

# Manager's annual report

For the period 1 January 2023 to 31 December 2023

**THE MARKS AND SPENCER  
WORLDWIDE MANAGED FUND**



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# The Marks and Spencer Worldwide Managed Fund

## **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 Business Park  
Chester CH99 9FB  
Registered in England  
No. 2253009

## **Correspondence address**

M&S Bank  
PO Box 10581  
51 Saffron Road  
Wigston  
LE18 4US

## **Directors of the Manager**

James Coyle (Chairman and non-Executive Director)

Paul Spencer (Chief Executive Officer and Director)

Phillip Scott (Director)

Peter Dew (Non-Executive Director) (resigned 7 April 2023)

Jenny Goldie-Scot (Non-Executive Director) (appointed 7 April 2023)

## **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 5GL

# Manager's investment report

This section gives you confirmation of The Marks and Spencer Worldwide Managed Fund (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**

### **Objective**

The Fund's objective is to achieve capital growth and income in the long term (five years or more).

### **Policy**

To achieve its objective, the Fund will provide exposure to a range of asset classes including shares of companies (equities), bonds, money market instruments and alternative asset classes such as property and instruments that employ a strategy similar to hedge funds. The portfolio will be diversified globally by investing both in the UK and overseas. Investments in shares of companies, bonds, and money market instruments may be held indirectly via collective investment schemes, of which some or all are likely to track indices as part of their underlying objective, or directly in securities. Investments in alternative asset classes will be held indirectly via collective investment schemes or other instruments. There is no limit to the percentage which can be invested in collective investment schemes and there is no limit to the percentage of the Fund which can be invested in other collective investment schemes managed by the Manager, the Investment Manager, or an associate.

It is the intention where possible to invest in collective investment schemes managed by the Investment Manager.

The Fund may invest directly in derivatives instruments for efficient portfolio management which means investment techniques that aim to reduce risks, reduce costs, or generate additional capital or income with a level of risk that is consistent with the risk profile of the Fund. The collective investment schemes that the Fund may invest in may use derivatives for wider investment purposes in addition to efficient portfolio management.

The Fund will only invest in such collective investment schemes where this is consistent with the overall risk profile of the Fund.

The Manager's investment policy may mean that at times it is appropriate not to fully invest but to also 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 objectives or purpose that may reasonably be regarded as ancillary to the objectives of the Fund.

The Manager has determined that the Fund will not invest directly in securities issued by companies that are considered, after reasonable enquiries, to be involved in the use, development, manufacturing, stockpiling, transfer, or trade of controversial weapons, including but not limited to cluster munitions and/or anti-personnel mines. Please refer to the investment restrictions section of this Prospectus.

### **Investment strategy**

The Manager has appointed HSBC Global Asset Management (UK) Limited as investment manager ("Investment Manager") to provide investment management services to the Manager in respect of the Fund. The Fund invests in a range of asset classes in order to meet its objective.

The allocation to these asset classes will vary through time to reflect both the longer-term investment return expectations and shorter-term more tactical market views of the Investment Manager. The longer-term allocations across the various different asset classes are adjusted to meet the Objective and are reviewed at least annually. The short-term tactical asset allocation enables the Investment Manager to invest in asset types, regions and currencies it believes have a more positive outlook or to reduce exposure to those asset classes it considers to have a less favourable outlook.

The desired allocation to each asset class will be achieved by investing indirectly in collective investment schemes and other instruments or directly into shares of companies (equities) and bonds. The Fund is actively managed and will include investment in collective investment schemes a large proportion of which are likely to have objectives which aim to track various indices, which are sometimes referred to as being passively managed.

# Manager's investment report (continued)

These collective investment schemes may track a diverse range of market specific, regional, and global indices in order to achieve the Objective of the Fund. The Investment Manager has full discretion to adjust the asset allocation to enable the Fund to meet its Objective.

The investment styles the Investment Manager can utilise may include selecting collective investment schemes in which to invest which may track indices as part of their objective and policy, tracking market capitalisation indices, and/or the use of suitable alternative weighting schemes that are not market weighted that the Investment Manager considers appropriate. This is sometimes referred to as Active Asset Allocation ("AAA").

The Investment Manager may use a combination of investment styles and allocation techniques to actively manage the Fund and these will vary from time to time. Under typical market conditions the Fund will have the following asset class exposures, but investors should be aware that these percentages will fluctuate based upon market movement and adjustments to the asset allocation to enable the Fund to meet its Objective. Further details of the underlying collective investment schemes which the Fund is invested in can be obtained from the Manager and will be disclosed in the annual and half yearly accounts.

<b>Asset Class (terms in bold are described in the Definitions section of the Prospectus)</b>	<b>Exposure as a % of the Fund</b>
<b>Equity (shares of companies)</b> • Global <b>Equity</b>	50% - 80%
<b>Fixed Interest</b> • Global <b>Developed Market</b> Government <b>Bonds</b> • Global <b>Developed Market</b> Corporate <b>Bonds</b> • Global <b>High Yield Bonds</b> • <b>Asset-Backed Securities</b> • <b>Emerging Market Bonds – Hard Currency</b> • <b>Emerging Market</b> Corporate Bonds • <b>Emerging Market Bonds – Local Currency</b>	10% - 50%
<b>Alternative asset classes</b> • Property and <b>Property-Related Securities</b> • Instruments that employ a strategy similar to <b>Hedge Funds</b> • Other alternative asset classes including <b>Private Equity</b> and <b>Commodities</b>	0% - 20%
<b>Cash</b>	0% - 10%

## Use of benchmarks

The Fund is not managed with reference to a benchmark. To enable investors to assess the performance of the Fund, it is compared against the performance of the Investment Association mixed investment 40% -85% Shares sector. The Investment Association Mixed Investment 40-85% Shares sector has been selected to compare performance against because it consists of similar funds. Many funds sold in the UK are grouped into sectors by the Investment Association (the trade body that represents UK investment managers), to help investors to compare funds with broadly similar characteristics.

## Use of derivatives

The Fund may directly invest in exchange traded and over-the-counter derivatives in accordance with the investment restrictions within the Prospectus. In particular, equity index futures may be used to increase or reduce equity exposure and bond index futures may be used with the aim of managing the overall bond duration.

Currency forward contracts will be used to gain exposure to currencies or with the aim of hedging against movements in the rate of exchange between sterling and the currency in which the bonds and other assets may be denominated.

The collective investment schemes that the Fund may invest in may use derivatives for wider investment purposes in addition to efficient portfolio management. The Fund will only invest in such collective investment schemes where this is consistent with the overall risk profile of the Fund.

# Manager's investment report (continued)

## **Additional information**

Where investment is made in collective investment schemes managed by the Manager, Investment Manager, or an associate, where possible the Fund will invest in the share class with a 0% annual management charge to ensure there is no element of double charging. However, in the case of Exchange Traded Funds "ETFs", managed by the Manager, Investment Manager, or an associate, which only have one share class, the Fund will be subject to the annual management charge of that share class. Similarly, where the Fund invests in collective investment schemes managed by third parties the Fund will be subject to the annual management charge applicable to those collective investment schemes. The Investment Manager shall ensure that the maximum annual management charge paid by the Fund when investing in third party collective investment schemes does not exceed 1%.

## **Review of the 12 months to 31 December 2023**

### **Economic and market review**

In 2023 global asset markets posted strong returns, driven by positive economic growth, falling inflation, and robust company earnings. Global equity markets were the strongest performing asset class over the period, having fully recovered their 2022 losses over the year. Technology companies delivered particularly strong returns, supported by optimism around Artificial Intelligence, and its broad applications across the global economy. Bonds also delivered positive returns. The strong performance was concentrated in Q4 when prices increased due to an anticipated pause in central bank interest rate increases. While the US Fed raised interest rates four times over the year, at their December meeting, officials signalled that no additional increases are expected and they will likely lower rates in 2024.

### **Portfolio Review**

As a result of the positive returns from both bonds and equities the M&S Worldwide Managed Fund has delivered positive absolute returns. For the majority of the year the Fund maintained a moderate risk-off position, with an underweight to equities, high yield bonds and duration. Towards the beginning of Q4 we moved overweight duration, benefiting from the end of year bond market rally.

In anticipating the market dynamics of 2024, three key themes shape our strategic approach to capture opportunities. First, the expected slowing growth in western markets prompts a shift away from growth-sensitive assets like equities and high yield bonds, given the impact of higher borrowing costs. We favour government bonds for their potential strong returns during recessionary periods and current elevated yields. Additionally, we focus on technology companies, anticipating sustained demand for Artificial Intelligence that will support revenues and resilient performance amid the economic slowdown.

Second, in the environment of bumpy disinflation our preference is for quality sectors. We are focusing on companies with pricing power, that can defend their profit margins as costs continue to rise. We maintain allocations to gold, which is expected to perform well as interest rates fall and provide stability in the portfolio as markets remain choppy. We are also focusing on European healthcare companies as the sector usually performs well as interest rates fall, while demand demonstrates low price sensitivity.

Lastly, on a broader markets perspective, the growth opportunities outside of the West involves tilting towards India for its strong GDP growth, attractive bond yields, and supportive demographics. Japan equities look promising in the context of a more robust earnings outlook and attractive valuations. We also prefer Brazil within Emerging Markets for its strong economic performance, attractive fundamentals, and appealing historic returns.

# Manager's investment report (continued)

## Portfolio Performance

During the period under review, the value of the units in the Fund rose by 7.9% while the value of the IA Mixed Investment 40-85% Shares rose by 7.4%.

(Source: Morningstar Direct, GBP, UK net of tax, for the Accumulation unit class. Returns based on a bid to bid basis). Please note that the above information refers to the past and that past performance is not a reliable indication of future returns.

## Outlook

Global equities are increasingly priced for a soft landing, but risks remain high as the long and variable lags of tighter policy continue to be felt. Selective markets are in better shape to resist these frictions, including India and Japan. Disinflation continues to trend lower in developed economies, but areas of 'sticky' inflation will persist. US economic activity has been resilient, but excess consumer savings are depleting, and labour markets show signs of weakness. After the December policy meeting, the US Federal Reserve revised up near-term growth, revised down inflation in the coming years and continued to predict a limited rise in unemployment. It also pivoted towards deeper-than-expected rate cuts in 2024.

# Portfolio statement

This section details all the different companies in which the Fund invests, by sector and country. 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 fund accounting year (shown under bid value).

## As at 31 December 2023

	Holding or nominal value of positions as at 31 December 2023	Bid Value (£)	% of Net Total Assets
<b>UK EQUITIES AND CONVERTIBLES (12.36%; 31.12.22 12.34%)</b>			
<b>Alternative energy</b>			<b>0.01</b>
Ceres Power	3,306	6,043	-
Volution Group	6,815	29,550	0.01
<b>Oil &amp; gas producers</b>			<b>1.58</b>
BP	579,987	2,703,609	0.49
Capricorn Energy	3,453	5,856	-
Diversified Energy	1,448	16,145	-
Energear Oil & Gas	4,671	48,158	0.01
EnQuest	65,514	9,880	-
Harbour Energy	23,250	71,749	0.01
Shell	229,289	5,891,581	1.07
Tullow Oil	43,085	16,743	-
<b>Oil equipment &amp; services</b>			<b>0.01</b>
Hunting	4,207	12,411	-
John Wood	22,564	38,833	0.01
<b>Chemicals</b>			<b>0.08</b>
Croda International	4,769	240,834	0.04
Elementis	21,849	27,879	0.01
Johnson Matthey	6,134	104,125	0.02
Synthomer	4,081	7,738	-
Treatt	2,305	11,594	-
Victrex	2,899	44,123	0.01
Zotefoams	5,287	17,711	-
<b>Forestry &amp; paper</b>			<b>0.05</b>
Mondi	16,568	254,567	0.05
<b>Industrial metals</b>			<b>-</b>
Ferrexpo	18,251	16,462	-
<b>Mining</b>			<b>0.61</b>
Anglo American	41,273	813,326	0.15
Antofagasta	12,028	202,010	0.03
Endeavour Mining	6,126	107,205	0.02



# Portfolio statement (continued)

This section details all the different companies in which the Fund invests, by sector and country. 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 fund accounting year (shown under bid value).

## As at 31 December 2023

	Holding or nominal value of positions as at 31 December 2023	Bid Value (£)	% of Net Total Assets
Fresnillo	6,306	37,470	0.01
Hochschild Mining	8,185	8,758	-
Rio Tinto	37,699	2,202,376	0.40
<b>Construction &amp; materials</b>			<b>0.11</b>
Balfour Beatty	19,671	65,150	0.01
Berkeley Group Holdings	3,588	168,205	0.03
Boot (Henry)	3,603	7,494	-
Breedon Group	8,390	30,330	0.01
Costain	9,711	6,157	-
Forterra	8,132	14,296	-
Galliford Try Holdings	6,081	13,682	-
Genuit Group	8,501	34,302	0.01
Ibstock	13,368	20,253	-
Keller	2,639	23,197	0.01
Kier Group	17,904	19,193	-
Marshalls	7,661	21,405	-
MJ Gleeson	1,630	7,905	-
Morgan Sindall	1,463	32,332	0.01
Norcros	2,953	5,655	-
Redrow	9,176	56,387	0.01
Travis Perkins	7,221	59,833	0.01
Tyman	7,062	22,069	0.01
<b>Aerospace &amp; defence</b>			<b>0.39</b>
BAE Systems	106,245	1,179,851	0.21
Chemring	9,950	34,875	0.01
QinetiQ	17,183	53,061	0.01
Rolls-Royce	286,327	856,976	0.15
Senior	15,267	27,053	0.01
<b>General industrials</b>			<b>0.08</b>
Coats Group	51,098	39,550	0.01
Macfarlane Group	14,361	16,802	-
Smith (David S)	43,130	132,539	0.02
Smiths Group	11,998	211,465	0.04
Vesuvius	7,628	36,706	0.01
Vitec Group	2,513	8,745	-

# Portfolio statement (continued)

This section details all the different companies in which the Fund invests, by sector and country. 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 fund accounting year (shown under bid value).

## As at 31 December 2023

	Holding or nominal value of positions as at 31 December 2023	Bid Value (£)	% of Net Total Assets
<b>Electronic &amp; electrical equipment</b>			<b>0.12</b>
Halma	12,954	295,870	0.05
Morgan Advanced Materials	9,592	27,145	0.01
Oxford Instruments	1,835	42,113	0.01
Renishaw	1,393	49,758	0.01
Rotork	29,096	94,155	0.02
Spectris	3,526	132,930	0.02
TT Electronics	7,150	11,168	-
<b>Industrial engineering</b>			<b>0.12</b>
Bodycote	6,407	38,090	0.01
Hill & Smith	2,778	53,004	0.01
IMI	9,685	163,095	0.03
Severfield	11,481	7,302	-
Spirax-Sarco Engineering	2,515	264,201	0.04
Weir Group	8,720	164,503	0.03
<b>Industrial transportation</b>			<b>0.02</b>
Clarkson	882	27,871	0.01
Royal Mail	23,589	64,186	0.01
Wincanton	4,329	13,420	-
<b>Support Services</b>			<b>0.55</b>
Ashtead	14,923	815,094	0.15
Babcock International	17,318	68,371	0.01
Bunzl	11,541	368,158	0.07
Capita	60,757	13,367	-
CMC Markets	4,525	4,751	-
Diploma	4,416	158,181	0.03
DiscoveryIE Group	3,402	26,876	0.01
Electrocomponents	15,991	131,062	0.02
Essentra	10,251	17,201	-
Hays	54,635	59,661	0.01
Howden Joinery	18,076	147,030	0.03
Integrafin Holdings	13,950	42,157	0.01
Intertek	5,850	248,391	0.05
Kin and Carta	7,863	10,426	-
Mears Group	4,048	12,549	-

# Portfolio statement (continued)

This section details all the different companies in which the Fund invests, by sector and country. 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 fund accounting year (shown under bid value).

## As at 31 December 2023

	Holding or nominal value of positions as at 31 December 2023	Bid Value (£)	% of Net Total Assets
Melrose Industries	47,042	266,164	0.05
Mitie	58,734	58,323	0.01
Northgate	8,050	29,221	0.01
Pagegroup	10,938	53,268	0.01
Reach	6,893	5,163	-
Renewi	2,457	15,627	-
Rentokil Initial	86,844	382,722	0.07
Ricardo	2,107	10,324	-
Robert Walters	2,599	11,566	-
Serco	39,671	64,307	0.01
SIG	30,017	10,011	-
Speedy Hire	20,010	6,583	-
SThree	4,708	19,679	-
<b>Automobiles &amp; parts</b>			<b>0.02</b>
Aston Martin Lagonda Global	13,361	30,142	0.01
Dowlais Group	46,654	49,850	0.01
TI Fluid Systems	10,834	16,663	-
<b>Beverages</b>			<b>0.41</b>
A.C. Barr	3,680	18,841	-
Britvic	10,175	85,521	0.02
Diageo	76,410	2,182,270	0.39
<b>Food producers</b>			<b>0.23</b>
Associated British Foods	11,595	273,526	0.05
Cranswick	1,813	69,039	0.01
Hilton Food Group	2,685	21,480	-
Premier Foods	22,932	31,096	0.01
SSP Group	26,840	62,913	0.01
Tate & Lyle	13,578	89,479	0.02
Tesco	247,130	717,665	0.13
<b>Household goods</b>			<b>0.38</b>
Barratt Developments	33,621	189,152	0.04
Bellway	4,196	107,418	0.02
Crest Nicholson Holdings	7,627	16,489	-
DFS Furniture	9,887	12,042	-
Headlam Group	3,421	7,389	-

# Portfolio statement (continued)

This section details all the different companies in which the Fund invests, by sector and country. 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 fund accounting year (shown under bid value).

## As at 31 December 2023

	Holding or nominal value of positions as at 31 December 2023	Bid Value (£)	% of Net Total Assets
Persimmon	10,786	149,656	0.03
Reckitt Benckiser	24,769	1,342,480	0.24
Taylor Wimpey	119,005	174,997	0.03
Vistry Group	11,721	107,540	0.02
<b>Leisure goods</b>			<b>0.02</b>
Games Workshop	1,200	118,080	0.02
Photo-Me International	8,294	10,368	-
<b>Personal goods</b>			<b>0.63</b>
Burberry	12,824	181,588	0.03
Dr. Martens	28,484	25,151	0.01
PZ Cussons	7,785	11,927	-
Unilever	86,640	3,291,887	0.59
<b>Tobacco</b>			<b>0.42</b>
British American Tobacco	76,510	1,755,522	0.32
Imperial Brands	31,399	567,223	0.10
<b>Healthcare equipment &amp; services</b>			<b>0.09</b>
Convatec Group	55,476	135,472	0.03
NMC Health	7,429	8	-
Smith & Nephew	29,869	321,689	0.06
Spire Healthcare	10,542	23,878	-
<b>Pharmaceuticals &amp; Biotechnology</b>			<b>1.41</b>
AstraZeneca	51,126	5,418,333	0.98
Dechra Pharmaceuticals	3,855	148,726	0.03
Genus	2,247	48,760	0.01
GSK	139,129	2,017,649	0.36
Hikma Pharmaceuticals	5,615	100,368	0.02
Invidor	4,341	51,441	0.01
Oxford Biomedica	3,394	7,314	-
PureTech Health	10,089	19,512	-
<b>Food &amp; drug retailers</b>			<b>0.08</b>
Greggs	3,642	94,692	0.02
Ocado Group	20,669	156,092	0.03
Sainsbury (J)	57,952	175,189	0.03

# Portfolio statement (continued)

This section details all the different companies in which the Fund invests, by sector and country. 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 fund accounting year (shown under bid value).

## As at 31 December 2023

	Holding or nominal value of positions as at 31 December 2023	Bid Value (£)	% of Net Total Assets
<b>General retailers</b>			<b>0.34</b>
AO World	11,174	10,962	-
ASOS	2,247	9,550	-
Currys	33,506	16,904	-
Dunelm Group	3,908	42,871	0.01
Frasers Group	4,544	41,373	0.01
Haleon	188,934	607,706	0.11
Halfords	7,439	14,826	-
Inchcape	12,542	89,738	0.02
JD Sports Fashion	82,175	136,369	0.03
Kingfisher	71,389	173,689	0.03
Marks & Spencer	68,182	185,728	0.04
Next	4,149	336,816	0.06
Pets At Home	20,513	65,272	0.01
Topps Tiles	3,898	1,949	-
Watches of Switzerland Group	7,918	56,099	0.01
WH Smith	4,277	57,012	0.01
Wickes Group	8,822	12,536	-
<b>Media</b>			<b>0.53</b>
4imprint Group	962	43,963	0.01
Ascential	15,026	44,026	0.01
Bloomsbury Publishing	3,114	14,574	-
Future	3,972	31,597	0.01
Informa	48,130	374,163	0.07
ITV	127,363	80,570	0.01
Moneysupermarket.com	17,943	50,276	0.01
Pearson	24,137	232,729	0.04
RELX	65,544	2,037,763	0.37
STV	2,350	4,524	-
<b>Travel &amp; leisure</b>			<b>0.46</b>
Carnival	4,782	62,788	0.01
Compass Group	59,605	1,279,123	0.23
Domino's Pizza	13,139	49,508	0.01
easyJet	21,750	110,925	0.02
Entain	21,695	214,997	0.04
FirstGroup	30,954	54,139	0.01
Fuller Smith & Turner A	1,571	10,243	-

# Portfolio statement (continued)

This section details all the different companies in which the Fund invests, by sector and country. 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 fund accounting year (shown under bid value).

## As at 31 December 2023

	Holding or nominal value of positions as at 31 December 2023	Bid Value (£)	% of Net Total Assets
Hollywood Bowl Group	5,986	18,317	-
InterContinental Hotels	5,883	417,105	0.08
Marston's	23,618	7,971	-
Mitchells & Butlers	8,712	22,442	-
Mobico Group	19,673	16,643	-
On the Beach	5,417	9,469	-
Rank Group	8,467	6,350	-
Ten Entertainment	1,249	5,146	-
The Gym Group	6,223	6,596	-
Wetherspoon (JD)	3,163	25,589	0.01
Whitbread	6,824	249,417	0.05
<b>Fixed line telecommunications</b>			<b>0.07</b>
Airtel Africa	37,133	48,310	0.01
British Telecom	227,425	280,529	0.05
Helios Towers	26,350	23,452	-
Telecom Plus	2,336	37,656	0.01
<b>Mobile telecommunications</b>			<b>0.09</b>
Vodafone	747,448	512,376	0.09
<b>Electricity</b>			<b>0.14</b>
Drax	13,433	65,781	0.01
SSE	37,755	700,733	0.13
<b>Gas, water &amp; multi-utilities</b>			<b>0.39</b>
Centrica	194,517	273,296	0.05
National Grid	126,838	1,341,946	0.24
Pennon Group	9,248	69,499	0.01
Severn Trent	9,243	238,100	0.04
United Utilities	23,330	247,065	0.05
<b>Banks</b>			<b>1.31</b>
Bank of Georgia Group	1,340	52,863	0.01
Barclays	520,696	800,726	0.15
CYBC	40,478	66,344	0.01
HSBC Holdings*	675,221	4,290,354	0.77
Lloyds Banking	2,211,469	1,054,981	0.19

# Portfolio statement (continued)

This section details all the different companies in which the Fund invests, by sector and country. 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 fund accounting year (shown under bid value).

## As at 31 December 2023

	Holding or nominal value of positions as at 31 December 2023	Bid Value (£)	% of Net Total Assets
NatWest	189,390	415,332	0.08
Standard Chartered	76,395	508,944	0.09
TBC Bank Group	1,758	49,664	0.01
<b>Non-life insurance</b>			<b>0.09</b>
Admiral	10,155	272,560	0.05
Beazley	21,004	109,536	0.02
Direct Line Insurance	52,225	95,024	0.02
Sabre Insurance Group	16,176	24,458	-
<b>Life Insurance</b>			<b>0.43</b>
Aviva	94,531	410,076	0.08
Chesnara	5,552	14,518	-
Just Group	36,193	31,054	0.01
Legal & General	209,098	525,045	0.10
M&G	72,961	162,265	0.03
Phoenix Group	24,913	133,035	0.02
Prudential	94,599	839,093	0.15
St James's Place Capital	18,480	126,034	0.02
Standard Life Aberdeen	66,559	118,475	0.02
<b>Real estate investment services</b>			<b>0.40</b>
abrdn European Logistics Income	22,966	14,147	-
Assura REIT	99,578	47,897	0.01
BB Healthcare Trust	19,416	30,561	0.01
Big Yellow Group REIT	7,279	88,949	0.02
British Land REIT	31,395	125,423	0.02
Capital & Regional REIT	2,484	1,396	-
CLS Holdings	5,856	5,950	-
Custodian REIT	15,306	13,408	-
Derwent London REIT	3,805	89,646	0.02
Empiric Student Property	19,645	18,584	-
Gore Street Energy Storage Fund	17,302	15,295	-
Grainger	24,919	65,886	0.01
Great Portland REIT	7,485	31,437	0.01
Greencoat UK Wind	78,688	119,212	0.02
Hammerson	125,931	35,739	0.01
Harworth Group	16,848	20,470	-
Helical Bar	4,060	8,993	-

# Portfolio statement (continued)

This section details all the different companies in which the Fund invests, by sector and country. 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 fund accounting year (shown under bid value).

## As at 31 December 2023

	Holding or nominal value of positions as at 31 December 2023	Bid Value (£)	% of Net Total Assets
Henderson Eurotrust	7,379	10,404	-
Home REIT	65,525	17,462	-
Intu Properties REIT	53,801	-	-
Invesco Select Trust	3,356	5,672	-
Land Securities REIT	25,219	177,743	0.03
LondonMetric Property	34,554	66,171	0.01
LXI REIT	51,920	54,153	0.01
Pantheon International	18,291	56,519	0.01
Primary Health Properties REIT	44,702	46,401	0.01
PRS REIT	17,650	15,214	-
Safestore Holdings REIT	6,959	61,448	0.01
Savills	4,677	45,297	0.01
Segro REIT	40,898	362,520	0.07
Shaftesbury Capital	46,636	64,358	0.01
Smithson Investment Trust	5,550	78,199	0.02
Supermarket Income REIT	44,811	38,896	0.01
Target Healthcare	23,317	20,053	0.01
Triple Point Social Housing REIT	14,270	9,004	-
Tritax Big Box REIT	63,419	106,924	0.02
Tritax Euro Box REIT	30,341	18,144	-
Unite	11,976	125,029	0.02
Urban Logistics REIT	25,305	32,239	0.01
Warehouse REIT	14,056	12,932	-
Workspace Group REIT	5,326	30,119	0.01
<b>Financial services</b>			<b>0.46</b>
AJ Bell	9,819	30,734	0.01
Ashmore	16,494	36,749	0.01
Bridgepoint Group	9,426	26,317	0.01
Close Brothers	5,117	40,629	0.01
Funding Circle	5,535	2,186	-
Hargreaves Lansdown	12,929	94,666	0.02
IC Group Holdings	13,167	100,793	0.02
Intermediate Capital	9,275	155,820	0.03
International Personal Finance	7,874	9,370	-
Investec	21,395	113,693	0.02
IP Group	33,542	19,454	-
Liontrust Asset Management	2,204	13,885	-
London Stock Exchange	15,485	1,436,079	0.26



# Portfolio statement (continued)

This section details all the different companies in which the Fund invests, by sector and country. 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 fund accounting year (shown under bid value).

## As at 31 December 2023

	Holding or nominal value of positions as at 31 December 2023	Bid Value (£)	% of Net Total Assets
Molten Ventures	4,859	13,489	-
Network International	15,591	60,774	0.01
Ninety One	11,824	21,697	-
OSB Group	14,587	67,655	0.01
Paragon Group of Companies	8,069	56,281	0.01
Petershill Partners	11,232	19,049	-
Quilter	46,875	48,188	0.01
Rathbone Group	2,153	37,247	0.01
Record	3,662	2,600	-
Schroders	29,273	125,845	0.02
Vanquis Banking Group	9,546	12,333	-
VH Global Sustainable Energy Opportunities	14,353	11,081	-
XPS Pensions Group	3,660	8,528	-
<b>Software &amp; computer services</b>			<b>0.23</b>
Alfa Financial Software	4,364	6,066	-
Aptitude Software Group	2,311	6,471	-
Auction Technology	3,216	16,787	-
Auto Trader	30,345	218,423	0.04
Baltic Classifieds	15,814	37,400	0.01
Bytes Technology Group	7,423	45,392	0.01
Computacenter	2,683	74,695	0.02
Darktrace	14,051	51,525	0.01
FDM Group	3,116	14,287	-
Kainos Group	3,093	34,611	0.01
Moonpig Group	9,711	15,188	-
NCC Group	10,886	14,021	-
Playtech	10,139	45,483	0.01
Rightmove	27,379	157,593	0.03
Sage	34,593	405,603	0.07
Softcat	4,142	56,331	0.01
Trainline	15,763	50,568	0.01
Trustpilot	12,121	17,988	-
<b>Technology hardware &amp; equipment</b>			<b>-</b>
Spirent	22,087	27,233	-

# Portfolio statement (continued)

This section details all the different companies in which the Fund invests, by sector and country. 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 fund accounting year (shown under bid value).

## As at 31 December 2023

	Holding or nominal value of positions as at 31 December 2023	Bid Value (£)	% of Net Total Assets
<b>UK COLLECTIVES AND INVESTMENT TRUSTS</b>			
<b>(36.36%; 31.12.22 36.35%)</b>			<b>36.36</b>
3i Group	32,395	783,959	0.14
Aberforth Smaller Companies	2,951	40,665	0.01
Aberforth Split Level Income Trust	9,995	7,356	-
abrdn Diversified Income and Growth Trust	12,179	9,865	-
abrdn Private Equity Opportunities Trust	5,039	23,406	0.01
abrdn Asia Focus	6,360	16,727	-
abrdn UK Smaller Companies Growth Trust	3,586	16,173	-
Alliance Trust	9,794	108,322	0.02
Allianz Technology	14,130	42,885	0.01
Asia Dragon Investment Trust	6,175	21,736	-
AVI Global Trust	16,975	37,260	0.01
Baillie Gifford China Growth Trust	2,589	5,126	-
Baillie Gifford European Growth Trust	14,169	13,177	-
Baillie Gifford Japan Investment Trust	3,513	24,837	0.01
Baillie Gifford Shin Nippon Trust	11,549	15,245	-
Baillie Gifford UK Growth Fund	5,886	9,735	-
Baillie Gifford US Growth Trust	11,687	21,083	-
Bankers Investment Trust	44,691	45,674	0.01
Biotech Growth Trust	1,481	13,240	-
BlackRock Frontiers Investment Trust	6,809	9,737	-
BlackRock Greater European Investment Trust	5,789	32,708	0.01
BlackRock Latin American Investment Trust	1,008	4,506	-
BlackRock Smaller Companies	1,745	24,116	0.01
BlackRock Sustainable American Income Trust	9,265	17,604	-
BlackRock Throgmorton Trust	2,580	15,841	-
BlackRock World Mining Investment Trust	6,618	38,781	0.01
BMO Capital & Income Investment Trust	8,390	25,673	0.01
BMO Global Smaller Companies	19,128	28,271	0.01
BMO Private Equity Trust	2,823	13,014	-
Caledonia Investments	1,089	38,115	0.01
Capital Gearing Trust	842	39,153	0.01
City of London Investment Trust	16,371	66,794	0.01
Diverse Income Trust	12,454	10,212	-
Dunedin Income Growth Investment Trust	5,475	15,441	-
Ecofin Global Utilities & Infrastructure Trust	5,059	8,752	-
Edinburgh Investment Trust	5,779	39,413	0.01
Edinburgh Worldwide Investment Trust	13,948	21,898	-

# Portfolio statement (continued)

This section details all the different companies in which the Fund invests, by sector and country. 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 fund accounting year (shown under bid value).

## As at 31 December 2023

	Holding or nominal value of positions as at 31 December 2023	Bid Value (£)	% of Net Total Assets
EP Global Opportunities Trust	1,782	5,239	-
European Assets Trust	11,915	10,652	-
European Opportunities Trust	3,392	29,612	0.01
Fidelity Asian Values Investment Trust	2,558	13,148	-
Fidelity China Special Situations Trust	12,091	25,512	0.01
Fidelity European Values	13,717	49,313	0.01
Fidelity Special Values	7,748	21,617	-
Finabl	11,436	0	-
Finsbury Growth & Income Trust	7,156	61,327	0.01
Foreign & Colonial Investment Trust	17,736	170,620	0.03
Fundsmith Emerging Equities Trust	1,037	0	-
Henderson European Focus Trust	14,510	25,247	0.01
Henderson High Income Trust	13,048	20,420	-
Henderson International Income Trust	7,795	12,706	-
Henderson Smaller Companies Investment Trust	2,689	22,104	-
Herald Investment Trust	2,155	41,247	0.01
HgCapital Trust	14,641	62,663	0.01
HICL Infrastructure	67,925	94,144	0.02
HSBC American Index Fund*	5,451,913	55,773,072	10.07
HSBC Corporate Bond Fund*	7,178,247	14,241,642	2.57
HSBC European Index Fund*	1,137,216	13,476,015	2.43
HSBC FTSE All-Share Index Fund*	7,180,714	26,195,245	4.73
HSBC FTSE All-World Index Fund*	8,385,542	19,093,879	3.45
HSBC Japan Index Fund*	10,418,899	14,721,904	2.66
HSBC Pacific Index Fund*	1,599,378	5,800,945	1.05
HSBC UK Gilt Index Fund*	26,124,650	23,065,453	4.17
HSBC US Multi Factor Equity Fund*	4,136,900	24,564,910	4.44
ICG Enterprise Trust	2,438	29,744	0.01
Impax Environmental Markets	10,584	42,283	0.01
Invesco Asia Trust	1,956	6,005	-
Invesco Perpetual UK Smaller Companies Investment Trust	1,397	6,021	-
JPMorgan American Investment Trust	6,456	55,328	0.01
JPMorgan Asian Investment Trust	3,790	12,810	-
JPMorgan China Growth & Income	7,675	17,039	-
JPMorgan Claverhouse Investment Trust	2,001	13,687	-
JPMorgan Emerging Markets Investment Trust	38,168	40,458	0.01

# Portfolio statement (continued)

This section details all the different companies in which the Fund invests, by sector and country. 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 fund accounting year (shown under bid value).

## As at 31 December 2023

	Holding or nominal value of positions as at 31 December 2023	Bid Value (£)	% of Net Total Assets
JPMorgan European Discovery Trust	5,507	23,129	0.01
JPMorgan European Growth & Income	16,252	15,862	-
JPMorgan Global Emerging Markets Income Trust	19,980	25,275	0.01
JPMorgan Global Growth and Income Investment Trust	13,326	67,030	0.01
JPMorgan Indian Investment Trust	2,791	25,956	0.01
JPMorgan Investment Trust	3,048	8,931	-
JPMorgan Japan Small Cap Growth & Income	1,895	5,931	-
JPMorgan Japanese Investment Trust	5,482	26,889	-
JPMorgan Mid Cap Investment Trust	915	8,583	-
JPMorgan US Smaller Companies Investment Trust	5,629	22,741	-
Jupiter Fund Management	15,451	14,431	-
Keystone Investment Trust	2,420	5,445	-
Law Debenture	4,433	35,420	0.01
Lowland Investment Company	10,960	13,590	-
Martin Currie Global Portfolio Trust	3,349	11,655	-
Merchants Trust	4,593	25,537	0.01
Mid Wynd International Investment Trust	2,357	17,677	-
Monks Investment Trust	7,703	81,498	0.02
Montanaro European Smaller Companies Trust	16,661	22,659	-
Murray Income Trust	3,961	34,025	0.01
Murray International	20,805	53,573	0.01
North American Income Trust	5,247	15,216	-
North Atlantic Smaller Companies Investment Trust	367	14,166	-
Octopus Renewables	18,629	16,729	-
Pacific Assets Investment Trust	4,477	17,236	-
Pacific Horizon Investment Trust	3,363	18,597	-
Pantheon Infrastructure	16,369	13,586	-
Personal Assets Trust	11,785	55,566	0.01
Polar Capital Global Financials Trust	19,943	29,675	0.01
Polar Capital Global Healthcare Growth & Income	4,066	13,418	-
Polar Capital Technology Trust	4,335	111,843	0.02
Residential Secure Income	25,007	14,704	-
Rights and Issues Investment Trust	773	16,233	-
RIT Capital Partners	4,337	81,622	0.02
Schroder Asia Pacific Fund	5,715	28,003	0.02
Schroder Asian Total Return Investment	3,476	15,260	-

# Portfolio statement (continued)

This section details all the different companies in which the Fund invests, by sector and country. 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 fund accounting year (shown under bid value).

## As at 31 December 2023

	Holding or nominal value of positions as at 31 December 2023	Bid Value (£)	% of Net Total Assets
Schroder Income Growth Fund	2,416	6,741	-
Schroder Japan Trust	4,452	10,240	-
Schroder UK Mid Cap Fund	1,439	8,317	-
Schroders Capital Global Innovation Trust	30,256	4,402	-
Scottish American Investment Trust	5,982	32,004	0.01
Scottish Mortgage Investment Trust	47,598	383,545	0.07
Scottish Oriental Smaller Companies	926	12,084	-
SDCL Energy Efficiency Income Trust	34,151	22,198	-
Temple Bar Investment Trust	11,157	26,554	0.01
Templeton Emerging Markets Investment Trust	38,867	58,845	0.01
The Mercantile Investment Trust	26,403	58,351	0.01
TR European Growth Trust	14,384	23,446	-
TR Property Investment	10,775	36,904	0.01
Utilico Emerging Markets	5,947	13,619	-
Witan Investment Trust	27,047	64,237	0.01
Worldwide Healthcare Trust	21,690	67,239	0.01
<b>Total United Kingdom</b>		<b>269,786,871</b>	<b>48.72</b>

## OVERSEAS SHARES (49.00%; 31.12.22 49.85%)

### ASIA (0.01%; 31.12.22 0.00%)

#### Israel (0.01%; 31.12.22 0.01%)

Plus500	3,054	50,788	0.01
<b>Total Israel</b>		<b>50,788</b>	<b>0.01</b>

#### Singapore (0.00%; 31.12.22 0.00%)

XP Power	1,275	17,289	-
<b>Total Singapore</b>		<b>17,289</b>	<b>-</b>

## CONTINENTAL EUROPE (48.95%; 31.12.22 49.79%)

### Channel Islands (0.87%; 31.12.22 0.94%)

3i Infrastructure	20,403	65,596	0.01
abrdn Asian Income	6,053	12,590	-
Apax Global Alpha	16,147	25,900	0.01
BH Macro	12,858	47,189	0.01

# Portfolio statement (continued)

This section details all the different companies in which the Fund invests, by sector and country. 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 fund accounting year (shown under bid value).

## As at 31 December 2023

	Holding or nominal value of positions as at 31 December 2023	Bid Value (£)	% of Net Total Assets
Bluefield Solar Income Fund	18,625	21,940	-
BMO Commercial Property Trust	16,261	11,789	-
Centamin	36,724	36,614	0.01
Chrysalis Investments	20,584	15,973	-
Digital 9 Infrastructure	30,332	9,024	-
Experian	31,812	1,018,302	0.18
Fidelity Emerging Markets Fund	3,281	20,096	-
Foresight Group	4,010	17,283	-
Foresight Solar Fund	22,402	22,850	0.01
GCP Asset Backed Income Fund	17,839	11,702	-
GCP Infrastructure Investments	31,774	22,718	0.01
Glencore	425,972	2,011,014	0.36
HarbourVest Global Private Equity	2,743	64,735	0.01
Henderson Far East Income	5,531	11,892	-
Hipgnosis Songs Fund	40,425	29,106	0.01
International Public Partnership	64,734	88,427	0.02
International Workplace	24,122	45,542	0.01
Invesco Bond Income Plus	6,132	10,486	-
JLEN Environmental Assets Group	20,443	20,729	-
JTC	4,206	34,069	0.01
Man Group	41,634	96,799	0.02
NB Global Monthly Income Fund	1,734	1,200	-
NB Private Equity Partners	1,664	27,755	0.01
Next Energy Solar Fund	21,554	19,786	-
Pershing Square Holdings	5,262	188,485	0.03
Petrofac	15,698	5,871	-
Phoenix Spree Deutschland REIT	3,194	5,430	-
Picton Property	21,949	14,947	-
PPHE Hotel Group	527	6,324	-
Real Estate Credit Investments	9,658	12,314	-
Regional REIT	17,664	6,218	-
Renewables Infrastructure Group	84,029	95,457	0.02
Ruffer	12,033	32,970	0.01
Schroder Oriental Income Fund	9,273	23,414	0.01
Schroder Real Estate Investment	20,485	9,106	-
Sequoia Economic Infrastructure Income Fund	60,178	51,392	0.01
Sirius Real Estate	46,184	43,551	0.01
Standard Life Investments Property	15,916	8,292	-
Starwood European Real Estate Finance	13,066	11,707	-

# Portfolio statement (continued)

This section details all the different companies in which the Fund invests, by sector and country. 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 fund accounting year (shown under bid value).

## As at 31 December 2023

	Holding or nominal value of positions as at 31 December 2023	Bid Value (£)	% of Net Total Assets
Syncona	17,819	21,989	-
TP ICAP	27,265	53,058	0.01
TwentyFour Income Fund	25,056	26,359	0.01
UK Commercial Property Trust	27,659	17,121	-
VinaCapital Vietnam Opportunity Fund	5,944	27,105	0.01
Wizz Air Holdings	2,577	56,952	0.01
WPP	35,599	267,776	0.05
<b>Total Channel Islands</b>		<b>4,806,944</b>	<b>0.87</b>
<b>Germany (0.02%; 31.12.22 0.01%)</b>			
TUI AG	14,842	90,907	0.02
<b>Total Germany</b>		<b>90,907</b>	<b>0.02</b>
<b>Gibraltar (0.00%; 31.12.22 0.00%)</b>			
888 Holdings	11,014	10,441	-
<b>Total Gibraltar</b>		<b>10,441</b>	<b>-</b>
<b>Ireland (23.64%; 31.12.22 19.79%)</b>			
C&C Group	14,149	21,563	-
DCC (London listed)	3,352	193,679	0.03
Flutter Entertainment	6,032	839,654	0.15
Crafton	6,953	63,349	0.01
Greencore	17,297	16,683	-
HSBC Global Funds ICAV - Cross Asset Trend Fund*	938,452	7,843,264	1.42
HSBC Global Funds ICAV - Global Emerging Market Government Bond Index Fund*	892,727	5,783,958	1.05
HSBC Global Funds ICAV - Multi-Factor*	3,584,953	40,565,814	7.33
HSBC Global Sterling Liquidity Fund*	10,156,353	10,156,353	1.83
HSBC MSCI Emerging Markets UCITS ETF*	70,066	561,404	0.10
iShares Bloomberg Enhanced Roll Yield Commodity Swap UCITS ETF	2,367,775	13,088,885	2.36
iShares Digital Security UCITS ETF	290,352	1,776,550	0.32
iShares Edge MSCI ETF	12,171	16,893,134	3.05
iShares Global Timber & Forestry UCITS ETF	113,316	2,528,647	0.46
iShares Global Water UCITS ETF	46,154	2,266,161	0.41
Kenmare Resources	2,501	9,866	-
L&G India INR Government Bond UCITS ETF	383,758	2,674,410	0.48
Passim Structured Funds Cross Asset Trend Strategy B Acc	83,016	7,353,441	1.33
Smurfit Kappa	8,904	276,914	0.05

# Portfolio statement (continued)

This section details all the different companies in which the Fund invests, by sector and country. 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 fund accounting year (shown under bid value).

## As at 31 December 2023

	Holding or nominal value of positions as at 31 December 2023	Bid Value (£)	% of Net Total Assets
SPDR MSCI Europe Health Care UCITS ETF	22,944	4,008,317	0.72
UBS (Irl) ETF - Global Gender Equality UCITS ETF	137,659	1,983,248	0.36
Xtrackers Artificial Intelligence & Big Data UCITS ETF	37,902	3,268,111	0.59
Xtrackers IE Physical Gold	107,735	2,693,375	0.49
Xtrackers MSCI USA Information Technology UCITS ETF	91,498	6,070,892	1.10
<b>Total Ireland</b>		<b>130,937,672</b>	<b>23.64</b>
<b>Luxembourg (24.35%; 31.12.22 28.99%)</b>			
Amundi MSCI Digital Economy and Metaverse ESG Screened UCITS ETF	219,340	2,342,113	0.42
B&M European Value	31,401	175,908	0.03
BBGI SICAV	33,712	47,736	0.01
HSBC GIF Global Emerging Markets Bond Fund*	1,221,456	7,089,389	1.28
HSBC GIF Global Emerging Markets Local Debt Fund*	2,585,326	16,309,378	2.95
HSBC GIF Global High Yield Bond Fund*	1,474,476	10,334,516	1.87
HSBC GIF Global Inflation Linked Bond Fund*	500,482	3,821,534	0.69
HSBC GIF Global Infrastructure Equity Fund*	2,473,811	19,714,030	3.56
HSBC GIF Global Real Estate Equity Fund*	1,941,871	14,745,305	2.66
HSBC GIF Global Short Duration High Yield Bond Fund*	502,493	3,694,987	0.67
HSBC GIF Global Corporate Bond*	1,121,916	9,040,101	1.63
HSBC GIF Global Equity Circular Economy*	298,233	3,057,894	0.55
HSBC GIF Global Equity Sustainable Healthcare*	155,265	1,288,841	0.23
HSBC GIF Global Government Bond*	1,719,095	14,800,022	2.67
HSBC GIF Multi-Asset Style Factors*	540,387	5,364,859	0.97
HSBC GIF Investment Grade Securitised Credit Bond*	530,375	4,110,115	0.74
Lyxor MSCI Brazil UCITS ETF	425,905	8,191,005	1.48
Lyxor MSCI Millennials ESG Filtered UCITS ETF	86,074	976,940	0.18
Lyxor US Curve Steepening 2-10 UCITS ETF	132,841	9,731,739	1.76
<b>Total Luxembourg</b>		<b>134,836,412</b>	<b>24.35</b>



# Portfolio statement (continued)

This section details all the different companies in which the Fund invests, by sector and country. 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 fund accounting year (shown under bid value).

## As at 31 December 2023

	Holding or nominal value of positions as at 31 December 2023	Bid Value (£)	% of Net Total Assets
<b>Netherlands (0.00%; 31.12.22 0.01%)</b>			
RHI Magnesita	706	24,428	-
<b>Total Netherlands</b>		<b>24,428</b>	<b>-</b>
<b>Spain (0.04%; 31.12.22 0.03%)</b>			
International Consolidated Airlines	127,065	196,951	0.04
<b>Total Spain</b>		<b>196,951</b>	<b>0.04</b>
<b>Switzerland (0.03%; 31.12.22 0.02%)</b>			
Coca-Cola HBC	6,677	153,838	0.03
<b>Total Switzerland</b>		<b>153,838</b>	<b>0.03</b>
<b>NORTH AMERICA (0.04%; 31.12.22 0.05%)</b>			
<b>Bermuda (0.03%; 31.12.22 0.04%)</b>			
Capital	5,278	4,687	-
Hiscox	11,474	120,936	0.02
Lancashire Holdings	8,255	51,470	0.01
Ocean Wilsons	765	9,180	-
<b>Total Bermuda</b>		<b>186,273</b>	<b>0.03</b>
<b>Cayman Islands (0.01%; 31.12.22 0.01%)</b>			
Dragon Capital Vietnam	6,526	36,350	0.01
<b>Total Cayman Islands</b>		<b>36,350</b>	<b>0.01</b>
<b>FORWARD FOREIGN EXCHANGE CONTRACTS (0.30%; 31.12.22 (0.38%))</b>			
Sold EUR €12,691,293 for UK sterling £10,923,815 (expires 18/01/2024)		(80,907)	(0.01)
Sold Japanese Yen ¥886,907,296 for UK sterling £4,884,264 (expires 18/01/2024)		(64,645)	(0.01)
Sold US dollar \$116,245,561 for UK sterling £92,466,799 (expires 18/01/2024)		1,289,476	0.23
Sold UK sterling £1,799,672 for US dollar \$2,261,689 (expires 18/01/2024)		(25,714)	(0.01)
Sold UK sterling £2,708,077 for Swiss Franc CHF2,967,974 (expires 18/01/2024)		63,409	0.01
Sold UK sterling £7,520,771 for Norwegian Krone NOK103,538,739 (expires 18/01/2024)		479,776	0.09
<b>Total Forward Foreign Exchange Contracts</b>		<b>1,661,395</b>	<b>0.30</b>

# Portfolio statement (continued)

This section details all the different companies in which the Fund invests, by sector and country. 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 fund accounting year (shown under bid value).

## As at 31 December 2023

	Holding or nominal value of positions as at 31 December 2023	Bid Value (£)	% of Net Total Assets
<b>FUTURE CONTRACTS (0.13%; 31.12.22 0.00%)</b>			
Future March 2024 EUX MSCI India	49	135,300	0.02
Future March 2024 ICF FTSE 100 Index	20	40,242	0.01
Future March 2024 ICF FTSE 250 Index	6	12,678	-
Future March 2024 ICF Long Gilt	84	553,560	0.10
<b>Total Futures Contracts</b>		<b>741,780</b>	<b>0.13</b>
<b>Portfolio of investments</b>		<b>543,538,339</b>	<b>98.15</b>
<b>Net other assets</b>		<b>10,244,060</b>	<b>1.85</b>
<b>Net assets</b>		<b>553,782,399</b>	<b>100.00</b>
<b>Investments</b>			
<b>Equity</b>		<b>80,073,367</b>	<b>14.44</b>
<b>Collective Investment Schemes</b>		<b>461,061,797</b>	<b>83.28</b>
<b>Forward foreign exchange contracts</b>		<b>1,661,395</b>	<b>0.30</b>
<b>Future contracts</b>		<b>741,780</b>	<b>0.13</b>
<b>Portfolio of investments</b>		<b>543,538,339</b>	<b>98.15</b>

\* Funds managed by ACD/HSBC Group

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

The counterparty for the futures is HSBC.

# 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>31.12.23</b>	<b>31.12.22</b>	<b>31.12.21</b>
Opening net asset value per unit	538.66p	595.10p	531.83p
Return before operating charges*	48.58p	(42.96p)	74.64p
Operating charges	(6.16p)	(6.21p)	(6.68p)
Return after operating charges*	42.42p	(49.17p)	67.96p
Distributions on income unit	(9.94p)	(7.27p)	(4.69p)
Closing net asset value per unit	571.14p	538.66p	595.10p
*after direct transaction costs of:***	0.07p	0.09p	0.06p

## Performance

Return after charges	7.88%	(8.26%)	12.78%
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## Other information

Closing net asset value	£9,841,592	£9,963,201	£11,825,800
Closing number of units	1,723,136	1,849,636	1,987,202
Operating charges**	1.22%	1.21%	1.21%
Direct transaction costs	0.01%	0.02%	0.01%

## Prices

Highest unit price	575.61p	597.24p	601.07p
Lowest unit price	532.90p	518.69p	529.70p

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

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

# Net asset value per unit and comparative table (continued)

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.

## Accumulation

<b>Change in net assets per unit</b>	<b>31.12.23</b>	<b>31.12.22</b>	<b>31.12.21</b>
Opening net asset value per unit	920.93p	1,003.81p	889.84p
Return before operating charges*	83.67p	(72.37p)	125.18p
Operating charges	(10.59p)	(10.51p)	(11.21p)
Return after operating charges*	73.08p	(82.88p)	113.97p
Distributions on accumulation unit	(17.07p)	(12.30p)	(7.86p)
Retained distributions on accumulation unit	17.07p	12.30p	7.86p
Closing net asset value per unit	994.01p	920.93p	1,003.81p
*after direct transaction costs of:***	0.11p	0.15p	0.09p

## Performance

Return after charges	7.94%	(8.26%)	12.81%
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## Other information

Closing net asset value	£543,940,807	£544,074,223	£626,265,204
Closing number of units	54,721,988	59,078,809	62,388,855
Operating charges**	1.22%	1.21%	1.21%
Direct transaction costs	0.01%	0.02%	0.01%

## Prices

Highest unit price	994.15p	1,007.56p	1,011.44p
Lowest unit price	917.56p	881.83p	886.27p

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

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

# Ongoing charges

For the 12 month period to 31 December 2023: **1.22%**

For the 12 month period to 31 December 2022: **1.21%**

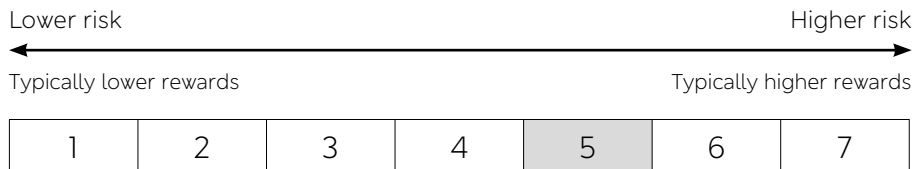
The ongoing charges measure the annual charges and expenses of an investment fund. These will affect the returns to the investor. Most European investment funds highlight the ongoing charges to help you compare the annual charges and expenses of different funds.

Ex-distribution (XD) dates: **1 January and 1 July**

Income payment dates: **28 February and 31 August**

Underlying fund charges in this report are in relation to the Fund holding investments in other collective investment schemes but excludes holdings in investment trusts.

# 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?

This Fund is classified in category 5 because its price or simulated data has shown medium to high fluctuations historically.

The risk rating has increased because the measured volatility of the Fund's price has increased for a successive number of weeks.

# 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 a UK Undertakings for Collective Investment in Transferable Securities (UCITS) scheme.

# Trustee report

## **Statement of the Depositary's Responsibilities in Respect of the Scheme and Report of the Depositary to the Unitholders of The Marks and Spencer Worldwide Managed Fund ('the Trust') for the Period Ended 31 December 2023.**

The Depositary in its capacity as Trustee of The Marks and Spencer Worldwide Managed Fund must ensure that the Trust is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook, the Financial Services and Markets Act 2000, as amended, (together "the Regulations"), the Trust Deed and Prospectus (together "the Scheme documents") as detailed below.

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

The Depositary 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 Depositary 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 Depositary also has a duty to take reasonable care to ensure that 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 consider necessary to discharge our responsibilities as Depositary 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 Scheme documents of the Trust.

**State Street Trustees Limited**  
**20 April 2024**

# Statement of the Manager's responsibilities

The Collective Investment Schemes sourcebook published by the FCA, ("the COLL Rules") require the Manager to prepare 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 income and net capital gains on the property of the Trust for the period.

In preparing the financial statements the Manager is responsible for:

- selecting suitable accounting policies and then apply them consistently;
- making judgements and estimates that are reasonable and prudent;
- following UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland;
- complying with the disclosure requirements of the Statement of Recommended Practice for UK Authorised Funds issued by the Investment Management 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; and
- taking reasonable steps for the prevention and detection of fraud and irregularities.

The Manager is responsible for the management of the Trust in accordance with its Trust Deed, the Prospectus and the COLL Rules.

The Manager is responsible for the maintenance and integrity of the corporate and financial information included on the Trust's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

## 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.  
20 April 2024

# Independent auditor's report

## Independent auditor's report to the unitholders of The Marks and Spencer Worldwide Managed Fund ('the Trust')

### Opinion

We have audited the financial statements of the Trust for the year ended 31 December 2023 which comprise the Statement of Total Return, the Statement of Change in Net Assets Attributable to Unitholders, the Balance Sheet, the Related Notes and Distribution Tables and the accounting policies set out on pages 38 and 39.

In our opinion the financial statements:

- give a true and fair view, in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland, of the financial position of the Trust as at 31 December 2023 and of the net revenue and the net capital gains on the property of the Trust for the year then ended; and
- have been properly prepared in accordance with the Trust Deed, the Statement of Recommended Practice relating to Authorised Funds, and the COLL Rules.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Trust in accordance with, UK ethical requirements including the FRC Ethical Standard.

We have received all the information and explanations which we consider necessary for the purposes of our audit and we believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

### Going concern

The Manager has prepared the financial statements on the going concern basis as they do not intend to liquidate the Trust or to cease their operations, and as they have concluded that the Trust's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the Manager's conclusions, we considered the inherent risks to the Trust's business model, and analysed how those risks might affect the Trust's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the Manager's use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the Manager's assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Trust's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Trust will continue in operation.



# Independent auditor's report (continued)

## **Fraud and breaches of laws and regulations – ability to detect**

*Identifying and responding to risks of material misstatement due to fraud.*

To identify risks of material misstatement due to fraud (“fraud risks”) we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors as to the Trust’s high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud;
- Assessing the segregation of duties in place between the Manager, the Trustee, the Administrator and the Investment Manager;
- Reading board minutes.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because the revenue is principally non-judgemental and based on publicly available information, with limited opportunity for manipulation. We did not identify any additional fraud risks.

We evaluated the design and implementation of the controls over journal entries and other adjustments and made inquiries of the Administrator about inappropriate or unusual activity relating to the processing of journal entries and other adjustments. We identified and selected a sample of journal entries made at the end of the reporting period and tested those substantively including all material post-closing entries. Based on the results of our risk assessment procedures and understanding of the process, including the segregation of duties between the Directors and the Administrator, no further high-risk journal entries or other adjustments were identified.

*Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations.*

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the Manager and the Administrator (as required by auditing standards) and discussed with the Directors the policies and procedures regarding compliance with laws and regulations.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Trust is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related authorised fund legislation maintained by the Financial Conduct Authority) and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Trust is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: money laundering, data protection and bribery and corruption legislation recognising the Trust’s activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Directors and the Administrator and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

# Independent auditor's report (continued)

## **Context of the ability of the audit to detect fraud or breaches of law or regulation**

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

## **Other information**

The Manager (Marks and Spencer Unit Trust Management Limited) is responsible for the other information presented in the Annual Report together with the financial statements. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the other information; and
- in our opinion the information given in the Manager's Report for the financial year is consistent with the financial statements.

## **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where under the COLL Rules we are required to report to you if, in our opinion:

- proper accounting records for the Trust have not been kept; or
- the financial statements are not in agreement with the accounting records.

## **Manager's responsibilities**

As explained more fully in their statement set out on page 31, the Manager is responsible for: the preparation of financial statements that give a true and fair view; 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; 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 they either intend to liquidate the Trust or to cease operations, or have no realistic alternative but to do so.

## **Auditor's responsibilities**

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

# Independent auditor's report (continued)

## **The purpose of our audit work and to whom we owe our responsibilities**

This report is made solely to the Trust's unitholders, as a body, in accordance with Rule 4.5.12 of the Collective Investment Schemes sourcebook ('the COLL Rules') issued 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.



**Wiqas Qaiser**

**for and on behalf of KPMG LLP, Statutory Auditor**

*Chartered Accountants*

20 Saltire Court  
Edinburgh  
EH1 2EG

**20 April 2024**

# 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 year.

## For the year ended 31 December 2023

	Notes	31.12.23		31.12.22	
		£	£	£	£
Income					
Net capital gains/(losses)	2		32,059,891		(59,524,803)
Revenue	3	15,906,502		14,045,270	
Expenses	4	(6,124,140)		(6,471,461)	
Interest payable and similar charges		(10,139)		(2,712)	
Net revenue before taxation		9,772,223		7,571,097	
Taxation	5	(1,446)		162	
Net revenue after taxation			9,770,777		7,571,259
<b>Total return/(deficit) before distributions</b>			<b>41,830,668</b>		<b>(51,953,544)</b>
Distributions/Accumulations	6		(9,843,697)		(7,571,217)
<b>Change in net assets attributable to Unitholders</b>			<b>31,986,971</b>		<b>(59,524,761)</b>

# Statement of change in net assets attributable to Unitholders

## For the year ended 31 December 2023

		31.12.23		31.12.22	
		£	£	£	£
<b>Opening net assets attributable to Unitholders</b>			<b>554,037,424</b>		<b>638,091,004</b>
Amounts receivable on issue of units	811,168			1,278,084	
Less: Amounts payable on cancellation of units	(42,610,258)			(33,195,777)	
			(41,799,090)		(31,917,693)
Dilution Levy			12,719		13,827
Change in net assets attributable to Unitholders from investment activities (see above)			31,986,971		(59,524,761)
Retained distribution on accumulation units			9,544,092		7,374,778
Unclaimed distributions over 6 years old			283		269
<b>Closing net assets attributable to Unitholders</b>			<b>553,782,399</b>		<b>554,037,424</b>

The notes on pages 38 to 50 are an integral part of these financial statements.

# Balance sheet

As at 31 December 2023

	Notes	31.12.23		31.12.22	
		£	£	£	£
<b>ASSETS</b>					
<b>Fixed assets:</b>					
Investments			543,709,605		546,235,556
<b>Current assets:</b>					
Debtors	8	2,006,194		2,305,131	
Cash and bank balances	9	9,184,392		8,803,180	
<b>Total current assets</b>			<b>11,190,586</b>		<b>11,108,311</b>
<b>TOTAL ASSETS</b>			<b>554,900,191</b>		<b>557,343,867</b>
<b>LIABILITIES</b>					
<b>Investment liabilities</b>			<b>(171,266)</b>		<b>(2,372,835)</b>
<b>Creditors:</b>					
Bank overdrafts			-		(9)
Distribution payable			(75,558)		(56,183)
Other creditors	10		(870,968)		(877,416)
<b>TOTAL LIABILITIES</b>			<b>(1,117,792)</b>		<b>(3,306,443)</b>
<b>Net assets attributable to Unitholders</b>			<b>553,782,399</b>		<b>554,037,424</b>

The notes on pages 38 to 50 are an integral part of these financial statements.

# Notes to the financial statements

This section provides a more detailed explanation of specific items included in the balance sheet and statement of total return.

## For the year ended 31 December 2023

### 1. Accounting policies

#### (a) Basis of accounting

The financial statements have been prepared under the historical cost basis, as modified by the revaluation of investments and in compliance with FRS102 and in accordance with the Statement of 'Recommended Practice (SORP) for Financial Statements of Authorised Funds issued by the Investment Association in May 2014 (and amended in June 2017). Unless otherwise stated all accounting policies are consistent with those of the prior year.

The Manager has undertaken a detailed assessment of the Fund's ability to meet its liabilities as they fall. This includes liquidity, declines in global capital markets and investor redemption levels. Based on this assessment, the Fund continues to be open for trading and the Manager is satisfied the Fund has adequate financial resources to continue in operation for next twelve months from the date of approval of the financial statements and accordingly it is appropriate to adopt the going concern basis in preparing the financial statements.

#### (b) Recognition of revenue

Interest and revenue from fixed interest stocks is recognised on an effective yield basis.

Revenue from quoted equities is recognised net of attributable tax credits when the security is quoted ex-dividend. Interest from bank deposits is recognised on an accrual basis. All other revenue is recognised on a receipts basis.

Overseas revenue received after the deduction of withholding tax is shown gross of taxation, with the taxation consequences shown within the taxation charge.

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

The ordinary element of stock dividends is treated as revenue and forms part of the distribution. In the case of an enhanced stock dividend, the value of the enhancement is treated as capital and does not form part of the distribution.

#### (c) Treatment of expenses

All expenses (other than those relating to the purchase and sale of investments) are charged to revenue on an accruals basis.

The Manager's periodic charge is deducted from revenue for the purpose of calculating the distribution.

#### (d) Distribution policy

The policy is to distribute all available revenue, after deduction of those expenses which are chargeable in calculating the distribution.

In order to conduct a controlled dividend flow, interim distributions will be at the Manager's discretion, up to a maximum of the distributable revenue for the year.

All remaining revenue is distributed in accordance with the Collective Investment Schemes Sourcebook

Distributions which have remained unclaimed by Unitholders for over six years are credited to the capital property of the Fund.

#### (e) Basis of valuation of investments

The investments, including derivatives, are valued at bid market value, excluding any accrued revenue, at 5pm on 29 December 2023, being the last working day of the accounting year.

Where values cannot be readily determined, the securities are valued at the Manager's best assessment of their value.

# Notes to the financial statements

## (continued)

This section provides a more detailed explanation of specific items included in the balance sheet and statement of total return.

### For the year ended 31 December 2023

#### (f) Taxation

Provision is made for taxation at current rates on the excess of taxable investment revenue over expenses. Deferred tax is provided for on all timing differences that have originated but not reversed by the balance sheet date, other than those differences that are regarded as permanent. Any liability to deferred tax is provided for at the average rate of tax expected to apply. Deferred tax assets and liabilities are not discounted to reflect the time value of money.

#### (g) Exchange rates

Transactions in foreign currencies are translated at the rate of exchange ruling on the date of the transaction. Where applicable, assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at 5pm on 29 December 2023, being the last working day of the accounting year.

### For the year ended 31 December 2023

#### 2. Net capital gains/(losses) on investments

	31.12.23	31.12.22
	£	£
The net capital gains/(losses) on investments during the year comprise:		
Transaction charges	(5,233)	(23,937)
Currency (losses)/gains	(21,264)	6,091
Gains/(losses) on non-derivative securities	26,917,466	(51,362,403)
Gains/(losses) on derivative contracts	1,011,730	(855,040)
Gains/(losses) on forward foreign exchange contracts	4,157,192	(7,289,514)
<b>Net capital gains/(losses) on investments</b>	<b>32,059,891</b>	<b>(59,524,803)</b>
Amounts included in net losses on investments in respect of special dividends which were treated as capital	<b>13,949</b>	<b>59,824</b>

#### 3. Revenue

	31.12.23	31.12.22
	£	£
UK dividends	5,783,414	5,550,450
Overseas dividends	145,210	180,710
Unfranked income	72,910	8,366
Property income	66,010	63,749
Bank interest	208,395	62,424
Dividend distributions from overseas authorised ICVC's and unit trusts	4,023,360	3,002,789
Interest on bonds and other interest bearing securities	5,571,656	5,175,852
HMRC interest	-	930
Deposit interest	35,547	-
<b>Total revenue</b>	<b>15,906,502</b>	<b>14,045,270</b>

# Notes to the financial statements

## (continued)

This section provides a more detailed explanation of specific items included in the balance sheet and statement of total return.

### For the year ended 31 December 2023

#### 4. Expenses

	31.12.23	31.12.22
	£	£
Payable to the Manager, associates of the Manager, and agents of either of them:		
Manager's periodic charge	<u>5,916,154</u>	<u>6,299,149</u>
Payable to the Trustee, associates of the Trustee, and agents of either of them:		
Trustee fee	53,213	55,831
Safe custody fee	51,111	17,927
	<u>104,324</u>	<u>73,758</u>
Other expenses:		
Registration fee	95,370	91,165
Audit fee	7,920	6,940
FCA fee	372	372
Property Professional fee	-	77
	<u>103,662</u>	<u>98,554</u>
<b>Total expenses</b>	<u><b>6,124,140</b></u>	<u><b>6,471,461</b></u>

#### 5. Taxation

	31.12.23	31.12.22
	£	£
<b>(a) Analysis of charge in year</b>		
Overseas tax	3,075	4,250
(Recoverable)/Irrecoverable Income tax	(67)	1,673
Reclaimable tax written off	77,803	-
Windfall overseas tax recoveries	(79,365)	(6,085)
<b>Total current tax charge for year (note 5b)</b>	<u><b>1,446</b></u>	<u><b>(162)</b></u>

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

The tax assessed for the year is lower than the standard rate of corporation tax in the UK for an authorised unit trust (20%). The differences are explained below:



# Notes to the financial statements

## (continued)

This section provides a more detailed explanation of specific items included in the balance sheet and statement of total return.

### For the year ended 31 December 2023

	<b>31.12.23</b>	<b>31.12.22</b>
	<b>£</b>	<b>£</b>
Net revenue before taxation	9,772,223	7,571,097
Corporation tax at 20%	1,954,445	1,514,219
Effects of:		
Revenue not subject to taxation	(1,990,397)	(1,746,790)
Current year expenses (utilised)/unutilised	(37,063)	232,571
Realised gains on non-qualifying offshore fund	38,777	-
Unrealised gains on non-qualifying offshore fund	34,238	-
Irrecoverable overseas tax charged	3,075	4,250
Reclaimable tax written off	77,803	-
Windfall overseas tax recoveries	(79,365)	(6,085)
(Recoverable)/Irrecoverable Income tax	(67)	1,673
<b>Current tax charge for year (note 5a)</b>	<b>1,446</b>	<b>(162)</b>

### (c) Provision for deferred taxation

At 31 December 2023 there is a potential deferred tax asset of £11,891,888 (31.12.22: £11,928,951) in relation to surplus management expenses. It is unlikely the Fund will generate sufficient taxable profits in the future to utilise this amount and therefore no deferred tax asset has been recognised in the year.

### 6. Distributions

The distributions take account of amounts received on the issue of units and amounts deducted on the cancellation of units, and comprise:

	<b>31.12.23</b>	<b>31.12.22</b>
	<b>£</b>	<b>£</b>
Interim dividend distribution	5,497,831	4,405,152
Final dividend distribution	4,219,654	3,107,012
	9,717,485	7,512,164
Add: Amount deducted on cancellation of units	127,563	61,057
Deduct: Income received on issue of units	(1,351)	(2,004)
<b>Net distribution for the year</b>	<b>9,843,697</b>	<b>7,571,217</b>

### 7. Movement between net revenue and distributions

	<b>31.12.23</b>	<b>31.12.22</b>
	<b>£</b>	<b>£</b>
Net revenue after taxation	9,770,777	7,571,259
Corporation tax treated as capital	73,015	-
Movement in net income property	(95)	(42)
<b>Net distribution</b>	<b>9,843,697</b>	<b>7,571,217</b>

# Notes to the financial statements

## (continued)

This section provides a more detailed explanation of specific items included in the balance sheet and statement of total return.

### For the year ended 31 December 2023

#### 8. Debtors

	<b>31.12.23</b>	<b>31.12.22</b>
	<b>£</b>	<b>£</b>
Amounts receivable for issue of units	152	152
Sales awaiting settlement	18,598	(1)
Accrued revenue	1,814,227	2,105,483
Income tax recoverable	15,016	67
Overseas tax recoverable	157,457	198,686
VAT recoverable	744	744
<b>Total debtors</b>	<b>2,006,194</b>	<b>2,305,131</b>

#### 9. Cash and bank balances

	<b>31.12.23</b>	<b>31.12.22</b>
	<b>£</b>	<b>£</b>
Cash and bank balances	6,863,908	8,496,134
Amounts held at derivative clearing houses and brokers	2,320,484	307,046
<b>Total cash and bank balances</b>	<b>9,184,392</b>	<b>8,803,180</b>

#### 10. Creditors

	<b>31.12.23</b>	<b>31.12.22</b>
	<b>£</b>	<b>£</b>
Amounts payable for cancellation of units	278,432	328,638
Accrued expenses	592,536	548,778
<b>Total creditors</b>	<b>870,968</b>	<b>877,416</b>

#### 11. Reconciliation of units

	<b>Income</b>	<b>Accumulation</b>
Opening units issued at 01.01.23	1,849,636	59,078,809
Units issued	97,900	29,500
Units cancelled	(221,500)	(4,388,000)
Units converted	(2,900)	1,679
<b>Closing units at 31.12.23</b>	<b>1,723,136</b>	<b>54,721,988</b>

#### 12. Equalisation

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

#### 13. Contingent liabilities and outstanding commitments

There were no contingent liabilities & outstanding commitments at the balance sheet date (31.12.22: no contingent liabilities and outstanding commitments).

# Notes to the financial statements (continued)

This section provides a more detailed explanation of specific items included in the balance sheet and statement of total return.

## For the year ended 31 December 2023

### 14. Risk in relation to financial instruments

In accordance with its investment objectives and policies, the Fund holds certain financial instruments.

These comprise:

- Securities held in accordance with the investment objectives and policies;
- Cash and short-term debtors and creditors that arise directly from its operations;
- Unitholders' funds which represent investors' monies which are invested on their behalf.

The Fund does not trade in financial instruments to make short-term speculative gains.

It buys investments with the intention of giving long term capital growth and above average income. The Manager may use derivative transactions for the purpose of efficient portfolio management (EPM). Permitted transactions include derivatives transactions (involving options, futures and contracts for differences), or forward transactions in a currency.

Overall responsibility for the Marks & Spencer Unit Trust Funds rests with the Board of Directors of Marks & Spencer Unit Trust Management Limited (M&SUTM), which is part of the HSBC group. The performance of the Fund, and the individual investment managers to the Fund, is monitored by the M&SUTM Business Committee on a monthly basis. This Committee reports any findings or recommendations to the Board of Directors. HSBC Global Asset Management, as the overall investment manager to the Fund, also provides its own separate performance analysis to the Board of Directors on a quarterly basis. The accountability for Fund performance and the selection or de-selection of investment managers sits with the Board of Directors. They are responsible for ensuring that the Fund is managed in accordance with the Fund's investment objective, policy and risk profile.

The main risks arising from the Fund's financial instruments are market price risk, foreign currency risk, Interest rate risk, liquidity risk and credit/counterparty risk. The Manager has policies for managing each of these risks and these are summarised below. These policies have remained unchanged for the current and prior year.

# Notes to the financial statements

## (continued)

This section provides a more detailed explanation of specific items included in the balance sheet and statement of total return.

### For the year ended 31 December 2023

#### Market price risk

The Fund's investment portfolio is exposed to market price fluctuations. As most of the Fund is invested in shares on the stock market, such price movements can significantly affect the Fund value.

The risk is reduced by having a spread of investments in the Fund, as shown in the portfolio statement in this report.

In addition, we ensure that the Fund complies with the investment guidelines and investment and borrowing powers set out in the Trust Deed and the Prospectus. This is done through daily checks and quarterly reviews. If market prices had increased by 10% as at the balance sheet date, the net asset value of the Fund would have increased by £54,353,834 (31.12.22: £54,386,272). If market prices had decreased by 10% as at the balance sheet date, the net asset value of the Fund would have decreased by £54,353,834 (31.12.22: £54,386,272). These calculations assume all other variables remain constant.

#### Foreign currency risk

Foreign currency risk is the risk that the value of the Fund's investment holdings will fluctuate as a result of changes in foreign currency exchange rates.

The Manager may seek to manage exposure to currency movements by using forward exchange contracts or by hedging the sterling value of investments that are priced in other currencies.

Revenue received in other currencies is converted to sterling on the date of receipt.

The balance sheet can be affected by movements in foreign exchange rates. The table below shows the foreign currency holdings at the report date. As the Fund invests mainly on the UK stock market, there is usually very little investment in foreign currency assets.

#### Net currency monetary/non-monetary assets and liabilities consist of:

	Net Foreign Currency assets/(liabilities)			Net Foreign Currency assets/(liabilities)		
	Monetary exposures	Non-monetary exposures	Total	Monetary exposures	Non-monetary exposures	Total
	31.12.23	31.12.23	31.12.23	31.12.22	31.12.22	31.12.22
	£	£	£	£	£	£
Sterling	8,150,764	317,906,625	326,057,389	8,470,727	309,599,097	318,069,824
Danish krone	10,338	-	10,338	10,611	-	10,611
Euro	555,921	13,127,216	13,683,137	204,165	5,759,232	5,963,397
Japanese yen	-	(64,645)	(64,645)	-	(1,403)	(1,403)
Swiss franc	-	-	-	314,478	-	314,478
US dollar	1,527,037	212,569,143	214,096,180	1,174,722	228,505,795	229,680,517
<b>Total</b>	<b>10,244,060</b>	<b>543,538,339</b>	<b>553,782,399</b>	<b>10,174,703</b>	<b>543,862,721</b>	<b>554,037,424</b>

If sterling to foreign currency exchange rates had increased by 10% as at the balance sheet date, the net asset value of the Fund would have decreased by £22,772,501 (31.12.22: £23,596,760). If sterling to foreign currency exchange rates had decreased by 10% as at the balance sheet date, the net asset value of the Fund would have increased by £22,772,501 (31.12.22: £23,596,760).

# Notes to the financial statements (continued)

This section provides a more detailed explanation of specific items included in the balance sheet and statement of total return.

## For the year ended 31 December 2023

### Interest rate risk

Interest rate risk is the risk that the value of the Fund's investment holdings will fluctuate as a result of changes in interest rates.

Cash balances are held with HSBC Bank plc and interest is earned at a rate linked to the UK base rate, or international equivalent.

At the year end date 1.66% (31.12.22: 1.59%) of the Fund's assets by value were interest bearing.

A change in interest rates would not have a significant impact on the Fund.

### Liquidity risk

This is the risk that the Fund does not have enough liquid assets, such as cash, to cover any liabilities that become due.

The main liability of the Fund is the redemption of any units that Unitholders may wish to sell. All of the Fund's financial liabilities are payable on demand. To manage this risk, the majority of the Fund's assets are in shares of large companies in the UK which can usually be sold immediately to raise cash to settle any liabilities.

In addition, a small percentage of the Fund is held as cash in Sterling with the custodian, HSBC, and interest is earned at a rate linked to the UK base rate.

### Credit/counterparty risk

Certain transactions in securities that the Fund enters into expose it to the risk that the counterparty will not deliver the investment (purchase), or cash (sale) after the Fund has fulfilled its responsibilities.

The extent of this risk is usually limited as amount awaiting settlement from transactions at any point is only a small proportion of the Fund.

This risk is managed by the investment adviser, carefully selecting the authorised counterparties they deal with and dealing only on eligible stock markets. Cash in the Fund is held with the custodian, HSBC. The Trustee appoints the custodian and has the regulatory responsibility for monitoring them.

The Fund's assets held with banks and with the Trustee are also exposed to credit risk. The banks and Trustee used by the Fund are subject to regular review.

# Notes to the financial statements

## (continued)

This section provides a more detailed explanation of specific items included in the balance sheet and statement of total return.

### For the year ended 31 December 2023

#### 15. Financial derivatives

The Fund has used financial derivatives for hedging and meeting investment objectives including risk reduction and implementation of investment policies. The use of derivatives can create additional counterparty risks.

Details of the policy adopted by the Manager for managing counterparty and other risks are set out in the Notes to the financial statements. The types of derivatives held at the year end were forward currency contracts. Details of the individual contracts are shown on the portfolio statement on pages 8 to 26, and the total position by the counterparty at the year end is summarised below:

The market value for each category of derivatives was as follows:

#### Counterparty

	Forward currency	
	31.12.23	31.12.22
	£	£
Merill Lynch International	-	87,177
HSBC	63,409	174,179
CACIB France	1,769,252	-

Eligible collateral types are approved by the Manager and may consist of cash, UK Gilts, certificates of deposit, treasury bills, sovereign debt, eurosterling bonds and equities. As at 31 December 2023, there was no collateral held (31.12.22: no collateral held) in respect of forward currency contracts.

#### 16. Ultimate controlling party and related party transactions

The Manager is regarded as a controlling party of the Fund by virtue of having the ability to act in concert in respect of Fund operations. The ultimate controlling party of the Manager is HSBC Group plc.

This entity and its subsidiaries are also related parties of the Fund.

At the year end, the Manager and its associates held 41.27% (31.12.22: 41.23%) of the Fund's units in issue.

Details of all other material related party transactions during the year and any payment amounts outstanding at the balance sheet date are disclosed in notes 3, 4, 8 and 10 to the financial statements and the statement of change in net assets attributable to Unitholders and the portfolio statement. Within note 10, accrued expenses (including amounts due to associates and agents) of £499,909. (31.12.22: £510,789) are due to the Manager. At the year end the Fund held £379,505,183 (31.12.22: £402,479,352) in HSBC Holdings, the parent company of the Manager. During the period transactions in HSBC Holdings totalled £352,491,270 (31.12.22: £538,822,765). There were no units held by the Trustee or its associates.

# Notes to the financial statements

## (continued)

This section provides a more detailed explanation of specific items included in the balance sheet and statement of total return.

### For the year ended 31 December 2023

#### 17. Portfolio of transaction costs

##### For the year ended 31 December 2023

	Value	Commissions		Taxes	Other expenses		
	£	£	%	£	%	£	%
<b>Analysis of total purchase costs</b>							
Equity transactions	4,679,688	983	0.02	14,098	0.30	7,544	0.16
Fund transactions	229,877,735	22,735	0.01	-	-	-	-
Corporate actions	64,349	-	-	-	-	-	-
Total purchases before transaction costs	<b>234,621,772</b>	<b>23,718</b>		<b>14,098</b>		<b>7,544</b>	
Transaction costs	<b>45,360</b>						
Total purchases after commission and tax	<b>234,667,132</b>						

	Value	Commissions		Taxes	Other expenses		
	£	£	%	£	%	£	%
<b>Analysis of total sales costs</b>							
Equity transactions	8,172,401	1,627	0.02	-	-	180	-
Fund transactions	259,003,846	18,093	0.01	-	-	-	-
Corporate actions	693,108	-	-	-	-	-	-
Total sales before transaction costs	<b>267,869,355</b>	<b>19,720</b>		<b>-</b>		<b>180</b>	
Transaction costs	<b>(19,900)</b>						
Total sales after commission and tax	<b>267,849,455</b>						

The Fund had paid £1,140 as commission on purchases and sales derivative transactions for the year ended 31.12.23.

#### Commissions, taxes and other expenses as % of average Net Assets

Commissions	0.01%
Taxes	0.00%
Other expenses	0.00%

Portfolio transaction costs are incurred by the Fund when buying and selling underlying investments. These costs vary depending on the class of investment, country of exchange and method of execution.

These costs can be classified as either direct or indirect transaction costs:

**Direct transaction costs:** Broker commissions, fees and taxes.

**Indirect transaction costs:** 'Dealing spread' – the difference between the buying and selling prices of the Fund's underlying investments.

At the balance sheet date the portfolio dealing spread was 0.05%, being the difference between the respective bid and offer prices for the Fund's investments.

# Notes to the financial statements (continued)

This section provides a more detailed explanation of specific items included in the balance sheet and statement of total return.

## For the year ended 31 December 2023

### 17. Portfolio of transaction costs (continued)

#### For the year ended 31 December 2022

	Value	Commissions		Taxes	Other expenses		
	£	£	%	£	%	£	%
<b>Analysis of total sales costs</b>							
Equity transactions	6,264,137	775	0.01	29,209	0.47	239	-
Fund transactions	352,633,750	17,515	-	-	-	16,916	-
Corporate actions	47,153	-	-	-	-	-	-
Total purchases before transaction costs	<b>358,945,040</b>	<b>18,290</b>		<b>29,209</b>		<b>17,155</b>	
Transaction costs	<b>64,654</b>						
Total purchases after commission and tax	<b>359,009,694</b>						

	Value	Commissions		Taxes	Other expenses		
	£	£	%	£	%	£	%
<b>Analysis of total sales costs</b>							
Equity transactions	19,037,494	3,814	0.02	-	-	451	-
Fund transactions	358,038,631	23,787	0.01	-	-	-	-
Corporate actions	1,022,902	-	-	-	-	-	-
Total sales before transaction costs	<b>378,099,027</b>	<b>27,601</b>		<b>-</b>		<b>451</b>	
Transaction costs	<b>(28,052)</b>						
Total sales after commission and tax	<b>378,070,975</b>						

The Fund had paid £2,144 as commission on purchases and sales derivative transactions for the year ended 31.12.23.

#### Commissions, taxes and other expenses as % of average Net Assets

Commissions	0.01%
Taxes	0.01%
Other expenses	0.00%

Portfolio transaction costs are incurred by the Fund when buying and selling underlying investments. These costs vary depending on the class of investment, country of exchange and method of execution.

These costs can be classified as either direct or indirect transaction costs:

**Direct transaction costs:** Broker commissions, fees and taxes.

**Indirect transaction costs:** 'Dealing spread' – the difference between the buying and selling prices of the Fund's underlying investments.

At the balance sheet date the portfolio dealing spread was 0.06%, being the difference between the respective bid and offer prices for the Fund's investments.



# Notes to the financial statements

## (continued)

This section provides a more detailed explanation of specific items included in the balance sheet and statement of total return.

### For the year ended 31 December 2023

#### 18. Fair value of investments

FRS 102 requires an entity to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy shall have the following classifications:

**Level 1:** unadjusted quoted prices in an active market for identical assets or liabilities that the entity can access at the measurement date.

**Level 2:** inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly.

**Level 3:** inputs are unobservable (ie for which market data is unavailable) for the asset or liability. .

#### For the year ended 31 December 2023

Category	1	2	3	Total
Investment Assets	£	£	£	£
Equities	80,073,367	-	-	80,073,367
Pooled investment vehicles	76,361,556	384,700,241	-	461,061,797
Derivatives	741,780	1,832,661	-	2,574,441
	<b>157,176,703</b>	<b>386,532,902</b>	-	<b>543,709,605</b>
<b>Investment Liabilities</b>				
Derivatives		(171,266)		(171,266)
	-	<b>(171,266)</b>	-	<b>(171,266)</b>

#### For the year ended 31 December 2022

Category	1	2	3	Total
Investment Assets	£	£	£	£
Equities	75,895,333	-	-	75,895,333
Pooled investment vehicles	65,557,878	404,520,871	-	470,078,749
Derivatives	118	261,356	-	261,474
	<b>141,453,329</b>	<b>404,782,227</b>	-	<b>546,235,556</b>
<b>Investment Liabilities</b>				
Derivatives	(621)	(2,372,214)		(2,372,835)
	<b>(621)</b>	<b>(2,372,214)</b>	-	<b>(2,372,835)</b>

#### 19. Stock lending activities

The Fund does not currently undertake stock lending.

#### 20. Post balance sheet events

There were no material post balance sheet events which have a bearing on the understanding of the financial statements.

# Distribution tables

## For the year ended 31 December 2023

Group 1: Units purchased prior to 1 January 2023

Group 2: Units purchased between 1 January 2023 to 30 June 2023

<b>Interim</b>	<b>Net income 2023 pence per unit</b>	<b>Equalisation 2023 pence per unit</b>	<b>Distribution paid 2023 pence per unit</b>	<b>Distribution paid 2022 pence per unit</b>
<b>Income units</b>				
Group 1	5.5546	-	5.5546	4.2330
Group 2	4.6850	0.8696	5.5546	4.2330
<b>Accumulation units</b>				
Group 1	9.4965	-	9.4965	7.1402
Group 2	8.0098	1.4867	9.4965	7.1402

Group 1: Units purchased prior to 1 July 2023

Group 2: Units purchased between 1 July 2023 to 31 December 2023

<b>Final</b>	<b>Net income 2023 pence per unit</b>	<b>Equalisation 2023 pence per unit</b>	<b>Distribution paid 2023 pence per unit</b>	<b>Distribution paid 2022 pence per unit</b>
<b>Income units</b>				
Group 1	4.3849	-	4.3849	3.0375
Group 2	3.0726	1.3123	4.3849	3.0375
<b>Accumulation units</b>				
Group 1	7.5730	-	7.5730	5.1640
Group 2	5.3065	2.2665	7.5730	5.1640

# Important changes

## **The following changes were made to the Fund's Prospectus during the reporting period ending 31 December 2023:**

### **Prospectus Update 5 December 2023:**

- Update to the section “Definitions” to include new definitions for “ESG” and “UNGC”.
- Update to the section “Investment Objective, Policy and Strategy” to clarify that in the case of Exchange Traded Funds “ETFs” and certain other collective investment schemes, managed by the Manager, Investment Manager or an associate, which do not operate a share class with a 0% annual management charge, for example where they only operate one share class, the Fund will be subject to the annual management charge of that share class.
- Update to the section “Investment Objective, Policy and Strategy” to update the Eligible securities and derivatives markets where required.
- Update to the section “Historical Performance” to update the performance information to 31 December 2022.
- Update to the section “Manager” to amend the address for the Registered office and Head office and principal place of business. The names and significant business activities of the Directors have also been updated.
- Update to the section “Trustee” to clarify the responsibilities of the Trustee and the Conflicts of Interest policy.
- Update to the section “Registrar” to amend the address of the registrar.
- Update to the section “Conflicts of Interest” to amend the Bank Holding Company Act.
- Update to the section “Dilution Levy” to update the estimated dilution levy figures to be in the region of 0.10% for Units bought and 0.03% for units sold.
- Update to the section “Taxation” to update the tax year references and to reflect a change to the dividend allowance for UK resident individual Unitholders.
- Update to the section “Risks” to add a new risk wording for “Environment, Social and Governance (ESG) Scoring Risk” and “Sustainable Funds and Environment, Social and Governance (ESG) data”.
- Update to the section “Integration of Sustainability Risks into Investment Decisions” to reflect the current position and to remove the ‘Consideration of Principal Adverse Impacts’ section as this is not relevant.
- Update to the section “Other Matters” to amend the address for Marks and Spencer Unit Trust Management Limited and to clarify that Marks and Spencer Unit Trust Management Limited is a subsidiary of HSBC UK Bank plc.
- Update to “Appendix 1” to amend the list of appointed local sub-custodians.

## **The following changes were made to the Fund's Key Investor Information Document during the reporting period ending 31 December 2023:**

### **KIID update 10 February 2023**

- Update to “Past Performance” to remove performance figures for the Fund and Benchmark for 2012 and to include performance figures for 2022.

# Remuneration (Unaudited)

Marks and Spencer Unit Trust Management Limited (M&SUTM) is the authorised Fund Manager and operator of four Unit Trust Funds governed by the Undertakings for Collective Investment in Transferable Securities (UCITS) Directive. Under the UCITS V Directive, the Manager is required to disclose information relating to the remuneration paid to its staff for the financial year.

No staff are directly employed by M&SUTM. Staff employed by Marks and Spencer Financial Services plc (M&SFS) carry out a number of activities on behalf of M&SUTM. M&SUTM does not directly manage the investments held in the Funds. Fund management has been delegated to HSBC Global Asset Management (UK) Limited (AMEU), who is not currently sub-delegating management of the Fund to any investment adviser. M&SUTM, M&SFS, and AMEU are part of the HSBC Holdings plc Group. HSBC Global Asset Management (UK) Limited is an authorised UCITS Management Company and complies with the Financial Conduct Authority's remuneration rules applicable to UCITS management companies.

We consider that the remuneration information of employees of M&SFS and AMEU, carrying out activities for M&SUTM UCITS Funds, is not materially relevant for the M&SUTM UCITS Funds taking into account the other activities carried out by these employees for HSBC Group. Accordingly, no remuneration related information has been provided.

The up-to-date remuneration policy of the Manager, including, but not limited to, a description of how remuneration and benefits are determined and the governance arrangements for determining remuneration and benefits is available at:

<https://bank.marksandspencer.com/pdf/IVRemunerationPolicy.pdf>

A paper copy is available from the Manager free of charge upon request.

# The Task Force on Climate-related Financial Disclosures (TCFD)

The Manager is not required to produce a Task Force on Climate-related Financial Disclosure (TCFD) report for the Fund. This is because the total assets under management of the Manager are below the regulatory threshold for reporting.

# Important information

A copy of the latest Assessment of Value Report for our unit trusts is available on our website at <https://bank.marksandspencer.com/save-invest/investments/>. We continually review our unit trusts to ensure they deliver the good value our investors expect from us and to help investors assess whether they are getting value for money from their unit trust. The Financial Conduct Authority (FCA) now requires asset management firms to publish an Assessment of Value Report each year.

The report details our overall assessment of value rating for each fund and any actions or further reviews we are undertaking where applicable.

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