

THE MARKS AND SPENCER  
UK SELECTION PORTFOLIO

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# Manager's interim report

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For the period 1 December 2018 to 31 May 2019 (unaudited)

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# The Marks and Spencer UK Selection Portfolio

## **Manager, Registrar, dealing, administration and marketing**

Marks and Spencer Unit Trust  
Management Limited

Authorised and regulated by the Financial  
Conduct Authority.

Investor helpline: 0808 005 5555 or  
+44 1244 688632 if calling from abroad.  
Lines are open from 8am to 6pm Monday to  
Friday (closed weekends and public holidays).  
Please be aware that opening hours may be  
restricted over the Christmas period, please  
contact us for details. Calls may be recorded.

## **Head office and registered office**

Kings Meadow  
Chester CH99 9FB  
Registered in England  
No. 2253009

## **Directors of the Manager**

James Coyle (Chairman and non-Executive  
Director)

Paul Spencer (Chief Executive Officer  
and Director)

David Stewart (Non-Executive Director)

Phillip Scott (Director)

Douglas van den Aardweg (Non-Executive  
Director)

Matt Handley (Director)

Peter Dew (Non-Executive Director)

Simon Ellis (Director)

## **Investment manager**

HSBC Global Asset Management (UK) Limited  
8 Canada Square  
London E14 5HQ

Authorised and regulated by the Financial  
Conduct Authority.

## **Trustee**

State Street Trustees Limited  
Quartermile 3  
10 Nightingale Way  
Edinburgh EH3 9EG  
Authorised and regulated by the Financial  
Conduct Authority.

## **Independent auditor**

KPMG LLP  
15 Canada Square  
London  
E14 5CL

# Manager's investment report

This section gives you confirmation of the Marks and Spencer UK Selection Portfolio (the "Fund") objective. It also gives you the investment strategy employed by the investment adviser; and an economic, market and portfolio review for the period of the report.

## Our objectives and methods

The Fund's objective is to achieve long term capital growth, as well as an above average yield. For this purpose, we define an average yield to be the three-year rolling yield of the FTSE All-Share Index.

The Fund will invest a minimum of 80% of its value in shares of UK companies including convertible stocks.

UK companies are deemed to be those that are domiciled or incorporated in the UK, or which conduct a significant proportion of their business in the UK (i.e. at least 80% of revenue is earned from the UK).

The Fund may also invest up to 10% in the shares of companies listed on the UK stock exchange (which are not UK companies), as well as up to a further 10% in the shares of companies that are neither UK companies nor listed on the UK stock exchange. This means that up to 20% of the value of the Fund may be invested in non-UK companies.

The Fund is structured to deliver the objective through its broad exposure to both large and smaller companies and convertible stocks and will hold approximately 35-45 stocks.

Generally the Fund invests in transferable securities listed or traded on an eligible securities market with power to invest in recently issued transferable securities which are to be so listed or traded.

However, transferable securities that are not approved securities may be held within the Fund provided the total of such securities does not exceed 10% in value of the property of the Fund. This 10% limit is inclusive of recently issued securities.

The Fund may use derivative instruments (options, futures and contracts for differences) and forward transactions for the purposes of efficient portfolio management. These instruments can therefore be used to reduce risk, reduce costs, or generate additional capital or income with no, or low levels of, risk. The Manager's investment policy may mean that at times it is appropriate not to fully invest but to hold cash or near cash. This will only occur when the Manager reasonably regards it as necessary to enable Units to be redeemed or for the efficient management of the Fund in accordance with its objective or purpose that may reasonably be regarded as ancillary to the objective of the Fund.

## Strategy

The Manager has appointed HSBC Global Asset Management (UK) Limited (the "Investment Manager") to provide investment management services to the Manager in respect of the Fund. The Fund is structured to deliver the objective through its broad exposure to both large and smaller companies including convertible stocks.

	Percentage growth				
	31.05.14 to 31.05.15	31.05.15 to 31.05.16	31.05.16 to 31.05.17	31.05.17 to 31.05.18	31.05.18 to 31.05.19
Fund	7.2%	-7.1%	19.0%	0.6%	-4.8%
Benchmark*	6.8%	-6.6%	25.8%	6.5%	-3.3%

This information relates to the past, and past performance is no guarantee of future performance. All the above figures are on a bid to bid basis, net income reinvested. The performance figures exclude the initial charge of the Fund. Source: Morningstar.

\*The investment benchmark for the Fund, for comparison purposes only, is the FTSE All-Share Cross Index.

Fund yield (gross)**	4.8%
Three year rolling yield for the index (gross)***	4.1%

\*\*Before any expenses are deducted.

\*\*\*This is the rolling yield of the FTSE All-Share Index over a period of 36 months to 31/05/19.

The Fund is actively managed and does not aim to track a benchmark. However, the stock and investment sector weights of the Fund are limited so that they do not differ significantly from the respective weights of the FTSE All-Share Index. This is to help manage the investment risk within the Fund.

Whilst the investment performance of the Fund may differ from that of the FTSE All-Share Index, our approach means that the Fund's investment performance is likely to be closer to that of the index than might be the case if these limits were not in place.

The Manager has determined that the Fund will not invest in securities issued by companies that are considered, after reasonable enquiries, to be involved in the use, development, manufacturing, stockpiling, transfer or trade of cluster munitions and/or anti-personnel mines.

## Review of the six months to 31 May 2019

### Economic and market review

Concerns about the US-China trade war continued to shape global markets over the review period. Following a disappointing fourth quarter 2018, UK equities strengthened over the first four months of 2019, supported by signs of progress in US-China trade talks.

Hopes increased that the two economic giants would be able to work out their differences through negotiations rather than more protectionism. Indeed, trade tensions eased in March, as the US and China agreed to postpone an increase in tariffs. However, the stronger pound did weigh on the performance of export-reliant stocks.

On the political scene, Brexit negotiations continued to garner attention and dominate economic news, with Prime Minister Theresa May seeing her draft agreement defeated in Parliament on three separate occasions and the proposed date of Brexit delayed until 31 October 2019. There were also a number of high-profile resignations from the government

in March and April. As a result of these events, political risk rose sharply, with Theresa May's position becoming increasingly untenable. This culminated towards the end of May with the Prime Minister bowing to the intense pressure from her own party and naming 7 June 2019 as the day she would step aside as Conservative party leader, drawing her turbulent three year leadership to a close.

In monetary policy news, following its interest rate increase in August 2018, the Bank of England's (BoE) Monetary Policy Committee kept interest rates unchanged at 0.75%. The BoE's governor, Mark Carney, has said that future rises are possible until inflation falls back below the BoE's 2% target. That said, current global economic growth is lacklustre and, given economic risks such as increased protectionism, ongoing Brexit uncertainty and volatility in emerging markets, the Bank of England will be in no hurry to raise interest rates further. Elsewhere, the US central bank, the Fed, kept interest rate on hold in March, after raising them four times last year. The Fed projected a softer tone as the US economy started to slow; no more rate increases are expected this year and, indeed, cuts may be forthcoming.

### Portfolio review

Sector allocation over the period has been positive and mainly driven by an overweight exposure to information technology and materials, with an underweight exposure to utilities. Stock selection within sectors was largely negative; contribution from within consumer staples and materials was outweighed by deduction from industrials, consumer discretionary and energy.

At the stock level, the largest contributor to performance was BHP Group, as the company declared a special dividend with net proceeds from the sale of its onshore US assets. Vodafone – an underweight position within the fund, saw its share price fall based on speculation that the firm may cut its

dividend. It was also driven by weakness from Vodafone's South African unit, Vodacom. An underweight position helped the fund. Sage Group advanced steadily throughout the year given solid growth in organic revenue and a large increase in software subscriptions.

easyJet was the largest relative detractor over the review period. Its performance has been affected by a slowdown in traffic, exacerbated by Brexit. BT Group has seen a steady decline over the period after stating that it is seeing aggressive competition in broadband prices and there are also continued regulatory headwinds. Halfords' share price fell after issuing a profit warning attributed to both milder weather and weak consumer confidence.

During the period, positions were initiated in easyJet and SSP Group. Positions in Card Factory, IML, Informa, John Wood Group, Merlin Entertainment and Ryanair Holdings were exited.

## Outlook

The outlook for the UK economy will be influenced by Brexit, with a "hard Brexit" seen more negatively than a "soft Brexit", at least in the short term. Economic momentum is likely to remain subdued as a result of lower investment, driven by higher business uncertainty coming from Brexit. Meanwhile, the Eurozone has entered a period of weak growth. This will likely affect economic activities in the UK, with manufacturing and services sector surveys signalling contractions. With a weak economic growth picture, the Bank of England is likely to put interest rate on hold for the coming quarters, barring unforeseen news. Should the less-likely scenario of a 'no-deal Brexit' be adopted, the Bank of England would be expected to implement policies to support economic growth.

Against this background, the Fund aims to deliver diversified exposure to UK equities, by investing in companies with an attractive combination of profitability and valuation. These quality companies typically have sustainable business models, strong balance sheets and good management. We believe this disciplined approach should help investors navigate any short-term uncertainties to deliver long-term return potential.

# Portfolio statement

This section details all the different companies in which the Fund invests, by sector. It also shows the number of shares held, the percentage each company represents of the Fund as a whole and the value of those shares at the end of the period (shown under bid value).

As at 31 May 2019

HOLDING OR NOMINAL VALUE OF POSITIONS AS AT 31 MAY 2019		BID VALUE (£)	% OF NET TOTAL ASSETS	HOLDING OR NOMINAL VALUE OF POSITIONS AS AT 31 MAY 2019		BID VALUE (£)	% OF NET TOTAL ASSETS
<b>UK EQUITIES AND CONVERTIBLES</b> (95.76%; 30.11.18 96.55%)				<b>CONSUMER GOODS</b> (15.33%; 30.11.18 12.90%)			
<b>OIL &amp; GAS</b> (13.52%; 30.11.18 13.51%)				<b>Beverages</b> <b>2.06</b>			
<b>Oil &amp; gas producers</b> <b>13.52</b>				Diageo 66,608 2,215,049 2.06			
BP	1,344,201	7,260,030	6.74	<b>Food producers</b> <b>1.29</b>			
Royal Dutch Shell 'A'	296,461	7,295,905	6.78	SSP Group 206,874 1,386,056 1.29			
<b>Total Oil and gas</b> <b>14,555,935 13.52</b>				<b>Household goods</b> <b>2.56</b>			
<b>BASIC MATERIALS</b> (7.82%; 30.11.18 7.71%)				Reckitt Benckiser 43,491 2,760,374 2.56			
<b>Chemicals</b> <b>1.40</b>				<b>Personal goods</b> <b>5.26</b>			
Croda International	29,887	1,513,777	1.40	Unilever 117,199 5,668,330 5.26			
<b>Mining</b> <b>6.42</b>				<b>Tobacco</b> <b>4.16</b>			
Antofagasta	166,158	1,300,020	1.21	British American Tobacco 162,195 4,476,582 4.16			
BHP Group	224,444	4,005,428	3.72	<b>Total Consumer goods</b> <b>16,506,391 15.33</b>			
Rio Tinto	35,342	1,603,290	1.49	<b>HEALTHCARE</b> (8.02%; 30.11.18 8.90%)			
<b>Total Basic materials</b> <b>8,422,515 7.82</b>				<b>Pharmaceuticals &amp; biotechnology</b> <b>8.02</b>			
<b>INDUSTRIALS</b> (17.23%; 30.11.18 17.25%)				AstraZeneca 54,115 3,155,987 2.93			
<b>Aerospace &amp; defence</b> <b>3.29</b>				GlaxoSmithKline 358,950 5,480,449 5.09			
BAE Systems	445,332	2,014,682	1.87	<b>Total Healthcare</b> <b>8,636,436 8.02</b>			
QinetiQ Group	525,146	1,530,275	1.42	<b>CONSUMER SERVICES</b> (8.90%; 30.11.18 10.75%)			
<b>Construction &amp; materials</b> <b>1.31</b>				<b>General retailers</b> <b>2.28</b>			
lbstock	593,407	1,411,122	1.31	Halfords 230,029 517,105 0.48			
<b>General industrials</b> <b>3.71</b>				Next 7,109 409,478 0.38			
Coats Group	2,691,509	2,091,302	1.94	WH Smith 77,871 1,527,829 1.42			
Smiths Group	59,559	855,863	0.80	<b>Food &amp; drug retailers</b> <b>1.63</b>			
Smurfit Kappa Group	47,374	1,041,281	0.97	Tesco 778,286 1,761,261 1.63			
<b>Industrial engineering</b> <b>0.69</b>				<b>Media</b> <b>0.69</b>			
Weir Group	50,597	743,776	0.69	Ascential 192,772 739,088 0.69			
<b>Support services</b> <b>8.23</b>				<b>Travel &amp; leisure</b> <b>4.30</b>			
DCC (London listed)	25,307	1,682,409	1.56	Compass Group 153,542 2,749,170 2.55			
Essentra	337,327	1,364,825	1.27	easyJet 215,779 1,879,867 1.75			
Ferguson	66,266	3,395,470	3.15	<b>Total Consumer services</b> <b>9,583,798 8.90</b>			
Rentokil Initial	645,954	2,421,682	2.25				
<b>Total Industrials</b> <b>18,552,687 17.23</b>							

# Portfolio statement

This section details all the different companies in which the Fund invests, by sector. It also shows the number of shares held, the percentage each company represents of the Fund as a whole and the value of those shares at the end of the period (shown under bid value).

## As at 31 May 2019

HOLDING OR NOMINAL VALUE OF POSITIONS AS AT 31 MAY 2019		BID VALUE (£)	% OF NET TOTAL ASSETS	HOLDING OR NOMINAL VALUE OF POSITIONS AS AT 31 MAY 2019		BID VALUE (£)	% OF NET TOTAL ASSETS
<b>TELECOMMUNICATIONS</b>				<b>OVERSEAS EQUITIES &amp; CONVERTIBLES</b>			
<b>(1.83%; 30.11.18 3.37%)</b>				<b>(2.63%; 30.11.18 2.45%)</b>			
<b>Fixed line telecommunications</b>				<b>Netherlands</b>			
BT Group	687,896	1,332,867	1.24	<b>(1.35%; 30.11.18 1.16%)</b>			
<b>Mobile telecommunications</b>				<b>Wolters Kluwer</b>			
Vodafone Group	491,382	635,947	0.59	Certificates	26,287	1,453,025	1.35
<b>Total Telecommunications</b>		<b>1,968,814</b>	<b>1.83</b>	<b>United States</b>			
<b>FINANCIALS</b>				<b>(1.28%; 30.11.18 1.29%)</b>			
<b>(21.06%; 30.11.18 20.56%)</b>				<b>Microsoft</b>			
<b>Banks</b>				14,042			
Barclays	1,748,013	2,610,133	2.42	<b>1,376,793</b>			
HSBC Holdings*	819,859	5,288,910	4.91	<b>Total Overseas Equities</b>			
Royal Bank of Scotland	1,081,637	2,311,458	2.15	<b>&amp; Convertibles</b>			
<b>Life insurance</b>			<b>6.75</b>	<b>2,829,818</b>			
Aviva	648,487	2,623,778	2.44	<b>2.63</b>			
Prudential	294,226	4,641,415	4.31	<b>Portfolio of investments</b>			
<b>Financial services</b>			<b>1.32</b>	<b>105,946,356</b>			
Ashmore	302,332	1,428,216	1.32	<b>98.39</b>			
<b>Non equity investment instruments</b>				<b>Net other assets</b>			
iShares FTSE 250®			<b>0.91</b>	<b>1,733,518</b>			
UCITS ETF	53,795	978,961	0.91	<b>1.61</b>			
<b>Real estate investment trust</b>				<b>Net assets</b>			
Segro REIT	153,944	1,073,298	1.00	<b>107,679,874</b>			
<b>Real estate investment services</b>				<b>100.00</b>			
Great Portland REIT	122,592	881,436	0.82				
Land Securities REIT	101,677	842,496	0.78				
<b>Total Financials</b>		<b>22,680,101</b>	<b>21.06</b>				
<b>TECHNOLOGY</b>							
<b>(2.05%; 30.11.18 1.60%)</b>							
<b>Software &amp; computer services</b>							
Sage Group	295,990	2,209,861	2.05				
<b>Total Technology</b>		<b>2,209,861</b>	<b>2.05</b>				
<b>Total UK Equities</b>							
<b>&amp; Convertibles</b>							
		<b>103,116,538</b>	<b>95.76</b>				

The securities held are approved and are admitted to an official listing unless otherwise stated.

\* Related party

Total purchases for the period, including transaction charges, were £12,773,163.

Total sales proceeds for the period, net of transaction charges, were £15,386,588.



# Net asset value per unit and comparative table

This section details in concise figures how the Fund has performed, in terms of the size of the Fund, the price of units and the income distributions made.

## INCOME

<b>Change in net assets per unit</b>	<b>31.05.19</b>	<b>30.11.18</b>	<b>30.11.17</b>	<b>30.11.16</b>
Opening net asset value per unit	322.07p	348.45p	328.05p	316.89p
Return before operating charges*	14.76p	(12.44p)	34.07p	23.37p
Operating charges**	(2.45p)	(4.88p)	(5.05p)	(5.06p)
Return after operating charges*	12.31p	(17.32p)	29.02p	18.31p
Distributions on income unit	(5.37p)	(9.06p)	(8.62p)	(7.15p)
Closing net asset value per unit	329.01p	322.07p	348.45p	328.05p

\*after direct transaction costs of:\*\*\* 0.21p 0.72p 0.97p 1.98p

## Performance

Return after charges 3.82% (4.97%) 8.85% 5.78%

## Other information

Closing net asset value	£1,366,323	£1,175,207	£1,289,121	£1,351,286
Closing number of units	415,282	364,897	369,963	411,918
Operating charges	1.49%	1.40%	1.44%	1.59%
Direct transaction costs	0.06%	0.21%	0.28%	0.62%

## Prices

Highest unit price	350.30p	368.20p	366.60p	345.90p
Lowest unit price	302.20p	322.30p	324.40p	278.60p

\*\* The operating charges include all costs borne by the Trust, except for direct transaction costs. It includes the operating charges of any collective investment schemes in which the Trust invests.

\*\*\* The direct transaction costs are made up of fees and commissions paid to agents, advisers, brokers and dealers, levies by regulatory agencies and securities exchanges as well as transfer taxes and duties.

# Net asset value per unit and comparative table

This section details in concise figures how the Fund has performed, in terms of the size of the Fund, the price of units and the accumulation distributions made.

## ACCUMULATION

Change in net assets per unit	31.05.19	30.11.18	30.11.17	30.11.16
Opening net asset value per unit	599.33p	631.52p	580.46p	548.40p
Return before operating charges*	27.43p	(23.27p)	60.06p	40.88p
Operating charges**	(4.56p)	(8.92p)	(9.00p)	(8.82p)
Return after operating charges*	22.87p	(32.19p)	51.06p	32.06p
Distributions on accumulation unit	(9.98p)	(16.52p)	(15.34p)	(12.43p)
Retained distributions on accumulation unit	9.98p	16.52p	15.34p	12.43p
Closing net asset value per unit	622.20p	599.33p	631.52p	580.46p

\*after direct transaction costs of:\*\*\*

	0.38p	1.31p	1.73p	3.45p
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## Performance

Return after charges	3.82%	(5.10%)	8.80%	5.85%
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## Other information

Closing net asset value	£106,313,551	£106,374,637	£120,775,940	£118,245,177
Closing number of units	17,086,730	17,748,853	19,124,590	20,370,798
Operating charges	1.49%	1.40%	1.44%	1.59%
Direct transaction costs	0.06%	0.21%	0.28%	0.62%

## Prices

Highest unit price	651.80p	667.30p	651.20p	606.20p
Lowest unit price	562.00p	588.50p	574.00p	482.20p

\*\* The operating charges include all costs borne by the Trust, except for direct transaction costs.

It includes the operating charges of any collective investment schemes in which the Trust invests.

\*\*\* The direct transaction costs are made up of fees and commissions paid to agents, advisers, brokers and dealers, levies by regulatory agencies and securities exchanges as well as transfer taxes and duties.

## Ongoing charges

For the 12 month period to 31 May 2019:

**1.49%**

For the 12 month period to 30 November 2018:

**1.40%**

The ongoing charges measure the annual charges and expenses of an investment fund. These will affect the returns to the investor. Most European investment funds highlight the ongoing charges to help you compare the annual charges and expenses of different funds.

With effect from 19 June 2019, the annual management charge for the Marks & Spencer UK Selection Portfolio has been lowered from 1.34% to 1.00% (see Important Changes), this has reduced the ongoing charges figure to 1.06%.

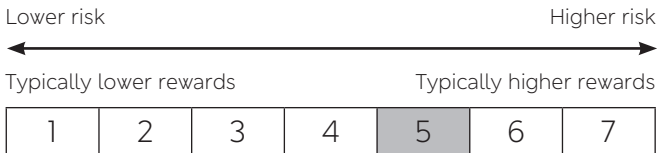
Ex-distribution (XD) dates:

1 December and 1 June

Income payment dates:

31 January and 31 July

## Risk and reward profile



### More about this rating

The rating is based on price volatility over the last five years. As it is based on historical data, it may not be a reliable indicator of the future risk profile of the Fund. The rating is not guaranteed and may change over time. The lowest rating does not mean a risk-free investment.

### Why is this Fund in category 5?

Share prices tend to fluctuate more than other asset classes as investors directly participate in the performance of companies and their earnings.

## Authorised status

The Fund is an authorised unit trust under Section 243 of the Financial Services and Markets Act 2000 (authorisation orders) and the Financial Conduct Authority Handbook and is categorised as an Undertakings for Collective Investment in Transferable Securities (UCITS) scheme.

## Certification of financial statements by Directors of the Manager

This report has been prepared in accordance with the requirements of the Collective Investment Schemes Sourcebook as issued and amended by the Financial Conduct Authority.

**Paul Spencer (Chief Executive)**

**Phillip Scott (Director)**

**For and on behalf of Marks and Spencer Unit Trust Management Limited.**

**22 July 2019**

# Statement of total return

This section details the income of the Fund over the period of the report and explains how this income is distributed to the investors.

It also provides an analysis of increases and decreases in net assets over the accounting period.

**For the period ended 31 May 2019**

	31.05.19		31.05.18	
	£	£	£	£
Income				
Net capital gains		2,319,015		2,073,267
Revenue	2,571,346		2,546,542	
Expenses	(793,960)		(846,405)	
Net revenue before taxation	<u>1,777,386</u>		<u>1,700,137</u>	
Taxation	<u>(24,668)</u>		<u>(26,920)</u>	
Net revenue after taxation		<u>1,752,718</u>		<u>1,673,217</u>
<b>Total return before distributions</b>		<b>4,071,733</b>		<b>3,746,484</b>
Distributions/Accumulations		<u>(1,752,708)</u>		<u>(1,673,216)</u>
<b>Change in net assets attributable to Unitholders</b>		<b><u><u>2,319,025</u></u></b>		<b><u><u>2,073,268</u></u></b>

# Statement of change in net assets attributable to Unitholders

**For the period ended 31 May 2019**

	31.05.19		31.05.18	
	£	£	£	£
<b>Opening net assets attributable to Unitholders</b>		<b>107,549,844</b>		<b>122,065,061</b>
Amounts receivable on issue of units	350,895		459,070	
Amounts payable on cancellation of units	<u>(4,245,898)</u>		<u>(4,362,475)</u>	
		(3,895,003)		(3,903,405)
Change in net assets attributable to Unitholders from investment activities (see above)		2,319,025		2,073,268
Retained distribution on accumulation units		<u>1,706,008</u>		<u>1,635,115</u>
<b>Closing net assets attributable to Unitholders</b>		<b><u><u>107,679,874</u></u></b>		<b><u><u>121,870,039</u></u></b>

# Balance sheet

As at 31 May 2019

	31.05.19		30.11.18	
	£	£	£	£
<b>ASSETS</b>				
<b>Fixed assets:</b>				
Investments		105,946,356		106,472,498
<b>Current assets:</b>				
Debtors	699,659		551,198	
Cash and bank balances	<u>1,436,537</u>		<u>749,032</u>	
<b>Total current assets</b>		<u>2,136,196</u>		<u>1,300,230</u>
<b>TOTAL ASSETS</b>		<b>108,082,552</b>		<b>107,772,728</b>
<b>LIABILITIES</b>				
<b>Creditors:</b>				
Distribution payable	(22,282)		(15,268)	
Other creditors	<u>(380,396)</u>		<u>(207,616)</u>	
<b>TOTAL LIABILITIES</b>		<u>(402,678)</u>		<u>(222,884)</u>
<b>Net assets attributable to Unitholders</b>		<u><b>107,679,874</b></u>		<u><b>107,549,844</b></u>

# Distribution table

For the period ended 31 May 2019

## Interim

	<b>Net income 2019 pence per unit</b>	<b>Equalisation 2019 pence per unit</b>	<b>Distribution payable 2019 pence per unit</b>	<b>Distribution paid 2018 pence per unit</b>
Group 1: Units purchased prior to 1 December 2018				
Group 2: Units purchased between 1 December 2018 to 31 May 2019				
<b>Income units</b>				
Group 1	5.3654	-	5.3654	4.8763
Group 2	3.8728	1.4926	5.3654	4.8763
<b>Accumulation units</b>				
Group 1	9.9844	-	9.9844	8.8377
Group 2	7.2069	2.7775	9.9844	8.8377

## Other information

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

# Important changes

**The following changes were made to the Fund's Prospectus during the reporting period ending 31 May 2019:**

**Prospectus update December 2018:**

- Opening section updated to highlight the changes to the telephony support operating times.
- Update to Section 7 "Historical Performance" to include latest performance figures and additional wording to verify which dates performance figures relate to.
- Section 24 "Purchase and Redemption of Units" updated to highlight the changes to the telephony support operating times.

**The following changes were made to the Fund's Key Investor Information Document during the reporting period ending 31 May 2019:**

**KIID update 19 February 2019**

- Update to "Charges for this Fund" to reflect current ongoing charges figure.

**The following changes have been communicated to investors in the period since the reporting date:**

**Change to Management Charge**

We have written to investors in the Fund to advise that the annual management charge for the Marks & Spencer UK Selection Portfolio has been lowered from 1.34% to 1.00% with effect from 19 June 2019. This change applies to all existing and new unit holders. The Prospectus, the Key Investor Information Document (KIID), and the Supplementary Information Document (SID) are currently being updated to incorporate the new lower charge. Until the changes to these documents are finalised they will not reflect the new fund charge.

Please call 0808 005 5555 if you would like to receive this information in an alternative format such as large print, Braille or audio.

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