0.41
€1,158,000	Alpha Services 11.875% Perpetual	981	0.29
€545,000.00	Aroundtown 2.875% Perpetual	159	0.05
€300,000	Aroundtown 3.375% Perpetual	107	0.03
€501,000	Assicurazioni Generali 5.8% 06/07/2032	448	0.13
€425,000	Autostrade per l'Italia 4.75% 24/01/2031	358	0.10
€696,000	Autostrade per l'Italia 5.125% 14/06/2033	596	0.17
€1,373,000	AXA 5.5% 11/07/2043	1,175	0.34
€1,125,000	Banca Monte dei Paschi di Siena 10.5% 23/07/2029	952	0.28
€1,051,000	Banco 7% Perpetual	811	0.24
€1,700,000	Banco Comercial Portugues 4% 17/05/2032	1,151	0.34
€1,000,000	Banco de Credito Social Cooperativo 8% 22/09/2026	870	0.25
€1,500,000	Banco de Sabadell 5.125% 10/11/2028	1,295	0.38
€639,000	Bank of Ireland 6.75% 01/03/2033	556	0.16
€1,079,000	Bank of Ireland 7.5% Perpetual	905	0.26
€1,100,000	Bankinter 4.375% 03/05/2030	934	0.27
€1,000,000	Banque Federative du Credit Mutuel 3.875% 16/06/2032	802	0.23
€1,200,000	BASF 4.5% 08/03/2035	1,060	0.31
€1,708,000	Bayer 4.625% 26/05/2033	1,484	0.43
€1,060,000	Blackstone Property Partners Europe 1.625% 20/04/2030	636	0.19
€2,675,000	BMW Finance 3.5% 19/10/2024	2,279	0.67

Portfolio statement (continued)

as at 30 June 2023

Holding	Investment	Market Value £'000	Percentage of total net assets %
Euro Denominated Fixed Rate Corporate Bonds (continued)			
€1,092,000	BP Capital Markets 3.625% Perpetual	813	0.24
€1,000,000	BPCE 4.75% 14/06/2034	857	0.25
€1,250,000	BPER Banca 3.875% 25/07/2032	909	0.27
€1,154,000	BPER Banca 6.125% 01/02/2028	995	0.29
€900,000	CaixaBank 6.25% 23/02/2033	774	0.23
€1,400,000	Channel Link Enterprises Finance 2.706% 30/06/2050	1,085	0.32
€655,000	Cirsa Finance International 10.375% 30/11/2027	601	0.18
€2,200,000	Cooperatieve Rabobank 4.875% Perpetual	1,576	0.46
€282,000	CPI Property 4.875% Perpetual (Issue April 2019)	85	0.02
€700,000	CPI Property 4.875% Perpetual (Issue September 2020)	237	0.07
€274,000	Ctec II 5.25% 15/02/2030	194	0.06
€800,000	Deutsche Bank 10% Perpetual	677	0.20
€775,000	Duke Energy 3.85% 15/06/2034	605	0.18
€1,710,000	EDP Finance 0.375% 16/09/2026	1,314	0.38
€1,000,000	Electricite de France 4.625% 25/01/2043	818	0.24
€800,000	Electricite de France 7.5% Perpetual	696	0.20
€883,000	Enel 3.5% Perpetual	721	0.21
€1,200,000	Enel 6.625% Perpetual	1,034	0.30
€1,200,000	Energias de Portugal 5.943% 23/04/2083	1,020	0.30
€1,200,000	Fastighets AB Balder 3.5% 23/02/2028	846	0.25
€800,000	Forvia 7.25% 15/06/2026	711	0.21
€1,112,000	Garfunkelux Holdco 3 6.75% 01/11/2025	698	0.20
€1,212,000	Hammerson Ireland Finance 1.75% 03/06/2027	852	0.25
€600,000	Hannover Rueck 5.875% 26/08/2043	535	0.16
€936,000	Heimstaden Bostad 3.625% Perpetual	385	0.11
€900,000	Holding d'Infrastructures de Transport 4.25% 18/03/2030	762	0.22
€2,438,000	HSBC 4.856% 23/05/2033	2,094	0.61
€521,000	INEOS Finance 6.625% 15/05/2028	438	0.13
€525,000	INEOS Quattro Finance 2.5% 15/01/2026	402	0.12
€297,000	INEOS Quattro Finance 3.75% 15/07/2026	223	0.07
€1,000,000	ING Groep 4.75% 23/05/2034	856	0.25
€1,346,000	International Business Machines 4% 06/02/2043	1,117	0.33
€1,083,000	Intesa Sanpaolo 5.625% 08/03/2033	923	0.27
€100,000	Lloyds Banking 4.5% 18/03/2030	83	0.02
€1,208,000	Nasdaq 4.5% 15/02/2032	1,045	0.31
€1,841,000	National Grid 4.275% 16/01/2035	1,555	0.45
€1,200,000	Nexi 0% 24/02/2028	775	0.23
€1,101,000	NN 6% 03/11/2043	942	0.28
€695,000	Orsted 1.5% 18/02/3021	437	0.13
€658,000	Orsted 5.25% 08/12/3022	560	0.16
€628,000	Permanent TSB 6.625% 25/04/2028	538	0.16
€1,016,000	Permanent TSB 6.625% 30/06/2029	870	0.25
€1,522,000	Poste Italiane 2.625% Perpetual	988	0.29
€2,287,000	Prologis International Funding II 4.625% 21/02/2035	1,881	0.55
€939,000	Q-Park 2% 01/03/2027	685	0.20
€1,375,000	Roadster Finance 1.625% 09/12/2029	1,068	0.31
€1,000,000	Roadster Finance 2.375% 08/12/2032	676	0.20
€922,000	RWE 4.125% 13/02/2035	768	0.22
€461,000	SES 3.5% 14/01/2029	364	0.11
€903,000	SIG 5.25% 30/11/2026	656	0.19
€2,326,000	Sinochem Offshore Capital 0.75% 25/11/2025	1,802	0.53
€1,400,000	Societe Generale 5.625% 02/06/2033	1,183	0.35
€1,300,000	Societe Generale 7.875% Perpetual	1,064	0.31
€1,698,000	Southern 1.875% 15/09/2081	1,140	0.33

Portfolio statement (continued)

as at 30 June 2023

Holding	Investment	Market Value £'000	Percentage of total net assets %
Euro Denominated Fixed Rate Corporate Bonds (continued)			
€1,101,000	SSE 4% Perpetual	867	0.25
€1,200,000	Telecom Italia Milano 1.625% 18/01/2029	786	0.23
€800,000	Telefonica Europe 2.376% Perpetual	538	0.16
€1,100,000	Telefonica Europe 7.125% Perpetual	962	0.28
€2,373,000	Temasek Financial I 3.5% 15/02/2033	2,013	0.59
€1,014,000	Terna - Rete Elettrica Nazionale 2.375% Perpetual	740	0.22
€1,494,000	Teva Pharmaceutical Finance Netherlands 4.375% 09/05/2030	1,088	0.32
€785,000	Thames Water Utilities Finance 4.375% 18/01/2031	612	0.18
€1,044,000	UBS 4.75% 17/03/2032	890	0.26
€1,062,000	UBS 7.75% 01/03/2029	1,008	0.30
€1,211,000	UnipolSai Assicurazioni 6.375% Perpetual	894	0.26
€1,000,000	Valeo 5.375% 28/05/2027	856	0.25
€644,000	Verisure 7.125% 01/02/2028	553	0.16
€554,000	Verisure 9.25% 15/10/2027	505	0.15
€1,528,000	Victoria 3.625% 24/08/2026	1,076	0.32
€650,000	Virgin Media Finance 3.75% 15/07/2030	436	0.13
€1,000,000	Vivion Investments 3% 08/08/2024	681	0.20
€900,000	Vonovia 0.75% 01/09/2032	528	0.15
€700,000	Vonovia 1.625% 01/09/2051	289	0.08
€1,000,000	Wintershall Dea Finance 3% Perpetual	669	0.20
€1,024,000	WP/AP Telecom 5.5% 15/01/2030	728	0.21
€600,000	ZF Finance 5.75% 03/08/2026	515	0.15
		85,839	25.12
Euro Denominated Variable Rate Corporate Bonds 1.17% (31 December 2022 0.90%)			
€92,000	Enel 5.451% Perpetual	79	0.02
€943,040	Erna Srl 5.511% 25/07/2031	784	0.23
€1,100,000	EVOCA 7.5% 01/11/2026	917	0.27
€1,156,000	LeasePlan 7.375% Perpetual	968	0.29
€529,000	Rossini 7.125% 30/10/2025	453	0.13
€1,100,000	Unibail-Rodamco 2.125% Perpetual	796	0.23
		3,997	1.17
Euro Denominated Government Bonds 1.98% (31 December 2022 2.59%)			
Euro Denominated Fixed Rate Government Bonds 1.98% (31 December 2022 2.59%)			
€826,000	Bulgaria Government International Bond 4.5% 27/01/2033	701	0.20
€825,000	Hungary Government International Bond 5% 22/02/2027	711	0.21
€2,750,000	Italy Buoni Poliennali Del Tesoro 0.95% 01/06/2032	1,841	0.54
€3,700,000	Kreditanstalt fuer Wiederaufbau 0% 15/06/2026	2,884	0.84
€771,000	Republic of Poland Government International Bond 4.25% 14/02/2043	648	0.19
		6,785	1.98
North America 33.50% (31 December 2022 35.13%)			
US Dollar Denominated Corporate Bonds 19.18% (31 December 2022 19.50%)			
US Dollar Denominated Fixed Rate Corporate Bonds 18.98% (31 December 2022 19.41%)			
\$919,000	Abu Dhabi National Energy 4.696% 24/04/2033	720	0.21
\$2,400,000	Abu Dhabi National Oil 0.7% 04/06/2024	1,801	0.53
\$1,192,656	Acu Petroleo Luxembourg 7.5% 13/07/2035	813	0.24
\$1,026,000	Adani Electricity Mumbai 3.949% 12/02/2030	606	0.18
\$1,450,000	Al Candelaria Spain 5.75% 15/06/2033	856	0.25
\$1,600,000	Allianz 3.2% Perpetual	936	0.27

Portfolio statement (continued)

as at 30 June 2023

Holding	Investment	Market Value £'000	Percentage of total net assets %
US Dollar Denominated Fixed Rate Corporate Bonds (continued)			
\$988,000	Amazon.com 4.7% 01/12/2032	782	0.23
\$1,435,000	American Airlines 7.25% 15/02/2028	1,123	0.33
\$488,000	Amgen 5.25% 02/03/2033	384	0.11
\$885,000	Amgen 5.65% 02/03/2053	698	0.20
\$1,039,000	Anglo American Capital 4.75% 16/03/2052	671	0.20
\$1,000,000	Ashton Woods 6.625% 15/01/2028	754	0.22
\$3,325,000	AT&T 5.539% 20/02/2026	2,628	0.77
\$1,276,000	BNP Paribas 7.75% Perpetual	971	0.28
\$869,874	British Airways 2020-1 Class A 4.25% 15/05/2034	627	0.18
\$1,744,000	Broadcom 4.15% 15/04/2032	1,240	0.36
\$314,000	Caesars Entertainment 7% 15/02/2030	249	0.07
\$2,531,000	CBRE Services 5.95% 15/08/2034	1,957	0.57
\$1,312,000	CCO% 7.375% 01/03/2031	1,009	0.30
\$1,450,000	Charter Communications Operating 3.5% 01/03/2042	756	0.22
\$1,075,000	Chemours 4.625% 15/11/2029	714	0.21
\$1,130,000	Citigroup 6.174% 25/05/2034	894	0.26
\$775,000	Country Garden 3.3% 12/01/2031	181	0.05
\$829,000	Crestwood Midstream Partners 7.375% 01/02/2031	646	0.19
\$1,615,000	CVS Health 5.25% 21/02/2033	1,262	0.37
\$1,300,000	Delta Air Lines 4.75% 20/10/2028	996	0.29
\$356,000	Dow Chemical 6.9% 15/05/2053	315	0.09
\$875,000	Electricite de France 9.125% Perpetual	708	0.21
\$1,050,000	Empresa de Transporte de Pasajeros Metro 3.693% 13/09/2061	546	0.16
\$1,150,000	Endeavour Mining 5% 14/10/2026	803	0.24
\$700,000	Energean 6.5% 30/04/2027	503	0.15
\$950,000	Energo-Pro 8.5% 04/02/2027	708	0.21
\$1,988,000	EnfraGen Energia 5.375% 30/12/2030	1,022	0.30
\$762,000	Fidelity National Information Services 5.1% 15/07/2032	579	0.17
\$818,000	Ford Motor Credit 7.35% 06/03/2030	657	0.19
\$623,000	Gaci First Investment 4.875% 14/02/2035	471	0.14
\$634,000	Gaci First Investment 5.125% 14/02/2053	450	0.13
\$1,000,000	GEMS MENASA Cayman 7.125% 31/07/2026	768	0.23
\$640,000	Genesis Energy 8.875% 15/04/2030	493	0.14
\$1,112,000	Global Partners 7% 01/08/2027	855	0.25
\$1,550,000	Goldman Sachs 2.383% 21/07/2032	972	0.28
\$402,000	Hanesbrands 9% 15/02/2031	320	0.09
\$1,375,000	Hess Midstream Operations LP 5.5% 15/10/2030	1,005	0.29
\$1,025,000	IHS 6.25% 29/11/2028	665	0.20
\$1,073,000	Intesa Sanpaolo 6.625% 20/06/2033	837	0.25
\$1,300,000	JAB 4.5% 08/04/2052	777	0.23
\$1,006,000	Keurig Dr Pepper 4.5% 15/04/2052	692	0.20
\$1,000,000	Kosmos Energy 7.75% 01/05/2027	676	0.20
\$1,026,000	Light Servicos de Eletricidade 4.375% 18/06/2026	325	0.10
\$1,700,000	Lowe's 4.25% 01/04/2052	1,077	0.32
\$1,122,000	Mauser Packaging Solutions 7.875% 15/08/2026	878	0.26
\$2,494,000	McKesson 5.25% 15/02/2026	1,958	0.57
\$1,090,000	Metropolitan Life Global Funding I 5.15% 28/03/2033	841	0.25
\$1,200,000	Micron Technology 5.875% 15/09/2033	933	0.27
\$211,759	Modern Land China 9% 30/12/2026	7	-
\$309,050	Modern Land China 9% 30/12/2027	10	-
\$154,804	Mosaic Solar Loan Trust 2% 22/06/2043	103	0.03
\$850,000	Mosaic Solar Loan Trust 5.95% 21/01/2053	588	0.17
\$22,223	Mosaic Solar Loans 2A 2% 22/06/2043	17	0.01
\$8,889	Mosaic Solar Loans 2X 2% 22/06/2043	7	-
\$675,000	MPLX 5.65% 01/03/2053	491	0.14

Portfolio statement (continued)

as at 30 June 2023

Holding	Investment	Market Value £'000	Percentage of total net assets %
US Dollar Denominated Fixed Rate Corporate Bonds (continued)			
\$1,200,000	Muenchener Rueckversicherungs-Gesellschaft in Muenchen 5.875% 23/05/2042	948	0.28
\$1,275,000	Newmont 2.6% 15/07/2032	814	0.24
\$87,000	Nostrum Oil & Gas Finance 5% 30/06/2026	50	0.02
\$1,299,000	OneMain Finance 9% 15/01/2029	1,032	0.30
\$1,054,000	ONEOK 6.1% 15/11/2032	841	0.25
\$1,100,000	Oracle 5.55% 06/02/2053	827	0.24
\$1,284,000	Petrofac 9.75% 15/11/2026	788	0.23
\$1,070,000	Prosus 4.193% 19/01/2032	709	0.21
\$1,737,000	Public Service Electric and Gas 4.65% 15/03/2033	1,339	0.39
\$523,000	Rand Parent 8.5% 15/02/2030	377	0.11
\$800,000	Redsun Properties 9.7% 16/04/2023	53	0.02
\$114,778	SCC Power 4% 17/05/2032	8	-
\$211,900	SCC Power 8% 31/12/2028	56	0.02
\$343,000	Sealed Air 5% 15/04/2029	251	0.07
\$335,000	Sealed Air 6.125% 01/02/2028	262	0.08
\$1,300,000	Shimao 3.45% 11/01/2031	80	0.02
\$764,000	Sino-Ocean Land Treasure III 6.876% Perpetual	77	0.02
\$601,000	Sino-Ocean Land Treasure IV 4.75% 05/08/2029	102	0.03
\$1,000,000	Swedbank 7.625% Perpetual	726	0.21
\$1,025,000	TBC Bank 8.894% Perpetual	718	0.21
\$348,000	Teva Pharmaceutical Finance Netherlands III 7.875% 15/09/2029	283	0.08
\$1,060,000	Time Warner Cable 5.875% 15/11/2040	730	0.21
\$1,216,000	Toronto-Dominion Bank 8.125% 31/10/2082	982	0.29
\$376,000	Transocean 8.75% 15/02/2030	301	0.09
\$841,000	Triumph 9% 15/03/2028	677	0.20
\$398,000	Tullow Oil 10.25% 15/05/2026	241	0.07
\$1,128,000	United Rentals North America 6% 15/12/2029	887	0.26
\$1,738,000	UnitedHealth 4.5% 15/04/2033	1,333	0.39
\$912,000	Uniti 10.5% 15/02/2028	712	0.21
\$582,000	US Bancorp 4.967% 22/07/2033	414	0.12
\$937,000	Western Midstream Operating 4.3% 01/02/2030	660	0.19
\$1,002,000	Western Midstream Operating 5.5% 01/02/2050	648	0.19
\$950,000	Wolfspeed 1.875% 01/12/2029	580	0.17
\$600,000	Yango Justice International 10.25% 15/09/2022	6	-
		64,843	18.98
US Dollar Denominated Variable Rate Corporate Bonds 0.20% (31 December 2022 0.09%)			
\$296,462	Modern Land China 8% 30/12/2024	12	-
\$120,426	Nostrum Oil & Gas Finance 14% 30/06/2026	24	0.01
\$800,000	Yapi ve Kredi Bankasi 13.875% Perpetual	641	0.19
		677	0.20
US Dollar Denominated Government Bonds 14.32% (31 December 2022 15.63%)			
US Dollar Denominated Fixed Rate Government Bonds 14.26% (31 December 2022 15.57%)			
\$599,383	Argentine Republic Government International Bond 0.5% 09/07/2030	156	0.05
\$65,839	Argentine Republic Government International Bond 1% 09/07/2029	17	-
\$1,098,115	Argentine Republic Government International Bond 1.5% 09/07/2035	257	0.08
\$2,575,000	Chile Government International Bond 4.95% 05/01/2036	1,998	0.58
\$1,575,000	Egypt Government International Bond 7.3% 30/09/2033	684	0.20
\$1,500,000	Egypt Government International Bond 7.6003% 01/03/2029	767	0.22
\$900,000	El Salvador Government International Bond 9.5% 15/07/2052	448	0.13
\$825,000	Gabon Government International Bond 7% 24/11/2031	519	0.15
\$850,000	Ghana Government International Bond 7.875% 11/02/2035	292	0.09

Portfolio statement (continued)

as at 30 June 2023

Holding	Investment	Market Value £'000	Percentage of total net assets %
US Dollar Denominated Fixed Rate Government Bonds (continued)			
\$722,000	Hungary Government International Bond 6.25% 22/09/2032	584	0.17
\$1,025,000	Kenya Government Bond 8% 22/05/2032	683	0.20
\$800,000	Lebanon Government International Bond 6.6% 27/11/2026 (Defaulted)	41	0.01
\$772,000	Mexico Government International Bond 6.338% 04/05/2053	618	0.18
\$550,000	Nigeria Government International Bond 7.375% 28/09/2033	342	0.10
\$750,000	Republic of South Africa Government International Bond 5.875% 20/04/2032	523	0.15
\$1,275,000	Republic of South Africa Government International Bond 7.3% 20/04/2052	841	0.25
\$944,000	Romanian Government International Bond 7.125% 17/01/2033	789	0.23
\$791,000	Serbia International Bond 6.5% 26/09/2033	612	0.18
\$575,000	Turkey Government International Bond 4.875% 16/04/2043	292	0.09
\$600,000	Ukraine Government International Bond 7.253% 15/03/2035	110	0.03
\$950,000	Ukraine Government International Bond 8.994% 01/02/2026	190	0.06
\$6,800,000	United States Treasury 0.875% 15/11/2030	4,331	1.27
\$755,000	United States Treasury 1.375% 15/08/2050	341	0.10
\$2,490,000	United States Treasury 2.25% 15/02/2027	1,828	0.53
\$250,000	United States Treasury 2.375% 29/02/2024	194	0.06
\$3,354,200	United States Treasury 2.375% 15/11/2049	1,953	0.57
\$6,000,000	United States Treasury 2.625% 31/05/2027	4,450	1.30
\$10,300,000	United States Treasury 2.75% 15/08/2032	7,427	2.17
\$2,100,000	United States Treasury 2.875% 31/10/2023	1,647	0.48
\$4,950,000	United States Treasury 3.5% 15/02/2033	3,793	1.11
\$3,050,000	United States Treasury 4.125% 15/11/2032	2,453	0.72
\$10,650,000	United States Treasury Inflation Indexed Bonds 0.875% 15/01/2029	9,554	2.80
		48,734	14.26
US Dollar Denominated Variable Rate Government Bonds 0.06% (31 December 2022 0.06%)			
700,000	Ukraine Government International Bond Variable 01/08/2041	214	0.06
		214	0.06
Derivatives 0.02% (31 December 2022 1.11%)			
Sterling Denominated Forward Exchange Contracts 0.70% (31 December 2022 1.38%)			
	Buy GBP 168,573 Sell AUD 313,000 18/08/2023	5	-
	Buy GBP 17,931 Sell CHF 20,000 18/08/2023	-	-
	Buy GBP 90,285,134 Sell EUR 103,404,000 18/08/2023	1,338	0.39
	Buy GBP 1,969,504 Sell EUR 2,254,000 18/08/2023	31	0.01
	Buy GBP 3,776,929 Sell EUR 4,380,000 18/08/2023	9	-
	Buy GBP 649,748 Sell EUR 745,000 18/08/2023	9	-
	Buy GBP 677,951 Sell EUR 779,000 18/08/2023	8	-
	Buy GBP 3,414,940 Sell EUR 3,963,000 18/08/2023	6	-
	Buy GBP 304,088 Sell EUR 348,000 18/08/2023	5	-
	Buy GBP 346,996 Sell EUR 398,000 18/08/2023	5	-
	Buy GBP 692,321 Sell EUR 800,000 18/08/2023	4	-
	Buy GBP 226,698 Sell EUR 260,000 18/08/2023	3	-
	Buy GBP 319,526 Sell EUR 368,000 18/08/2023	3	-
	Buy GBP 432,988 Sell EUR 500,000 18/08/2023	3	-
	Buy GBP 1,205,021 Sell EUR 1,398,000 18/08/2023	3	-
	Buy GBP 730,007 Sell EUR 846,000 18/08/2023	2	-
	Buy GBP 839,205 Sell EUR 973,000 18/08/2023	2	-
	Buy GBP 1,046,385 Sell EUR 1,215,000 18/08/2023	1	-
	Buy GBP 206,777 Sell EUR 240,000 18/08/2023	-	-
	Buy GBP 207,549 Sell EUR 241,000 18/08/2023	-	-
	Buy GBP 378,652 Sell EUR 440,000 18/08/2023	-	-
	Buy GBP 369,044 Sell EUR 430,000 18/08/2023	(1)	-

Portfolio statement (continued)

as at 30 June 2023

Holding	Investment	Market Value £'000	Percentage of total net assets %
	Sterling Denominated Forward Exchange Contracts (continued)		
	Buy GBP 302,467 Sell EUR 353,000 18/08/2023	(1)	-
	Buy GBP 478,518 Sell EUR 558,000 18/08/2023	(1)	-
	Buy GBP 621,895 Sell EUR 725,000 18/08/2023	(2)	-
	Buy GBP 337,742 Sell EUR 395,000 18/08/2023	(2)	-
	Buy GBP 599,876 Sell EUR 700,000 18/08/2023	(2)	-
	Buy GBP 561,906 Sell EUR 656,000 18/08/2023	(2)	-
	Buy GBP 657,294 Sell EUR 768,000 18/08/2023	(3)	-
	Buy GBP 12,881,570 Sell NZD 25,694,000 18/08/2023	527	0.16
	Buy GBP 114,196,265 Sell USD 144,008,000 18/08/2023	357	0.11
	Buy GBP 2,117,000 Sell USD 2,644,895 08/08/2023	26	0.01
	Buy GBP 828,020 Sell USD 1,025,000 18/08/2023	18	0.01
	Buy GBP 1,246,453 Sell USD 1,559,000 18/08/2023	14	0.01
	Buy GBP 577,000 Sell USD 716,775 08/08/2023	10	-
	Buy GBP 583,000 Sell USD 724,438 08/08/2023	10	-
	Buy GBP 573,000 Sell USD 712,487 08/08/2023	10	-
	Buy GBP 341,699 Sell USD 423,000 18/08/2023	7	-
	Buy GBP 261,136 Sell USD 325,000 18/08/2023	4	-
	Buy GBP 490,164 Sell USD 615,000 18/08/2023	4	-
	Buy GBP 528,644 Sell USD 664,000 18/08/2023	4	-
	Buy GBP 181,284 Sell USD 225,000 18/08/2023	3	-
	Buy GBP 714,426 Sell USD 900,000 18/08/2023	3	-
	Buy GBP 593,781 Sell USD 748,000 18/08/2023	3	-
	Buy GBP 786,570 Sell USD 993,000 18/08/2023	2	-
	Buy GBP 2,665,486 Sell USD 3,370,000 18/08/2023	1	-
	Buy GBP 193,787 Sell USD 245,000 18/08/2023	-	-
	Buy GBP 176,237 Sell USD 223,000 18/08/2023	-	-
	Buy GBP 260,059 Sell USD 331,000 18/08/2023	(2)	-
	Buy GBP 392,000 Sell USD 498,824 08/08/2023	(2)	-
	Buy GBP 386,968 Sell USD 493,000 18/08/2023	(3)	-
	Buy GBP 524,250 Sell USD 671,000 18/08/2023	(6)	-
	Buy GBP 1,691,566 Sell USD 2,151,000 18/08/2023	(9)	-
	Buy GBP 1,464,560 Sell USD 1,864,000 18/08/2023	(9)	-
	Buy GBP 1,957,414 Sell USD 2,497,000 18/08/2023	(16)	-
		<u>2,379</u>	<u>0.70</u>
	Sterling Denominated Futures Contracts 0.00% (31 December 2022 (0.16)%)		
205	Long Gilt Futures September 2023	(12)	-
		<u>(12)</u>	<u>-</u>
	Sterling Interest Rate Swap (0.05)% (31 December 2022 0.30%)		
£1,525,000	Interest Rate Swap - Pay SONIA, Receive 3.3541% 09/02/2033 Morgan Stanley	(181)	(0.05)
		<u>(181)</u>	<u>(0.05)</u>
	Australian Dollar Denominated Forward Exchange Contracts 0.00% (31 December 2022 0.13%)		
	Buy AUD 8,263,000 Sell USD 5,421,148 08/08/2023	44	0.01
	Buy AUD 3,228,000 Sell USD 2,146,409 08/08/2023	(5)	-
	Buy AUD 792,000 Sell USD 538,293 08/08/2023	(11)	-
	Buy AUD 3,273,000 Sell USD 2,183,821 08/08/2023	(11)	-
	Buy AUD 2,227,000 Sell USD 1,511,323 08/08/2023	(28)	(0.01)
		<u>(11)</u>	<u>-</u>
	Australian Dollar Denominated Futures Contracts 0.01% (31 December 2022 (0.03)%)		
(57)	Australia 10 Year Bond Futures September 2023	22	0.01
		<u>22</u>	<u>0.01</u>

Portfolio statement (continued)

as at 30 June 2023

Holding	Investment	Market Value £'000	Percentage of total net assets %
	Australian Dollar Interest Rate Swap 0.01% (31 December 2022 0.02%)		
AUD2,600,000	Interest Rate Swap - Pay AUD BBSW 6M, Receive 3.549% 09/12/2032 Morgan Stanley	46	0.01
		46	0.01
	Brazilian Real Denominated Forward Exchange Contracts 0.00% (31 December 2022 0.00%)		
	Buy BRL 1,214,000 Sell USD 237,718 18/08/2023	8	-
		8	-
	Brazilian Real Interest Rate Swap 0.07% (31 December 2022 (0.11%))		
BRL50,000,000	Interest Rate Swap - Pay Brazil CETIP Deposit RT 693, Receive 11.445% 04/01/2027 JP Morgan	233	0.07
		233	0.07
	Canadian Dollar Denominated Forward Exchange Contracts (0.01)% (31 December 2022 0.01%)		
	Buy CAD 2,238,000 Sell USD 1,670,121 08/08/2023	14	0.01
	Buy CAD 1,306,000 Sell USD 978,239 08/08/2023	6	-
	Buy CAD 10,352,000 Sell USD 7,882,660 08/08/2023	(60)	(0.02)
		(40)	(0.01)
	Canadian Dollar Denominated Futures Contracts (0.02)% (31 December 2022 (0.03%))		
40	Canada 10 Year Bond Futures September 2023	(54)	(0.02)
		(54)	(0.02)
	Canadian Dollar Interest Rate Swap 0.03% (31 December 2022 0.02%)		
CAD3,200,000	Interest Rate Swap - Pay 2.2033%, Receive Canadian Bankers Acceptances 3M 18/08/2032 Morgan Stanley	99	0.03
CAD1,600,000	Interest Rate Swap - Pay 4.18%, Receive Canadian Bankers Acceptances 3M 29/09/2032 Morgan Stanley	24	-
		123	0.03
	Euro Denominated Forward Exchange Contracts (0.04)% (31 December 2022 0.31%)		
	Buy EUR 499,000 Sell GBP 426,264 18/08/2023	3	-
	Buy EUR 672,000 Sell GBP 576,453 18/08/2023	2	-
	Buy EUR 887,000 Sell GBP 761,538 18/08/2023	1	-
	Buy EUR 376,000 Sell GBP 322,355 18/08/2023	1	-
	Buy EUR 304,000 Sell GBP 260,702 18/08/2023	1	-
	Buy EUR 407,000 Sell GBP 349,332 18/08/2023	1	-
	Buy EUR 1,193,000 Sell GBP 1,026,032 18/08/2023	-	-
	Buy EUR 451,000 Sell GBP 388,084 18/08/2023	-	-
	Buy EUR 95,944 Sell GBP 82,612 17/07/2023	-	-
	Buy EUR 256,000 Sell GBP 221,090 18/08/2023	(1)	-
	Buy EUR 192,000 Sell GBP 166,990 18/08/2023	(2)	-
	Buy EUR 1,446,000 Sell GBP 1,246,291 18/08/2023	(2)	-
	Buy EUR 567,000 Sell GBP 490,215 18/08/2023	(3)	-
	Buy EUR 1,570,000 Sell GBP 1,353,219 18/08/2023	(3)	-
	Buy EUR 228,000 Sell GBP 199,054 18/08/2023	(3)	-
	Buy EUR 270,000 Sell GBP 235,274 18/08/2023	(3)	-
	Buy EUR 311,000 Sell GBP 271,132 18/08/2023	(4)	-
	Buy EUR 484,000 Sell GBP 422,807 18/08/2023	(6)	-
	Buy EUR 1,918,000 Sell GBP 1,657,129 18/08/2023	(7)	-
	Buy EUR 841,000 Sell GBP 734,112 18/08/2023	(11)	-
	Buy EUR 1,846,000 Sell GBP 1,601,041 18/08/2023	(13)	-
	Buy EUR 438,000 Sell USD 482,288 08/08/2023	(5)	-
	Buy EUR 1,067,000 Sell USD 1,177,668 08/08/2023	(14)	(0.01)
	Buy EUR 2,169,000 Sell USD 2,378,655 08/08/2023	(16)	(0.01)
	Buy EUR 3,086,000 Sell USD 3,378,028 08/08/2023	(17)	(0.01)
	Buy EUR 3,295,000 Sell USD 3,610,388 08/08/2023	(21)	(0.01)
		(122)	(0.04)

Portfolio statement (continued)

as at 30 June 2023

Holding	Investment	Market Value £'000	Percentage of total net assets %
	Euro Denominated Futures Contracts 0.00% (31 December 2022 0.09%)		
(7)	Euro-Bobl Futures September 2023	3	-
76	Euro-Bund Futures September 2023	(42)	(0.01)
9	Euro-Buxl 30 Year Bond Futures September 2023	24	0.01
(9)	Euro-OAT Futures September 2023	2	-
(25)	Euro-Schatz Futures September 2023	7	-
		(6)	-
	Euro Credit Default Swap (0.25)% (31 December 2022 (0.03)%)		
€25,324,000	Buy Protection CDS iTraxx Crossover S39 20/06/2028 Morgan Stanley	(863)	(0.25)
€1,100,000	Buy Protection CDS UBS 20/06/2028 Morgan Stanley	1	-
		(862)	(0.25)
	Euro Interest Rate Swap 0.00% (31 December 2022 (0.36)%)		
€1,600,000	Interest Rate Swap - Pay EURIBOR 6M, Receive 2.9703% 20/03/2033 Morgan Stanley	(6)	-
		(6)	-
	Hong Kong Dollar Denominated Forward Exchange Contracts 0.00% (31 December 2022 (0.02)%)		
	Hungarian Forint Denominated Forward Exchange Contracts 0.00% (31 December 2022 0.01%)		
	Japanese Yen Denominated Forward Exchange Contracts (0.02)% (31 December 2022 0.07%)		
	Buy JPY 16,881,000 Sell GBP 100,479 18/08/2023	(8)	-
	Buy JPY 92,027,000 Sell USD 667,129 08/08/2023	(21)	(0.01)
	Buy JPY 157,491,000 Sell USD 1,138,049 08/08/2023	(33)	(0.01)
		(62)	(0.02)
	Japanese Yen Interest Rate Swap 0.00% (31 December 2022 (0.09)%)		
	Malaysian Ringgit Denominated Forward Exchange Contract 0.00% (31 December 2022 0.01%)		
	Mexican Peso Denominated Forward Exchange Contracts 0.00% (31 December 2022 0.03%)		
	New Zealand Dollar Denominated Forward Exchange Contracts (0.07)% (31 December 2022 0.05%)		
	Buy NZD 370,000 Sell GBP 185,413 18/08/2023	(7)	-
	Buy NZD 466,000 Sell GBP 234,834 18/08/2023	(11)	-
	Buy NZD 2,863,000 Sell USD 1,768,824 08/08/2023	(22)	(0.01)
	Buy NZD 3,508,000 Sell USD 2,170,645 08/08/2023	(29)	(0.01)
	Buy NZD 5,553,000 Sell USD 3,478,677 08/08/2023	(80)	(0.02)
	Buy NZD 6,957,000 Sell USD 4,349,899 08/08/2023	(93)	(0.03)
		(242)	(0.07)
	Norwegian Krone Denominated Forward Exchange Contracts (0.02)% (31 December 2022 0.11%)		
	Buy NOK 13,860,000 Sell USD 1,301,646 08/08/2023	(9)	-
	Buy NOK 36,159,000 Sell USD 3,379,795 08/08/2023	(11)	(0.01)
	Buy NOK 25,069,000 Sell USD 2,388,969 08/08/2023	(44)	(0.01)
		(64)	(0.02)
	Singapore Dollar Denominated Forward Exchange Contracts 0.00% (31 December 2022 0.01%)		
	South African Rand Denominated Forward Exchange Contracts 0.00% (31 December 2022 0.03%)		
	South Korean Won Denominated Forward Exchange Contracts 0.00% (31 December 2022 0.01%)		

Portfolio statement (continued)

as at 30 June 2023

Holding	Investment	Market Value £'000	Percentage of total net assets %
	Swedish Krona Denominated Forward Exchange Contracts (0.06)% (31 December 2022 0.00%)		
	Buy SEK 5,210,000 Sell USD 482,320 08/08/2023	(2)	-
	Buy SEK 24,521,000 Sell USD 2,286,247 08/08/2023	(23)	(0.01)
	Buy SEK 42,222,000 Sell USD 4,116,879 08/08/2023	(182)	(0.05)
		<u>(207)</u>	<u>(0.06)</u>
	Swedish Krona Interest Rate Swap 0.01% (31 December 2022 0.03%)		
SEK5,100,000	Interest Rate Swap - Pay 0.4870%, Receive STIBOR (SWED) 3M 31/05/2032 Morgan Stanley	17	0.01
SEK15,400,000	Interest Rate Swap - Pay 0.7040%, Receive STIBOR (SWED) 3M 29/06/2032 Morgan Stanley	17	-
		<u>34</u>	<u>0.01</u>
	Swiss Franc Interest Rate Swap 0.00% (31 December 2022 (0.20)%)		
CHF2,300,000	Interest Rate Swap - Pay 1.85%, Pay Saron Fixing 3(Mrkt Close) IDX 27/03/2033 Morgan Stanley	(13)	-
		<u>(13)</u>	<u>-</u>
	US Dollar Denominated Forward Exchange Contracts 0.09% (31 December 2022 (0.49)%)		
	Buy USD 4,627,259 Sell AUD 6,884,000 08/08/2023	51	0.01
	Buy USD 3,507,705 Sell AUD 5,238,000 08/08/2023	28	0.01
	Buy USD 105,185 Sell AUD 155,000 08/08/2023	2	-
	Buy USD 198,397 Sell BRL 991,000 18/08/2023	(3)	-
	Buy USD 480,497 Sell CAD 651,000 08/08/2023	(8)	-
	Buy USD 1,930,846 Sell CAD 2,576,000 08/08/2023	(9)	-
	Buy USD 1,941,129 Sell CAD 2,608,000 08/08/2023	(20)	(0.01)
	Buy USD 2,161,469 Sell CAD 2,930,000 08/08/2023	(38)	(0.01)
	Buy USD 3,031,447 Sell CAD 4,095,000 08/08/2023	(45)	(0.01)
	Buy USD 6,044,323 Sell EUR 5,479,000 08/08/2023	67	0.02
	Buy USD 146,624 Sell EUR 136,000 08/08/2023	(1)	-
	Buy USD 1,420,300 Sell EUR 1,309,000 08/08/2023	(3)	-
	Buy USD 4,723,950 Sell GBP 3,697,000 08/08/2023	37	0.01
	Buy USD 649,000 Sell GBP 508,134 18/08/2023	5	-
	Buy USD 349,000 Sell GBP 272,006 18/08/2023	4	-
	Buy USD 291,000 Sell GBP 229,056 18/08/2023	1	-
	Buy USD 241,515 Sell GBP 191,000 08/08/2023	-	-
	Buy USD 618,000 Sell GBP 488,761 18/08/2023	-	-
	Buy USD 206,000 Sell GBP 163,266 18/08/2023	-	-
	Buy USD 198,000 Sell GBP 157,137 18/08/2023	(1)	-
	Buy USD 185,321 Sell GBP 147,380 17/07/2023	(1)	-
	Buy USD 394,000 Sell GBP 314,450 18/08/2023	(3)	-
	Buy USD 725,934 Sell GBP 577,000 08/08/2023	(3)	-
	Buy USD 284,000 Sell GBP 228,412 18/08/2023	(4)	-
	Buy USD 831,000 Sell GBP 661,790 18/08/2023	(5)	-
	Buy USD 572,000 Sell GBP 458,273 18/08/2023	(6)	-
	Buy USD 444,000 Sell GBP 357,559 18/08/2023	(7)	-
	Buy USD 4,680,000 Sell GBP 3,706,804 18/08/2023	(7)	-
	Buy USD 647,000 Sell GBP 519,381 18/08/2023	(8)	-
	Buy USD 467,000 Sell GBP 377,855 18/08/2023	(9)	-
	Buy USD 740,000 Sell GBP 594,038 18/08/2023	(9)	-
	Buy USD 866,000 Sell GBP 696,123 18/08/2023	(12)	-
	Buy USD 848,000 Sell GBP 682,495 18/08/2023	(12)	-
	Buy USD 1,202,383 Sell GBP 963,000 08/08/2023	(12)	-
	Buy USD 752,000 Sell GBP 607,752 18/08/2023	(13)	-
	Buy USD 1,174,000 Sell GBP 941,721 18/08/2023	(14)	-
	Buy USD 1,101,000 Sell GBP 885,091 18/08/2023	(15)	(0.01)
	Buy USD 2,660,552 Sell GBP 2,119,000 08/08/2023	(16)	(0.01)
	Buy USD 1,836,000 Sell GBP 1,482,937 18/08/2023	(32)	(0.01)

Portfolio statement (continued)

as at 30 June 2023

Holding	Investment	Market Value £'000	Percentage of total net assets %
	US Dollar Denominated Forward Exchange Contracts (continued)		
	Buy USD 1,704,675 Sell JPY 231,126,000 08/08/2023	76	0.02
	Buy USD 1,228,693 Sell JPY 164,672,000 08/08/2023	65	0.02
	Buy USD 728,220 Sell JPY 96,925,000 08/08/2023	42	0.01
	Buy USD 1,082,960 Sell JPY 152,230,000 08/08/2023	19	-
	Buy USD 1,088,550 Sell JPY 155,641,000 08/08/2023	4	-
	Buy USD 105,999 Sell JPY 14,737,000 08/08/2023	3	-
	Buy USD 2,156,263 Sell NOK 22,804,000 08/08/2023	27	0.01
	Buy USD 79,369 Sell NOK 843,000 08/08/2023	1	-
	Buy USD 937,056 Sell NOK 10,357,000 08/08/2023	(21)	(0.01)
	Buy USD 1,432,210 Sell NOK 15,822,000 08/08/2023	(32)	(0.01)
	Buy USD 2,569,532 Sell NOK 28,067,000 08/08/2023	(34)	(0.01)
	Buy USD 2,199,814 Sell NZD 3,475,000 08/08/2023	68	0.02
	Buy USD 2,888,644 Sell NZD 4,682,000 08/08/2023	32	0.01
	Buy USD 1,206,475 Sell NZD 1,949,000 08/08/2023	17	-
	Buy USD 1,256,261 Sell NZD 2,047,000 08/08/2023	9	-
	Buy USD 1,418,979 Sell NZD 2,335,000 08/08/2023	(1)	-
	Buy USD 5,232,997 Sell NZD 8,652,000 08/08/2023	(24)	(0.01)
	Buy USD 3,192,695 Sell SEK 32,351,000 08/08/2023	169	0.05
	Buy USD 1,695,839 Sell SEK 18,197,000 08/08/2023	16	-
	Buy USD 222,872 Sell SEK 2,349,000 08/08/2023	5	-
	Buy USD 457,836 Sell SEK 4,946,000 08/08/2023	2	-
		322	0.09
	US Dollar Denominated Futures Contracts (0.26)% (31 December 2022 (0.06)%)		
(54)	US 2 Year Treasury Note Futures September 2023	121	0.04
368	US 5 Year Treasury Note Futures September 2023	(643)	(0.19)
201	US 10 Year Treasury Note Futures September 2023	(224)	(0.07)
156	US 10 Year Ultra Bond Futures September 2023	(138)	(0.04)
(2)	US Long Bond Futures September 2023	2	-
6	US Ultra Bond Futures September 2023	(4)	-
		(886)	(0.26)
	US Dollar Credit Default Swap (0.02)% (31 December 2022 0.00%)		
\$4,422,000	CDX NA HY Series 40 5YR 20/06/2028 Morgan Stanley	(78)	(0.02)
		(78)	(0.02)
	US Dollar Interest Rate Swap (0.08)% (31 December 2022 0.07%)		
\$4,600,000	Interest Rate Swap - Pay 3.3293%, Receive US SOFR Index 09/02/2053 Morgan Stanley	185	0.05
\$20,000,000	Interest Rate Swap - Pay US SOFR, Receive 3.3293% 09/02/2028 Morgan Stanley	(367)	(0.11)
\$2,700,000	Interest Rate Swap - Pay US SOFR, Receive 3.3293% 09/02/2033 Morgan Stanley	(88)	(0.02)
		(270)	(0.08)
	Investment assets**	332,908	97.42
	Net other assets	8,815	2.58
	Total net assets	341,723	100.00

** 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, unless otherwise stated.

Portfolio statement (continued)

as at 30 June 2023

Analysis of investments by asset class

	Market Value £'000	Percentage of total net assets %
Bonds	332,857	97.40
Derivatives	51	0.02
Portfolio of investments	332,908	97.42
Net other assets	8,815	2.58
Total net assets	341,723	100.00

Statement of total return

for the period from 1 January 2023 to 30 June 2023

	Note	01.01.23 to 30.06.23 £'000	01.01.23 to 30.06.23 £'000	01.01.22 to 30.06.22 £'000	01.01.22 to 30.06.22 £'000
Income					
Net capital losses			(791)		(46,435)
Revenue		6,897		4,246	
Expenses		(730)		(852)	
Interest payable and similar charges		(4)		(6)	
Net revenue before taxation		6,163		3,388	
Taxation		(17)		-	
Net revenue after taxation			6,146		3,388
Total return before distributions			5,355		(43,047)
Distributions	2		(6,146)		(3,388)
Change in net assets attributable to shareholders from investment activities			(791)		(46,435)

Statement of change in net assets attributable to shareholders

for the period from 1 January 2023 to 30 June 2023

	01.01.23 to 30.06.23 £'000	01.01.23 to 30.06.23 £'000	01.01.22 to 30.06.22 £'000	01.01.22 to 30.06.22 £'000
Opening net assets attributable to shareholders		300,168*		300,455
Amounts received on issue of shares	49,628		39,916	
Amounts paid on cancellation of shares	(13,619)		(4,964)	
		36,009		34,952
Dilution adjustment		221		158
Change in net assets attributable to shareholders from investment activities		(791)		(46,435)
Retained distributions on accumulation shares		6,116		3,374
Closing net assets attributable to shareholders		341,723		292,504*

* 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 2023

	30.06.23 £'000	31.12.22 £'000
Assets		
Fixed assets		
Investments	336,931	297,379
Current assets		
Debtors	7,029	3,600
Cash and bank balances	6,153	7,355
Total assets	350,113	308,334
Liabilities		
Investment liabilities	(4,023)	(7,229)
Creditors		
Bank overdrafts	(35)	(809)
Distribution payable	(10)	(12)
Other creditors	(4,322)	(116)
Total liabilities	(8,390)	(8,166)
Net assets attributable to shareholders	341,723	300,168

Notes to the financial statements

for the period from 1 January 2023 to 30 June 2023

1 Accounting policies

The 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 the Investment Management Association) in May 2014 and as amended in June 2017.

The accounting policies applied are consistent with those disclosed within the annual Financial Statements for the year ended 31 December 2022.

2 Distributions

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

	01.01.23 to 30.06.23 £'000	01.01.22 to 30.06.22 £'000
First Interim – Accumulation shares (31 January)	937	421
First Interim – Income shares (31 January)	11	7
Second Interim – Accumulation shares (28 February)	945	439
Second Interim – Income shares (28 February)	12	7
Third Interim – Accumulation shares (31 March)	1,149	573
Third Interim – Income shares (31 March)	14	9
Fourth Interim – Accumulation shares (30 April)	938	523
Fourth Interim – Income shares (30 April)	11	8
Fifth Interim – Accumulation shares (31 May)	1,120	613
Fifth Interim – Income shares (31 May)	13	10
Sixth Interim – Accumulation shares (30 June)	1,027	805
Sixth Interim – Income shares (30 June)	10	12
	6,187	3,427
Revenue deducted on cancellation of shares	8	3
Revenue received on issue of shares	(49)	(42)
Distributions	6,146	3,388

Distribution tables

Sixth interim distribution

Group 1: Shares purchased prior to 1 June 2023

Group 2: Shares purchased from 1 June 2023 to 30 June 2023

	Revenue pence/cents per share	Equalisation pence/cents per share*	Distribution paid 31.07.23 pence/cents per share	Distribution paid 29.07.22 pence/cents per share
Accumulation 'A' EUR Hedged Shares				
Group 1	0.2349	-	0.2349	0.2185
Group 2	0.2349	0.0000	0.2349	0.2185
Accumulation 'A' USD Hedged Shares				
Group 1	0.2761	-	0.2761	0.2459
Group 2	0.2761	0.0000	0.2761	0.2459
Income 'A' Shares				
Group 1	0.2293	-	0.2293	0.2167
Group 2	0.0867	0.1426	0.2293	0.2167
Accumulation 'U2' Shares				
Group 1	0.3648	-	0.3648	0.3343
Group 2	0.2663	0.0985	0.3648	0.3343
Income 'U2' Shares				
Group 1	0.2882	-	0.2882	0.2739
Group 2	0.2882	0.0000	0.2882	0.2739

Fifth interim distribution

Group 1: Shares purchased prior to 1 May 2023

Group 2: Shares purchased from 1 May 2023 to 31 May 2023

	Revenue pence/cents per share	Equalisation pence/cents per share*	Distribution paid 30.06.23 pence/cents per share	Distribution paid 30.06.22 pence/cents per share
Accumulation 'A' EUR Hedged Shares				
Group 1	0.2825	-	0.2825	0.1764
Group 2	0.2825	0.0000	0.2825	0.1764
Accumulation 'A' USD Hedged Shares				
Group 1	0.3249	-	0.3249	0.2037
Group 2	0.3249	0.0000	0.3249	0.2037
Income 'A' Shares				
Group 1	0.2735	-	0.2735	0.1748
Group 2	0.0487	0.2248	0.2735	0.1748
Accumulation 'U2' Shares				
Group 1	0.4274	-	0.4274	0.2769
Group 2	0.1900	0.2374	0.4274	0.2769
Income 'U2' Shares				
Group 1	0.3389	-	0.3389	0.2277
Group 2	0.3389	0.0000	0.3389	0.2277

Distribution tables (continued)

Fourth interim distribution

Group 1: Shares purchased prior to 1 April 2023
 Group 2: Shares purchased from 1 April 2023 to 30 April 2023

	Revenue pence/cents per share	Equalisation pence/cents per share*	Distribution paid 31.05.23 pence/cents per share	Distribution paid 31.05.22 pence/cents per share
Accumulation 'A' EUR Hedged Shares				
Group 1	0.2343	-	0.2343	0.1480
Group 2	0.2343	0.0000	0.2343	0.1480
Accumulation 'A' USD Hedged Shares				
Group 1	0.2751	-	0.2751	0.1640
Group 2	0.2751	0.0000	0.2751	0.1640
Income 'A' Shares				
Group 1	0.2295	-	0.2295	0.1473
Group 2	0.2295	0.0000	0.2295	0.1473
Accumulation 'U2' Shares				
Group 1	0.3587	-	0.3587	0.2383
Group 2	0.1573	0.2014	0.3587	0.2383
Income 'U2' Shares				
Group 1	0.2854	-	0.2854	0.1961
Group 2	0.2854	0.0000	0.2854	0.1961

Third interim distribution

Group 1: Shares purchased prior to 1 March 2023
 Group 2: Shares purchased from 1 March 2023 to 31 March 2023

	Revenue pence/cents per share	Equalisation pence/cents per share*	Distribution paid 28.04.23 pence/cents per share	Distribution paid 29.04.22 pence/cents per share
Accumulation 'A' EUR Hedged Shares				
Group 1	0.2963	-	0.2963	0.1632
Group 2	0.2963	0.0000	0.2963	0.1632
Accumulation 'A' USD Hedged Shares				
Group 1	0.3529	-	0.3529	0.1870
Group 2	0.3529	0.0000	0.3529	0.1870
Income 'A' Shares				
Group 1	0.2896	-	0.2896	0.1637
Group 2	0.2166	0.0730	0.2896	0.1637
Accumulation 'U2' Shares				
Group 1	0.4405	-	0.4405	0.2629
Group 2	0.2283	0.2122	0.4405	0.2629
Income 'U2' Shares				
Group 1	0.3516	-	0.3516	0.2166
Group 2	0.3516	0.0000	0.3516	0.2166

Distribution tables (continued)

Second interim distribution

Group 1: Shares purchased prior to 1 February 2023

Group 2: Shares purchased from 1 February 2023 to 28 February 2023

	Revenue pence/cents per share	Equalisation pence/cents per share*	Distribution paid 31.03.23 pence/cents per share	Distribution paid 31.03.22 pence/cents per share
Accumulation 'A' EUR Hedged Shares				
Group 1	0.2492	-	0.2492	0.1226
Group 2	0.2492	0.0000	0.2492	0.1226
Accumulation 'A' USD Hedged Shares				
Group 1	0.2873	-	0.2873	0.1376
Group 2	0.2873	0.0000	0.2873	0.1376
Income 'A' Shares				
Group 1	0.2420	-	0.2420	0.1212
Group 2	0.2420	0.0000	0.2420	0.1212
Accumulation 'U2' Shares				
Group 1	0.3729	-	0.3729	0.2058
Group 2	0.1808	0.1921	0.3729	0.2058
Income 'U2' Shares				
Group 1	0.2983	-	0.2983	0.1696
Group 2	0.2983	0.0000	0.2983	0.1696

Distribution tables (continued)

First interim distribution

Group 1: Shares purchased prior to 1 January 2023
 Group 2: Shares purchased from 1 January 2023 to 31 January 2023

	Revenue pence/cents per share	Equalisation pence/cents per share*	Distribution paid 28.02.23 pence/cents per share	Distribution paid 28.02.22 pence/cents per share
Accumulation 'A' EUR Hedged Shares				
Group 1	0.2395	-	0.2395	0.1104
Group 2	0.1930	0.0465	0.2395	0.1104
Accumulation 'A' USD Hedged Shares				
Group 1	0.2807	-	0.2807	0.1233
Group 2	0.2807	0.0000	0.2807	0.1233
Income 'A' Shares				
Group 1	0.2347	-	0.2347	0.1091
Group 2	0.2347	0.0000	0.2347	0.1091
Accumulation 'U2' Shares				
Group 1	0.3715	-	0.3715	0.1982
Group 2	0.1898	0.1817	0.3715	0.1982
Income 'U2' Shares				
Group 1	0.2987	-	0.2987	0.1637
Group 2	0.2987	0.0000	0.2987	0.1637

* Equalisation only applies to shares purchased during the distribution 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 of these shares 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.

Quilter Investors Timber Equity Fund

Launch date	9 September 2022
IA Sector	Unclassified
Investment Adviser	Pictet Asset Management S.A.
Net asset value	£107,192,916

Objective

The sub-fund aims to achieve capital growth over rolling five-year periods by investing in companies which support sustainable forestry and timber practices.

Policy

The sub-fund invests at least 80% of the value of its property in shares of companies located in developed and emerging markets anywhere in the world that are operating in the "Timber Value Chain" provided that such companies meet the Investment Adviser's requirements and expectations as detailed in the Investment Style section below. These are companies that operate in all stages of timber forestry and the conversion of timber into wood-based final products, e.g., forest owners, wood products and home builders, containerboard and packaging and paper based products.

The Investment Adviser will only invest in a company provided at least 20% of its enterprise value is derived from sustainable timber-related activities (the "Thematic Purity"). This threshold allows investment in companies where timber-related activities are part of their business but not the only element, provided that the companies' other activities are permitted under the Investment Adviser's exclusion policy (as detailed in the "Investment Style" section below). The Thematic Purity percentage for the sub-fund will normally be above 70% and will never be below 60% on a weighted average basis. Investment may be direct or indirect (e.g., through collective investment schemes or derivatives), however the ACD expects that the sub-fund will typically hold investments directly.

The sub-fund may invest in companies of any size, including smaller companies. The sub-fund may at times be concentrated in terms of the number of investments it holds (i.e., have less than 50 holdings).

The sub-fund may also invest in other transferable securities, collective investment schemes, warrants, money market instruments, deposits and cash.

Any investment in collective investment schemes may include those managed or operated by the ACD or an associate of the ACD.

The sub-fund may only use derivatives for the purpose of Efficient Portfolio Management. The use of derivatives for this purpose is not likely to affect the risk profile of the sub-fund.

Investment Adviser's review

Market review

March was a turbulent end to the first quarter. The demise of Silicon Valley Bank – which specialised in lending money to tech start-ups – sent tremors through financial markets in the US and beyond, affecting several other regional US lenders, and ultimately led to a state-orchestrated takeover of Credit Suisse on the other side of the Atlantic. Financials were the worst performing equity sector, finishing the month down some 6.5 per cent in local currency terms. Real estate stocks also suffered, as did small-cap companies. Conversely, communication services and technology stocks ended sharply higher, each gaining around 9 per cent. In our Timber space, housing sentiment improved, up from 31 to 44 on the previous quarter, while new home starts improved from 1.35 mn to 1.45 mn, on the back of seasonality and lower mortgage rates. Lumber was also up 10% on the previous quarter, with Western SPF grade being essentially flat, while Southern SYP lumber went up 20%, and Oriented Strandboard panels were up 13%. In Europe, virgin containerboard fell -11.2% over Q1, while recycled board fell -18%. Even in the more consolidated US, linerboard came down another 30\$ per ton (-3%), but consumer-oriented boxboard grades hung in at high levels. Hardwood pulp prices in China came under pressure, falling -14.3% over Q1, while softwood pulp still managed to inch up 2.6% over the same period.

Equities rallied during the second quarter, with the MSCI ACWI hitting a 14-month high. Data showed clear evidence of moderating inflation in the US, with the May PCE price index registering its smallest year-on-year increase since April 2021 (3.8%). However, a surprise drop in initial jobless claims and strong first-quarter GDP data underscored US economic resilience, suggesting that the US Federal Reserve's rate hike campaign may have to run for a little longer. Industrials and Tech companies

were the biggest gainers while Energy, Materials, Utilities and Consumer Staples lagged. IT stocks rose by more than 14% in US dollar terms. The tech-heavy Nasdaq Composite has risen by more than 30% in the first half of 2023, its best performance in four decades. Housing sentiment improved to 55 from 44, and new starts went up from 1,380k to 1,631k, and permits to 1,496k units. Higher demand and reduced supply allowed lumber prices to tick up to \$438, 5% above their lows. Amid continued destocking and weak demand, US linerboard was off another 20\$, or -2.3%, while in Europe, both virgin kraftliner and recycled testliner fell another -8% over the first quarter. Boxboard grades were flat, except for CUK, which was down -1.3%. Pulp in China was down by nearly -30% for both grades. Publication paper was down -7% for copy paper and lightweight magazine, -5% for coated woodfree, and close to -15% for newsprint.

Performance review

The Timber strategy posted a positive low single-digit absolute performance in the first quarter but lagged the broader market by a similar amount given that our theme is not invested at all in Communications and Technology, two sectors which hugely outperformed in March. On the other side, Materials, which constitute half of our strategy in weight terms, significantly underperformed the market. From our timber segments, only homebuilders and industrials managed to post a positive performance contribution, while the more materials-heavy pulp, paper, containerboard and wood products segments posted a negative contribution. The largest individual contributions over the first quarter came from US homebuilders such as KB Home, Pulte, Toll Brothers and Lennar as well as from US timberland REIT PotlatchDeltic. Other significant positive contributions came from US packaging companies such as Graphic Packaging, Packaging Corp and Swiss SIG, from Swedish hygiene company Essity and Finnish paper industrial Valmet. The largest detractors over the first quarter came from Brazilian pulp company Suzano, North American lumber and wood product companies such as West Fraser and Louisiana-Pacific as well as from Nordic forest conglomerates such as UPM, Stora Enso, Mondi, Elopak and Smurfit Kappa.

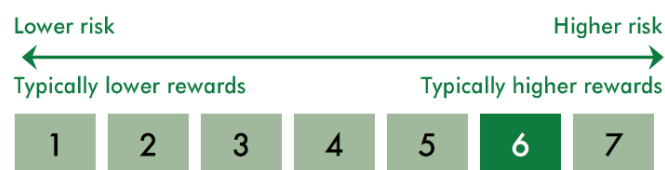
The strategy posted a mid-single digit positive absolute performance over the second quarter, slightly lagging the broad market. Wood products made the largest positive contribution, followed by homebuilders, timberland companies and pulp, while all other segments detracted from performance. The largest individual contributions over the second quarter came from Canadian lumber producers such as West Fraser, Interfor and Canfor, lumber-exposed timberland companies such as Weyerhaeuser and PotlatchDeltic, and US-based wood product manufacturers Louisiana-Pacific and UFP Industries, as well as from US-based homebuilders such as KB Home, Pulte and D.R. Horton. The largest detractors from performance over the second quarter came from US timberland company Rayonier, Scandinavian Forest companies such as Stora Enso, UPM and Holmen, and US-based packaging companies such as Graphic Packaging, International Paper and Packaging Corp.

Outlook

Timberland valuations, as implied by equity prices, continue to trade at substantial discounts vs. comparable assets on the private equity market, ranging from -10% to -40%. We believe the positive momentum in US housing will resume at some point given pent-up demand and favourable demographics, particularly at the entry level and in the more lumber-intensive single-family homes. In the shorter term, however, housing is faced with considerable headwinds as the high mortgage rate environment is weighing on housing affordability. Lumber prices have fallen as a consequence, but then supply from Canada has started to fall off for biological reasons while sawmill capacity in the US South is only gradually being ramped up, putting upward pressure on lumber pricing in the medium to long term. Likewise, weaker growth and demand are weighing on prices for pulp and paper right now, but e-commerce and the replacement of plastic packaging continues to drive increasing demand for containerboard and other paper-based packaging, while cellulose-based hygiene products provide defensive growth and exposure to increasing standards of living in emerging economies. Consequently, the main short- to mid-term drivers of the portfolio remain strong, with stocks continuing to deliver long term earnings growth while trading at ca. 20%-40% lower valuation multiples than the broad market.

Quilter Investors Timber Equity 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 6 have in the past shown relatively high volatility. With a sub-fund of category 6, you have a relatively high risk of losing money but your chance for gains is also relatively high.

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.

Sector concentration risk - the sub-fund's investments are concentrated in timber related companies, and may be subject to a greater degree of risk and volatility than a sub-fund following a more diversified strategy.

Company shares (i.e. equities) risk - the value of company shares may rise and fall due to the performance of individual companies or because of general market and economic conditions.

Emerging markets risk - less developed countries may face more political, economic or structural challenges than developed countries.

Concentration risk (number of investments) - the sub-fund may at times hold a smaller number of investments, and therefore a fall in the value of a single investment may have a greater impact on the sub-fund's value than if it held a larger number of investments.

Smaller companies risk - smaller companies are subject to greater risk and reward potential. Investments may be volatile or difficult to buy or sell.

Liquidity risk - some investments may become hard to value or sell at a desired time and price. In extreme circumstances this may affect the sub-fund's ability to meet redemption requests upon demand.

Currency risk - the sub-fund is denominated in British Pounds but holds assets denominated in other currencies. The value of your shares may rise and fall as a result of exchange rate movements.

Derivative risk - the sub-fund may use derivatives for Efficient Portfolio Management (EPM). Derivatives involve a level of risk, however, for EPM they should not increase the overall riskiness of the sub-fund. Derivatives also involve counterparty risk where the institutions acting as counterparty to derivatives may not meet their 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 full details of the sub-fund's risks, please see the section in the Prospectus headed "Risks".

Performance records

Comparative Table

Accumulation 'U2'†	1 January 2023 to 30 June 2023 p/share	9 September 2022 to 31 December 2022 p/share
Change in net assets per share		
Opening net asset value per share	94.47	100.00
Return before operating charges*	2.03	(5.31)
Operating charges**	(0.36)	(0.22)
Return after operating charges*	1.67	(5.53)
Distributions	-	(0.38)
Retained distributions on accumulation shares	-	0.38
Closing net asset value per share	96.14	94.47
* after direct transaction costs of***	0.03	0.07
Performance		
Return after charges	1.77%	(5.53)%
Other information		
Closing net asset value (£)	107,192,916	90,328,105
Closing number of shares	111,501,673	95,618,309
Operating charges****	0.75%	0.75%
Direct transaction costs***	0.07%	0.25%
Prices		
	pence per share	pence per share
Highest share price	104.0	101.1
Lowest share price	91.41	90.31

† The share class was launched on 9 September 2022.

** The operating charges include all costs borne by the sub-fund, except for direct transaction costs.

*** 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 (excluding interest on borrowings) to the average net assets of the sub-fund. If the share class launched during the period the operating charges figures are annualised.

Performance

As the sub-fund launched on 9 September 2022, there are no performance figures presented for the period under review.

Portfolio allocation	Percentage of total net assets	Major holdings	Percentage of total net assets
North America	63.52	PotlatchDeltic REIT	6.85
Europe	17.68	Weyerhaeuser REIT	6.30
South America	7.90	Rayonier REIT	5.45
Japan	5.11	West Fraser Timber	5.15
United Kingdom	2.87	Svenska Cellulosa	3.28
Asia Pacific (excluding Japan)	0.84	Suzano	3.25
Africa	0.43	UFP Industries	2.80
		Toll Brothers	2.60
Net other assets	1.65	Louisiana-Pacific	2.57
		Stora Enso	2.47
Total	100.00		
		Number of holdings	61
Asset allocation		Total Purchases and Sales for the period	
Equities	98.35		2023
			£'000
Net other assets	1.65	Total purchases for the 6 month period to 30 June	44,508
		Total sales for the 6 month period to 30 June	26,238
Total	100.00		

Portfolio Statement

as at 30 June 2023

Holding	Investment	Market Value £'000	Percentage of total net assets %
	United Kingdom 2.87% (31 December 2022 3.34%)		
	United Kingdom Equities 2.87% (31 December 2022 3.34%)		
556,177	DS Smith	1,517	1.41
130,147	Mondi	1,565	1.46
		<u>3,082</u>	<u>2.87</u>
	Overseas 95.48% (31 December 2022 92.61%)		
	Africa 0.43% (31 December 2022 0.70%)		
	South Africa Equities 0.43% (31 December 2022 0.70%)		
284,572	Sappi	456	0.43
		<u>456</u>	<u>0.43</u>
	Asia Pacific (excluding Japan) 0.84% (31 December 2022 1.46%)		
	China Equities 0.59% (31 December 2022 0.85%)		
189,000	Hengan International	629	0.59
		<u>629</u>	<u>0.59</u>
	Hong Kong Equities 0.25% (31 December 2022 0.61%)		
541,000	Nine Dragons Paper	264	0.25
		<u>264</u>	<u>0.25</u>
	Europe 17.68% (31 December 2022 21.95%)		
	Austria Equities 0.57% (31 December 2022 1.35%)		
8,613	ANDRITZ	373	0.35
5,989	Lenzing	231	0.22
1,012	Lenzing (Rights)	4	-
		<u>608</u>	<u>0.57</u>
	Belgium Equities 0.36% (31 December 2022 0.32%)		
67,092	Ontex	387	0.36
		<u>387</u>	<u>0.36</u>
	Finland Equities 5.29% (31 December 2022 7.68%)		
20,340	Huhtamaki	528	0.49
290,060	Stora Enso	2,650	2.47
64,858	UPM-Kymmene	1,518	1.42
44,382	Valmet	975	0.91
		<u>5,671</u>	<u>5.29</u>
	Germany Equities 0.31% (31 December 2022 0.60%)		
13,092	Duerr	331	0.31
		<u>331</u>	<u>0.31</u>
	Ireland Equities 1.77% (31 December 2022 1.87%)		
72,470	Smurfit Kappa	1,894	1.77
		<u>1,894</u>	<u>1.77</u>

Portfolio Statement (continued)

as at 30 June 2023

Holding	Investment	Market Value £'000	Percentage of total net assets %
	Norway Equities 0.32% (31 December 2022 0.45%)		
208,291	Elopak	347	0.32
		347	0.32
	Sweden Equities 7.58% (31 December 2022 8.28%)		
16,840	AFRY	197	0.18
90,003	Essity	1,876	1.75
68,666	Holmen	1,947	1.82
82,774	Husqvarna	589	0.55
352,263	Svenska Cellulosa	3,521	3.28
		8,130	7.58
	Switzerland Equities 1.48% (31 December 2022 1.40%)		
73,754	SIG	1,588	1.48
		1,588	1.48
	Japan 5.11% (31 December 2022 4.89%)		
	Japan Equities 5.11% (31 December 2022 4.89%)		
538,700	Oji	1,582	1.47
95,600	Sumitomo Forestry	1,820	1.70
71,200	Unicharm	2,078	1.94
		5,480	5.11
	North America 63.52% (31 December 2022 57.29%)		
	Canada Equities 10.28% (31 December 2022 7.54%)		
62,438	Acadian Timber	614	0.57
154,365	Canfor	2,139	2.00
139,549	Interfor	2,088	1.95
32,205	Mercer International	198	0.18
82,933	West Fraser Timber	5,520	5.15
741,898	Western Forest Products	464	0.43
		11,023	10.28
	United States Equities 53.24% (31 December 2022 49.75%)		
9,638	American Woodmark	573	0.54
18,891	Builders FirstSource	2,034	1.90
13,243	Clearwater Paper	321	0.30
26,799	DR Horton	2,550	2.38
127,368	Graphic Packaging	2,383	2.22
7,318	Home Depot	1,782	1.66
16,948	Ingevity	783	0.73
43,801	International Paper	1,097	1.02
1,919	Kadant	333	0.31
57,006	KB Home	2,313	2.16
16,845	Kimberly-Clark	1,827	1.71
13,699	Lennar	1,341	1.25
46,400	Louisiana-Pacific	2,753	2.57
10,337	Lowe's	1,822	1.70
18,337	Packaging of America	1,912	1.78

Portfolio Statement (continued)

as at 30 June 2023

Holding	Investment	Market Value £'000	Percentage of total net assets %
United States Equities (continued)			
174,051	PotlatchDeltic REIT	7,339	6.85
4,449	Procter & Gamble	525	0.49
40,222	PulteGroup	2,459	2.29
237,238	Rayonier REIT	5,836	5.45
55,072	Sonoco Products	2,564	2.39
45,070	Toll Brothers	2,791	2.60
39,084	UFP Industries	2,997	2.80
5,213	Veritiv	518	0.48
64,492	WestRock	1,462	1.36
256,385	Weyerhaeuser REIT	6,755	6.30
		57,070	53.24
South America 7.90% (31 December 2022 6.32%)			
Brazil Equities 5.60% (31 December 2022 4.37%)			
614,530	Dexco	823	0.77
482,200	Klabin	1,693	1.58
486,700	Suzano	3,490	3.25
		6,006	5.60
Chile Equities 2.30% (31 December 2022 1.95%)			
829,263	Empresas CMPC	1,216	1.14
215,367	Empresas Copec	1,247	1.16
		2,463	2.30
Investment assets		105,429	98.35
Net other assets		1,764	1.65
Total net assets		107,193	100.00

All investments are approved securities being either officially listed in a member state or traded on or under the rules of an eligible securities market, unless otherwise stated.

All investments are in ordinary shares unless otherwise stated.

Statement of total return

for the period from 1 January 2023 to 30 June 2023

	Note	01.01.23 to 30.06.23 £'000	01.01.23 to 30.06.23 £'000
Income			
Net capital gains			866
Revenue		1,259	
Expenses		(366)	
Net revenue before taxation		893	
Taxation		(105)	
Net revenue after taxation			788
Total return before distributions			1,654
Distributions	2		102
Change in net assets attributable to shareholders from investment activities			1,756

Statement of change in net assets attributable to shareholders

for the period from 1 January 2023 to 30 June 2023

	01.01.23 to 30.06.23 £'000	01.01.23 to 30.06.23 £'000
Opening net assets attributable to shareholders		90,328*
Amounts received on issue of shares	15,418	
Amounts paid on cancellation of shares	(343)	
		15,075
Dilution adjustment		34
Change in net assets attributable to shareholders from investment activities		1,756
Closing net assets attributable to shareholders		107,193

* Sub-fund launched on 9 September 2022.

Balance sheet

as at 30 June 2023

	30.06.23 £'000	31.12.22 £'000
Assets		
Fixed assets		
Investments	105,429	86,673
Current assets		
Debtors	531	565
Cash and bank balances	2,227	3,417
Total assets	108,187	90,655
Liabilities		
Creditors		
Bank overdrafts	-	(69)
Other creditors	(994)	(258)
Total liabilities	(994)	(327)
Net assets attributable to shareholders	107,193	90,328

Notes to the financial statements

for the period from 1 January 2023 to 30 June 2023

1 Accounting policies

The 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 the Investment Management Association) in May 2014 and as amended in June 2017.

The accounting policies applied are consistent with those disclosed within the annual Financial Statements for the year ended 31 December 2022.

2 Distributions

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

	01.01.23 to 30.06.23 £'000
Revenue deducted on cancellation of shares	1
Revenue received on issue of shares	(103)
Distributions	(102)
Reconciliation of distributions:	
Net revenue after taxation	788
Undistributed net revenue carried forward	(890)
Distributions	(102)

Quilter Investors US Equity Growth Fund

Launch date	1 March 2013
IA Sector	North America
Investment Adviser	JPMorgan Asset Management (UK) Limited
Net asset value	£168,783,381

Objective

On 29 June 2023, the objective was updated to reflect the change in Target Benchmark.

The sub-fund aims to achieve capital growth and to outperform the MSCI USA IMI Growth Index, net of charges, over rolling five-year periods.

Policy

The sub-fund invests at least 80% of the value of its property in shares of companies listed or located in the US. Investment may be direct or indirect (e.g. through collective investment schemes or derivatives), however the ACD expects that the sub-fund will typically hold investments directly.

The sub-fund may invest in companies of any size, including smaller companies. The Investment Adviser typically has a preference to invest in shares of companies it believes to have the potential for growth.

The sub-fund may also invest in other transferable securities, collective investment schemes, warrants, money market instruments, deposits and cash.

Any investment in collective investment schemes may include those managed or operated by the ACD or an associate of the ACD.

The sub-fund may only use derivatives for the purpose of Efficient Portfolio Management. The use of derivatives for this purpose is not likely to affect the risk profile of the sub-fund.

Investment Adviser's review

Market review

The S&P 500 Index® returned +7.50% in the first quarter of 2023. Within the index, information technology (+21.82%) and communication services (+20.50%) were the top performers while financials (-5.56%) and energy (-4.67%) were the detractors.

Equity markets began the year with a strong first quarter. Official policy rates and inflation drove market movements throughout the quarter. Overall positive economic data combined with the January effect saw the S&P Index post the highest returns of the quarter in January. Inflation continued to trend downward with headline inflation cooling from 6.4% in December to 6.0% in February. The US Federal Reserve ("Fed") raised rates by 25 bps twice, bringing the Fed Funds Target Rate to 4.75%-5.00%. March was one of the better months for the S&P 500 Index despite surviving the second largest bank failure in the history of United States. Overall, a resilient labour market, lower energy and oil prices and improving consumer sentiment contributed to the economy growing during the first quarter of 2023.

In the second quarter of 2023, the S&P 500 Index® returned +8.74%. Within the index, information technology and consumer discretionary were the best performers, returning +17.23% and +14.58% respectively. Utilities and energy were the only laggards, returning -2.53% and -0.89% respectively.

The second quarter was fairly muted for equity markets. Repercussions of the regional banking crisis and the debt ceiling impasse between Democrats and Republicans dominated headlines. On the positive side, after nearly two years of high inflation hitting consumer wallets and contributing to a swift rise in interest rates, a sustained inflation downtrend seems to be underway. At their June meeting, the Fed voted to leave the federal funds rate unchanged at a target rate of 5.00-5.25%. Looking ahead, weakness in commercial real estate and slowing growth weigh on earnings expectations and are risks that remain on the horizon.

Performance review

The portfolio posted a positive return for the YTD period ending 30 June 2023.

Within technology, our position in NVIDIA contributed to performance. The stock's outperformance was majorly driven by the data centre segment, given the surging demand for artificial intelligence ("AI") chips. Moreover, an upbeat future guidance boosted the stock price. We expect higher than industry average growth in NVIDIA as they are well positioned to capitalize on the AI trend coupled with their huge market presence in the gaming segment.

Within consumer discretionary, our position in Tesla proved beneficial. Shares rallied as management shared details about their next generation vehicle platform and their intention to bring costs down on certain vehicle models. Additionally, the company's exceptional second quarter production and delivery numbers further drove the stock's outperformance. We remain comfortable with our position as we continue to believe Tesla is at the forefront of electrification.

Within financials, our position in Charles Schwab for a part of the period was the largest detractor. The stock came under pressure as a consequence of the banking share sell-off following the collapse of Silicon Valley Bank.

Within consumer discretionary, our position in National Vision, for a part of the period hurt performance. Shares plunged after the company reported softer 4Q earnings and lighter than expected FY23 guidance. The company made the strategic decision to lean into optometrist hiring and retention investments, which was the main reason of lower-than-expected profitability.

From a positioning perspective, we increased our exposure to the technology sector which aided performance during the quarter. We trimmed names within the industrial sector. We have reduced our exposure slightly to defensive names within the consumer staples and health care sectors.

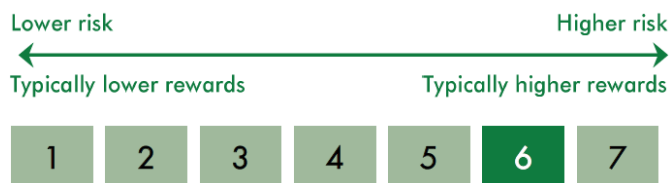
Outlook

We continue to focus on fundamentals of the economy and company earnings. Our analysts' estimates for S&P 500 Index® earnings currently project -2% for 2023 and +14% for 2024. While subject to revision, this forecast includes our best analysis of earnings expectations. While the short term impacts of the pandemic have now abated, structural limits on labour supply growth and other uncertainties like concerns around recession will be integral to investor sentiment moving forward.

While the economy teeters on the edge of recession, we remain balanced and continue to monitor incremental risks that could represent headwinds for U.S. equities. Through the volatility, we continue to focus on high conviction stocks and take advantage of market dislocations for compelling stock selection opportunities.

Quilter Investors US Equity Growth 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 6 have in the past shown relatively high volatility. With a sub-fund of category 6, you have a relatively high risk of losing money but your chance for gains is also relatively high.

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.

Company shares (i.e. equities) risk - the value of company shares may rise and fall due to the performance of individual companies or because of general market and economic conditions.

Geographic concentration risk - a fall in the US market may have a significant impact on the value of the sub-fund because it primarily invests in this market.

Style bias risk - sub-funds that favour shares of either undervalued companies ("value stocks") or companies with the potential for growth ("growth stocks") may be subject to periods of underperformance, as value and growth stocks typically outperform each other, and markets generally, at different times.

Currency risk - the sub-fund is denominated in British Pounds but holds assets denominated in other currencies. The value of your shares may rise and fall as a result of exchange rate movements.

Derivative risk - the sub-fund may use derivatives for Efficient Portfolio Management (EPM). Derivatives involve a level of risk, however, for EPM they should not increase the overall riskiness of the sub-fund. Derivatives also involve counterparty risk where the institutions acting as counterparty to derivatives may not meet their 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 2023 to 30 June 2023 p/share	1 January 2022 to 31 December 2022 p/share	1 January 2021 to 31 December 2021 p/share
Accumulation 'A'			
Change in net assets per share			
Opening net asset value per share	383.66	491.23	401.15
Return before operating charges*	80.04	(100.57)	97.37
Operating charges**	(3.40)	(7.00)	(7.29)
Return after operating charges*	76.64	(107.57)	90.08
Distributions	-	-	-
Retained distributions on accumulation shares	-	-	-
Closing net asset value per share	460.30	383.66	491.23
* after direct transaction costs of***	0.03	0.05	0.05
Performance			
Return after charges	19.98%	(21.90)%	22.46%
Other information			
Closing net asset value (£)	64,467,997	57,707,216	84,421,096
Closing number of shares	14,005,754	15,041,425	17,185,583
Operating charges****	1.65%	1.65%	1.65%
Direct transaction costs***	0.02%	0.01%	0.01%
Prices			
	pence per share	pence per share	pence per share
Highest share price	456.0	495.7	510.2
Lowest share price	379.0	368.6	384.4
Accumulation 'U2'			
Change in net assets per share			
Opening net asset value per share	216.32	274.34	222.04
Return before operating charges*	45.28	(56.38)	54.14
Operating charges**	(0.76)	(1.64)	(1.84)
Return after operating charges*	44.52	(58.02)	52.30
Distributions	-	-	-
Retained distributions on accumulation shares	-	-	-
Closing net asset value per share	260.84	216.32	274.34
* after direct transaction costs of***	0.02	0.03	0.03
Performance			
Return after charges	20.58%	(21.15)%	23.55%
Other information			
Closing net asset value (£)	104,315,384	86,508,114	154,358,275
Closing number of shares	39,991,619	39,989,891	56,265,057
Operating charges****	0.65%	0.69%	0.75%
Direct transaction costs***	0.02%	0.01%	0.01%
Prices			
	pence per share	pence per share	pence per share
Highest share price	258.4	276.9	284.8
Lowest share price	213.8	206.7	213.1

** The operating charges include all costs borne by the sub-fund, except for direct transaction costs.

*** 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 (excluding interest on borrowings) to the average net assets of the sub-fund.

Performance

	6 months to 30 June 2023	1 year to 30 June 2023	3 years to 30 June 2023	5 years to 30 June 2023
Quilter Investors US Equity Growth Fund*	19.52%	16.98%	41.28%	110.25%
Target Benchmark**	25.27%	22.94%	40.46%	106.82%
IA North America (sector average)	8.36%	11.92%	37.21%	65.90%
Quartile ranking	1	1	2	1

* Accumulation 'U2' shares

** Prior to 29/06/2023: MSCI North America Growth Index, from 29/06/2023 to present: MSCI USA IMI Growth Index

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	
North America	96.24	Microsoft	9.66	
Europe	1.60	Apple	8.96	
Middle East	0.69	NVIDIA	5.45	
United Kingdom	0.67	Amazon.com	4.99	
		Alphabet 'C'	4.63	
Net other assets	0.80	Meta Platforms	3.88	
		Mastercard	3.34	
Total	100.00	Tesla	3.28	
		Intuit	1.62	
Asset allocation		Palo Alto Networks	1.58	
Equities	99.20	Number of holdings	74	
Net other assets	0.80	Total Purchases and Sales for the period		
			2023	2022
Total	100.00		£'000	£'000
		Total purchases for the 6 month period to 30 June	47,153	46,819
		Total sales for the 6 month period to 30 June	52,141	71,296

Portfolio statement

as at 30 June 2023

Holding	Investment	Market Value £'000	Percentage of total net assets %
	United Kingdom 0.67% (31 December 2022 0.00%)		
	United Kingdom Equities 0.67% (31 December 2022 0.00%)		
	Oil, Gas and Coal 0.67% (31 December 2022 0.00%)		
86,179	TechnipFMC	1,128	0.67
		<u>1,128</u>	<u>0.67</u>
	North America 96.24% (31 December 2022 93.73%)		
	Canada Equities 0.58% (31 December 2022 0.00%)		
	Personal Goods 0.58% (31 December 2022 93.73%)		
3,310	Lululemon Athletica	986	0.58
		<u>986</u>	<u>0.58</u>
	United States Equities 95.66% (31 December 2022 93.73%)		
	Automobiles and Parts 3.28% (31 December 2022 1.76%)		
26,884	Tesla	5,539	3.28
		<u>5,539</u>	<u>3.28</u>
	Banks 0.00% (31 December 2022 0.88%)		
	Beverages 0.59% (31 December 2022 1.02%)		
5,101	Constellation Brands	988	0.59
		<u>988</u>	<u>0.59</u>
	Construction and Materials 2.00% (31 December 2022 2.03%)		
12,567	AECOM	838	0.50
16,412	Quanta Services	2,538	1.50
		<u>3,376</u>	<u>2.00</u>
	Consumer Services 2.55% (31 December 2022 1.24%)		
34,307	Copart	2,463	1.46
54,221	Uber Technologies	1,842	1.09
		<u>4,305</u>	<u>2.55</u>
	Electronic and Electrical Equipment 2.96% (31 December 2022 4.09%)		
13,698	Ametek	1,745	1.04
6,730	Hubbell	1,757	1.04
5,683	Keysight Technologies	749	0.44
715	Mettler-Toledo International	738	0.44
		<u>4,989</u>	<u>2.96</u>
	Finance and Credit Services 1.27% (31 December 2022 1.11%)		
6,807	S&P Global	2,149	1.27
		<u>2,149</u>	<u>1.27</u>
	Health Care Providers 1.39% (31 December 2022 3.38%)		
6,176	UnitedHealth	2,337	1.39
		<u>2,337</u>	<u>1.39</u>

Portfolio statement (continued)

as at 30 June 2023

Holding	Investment	Market Value £'000	Percentage of total net assets %
	Industrial Engineering 1.74% (31 December 2022 3.19%)		
4,594	Deere	1,465	0.87
28,464	Ingersoll Rand	1,465	0.87
		<u>2,930</u>	<u>1.74</u>
	Industrial Metals and Mining 0.55% (31 December 2022 0.71%)		
29,426	Freeport-McMoRan	927	0.55
		<u>927</u>	<u>0.55</u>
	Industrial Support Services 3.97% (31 December 2022 4.68%)		
5,784	Equifax	1,071	0.63
18,219	Mastercard	5,637	3.34
		<u>6,708</u>	<u>3.97</u>
	Industrial Transportation 0.88% (31 December 2022 0.48%)		
19,743	Air Lease	650	0.38
2,881	Old Dominion Freight Line	839	0.50
		<u>1,489</u>	<u>0.88</u>
	Investment Banking and Brokerage Services 1.88% (31 December 2022 3.27%)		
23,182	Blackstone	1,697	1.01
21,861	Morgan Stanley	1,470	0.87
		<u>3,167</u>	<u>1.88</u>
	Leisure Goods 0.39% (31 December 2022 0.00%)		
5,664	Take-Two Interactive Software	656	0.39
		<u>656</u>	<u>0.39</u>
	Media 2.07% (31 December 2022 0.39%)		
5,153	Netflix	1,786	1.06
28,087	Trade Desk	1,708	1.01
		<u>3,494</u>	<u>2.07</u>
	Medical Equipment and Services 4.83% (31 December 2022 5.75%)		
4,799	Cooper	1,449	0.86
15,378	DexCom	1,556	0.92
4,552	Insulet	1,033	0.61
8,885	Intuitive Surgical	2,391	1.42
14,723	Natera	564	0.33
2,826	Thermo Fisher Scientific	1,160	0.69
		<u>8,153</u>	<u>4.83</u>
	Non-Life Insurance 1.01% (31 December 2022 1.27%)		
16,417	Progressive	1,711	1.01
		<u>1,711</u>	<u>1.01</u>
	Oil, Gas and Coal 1.43% (31 December 2022 3.04%)		
10,331	Cheniere Energy	1,240	0.73
13,057	EOG Resources	1,177	0.70
		<u>2,417</u>	<u>1.43</u>

Portfolio statement (continued)

as at 30 June 2023

Holding	Investment	Market Value £'000	Percentage of total net assets %
	Personal Care, Drug and Grocery Stores 0.00% (31 December 2022 1.18%)		
	Personal Goods 0.48% (31 December 2022 1.51%)		
5,291	Estee Lauder	818	0.48
		818	0.48
	Pharmaceuticals and Biotechnology 4.85% (31 December 2022 8.49%)		
7,310	Alnylam Pharmaceuticals	1,093	0.65
5,478	Eli Lilly	2,020	1.19
22,426	Exact Sciences	1,657	0.98
4,502	Regeneron Pharmaceuticals	2,547	1.51
36,113	Royalty Pharma	874	0.52
		8,191	4.85
	Retailers 7.57% (31 December 2022 6.97%)		
82,156	Amazon.com	8,428	4.99
10,207	Lowe's	1,813	1.08
14,979	Ross Stores	1,322	0.78
18,118	TJX	1,210	0.72
		12,773	7.57
	Software and Computer Services 28.95% (31 December 2022 20.46%)		
82,209	Alphabet 'C'	7,826	4.63
5,389	Cadence Design Systems	995	0.59
48,209	Confluent	1,340	0.79
7,513	CrowdStrike	869	0.51
24,489	HashiCorp	504	0.30
3,498	HubSpot	1,465	0.87
7,594	Intuit	2,739	1.62
28,973	Meta Platforms	6,544	3.88
60,854	Microsoft	16,306	9.66
6,034	MongoDB	1,953	1.16
13,303	Oracle	1,247	0.74
13,249	Palo Alto Networks	2,665	1.58
2,941	ServiceNow	1,301	0.77
7,314	Snowflake	1,013	0.60
2,794	Synopsys	958	0.57
6,441	Workday	1,145	0.68
		48,870	28.95
	Technology Hardware and Equipment 18.65% (31 December 2022 13.22%)		
20,072	Advanced Micro Devices	1,799	1.07
99,154	Apple	15,129	8.96
13,559	Entegris	1,183	0.70
14,821	Jabil	1,260	0.75
3,608	Lam Research	1,826	1.08
23,040	Marvell Technology	1,084	0.64
27,630	NVIDIA	9,198	5.45
		31,479	18.65

Portfolio statement (continued)

as at 30 June 2023

Holding	Investment	Market Value £'000	Percentage of total net assets %
	Telecommunications Equipment 0.42% (31 December 2022 0.41%)		
5,528	Arista Networks	705	0.42
		<u>705</u>	<u>0.42</u>
	Travel and Leisure 1.95% (31 December 2022 3.20%)		
791	Booking	1,682	1.00
14,019	Hilton Worldwide	1,607	0.95
		<u>3,289</u>	<u>1.95</u>
	South America 0.00% (31 December 2022 0.60%)		
	Uruguay Equities 0.00% (31 December 2022 0.60%)		
	Software and Computer Services 0.00% (31 December 2022 0.60%)		
	Europe 1.60% (31 December 2022 2.85%)		
	Ireland Equities 1.09% (31 December 2022 2.39%)		
	Construction and Materials 1.09% (31 December 2022 1.69%)		
12,248	Trane Technologies	1,843	1.09
		<u>1,843</u>	<u>1.09</u>
	Pharmaceuticals and Biotechnology 0.00% (31 December 2022 0.70%)		
	Switzerland Equities 0.51% (31 December 2022 0.46%)		
	Leisure Goods 0.51% (31 December 2022 0.46%)		
10,463	Garmin	859	0.51
		<u>859</u>	<u>0.51</u>
	Middle East 0.69% (31 December 2022 1.04%)		
	Israel Equities 0.69% (31 December 2022 1.04%)		
	Alternative Energy 0.69% (31 December 2022 1.04%)		
5,480	SolarEdge Technologies	1,160	0.69
		<u>1,160</u>	<u>0.69</u>
	Investment assets	167,436	99.20
	Net other assets	1,347	0.80
	Total net assets	168,783	100.00

All investments are approved securities being either officially listed in a member state or traded on or under the rules of an eligible securities market, unless otherwise stated.

All investments are in ordinary shares unless otherwise stated.

Statement of total return

for the period from 1 January 2023 to 30 June 2023

	Note	01.01.23 to 30.06.23 £'000	01.01.23 to 30.06.23 £'000	01.01.22 to 30.06.22 £'000	01.01.22 to 30.06.22 £'000
Income					
Net capital gains/(losses)			30,334		(47,358)
Revenue		519		638	
Expenses		(802)		(1,142)	
Net revenue before taxation		(283)		(504)	
Taxation		(72)		(88)	
Net revenue after taxation			(355)		(592)
Total return before distributions			29,979		(47,950)
Distributions	2		-		-
Change in net assets attributable to shareholders from investment activities			29,979		(47,950)

Statement of change in net assets attributable to shareholders

for the period from 1 January 2023 to 30 June 2023

		01.01.23 to 30.06.23 £'000	01.01.23 to 30.06.23 £'000	01.01.22 to 30.06.22 £'000	01.01.22 to 30.06.22 £'000
Opening net assets attributable to shareholders			144,215*		238,779
Amounts received on issue of shares		14,621		24,550	
Amounts paid on cancellation of shares		(20,045)		(47,913)	
			(5,424)		(23,363)
Dilution adjustment			13		28
Change in net assets attributable to shareholders from investment activities			29,979		(47,950)
Closing net assets attributable to shareholders			168,783		167,494*

* 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 2023

	30.06.23 £'000	31.12.22 £'000
Assets		
Fixed assets		
Investments	167,436	141,649
Current assets		
Debtors	980	418
Cash and bank balances	1,555	2,275
Total assets	<u>169,971</u>	<u>144,342</u>
Liabilities		
Creditors		
Other creditors	(1,188)	(127)
Total liabilities	<u>(1,188)</u>	<u>(127)</u>
Net assets attributable to shareholders	<u>168,783</u>	<u>144,215</u>

Notes to the financial statements

for the period from 1 January 2023 to 30 June 2023

1 Accounting policies

The 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 the Investment Management Association) in May 2014 and as amended in June 2017.

The accounting policies applied are consistent with those disclosed within the annual Financial Statements for the year ended 31 December 2022.

2 Distributions

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

	01.01.23 to 30.06.23 £'000	01.01.22 to 30.06.22 £'000
Revenue deducted on cancellation of shares	-	-
Revenue received on issue of shares	-	-
Distributions	-	-
Reconciliation of distributions:		
Net expense after taxation	(355)	(592)
Net expense carried forward	355	592
Distributions	-	-

Quilter Investors US Equity Income Fund

Launch date	8 June 2018
IA Sector	North America
Investment Adviser	Newton Investment Management North America, LLC (sub-adviser)
Net asset value	£229,522,213

Objective

On 1 May 2023, the objective was updated to reflect the change in Target Benchmark.

The sub-fund aims to achieve a combination of income and capital growth and to outperform the MSCI North America Value Index, net of charges, over rolling five-year periods.

Policy

The sub-fund invests at least 80% of the value of its property in shares of companies listed or located in the US. Investment may be direct or indirect (e.g. through collective investment schemes or derivatives), however the ACD expects that the sub-fund will typically hold investments directly.

The sub-fund may invest in companies of any size, including smaller companies. The Investment Adviser typically has a preference to invest in shares of companies it believes are likely to provide dividend payments. The sub-fund may at times be concentrated in terms of the number of investments it holds (i.e. have less than 50 holdings).

The sub-fund may also invest in other transferable securities, collective investment schemes, warrants, money market instruments, deposits, cash and derivatives.

Any investment in collective investment schemes may include those managed or operated by the ACD or an associate of the ACD.

The sub-fund may use derivatives for investment purposes and/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 not likely to affect the risk profile of the sub-fund.

Investment Adviser's review

Market review

Equity markets registered gains in the first half of 2023. At the start of the year, investors returned to risk-on mode, cheering reports of slowing jobs growth and easing inflation; however, lighter-than-expected earnings results and ongoing recessionary signals slightly muted returns. Pricing pressures continued to weigh on market sentiment, and central banks continued to hike rates. The World Bank increased its 2023 growth outlook in June to 2.1%, up from its January estimate of 1.7%, largely owing to solid US consumer spending and the reopening of China. Top central-bank leaders assembled in Portugal and confirmed that additional rate hikes may be necessary to combat sticky inflation.

In the US, equities gained on optimism that the easing of pricing pressures would allow the US Federal Reserve ("Fed") to decelerate or pause interest rate hikes later this year, even as the collapse of several high-profile banks briefly sent markets lower. Banking stocks suffered amid liquidity concerns. The Fed has raised the benchmark federal-funds rate three times so far in 2023, bringing the target range to between 5.00% and 5.25%. The Fed paused its rate-hike streak at its June meeting; however, Chairman Jerome Powell indicated that rate increases would likely continue. US gross domestic product exceeded expectations, increasing sharply at an annual rate of 2.0% in the first quarter, according to the Bureau of Economic Analysis' third estimate released in June. In Treasury markets, the spread between the two-year Treasury note and 10-year Treasury note deepened, as the yield curve inversion extended into its 12th consecutive month; a yield curve inversion has been a historical harbinger of a recession. The US dollar weakened against an index of its peers in the first quarter and registered a small gain in the second quarter.

Developed markets advanced even as bank contagion fears spread across the Atlantic. Faced with rapidly deteriorating conditions, Switzerland's 167-year-old bank, Credit Suisse, was taken over by rival UBS in a deal orchestrated by the Swiss National Bank. In the eurozone, core inflation—which excludes volatile items such as food and energy and is used to gauge future price increases—hit a record high during the first quarter. In the second quarter, while other Group of Seven countries saw inflation shrink, core inflation in the UK hit a three-decade high. Both the European Central Bank ("ECB") and the Bank of England ("BoE") continued to pursue monetary-policy tightening. The Bank of Japan ("BoJ") continued to leave rates unchanged as

BoJ Governor Haruhiko Kuroda, the main advocate for Japan's ultra-dovish policy, retired. The BoJ entered a new era with Governor Kazuo Ueda at the helm; however, the central bank maintained its loose monetary policy stance, with its key policy rate at -0.1%, even as inflation pushed higher and exceeded its 2% target.

Emerging markets rose in the first half of 2023 as China officially lifted its zero-COVID restrictions. The country's official manufacturing purchasing managers' index and measure of the private sector surprised markets with its fastest growth in a decade during February. The Caixin PMI then slipped back to 50 in March—the level between a contraction and an expansion—before closing out the second quarter higher and in growth territory. Fears of slowing growth prompted the People's Bank of China to unexpectedly trim two key lending rates and inject 2 billion yuan (equivalent to about \$280 million) into the banking system. In Turkey, President Tayyip Erdogan won reelection, extending his term into a third decade and sending the lira to new lows against the US dollar. His newly appointed central bank governor reversed course and raised Turkey's key interest rate by 6.5% in June. Growth in India accelerated ahead of expectations. Latin American central banks including Mexico, Brazil and Colombia, which were among the first to begin monetary tightening post pandemic, left their benchmark interest rates unchanged in the second quarter.

Commodities lagged during the first half of 2023. Oil prices fluctuated in the first quarter, dropping in January and February amid supply constraints but recovering in March after imports hit a two-year low. Natural-gas prices fell as winter ended in the Northern Hemisphere, and gold prices rallied amid a weakening dollar and a flight to safety. In the second quarter, natural-gas rose with the support of increased demand ahead of summer in the Northern Hemisphere, while both oil and gold prices dropped. Concerns around the debt ceiling and fears of a weaker-than-expected recovery in China, the world's largest oil importer, weighed on crude prices. Gold was pressured by rising yields and hawkish central bankers.

Performance review

Quilter Investors US Equity Income Fund returned -3.45%. On a sector basis Consumer Staples, Real Estate, and Healthcare were the biggest relative contributors, while Information Technology, Financials and Communications Services were the largest relative detractors.

At a sector level, positive contributors included Consumer Staples, whereby the strategy's underweight to the sector contributed to returns for the period, and Real Estate, where a lack of exposure to the Real Estate sector bolstered relative returns over the period. Negative contributors were Information Technology, where stock selection weighed on relative performance, particularly not owning many outperforming names, while positioning and stock selection in the Financials sector weighed on relative returns, namely in insurance space. Among reinsurers, positions detracted as the Atlantic hurricane season begins.

Outlook

At the start of this year, we highlighted several factors that we believed would likely influence investor sentiment and therefore drive market direction and returns. These factors included persistent inflation, tighter monetary policy, and the potential impact each could have on corporate earnings and overall economic growth. While we believe these factors remain as relevant today as they were at the start of the year, we acknowledge that they have largely been overshadowed by investors' excitement around artificial intelligence. While the pace and potential of this innovation are exciting to think about, we would encourage investors to keep an eye on the underlying market and economic conditions and company fundamentals, as we are.

From an investment perspective, the data thus far this year has been supportive of our multi-year regime change thesis, which calls for relatively higher inflation, higher interest rates and increased volatility relative to levels experienced in the prior decade. We continue to monitor recent economic and political developments closely, especially through the lens of the companies we invest.

These near-term economic pressures are likely to usher in a phase of reduced earnings expectations. However, value stocks widely protected investors in the challenged environment of 2022, and we think value-oriented companies with better relative earnings trends are well positioned to outperform the broader market as we continue through 2023.

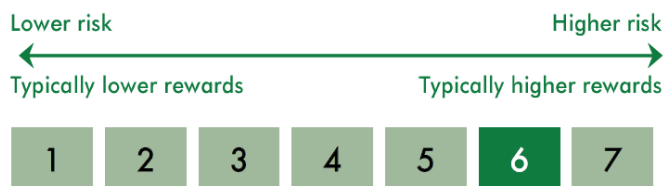
Volatile macroeconomic and market dynamics can make it difficult for investors to find returns. We believe companies with strong balance sheets and cash-flow generation, trading at attractive prices compared to their future cash flow-generating power, provide compelling investment opportunities. Cyclical companies can take advantage of a potential upswing in the market, and we believe being effectively positioned for when this period of stifled economic growth eventually abates is vital. These types of cyclical companies are well represented in the value space and have historically led in market upcycles following downturns.

Quilter Investors US Equity Income Fund

Looking ahead, we expect segments of the market will continue to digest the pull forward of demand brought on by the pandemic and we believe companies will start reporting more "normalized" earnings and guidance. Furthermore, we anticipate 'old economy' investment strength, supported by several drivers including onshoring, automation, electrical infrastructure and efforts that alleviate supply constraints. This new market regime should place a greater emphasis on profitable and sound business models as investors hunt for returns. Finally, we expect the remainder of this year to be a market conducive to our long-standing US large-cap value and income philosophy of focusing on opportunities at the intersection of valuation, fundamentals and catalyst-driven business momentum.

As always, we are actively using pockets of near-term volatility to try to identify attractive relative opportunities. We continue to be constructive on areas of the market that provide strong relative value and robust balance sheets through uncertain times. We are selectively finding cash-flow stability at attractive valuations and catalyst-driven business improvement.

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 6 have in the past shown relatively high volatility. With a sub-fund of category 6, you have a relatively high risk of losing money but your chance for gains is also relatively high.

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.

Company shares (i.e. equities) risk - the value of company shares may rise and fall due to the performance of individual companies or because of general market and economic conditions.

Geographic concentration risk - a fall in the US market may have a significant impact on the value of the sub-fund because it primarily invests in this market.

Concentration risk (number of investments) - the sub-fund may at times hold a smaller number of investments, and therefore a fall in the value of a single investment may have a greater impact on the sub-fund's value than if it held a larger number of investments.

Style bias risk - sub-funds that favour shares of either undervalued companies ("value stocks") or companies with the potential for growth ("growth stocks") may be subject to periods of underperformance, as value and growth stocks typically outperform each other, and markets generally, at different times. This sub-fund is likely to favour value stocks as they typically provide higher dividend payments.

Currency risk - the sub-fund is denominated in British Pounds but hold assets denominated in other currencies. The value of your shares may rise and fall as a result of exchange rate movements.

Derivative risk - the sub-fund may use derivatives for investment purposes and/or for Efficient Portfolio Management (EPM). 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 their contractual obligations.

Capital erosion risk - the sub-fund takes its charges from the capital of the sub-fund. Investors should be aware that there is potential for capital erosion if insufficient capital growth is achieved by the sub-fund to cover the 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

Accumulation 'A'	1 January 2023 to 30 June 2023 p/share	1 January 2022 to 31 December 2022 p/share	1 January 2021 to 31 December 2021 p/share
Change in net assets per share			
Opening net asset value per share	145.12	125.95	96.38
Return before operating charges*	(4.52)	21.44	31.43
Operating charges**	(1.16)	(2.27)	(1.86)
Return after operating charges*	(5.68)	19.17	29.57
Distributions	(1.67)	(3.32)	(2.56)
Retained distributions on accumulation shares	1.67	3.32	2.56
Closing net asset value per share	139.44	145.12	125.95
* after direct transaction costs of***	0.04	0.14	0.07
Performance			
Return after charges	(3.91)%	15.22%	30.68%
Other information			
Closing net asset value (£)	8,987,761	10,171,980	8,636,005
Closing number of shares	6,445,566	7,009,249	6,856,572
Operating charges****	1.65%	1.65%	1.65%
Direct transaction costs***	0.06%	0.09%	0.06%
Prices			
	pence per share	pence per share	pence per share
Highest share price	152.6	151.8	126.5
Lowest share price	133.4	123.2	96.54
Accumulation 'U2'			
	1 January 2023 to 30 June 2023 p/share	1 January 2022 to 31 December 2022 p/share	1 January 2021 to 31 December 2021 p/share
Change in net assets per share			
Opening net asset value per share	168.04	144.37	109.49
Return before operating charges*	(5.24)	24.68	35.85
Operating charges**	(0.45)	(1.01)	(0.97)
Return after operating charges*	(5.69)	23.67	34.88
Distributions	(1.94)	(3.83)	(2.91)
Retained distributions on accumulation shares	1.94	3.83	2.91
Closing net asset value per share	162.35	168.04	144.37
* after direct transaction costs of***	0.05	0.16	0.08
Performance			
Return after charges	(3.39)%	16.40%	31.86%
Other information			
Closing net asset value (£)	220,534,452	199,686,474	284,964,987
Closing number of shares	135,840,781	118,833,027	197,381,631
Operating charges****	0.55%	0.64%	0.75%
Direct transaction costs***	0.06%	0.09%	0.06%
Prices			
	pence per share	pence per share	pence per share
Highest share price	176.9	175.5	145.0
Lowest share price	155.1	141.4	109.7

** The operating charges include all costs borne by the sub-fund, except for direct transaction costs.

*** 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 (excluding interest on borrowings) to the average net assets of the sub-fund.

Performance

	6 months to 30 June 2023	1 year to 30 June 2023	3 years to 30 June 2023	5 years to 30 June 2023
Quilter Investors US Equity Income Fund*	(3.45)%	5.73%	66.80%	63.76%
Target Benchmark**	4.62%	7.40%	35.18%	68.77%
IA North America (sector average)	8.36%	11.92%	37.21%	65.90%
Quartile ranking	4	4	1	3

* Accumulation 'U2' shares

** Prior to 01/05/2023: MSCI North America Index, from 01/05/2023 to present: MSCI North America Value Index

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	
Oil, Gas and Coal	13.81	JPMorgan Chase	5.03	
Investment Banking and Brokerage Services	11.01	Cisco Systems	4.70	
Pharmaceuticals and Biotechnology	10.65	Becton Dickinson	3.79	
Banks	7.50	Sanofi ADR	3.76	
Medical Equipment and Services	7.50	Medtronic	3.71	
Non-life Insurance	7.48	Exxon Mobil	3.63	
Aerospace and Defence	6.24	International Game Technology	3.55	
Telecommunications Equipment	4.70	Gilead Sciences	3.46	
Travel and Leisure	4.39	Raytheon Technologies	3.40	
Media	4.09	CME	3.38	
Electricity	3.56			
Industrial Metals and Mining	2.52	Number of holdings	49	
Technology Hardware and Equipment	2.13			
General Industrials	1.56	Total Purchases and Sales for the period		
Industrial Transportation	1.18		2023	2022
Health Care Providers	1.04		£'000	£'000
Telecommunications Service Providers	1.02	Total purchases for the 6 month period to 30 June	100,601	116,076
Personal Care, Drug and Grocery Stores	0.95	Total sales for the 6 month period to 30 June	73,147	203,344
Automobiles and Parts	0.88			
Industrial Engineering	0.79			
Tobacco	0.77			
Food Producers	0.76			
Chemicals	0.71			
Net other assets	4.76			
Total	100.00			
Asset allocation				
Equities	95.24			
Net other assets	4.76			
Total	100.00			

Portfolio statement

as at 30 June 2023

Holding	Investment	Market Value £'000	Percentage of total net assets %
	United Kingdom 2.61% (31 December 2022 1.46%)		
	United Kingdom Equities 2.61% (31 December 2022 1.46%)		
	Oil, Gas and Coal 1.84% (31 December 2022 0.00%)		
89,256	Shell ADR	4,223	1.84
		<u>4,223</u>	<u>1.84</u>
	Tobacco 0.77% (31 December 2022 1.46%)		
67,632	British American Tobacco ADR	1,758	0.77
		<u>1,758</u>	<u>0.77</u>
	Overseas 92.63% (31 December 2022 93.84%)		
	Europe 7.47% (31 December 2022 9.62%)		
	France Equities 3.76% (31 December 2022 3.44%)		
	Pharmaceuticals and Biotechnology 3.76% (31 December 2022 3.44%)		
206,222	Sanofi ADR	8,637	3.76
		<u>8,637</u>	<u>3.76</u>
	Ireland Equities 3.71% (31 December 2022 2.57%)		
	Medical Equipment and Services 3.71% (31 December 2022 2.57%)		
124,194	Medtronic	8,522	3.71
		<u>8,522</u>	<u>3.71</u>
	Switzerland Equities 0.00% (31 December 2022 3.61%)		
	Non-life Insurance 0.00% (31 December 2022 3.61%)		
	North America 85.16% (31 December 2022 84.22%)		
	Bermuda Equities 2.22% (31 December 2022 1.40%)		
	Non-life Insurance 2.22% (31 December 2022 1.40%)		
18,941	Everest Re	5,089	2.22
		<u>5,089</u>	<u>2.22</u>
	United States Equities 82.94% (31 December 2022 82.82%)		
	Aerospace and Defence 6.24% (31 December 2022 5.60%)		
29,778	L3 Harris Technologies	4,605	2.01
5,331	Northrop Grumman	1,902	0.83
100,946	Raytheon Technologies	7,808	3.40
		<u>14,315</u>	<u>6.24</u>
	Automobiles and Parts 0.88% (31 December 2022 0.69%)		
67,069	General Motors	2,026	0.88
		<u>2,026</u>	<u>0.88</u>

Portfolio statement (continued)

as at 30 June 2023

Holding	Investment	Market Value £'000	Percentage of total net assets %
	Banks 7.50% (31 December 2022 9.85%)		
101,738	JPMorgan Chase	11,539	5.03
219,341	US Bancorp	5,680	2.47
		<u>17,219</u>	<u>7.50</u>
	Chemicals 0.71% (31 December 2022 0.00%)		
29,393	CF Industries	1,634	0.71
		<u>1,634</u>	<u>0.71</u>
	Electricity 3.56% (31 December 2022 5.49%)		
83,777	Constellation Energy	6,017	2.62
68,061	Exelon	2,159	0.94
		<u>8,176</u>	<u>3.56</u>
	Electronic and Electrical Equipment 0.00% (31 December 2022 0.94%)		
	Food Producers 0.76% (31 December 2022 1.05%)		
23,766	Bunge	1,744	0.76
		<u>1,744</u>	<u>0.76</u>
	General Industrials 1.56% (31 December 2022 2.04%)		
22,824	Eaton	3,588	1.56
		<u>3,588</u>	<u>1.56</u>
	Health Care Providers 1.04% (31 December 2022 1.58%)		
6,306	UnitedHealth	2,377	1.04
		<u>2,377</u>	<u>1.04</u>
	Industrial Engineering 0.79% (31 December 2022 1.68%)		
9,426	Caterpillar	1,820	0.79
		<u>1,820</u>	<u>0.79</u>
	Industrial Metals and Mining 2.52% (31 December 2022 2.26%)		
185,988	Freeport-McMoRan	5,787	2.52
		<u>5,787</u>	<u>2.52</u>
	Industrial Support Services 0.00% (31 December 2022 1.20%)		
	Industrial Transportation 1.18% (31 December 2022 0.72%)		
13,734	FedEx	2,714	1.18
		<u>2,714</u>	<u>1.18</u>
	Investment Banking and Brokerage Services 11.01% (31 December 2022 7.87%)		
12,830	Ameriprise Financial	3,364	1.47
41,393	Ares Management	3,129	1.36
63,075	Charles Schwab	2,850	1.24
53,504	CME	7,757	3.38
6,799	Goldman Sachs	1,737	0.76
25,600	Morgan Stanley	1,725	0.75
83,426	Voya Financial	4,707	2.05
		<u>25,269</u>	<u>11.01</u>
	Life Insurance 0.00% (31 December 2022 1.20%)		

Portfolio statement (continued)

as at 30 June 2023

Holding	Investment	Market Value £'000	Percentage of total net assets %
	Media 4.09% (31 December 2022 4.69%)		
156,857	Interpublic	4,724	2.06
62,523	Omnicom	4,654	2.03
		9,378	4.09
	Medical Equipment and Services 3.79% (31 December 2022 3.17%)		
42,220	Becton Dickinson	8,696	3.79
		8,696	3.79
	Non-life Insurance 5.26% (31 December 2022 3.31%)		
49,877	Allstate	4,302	1.88
50,879	American International	2,301	1.00
55,487	Assurant	5,465	2.38
		12,068	5.26
	Oil, Gas and Coal 11.97% (31 December 2022 11.38%)		
23,872	ConocoPhillips	1,945	0.85
98,952	EQT	3,213	1.40
98,785	Exxon Mobil	8,334	3.63
47,175	Hess	4,992	2.17
35,666	Marathon Petroleum	3,281	1.43
50,885	Occidental Petroleum	2,354	1.03
87,376	Schlumberger	3,349	1.46
		27,468	11.97
	Personal Care, Drug and Grocery Stores 0.95% (31 December 2022 0.00%)		
105,527	Kenvue	2,168	0.95
		2,168	0.95
	Pharmaceuticals and Biotechnology 6.89% (31 December 2022 6.76%)		
57,732	AbbVie	6,082	2.65
4,869	Eli Lilly	1,788	0.78
132,116	Gilead Sciences	7,943	3.46
		15,813	6.89
	Software and Computer Services 0.00% (31 December 2022 1.70%)		
	Technology Hardware and Equipment 2.13% (31 December 2022 2.67%)		
42,947	Applied Materials	4,898	2.13
		4,898	2.13
	Telecommunications Equipment 4.70% (31 December 2022 3.98%)		
266,238	Cisco Systems	10,784	4.70
		10,784	4.70
	Telecommunications Service Providers 1.02% (31 December 2022 1.10%)		
71,470	Comcast	2,344	1.02
		2,344	1.02

Portfolio statement (continued)

as at 30 June 2023

Holding	Investment	Market Value £'000	Percentage of total net assets %
	Travel and Leisure 4.39% (31 December 2022 1.89%)		
325,791	International Game Technology	8,148	3.55
23,274	Wynn Resorts	1,923	0.84
		10,071	4.39
	Investment assets	218,586	95.24
	Net other assets	10,936	4.76
	Total net assets	229,522	100.00

All investments are approved securities being either officially listed in a member state or traded on or under the rules of an eligible securities market, unless otherwise stated.

All investments are in ordinary shares unless otherwise stated.

Statement of total return

for the period from 1 January 2023 to 30 June 2023

	Note	01.01.23 to 30.06.23 £'000	01.01.23 to 30.06.23 £'000	01.01.22 to 30.06.22 £'000	01.01.22 to 30.06.22 £'000
Income					
Net capital (losses)/gains			(9,369)		16,704
Revenue		2,978		4,098	
Expenses		(644)		(1,086)	
Interest payable and similar charges		(3)		(1)	
Net revenue before taxation		2,331		3,011	
Taxation		(428)		(601)	
Net revenue after taxation			1,903		2,410
Total return before distributions			(7,466)		19,114
Distributions	2		(2,546)		(3,496)
Change in net assets attributable to shareholders from investment activities			(10,012)		15,618

Statement of change in net assets attributable to shareholders

for the period from 1 January 2023 to 30 June 2023

	01.01.23 to 30.06.23 £'000	01.01.23 to 30.06.23 £'000	01.01.22 to 30.06.22 £'000	01.01.22 to 30.06.22 £'000
Opening net assets attributable to shareholders		209,858*		293,601
Amounts received on issue of shares	36,842		7,822	
Amounts paid on cancellation of shares	(9,853)		(101,812)	
		26,989		(93,990)
Dilution adjustment		43		75
Change in net assets attributable to shareholders from investment activities		(10,012)		15,618
Retained distributions on accumulation shares		2,644		3,052
Closing net assets attributable to shareholders		229,522		218,356*

* 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 2023

	30.06.23 £'000	31.12.22 £'000
Assets		
Fixed assets		
Investments	218,586	199,999
Current assets		
Debtors	759	1,812
Cash and bank balances	10,285	8,642
Total assets	229,630	210,453
Liabilities		
Creditors		
Other creditors	(108)	(595)
Total liabilities	(108)	(595)
Net assets attributable to shareholders	229,522	209,858

Notes to the financial statements

for the period from 1 January 2023 to 30 June 2023

1 Accounting policies

The 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 the Investment Management Association) in May 2014 and as amended in June 2017.

The accounting policies applied are consistent with those disclosed within the annual Financial Statements for the year ended 31 December 2022.

2 Distributions

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

	01.01.23 to 30.06.23 £'000	01.01.22 to 30.06.22 £'000
First Interim – Accumulation shares (31 March)	1,208	1,586
Second Interim – Accumulation shares (30 June)	1,436	1,466
	2,644	3,052
Revenue deducted on cancellation of shares	47	469
Revenue received on issue of shares	(145)	(25)
Distributions	2,546	3,496
Reconciliation of distributions:		
Net revenue after taxation	1,903	2,410
Capitalised fees	643	1,086
Distributions	2,546	3,496

Distribution tables

Second interim distribution

Group 1: Shares purchased prior to 1 April 2023
 Group 2: Shares purchased from 1 April 2023 to 30 June 2023

	Revenue pence per share	Equalisation pence per share*	Distribution paid 31.08.23 pence per share	Distribution paid 31.08.22 pence per share
Accumulation 'A' Shares				
Group 1	0.8735	-	0.8735	0.8979
Group 2	0.8735	0.0000	0.8735	0.8979
Accumulation 'U2' Shares				
Group 1	1.0156	-	1.0156	1.0324
Group 2	0.3774	0.6382	1.0156	1.0324

First interim distribution

Group 1: Shares purchased prior to 1 January 2023
 Group 2: Shares purchased from 1 January 2023 to 31 March 2023

	Revenue pence per share	Equalisation pence per share*	Distribution paid 31.05.23 pence per share	Distribution paid 31.05.22 pence per share
Accumulation 'A' Shares				
Group 1	0.7946	-	0.7946	0.7300
Group 2	0.7946	0.0000	0.7946	0.7300
Accumulation 'U2' Shares				
Group 1	0.9215	-	0.9215	0.8378
Group 2	0.4132	0.5083	0.9215	0.8378

* Equalisation only applies to shares purchased during the distribution 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 of these shares 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.

Quilter Investors US Equity Small/Mid-Cap Fund

Launch date	1 March 2013
IA Sector	North America
Investment Adviser	Schroder Investment Management Limited
Net asset value	£117,667,720

Objective

On 29 June 2023, the objective was updated to reflect the change in Target Benchmark.

The sub-fund aims to achieve a combination of income and capital growth and to outperform the MSCI USA Small-Cap Index, net of charges, over rolling five-year periods.

Policy

The sub-fund invests at least 80% of the value of its property in shares of companies listed or located in the US. Investment may be direct or indirect (e.g. through collective investment schemes or derivatives), however the ACD expects that the sub-fund will typically hold investments directly.

The sub-fund invests a minimum of 60% of its property in small and mid-cap companies, while the remainder may be invested in companies of any size.

The sub-fund may also invest in other transferable securities, collective investment schemes, warrants, money market instruments, deposits and cash.

Any investment in collective investment schemes may include those managed or operated by the ACD or an associate of the ACD.

The sub-fund may only use derivatives for the purpose of Efficient Portfolio Management. The use of derivatives for this purpose is not likely to affect the risk profile of the sub-fund.

Investment Adviser's review

Market review

Market narratives change quickly. A few months ago, investors were fretting about US bank failures and the risk of the US defaulting on its debt. Today, they are shrugging off the prospect of further interest rate rises and growing increasingly excited about an AI-driven tech boom. US large cap equities have technically entered a new bull market, having risen over 20% from their lows last year. In reality, however, there has been significant divergence in the performance of sectors and markets this year. US equities have been led by technology stocks, where investors see earnings driven by developments in AI rather than broad economic strength. The performance of other sectors has been far less impressive.

This includes US Small and Mid-Cap companies, which up to the end of February had started to outperform US large cap companies on the basis of attractive valuations and better diversification. However, they significantly lagged the large cap rally in the second quarter. This is due in part to a combination of failures in a handful of regional banks, which caused risk sentiment for Small and Mid-Cap companies to fall as well as the lack of pure play 'AI' companies to participate in the ensuing and unrelenting rally dominated by mega-cap tech companies.

The malaise of US regional banks was perhaps not a surprise in itself. The business model of most banks is to borrow short and lend long. Thus, when yield curves invert, banks rarely thrive. The surprise factor has been that after the failure of Silicon Valley Bank, Signature Bank, Silvergate Bank and First Republic Bank—which were all enmeshed in the greater tech, crypto and biotech ecosystems—the Nasdaq has left other major markets in the dust. The renewed outperformance of US growth stocks in 2023, this late into a US Federal Reserve ("Fed") tightening cycle, does not have a ready historical precedent.

The Q1 earnings season completed during the period. The highlight was better than expected earnings growth for the S&P 500 compared to lower results for Small and Mid-Cap indices. This bucks a trend, which had seen Small and Mid-Caps outperforming but there is an explanation. The banking and energy sectors, which are higher weights in Small and Mid-Cap indices, contributed to most of the relative negative earnings revisions. Results from companies in the portfolio were generally robust, reflecting some cost pressures subsiding as supply chain issues are mostly resolved but demand holding up as the US economy remains surprisingly resilient.

Performance review

The portfolio underperformed the comparator benchmark return of 2.70% over the six

months. The portfolio's return was -0.07%. Stock selection was the main reason for the underperformance. In addition markets in this period were led by more lower quality and higher risk companies. The portfolio tends to not invest in this type of company preferring investment in quality businesses with long term durability.

The top contributor for the period from a sector point of view was Technology due to stock selection. Within Technology, stock selection in consumer digital services and production technology equipment led. Global technology company, LiveRamp, was a top contributor as the company showed signs of stabilization and recovery in demand for digital advertising. Entegris which develops, manufactures and supplies specialty materials for the microelectronics industry also performed well. The company reported strong revenue results for their fiscal 1Q. Additionally, the company announced an agreement to sell their electronic chemicals business to Fujifilm for \$700 million. The deal is expected to close by the end of 2023.

The top detractors for the period were Financials and Industrials. Within Financials, regional bank holdings detracted the most. The sector came under real pressure as problems emerged in March at Silicon Valley Bank. Even though the portfolio was not exposed to any banks at the forefront of the crisis, the whole banking sector was marked down considerably including the banks owned by the portfolio. Within Industrials, the Professional Business Support industry lagged the most. WNS provides business process management solutions. The company reported a very solid quarter but an unvalidated report that the company could be an "AI Loser" caused the stock to sell off considerably. The biggest detractor in health care was research-based pharmaceutical company, FibroGen. The company reported phase 3 ZEPHYRUS-1 study of Pamrevlumab for the treatment of idiopathic pulmonary fibrosis did not meet its primary and secondary efficacy endpoints.

Outlook

In the US, inflation is at least moving in the right direction, but core inflation remains well above target and higher than the Fed is comfortable with. The better mood we saw in Q2 is not entirely unjustified. Companies have been performing relatively well in a challenging environment. Despite slowing growth and continued high inflation, they are set to report earnings for 2023 in line with last year's, as they pass on cost increases to customers. US inflation is cooling and, while it is likely that growth will slow further, the US economy is proving far more resilient than anticipated.

The key uncertainty remains the path of inflation and interest rates. In the US, core inflation – excluding food and energy – remains too high for comfort. One explanation for the persistence of price rises is the continued strength in employment markets. This is in part a reflection of companies' success at passing on cost increases to their customers. By partially protecting margins in this way, they have not faced the pressure to cut staff that economists were anticipating.

The Fed had been hinting earlier this year that US interest rates may be at a peak. It now looks more likely that it will press ahead with further rate rises over the summer. This could mean further disruption to US regional banks, tighter lending standards and the potential for a 'credit crunch'. As inflation cools, this reduces company pricing power which together with falling demand could decelerate revenues. Rising wages and interest expenses keep costs elevated resulting in a hit to margins. We seek to avoid these risks when picking stocks.

The main lesson we have learnt from talking to companies is that this economic cycle is not correlated. This is mainly a function of how different parts of the global economy emerged from the pandemic. For example demand for goods is in a recession while the demand for some services like air travel and holidays is booming. Normally consumer spending is well correlated. There are plenty of other examples that include strengthening demand for Autos from a low base while spending on new phones is declining. Again these two expenditures are normally closely tied.

Looking forward, we are avoiding companies with high fixed costs and undifferentiated products. Quality companies with durable cash flow streams are attractive mainly because they do not need financing which is becoming more expensive. Profitable small firms are more likely to survive a period where capital costs remain elevated than those that rely on access to debt or equity markets to sustain growth. Active management can add real value by hunting for under-the-radar opportunities while avoiding value traps at risk of stagnation or bankruptcy.

We have been surprised how strongly Small and Mid-Caps have underperformed large caps recently. A good starting point to support US smaller companies is that today's valuations are already pricing in a lot of bad news. Smaller companies have not been so cheap relative to large caps since the technology bubble in 1999-2001. Indeed, US smaller companies trade at similar valuations to markets outside the US for the first time in years, meaning you can still invest in the US economy without paying a premium.

Quilter Investors US Equity Small/Mid-Cap 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 6 have in the past shown relatively high volatility. With a sub-fund of category 6, you have a relatively high risk of losing money but your chance for gains is also relatively high.

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.

Company shares (i.e. equities) risk - the value of company shares may rise and fall due to the performance of individual companies or because of general market and economic conditions.

Geographic concentration risk - a fall in the US market may have a significant impact on the value of the sub-fund because it primarily invests in this market.

Smaller companies risk - smaller companies are subject to greater risk and reward potential. Investments may be volatile or difficult to buy or sell.

Liquidity risk - some investments may become hard to value or sell at a desired time and price. In extreme circumstances this may affect the sub-fund's ability to meet redemption requests upon demand.

Currency risk (EUR share class) - the sub-fund is denominated in British Pounds but holds assets denominated in other currencies. This share class is denominated in Euro. The value of your shares may rise and fall as a result of exchange rate movements.

Currency risk (GBP share class) - the sub-fund is denominated in British Pounds but holds assets denominated in other currencies. 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 but holds assets denominated in other currencies. This share class is denominated in US Dollars. The value of your shares may rise and fall as a result of exchange rate movements.

Derivative risk - the sub-fund may use derivatives for Efficient Portfolio Management (EPM). Derivatives involve a level of risk, however, for EPM they should not increase the overall riskiness of the sub-fund. Derivatives also involve counterparty risk where the institutions acting as counterparty to derivatives may not meet their 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 full details of the sub-fund's risks, please see the section in the Prospectus headed "Risks".

Performance records

Comparative Tables

Accumulation 'A'	1 January 2023 to 30 June 2023 p/share	1 January 2022 to 31 December 2022 p/share	1 January 2021 to 31 December 2021 p/share
Change in net assets per share			
Opening net asset value per share	297.42	306.79	250.78
Return before operating charges*	1.15	(4.53)	60.69
Operating charges**	(2.44)	(4.84)	(4.68)
Return after operating charges*	(1.29)	(9.37)	56.01
Distributions	-	-	-
Retained distributions on accumulation shares	-	-	-
Closing net asset value per share	296.13	297.42	306.79
* after direct transaction costs of***	0.03	0.06	0.05
Performance			
Return after charges	(0.43)%	(3.05)%	22.33%
Other information			
Closing net asset value (£)	11,888,433	13,525,788	16,361,591
Closing number of shares	4,014,539	4,547,725	5,333,082
Operating charges****	1.65%	1.65%	1.65%
Direct transaction costs***	0.02%	0.02%	0.02%
Prices			
	pence per share	pence per share	pence per share
Highest share price	324.3	320.4	308.4
Lowest share price	279.8	264.9	250.3
Accumulation 'A' EUR			
	1 January 2023 to 30 June 2023 p/share	1 January 2022 to 31 December 2022 p/share	1 January 2021 to 31 December 2021 p/share
Change in net assets per share			
Opening net asset value per share	155.47	160.37	131.09
Return before operating charges*	0.60	(2.37)	31.73
Operating charges**	(1.27)	(2.53)	(2.45)
Return after operating charges*	(0.67)	(4.90)	29.28
Distributions	-	-	-
Retained distributions on accumulation shares	-	-	-
Closing net asset value per share	154.80	155.47	160.37
* after direct transaction costs of***	0.02	0.03	0.03
Performance			
Return after charges	(0.43)%	(3.06)%	22.34%
Other information			
Closing net asset value (£)	42,652	42,836	44,187
Closing number of shares	27,553	27,553	27,553
Operating charges****	1.65%	1.65%	1.65%
Direct transaction costs***	0.02%	0.02%	0.02%
Prices			
	cents per share	cents per share	cents per share
Highest share price	190.4	197.2	191.6
Lowest share price	167.4	161.9	144.8

Performance records (continued)

Comparative Tables (continued)

	1 January 2023 to 30 June 2023 p/share	1 January 2022 to 31 December 2022 p/share	1 January 2021 to 31 December 2021 p/share
Accumulation 'A' USD			
Change in net assets per share			
Opening net asset value per share	139.34	143.73	117.48
Return before operating charges*	0.53	(2.12)	28.44
Operating charges**	(1.14)	(2.27)	(2.19)
Return after operating charges*	(0.61)	(4.39)	26.25
Distributions	-	-	-
Retained distributions on accumulation shares	-	-	-
Closing net asset value per share	138.73	139.34	143.73
* after direct transaction costs of***	0.02	0.03	0.02
Performance			
Return after charges	(0.44)%	(3.05)%	22.34%
Other information			
Closing net asset value (£)	5,152,721	5,374,098	6,705,423
Closing number of shares	3,714,099	3,856,947	4,665,438
Operating charges****	1.65%	1.65%	1.65%
Direct transaction costs***	0.02%	0.02%	0.02%
Prices			
	cents per share	cents per share	cents per share
Highest share price	183.8	195.7	194.6
Lowest share price	164.9	150.2	159.4
Accumulation 'U2'			
	1 January 2023 to 30 June 2023 p/share	1 January 2022 to 31 December 2022 p/share	1 January 2021 to 31 December 2021 p/share
Change in net assets per share			
Opening net asset value per share	285.20	291.40	236.07
Return before operating charges*	1.11	(4.27)	57.35
Operating charges**	(0.92)	(1.93)	(2.02)
Return after operating charges*	0.19	(6.20)	55.33
Distributions	-	(0.93)	(0.25)
Retained distributions on accumulation shares	-	0.93	0.25
Closing net asset value per share	285.39	285.20	291.40
* after direct transaction costs of***	0.03	0.06	0.05
Performance			
Return after charges	0.07%	(2.13)%	23.44%
Other information			
Closing net asset value (£)	100,535,469	88,040,234	119,759,491
Closing number of shares	35,227,429	30,869,362	41,098,457
Operating charges****	0.65%	0.69%	0.75%
Direct transaction costs***	0.02%	0.02%	0.02%
Prices			
	pence per share	pence per share	pence per share
Highest share price	311.4	306.1	292.6
Lowest share price	269.3	252.7	235.7

Performance records (continued)

Comparative Tables (continued)

Income 'U2'	1 January 2023 to 30 June 2023 p/share	1 January 2022 to 31 December 2022 p/share	1 January 2021 to 31 December 2021 p/share
Change in net assets per share			
Opening net asset value per share	269.04	275.78	223.61
Return before operating charges*	1.05	(4.03)	54.32
Operating charges**	(0.87)	(1.83)	(1.91)
Return after operating charges*	0.18	(5.86)	52.41
Distributions	-	(0.88)	(0.24)
Closing net asset value per share	269.22	269.04	275.78
* after direct transaction costs of***	0.03	0.05	0.05
Performance			
Return after charges	0.07%	(2.12)%	23.44%
Other information			
Closing net asset value (£)	48,445	53,912	65,475
Closing number of shares	17,995	20,039	23,742
Operating charges****	0.65%	0.69%	0.75%
Direct transaction costs***	0.02%	0.02%	0.02%
Prices			
	pence per share	pence per share	pence per share
Highest share price	293.8	289.7	277.2
Lowest share price	254.0	239.1	223.2

** The operating charges include all costs borne by the sub-fund, except for direct transaction costs.

*** 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 (excluding interest on borrowings) to the average net assets of the sub-fund.

Performance

	6 months to 30 June 2023	1 year to 30 June 2023	3 years to 30 June 2023	5 years to 30 June 2023
Quilter Investors US Equity Small/Mid-Cap Fund*	0.07%	6.68%	39.37%	45.69%
Target Benchmark**	2.70%	8.00%	35.99%	39.60%
IA North America (sector average)	8.36%	11.92%	37.21%	65.90%
Quartile ranking	4	4	3	4

* Accumulation 'U2' shares

** Prior to 29/06/2023: Russel 2500 Index, from 29/06/2023 to present: MSCI USA Small-Cap Index

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
North America	91.36	Masimo	2.13
Asia Pacific (excluding Japan)	2.18	Berry Global	1.91
United Kingdom	1.68	Assurant	1.87
		IDEX	1.86
Net other assets	4.78	LiveRamp	1.84
		Hexcel	1.76
Total	100.00	Amdocs	1.73
		Encompass Health	1.71
Asset allocation		Rentokil Initial ADR	1.68
Equities	95.22	Dolby Laboratories	1.67
Net other assets	4.78		
		Number of holdings	90
		Total Purchases and Sales for the period	
Total	100.00		2023
			2022
			£'000
			£'000
		Total purchases for the 6 month period to 30 June	32,216
		Total sales for the 6 month period to 30 June	28,255
			21,364
			59,863

Portfolio statement

as at 30 June 2023

Holding	Investment	Market Value £'000	Percentage of total net assets %
	United Kingdom 1.68% (31 December 2022 2.33%)		
	United Kingdom Equities 1.68% (31 December 2022 2.33%)		
65,252	Industrial Support Services 1.68% (31 December 2022 1.74%) Rentokil Initial ADR	1,979	1.68
		1,979	1.68
	Medical Equipment and Services 0.00% (31 December 2022 0.59%)		
	Overseas 93.54% (31 December 2022 91.98%)		
	Asia Pacific (excluding Japan) 2.18% (31 December 2022 2.02%)		
	India Equities 1.27% (31 December 2022 1.18%)		
26,025	Industrial Support Services 1.27% (31 December 2022 1.18%) WNS ADR	1,489	1.27
		1,489	1.27
	Thailand Equities 0.91% (31 December 2022 0.84%)		
10,478	Technology Hardware and Equipment 0.91% (31 December 2022 0.84%) Fabrinet	1,065	0.91
		1,065	0.91
	North America 91.36% (31 December 2022 89.96%)		
	Bermuda Equities 0.88% (31 December 2022 1.23%)		
7,047	Non-Life Insurance 0.88% (31 December 2022 1.23%) RenaissanceRe	1,031	0.88
		1,031	0.88
	United States Equities 90.48% (31 December 2022 88.73%)		
30,513	Aerospace and Defence 1.46% (31 December 2022 2.15%) BWX Technologies	1,722	1.46
		1,722	1.46
6,036	Alternative Energy 0.75% (31 December 2022 0.93%) First Solar	878	0.75
		878	0.75
53,450	Automobiles and Parts 1.91% (31 December 2022 2.00%) Gentex	1,233	1.05
22,283	LKQ	1,017	0.86
		2,250	1.91

Portfolio statement (continued)

as at 30 June 2023

Holding	Investment	Market Value £'000	Percentage of total net assets %
	Banks 2.85% (31 December 2022 5.42%)		
17,463	Commerce Bancshares	663	0.56
40,568	CVB Financial	436	0.37
21,395	Glacier Bancorp	534	0.46
62,915	New York Community Bancorp	557	0.47
13,282	SouthState	700	0.60
23,066	United Community Banks	460	0.39
		<u>3,350</u>	<u>2.85</u>
	Chemicals 4.17% (31 December 2022 4.42%)		
22,482	Ashland	1,550	1.32
16,805	Balchem	1,789	1.52
54,447	Valvoline	1,571	1.33
		<u>4,910</u>	<u>4.17</u>
	Construction and Materials 5.95% (31 December 2022 5.27%)		
80,157	AZEK	1,891	1.61
9,085	Eagle Materials	1,328	1.13
8,950	Exponent	657	0.56
28,725	Fortune Brands Home & Security	1,631	1.38
5,009	Watsco	1,495	1.27
		<u>7,002</u>	<u>5.95</u>
	Consumer Services 0.00% (31 December 2022 1.82%)		
	Electronic and Electrical Equipment 5.38% (31 December 2022 3.92%)		
154,799	Hayward	1,548	1.32
12,960	IDEX	2,188	1.86
13,706	MSA Safety	1,875	1.59
3,135	Zebra Technologies	716	0.61
		<u>6,327</u>	<u>5.38</u>
	Food Producers 1.52% (31 December 2022 1.46%)		
36,534	Darling Ingredients	1,791	1.52
		<u>1,791</u>	<u>1.52</u>
	Gas, Water and Multi-Utilities 2.60% (31 December 2022 2.75%)		
50,102	CenterPoint Energy	1,138	0.97
37,555	NiSource	807	0.68
18,307	ONE Gas	1,119	0.95
		<u>3,064</u>	<u>2.60</u>
	General Industrials 3.03% (31 December 2022 4.14%)		
44,406	Berry Global	2,243	1.91
5,728	Valmont Industries	1,321	1.12
		<u>3,564</u>	<u>3.03</u>
	Health Care Providers 3.06% (31 December 2022 2.63%)		
37,906	Encompass Health	2,008	1.71
62,975	Option Care Health	1,590	1.35
		<u>3,598</u>	<u>3.06</u>

Portfolio statement (continued)

as at 30 June 2023

Holding	Investment	Market Value £'000	Percentage of total net assets %
	Industrial Engineering 1.06% (31 December 2022 1.07%)		
5,506	Snap-on	1,249	1.06
		<u>1,249</u>	<u>1.06</u>
	Industrial Materials 1.76% (31 December 2022 1.58%)		
35,355	Hexcel	2,069	1.76
		<u>2,069</u>	<u>1.76</u>
	Industrial Support Services 2.35% (31 December 2022 2.43%)		
30,802	ASGN	1,837	1.56
31,039	Genpact	928	0.79
		<u>2,765</u>	<u>2.35</u>
	Industrial Transportation 1.49% (31 December 2022 1.08%)		
29,283	Kirby	1,748	1.49
		<u>1,748</u>	<u>1.49</u>
	Investment Banking and Brokerage Services 1.27% (31 December 2022 1.64%)		
14,816	PJT Partners	829	0.70
8,120	Raymond James Financial	666	0.57
		<u>1,495</u>	<u>1.27</u>
	Leisure Goods 1.52% (31 December 2022 0.00%)		
66,420	Sonos	842	0.72
30,782	YETI	942	0.80
		<u>1,784</u>	<u>1.52</u>
	Life Insurance 1.04% (31 December 2022 1.23%)		
14,229	Globe Life	1,226	1.04
		<u>1,226</u>	<u>1.04</u>
	Media 1.82% (31 December 2022 1.12%)		
46,688	Interpublic	1,406	1.19
125,916	Stagwell	740	0.63
		<u>2,146</u>	<u>1.82</u>
	Medical Equipment and Services 8.48% (31 December 2022 6.55%)		
22,551	Azenta	826	0.70
4,403	Cooper	1,324	1.13
29,126	Haemonetics	1,953	1.66
19,147	Masimo	2,508	2.13
20,251	Natera	785	0.67
56,445	NeoGenomics	711	0.60
124,838	Sotera Health	1,874	1.59
		<u>9,981</u>	<u>8.48</u>
	Non-Life Insurance 6.21% (31 December 2022 5.58%)		
22,360	Assurant	2,202	1.87
46,043	Kemper	1,779	1.51
17,192	Reinsurance Group of America	1,876	1.59
41,620	Ryan Specialty	1,453	1.24
		<u>7,310</u>	<u>6.21</u>

Portfolio statement (continued)

as at 30 June 2023

Holding	Investment	Market Value £'000	Percentage of total net assets %
Oil, Gas and Coal 2.93% (31 December 2022 3.81%)			
11,440	Cactus	384	0.33
39,612	Coterra Energy	787	0.67
18,594	HF Sinclair	654	0.55
12,268	New Fortress Energy	259	0.22
105,107	Permian Resources	908	0.77
50,527	ProFrac	458	0.39
		3,450	2.93
Pharmaceuticals and Biotechnology 2.46% (31 December 2022 2.80%)			
37,201	Catalent	1,266	1.08
97,830	FibroGen	203	0.17
17,452	Intra-Cellular Therapies	855	0.73
18,244	Pacira BioSciences	570	0.48
		2,894	2.46
Real Estate Investment Trusts 4.77% (31 December 2022 3.63%)			
9,821	Alexandria Real Estate Equities REIT	880	0.75
38,536	American Homes 4 Rent REIT	1,075	0.91
77,562	Brixmor Property REIT	1,348	1.14
16,985	Lamar Advertising REIT	1,327	1.13
23,378	PotlatchDeltic REIT	986	0.84
		5,616	4.77
Retailers 0.85% (31 December 2022 0.80%)			
8,216	Burlington Stores	998	0.85
		998	0.85
Software and Computer Services 8.62% (31 December 2022 8.85%)			
26,266	Amdocs	2,035	1.73
30,076	Dolby Laboratories	1,962	1.67
25,016	IAC	1,254	1.06
19,147	Leidos	1,330	1.13
96,464	LiveRamp	2,169	1.84
12,387	PTC	1,397	1.19
		10,147	8.62
Technology Hardware and Equipment 3.50% (31 December 2022 2.12%)			
19,234	Entegris	1,657	1.41
15,198	ON Semiconductor	1,107	0.94
25,658	Pure Storage	733	0.62
14,143	Wolfspeed	617	0.53
		4,114	3.50
Telecommunications Equipment 3.35% (31 December 2022 3.16%)			
41,365	Ciena	1,392	1.18
28,893	Lumentum	1,300	1.11
142,285	Viavi Solutions	1,248	1.06
		3,940	3.35

Portfolio statement (continued)

as at 30 June 2023

Holding	Investment	Market Value £'000	Percentage of total net assets %
	Travel and Leisure 2.90% (31 December 2022 3.67%)		
50,103	Aramark	1,691	1.44
9,001	Churchill Downs	967	0.82
2,908	Domino's Pizza	760	0.64
		<u>3,418</u>	<u>2.90</u>
	Waste and Disposal Services 1.42% (31 December 2022 0.70%)		
46,660	Stericycle	1,673	1.42
		<u>1,673</u>	<u>1.42</u>
	Investment assets	112,043	95.22
	Net other assets	5,625	4.78
	Total net assets	117,668	100.00

All investments are approved securities being either officially listed in a member state or traded on or under the rules of an eligible securities market.

All investments are in ordinary shares.

Statement of total return

for the period from 1 January 2023 to 30 June 2023

	Note	01.01.23 to 30.06.23 £'000	01.01.23 to 30.06.23 £'000	01.01.22 to 30.06.22 £'000	01.01.22 to 30.06.22 £'000
Income					
Net capital gains/(losses)			174		(11,718)
Revenue		639		747	
Expenses		(440)		(556)	
Net revenue before taxation		199		191	
Taxation		(83)		(105)	
Net revenue after taxation			116		86
Total return before distributions			290		(11,632)
Distributions	2		21		(33)
Change in net assets attributable to shareholders from investment activities			311		(11,665)

Statement of change in net assets attributable to shareholders

for the period from 1 January 2023 to 30 June 2023

	01.01.23 to 30.06.23 £'000	01.01.23 to 30.06.23 £'000	01.01.22 to 30.06.22 £'000	01.01.22 to 30.06.22 £'000
Opening net assets attributable to shareholders		107,037*		142,936
Amounts received on issue of shares	16,814		3,866	
Amounts paid on cancellation of shares	(6,505)		(38,225)	
		10,309		(34,359)
Dilution adjustment		11		26
Change in net assets attributable to shareholders from investment activities		311		(11,665)
Closing net assets attributable to shareholders		117,668		96,938*

* 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 2023

	30.06.23 £'000	31.12.22 £'000
Assets		
Fixed assets		
Investments	112,043	100,950
Current assets		
Debtors	266	187
Cash and bank balances	5,508	5,971
Total assets	117,817	107,108
Liabilities		
Creditors		
Other creditors	(149)	(71)
Total liabilities	(149)	(71)
Net assets attributable to shareholders	117,668	107,037

Notes to the financial statements

for the period from 1 January 2023 to 30 June 2023

1 Accounting policies

The 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 the Investment Management Association) in May 2014 and as amended in June 2017.

The accounting policies applied are consistent with those disclosed within the annual Financial Statements for the year ended 31 December 2022.

2 Distributions

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

	01.01.23 to 30.06.23 £'000	01.01.22 to 30.06.22 £'000
Revenue deducted on cancellation of shares	7	35
Revenue received on issue of shares	(28)	(2)
Distributions	(21)	33
Reconciliation of distributions:		
Net revenue after taxation	116	86
Undistributed net revenue carried forward	(137)	(53)
Distributions	(21)	33