



**True Potential Unit Trust Annual Report**

for the year ended 07 March 2024

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## Report of the Authorised Fund Manager ('AFM')

True Potential Administration (trading name of True Potential Administration LLP), as AFM, presents herewith the True Potential Unit Trust Annual Report for the year ended 07 March 2024.

True Potential Unit Trust ('the Trust') is a unit trust authorised by the Financial Conduct Authority ('FCA') whose effective date of authorisation by the FCA was 03 November 2015. It is a UCITS scheme complying with the investment and borrowing powers rules in the Collective Investment Schemes sourcebook ('COLL'), as published by the Financial Conduct Authority ('FCA').

The Trust was founded as an umbrella unit trust. An unlimited number of Sub-Funds may be included in the umbrella and the AFM may create additional Sub-Funds with the approval of the Trustee and of the FCA. The Sub-Funds represent segregated portfolios of assets and, accordingly, the assets of a Sub-Fund belong exclusively to that Sub-Fund and shall not be used or made available to discharge (indirectly or directly) the liabilities of claim against, any other person or body, and any other Sub-Fund and shall not be available for any such purpose.

The AFM is of the opinion that it is appropriate to continue to adopt the going concern basis in the preparation of the accounts as the assets of the Unit Trust consist predominantly of securities which are readily realisable and, accordingly, the Unit Trust has adequate financial resources to continue in operational existence for the foreseeable future. Further, appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, have been used in the preparation of these accounts and applicable accounting standards have been followed.

The unitholders are not liable for the debts of the Unit Trust or Sub-Fund.

The base currency of the Unit Trust is UK sterling.

The Trust Deed can be inspected at the offices of the AFM.

Copies of the Prospectus and Key Investor Information Documents ('KIIDs') are available on request free of charge from the AFM.

### Investment objective and policy - True Potential Threadneedle Monthly Income

The investment objective is to achieve regular income growth with prospects of capital growth. Income will be paid monthly where the level of income within the Sub-Fund allows.

The assets of the Sub-Fund are primarily invested in UK equities with the balance mainly in sterling denominated fixed interest securities with some limited exposure to non-sterling bonds. The Manager may invest in derivatives for Efficient Portfolio Management purposes in order to effectively manage exposures to currencies and underlying equity positions in the portfolio.

Derivatives and forward transactions may only be used for Efficient Portfolio Management. The Sub-Fund may use derivatives and forward transactions for investment purposes on the giving of 60 days' notice to unitholders. The use of derivatives for investment purposes may alter the risk profile of the Sub-Fund.

Please be aware that there is no guarantee that capital will be preserved.

### Sub-Funds

There is currently one Sub-Fund available in the Unit Trust:

True Potential Threadneedle Monthly Income

**Changes affecting the Unit Trust during the year:**

Depository, Custodian, Fund Administration, and Transfer Agency services moved from HSBC Bank plc to Northern Trust Company on 06 November 2023. From the same date Northern Trust was also appointed as the fund Registrar.

In accordance with the requirements of the Financial Conduct Authority's Collective Investment Schemes sourcebook, I hereby certify the Annual Report on behalf of the AFM, True Potential Administration LLP.



Brian Shearing  
Executive Partner  
True Potential Administration LLP  
24 May 2024



Keith McDonald  
Executive Partner  
True Potential Administration LLP  
24 May 2024

## Statement of the Authorised Fund Manager's Responsibilities

The Collective Investment Schemes sourcebook ('COLL') published by the FCA, requires the Authorised Fund Manager ('AFM') to prepare the financial statements for each annual accounting period which give a true and fair view of the financial position of the Trust and of the net revenue and net capital gains on the property of the Trust for the year.

In preparing the financial statements the AFM 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 Statement of Recommended Practice for UK Authorised Funds published by The Investment Association in May 2014;
- keeping proper accounting records which enable it to demonstrate that the financial statements as prepared comply with the above requirements;
- assessing the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern;
- using the going concern basis of accounting unless they either intend to liquidate the Trust or to cease operations, or have no realistic alternative but to do so;
- such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error;
- taking reasonable steps for the prevention and detection of fraud and irregularities; and
- the maintenance and integrity of the Trust's information on the AFM's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The AFM is responsible for the management of the Unit Trust in accordance with the trust deed, the Prospectus and COLL.

## Statement of the Trustee's Responsibilities in Respect of the Scheme and Report of the Trustee to the Unitholders of True Potential Unit Trust ("the Trust") for the Year Ended 07 March 2024

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

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

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

The Trustee must ensure that:

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

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

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

- (i) has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Trust's units and the application of the Trust's income in accordance with the Regulations and the Scheme documents of the Trust; and
- (ii) has observed the investment and borrowing powers and restrictions applicable to the Trust in accordance with the Regulations and the Scheme documents of the Trust.

Northern Trust Investor Services Limited

UK Trustee and Depositary Services

10 April 2024

## **Independent Auditor's Report to the Unitholders of True Potential Unit Trust**

### **Opinion**

We have audited the financial statements of True Potential Unit Trust ('the Trust') for the year ended 07 March 2024, which comprise the Statement of Total Return, Statement of Changes in Net Assets Attributable to Unitholders, Balance Sheet, the related Notes to the Financial Statements, including significant accounting policies and the Distribution Table. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- Give a true and fair view of the financial position of the Trust as at 07 March 2024 and of the net revenue and the net capital gains on the scheme property of the Trust for the year then ended;
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- Have been prepared in accordance with the Investment Association Statement of Recommended Practice for Authorised Funds, the rules of the Collective Investment Schemes Sourcebook (COLL Rules) of the Financial Conduct Authority and the Trust Deed.

### **Basis for opinion**

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

### **Conclusions relating to going concern**

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

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

Our responsibilities and the responsibilities of the Manager with respect to going concern are described in the relevant sections of this report.

### **Other information**

The other information comprises the information included in the Annual Report other than the financial statements and our auditor's report thereon. The Manager is responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Opinions on other matters prescribed by the COLL Rules**

In our opinion, based on the work undertaken in the course of the audit:

- Proper accounting records for the Trust have been kept and the accounts are in agreement with those records;
- We have received all the information and explanations which, to the best of our knowledge and belief, are necessary for the purposes of our audit; and
- The information given in the report of the Manager for the year is consistent with the financial statements.

## **Independent Auditor's Report to the Unitholders of True Potential Unit Trust (continued)**

### **Responsibilities of Manager**

As explained more fully in the Manager's responsibilities statement set out on page 5, the Manager is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### **Auditor responsibilities for the audit of the financial statements**

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

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

#### *Extent to which the audit was considered capable of detecting irregularities, including fraud*

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

We assessed whether the engagement team collectively had the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations by considering their experience, past performance and support available.

All engagement team members were briefed on relevant identified laws and regulations and potential fraud risks at the planning stage of the audit. Engagement team members were reminded to remain alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

We obtained an understanding of the legal and regulatory frameworks that are applicable to the Trust and the sector in which it operates, focusing on those provisions that had a direct effect on the determination of material amounts and disclosures in the financial statements. The most relevant frameworks we identified include:

- UK Generally Accepted Accounting Practice including Financial Reporting Standard 102 and the IA Statement of Recommended Practice for Authorised Funds;
- the Financial Conduct Authority's COLL Rules; and
- the Trust's Prospectus.

We gained an understanding of how the Trust is complying with these laws and regulations by making enquiries of the Manager. We corroborated these enquiries through our review of submitted returns, external inspections, relevant correspondence with regulatory bodies and the Trust's breaches register.

We assessed the susceptibility of the financial statements to material misstatement, including how fraud might occur, by meeting with management and those charged with governance to understand where it was considered there was susceptibility to fraud. This evaluation also considered how the Manager was remunerated and whether this provided an incentive for fraudulent activity. We considered the overall control environment and how the Manager oversees the implementation and operation of controls. In areas of the financial statements where the risks were considered to be higher, we performed procedures to address each identified risk.

We identified a heightened fraud risk in relation to:

- Management override of controls; and
- The completeness and classification of special dividends between revenue and capital.



## **Independent Auditor's Report to the Unitholders of True Potential Unit Trust (continued)**

### **Auditor responsibilities for the audit of the financial statements (continued)**

In addition to the above, the following procedures were performed to provide reasonable assurance that the financial statements were free of material fraud or error:

- Reviewing the level of and reasoning behind the Trust's procurement of legal and professional services;
- Performing audit work procedures over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business, review of a pre sign-off Net Asset Valuation (NAV) statement for any unexpected activity and reviewing judgements made by the Manager in its calculation of accounting estimates for potential management bias;
- Using a third-party independent data source to assess the completeness of the special dividend population and determining whether special dividends recognised were revenue or capital in nature with reference to the underlying circumstances of the investee companies' dividend payments;
- Assessing the Trust's compliance with the key requirements of the Collective Investment Schemes Sourcebook, and its Prospectus;
- Completion of appropriate checklists and use of our experience to assess the Trust's compliance with the IA Statement of Recommended Practice for Authorised Funds; and
- Agreement of the financial statement disclosures to supporting documentation.

Our audit procedures were designed to respond to the risk of material misstatements in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve intentional concealment, forgery, collusion, omission or misrepresentation. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it.

### **Use of our report**

This report is made solely to the Trust's unitholders, as a body, in accordance with Rule 4.5.12 of the COLL Rules published by the Financial Conduct Authority under section 247 of the Financial Services and Markets Act 2000. Our audit work has been undertaken so that we might state to the Trust's unitholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Trust and the Trust's unitholders as a body, for our audit work, for this report, or for the opinions we have formed.



Johnston Carmichael LLP  
Chartered Accountants  
Statutory Auditor  
Bishop's Court  
29 Albyn Place  
Aberdeen, United Kingdom

24 May 2024

## Accounting policies of True Potential Unit Trust for the year ended 07 March 2024

The accounting policies relate to the Sub-Fund within the Trust.

### A Basis of accounting

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of investments. They have been prepared in accordance with FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland ('FRS 102') and in accordance with the Statement of Recommended Practice for UK Authorised Funds ('the SORP') published by The Investment Association in May 2014, as amended in 2017.

The Manager has considered a detailed assessment of the Trust and its Sub-Fund's ability to meet their liabilities as they fall due, including liquidity, declines in global capital markets and investor redemption levels. Based on this assessment, the Trust continues to be open for trading and the Manager is satisfied that the Trust has adequate financial resources to continue in operation for at least the next 12 months and accordingly it is appropriate to adopt the going concern basis in preparing the financial statements.

### B Valuation of investments

The purchase and sale of investments are included up to close of business on 07 March 2024, being the last business day.

Purchases and sales of investments are recognised when a legally binding and unconditional right to obtain, or an obligation to deliver an asset arises.

Investments are stated at their fair value at the balance sheet date. In determining fair value, the valuation point is global close of business on 07 March 2024 with reference to quoted bid prices from reliable external sources.

Derivatives are valued at the price which would be required to close out the contract at the balance sheet date.

Where an observable market price is unreliable or does not exist, investments are valued at the Manager's best estimate of the amount that would be received from an immediate transfer at arm's length.

### C Foreign exchange

The base currency of the Trust is UK sterling which is taken to be the Trust's functional currency.

All transactions in foreign currencies are converted into sterling at the rates of exchange ruling at the dates of such transactions. The resulting exchange differences are disclosed in note 2 of the Notes to the financial statements.

Any foreign currency assets and liabilities at the end of the accounting period are translated at the exchange rate prevailing at the balance sheet date.

### D Revenue

Revenue is recognised in the Statement of total return on the following basis:

Dividends from quoted equity instruments and non-equity shares are recognised as revenue, net of attributable tax credits on the date when the securities are quoted ex-dividend.

Overseas dividends are recognised as revenue gross of any withholding tax and the tax consequences are recognised within the tax expense.

Special dividends are treated as either revenue or a repayment of capital depending on the facts of each particular case.

Interest on bank deposits and short-term deposits is recognised on an accruals basis.

Interest on debt securities is recognised on an effective yield basis. Accrued interest purchased and sold on interest bearing securities is excluded from the capital cost of these securities and dealt with as part of the revenue of the Trust. The amortised amounts are accounted for as revenue or as an expense and form part of the distributable revenue of Trust.

### E Expenses

All expenses, other than those relating to the purchase and sale of investments, are charged to revenue on an accruals basis then reallocated to capital, net of any tax effect.

Bank interest paid is charged to revenue.

### F Allocation of revenue and expenses to multiple types of unit

All revenue and expenses which are directly attributable to a particular type of unit are allocated to that type. All revenue and expenses which are attributable to the Trust are allocated to the Trust and are normally allocated across the type of unit pro rata to the net asset value of each type of unit on a daily basis.

## Accounting policies of True Potential Unit Trust

for the year ended 07 March 2024

### G Taxation

Tax payable on profits is recognised as an expense in the period in which profits arise. The tax effects of tax losses available to carry forward are recognised as an asset when it is probable that future taxable profits will be available, against which these losses can be utilised.

UK corporation tax is provided as amounts to be paid/recovered using the tax rates and laws that have been enacted at the balance sheet date.

Deferred taxation is provided in full on timing differences that result in an obligation at 07 March 2024 to pay more or less tax, at a future date, at rates expected to apply when they crystallise based on current rates and tax laws. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax assets and liabilities are not discounted.

Provision for deferred tax assets are only made to the extent the timing differences are expected to be of future benefit.

All foreign dividend revenue is recognised as a gross amount which includes any withholding tax deducted at source. Where foreign tax is withheld in excess of the applicable treaty rate a tax debtor is recognised to the extent that the overpayment is considered recoverable.

Marginal tax relief has not been taken into account in respect of expenses offset against capital.

### H Efficient Portfolio Management

Where appropriate, certain permitted instruments such as derivatives or forward currency contracts may be used for Efficient Portfolio Management purposes. Where such instruments are used to protect or enhance revenue, the revenue or expenses derived there from are included in the Statement of total return as revenue related items and form part of the distribution. Where such instruments are used to protect or enhance capital, the gains and losses derived there from are included in the Statement of total return as capital related items.

### I Dilution adjustment

A dilution adjustment is an adjustment to the unit price which is determined by the AFM in accordance with the COLL Sourcebook. The AFM may make a dilution adjustment to the price of a unit (which means that the price of a unit is above or below that which would have resulted from mid-market valuation) for the purposes of reducing dilution in the Trust (or to recover an amount which it has already paid or is reasonably expected to pay in the future) in relation to the issue or cancellation of units. Please refer to the Prospectus for further information.

### J Distribution policies

#### i Basis of distribution

The distribution policy is to distribute all available revenue after deduction of expenses payable from revenue. Distributions attributable to income shares are paid to unitholders. Distributions attributable to accumulation units are re-invested in the relevant class on behalf of the unitholders.

#### ii Unclaimed distributions

Distributions to shareholders outstanding after 6 years are taken to the capital property of the Trust.

#### iii Revenue

All revenue is included in the final distribution with reference to policy D.

#### iv Expenses

Expenses incurred against the revenue of the Trust are included in the final distribution, subject to any expense which may be transferred to capital for the purpose of calculating the distribution, with reference to policy E.

#### v Equalisation

Group 2 units are units purchased on or after the previous XD date and before the current XD date. Equalisation applies only to group 2 units. Equalisation is the average amount of revenue included in the purchase price of group 2 units and is refunded to holders of these units as a return of capital. Being capital it is not liable to income tax in the hands of the unitholders but must be deducted from the cost of units for capital gains tax purposes. Equalisation per unit is disclosed in the Distribution table.

#### vi Marginal relief

Where a transfer is made between the revenue and capital of the same unit class no account is made for marginal tax relief in determining the distribution.

## TPI Chief Investment Officer's foreword and commentary

The investment report that follows is provided by True Potential Investments LLP for appointed sub-delegate Threadneedle Asset Management Limited. Our sub-delegate is responsible for managing the True Potential Threadneedle Monthly Income Fund aiming to provide an income stream that is paid monthly and with prospects for capital growth.

Asset exposure is obtained by a directly invested approach of UK equities and bonds. Within bonds, the sub-delegate also invests in overseas company debt, but denominated in UK sterling. Yield is constructed at the portfolio level which allows, on the equity side, a mix of more traditional income-producing stocks, but also less mature stocks that may have more potential for growth. The sub-delegate also invests in companies where there is turnaround potential. This includes the scope to resume paying dividends with future prospects for growth.

The period was a positive one for large capitalisation UK equity markets in absolute terms. However, they lagged other main developed equity markets with sterling appreciating against the main developed market currencies and sectorally, at an index level, having less exposure to technology. The sub-delegate's equity selection performed strongly with GlaxoSmithKline, RELX, BAE Systems, and Ferguson the largest contributors. Corporate bonds enjoyed solid returns with investors flocking to the asset class taking advantage of the higher yields on offer compared to recent history.

Looking forward, the strength of our sub-delegate lies within their robust investment process and ability to select income-producing stocks with decent prospects for growth. Income sustainability is key for investors and, here at True Potential Investments LLP, we believe our sub-delegate will not take on extra risk simply to gain a higher yield and that they will stick with their stock-picking process and philosophy.

True Potential Investments LLP

08 April 2024

## True Potential Threadneedle Monthly Income

### Sub-Investment Manager's Report

This supplemental reporting is intended to provide you with an overview of portfolio activity during the year and should not be relied upon to make investment decisions or otherwise.

#### Investment Performance

Gross of fees, the fund returned 7.32% (A Acc class), comfortably outperforming its composite benchmark over the period.

The relative outperformance was almost entirely due to the equity segment, but the sterling investment-grade (IG) segment also made a small contribution.

At the end of the fund's financial year, the yield on the fund on an ex-dividend basis was 3.9%. Dividend growth for the fund for the year was approximately 11%. (Please note that this calculation has been interpolated from the CT UK Monthly Extra Income Fund).

Within equities, sector allocation added most to relative returns, largely due to the overweight in industrials. The underweight in materials also proved supportive. Stock selection was beneficial in aggregate, especially in consumer staples, industrials and financials. Only three sectors made negative contributions – consumer discretionary, technology and communication services.

At a stock level, top relative performers included Wincanton, Ferguson and FirstGroup.

Shares in Wincanton performed particularly well at the start of 2024 following a takeover bid from French shipping business CMA CGM. In early March, CMA CGM dropped out of the proposed deal as US rival GXO also made a bid for Wincanton, which the board subsequently endorsed.

Ferguson and FirstGroup also outperformed. Both stocks were lifted by strong earnings released over the period. In addition, FirstGroup raised its interim dividend in November 2023. The company has vastly improved its balance sheet following the sale of its overseas subsidiaries and has rejuvenated its leadership team by appointing a new chief executive. Having navigated successfully through Covid, the firm's regional bus business is now making good progress in improving margins. FirstGroup's rail division generates surplus cash and is well positioned to win contract extensions. The net cash position provides options to enhance returns through a progressive dividend policy, share buybacks and bolt-on M&A deals. FirstGroup also boasts the largest electric bus fleet in the UK, which continues to expand. We believe the shift to electric buses could bring about further cost reductions and present additional revenue opportunities for the firm.

On the other side, the zero weight in Rolls-Royce weighed on relative returns in a very good year for the stock.

Other detractors included Burberry and BT.

Burberry was a new holding in May 2023, when shares were trading at a deeply discounted valuation relative to peers in the luxury-goods space. Burberry was later impacted by concerns about economic weakness and slowing demand for luxury goods, especially in the US and China, which prompted a profit warning in January 2024. However, we retain conviction in the stock.

BT underperformed amid concerns about stagnant revenue growth owing to falling customer numbers. Nevertheless, after engaging with the CEO, we retain confidence in the firm. We are encouraged by management's decision to increase capital expenditure to fund fibre rollout in the UK as uptake by customers has been higher than expected. Moreover, the regulatory backdrop is now more favourable. We are also optimistic about the simplification of BT's corporate structure; the firm has merged its global and enterprise segments, which should lead to cost savings. The stock also boasts an attractive dividend yield.

#### Sub-Investment Activities

Within the equity segment, we initiated positions in HSBC and Rio Tinto towards the end of the fund's financial year to finesse the growth in its dividend. For HSBC, we took advantage of a correction in the share price following the bank's 2023 earnings, which were initially poorly received. We purchased the stock at an 8% yield, which – given HSBC's blue-chip status – represented very good value.

Rio Tinto also offers an attractive dividend yield, and the payout for 2023 was better than expected. The firm stands to benefit from policy stimulus in China and improving demand for raw materials such as iron ore. Rio Tinto has also signed agreements aimed at increasing production of copper and aluminium, and it hopes to launch production at its large scale Simandou iron ore mine in Guinea, West Africa, a year earlier than expected. Additionally, we are encouraged by the firm's recent moves to improve its culture in relation to discrimination, workforce diversity and its impact on local communities.

Other new holdings included the aforementioned Burberry, Crest Nicholson, Shaftesbury Capital and Babcock.

There is significant uncertainty over Burberry's near-term earnings trajectory owing to the appointment of a new executive team and creative director, alongside a tough backdrop for luxury-goods companies. However, management feels that the firm's strategy is moving in the right direction and that the brand resonance remains strong. The Trust also feels confident enough to continue to invest in the brand. Moreover, Burberry's wholesale business has been restructured and the majority of its stores have been refurbished; the benefits of this process and the repositioning of the firm's as more upmarket are now playing out. In addition, we feel that the stock's valuation is compelling, and the company's balance sheet remains strong.

Crest Nicholson is a quality housebuilder with a robust balance sheet, which puts the company in a strong position to buy land for future development even if sales rates and prices fall during an economic slowdown. Moreover, the stock is currently trading at a discount to its sector peers and stands to benefit from the expected interest-rate cuts due to be implemented in 2024 and 2025.

Real-estate investment trust Shaftesbury Capital was attractively valued. Rental growth is recovering after the Covid-19 pandemic, and the company possesses unique assets in the West End of London, which will benefit from the return of both domestic and international tourists to the city.

Babcock is an international defence company. Since the current management team was appointed in 2019, the firm has made progress in winning contracts on sensible terms. This is epitomised by the contract for the life extension of the second Vanguard-class submarine, which has essentially moved from being a fixed price contract to a cost-plus one. In addition, the guidance for medium-term margin expansion appears very realistic, especially given that the company delivered 10% organic sales growth versus a mid-single digit target previously. The shares appear attractively valued on an earnings-per-share basis.

We topped up some existing holdings, included Standard Chartered. The multinational bank boasts a strong management team, which has been in place for over eight years, and has significant liquidity and a very strong capital position. Standard Chartered is also making progress in the transition to net zero, with its multiyear targets for green financing – an area with potential for strong revenue growth. Meanwhile, the stock offers an attractive valuation.

We also added to SSE using the proceeds from the sale of United Utilities. SSE demonstrates strong ESG credentials as a leading developer and operator of renewable energy and low-carbon infrastructure in electricity transmission and distribution. The firm operates a balanced portfolio of assets, including electricity networks as well as renewables, enabling it to perform well in volatile market conditions. The holding provides exposure to real assets in the UK, and the stock's dividend profile is attractive.

As well as United Utilities, we sold out of Unilever, Sherborne, Hostmore and Secure Trust Bank. We were underweighting relative to the benchmark in Unilever, while the other three were de minimis holdings.

We took some profits in 3i after a period of strong performance. We also significantly reduced the holding in RS Group given concerns about the change in the company's management.

Within the fixed-income segment, we took part in a number of new issues. The biggest concentrations of these were in banks (notably HSBC, Danske Bank, Santander and BNP Paribas) and utilities (Suez, Southern Gas Networks, Wessex Water and EDF). Other well-represented sectors included insurance (Aviva, Royal London, New York Life and Pension Insurance Corp), telecoms (NBN, Arqiva and Telefonica) and pharmaceuticals (Bristol Myers Squibb and Bayer).

In the secondary market, we added to positions in a range of issuers including Tesco Property, MetLife, GE Capital (General Electric's financial services arm) and utilities National Grid and Southern Water Services. Sales included exiting Netflix, Vier Gas Transport, diversified miner Anglo American, payments processor Fidelity National Information Services and Toronto-Dominion Bank. We also reduced exposure to UBS, Anglian Water, Yorkshire Water, Mexican oil company Pemex, and British American Tobacco among others.

### **Investment Strategy and Outlook**

UK equities are still trading at very attractive valuations relative to global peers. Consequently, the shares of UK-listed global firms remain deeply discounted compared to their overseas counterparts. This should continue to support inbound M&A bids and stoke interest from private-equity firms.

Meanwhile, after a tough couple of years for the UK economy, there now appear to be grounds for cautious optimism. A range of forward-looking lead indicators are moving up. Inflation is coming down reasonably rapidly; along with lower taxes, this should pave the way for an improvement in real incomes. Wage growth – a key area of focus for the Bank of England – is also coming down, albeit with more volatility. Household balance sheets are in good shape, which means that consumer spending – a source of weakness in 2023 and a major factor in the economy's sluggish growth – is set to recover this year. Moreover, the housing market has improved. In terms of monetary policy, the BoE's focus on lagging indicators such as inflation and wage growth mean that rate cuts may materialise somewhat later than previously anticipated.

Our focus remains on company fundamentals to target strong risk-adjusted returns.

Turning to credit, we have a fairly neutral view on the outlook for spreads. Monetary policy conditions will ease this year, which is welcome, but rates will likely remain restrictive for some time. Inflation is clearly on a downward trend but remains above target in most regions, including the UK, with services inflation especially sticky.

Meanwhile, the low but positive growth we expect across developed markets is actually a reasonable environment for IG issuers, particularly those at the less leveraged and less cyclical end of the spectrum. As regards corporate health, we anticipate that credit quality will remain strong over the year ahead. High levels of interest cover and relatively low net debt-to-earnings ratios look likely to be maintained, while default rates are not expected to rise materially.

One area of concern is that sterling IG spreads ended the period below (i.e. more expensive than) their five-year and 20-year averages. That said, the yield on the market – another way of looking at valuations – was still well above its long-run mean and a far cry from the sub-2% levels we were seeing only a couple of years ago. We think this provides an interesting entry point for those seeking income without too much risk.

Threadneedle Asset Management Limited - a Sub-Investment Manager of True Potential Investments LLP

27 March 2024

**Summary of Portfolio changes**

for the year ended 07 March 2024

The following represents the top ten purchases and sales in the year to reflect a clearer picture of the investment activities.

	Cost
	£000s
Purchases:	
HSBC Holdings USD0.50	14,246
Shell	6,563
UK Treasury Gilt 0.5% 31/01/2029	5,835
Standard Chartered	4,137
AstraZeneca	3,381
Imperial Brands	3,335
Burberry Group	3,155
Rio Tinto	3,056
SSE	2,901
Crest Nicholson Holdings plc	2,464
Subtotal	<u>49,073</u>
Total cost of purchases, including the above, for the year	<u>113,436</u>

	Proceeds
	£000s
Sales:	
UK Treasury Gilt 0.5% 31/01/2029	5,832
3i Group	4,536
Unilever	3,988
RS Group	2,604
UK Treasury Gilt 0.875% 31/07/2033	2,119
Rentokil Initial	1,561
United Utilities Group	1,561
UK Treasury Gilt 0.625% 31/07/2035	1,393
UK Treasury Gilt 4.25% 07/06/2032	1,188
LondonMetric Property	1,079
Subtotal	<u>25,861</u>
Total proceeds from sales, including the above, for the year	<u>45,947</u>



**Portfolio statement**

as at 07 March 2024

Investment	Nominal value or holding	Market value (£000s)	% of total net assets
Fixed Income – 20.91% (07/03/23 - 19.80%)			
Corporate Bonds - 18.53% (07/03/23 - 18.97%)			
AA Bond 3.25% 31/07/2028	£100,000	87	0.03
Amgen 5.65% 2/3/2053	\$118,000	95	0.04
Amgen Inc 5.75% 02/03/2063	\$235,000	189	0.07
Anglian Water Osprey Financing 2.00% 31/07/2028	£200,000	162	0.06
Anglian Water Services Financing 2.625% 15/06/2027	£100,000	92	0.04
Annington Funding 2.924% 6/10/2051	£100,000	60	0.02
Annington Funding 4.75% 9/8/2033	£100,000	93	0.04
APT Pipelines 2.50% 15/03/2036	£100,000	72	0.03
APT Pipelines 3.125% 18/07/2031	£540,000	459	0.18
Aroundtown 3.00% 16/10/2029	£600,000	455	0.18
Arqiva Financing 7.21% 30/06/2045	£213,000	227	0.09
AT&T 4.25% 01/06/2043	£540,000	451	0.18
AT&T 7.00% 30/04/2040	£350,000	399	0.16
Australia and New Zealand Banking Group 1.809% 16/09/2031*	£540,000	485	0.19
Autostrade per l'Italia 2.25% 25/01/2032	€100,000	75	0.03
Aviva 06/04/2050*	£100,000	95	0.04
Aviva 6.87% 27/10/2053*	£275,000	287	0.11
Aviva 03/06/2055*	£100,000	82	0.03
Bacardi 4.7% 15/05/2028 private placement	\$660,000	504	0.20
Banco Santander 30/8/2028*	£200,000	195	0.08
Banco Santander 5.125% 25/1/2030	£100,000	99	0.04
Banco Santander 5.375% 17/01/2031	£200,000	200	0.08
Bank of America 02/06/2029*	£497,000	431	0.17
Bank of America 27/04/2031*	£440,000	406	0.16
Bank of Ireland Group 6/12/2032*	£100,000	103	0.04
Banque Federative du Credit Mutuel 5.0% 22/10/2029	£100,000	100	0.04
Barclays Bank 5.75% 14/09/2026	£258,000	259	0.10
Barclays 3.25% 12/02/2027	£200,000	187	0.07
Barclays 14/11/2032*	£200,000	211	0.08
Barclays 5.746% 09/08/2033*	\$200,000	156	0.06
Barclays 13/9/2034*	\$200,000	166	0.07
BAT International Finance 2.25% 26/6/2028	£411,000	360	0.14
BAT International Finance 6.00% 24/11/2034	£100,000	98	0.04
Bayer US Finance 6.50% 21/11/2033	\$288,000	230	0.09
Blend Funding 2.922% 05/04/2054	£200,000	132	0.05
BNP Paribas 18/8/2029*	£200,000	207	0.08
BNP Paribas 5.75% 13/6/2032	£100,000	102	0.04
BP Capital Markets 5.773% 25/05/2038	£165,000	175	0.07
BPCE 30/11/2032*	£200,000	175	0.07
Bristol-Myers Squibb 5.20% 22/02/2034	\$312,000	249	0.10

**Portfolio statement (continued)**

as at 07 March 2024

Investment	Nominal value or holding	Market value (£000s)	% of total net assets
Fixed Income – 20.91% (07/03/23 - 19.80%) (continued)			
Corporate Bonds - 18.53% (07/03/23 - 18.97%) (continued)			
Bristol-Myers Squibb 5.55% 22/02/2054	\$194,000	157	0.06
British Telecommunications 5.75% 13/02/2041	£100,000	101	0.04
Broadgate Financing 4.821% 05/07/2033	£115,000	113	0.04
Bunzl Finance 1.50% 30/10/2030	£146,000	118	0.05
BUPA Finance perpetual*	£300,000	209	0.08
Cadent Finance 2.25% 10/10/2035	£200,000	145	0.06
Chancellor Master 2.544% 08/12/2117	£100,000	56	0.02
Church Commissioners for England 3.625% 14/7/2052	£100,000	81	0.03
Commerzbank AG 28/2/2033*	£100,000	105	0.04
Cooperatieve Rabobank UA 4.625% 23/05/2029	£200,000	190	0.07
Co-operative Bank Holdings 06/04/2027*	£100,000	98	0.04
Credit Agricole 1.874% 09/12/2031*	£100,000	89	0.04
Credit Agricole 4.875% 23/10/2029	£700,000	698	0.28
Credit Suisse Grp. F2V 9/6/2028*	£100,000	91	0.04
Danske Bank 4.625% 13/04/2027*	£129,000	127	0.05
Danske Bank 6.5%*	£245,000	254	0.10
Deutsche Bank 22/12/2028*	£400,000	344	0.14
Deutsche Bank 12/12/2030*	£300,000	299	0.12
Diageo Finance 2.75% 8/6/2038	£100,000	79	0.03
Digital Stout Holding 3.30% 19/07/2029	£210,000	189	0.08
Digital Stout Holding 3.75% 17/10/2030	£540,000	491	0.20
DS Smith 2.875% 26/07/2029	£440,000	392	0.16
E.ON International Finance 6.375% 07/06/2032	£538,000	579	0.23
Eastern Power Networks 1.875% 1/6/2035	£100,000	74	0.03
Eastern Power Networks 8.50% 31/03/2025	£164,000	168	0.07
Electricite de France 5.125% 22/09/2050	£300,000	265	0.11
Electricite de France 5.50% 17/10/2041	£200,000	190	0.08
Electricite de France 5.625% 25/1/2053	£100,000	93	0.04
Electricite de France 6.00% 23/01/2114	£100,000	95	0.04
Electricite de France 6.90% 23/05/2053	£200,000	173	0.07
ENW Finance 4.893% 24/11/2032	£116,000	116	0.05
European Investment Bank 0.875% 15/5/2026	£414,000	382	0.15
Experian Finance 3.25% 7/4/2032	£100,000	91	0.04
Fidelity National Information Services 3.36% 21/05/2031	£200,000	183	0.07
Fiserv 2.25% 01/07/25	£180,000	173	0.07
Fiserv 3.00% 01/07/31	£383,000	337	0.13
Ford Motor Credit 7.35% 04/11/2027	\$250,000	205	0.08
Gatwick Funding 2.50% 15/04/2030	£100,000	87	0.03
GE Capital UK Funding Unlimited 5.875% 18/01/2033	£704,000	736	0.29
GlaxoSmithKline Capital 1.25% 12/10/2028	£170,000	148	0.06
Glencore Fin. EUR 3.125% 26/03/2026	£100,000	95	0.04

**Portfolio statement (continued)**

as at 07 March 2024

Investment	Nominal value or holding	Market value (£000s)	% of total net assets
Fixed Income – 20.91% (07/03/23 - 19.80%) (continued)			
Corporate Bonds - 18.53% (07/03/23 - 18.97%) (continued)			
Goldman Sachs Group 1.50% 07/12/2027	£136,000	120	0.05
Goldman Sachs Group 1.875% 16/12/2030	£229,000	188	0.07
GSK Consumer Heal 3.375% 29/3/2038	£100,000	83	0.03
Heathrow Funding 2.75% 09/08/2049	£440,000	275	0.11
Home Group 3.125% 27/03/2043	£200,000	145	0.06
Heathrow Funding 4.625% 31/10/2048	\$100,000	88	0.03
Heathrow Funding 6.75% 03/12/2026	£409,000	422	0.17
HSBC Holdings 6.8% 14/09/2031*	£1,081,000	1,151	0.46
HSBC Holdings 16/11/2034*	£437,000	475	0.19
Imperial Tobacco Finance 5.50% 28/09/2026	£485,000	482	0.19
Imperial Tobacco Finance 8.125% 15/03/2024	£100,000	100	0.04
ING Groep NV 6.25% 20/05/2033*	£300,000	299	0.12
International Business Machines 4.875% 6/02/2038	£445,000	429	0.17
Intesa Sanpaolo 2.625% 11/03/2036	£100,000	72	0.03
Intesa Sanpaolo 6.625% 31/5/2033	£100,000	104	0.04
Jigsaw Funding 3.375% 05/05/2052	£200,000	149	0.06
KBC Group 1.25% 21/09/2027*	£100,000	90	0.04
KBC Group 5.5% 20/09/2028*	£100,000	100	0.04
Kraft Heinz Foods 4.125% 01/07/2027	£784,000	765	0.30
Kreditanstalt fuer Wiederaufbau 0.75% 7/12/2027	£566,000	497	0.20
La Banque Postale 21/9/2028*	£100,000	99	0.04
Land Securities Capital Markets 2.375% 29/3/2027	£388,000	357	0.14
Legal & General Group 14/11/2048*	£310,000	300	0.12
Legal & General Group 26/11/2049*	£300,000	267	0.11
Libra Longhurst Group Treasury 3.25% 15/05/2043	£100,000	74	0.03
Lloyds Banking Group 03/12/2035*	£200,000	159	0.06
LVMH Moet Hennessy Louis Vuitton 1.125% 11/02/27	£200,000	181	0.07
M&G 5.625% 20/10/2051*	£440,000	417	0.17
Mahle GmbH 2.375% 14/05/2028	€200,000	147	0.06
Marks & Spencer 4.75% 12/06/2025	£112,000	112	0.04
Metropolitan Life Global 5.00% 10/1/2030	£599,000	605	0.24
Morgan Stanley 18/11/2033*	£411,000	428	0.17
Motability Operations Group 1.50% 20/01/2041	£138,000	83	0.03
Motability Operations Group 1.75% 03/07/2029	£100,000	86	0.03
Motability Operations Group 2.125% 18/01/2042	£100,000	66	0.03
Motability Operations Group 5.625% 24/01/2024	£131,000	139	0.06
Motability Operations Group 5.625% 11/09/2035	£100,000	106	0.04
National Gas Transmission 5.75% 05/04/2035	£100,000	102	0.04
National Grid Gas Transmission 1.125% 14/1/2033	£200,000	142	0.06
National Grid Gas Fin 2.625% 22/09/2038	£300,000	211	0.08

**Portfolio statement (continued)**

as at 07 March 2024

Investment	Nominal value or holding	Market value (£000s)	% of total net assets
Fixed Income – 20.91% (07/03/23 - 19.80%) (continued)			
Corporate Bonds - 18.53% (07/03/23 - 18.97%) (continued)			
National Grid Gas Fin 2.75% 22/09/2046	£383,000	242	0.10
National Grid Electricity Transmission 2.00% 16/09/2038	£200,000	133	0.05
Nationwide Building Society 7/12/2027*	£100,000	101	0.04
Nats En Route 1.75% 30/09/2033	£200,000	153	0.06
NatWest Group 29/03/2029*	£468,000	435	0.17
NatWest Group 28/11/2031*	£212,000	190	0.08
NatWest Markets 6.375% 8/11/2027	£200,000	207	0.08
NBN Co. 5.75% 6/10/2028	\$219,000	176	0.07
New York Life Global Funding 1.50% 15/07/2027	£383,000	345	0.14
New York Life Global Funding 4.95% 07/12/2029	£100,000	101	0.04
NewRiver REIT 3.50% 7/3/2028	£383,000	348	0.14
NGG Finance 18/06/2073*	£609,000	601	0.24
NIE Finance 5.875% 1/12/2032	£300,000	316	0.13
Northern Powergrid Northeast 1.875% 16/06/2062	£100,000	50	0.02
Northumbrian Water Finance 2.375% 05/10/2027	£511,000	460	0.18
Northumbrian Water Finance 4.50% 14/02/2031	£164,000	155	0.06
Northumbrian Water Finance 6.375% 28/10/2034	£135,000	143	0.06
Orange 8.125% 20/11/2028	£90,000	102	0.04
Orange 3.25% 15/01/2032	£300,000	271	0.11
Pacific Gas and Electric 4.95% 1/7/2050	\$150,000	101	0.04
Paragon Treasury 2.00% 07/05/2036	£343,000	240	0.10
Peabody Capital 2.75% 02/03/2034	£100,000	81	0.03
Pension Insurance 5.625% 20/09/2030	£200,000	190	0.08
Pension Insurance Corp 8.0% 13/11/2033	£135,000	145	0.06
PepsiCo 3.55% 22/7/2034	£337,000	310	0.12
Permanent TSB Group Holdings 6. 6.62% 25/04/2028*	€246,000	223	0.09
Petroleos Mexicanos 3.75% 16/11/2025	£180,000	166	0.07
Phoenix Group Holdings 5.625% 28/04/2031	£310,000	294	0.12
Places For People Treasury 2.50% 26/01/2036	£100,000	74	0.03
Porterbrook Rail Finance 4.625% 4/4/2029	£214,000	207	0.08
Rentokil Initial 5.00% 27/6/2032	£100,000	99	0.04
RL Finance Bonds perpetual*	£300,000	325	0.13
RWE Fin. 6.25% 03/06/2030	£749,000	796	0.32
Sagax AB 1.125% 30/1/2027	€100,000	78	0.03
Saltaire Finance 4.809% 14/03/2053	£100,000	102	0.04
Sanctuary Capital 2.375% 14/04/2050	£100,000	61	0.02
Santander UK 10.0625% perpetual	£100,000	127	0.05
Santander UK Group Holdings 29/08/2029*	£150,000	159	0.06
Scottish Hydro Electric Transmission 2.25% 27/09/2035	£200,000	152	0.06
Scottish Hydro Electric Transmission 5.5% 15/01/2044	£100,000	102	0.04

**Portfolio statement (continued)**

as at 07 March 2024

Investment	Nominal value or holding	Market value (£000s)	% of total net assets
Fixed Income – 20.91% (07/03/23 - 19.80%) (continued)			
Corporate Bonds - 18.53% (07/03/23 - 18.97%) (continued)			
Severn Trent Utilities Finance 2.00% 02/06/2040	£150,000	97	0.04
Severn Trent Utilities Finance 2.625% 22/02/2033	£200,000	164	0.06
Severn Trent Utilities Finance 4.625% 30/11/2034	£200,000	190	0.08
Southern Gas Networks 1.25% 2/12/2031	£266,000	202	0.08
Southern Gas Networks 3.10% 15/09/2036	£440,000	346	0.14
Southern Water Finance I Plc 7.375% 12/12/2041	£153,000	161	0.06
Southern Water Services Finance 2.375% 28/05/2028	£928,000	806	0.32
Southern Water Services Finance 3.00% 28/05/2037	£200,000	144	0.06
Suez SACA 6.625% 5/10/2043	£300,000	336	0.13
Telefonica Emisiones 5.445% 08/10/2029	£300,000	304	0.12
Telefonica Europe 4.375% perpetual*	€100,000	86	0.03
Telereal Securitisation 10/12/2033*	£100,000	92	0.04
Thames Water Kemble Finance 4.625% 19/5/2026	£100,000	34	0.01
Thames Water Utilities Finance 2.625% 24/01/2032	£613,000	468	0.19
Thames Water Utilities Finance 3.50% 25/02/2028	£383,000	339	0.13
Thames Water Utilities Finance 5.125% 28/09/2037	£135,000	115	0.05
Thames Water Utilities Finance 6.50% 09/02/2032	£200,000	193	0.08
Thames Water Utilities Finance 7.75% 30/04/2044	£100,000	104	0.04
Time Warner Cable 5.25% 15/07/2042	£354,000	298	0.12
Triodos Bank NV 05/02/2032*	€300,000	204	0.08
UNITE Group 3.50% 15/10/2028	£100,000	93	0.04
United Utilities Water Finance 0.875% 28/10/2029	£100,000	80	0.03
Verizon Communications 1.875% 19/09/2030	£100,000	83	0.03
Verizon Communications 1.875% 03/11/2038	£411,000	269	0.11
Verizon Communications 1.875% 03/11/2038	£100,000	65	0.03
Verizon Communications 2.50% 08/04/2031	£100,000	85	0.03
Virgin Money UK 19/08/2031*	£613,000	562	0.22
Virgin Money UK 11/12/2030*	£100,000	98	0.04
Virgin Money UK 7.625% 23/08/2029*	£200,000	216	0.09
Vodafone Group 3.00% 12/08/2056	£100,000	62	0.02
Volkswagen Financial Services 2.125% 18/01/2028	£700,000	620	0.25
Vonovia 5.00% 23/11/2030	€100,000	89	0.03
Vonovia 5.5% 18/01/2036	£100,000	98	0.04
Warnermedia Holdings 5.391% 15/03/2062	\$230,000	148	0.06
Wellcome Trust Finance 4.625% 25/07/2036	£191,000	193	0.08
Wells Fargo 2.125% 24/09/2031	£200,000	163	0.06
Wells Fargo 2.50% 02/05/2029	£545,000	479	0.19
Welltower OP 4.80% 20/11/2028	£552,000	541	0.21
Wessex Water Services Finance 5.125% 31/10/2032	£184,000	182	0.07
Western Power Distribution 1.625% 7/10/2035	£1,089,000	750	0.30

True Potential Threadneedle Monthly Income

**Portfolio statement (continued)**

as at 07 March 2024

Investment	Nominal value or holding	Market value (£000s)	% of total net assets
Fixed Income – 20.91% (07/03/23 - 19.80%) (continued)			
Corporate Bonds - 18.53% (07/03/23 - 18.97%) (continued)			
Western Power Distribution 1.75% 09/09/2031	£200,000	158	0.06
Western Power Distribution 2.375% 16/05/2029	£200,000	176	0.07
Western Power Distribution 3.50% 16/10/2026	£100,000	95	0.04
WPP Finance 2013 2.875% 14/09/2046	£100,000	63	0.02
WPP Finance 2017 3.75% 19/05/2032	£100,000	89	0.03
Yorkshire Water Finance 1.75% 26/11/2026	£198,000	178	0.07
Zurich Finance Ireland Designated Activity 23/11/2052*	£439,000	421	0.17
Total Corporate Bonds		46,641	18.53
Government Bonds - 1.68% (07/03/23 - 0.63%)			
Jersey International Bond 2.875% 06/05/2052	£100,000	69	0.03
London Power Networks 5.875% 15/11/2040	£100,000	106	0.04
UK Treasury Gilt 5.00% 07/03/2025	£263,000	264	0.10
UK Treasury Gilt 4.125% 29/01/2027	£952,000	949	0.38
UK Treasury Gilt 1.25% 31/07/2051	£3,231,000	1,631	0.65
UK Treasury Gilt 0.875% 31/07/2033	£120,000	91	0.04
UK Treasury Gilt 4.50% 07/06/2028	£1,102,000	1,119	0.44
Total Government Bonds		4,229	1.68
Mortgage Bonds - 0.70% (07/03/23 - 0.05%)			
Broadgate Financing 5.098% 05/04/2033	£130,500	121	0.05
Eversholt Funding 2.742% 30/06/2040	£169,232	141	0.06
Eversholt Funding 3.529% 07/08/2042	£100,000	79	0.03
Longstone Finance 4.896% 19/04/2031	£165,000	153	0.06
Marston's Issuer 15/10/2027	£37,457	35	0.01
Mitchells & Butlers Finance 15/12/2028	£119,188	114	0.04
Mitchells & Butlers Finance 15/12/2030	£43,654	43	0.02
Nats En Route 1.375% 31/03/2031	£120,000	104	0.04
RHP Finance 3.25% 05/02/2048	£100,000	75	0.03
Telereal Securitisation 4.9741% 10/09/2027	£66,600	65	0.03
Tesco Property Finance 6.0517% 13/10/2039	£440,861	457	0.18
Tesco Property Finance 7.6227% 13/07/2039	£263,029	300	0.12
Trafford Centre Finance 28/07/2035	£100,000	79	0.03
Total Mortgage Bonds		1,766	0.70
Supernational Bonds 0.00% (07/03/23 - 0.15%)			
		-	-
Total Fixed Income		52,636	20.91

True Potential Threadneedle Monthly Income

**Portfolio statement (continued)**

as at 07 March 2024

Investment	Nominal value or holding	Market value (£000s)	% of total net assets
<b>Equities - 79.08% (07/03/23 - 75.55%)</b>			
<b>United Kingdom - 74.32% (07/03/23 - 71.75%)</b>			
<b>Aerospace, Defence and Nuclear Engineering - 1.19% (07/03/23 0.00%)</b>			
Babcock International Group	580,000	2,999	1.19
<b>Basic Materials - 0.60% (07/03/23 - 0.93%)</b>			
Johnson Matthey	89,828	1,513	0.60
<b>Construction - 1.00% (07/03/23 - 0.00%)</b>			
Crest Nicholson Holdings	1,150,000	2,523	1.00
<b>Consumer Goods - 6.26% (07/03/23 - 9.28%)</b>			
Imperial Brands	517,500	8,790	3.49
Reckitt Benckiser Group	85,000	4,289	1.71
Tate & Lyle	443,728	2,667	1.06
		15,746	6.26
<b>Consumer Services - 11.09% (07/03/23 - 10.00%)</b>			
Firstgroup	2,730,000	4,368	1.73
ITV	2,348,515	1,604	0.64
Marks & Spencer Group	1,595,000	3,897	1.55
Pearson	641,783	6,485	2.58
Rank Group	1,700,000	1,224	0.49
RELX	201,250	6,828	2.71
Tesco	1,229,453	3,489	1.39
		27,895	11.09
<b>Equity Investment Instruments - 0.00% (07/03/23 - 0.01%)</b>			
Unbound Group	22,464	-	-
<b>Fashion - 0.73% (07/03/23 - 0.00%)</b>			
Crest Nicholson Holdings	145,000	1,842	0.73
<b>Financials - 14.44% (07/03/23- 10.62%)</b>			
3i Group	140,000	3,552	1.41
Chesnara	825,000	2,141	0.85
Direct Line Insurance Group	1,557,380	3,439	1.37
HSBC Holdings	2,357,500	13,978	5.55
Legal & General Group	1,900,000	4,655	1.85
Phoenix Group Holdings	492,500	2,510	1.00
Standard Chartered	1,010,000	6,749	2.68
		37,024	14.44

True Potential Threadneedle Monthly Income

**Portfolio statement (continued)**

as at 07 March 2024

Investment	Nominal value or holding	Market value (£000s)	% of total net assets
Equities - 79.08% (07/03/23 - 75.55%) (continued)			
United Kingdom - 74.32% (07/03/23 - 71.75%) (continued)			
Health Care - 8.72% (07/03/23 - 9.45%)			
AstraZeneca	145,000	14,819	5.89
GSK	415,000	7,116	2.83
		<u>21,935</u>	<u>8.72</u>
Industrials - 13.10% (07/03/23 - 14.81%)			
BAE Systems	505,000	6,431	2.56
DS Smith	1,160,000	3,790	1.51
Hays	2,141,803	2,095	0.83
IMI	225,000	3,962	1.57
Melrose Industries	350,000	2,181	0.87
Rentokil Initial	1,040,000	5,298	2.11
RS Group	225,000	1,672	0.66
Smiths Group	217,500	3,543	1.41
Wincanton	665,593	3,967	1.58
		<u>32,939</u>	<u>13.10</u>
Mining - 1.20% (07/03/23 - 0.00%)			
Rio Tinto	60,000	3,016	1.20
Oil & Gas - 6.76% (07/03/23 - 5.89%)			
Shell	685,000	17,012	6.76
Real Estate Investment Trusts - 2.86% (07/03/23 - 2.41%)			
LondonMetric Property	1,250,000	2,404	0.96
Shaftesbury Capital	1,915,000	2,505	0.99
Supermarket Income REIT	2,930,000	2,294	0.91
		<u>7,203</u>	<u>2.86</u>
Technology - 1.95% (07/03/23 - 2.18%)			
Spirent Communications	2,797,500	4,896	1.95
Telecommunications - 1.65% (07/03/23 - 1.83%)			
BT Group	3,795,000	4,159	1.65
Utilities - 3.91% (07/03/23 - 4.35%)			
Centrica	2,690,513	3,566	1.42
Pennon Group	159,093	1,119	0.44



True Potential Threadneedle Monthly Income

**Portfolio statement (continued)**

as at 07 March 2024

Investment	Nominal value or holding	Market value (£000s)	% of total net assets
Equities - 79.08% (07/03/23 - 75.55%) (continued)			
Utilities - 3.91% (07/03/23 - 4.35%) (continued)			
SSE	307,500	5,161	2.05
		9,846	3.91
Total United Kingdom		186,996	74.32
Jersey - 2.20% (07/03/23 - 2.21%)			
Industrials - 2.20% (07/03/23 - 2.21%)			
Ferguson Newco	35,000	5,542	2.20
Bermuda - 1.15% (07/03/23 - 1.59%)			
Financials - 1.15% (07/03/23 - 1.59%)			
Hiscox	240,000	2,892	1.15
Total Equities		198,982	77.67
Closed-Ended Funds - 0.00% (07/03/23 - 0.46%)			
Forward Currency Contracts - 0.01% (07/03/23 - (0.03)%)			
Sell Euro	-€966,492	(827)	
Buy UK sterling	£828,413	829	
Expiry date 04 April 2024		2	-
Sell US dollar	-\$3,250,153	(2,545)	
Buy UK sterling	£2,572,270	2,572	
Expiry date 04 April 2024		27	0.01
Sell US dollar	-\$21,412	(17)	
Buy UK sterling	£16,949	17	
Expiry date 04 April 2024		-	-
Sell US dollar	-\$26,760	(21)	
Buy UK sterling	£21,026	21	
Expiry date 04 April 2024		-	-
Total Forward Currency Contracts		29	0.01
Portfolio of investments		251,647	100.00
Other net assets		(6)	-
Total net assets		251,641	100.00

**Portfolio statement (continued)**

as at 07 March 2024

All investments are listed on recognised stock exchanges or are approved securities within the meaning of the FCA rules unless otherwise stated. Forward contracts are not listed on stock exchanges and are considered over-the-counter instruments.

The comparative figures in brackets are as at 07 March 2023.

\* Floating interest security.

## Summary of portfolio investments

as at 07 March 2024

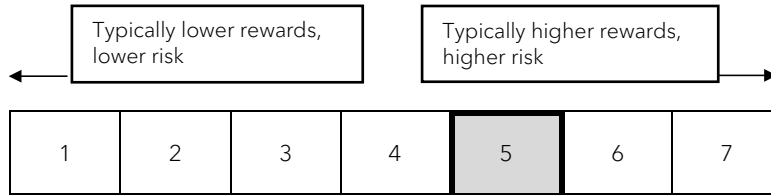
	07 March 2024		07 March 2023	
	Bid-Market value	Total net assets	Bid-Market value	Total net assets
Credit breakdown*	£000s	%	£000s	%
Investments of investment grade	50,893	20.23	33,423	18.36
Investments of below investment grade	636	0.24	1,589	0.87
Unrated bonds	1,107	0.44	1,050	0.57
<b>Total bonds</b>	<b>52,636</b>	<b>20.91</b>	<b>36,062</b>	<b>19.80</b>
Forward currency contracts - assets	29	0.01	-	-
Equities	198,982	79.08	137,458	75.55
Closed-ended funds	-	-	829	0.46
<b>Investments as shown in the balance sheet</b>	<b>251,647</b>	<b>100.00</b>	<b>174,349</b>	<b>95.81</b>
Forward currency contracts - liabilities	-	-	(47)	(0.03)
<b>Total value of investments</b>	<b>251,647</b>	<b>100.00</b>	<b>174,302</b>	<b>95.78</b>

\*Ratings supplied by S&amp;P, followed by Moody's.

**Risk and reward profile**

The risk and reward profile relates to both unit classes in the Sub-Fund.

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



The Sub-Fund is in a medium category because the price of its investments have risen or fallen to some extent. The category shown is not guaranteed to remain unchanged and may shift over time. Even the lowest category does not mean a risk-free investment.

The price of the Sub-Fund and any income from it can go down as well as up and is not guaranteed. Investors may not get back the amount invested. Past performance is not a guide to future performance.

Where the Sub-Fund invests in bonds, there is a risk the bond issuer may fail to meet its repayments. This is usually a greater risk for bonds that produce a higher level of income. Changes in interest rates, inflation and the creditworthiness of the bond issuer may also affect the bond's market value.

The Sub-Fund is entitled to use derivative instruments for Efficient Portfolio Management. Derivatives may not achieve their intended purpose. Their prices may move up or down significantly over relatively short periods of time which may result in losses greater than the amount paid. This could adversely impact the value of the Sub-Fund.

The organisation from which the Sub-Fund buys a derivative may fail to carry out its obligations, which could also cause losses to the Sub-Fund.

For further information please refer to the KIID.

For full details on risk factors for the Sub-Fund, please refer to the Prospectus.

During the year the risk and reward indicator changed from 4 to 5.

**Comparative tables**

The following disclosures give a unitholder an indication of the performance of a unit in the Sub-Fund. It also discloses the operating charges and direct transaction costs applied to each unit. Operating charges are those charges incurred in operating the Sub-Fund and direct transaction costs are costs incurred when purchasing or selling securities in the portfolio of investments.

	A Income		
	2024	2023	2022
	p	p	p
Change in net assets per unit			
Opening net asset value per unit	113.76	108.69	111.31
Return before operating charges*	8.90	10.01	1.94
Operating charges	(0.82)	(0.82)	(0.86)
Return after operating charges*	8.08	9.19	1.08
Distributions+	(4.68)	(4.12)	(3.70)
Closing net asset value per unit	117.16	113.76	108.69
*after direct transaction costs of:	0.11	0.13	0.11
Performance			
Return after charges	7.10%	8.46%	0.97%
Other information			
Closing net asset value (£000s)	116,440	77,287	59,501
Closing number of units	99,381,553	67,939,318	54,742,856
Operating charges++	0.72%	0.72%	0.72%
Direct transaction costs	0.09%	0.11%	0.09%
Prices			
Highest unit price (p)	118.47	119.20	124.50
Lowest unit price (p)	108.20	102.20	109.30

+Rounded to 2 decimal places.

++Operating charges are those charges incurred in operating the Sub-Fund and direct transaction costs are costs incurred when purchasing or selling securities in the portfolio of investments.

*Investments carry risk. Past performance is not a guide to future performance. Investors may not get back the amount invested.*

## Comparative tables (continued)

## A Accumulation

	2024	2023	2022
	p	p	p
Change in net assets per unit			
Opening net asset value per unit	147.21	135.64	134.64
Return before operating charges*	11.85	12.61	2.06
Operating charges	(1.07)	(1.04)	(1.06)
Return after operating charges*	10.78	11.57	1.00
Distributions+	(6.17)	(5.21)	(4.55)
Retained distribution on accumulation units+	6.17	5.21	4.55
Closing net asset value per unit	157.99	147.21	135.64
* after direct transaction costs of:	0.14	0.17	0.14
Performance			
Return after charges	7.32%	8.53%	0.74%
Other information			
Closing net asset value (£000s)	135,201	104,687	94,718
Closing number of units	85,577,993	71,113,172	69,830,484
Operating charges++	0.72%	0.72%	0.72%
Direct transaction costs	0.09%	0.11%	0.09%
Prices			
Highest unit price (p)	158.14	149.80	153.70
Lowest unit price (p)	141.20	130.00	135.80

+Rounded to 2 decimal places.

++Operating charges are those charges incurred in operating the Sub-Fund and direct transaction costs are costs incurred when purchasing or selling securities in the portfolio of investments.

Investments carry risk. Past performance is not a guide to future performance. Investors may not get back the amount invested.

**Distribution tables**

for the year ended 07 March 2024

**Distributions on A Income units in pence per unit**

Payment date	Unit type	Distribution type	Net revenue	Equalisation	Distribution current year	Distribution prior year
04.05.23	group 1	month 1	0.317	-	0.317	0.307
04.05.23	group 2	month 1	0.147	0.170	0.317	0.307
02.06.23	group 1	month 2	0.317	-	0.317	0.307
02.06.23	group 2	month 2	0.000	0.317	0.317	0.307
04.07.23	group 1	month 3	0.317	-	0.317	0.307
04.07.23	group 2	month 3	0.000	0.317	0.317	0.307
04.08.23	group 1	month 4	0.317	-	0.317	0.307
04.08.23	group 2	month 4	0.000	0.317	0.317	0.307
04.09.23	group 1	month 5	0.317	-	0.317	0.307
04.09.23	group 2	month 5	0.000	0.317	0.317	0.307
04.10.23	group 1	interim	0.317	-	0.317	0.307
04.10.23	group 2	interim	0.000	0.317	0.317	0.307
03.11.23	group 1	month 7	0.317	-	0.317	0.307
03.11.23	group 2	month 7	0.000	0.317	0.317	0.307
04.12.23	group 1	month 8	0.317	-	0.317	0.307
04.12.23	group 2	month 8	0.072	0.245	0.317	0.307
04.01.24	group 1	month 9	0.317	-	0.317	0.307
04.01.24	group 2	month 9	0.076	0.241	0.317	0.307
04.02.24	group 1	month 10	0.317	-	0.317	0.307
04.02.24	group 2	month 10	0.036	0.281	0.317	0.307
04.03.24	group 1	month 11	0.317	-	0.317	0.307
04.03.24	group 2	month 11	0.035	0.282	0.317	0.307
04.04.24	group 1	final	1.196	-	1.196	0.742
04.04.24	group 2	final	0.553	0.643	1.196	0.742

**Equalisation**

Equalisation applies only to group 2 units. It is the average amount of revenue included in the purchase price of group 2 units and is refunded to holders of these units as a return of capital. Being capital it is not liable to income tax in the hands of the unitholder but must be deducted from the cost of units for capital gains tax purposes.

**Month 1 distributions:**

- Group 1                Units purchased before 08 March 2023
- Group 2                Units purchased 08 March 2023 to 07 April 2023

**Month 2 distributions:**

- Group 1                Units purchased before 08 April 2023
- Group 2                Units purchased 08 April 2023 to 07 May 2023

**Distribution tables (continued)**

for the year ended 07 March 2024

**Month 3 distributions:**

- Group 1 Units purchased before 08 May 2023
- Group 2 Units purchased 08 May 2023 to 07 June 2023

**Month 4 distributions:**

- Group 1 Units purchased before 08 June 2023
- Group 2 Units purchased 08 June 2023 to 07 July 2023

**Month 5 distributions:**

- Group 1 Units purchased before 08 July 2023
- Group 2 Units purchased 08 July 2023 to 07 August 2023

**Interim distributions:**

- Group 1 Units purchased before 08 August 2023
- Group 2 Units purchased 08 August 2023 to 07 September 2023

**Month 7 distributions:**

- Group 1 Units purchased before 08 September 2023
- Group 2 Units purchased 08 September 2023 to 07 October 2023

**Month 8 distributions:**

- Group 1 Units purchased before 08 October 2023
- Group 2 Units purchased 08 October 2023 to 07 November 2023

**Month 9 distributions:**

- Group 1 Units purchased before 08 November 2023
- Group 2 Units purchased 08 November 2023 to 07 December 2023

**Month 10 distributions:**

- Group 1 Units purchased before 08 December 2023
- Group 2 Units purchased 08 December 2023 to 07 January 2024

**Month 11 distributions:**

- Group 1 Units purchased before 08 January 2024
- Group 2 Units purchased 08 January 2024 to 07 February 2024

**Final distributions:**

- Group 1 Units purchased before 08 February 2024
- Group 2 Units purchased 08 February 2024 to 07 March 2024



**Distribution tables (continued)**  
for the year ended 07 March 2024

**Distributions on A Accumulation units in pence per unit**

Allocation date	Unit type	Distribution type	Net revenue	Equalisation	Distribution current year	Distribution prior year
04.05.23	group 1	month 1	0.590	-	0.590	0.738
04.05.23	group 2	month 1	0.366	0.224	0.590	0.738
02.06.23	group 1	month 2	0.584	-	0.584	0.485
02.06.23	group 2	month 2	0.336	0.248	0.584	0.485
04.07.23	group 1	month 3	0.418	-	0.418	0.323
04.07.23	group 2	month 3	0.146	0.272	0.418	0.323
04.08.23	group 1	month 4	0.329	-	0.329	0.394
04.08.23	group 2	month 4	0.039	0.290	0.329	0.394
04.09.23	group 1	month 5	0.615	-	0.615	0.351
04.09.23	group 2	month 5	0.337	0.278	0.615	0.351
04.10.23	group 1	interim	0.687	-	0.687	0.744
04.10.23	group 2	interim	0.150	0.537	0.687	0.744
03.11.23	group 1	month 7	0.363	-	0.363	0.371
03.11.23	group 2	month 7	0.240	0.123	0.363	0.371
04.12.23	group 1	month 8	0.294	-	0.294	0.297
04.12.23	group 2	month 8	0.124	0.170	0.294	0.297
04.01.24	group 1	month 9	0.628	-	0.628	0.498
04.01.24	group 2	month 9	0.288	0.340	0.628	0.498
04.02.24	group 1	month 10	0.262	-	0.262	0.228
04.02.24	group 2	month 10	0.118	0.144	0.262	0.228
04.03.24	group 1	month 11	0.227	-	0.227	0.184
04.03.24	group 2	month 11	0.094	0.133	0.227	0.184
04.04.24	group 1	final	1.169	-	1.169	0.597
04.04.24	group 2	final	0.738	0.431	1.169	0.597

**Equalisation**

Equalisation applies only to group 2 units. It is the average amount of revenue included in the purchase price of group 2 units and is refunded to holders of these units as a return of capital. Being capital it is not liable to income tax in the hands of the unitholder but must be deducted from the cost of units for capital gains tax purposes.

**Accumulation distributions**

Holders of accumulation units should add the distributions received thereon to the cost of the units for capital gains tax purposes.

**Month 1 distributions:**

- Group 1                Units purchased before 08 March 2023  
Group 2                Units purchased 08 March 2023 to 07 April 2023

**Distribution tables (continued)**

for the year ended 07 March 2024

**Month 2 distributions:**

- Group 1 Units purchased before 08 April 2023
- Group 2 Units purchased 08 April 2023 to 07 May 2023

**Month 3 distributions:**

- Group 1 Units purchased before 08 May 2023
- Group 2 Units purchased 08 May 2023 to 07 June 2023

**Month 4 distributions:**

- Group 1 Units purchased before 08 June 2023
- Group 2 Units purchased 08 June 2023 to 07 July 2023

**Month 5 distributions:**

- Group 1 Units purchased before 08 July 2023
- Group 2 Units purchased 08 July 2023 to 07 August 2023

**Interim distributions:**

- Group 1 Units purchased before 8 August 2023
- Group 2 Units purchased 8 August 2023 to 7 September 2023

**Month 7 distributions:**

- Group 1 Units purchased before 8 September 2023
- Group 2 Units purchased 8 September 2023 to 7 October 2023

**Month 8 distributions:**

- Group 1 Units purchased before 8 October 2023
- Group 2 Units purchased 8 October 2023 to 7 November 2023

**Month 9 distributions:**

- Group 1 Units purchased before 8 November 2023
- Group 2 Units purchased 8 November 2023 to 7 December 2023

**Month 10 distributions:**

- Group 1 Units purchased before 8 December 2023
- Group 2 Units purchased 8 December 2023 to 7 January 2024

**Month 11 distributions:**

- Group 1 Units purchased before 8 January 2024
- Group 2 Units purchased 8 January 2024 to 7 February 2024

**Final distributions:**

- Group 1 Units purchased before 8 February 2024
- Group 2 Units purchased 8 February 2024 to 7 March 2024

## Financial statements - True Potential Threadneedle Monthly Income

## Statement of total return

for the year ended 07 March 2024

	Notes	2024		2023	
		£000s	£000s	£000s	£000s
Income:					
Net capital gains	2		9,971		8,966
Revenue	3	8,957		6,017	
Expenses	4	(1,520)		(1,192)	
Interest payable and similar charges		(56)		(11)	
Net revenue before taxation		<u>7,381</u>		<u>4,814</u>	
Taxation	5	(157)		-	
Net revenue after taxation			<u>7,224</u>		<u>4,814</u>
Total return before distributions			<u>17,195</u>		<u>13,780</u>
Distributions	6		<u>(8,744)</u>		<u>(6,006)</u>
Change in net assets attributable to unitholders from investment activities			<u>8,451</u>		<u>7,774</u>

## Statement of change in net assets attributable to unitholders

for the year ended 07 March 2024

		2024		2023	
		£000s	£000s	£000s	£000s
Opening net assets attributable to unitholders			181,974		154,219
Amounts receivable on issue of units		98,930		67,380	
Amounts payable on cancellation of units		<u>(42,626)</u>		<u>(50,949)</u>	
			56,304		16,431
Change in net assets attributable to unitholders from investment activities			8,451		7,774
Retained distribution on accumulation units			4,912		3,550
Closing net assets attributable to unitholders			<u>251,641</u>		<u>181,974</u>

**Balance Sheet**

as at 07 March 2024

	Notes	2024 £000s	2023 £000s
Assets:			
Fixed assets:			
Investments		251,647	174,349
Current assets:			
Debtors	7	3,122	3,160
Cash and bank balances	8	13	5,424
Total assets		<u>254,782</u>	<u>182,933</u>
Liabilities:			
Investment liabilities		-	(47)
Creditors:			
Bank overdraft	8	(1,223)	-
Distribution payable	6	(1,189)	(504)
Other creditors	9	(729)	(408)
Total liabilities		<u>(3,141)</u>	<u>(959)</u>
Net assets attributable to unitholders		<u>251,641</u>	<u>181,974</u>

**Notes to the financial statements**

for the year ended 07 March 2024

## 1. Accounting policies

The accounting policies are disclosed on pages 10 to 11.

2. Net capital gains	2024	2023
	£000s	£000s
Non-derivative securities – gains	9,673	8,749
Currency gains	101	13
Forward currency contracts	197	(228)
Capital special dividend	-	432
Net capital gains	<u>9,971</u>	<u>8,966</u>

3. Revenue	2024	2023
	£000s	£000s
UK revenue	6,282	4,431
Franked revenue	28	-
Unfranked revenue	318	209
Overseas revenue	68	178
Interest on debt securities	2,084	1,149
Bank interest	177	50
Total revenue	<u>8,957</u>	<u>6,017</u>

4. Expenses	2024	2023
	£000s	£000s
Payable to the AFM and associates		
Annual management charge	1,520	1,192
Total expenses	<u>1,520</u>	<u>1,192</u>

The annual management charge includes the AFM's periodic charge, investment management fees and other permitted charges relating to the operation of the Sub-Fund.

The annual management charge included an audit fee of £10,415 inclusive of VAT (2023: £10,014 inclusive of VAT).

5. Taxation	2024	2023
	£000s	£000s
a) Analysis of tax charge for the year		
Total taxation (note 5b)	<u>157</u>	<u>-</u>

**Notes to the financial statements (continued)**

for the year ended 07 March 2024

## 5. Taxation (continued)

## b) Factors affecting the tax current charge for the year

The tax assessed for the year is lower (2023: lower) than the standard rate of UK corporation tax for an authorised collective investment scheme of 20% (2023: 20%).

The differences are explained below:

	2024	2023
	£000s	£000s
Net revenue before taxation	7,381	4,814
Corporation tax @ 20%	1,476	963
Effects of:		
UK revenue	(1,256)	(886)
Overseas revenue	-	(36)
Excess management expenses (utilised)/carried forward	(38)	(41)
REIT income	(5)	-
Taxation due to timing differences	(6)	-
Non-taxable overseas dividends	(18)	-
FX loss non taxable	4	-
Total taxation (note 5a)	157	-

## c) Provision for deferred tax

At the year end, a deferred tax asset has not been recognised in respect of timing differences relating to excess management expenses as there is insufficient evidence that the asset will be recovered. The amount of asset not recognised is £nil (2023: £38,000).

## 6. Distributions

The distributions take account of revenue added on the issue of units and income deducted on the cancellation of units and comprise:

	2024	2023
	£000s	£000s
Month 1 income distribution	220	177
Month 1 accumulation distribution	430	528
Month 2 income distribution	220	167
Month 2 accumulation distribution	420	319
Month 3 income distribution	227	167
Month 3 accumulation distribution	302	208
Month 4 income distribution	226	171
Month 4 accumulation distribution	253	259
Month 5 income distribution	256	175
Month 5 accumulation distribution	476	231
Interim income distribution	278	185
Interim accumulation distribution	560	498

**Notes to the financial statements (continued)**

for the year ended 07 March 2024

6. Distributions (continued)	2024	2023
	£000s	£000s
Month 7 income distribution	282	191
Month 7 accumulation distribution	297	253
Month 8 income distribution	285	193
Month 8 accumulation distribution	241	204
Month 9 income distribution	294	194
Month 9 accumulation distribution	521	340
Month 10 income distribution	302	197
Month 10 accumulation distribution	218	156
Month 11 income distribution	311	201
Month 11 accumulation distribution	193	129
Final income distribution	1,189	504
Final accumulation distribution	1,000	425
	<hr/>	<hr/>
	9,001	6,072
Equalisation:		
Amounts deducted on cancellation of units	685	151
Amounts added on issue of units	(942)	(217)
	<hr/>	<hr/>
Total net distributions	8,744	6,006
	<hr/> <hr/>	<hr/> <hr/>
Reconciliation between net revenue and distributions:	2024	2023
	£000s	£000s
Net revenue after taxation per Statement of total return	7,224	4,814
Expenses paid from capital	1,520	1,192
Distributions	8,744	6,006
	<hr/> <hr/>	<hr/> <hr/>

Details of the distribution per unit are disclosed in the Distribution tables.

7. Debtors	2024	2023
	£000s	£000s
Amounts receivable on issue of units	247	1,905
Sales awaiting settlement	178	-
Accrued revenue	2,697	1,255
	<hr/>	<hr/>
Total debtors	3,122	3,160
	<hr/> <hr/>	<hr/> <hr/>

**Notes to the financial statements (continued)**

for the year ended 07 March 2024

8.	Cash and bank balances	2024	2023
		£000s	£000s
	Cash and bank balances	13	5,424
	Bank overdraft (including future overdraft)	(1,223)	-
	Total cash and bank balances	<u>(1,210)</u>	<u>5,424</u>
9.	Other creditors	2024	2023
		£000s	£000s
	Amounts payable on cancellation of units	225	210
	Purchases awaiting settlement	174	73
	Accrued expenses:		
	Payable to the AFM and associates		
	Annual management charge	173	125
	Total accrued expenses	<u>173</u>	<u>125</u>
	Corporation tax payable	157	-
	Total other creditors	<u>729</u>	<u>408</u>

10. Commitments and contingent liabilities  
At the balance sheet date there are no commitments or contingent liabilities (2023: same).

11. Units in issue

The following reflects the change in units in issue for each unit class in the year:

	A Income
Opening units in issue	67,939,318
Total units issued in the year	45,992,819
Total units cancelled in the year	<u>(14,550,584)</u>
Closing units in issue	<u>99,381,553</u>

	A Accumulation
Opening units in issue	71,113,172
Total units issued in the year	32,420,181
Total units cancelled in the year	<u>(17,955,360)</u>
Closing units in issue	<u>85,577,993</u>

For the year ended 07 March 2024, the annual management charge for each unit class is as follows:

A Income	0.72%
A Accumulation	0.72%

Further information in respect of the return per unit is disclosed in the Comparative table.

On the winding up of a Fund all the assets of the Sub-Fund will be realised and apportioned to the unit classes in relation to the net asset value on the closure date. Unitholders will receive their respective share of the proceeds, net of liabilities and the expenses incurred in the termination in accordance with the FCA regulations. Each unit class has the same rights on winding up.



**Notes to the financial statements (continued)**

for the year ended 07 March 2024

## 12. Related party transactions

True Potential Investments LLP, as Manager, is a related party due to its ability to act in respect of the operations of the Sub-Fund.

The AFM acts as principal in respect of all transactions of units in the Sub-Fund. The aggregate monies received and paid through the creation and cancellation of units are disclosed in the Statement of change in net assets attributable to unitholders.

Amounts payable to the AFM and its associates are disclosed in note 4. The amount due to the AFM and its associates at the balance sheet date is disclosed in note 9.

## 13. Events after the balance sheet date

Subsequent to the year end, the net asset value per A Income unit has increased from 117.16p to 124.70p and the A Accumulation unit has increased from 157.99p to 169.07p as at 21 May 2024. This movement takes into account routine transactions but also reflects the market movements of recent months.

## 14. Transaction costs

## a Direct transaction costs

Direct transaction costs include fees and commissions paid to advisers, brokers and dealers; levies by regulatory agencies and security exchanges; and transfer taxes and duties.

Commission is a charge which is deducted from the proceeds of the sale of securities and added to the cost of the purchase of securities. This charge is a payment to advisers, brokers and dealers in respect of their services in executing the trades.

Tax is payable on the purchase of securities in the United Kingdom. It may be the case that 'other taxes' will be charged on the purchase of securities in countries other than the United Kingdom.

The total purchases and sales and the related direct transaction costs incurred in these transactions are as follows:

	Purchases before transaction costs	Commissions		Taxes	Other Expenses		Purchases after transaction costs	
	£000s	£000s	%	£000s	%	£000s	%	£000s
2024								
Equities	101,754	15	0.01	156	0.15	-	-	101,925
Bonds	11,495	-	-	16	0.14	-	-	11,511
<b>Total</b>	<b>113,249</b>	<b>15</b>		<b>172</b>		<b>-</b>	<b>-</b>	<b>113,436</b>
	Purchases before transaction costs	Commissions		Taxes	Other Expenses		Purchases after transaction costs	
	£000s	£000s	%	£000s	%	£000s	%	£000s
2023								
Equities	34,678	12	0.03	168	0.48	1	-	34,859
Bonds*	25,613	-	-	-	-	-	-	25,613
<b>Total</b>	<b>60,291</b>	<b>12</b>		<b>168</b>		<b>1</b>		<b>60,472</b>

\* No direct transaction costs were incurred in these transactions.

**Notes to the financial statements (continued)**  
for the year ended 07 March 2024

## 14. Transaction costs (continued)

	Sales before transaction costs	Commissions		Taxes		Other Expenses		Sales after transaction costs
	£000s	£000s	%	£000s	%	£000s	%	£000s
2024								
Equities	40,226	(6)	0.01	(5)	0.01	-	-	40,215
Bonds*	5,732	-	-	-	-	-	-	5,732
<b>Total</b>	<b>45,958</b>	<b>(6)</b>		<b>(5)</b>		<b>-</b>		<b>45,947</b>
2023								
Equities	30,810	(10)	0.03	-	-	-	-	30,800
Bonds*	12,825	-	-	-	-	-	-	12,825
<b>Total</b>	<b>43,635</b>	<b>(10)</b>		<b>-</b>		<b>-</b>		<b>43,625</b>

\* No direct transaction costs were incurred in these transactions.

Capital events amount of £nil (2023: £1,778,000) is excluded from the total sales as there were no direct transaction costs charged in these transactions.

## Summary of direct transaction costs

The following represents the total of each type of transaction cost, expressed as a percentage of the Sub-Fund's average net asset value in the year :

2024	£000s	% of average net asset value
Commission	21	0.01
Taxes and Other Expenses	177	0.08
2023	£000s	% of average net asset value
Commission	22	0.01
Taxes and Other Expenses	169	0.10

## b Average portfolio dealing spread

The average portfolio dealing spread is calculated as the difference between the bid and offer value of the portfolio as a percentage of the offer value.

The average portfolio dealing spread of the investments at the balance sheet date was 0.16% (2023: 0.23%).

**Notes to the financial statements (continued)**

for the year ended 07 March 2024

## 15. Risk management policies

In pursuing the Sub-Fund's investment objective, as set out in the Prospectus, the following are accepted by the AFM as being the main risks from the Sub-Fund's holding of financial instruments, either directly or indirectly through its underlying holdings. These are presented with the AFM's policy for managing these risks. To ensure these risks are consistently and effectively managed these are continually reviewed by the risk committee, a body appointed by the AFM, which sets the risk appetite and ensures continued compliance with the management of all known risks.

## a Market risk

Market risk is the risk that the value of the Sub-Fund's financial instruments will fluctuate as a result of changes in market prices and comprise three elements: other price risk, currency risk, and interest rate risk.

## (i) Other price risk

The Sub-Fund's exposure to price risk comprises mainly of movements in the value of investment positions in the face of price movements. The main element of the portfolio of investments which is exposed to this risk is equities which are disclosed in the Portfolio statement.

Adhering to investment guidelines and avoiding excessive exposure to one particular issuer can limit stock specific risk. Subject to compliance with the investment objective of the Sub-Fund, spreading exposure in the portfolio of investments both globally and across sectors or geography can mitigate market risk.

At 07 March 2024, if the price of the investments held by the Fund increased or decreased by 5%, with all other variables remaining constant, then the net assets attributable to unitholders of the Fund would increase or decrease by approximately £12,582,000 (2023:£8,715,000).

## (ii) Currency risk

The foreign currency risk profile of the Sub-Fund's financial instruments and cash holdings at the balance sheet date is as follows:

	Total net foreign currency exposure*
2024	£'000
Euro	902
US dollar	2,589
Total foreign currency exposure	<u>3,491</u>

	Total net foreign currency exposure*
2023	£'000
Euro	1,798
US dollar	2,501
Total foreign currency exposure	<u>4,299</u>

\* Please note the financial instruments and cash holdings and net debtors and creditors has been merged with total net foreign currency exposure.

**Notes to the financial statements (continued)**

for the year ended 07 March 2024

## 15. Risk management policies (continued)

## a Market risk (continued)

At 07 March 2024, if the value of sterling increased or decreased by 5% against all other currencies, with all other variables remaining constant, then the net assets attributable to unitholders of the Sub-Fund would increase or decrease by approximately £174,523 (2023:£16,807). Forward currency contracts are used to manage the portfolio exposure to currency movements.

## (iii) Interest rate risk

Interest rate risk is the risk that the value of the Sub-Fund's investments will fluctuate as a result of interest rate changes.

During the year the Sub-Fund's direct exposure to interest rates consisted of cash and bank balances and interest-bearing securities.

The amount of revenue receivable from floating rate securities and bank balances or payable on bank overdrafts will be affected by fluctuations in interest rates.

The value of interest-bearing securities may be affected by changes in the interest rate environment, either globally or locally.

At 07 March 2024, if interest rates increased or decreased by 25 points, with all other variables remaining constant, then the net assets attributable to unitholders of the Sub-Fund would increase or decrease by approximately £147,000 (2023: £107,000).

The Sub-Fund would not in normal market conditions hold significant cash balances and would have limited borrowing capabilities as stipulated in the COLL rules.

Derivative contracts are not used to hedge against the exposure to interest rate risk.

The interest rate risk profile of financial assets and liabilities at the balance sheet date is as follows:

	Variable rate financial assets	Variable rate financial liabilities	Fixed rate financial assets	Non-interest bearing financial assets	Non-interest bearing financial liabilities	Total
	£'000	£'000	£'000	£'000	£'000	£'000
2024						
Euro	427	-	474	1	-	902
UK sterling	11,394	(1,223)	40,810	199,087	(1,918)	248,150
US dollar	336	-	2,226	27	-	2,589
	<u>12,157</u>	<u>(1,223)</u>	<u>43,510</u>	<u>199,115</u>	<u>(1,918)</u>	<u>251,641</u>

	Variable rate financial assets	Variable rate financial liabilities	Fixed rate financial assets	Non-interest bearing financial assets	Non-interest bearing financial liabilities	Total
	£'000	£'000	£'000	£'000	£'000	£'000
2023						
Euro	333	-	1,452	26	(13)	1,798
UK sterling	12,547	-	24,973	141,067	(912)	177,675
US dollar	661	-	1,519	355	(34)	2,501
	<u>13,541</u>	<u>-</u>	<u>27,944</u>	<u>141,448</u>	<u>(959)</u>	<u>181,974</u>

**Notes to the financial statements (continued)**

for the year ended 07 March 2024

## 15. Risk management policies (continued)

## b Credit risk

This is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

This includes counterparty risk and issuer risk.

The Trustee has appointed the custodian to provide custody services for the assets of the Sub-Fund. There is a counterparty risk that the custodian could cease to be in a position to provide custody services to the Sub-Fund. The Sub-Fund's investments (excluding cash) are ring fenced hence the risk is considered to be negligible.

In addition to the interest rate risk, bond investments are exposed to issuer risk which reflects the ability for the bond issuer to meet its obligations to pay interest and return the capital on the redemption date. Change in issuer risk will change the value of the investments and is dealt with further in note 15a. The majority of debt securities held within the portfolio are investment grade bonds. These are made across a variety of industry sectors and geographical markets, so as to avoid concentrations of credit risk. A breakdown is provided in the Portfolio statement. The credit quality of the debt securities is disclosed in the Summary of portfolio investments.

The Sub-Fund holds cash and cash deposits with financial institutions which potentially exposes the Sub-Fund to counterparty risk. The credit rating of the financial institution is taken into account so as to minimise the risk to the Sub-Fund of default.

## c Liquidity risk

A significant risk is the cancellation of units which investors may wish to sell and that securities may have to be sold in order to fund such cancellations if insufficient cash is held at the bank to meet this obligation. If there were significant requests for the redemption of units at a time when a large proportion of the portfolio of investments were not easily tradable due to market volumes or market conditions, the ability to fund those redemptions would be impaired and it might be necessary to suspend dealings in units in the Sub-Fund.

Investments in smaller companies at times may prove illiquid, as by their nature they tend to have relatively modest traded unit capital. Shifts in investor sentiment, or the announcement of new price sensitive information, can provoke significant movement in unit prices, and make dealing in any quantity difficult.

The Sub-Fund may also invest in securities that are not listed or traded on any stock exchange. In such situations the Sub-Fund may not be able to immediately sell such securities.

To reduce liquidity risk the AFM will ensure, in line with the limits stipulated within the COLL rules, a substantial portion of the Sub-Fund's assets consist of readily realisable securities. This is monitored on a monthly basis and reported to the Risk Committee together with historical outflows of the Sub-Fund.

In addition liquidity is subject to stress testing on an annual basis to assess the ability of the Sub-Fund to meet large redemptions (50% of the net asset value and 80% of the net asset value), while still being able to adhere to its objective guidelines and the FCA investment borrowing regulations.

All of the financial liabilities are payable on demand. In the case of forward foreign currency contracts these are payable in less than one year.

## d Fair value of financial assets and financial liabilities

There is no material difference between the value of the financial assets and liabilities, as shown in the balance sheet, and their fair value.

To ensure this, the fair value pricing committee is a body appointed by the AFM to analyse, review and vote on price adjustments/maintenance where no current secondary market exists and/or where there are potential liquidity issues that would affect the disposal of an asset. In addition, the committee may also consider adjustments to the Sub-Fund's price should the constituent investments be exposed to closed markets during general market volatility or instability.

**Notes to the financial statements (continued)**  
for the year ended 07 March 2024

15. Risk management policies (continued)

d Fair value of financial assets and financial liabilities (continued)

Basis of valuation	Investment assets	Investment liabilities
	2024	2024
	£'000	£'000
Quoted prices	198,982	-
Observable market data	52,665	-
	<u>251,647</u>	<u>-</u>
Basis of valuation	Investment assets	Investment liabilities
	2023	2023
	£'000	£'000
Quoted prices	139,705	-
Observable market data	34,644	(47)
	<u>174,349</u>	<u>(47)</u>

No securities in the portfolio of investments are valued using valuation techniques.

Unobservable inputs are used to measure fair value to the extent that relevant observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date. Unobservable Inputs are developed using the best information available in the circumstances, taking into account all information about market participant assumptions that is reasonably available.

e Assets subject to special arrangements arising from their illiquid nature

There are no assets held in the portfolio of investments which are subject to special arrangements arising from their illiquid nature.

f Derivatives

The Sub-Fund may employ derivatives with the aim of reducing the Sub-Fund's risk profile, reducing costs or generating additional capital or revenue, in accordance with Efficient Portfolio Management.

The AFM monitors that any exposure is covered globally to ensure adequate cover is available to meet the Sub-Fund's total exposure, taking into account the value of the underlying investments, any reasonably foreseeable market movement, counterparty risk, and the time available to liquidate any positions.

In the year there was direct exposure to derivatives. On a daily basis, exposure is calculated in UK sterling using the commitment approach with netting applied where appropriate. The total global exposure figure is divided by the net asset value of the Sub-Fund to calculate the percentage global exposure. Global exposure is a risk mitigation technique that monitors the overall commitment to derivatives in the Fund at any given time and may not exceed 100% of the net asset value of the property of the Sub-Fund.

For certain derivative transactions cash margins may be required to be paid to the brokers with whom the trades were executed and settled. These balances are subject to daily reconciliations and are held by the broker in segregated cash accounts that are afforded client money protection.

(i) Counterparties

Transactions in securities give rise to exposure to the risk that the counterparties may not be able to fulfil their responsibility by completing their side of the transaction. This risk is mitigated by the Sub-Fund using a range of brokers for security transactions, thereby diversifying the risk of exposure to any one broker. In addition the Sub-Fund will only transact with brokers who are subject to frequent reviews with whom transaction limits are set.

**Notes to the financial statements (continued)**

for the year ended 07 March 2024

15. Risk management policies (continued)

f Derivatives (continued)

(i) Counterparties (continued)

The Sub-Fund may transact in derivative contracts which potentially exposes the Sub-Fund to counterparty risk from the counterparty not settling their side of the contract. Transactions involving derivatives are entered into only with investment banks and brokers with appropriate and approved credit rating, which are regularly monitored.

Forward currency transactions are only undertaken with the custodians appointed by the Trustee.

At the balance sheet date, there are no securities in the portfolio of investments subject to a repurchase agreement.

(ii) Leverage

The leverage is calculated as the sum of the net asset value and the incremental exposure generated through the use of derivatives (calculated in accordance with the commitment approach) divided by the net asset value.

As at the balance sheet date, the leverage was 101.36% (2023: none).

(iii) Global exposure

Global exposure is a measure designed to limit the leverage generated by a fund through the use of financial derivative instruments, including derivatives with embedded assets.

At the balance sheet date the global exposure is as follows:

	Gross exposure value £'000	% of the total net asset value
2024		
Investment		
Forward Currency Contracts		
Value of short position - Euro	827	0.33
Value of short position - US dollar	2,583	1.03
2023	Gross exposure value £'000	% of the total net asset value
Investment		
Forward Currency Contracts		
Value of short position - Euro	1,809	0.99
Value of short position - US dollar	2,200	1.21

There have been no collateral arrangements in the year.

**Remuneration**

True Potential Administration LLP (TPA) has established a Remuneration Policy in accordance with the SYSC 19E (UCITS Remuneration code) FCA rules. The policy is designed to ensure that TPA’s remuneration practises are consistent and promote sound and effective risk management, do not encourage risk taking which is inconsistent with the risk profiles of the funds that TPA manages and do not impair TPA’s duties to act in accordance with the interests of the funds.

The TPA board of directors is responsible for the exercise of competent and independent judgement on the remuneration policies and practices and the incentives created for managing risk.

The remuneration policy is intended to ensure the continued ability to attract and retain the most qualified employees and to provide a solid basis for succession planning, in connection with the annual assessment of the remuneration of the code staff, developments in market practice are assessed systematically.

Pay is designed to reflect success or failure against a range of competencies which are assessed annually. These competencies for staff covering both financial and non- financial metrics include specific behavioural competencies and compliance matters. When determining compensation, including variable compensation, managers and the Board will consider:

- Overall firm performance;
- Collective performance of the relevant team; and
- Individual performance relative to role requirements (including performance against agreed financial and non-financial objectives where relevant) and with specific attention to stand out performance.

Board considerations may also include, but are not limited to:

- The appropriate balance between fixed and variable components of remuneration;
- Restrictions on guaranteed remuneration and early termination payments;
- Payment of variable remuneration in the form of units/shares in the funds managed by TPA;
- Deferral periods; and
- Performance adjustments.

Table to show the aggregate remuneration split by senior Management, other MRTs and Administrative staff for TPA	Financial Year ending 31 December 2023			
	Fixed £000	Variable £000	Total £000	Number
Senior Management	454	10	464	3
Other MRTs				
Administrative staff	736	77	813	19
<b>Total</b>	<b>1190</b>	<b>87</b>	<b>1277</b>	<b>22</b>



## Further Information

### Distributions and reporting dates

Where net revenue is available it is distributed/allocated from the Sub-Fund as below. In the event of a distribution, unitholders will receive a tax voucher.

XD dates	8 March	Final	Payment/ allocation dates	4 April
	8 April	Month 1		3 May
	8 May	Month 2		4 June
	10 June	Month 3		4 July
	8 July	Month 4		2 August
	8 August	Month 5		4 September
	9 September	Interim		4 October
	8 October	Month 7		4 November
	8 November	Month 8		2 December
	9 December	Month 9		4 January
	8 January	Month 10		4 February
	8 February	Month 11		4 March

Reporting dates	7 March	Annual
	7 September	Interim

### Buying and selling units

The property of the Sub-Fund was valued at 5pm on each business day (until 03 November 2023), and the prices of units were calculated as at that time. Unit dealing is on a forward basis i.e. investors can buy and sell units at the next valuation point following receipt of the order. From 06 December 2023 the daily valuation point was moved to 3pm.

The minimum initial investment and holding apply to the Sub-Fund as follows:

	Minimum initial Investment and holding
A Income units	£1
A Accumulation units	£1
B Income units*	£100,000
B Accumulation units*	£100,000

\* Unit class not currently available for investment.

The minimum initial and subsequent investment amounts, minimum holding requirements and the preliminary and redemption charges may be waived by the AFM at its discretion. Further details of this can be found within the prospectus.

### Benchmark

The Sub-Fund's performance can be assessed by comparison to the Morningstar UK Moderately Adventurous Target Allocation Index (as a comparator benchmark).

The benchmark may be used as a guide to compare and assess the performance of the Sub-Fund. Our aim is to help you monitor how your investment is performing.

The AFM considers this is an appropriate comparator benchmark, given the multi asset nature and relative risk profile of the Sub-Fund.

The Sub-Fund does not use the benchmark as a target, nor is the Sub-Fund constrained by it. The mix of assets in the Sub-Fund may vary from those of the benchmark (and its constituents). Accordingly, it should be used for reference purposes only.

## Appointments

### AFM and Registered Office

True Potential Administration LLP  
Newburn House  
Gateway West  
Newburn Riverside  
Newcastle Upon Tyne NE15 8NX  
Telephone: 0191 500 8807  
Authorised and regulated by the Financial Conduct Authority

### Administrator

The Northern Trust Company  
50 Bank Street  
London E14 5NT  
Authorised and regulated by the Financial Conduct Authority

### Registrar

The Northern Trust Company  
50 Bank Street  
London E14 5NT  
Authorised and regulated by the Financial Conduct Authority

### Partners of the AFM

Peter Coward  
Thomas Finch (departed 15 December 2023)  
Keith McDonald  
Michael Martin  
Brian Shearing  
Simon White  
Fiona Laver (appointed 04 May 2023)  
True Potential LLP

### Independent Non-Executive Partners of the ACD

Michael Martin  
Simon White  
Fiona Laver (appointed 04 May 2023)

### Non-Executive Partners of the ACD

Peter Coward

### Investment Manager

True Potential Investments LLP  
Newburn House  
Gateway West  
Newcastle Upon Tyne NE15 8NX  
Authorised and regulated by the Financial Conduct Authority

### Trustee (until 06 November 2023)

HSBC Bank plc  
8 Canada Square  
London E14 5HQ  
Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority

### Trustee (from 06 November 2023)

Northern Trust Investor Services Limited  
50 Bank Street  
London E14 5NT  
Authorised and regulated by the Financial Conduct Authority

### Auditor

Johnston Carmichael LLP  
Bishop's Court  
29 Albyn Place  
Aberdeen AB10 1YL