

Morgan Stanley
Funds (UK)

**Semi-Annual
Report (Unaudited)**

31 March 2020

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Morgan Stanley Funds (UK) (the “Company”)

The Company is an investment company with variable capital (“ICVC”), also known as an Open Ended Investment Company (“OEIC”). The Company is incorporated in England and Wales, and is authorised by the Financial Conduct Authority (“FCA”). The Company is an Undertakings for Collective Investment in Transferable Securities (“UCITS”) Scheme and is structured as an umbrella company with five sub-funds (“Funds”), each with a different investment objective.

Directory

REGISTERED OFFICE

25 Cabot Square
Canary Wharf
London
E14 4QA
United Kingdom

AUTHORISED CORPORATE DIRECTOR

Morgan Stanley Investment Management (ACD) Limited

25 Cabot Square
Canary Wharf
London
E14 4QA
United Kingdom
Authorised and regulated by The FCA

DIRECTORS

Andrew Mack
Diane Hosie
Eimear Cowhey (resigned 8 November 2019)
Ruairi O’Healai (resigned 6 December 2019)
Jayne Rogers (appointed 6 December 2019)
Simon Ellis (appointed 9 December 2019)
Jackie James (appointed 16 December 2019)
Tim Cornick (appointed 26 February 2020)

REGISTRAR

DST Financial Services International Limited

DST House
St Nicholas Lane
Basildon
Essex
SS15 5FS
United Kingdom

INVESTMENT MANAGER

Morgan Stanley Investment Management Limited

25 Cabot Square
Canary Wharf
London
E14 4QA
United Kingdom
Authorised and regulated by The FCA

ADMINISTRATOR

State Street Bank and Trust Company

20 Churchill Place
London
E14 5HJ
United Kingdom

DEPOSITARY

State Street Trustees Limited

10 Nightingale Way
Edinburgh
EH3 9EG
United Kingdom
Authorised and regulated by The FCA

INDEPENDENT AUDITORS

Ernst & Young LLP

Atria One
144 Morrison Street
Edinburgh
EH3 8EX
United Kingdom

LEGAL ADVISERS

Eversheds LLP

One Wood Street
London
EC2V 7WS
United Kingdom

SUB-INVESTMENT MANAGER

Morgan Stanley Investment Management Inc.

522 Fifth Avenue
New York
NY 10036
United States of America

Report of the Authorised Corporate Director of Morgan Stanley Funds (UK) (the “Company”)

For the six month period ended 31 March 2020 (unaudited)

The Authorised Corporate Director (“ACD”) of the Company is Morgan Stanley Investment Management (ACD) Limited. The ACD is the sole director of the Company. The Depositary is State Street Trustees Limited and the Independent Auditors are Ernst & Young LLP.

The Company is an authorised open-ended investment company with variable capital under Regulation 12 (Authorisation) of the OEIC regulations and the shareholders are not liable for the debts of the Company. The Company is structured as an umbrella company with each underlying Fund having the investment powers equivalent to those of a securities company. In the future, there may be other Funds within the Company.

The assets of each Fund belong exclusively to that Fund and are not available to discharge (directly or indirectly) the liability of, or claims against any other Fund.

The investment objective of each Fund, the Company’s policy for pursuing that objective and a review of each Fund’s investment activities for the year are set out in the individual Fund reviews contained in this Semi-Annual Report and Financial Statements.

CROSSHOLDINGS

There were no shares in any Fund held by other Funds of the ICVC.

IMPORTANT EVENTS DURING THE PERIOD

The global Coronavirus (COVID-19) pandemic continues to create unprecedented economic and social uncertainty throughout the world. Whilst its ultimate impact is difficult to predict, we have experienced increased market volatility and economic uncertainties, which may materially affect the valuation of portfolio investments and in turn, the net asset value of the Fund. There may be other financial or operational impacts, the extent of which is unpredictable at this time. The effectiveness of various governmental intervention to negate the negative effects of COVID-19 on economies and market performance is currently unpredictable.

STATEMENT OF AUTHORISED CORPORATE DIRECTOR’S RESPONSIBILITIES

These semi-annual financial statements have been prepared by the ACD in accordance with the Statement of Recommended Practice for Authorised Funds issued by the Investment Association in May 2014 and amended in June 2017 and the rules contained in the Financial Conduct Authority’s Collective Investment Scheme Sourcebook (together the “Regulations”) and give a true and fair view of the net revenue and gains/(losses) of the scheme property of each Fund and the financial position of each Fund at the end of the accounting period.

The ACD is responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Company and enables the ACD to ensure that the financial statements comply with the Regulations. In preparing this semi-annual report, the Authorised Corporate Director has:

- prepared the financial statements on a going concern basis;
- selected suitable accounting policies and applied them consistently;
- made judgements and estimates that are reasonable and prudent;
- followed applicable accounting standards; and
- prepared financial statements in accordance with the Statement of Recommended Practice for Authorised Funds issued by the Investment Association (“IA”) in May 2014 and amended in June 2017.

The ACD confirms that they have complied with the above requirements in preparing the financial statements. The ACD is responsible for the management of the Company in accordance with the Company’s Instrument of Incorporation, Prospectus and the Regulations. The ACD is responsible for taking reasonable steps for the prevention and detection of fraud and other irregularities.



Diane Hosie
Director on behalf of
Morgan Stanley Investment Management (ACD) Limited
as Authorised Corporate Director of Morgan Stanley Funds (UK)
15 May 2020

Global Brands Fund

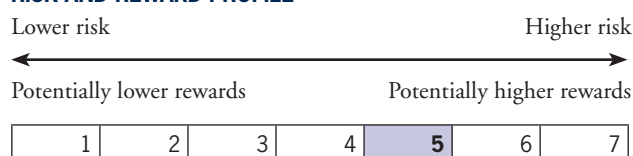
as at 31 March 2020 (unaudited)

Fund Review

INVESTMENT OBJECTIVE

The Fund aims to grow your investment over 5 to 10 years.

RISK AND REWARD PROFILE



The risk and reward category shown is based on historic data.

- Historic figures are only a guide and may not be a reliable indicator of what may happen in the future.
- As such this category may change in the future.
- The higher the category, the greater the potential reward, but also the greater the risk of losing the investment. Category 1 does not indicate a risk free investment.
- The Fund is in this category because it invests in company shares and the Fund's simulated and/or realised return has experienced high rises and falls historically.
- The Fund may be impacted by movements in the exchange rates between the Fund's currency and the currencies of the Fund's investments.

This rating does not take into account other risk factors which should be considered before investing, these include:

- The Fund relies on other parties to fulfil certain services, investments or transactions. If these parties become insolvent, it may expose the Fund to financial loss.
- There may be an insufficient number of buyers or sellers which may affect the Fund's ability to buy or sell securities.
- Investment in China A-Shares via Shanghai-Hong Kong Stock Connect program may also entail additional risks, such as risks linked to the ownership of shares.

PERFORMANCE

	Since inception % change cumulative	1 year % change cumulative	6 months % change cumulative
MSCI World (Net) Index	344.59	-5.83	-14.82
Global Brands Fund I Acc*	688.36	4.67	-6.31
Global Brands Fund I Hedge Acc**	-7.06	N/A	-7.06

Source Index: Morgan Stanley Investment Management Ltd via RIMES as at 31 March 2020.
Source Fund: Morgan Stanley Investment Management Ltd.

* Launched 3 February 2003.

** Launched 30 September 2019.

Past performance is no guarantee of future returns. In particular, any returns illustrated here will not necessarily continue at the levels shown.

NET ASSET VALUES

Date	Net asset value of class (£)	Shares in issue	Net asset value per share (£)	Percentage change (%)
Share Class A – Accumulation*				
31.03.20	–	–	–	
30.09.19	3,095,915	33,332	92.88	
Share Class A – Income*				
31.03.20	–	–	–	
30.09.19	87,616	3,154	27.78	
Share Class I – Accumulation*				
31.03.20	686,848,095	6,971,981	98.52	(6.32)
30.09.19	656,996,870	6,247,128	105.17	
Share Class I – Income*				
31.03.20	273,619,355	9,926,390	27.56	(6.64)
30.09.19	319,156,821	10,810,297	29.52	
Share Class I Hedge – Accumulation*				
31.03.20	2,233,579	192,316	11.61	(7.12)
30.09.19	10,000	800	12.50	
Share Class I Hedge – Income*				
31.03.20	24,139,117	2,108,663	11.45	(8.40)
30.09.19	10,000	800	12.50	

Share Classes A were converted to Share Classes I on 5 November 2019.

* Valued at bid basis.

OPERATING CHARGES

Date	
Share Class A – Accumulation	
31.03.20	N/A
30.09.19	1.65%
Share Class A – Income	
31.03.20	N/A
30.09.19	1.65%
Share Class I – Accumulation	
31.03.20	0.90%
30.09.19	0.90%
Share Class I – Income	
31.03.20	0.90%
30.09.19	0.90%
Share Class I Hedge – Accumulation	
31.03.20	0.90%
30.09.19	N/A
Share Class I Hedge – Income	
31.03.20	0.90%
30.09.19	N/A

Share Classes A were converted to Share Classes I on 5 November 2019.

Share Classes I Hedge – Accumulation and I Hedge – Income were launched on 30 September 2019.

Operating charges show the annual expenses of the Fund as a percentage of the average net asset value.

Global Brands Fund

Fund Review (continued)

PERFORMANCE REVIEW

For the 6-month period ending 31 March 2020, the Fund's I Accumulation class shares outperformed the benchmark, MSCI World (Net) Index, by 8.51%, returning -6.31% (i) (net of fees in sterling) versus -14.82% for the Index.

Over the period, sector allocation had the greatest positive impact on performance, particularly the overweight allocations in information technology and health care, underweight allocation in financials, and zero allocation in energy. Stock selection was also positive, with our stock selection in consumer staples, financials and industrials offsetting the negative impact of stock selection in health care and information technology.

Top absolute contributors for the period were Microsoft (+113 basis points (bps)), LVMH (+10 bps) and FactSet Research System (+7 bps). Top detractors were Heineken (-89 bps), Coca-Cola (-74 bps) and ADP (-71 bps).

MARKET REVIEW

The 6-month period ended with one of the most volatile months financial markets have seen in a decade, as the COVID-19 health crisis that began in China spread to the rest of the world. The MSCI World (Net) Index declined 14.82% in sterling terms for the period. Most markets underperformed in relative terms and were negative in absolute terms, with Austria (-38.7%), Belgium (-33.7%) and Norway (-30.9%) the biggest detractors. Denmark (+3.3%) was the only positive performer for the period. New Zealand (-2.5%) and Switzerland (-5.4%) were the next best performers and outperformed the Index in relative terms.

Health care (+0.03%), information technology (-1.6%), communication services (-11.4%), consumer staples (-11.6%) and utilities (-12.6%) outperformed the Index. All the other sectors failed to beat the Index, with energy (-42.4%), financials (-26.3%) and real estate (-22.9%) the weakest performing sectors.

PORTFOLIO ACTIVITY

During the last 6 months, on top of some opportunistic additions and reductions, we initiated positions in two stocks and exited one. We have built a position in Procter & Gamble, which we think has turned itself around, cleaning up its organisational 'spaghetti' and building best-in-class digital expertise. We also initiated a holding in LVMH. At the heart of the company is Louis Vuitton, one of the biggest and most profitable luxury goods brands in the world, which has helped LVMH compound earnings at a 12% compound annual growth rate for almost 20 years. Over time, through excellent management and good capital allocation, it has become a broader luxury goods group, home to many of the world's most recognisable luxury brands, while still

generating high operating returns. In both cases, valuation had kept us on the sidelines, until this crisis presented an opportunity. We sold the remnants of our holding in Church & Dwight due to poor capital allocation decisions, with the company having made acquisitions of businesses that produce appliances rather than consumer brands.

STRATEGY & OUTLOOK

We are in unprecedented times. Governments have tipped economies into severe recession with the mix of social distancing and lockdowns, and also responded to the crisis with unprecedented support. The impact of the crisis on gross domestic product is difficult to quantify but it will be extremely large, even by the standards of the Global Financial Crisis. The market seems to have moved from its view of a quick V-shaped downturn to something more prolonged, but it is not clear that it has priced in the longer-term debt impact and all the potential damage from the crisis.

Fortunately, Global Brands is far higher quality than the market, as has been shown by the measure of reduced downside participation the Fund has demonstrated once again in the first quarter of 2020, as it did in 2008, 2011, 2015 and 2018.

Our analysis more recently has focused on the impact of the health crisis along three considerations:

- 1) the direct effect of COVID-19 and the efforts to control its spread, for instance the collapse in travel, eating and drinking out, or the deferral of non-urgent operations in hospitals, alongside increased demand in areas such as food retail, sanitising products and software;
- 2) the indirect impact of the extremely sharp economic downturns that are resulting across the world; and
- 3) how the world is going to be changed after the crisis is finally past, and how this will affect both sectors and individual companies.

Our continuing focus is on companies with powerful intangible assets and pricing power, which when combined with recurring revenues, drive resilient earnings in tough times.

All information is provided for informational purposes only and should not be deemed as a recommendation to purchase or sell the securities mentioned.

Global Brands Fund

Portfolio Statement

AS AT 31 MARCH 2020 (UNAUDITED)

	Holdings	Investments	Market Value (£)	% of Net Asset Value 31 Mar 2020	% of Net Asset Value 30 Sep 2019
France – 5.79%					
	130,867	L'Oreal	27,136,281	2.75	
	34,201	LVMH Moet Hennessy Louis Vuitton	10,412,071	1.06	
	170,803	Pernod Ricard	19,554,415	1.98	
			57,102,767	5.79	6.82
Germany – 5.06%					
	552,018	SAP	49,903,106	5.06	
			49,903,106	5.06	5.84
Ireland – 4.44%					
	319,458	Accenture	43,846,176	4.44	
			43,846,176	4.44	5.25
Italy – 0.60%					
	1,019,736	Davide Campari-Milano	5,902,719	0.60	
			5,902,719	0.60	1.12
Netherlands – 3.83%					
	436,285	Heineken	28,782,514	2.91	
	530,186	RELX (Netherlands Listing)	9,044,890	0.92	
			37,827,404	3.83	5.11
United Kingdom – 16.81%					
	1,003,110	British American Tobacco	26,883,348	2.73	
	772,026	Experian	17,440,067	1.77	
	1,300,596	Reckitt Benckiser	79,648,499	8.07	
	1,370,956	RELX (London Listing)	23,402,219	2.37	
	459,074	Unilever	18,489,205	1.87	
			165,863,338	16.81	22.74
United States – 61.84%					
	609,599	Abbott Laboratories	39,134,092	3.97	
	375,171	Automatic Data Processing	41,798,320	4.23	
	660,521	Baxter International	43,856,619	4.44	
	190,664	Becton Dickinson	34,376,758	3.48	
	752,460	Coca-Cola	27,388,201	2.78	
	342,943	Danaher	39,070,626	3.96	
	63,792	FactSet Research Systems	13,787,499	1.40	
	267,767	Fidelity National Information Services	27,130,900	2.75	
	454,395	Fox Corporation A Shares	8,929,459	0.90	
	261,956	Fox Corporation B Shares	5,035,457	0.51	
	720,958	Microsoft	93,499,132	9.47	
	58,084	Moody's	10,451,411	1.06	
	286,739	NIKE	19,804,147	2.01	
	1,393,465	Philip Morris International	81,778,230	8.29	
	215,990	Procter & Gamble	20,091,855	2.04	
	137,079	Thermo Fisher Scientific	31,590,117	3.20	
	399,409	Visa	53,481,820	5.42	
	201,883	Zoetis	19,057,251	1.93	
			610,261,894	61.84	62.48

Global Brands Fund

Portfolio Statement (continued)

AS AT 31 MARCH 2020 (UNAUDITED)

Forward Currency Exchange Contracts – Hedged Share Classes – 0.02%

Currency Purchased	Amount Purchased	Currency Sold	Amount Sold	Maturity Date	Counterparty	Unrealised Gains/(Loss)	% of Net Asset Value 31 Mar 2020	% of Net Asset Value 30 Sep 2019
GBP	1,588,247	EUR	1,776,416	30/04/2020	State Street Bank	13,978	–	–
GBP	1,229,204	EUR	1,381,291	30/04/2020	State Street Bank	5,096	–	–
GBP	491,398	EUR	539,976	30/04/2020	State Street Bank	12,869	–	–
GBP	360,927	EUR	389,701	30/04/2020	State Street Bank	15,571	–	–
GBP	218,321	EUR	235,726	30/04/2020	State Street Bank	9,419	–	–
GBP	178,687	EUR	195,093	30/04/2020	State Street Bank	5,794	–	–
GBP	89,609	EUR	100,697	30/04/2020	State Street Bank	371	–	–
GBP	35,510	EUR	38,806	30/04/2020	State Street Bank	1,120	–	–
GBP	26,140	EUR	28,740	30/04/2020	State Street Bank	671	–	–
GBP	18,771	EUR	20,513	30/04/2020	State Street Bank	592	–	–
GBP	18,096	EUR	19,758	30/04/2020	State Street Bank	587	–	–
GBP	12,736	EUR	13,995	30/04/2020	State Street Bank	334	–	–
GBP	5,939	EUR	6,461	30/04/2020	State Street Bank	213	–	–
GBP	5,917	EUR	6,505	30/04/2020	State Street Bank	152	–	–
GBP	1,732	EUR	1,937	30/04/2020	State Street Bank	15	–	–
GBP	24	EUR	26	30/04/2020	State Street Bank	1	–	–
GBP	1,896,345	USD	2,303,177	30/04/2020	State Street Bank	34,125	–	–
GBP	1,412,109	USD	1,659,418	30/04/2020	State Street Bank	70,396	0.01	–
GBP	854,169	USD	1,003,764	30/04/2020	State Street Bank	42,582	0.01	–
GBP	710,705	USD	844,670	30/04/2020	State Street Bank	27,752	–	–
GBP	71,976	USD	85,543	30/04/2020	State Street Bank	2,811	–	–
GBP	49,148	USD	59,692	30/04/2020	State Street Bank	884	–	–
GBP	45,668	USD	53,690	30/04/2020	State Street Bank	2,257	–	–
GBP	27,896	USD	32,796	30/04/2020	State Street Bank	1,379	–	–
GBP	24,035	USD	28,607	30/04/2020	State Street Bank	905	–	–
GBP	23,623	USD	27,775	30/04/2020	State Street Bank	1,166	–	–
GBP	94	USD	110	30/04/2020	State Street Bank	5	–	–
			Unrealised gain on Forward Currency Exchange Contracts – Hedged Share Classes			251,045	0.02	
EUR	108,204	GBP	96,670	30/04/2020	State Street Bank	(780)	–	–
EUR	8,682	GBP	7,732	30/04/2020	State Street Bank	(37)	–	–
GBP	5,934,125	USD	7,359,840	30/04/2020	State Street Bank	(16,629)	–	–
GBP	4,902,092	USD	6,077,722	30/04/2020	State Street Bank	(12,012)	–	–
GBP	357,364	USD	443,068	30/04/2020	State Street Bank	(876)	–	–
GBP	270,266	USD	336,393	30/04/2020	State Street Bank	(1,723)	–	–
GBP	59,314	USD	73,827	30/04/2020	State Street Bank	(378)	–	–
GBP	6,472	USD	8,027	30/04/2020	State Street Bank	(18)	–	–
			Unrealised loss on Forward Currency Exchange Contracts – Hedged Share Classes			(32,453)	0.00	
			Net Unrealised gain on Forward Currency Exchange Contracts – Hedged Share Classes			218,592	0.02	0.00
			Portfolio of investments			970,925,996	98.39	109.36
			Net other assets			15,914,150	1.61	(9.36)
			Net assets			986,840,146	100.00	100.00

All holdings are ordinary shares unless otherwise stated.

Global Brands Fund

Statement of Total Return

FOR THE SIX MONTH PERIOD ENDED 31 MARCH 2020 (UNAUDITED)

	31 Mar 2020 (£)	31 Mar 2020 (£)	31 Mar 2019 (£)	31 Mar 2019 (£)
Income				
Net capital (losses)/gains		(69,455,503)		32,906,486
Revenue	8,017,153		8,819,927	
Expenses	(4,406,893)		(4,814,286)	
Interest payable and similar charges	(87)		(36)	
Net revenue before taxation	3,610,173		4,005,605	
Taxation	(504,834)		(965,319)	
Net revenue after taxation		3,105,339		3,040,286
Total return before distributions		(66,350,164)		35,946,772
Distributions		(3,105,337)		(3,042,883)
Change in net assets attributable to shareholders from investment activities		(69,455,501)		32,903,889

Statement of Change in Net Assets Attributable to Shareholders

FOR THE SIX MONTH PERIOD ENDED 31 MARCH 2020 (UNAUDITED)

	31 Mar 2020 (£)	31 Mar 2020 (£)	31 Mar 2019 (£)	31 Mar 2019 (£)
Opening net assets attributable to shareholders		979,357,220		1,132,153,372
Amounts receivable on issue of shares	140,744,102		32,257,887	
Amounts payable on cancellation of shares	(66,157,693)		(113,312,260)	
		74,586,409		(81,054,373)
Dilution adjustment charged		75,490		–
Change in net assets attributable to shareholders from investment activities		(69,455,501)		32,903,889
Retained distribution on accumulation shares		2,276,528		2,110,822
Closing net assets attributable to shareholders		986,840,146		1,086,113,710

Comparatives are for the six months to 31 March 2019.

Balance Sheet

AS AT 31 MARCH 2020 (UNAUDITED)

	31 Mar 2020 (£)	31 Mar 2020 (£)	30 Sep 2019 (£)	30 Sep 2019 (£)
Assets				
Investment assets		970,958,449		1,071,030,473
Debtors	23,411,440		5,517,417	
Cash and bank balances	22,202,119		22,362,473	
Total other assets		45,613,559		27,879,890
Total assets		1,016,572,008		1,098,910,363
Liabilities				
Investment liabilities		32,453		–
Creditors	28,706,299		117,392,352	
Distribution payable on income shares	993,110		2,160,791	
Total other liabilities		29,699,409		119,553,143
Total liabilities		29,731,862		119,553,143
Net assets attributable to shareholders		986,840,146		979,357,220

The interim financial statements have been prepared in accordance with the Statement of Recommended Practice for Authorised Funds issued by the Investment Association in May 2014. The accounting policies applied are consistent with those of the annual financial statement for the year ended 30 September 2019 and are described in those annual financial statements.

Global Brands Fund

Distribution Table

FOR THE SIX MONTH PERIOD ENDED 31 MARCH 2020 (UNAUDITED)

INTERIM DISTRIBUTION IN PENCE PER SHARE

Group 1: shares purchased prior to 1 October 2019

Group 2: shares purchased between 1 October 2019 and 31 March 2020

	Revenue (p)	Equalisation (p)	Distribution payable 31 May 2020 (p)	Distribution paid/accumulated 31 May 2019 (p)
Share Class I – Accumulation				
Group 1	32.5447	–	32.5447	25.1587
Group 2	18.4684	14.0763	32.5447	25.1587
Share Class I – Income				
Group 1	9.1731	–	9.1731	7.1291
Group 2	6.0219	3.1512	9.1731	7.1291
Share Class I Hedge – Accumulation				
Group 1	3.9088	–	3.9088	–
Group 2	1.5120	2.3968	3.9088	–
Share Class I Hedge – Income				
Group 1	3.9149	–	3.9149	–
Group 2	0.2176	3.6973	3.9149	–

EQUALISATION

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

Share classes I Hedge – Accumulation and I Hedge – Income were launched on 30 September 2019, hence there are no comparative figures for the previous period.

Global Brands Equity Income Fund

as at 31 March 2020 (unaudited)

Fund Review

INVESTMENT OBJECTIVE

The Fund aims to provide regular income and to grow your investment over 5 – 10 years.

RISK AND REWARD PROFILE

Lower risk Higher risk

←—————→

Potentially lower rewards Potentially higher rewards

1	2	3	4	5	6	7
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The risk and reward category shown is based on simulated historic performance data.

- Historic figures are only a guide and may not be a reliable indicator of what may happen in the future.
- As such this category may change in the future.
- The higher the category, the greater the potential reward, but also the greater the risk of losing the investment. Category 1 does not indicate a risk free investment.
- The Fund is in this category because it invests in company shares and the Fund's simulated and/or realised return has experienced high rises and falls historically.
- The Fund may be impacted by movements in the exchange rates between the Fund's currency and the currencies of the Fund's investments.

This rating does not take into account other risk factors which should be considered before investing, these include:

- The value of financial derivative instruments are highly sensitive and may result in losses in excess of the amount invested by the Fund.
- The Fund relies on other parties to fulfil certain services, investments or transactions. If these parties become insolvent, it may expose the Fund to financial loss.
- There may be an insufficient number of buyers or sellers which may affect the Fund's ability to buy or sell securities.
- Investment in China A-Shares via Shanghai-Hong Kong Stock Connect program may also entail additional risks, such as risks linked to the ownership of shares.
- The derivative strategy aims to increase the income paid to investors, but there is a potential for the Fund to suffer losses.

PERFORMANCE

	Since inception % change cumulative	1 year % change cumulative	6 months % change cumulative
MSCI World (Net) Index	21.81	-5.83	-14.82
Global Brands Equity Income Fund I Acc	35.16	1.84	-7.84

Source Index: Morgan Stanley Investment Management Ltd via RIMES as at 31 March 2020.
Source Fund: Morgan Stanley Investment Management Ltd.

Past performance is no guarantee of future returns. In particular, any returns illustrated here will not necessarily continue at the levels shown.

NET ASSET VALUES

Date	Net asset value of class (£)	Shares in issue	Net asset value per share (£)	Percentage change (%)
Share Class F – Income*				
31.03.20	12,117,639	1,122,550	10.79	(9.25)
30.09.19	12,903,966	1,084,835	11.89	
Share Class I – Accumulation*				
31.03.20	5,760,687	427,675	13.47	(7.68)
30.09.19	6,519,868	446,762	14.59	
Share Class I – Income*				
31.03.20	7,497,977	642,401	11.67	(9.39)
30.09.19	5,539,810	429,967	12.88	

* Valued at bid basis.

OPERATING CHARGES

Date	
Share Class F – Income	
31.03.20	0.65%
30.09.19	0.65%
Share Class I – Accumulation	
31.03.20	1.00%
30.09.19	1.00%
Share Class I – Income	
31.03.20	1.00%
30.09.19	1.00%

Operating charges show the annual expenses of the Fund as a percentage of the average net asset value.

Global Brands Equity Income Fund

Fund Review (continued)

PERFORMANCE REVIEW

For the 6-month period ending 31 March 2020, the Fund's I Accumulation class shares outperformed the benchmark, MSCI World (Net) Index, by 6.98%, returning -7.84% (i) (net of fees in sterling) versus -14.82% for the Index.

Over the period, sector allocation had the greatest positive impact on performance, particularly the overweight allocation in information technology and health care, underweight allocation in financials, and zero allocation in energy. Stock selection was also positive, with our stock selection in consumer staples, financials and industrials offsetting the negative impact of stock selection in health care and information technology. The overwrite (sale of index call options) detracted from performance for the period (-106 basis points (bps)).

Top absolute contributors for the year were Microsoft (+112 bps), LVMH (+9 bps) and FactSet Research System (+7 bps). Top detractors were Heineken (-89 bps), Coca-Cola (-74 bps) and ADP (-71 bps).

MARKET REVIEW

The 6-month period ended with one of the most volatile months financial markets have seen in a decade, as the COVID-19 health crisis that began in China spread to the rest of the world. The MSCI World (Net) Index declined 14.82% in sterling terms for the period. Most markets underperformed in relative terms and were negative in absolute terms, with Austria (-38.7%), Belgium (-33.7%) and Norway (-30.9%) the biggest detractors. Denmark (+3.3%) was the only positive performer for the period. New Zealand (-2.5%) and Switzerland (-5.4%) were the next best performers and outperformed the Index in relative terms.

Health care (+0.03%), information technology (-1.6%), communication services (-11.4%), consumer staples (-11.6%) and utilities (-12.6%) outperformed the Index. All the other sectors failed to beat the Index, with energy (-42.4%), financials (-26.3%) and real estate (-22.9%) the weakest performing sectors.

PORTFOLIO ACTIVITY

During the last 6 months, on top of some opportunistic additions and reductions, we initiated positions in two stocks and exited one. We have built a position in Procter & Gamble, which we think has turned itself around, cleaning up its organisational 'spaghetti' and building best-in-class digital expertise. We also initiated a holding in LVMH. At the heart of the company is Louis Vuitton, one of the biggest and most profitable luxury goods brands in the world, which has helped LVMH compound earnings at a 12% compound annual growth rate for almost 20 years. Over time, through excellent management and good capital

allocation, it has become a broader luxury goods group, home to many of the world's most recognisable luxury brands, while still generating high operating returns. In both cases, valuation had kept us on the sidelines, until this crisis presented an opportunity. We sold the remnants of our holding in Church & Dwight due to poor capital allocation decisions, with the company having made acquisitions of businesses that produce appliances rather than consumer brands.

STRATEGY & OUTLOOK

We are in unprecedented times. Governments have tipped economies into severe recession with the mix of social distancing and lockdowns, and also responded to the crisis with unprecedented support. The impact of the crisis on gross domestic product is difficult to quantify but it will be extremely large, even by the standards of the Global Financial Crisis. The market seems to have moved from its view of a quick V-shaped downturn to something more prolonged, but it is not clear that it has priced in the longer-term debt impact and all the potential damage from the crisis.

Fortunately, Global Brands Equity Income is far higher quality than the market, as has been shown by the measure of reduced downside participation the Fund has demonstrated once again in the first quarter of 2020, as it did in 2018.

Our analysis more recently has focused on the impact of the health crisis along three considerations:

- 1) the direct effect of COVID-19 and the efforts to control its spread, for instance the collapse in travel, eating and drinking out, or the deferral of non-urgent operations in hospitals, alongside increased demand in areas such as food retail, sanitising products and software;
- 2) the indirect impact of the extremely sharp economic downturns that are resulting across the world; and
- 3) how the world is going to be changed after the crisis is finally past, and how this will affect both sectors and individual companies.

Our continuing focus is on companies with powerful intangible assets and pricing power, which when combined with recurring revenues, drive resilient earnings in tough times.

All information is provided for informational purposes only and should not be deemed as a recommendation to purchase or sell the securities mentioned.

Global Brands Equity Income Fund

Portfolio Statement

AS AT 31 MARCH 2020 (UNAUDITED)

	Holdings	Investments	Market Value (£)	% of Net Asset Value 31 Mar 2020	% of Net Asset Value 30 Sep 2019	
France – 5.76%						
	3,352	L'Oreal	695,063	2.74		
	874	LVMH Moët Hennessy Louis Vuitton	266,079	1.05		
	4,368	Pernod Ricard	500,071	1.97		
			1,461,213	5.76	6.16	
Germany – 5.04%						
	14,136	SAP	1,277,912	5.04		
			1,277,912	5.04	5.27	
Ireland – 4.48%						
	8,274	Accenture	1,135,621	4.48		
			1,135,621	4.48	4.77	
Italy – 0.60%						
	26,241	Davide Campari-Milano	151,895	0.60		
			151,895	0.60	1.02	
Netherlands – 3.87%						
	11,319	Heineken	746,735	2.94		
	13,786	RELX (Netherlands Listing)	235,187	0.93		
			981,922	3.87	4.63	
United Kingdom – 16.88%						
	26,069	British American Tobacco	698,649	2.75		
	19,572	Experian	442,131	1.74		
	33,675	Reckitt Benckiser	2,062,257	8.13		
	35,393	RELX (London Listing)	604,159	2.38		
	11,839	Unilever	476,816	1.88		
			4,284,012	16.88	20.53	
United States – 62.23%						
	15,711	Abbott Laboratories	1,008,590	3.97		
	9,682	Automatic Data Processing	1,078,685	4.25		
	17,090	Baxter International	1,134,725	4.47		
	4,947	Becton Dickinson	891,945	3.51		
	19,512	Coca-Cola	710,202	2.80		
	8,977	Danaher	1,022,727	4.03		
	1,646	FactSet Research Systems	355,753	1.40		
	6,838	Fidelity National Information Services	692,845	2.73		
	11,500	Fox Corporation A Shares	225,990	0.89		
	6,410	Fox Corporation B Shares	123,216	0.49		
	18,695	Microsoft	2,424,505	9.56		
	1,484	Moody's	267,025	1.05		
	7,433	NIKE	513,374	2.03		
	36,038	Philip Morris International	2,114,961	8.33		
	5,844	Procter & Gamble	543,622	2.14		
	3,555	Thermo Fisher Scientific	819,257	3.23		
	10,323	Visa	1,382,274	5.45		
	5,115	Zoetis	482,843	1.90		
			15,792,539	62.23	56.15	
Swaps Contracts – 0.06%						
Counterparty	Currency	Nominal amount	Security description	Maturity date	Unrealised Gain/(Loss)	
Morgan Stanley	USD	7,697,283	International Total Return Swap 1%	06/05/2020	(2,689)	(0.01)
Morgan Stanley	USD	9,103,318	International Total Return Swap 2%	06/05/2020	(5,972)	(0.02)
Morgan Stanley	USD	3,052,571	International Total Return Swap 3%	06/05/2020	(3,102)	(0.01)
Morgan Stanley	USD	4,442,010	International Total Return Swap 4%	06/05/2020	(6,386)	(0.03)
Morgan Stanley	USD	7,517,812	International Total Return Swap 1%	03/06/2020	4,033	0.02
Morgan Stanley	USD	8,707,843	International Total Return Swap 2%	03/06/2020	11,092	0.04
Morgan Stanley	USD	2,887,691	International Total Return Swap 3%	03/06/2020	6,204	0.02
Morgan Stanley	USD	4,151,766	International Total Return Swap 4%	03/06/2020	13,263	0.05
					16,443	0.06
						(0.18)
Portfolio of investments			25,101,557	98.92	98.35	
Net other assets			274,746	1.08	1.65	
Net assets			25,376,303	100.00	100.00	

All holdings are ordinary shares unless otherwise stated.

Global Brands Equity Income Fund

Securities Financing Transactions

AS AT 31 MARCH 2020 (UNAUDITED)

In accordance with Article 13 of the Regulation (EU) 2015/2365, the Fund's sole involvement in and exposure related to securities financing transactions is its engagement in total return swap activity for the six month period ended 31 March 2020 as detailed below:

1) Global Data

Assets engaged in Total Return Swaps	GBP	%
Total Net Assets	25,376,303	
Unrealised Gain and Loss in Fund Currency (in absolute value):		
Total return swaps	52,741	
% of Total Net Asset Value		0.21%

2) Concentration Data

The following table provides details of all counterparties in respect of as the total return swaps at the reporting date.

Counterparty Name	Incorporation Country	Unrealised Gain and Loss in GBP (in absolute value)
Morgan Stanley & Co. International Plc	United Kingdom	52,741

3) Aggregate Transaction Data

No collateral was received or granted by the Fund with respect to the Total Return Swap transaction during the six month period to the reporting date.

The following table provides an analysis of the maturity tenor, based on the contractual maturity date, in respect of the Total Return Swaps as at the reporting date:

Maturity Tenor of Total Return Swaps (remaining period to maturity)								
Type	Less than one day	One day to one week	One week to one month	One to three months	Three months to one year	Above one year	Open transactions	Total
Total return swaps	-	-	-	52,741	-	-	-	52,741
	-	-	-	52,741	-	-	-	52,741

4) Return and Cost

All returns from total return swap will accrue to the Fund and are not subject to any returns sharing arrangements with the Fund's ACD or any other third parties.

The following table provides an analysis of return and cost in respect of the total return swaps as at the reporting date:

	Global Brands Equity Income Fund GBP
Return	
Interest received on total return swap transactions	290,190
Net realised gain/(loss) on total return swap contracts	(590,175)
Net change in unrealised appreciation/(depreciation) on total return swap contracts	50,560
	(249,425)
Cost	
Interest paid on total return swap transactions	-
	-
Net Return	(249,425)

Global Brands Equity Income Fund

Statement of Total Return

FOR THE SIX MONTH PERIOD ENDED 31 MARCH 2020 (UNAUDITED)

	31 Mar 2020 (£)	31 Mar 2020 (£)	31 Mar 2019 (£)	31 Mar 2019 (£)
Income				
Net capital (losses)/gains		(2,561,735)		218,307
Revenue	486,905		118,434	
Expenses	(72,703)		(22,086)	
Net revenue before taxation	414,202		96,348	
Taxation	(56,984)		(12,909)	
Net revenue after taxation		357,218		83,439
Total return before distributions		(2,204,517)		301,746
Distributions		(429,920)		(105,525)
Change in net assets attributable to shareholders from investment activities		(2,634,437)		196,221

Statement of Change in Net Assets Attributable to Shareholders

FOR THE SIX MONTH PERIOD ENDED 31 MARCH 2020 (UNAUDITED)

	31 Mar 2020 (£)	31 Mar 2020 (£)	31 Mar 2019 (£)	31 Mar 2019 (£)
Opening net assets attributable to shareholders		24,963,644		5,303,763
Amounts receivable on issue of shares	8,836,768		2,794,808	
Amounts payable on cancellation of shares	(5,904,504)		(230,651)	
		2,932,264		2,564,157
Dilution adjustment charged		3,008		852
Change in net assets attributable to shareholders from investment activities		(2,634,437)		196,221
Retained distribution on accumulation shares		111,824		51,902
Closing net assets attributable to shareholders		25,376,303		8,116,895

Comparatives are for the six months to 31 March 2019.

Balance Sheet

AS AT 31 MARCH 2020 (UNAUDITED)

	31 Mar 2020 (£)	31 Mar 2020 (£)	30 Sep 2019 (£)	30 Sep 2019 (£)
Assets				
Investment assets		25,119,706		24,614,385
Debtors	1,101,329		408,239	
Cash and bank balances	478,187		630,649	
Total other assets		1,579,516		1,038,888
Total assets		26,699,222		25,653,273
Liabilities				
Investment liabilities		18,149		61,758
Creditors	1,119,499		446,499	
Distribution payable on income shares	185,271		181,372	
Total other liabilities		1,304,770		627,871
Total liabilities		1,322,919		689,629
Net assets attributable to shareholders		25,376,303		24,963,644

The interim financial statements have been prepared in accordance with the Statement of Recommended Practice for Authorised Funds issued by the Investment Association in May 2014.

The accounting policies applied are consistent with those of the annual financial statement for the year ended 30 September 2019 and are described in those annual financial statements.

Global Brands Equity Income Fund

Distribution Tables

FOR THE SIX MONTH PERIOD ENDED 31 MARCH 2020 (UNAUDITED)

INTERIM DISTRIBUTION IN PENCE PER SHARE

Group 1: shares purchased prior to 1 October 2019

Group 2: shares purchased between 1 October 2019 and 31 December 2019

	Revenue (p)	Equalisation (p)	Distribution paid/accumulated 29 Feb 2020 (p)	Distribution paid/accumulated 28 Feb 2019 (p)
Share Class F – Income				
Group 1	10.7028	–	10.7028	10.3437
Group 2	7.1606	3.5422	10.7028	10.3437
Share Class I – Accumulation				
Group 1	13.2431	–	13.2431	12.4127
Group 2	7.4817	5.7614	13.2431	12.4127
Share Class I – Income				
Group 1	11.6497	–	11.6497	11.4158
Group 2	7.2769	4.3728	11.6497	11.4158

INTERIM DISTRIBUTION IN PENCE PER SHARE

Group 1: shares purchased prior to 1 January 2020

Group 2: shares purchased between 1 January 2020 and 31 March 2020

	Revenue (p)	Equalisation (p)	Distribution payable 31 May 2020 (p)	Distribution paid/accumulated 31 May 2019 (p)
Share Class F – Income				
Group 1	10.0548	–	10.0548	8.3404
Group 2	3.3068	6.7480	10.0548	8.3404
Share Class I – Accumulation				
Group 1	12.8019	–	12.8019	10.1377
Group 2	7.0602	5.7417	12.8019	10.1377
Share Class I – Income				
Group 1	11.2661	–	11.2661	9.2259
Group 2	6.3109	4.9552	11.2661	9.2259

EQUALISATION

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

Global Sustain Fund

Fund Review (continued)

PERFORMANCE REVIEW

For the 6-month period ending 31 March 2020, the Fund's I Accumulation class shares outperformed the benchmark, MSCI World (Net) Index, by 8.49%, returning -6.33% (i) (net of fees in sterling) versus -14.82% for the Index.

The Fund was launched just over six months ago, with the period ending in extremely volatile markets against the backdrop of the global health crisis.

Outperformance in the 6-month period was largely driven by allocation, with the large overweight allocations in our core sectors information technology and health care, along with the major underweight allocation in financials and lack of energy stocks, all contributing. For stock selection, the impact of underperformance in health care and information technology was greater than the effect of the financials and industrials outperformance. Communication services and consumer discretionary stocks also added value.

The largest contributors were Microsoft (+136 basis points (bps)), Reckitt Benckiser (+70 bps) and SAP (+55 bps). The largest absolute detractors were Henkel (-23 bps), Amphenol (-13 bps) and Fox (-10 bps).

MARKET REVIEW

The 6-month period ended with one of the most volatile months financial markets have seen in a decade, as the COVID-19 health crisis that began in China spread to the rest of the world. The MSCI World (Net) Index declined 14.8% in sterling terms for the period. Most markets underperformed in relative terms and were negative in absolute terms, with Austria (-38.7%), Belgium (-33.7%) and Norway (-30.9%) the biggest detractors. Denmark (+3.3%) was the only positive performer for the period. New Zealand (-2.5%) and Switzerland (-5.4%) were the next best performers and outperformed the Index in relative terms.

Health care (+0.03%), information technology (-1.6%), communication services (-11.4%), consumer staples (-11.6%) and utilities (-12.6%) outperformed the Index. All the other sectors failed to beat the Index, with energy (-42.4%), financials (-26.3%) and real estate (-22.9%) the weakest performing sectors.

PORTFOLIO ACTIVITY

We did not make wholesale changes in the portfolio during the 6-month period. In the first three months, there were no new buys and a final sale in Booking Holdings. This was due to concern that the deteriorating competitive environment, given the threat from Google, was aggravated by the seeming lack of a coherent and sustained management response.

Going into the volatile first quarter of 2020, the portfolio was already defensively positioned. The universe of quality names tended to move together, and much of the dispersion was fairly rational, with names more exposed to social distancing lagging a bit. Crucially, we didn't see any name we own as seriously impaired and thus requiring an immediate exit on quality grounds.

However, we initiated positions in two stocks and exited one. We built a position in Procter & Gamble, which we think has turned itself around, cleaning up its organisational 'spaghetti' and building best-in-class digital expertise. We initiated a position in Texas Instruments given its high quality franchise and leadership in analog semiconductors. We believe analog is an attractive market due to long product cycles, low capital intensity and low unit prices. We sold the remnants of our holding in Church & Dwight, due to poor capital allocation decisions, with the company having made acquisitions of businesses that produce appliances rather than consumer brands. We also added to a few of the more cyclical names that we believe had been punished excessively.

STRATEGY & OUTLOOK

We are in unprecedented times. Governments have tipped economies into severe recession with the mix of social distancing and lockdowns, and also responded to the crisis with unprecedented support. The impact of the crisis on gross domestic product is difficult to quantify but it will be extremely large, even by the standards of the Global Financial Crisis. The market seems to have moved from its view of a quick V-shaped downturn to something more prolonged, but it is not clear that it has priced in the longer-term debt impact and all the potential damage from the crisis.

Fortunately, we believe that Global Sustain is far higher quality than the market, as has been shown by the measure of reduced downside participation the Fund has demonstrated during this period.

Our analysis more recently has focused on the impact of the health crisis along three considerations:

- 1) the direct effect of COVID-19 and the efforts to control its spread, for instance the collapse in travel, eating and drinking out, or the deferral of nonurgent operations in hospitals, alongside increased demand in areas such as food retail, sanitising products and software;
- 2) the indirect impact of the extremely sharp economic downturns that are resulting across the world; and
- 3) how the world is going to be changed after the crisis is finally past, and how this will affect both sectors and individual companies."

Global Sustain Fund

Fund Review (continued)

Our continuing focus is on companies with powerful intangible assets and pricing power, which when combined with recurring revenues, drive resilient earnings in tough times.

Furthermore, we believe that the crisis may be another spur for environmental, social and governance (ESG) considerations. There is preliminary evidence that ESG funds have continued to see inflows even as investors have been pulling money out of equities in general. We believe it is more likely that the current crisis elevates social factors (e.g. how companies treat employees, health and safety, pay and job security) and begins to define a blueprint for more sustainable business and society.

All information is provided for informational purposes only and should not be deemed as a recommendation to purchase or sell the securities mentioned.

Global Sustain Fund

Portfolio Statement

AS AT 31 MARCH 2020 (UNAUDITED)

	Holdings	Investments	Market Value (£)	% of Net Asset Value 31 Mar 2020	% of Net Asset Value 30 Sep 2019
Canada – 2.62%					
	425	Constellation Software	306,573	2.62	
			306,573	2.62	2.77
France – 2.33%					
	989	L'Oreal	205,077	1.75	
	956	Sanofi	67,489	0.58	
			272,566	2.33	3.48
Germany – 8.93%					
	6,901	Henkel Preference Shares	438,645	3.75	
	6,684	SAP	604,242	5.18	
			1,042,887	8.93	8.92
Hong Kong – 1.64%					
	26,200	AIA	191,799	1.64	
			191,799	1.64	1.56
Ireland – 7.62%					
	3,717	Accenture	510,165	4.37	
	5,108	Medtronic	380,398	3.25	
			890,563	7.62	8.46
Netherlands – 0.63%					
	4,336	RELX (Netherlands Listing)	73,971	0.63	
			73,971	0.63	0.69
Taiwan – 1.41%					
	4,271	Taiwan Semiconductor Manufacturing ADR	165,235	1.41	
			165,235	1.41	1.31
United Kingdom – 12.66%					
	2,487	Experian	56,181	0.48	
	10,445	GlaxoSmithKline	155,568	1.33	
	14,520	Prudential	146,942	1.26	
	12,323	Reckitt Benckiser	754,661	6.46	
	13,673	RELX (London Listing)	233,398	2.00	
	3,282	Unilever	132,183	1.13	
			1,478,933	12.66	17.28
United States – 54.03%					
	6,532	Abbott Laboratories	419,331	3.59	
	554	Alphabet	513,604	4.40	
	2,718	Amphenol	166,592	1.43	
	3,728	Automatic Data Processing	415,342	3.56	
	7,880	Baxter International	523,208	4.48	
	2,467	Becton Dickinson	444,801	3.81	
	3,761	Cerner	195,619	1.67	
	5,454	Coca-Cola	198,516	1.70	
	3,402	Danaher	387,581	3.32	
	641	FactSet Research Systems	138,541	1.19	
	2,413	Fidelity National Information Services	244,492	2.09	
	4,217	Fox Corporation A Shares	82,870	0.71	
	3,271	Fox Corporation B Shares	62,877	0.54	
	6,439	Microsoft	835,057	7.15	
	370	Moody's	66,576	0.57	
	3,130	NIKE	216,179	1.85	
	1,460	Procter & Gamble	135,812	1.16	
	1,467	Texas Instruments	121,046	1.03	
	1,352	Thermo Fisher Scientific	311,571	2.67	
	4,641	Visa	621,441	5.32	
	2,217	Zoetis	209,279	1.79	
			6,310,335	54.03	53.55

Global Sustain Fund

Portfolio Statement (continued)

AS AT 31 MARCH 2020 (UNAUDITED)

Forward Currency Exchange Contracts – Hedged Share Classes - 0.78%

Currency Purchased	Amount Purchased	Currency Sold	Amount Sold	Maturity Date	Counterparty	Unrealised Gains/(Loss)	% of Net Asset Value 31 Mar 2020	% of Net Asset Value 30 Sep 2019
CAD	78	GBP	44	30/04/2020	State Street Bank	-	-	
GBP	59,707	CAD	101,824	30/04/2020	State Street Bank	1,890	0.02	
GBP	2,424	CAD	4,123	30/04/2020	State Street Bank	83	-	
GBP	1,994	CAD	3,401	30/04/2020	State Street Bank	63	-	
GBP	812	CAD	1,384	30/04/2020	State Street Bank	26	-	
GBP	783	CAD	1,365	30/04/2020	State Street Bank	8	-	
GBP	678	CAD	1,189	30/04/2020	State Street Bank	3	-	
GBP	396	CAD	669	30/04/2020	State Street Bank	16	-	
GBP	81	CAD	138	30/04/2020	State Street Bank	3	-	
GBP	36	CAD	61	30/04/2020	State Street Bank	1	-	
GBP	274,394	EUR	296,270	30/04/2020	State Street Bank	11,838	0.10	
GBP	9,781	EUR	10,688	30/04/2020	State Street Bank	308	-	
GBP	9,166	EUR	9,896	30/04/2020	State Street Bank	395	0.01	
GBP	6,623	EUR	7,282	30/04/2020	State Street Bank	170	-	
GBP	5,678	EUR	6,179	30/04/2020	State Street Bank	202	-	
GBP	3,729	EUR	4,171	30/04/2020	State Street Bank	33	-	
GBP	3,657	EUR	3,978	30/04/2020	State Street Bank	132	-	
GBP	3,105	EUR	3,489	30/04/2020	State Street Bank	13	-	
GBP	1,783	EUR	1,947	30/04/2020	State Street Bank	58	-	
GBP	322	EUR	352	30/04/2020	State Street Bank	10	-	
GBP	217	EUR	238	30/04/2020	State Street Bank	6	-	
GBP	190	EUR	207	30/04/2020	State Street Bank	7	-	
GBP	162	EUR	178	30/04/2020	State Street Bank	4	-	
GBP	36,222	HKD	330,324	29/04/2020	State Street Bank	1,776	0.02	
GBP	2,620	HKD	24,187	29/04/2020	State Street Bank	98	-	
GBP	1,303	HKD	11,887	29/04/2020	State Street Bank	64	-	
GBP	1,210	HKD	11,034	29/04/2020	State Street Bank	59	-	
GBP	491	HKD	4,488	29/04/2020	State Street Bank	23	-	
GBP	239	HKD	2,208	29/04/2020	State Street Bank	9	-	
GBP	86	HKD	794	29/04/2020	State Street Bank	3	-	
GBP	44	HKD	397	29/04/2020	State Street Bank	2	-	
GBP	23	HKD	213	29/04/2020	State Street Bank	1	-	
GBP	1,349,473	USD	1,585,813	30/04/2020	State Street Bank	67,274	0.58	
GBP	48,745	USD	57,307	30/04/2020	State Street Bank	2,410	0.02	
GBP	45,076	USD	52,971	30/04/2020	State Street Bank	2,247	0.02	
GBP	18,284	USD	21,498	30/04/2020	State Street Bank	902	0.01	
GBP	8,916	USD	10,596	30/04/2020	State Street Bank	348	-	
GBP	1,627	USD	1,913	30/04/2020	State Street Bank	81	-	
GBP	802	USD	974	30/04/2020	State Street Bank	14	-	
Unrealised gain on Forward Currency Exchange Contracts – Hedged Share Classes						90,580	0.78	
CAD	2,492	GBP	1,422	30/04/2020	State Street Bank	(7)	-	
EUR	6,953	GBP	6,212	30/04/2020	State Street Bank	(50)	-	
EUR	220	GBP	197	30/04/2020	State Street Bank	(2)	-	
GBP	496	HKD	4,776	29/04/2020	State Street Bank	(2)	-	
GBP	429	HKD	4,125	29/04/2020	State Street Bank	(1)	-	
GBP	81,657	USD	101,637	30/04/2020	State Street Bank	(521)	-	
GBP	17,769	USD	22,038	30/04/2020	State Street Bank	(50)	-	
GBP	15,683	USD	19,444	30/04/2020	State Street Bank	(38)	-	
GBP	2,685	USD	3,342	30/04/2020	State Street Bank	(17)	-	
Unrealised loss on Forward Currency Exchange Contracts – Hedged Share Classes						(688)	0.00	
Net Unrealised gain on Forward Currency Exchange Contracts – Hedged Share Classes						89,892	0.78	0.00
Portfolio of investments						10,822,754	92.65	98.02
Net other assets						858,874	7.35	1.98
Net assets						11,681,628	100.00	100.00

All holdings are ordinary shares unless otherwise stated.

Stocks shown as ADRs represent American Depositary Receipts.

Global Sustain Fund

Statement of Total Return

FOR THE SIX MONTH PERIOD ENDED 31 MARCH 2020 (UNAUDITED)

	31 Mar 2020 (£)	31 Mar 2020 (£)
Income		
Net capital (losses)		(1,115,685)
Revenue	36,444	
Expenses	(21,482)	
Net revenue before taxation	14,962	
Taxation	(3,585)	
Net revenue after taxation		11,377
Total return before distributions		(1,104,308)
Distributions		(11,989)
Change in net assets attributable to shareholders from investment activities		(1,116,297)

Statement of Change in Net Assets Attributable to Shareholders

FOR THE SIX MONTH PERIOD ENDED 31 MARCH 2020 (UNAUDITED)

	31 Mar 2020 (£)	31 Mar 2020 (£)
Opening net assets attributable to shareholders		5,009,184
Amounts receivable on issue of shares	7,820,144	
Amounts payable on cancellation of shares	(55,335)	
		7,764,809
Dilution adjustment charged		5,278
Change in net assets attributable to shareholders from investment activities		(1,116,297)
Retained distribution on accumulation shares		18,654
Closing net assets attributable to shareholders		11,681,628

The Fund was launched on 23 September 2019, hence there are no comparative figures for the previous period.

Balance Sheet

AS AT 31 MARCH 2020 (UNAUDITED)

	31 Mar 2020 (£)	31 Mar 2020 (£)	30 Sep 2019 (£)	30 Sep 2019 (£)
Assets				
Investment assets		10,823,442		4,910,165
Debtors	762,492		15,106	
Cash and bank balances	295,588		94,206	
Total other assets		1,058,080		109,312
Total assets		11,881,522		5,019,477
Liabilities				
Investment liabilities		688		-
Creditors	198,590		10,293	
Distribution payable on income shares	616		-	
Total other liabilities		199,206		10,293
Total liabilities		199,894		10,293
Net assets attributable to shareholders		11,681,628		5,009,184

The interim financial statements have been prepared in accordance with the Statement of Recommended Practice for Authorised Funds issued by the Investment Association in May 2014. The accounting policies applied are consistent with those of the annual financial statement for the year ended 30 September 2019 and are described in those annual financial statements.

Global Sustain Fund

Distribution Table

FOR THE SIX MONTH PERIOD ENDED 31 MARCH 2020 (UNAUDITED)

INTERIM DISTRIBUTION IN PENCE PER SHARE

Group 1: shares purchased prior to 1 October 2019

Group 2: shares purchased between 1 October 2019 and 31 March 2020

	Revenue (p)	Equalisation (p)	Distribution payable 31 May 2020 (p)
Share Class F – Accumulation			
Group 1	–	–	–
Group 2	0.7686	1.0968	1.8654
Share Class F – Income			
Group 1	–	–	–
Group 2	1.2035	0.6654	1.8689
Share Class F Hedge – Accumulation			
Group 1	–	–	–
Group 2	0.8174	0.7241	1.5415
Share Class I – Accumulation			
Group 1	–	–	–
Group 2	1.1588	0.0050	1.1638
Share Class I – Income			
Group 1	–	–	–
Group 2	1.1638	0.0000	1.1638
Share Class I Hedge – Accumulation			
Group 1	–	–	–
Group 2	1.0128	0.0829	1.0957

EQUALISATION

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

The Fund was launched on 23 September 2019, hence there are no comparative figures for the previous period.

US Advantage Fund

as at 31 March 2020 (unaudited)

Fund Review

INVESTMENT OBJECTIVE

The objective of the Fund is to grow your investment over 3-5 years.

RISK AND REWARD PROFILE

Lower risk Higher risk
 Potentially lower rewards Potentially higher rewards



The risk and reward category shown is based on simulated historic performance data.

- Historic figures are only a guide and may not be a reliable indicator of what may happen in the future.
- As such this category may change in the future.
- The higher the category, the greater the potential reward, but also the greater the risk of losing the investment. Category 1 does not indicate a risk free investment.
- The Fund is in this category because it invests in company shares and the Fund's simulated and/or realised return has experienced high rises and falls historically.
- The Fund may be impacted by movements in the exchange rates between the Fund's currency and the currencies of the Fund's investments.

This rating does not take into account other risk factors which should be considered before investing, these include:

- Investment in China A-Shares via Shanghai-Hong Kong Stock Connect program may also entail additional risks, such as risks linked to the ownership of shares.
- The Fund relies on other parties to fulfil certain services, investments or transactions. If these parties become insolvent, it may expose the Fund to financial loss.
- There may be an insufficient number of buyers or sellers which may affect the Fund's ability to buy or sell securities.
- There are increased risks of investing in emerging markets as political, legal and operational systems may be less developed than in developed markets.

PERFORMANCE

	Since inception % change cumulative	1 year % change cumulative	6 months % change cumulative
S&P 500 Index	25.60	-2.24	-12.85
US Advantage Fund F Acc*	50.76	5.14	-5.14
S&P 500 Index	-13.59	N/A	N/A
US Advantage Fund F Hedge Acc**	-6.74	N/A	N/A
S&P 500 Index	37.43	-2.24	-12.85
US Advantage Fund I Acc***	61.81	4.82	-5.28
S&P 500 Index	-13.59	N/A	N/A
US Advantage Fund I Hedge Acc***	-9.63	N/A	N/A

Source Index: Morgan Stanley Investment Management Ltd via RIMES as at 31 March 2020. Source Fund: Morgan Stanley Investment Management Ltd.

* Launched on 28 November 2016.

** Launched on 29 November 2019.

***Launched on 15 September 2016.

Past performance is no guarantee of future returns. In particular, any returns illustrated here will not necessarily continue at the levels shown.

NET ASSET VALUES

Date	Net asset value of class (£)	Shares in issue	Net asset value per share (£)	Percentage Change (%)
Share Class F – Accumulation*				
31.03.20	287,365,290	19,067,396	15.07	(5.16)
30.09.19	280,271,574	17,640,453	15.89	
Share Class F Hedge – Accumulation*				
31.03.20	3,978,334	440,393	9.03	
30.09.19	–	–	–	
Share Class I – Accumulation*				
31.03.20	20,879,185	1,290,791	16.18	(5.27)
30.09.19	20,431,289	1,196,317	17.08	
Share Class I Hedge – Accumulation*				
31.03.20	401,959	43,115	9.32	
30.09.19	–	–	–	

Share classes F Hedge – Accumulation and I Hedge – Accumulation were launched on 29 November 2019.

* Valued at bid basis.

OPERATING CHARGES

Date		
Share Class F – Accumulation		
31.03.20		0.55%
30.09.19		0.55%
Share Class F Hedge – Accumulation		
31.03.20		0.55%
30.09.19		N/A
Share Class I – Accumulation		
31.03.20		0.85%
30.09.19		0.85%
Share Class I Hedge – Accumulation		
31.03.20		0.85%
30.09.19		N/A

Share classes F Hedge – Accumulation and I Hedge – Accumulation were launched on 29 November 2019.

Operating charges show the annual expenses of the Fund as a percentage of the average net asset value.

US Advantage Fund

Fund Review (continued)

PERFORMANCE REVIEW

For the 6-month period ending 31 March 2020, the Fund's I Accumulation class shares outperformed the benchmark S&P 500 Index by 7.57%, returning -5.28% (net of fees in sterling) versus -12.85% for the Index.

The long-term investment horizon and conviction-weighted investment approach embraced by the team since 1998 can result in periods of performance deviation from the benchmark and peers. The Fund's outperformance in the reporting period was driven by favourable sector allocation and a modest boost from stock selection.

The Fund's lack of exposure to the energy sector, which sold off sharply due to plunging oil prices, was the largest positive contributor to relative performance. An underweight allocation to the financial sector, along with stock selection there, also aided relative results. The Fund also benefited from favourable stock selection in consumer discretionary and industrials. Our stock selection in information technology was a small detractor, but an overweight allocation to the sector was advantageous and more than compensated for the relative loss. The largest detractors from relative performance were our stock selection in communication services and health care, and an overweight allocation to the materials sector. Stock selection and an underweight position in consumer staples had a smaller negative impact on relative performance.

MARKET REVIEW

Toward the end of 2019, progress across some of the market's chief concerns supported U.S. stock prices heading into 2020. The U.S. and China struck a preliminary trade deal, Prime Minister Boris Johnson's Brexit mandate was strengthened with the Conservative Party's decisive general election win and global recession risks appeared to be abating. An improved economic outlook propelled the S&P 500 Index to an all-time high on 19 February 2020. Meanwhile, a novel coronavirus was rapidly spreading the deadly COVID-19 disease around the world. Governments responded by banning travel, closing businesses and ordering residents to stay at home, effectively shutting down the global economy and triggering a dramatic sell-off in stocks and other financial markets. As it became increasingly clear that economies were facing a severe contraction and significant unemployment, fiscal and monetary authorities launched emergency policy measures to mitigate the shock. The U.S. Federal Reserve cut its benchmark interest rate to near zero, announced an unlimited asset purchase program and established other programs to keep credit flowing. The U.S. government, for its part, passed a \$2 trillion relief bill supporting workers, businesses and the health care system. The measures helped ease

market anxiety, but the S&P 500 Index ended the six month period down 12.85% in sterling, with much of that loss occurring within a six-week period during February and March 2020.

PORTFOLIO ACTIVITY

As of the end of the reporting period, the Fund's largest sector allocations were information technology, communication services and health care. The Fund had no exposure to the energy, real estate and utilities sectors.

STRATEGY & OUTLOOK

The investment team is looking for unique companies whose market value can increase significantly for underlying fundamental reasons. We find these companies through intense fundamental research. Our emphasis is on secular growth, and as a result short-term market events are not as meaningful in the stock selection process. It is our goal to hold a portfolio of high-quality companies we believe are well positioned over the long term, regardless of the market environment.

As a team, we believe having a market outlook can be an anchor. Our focus is on assessing a company over a five-year horizon.

All information is provided for informational purposes only and should not be deemed as a recommendation to purchase or sell the securities mentioned.

US Advantage Fund

Portfolio Statement

AS AT 31 MARCH 2020 (UNAUDITED)

	Holdings	Investments	Market Value (£)	% of Net Asset Value 31 Mar 2020	% of Net Asset Value 30 Sep 2019
Basic Materials – 4.86%					
	116,296	Ecolab	15,185,615	4.86	
			15,185,615	4.86	5.44
Consumer Goods – 6.63%					
	103,257	Activision Blizzard	4,884,461	1.56	
	29,227	Estee Lauder	3,907,654	1.25	
	126,264	NIKE	8,720,651	2.79	
	33,702	Take-Two Interactive Software	3,229,373	1.03	
			20,742,139	6.63	5.99
Consumer Services – 18.65%					
	14,265	Amazon.com	22,654,588	7.25	
	76,009	Copart	4,415,847	1.41	
	164,819	Rollins	4,772,359	1.53	
	133,414	Spotify Technology	13,100,167	4.19	
	155,911	Starbucks	8,558,363	2.74	
	59,426	Walt Disney	4,797,159	1.53	
			58,298,483	18.65	25.55
Financials – 2.99%					
	21,971	CME	3,088,792	0.99	
	46,332	Intercontinental Exchange	3,134,781	1.00	
	15,702	S&P Global	3,131,890	1.00	
			9,355,463	2.99	1.72
Health Care – 9.86%					
	39,866	Danaher	4,541,832	1.45	
	43,578	Intuitive Surgical	17,769,309	5.68	
	90,351	Zoetis	8,528,909	2.73	
			30,840,050	9.86	11.06*
Industrials – 10.18%					
	7,579	Adyen	5,218,855	1.67	
	87,357	Ball	4,660,266	1.49	
	151,880	HEICO	8,109,771	2.60	
	17,114	Roper Technologies	4,395,740	1.41	
	12,461	Sherwin-Williams	4,856,470	1.55	
	38,602	Verisk Analytics	4,576,152	1.46	
			31,817,254	10.18	10.45*
Technology – 42.70%					
	9,530	Alphabet	8,843,269	2.83	
	46,713	Atlassian	5,334,743	1.71	
	32,460	Autodesk	4,089,113	1.31	
	70,588	Coupa Software	8,603,281	2.75	
	34,124	Facebook	4,578,672	1.46	
	91,137	Okta	9,211,398	2.95	
	75,492	ServiceNow	17,483,392	5.59	
	51,253	Shopify	17,863,192	5.71	
	425,063	Slack Technologies	9,707,967	3.11	
	95,022	Twilio	7,440,016	2.38	
	486,157	Twitter	10,061,001	3.22	
	123,835	Veeva Systems	15,804,358	5.06	
	130,048	Workday	14,434,117	4.62	
			133,454,519	42.70	37.30

US Advantage Fund

Portfolio Statement (continued)

AS AT 31 MARCH 2020 (UNAUDITED)

Forward Currency Exchange Contracts – Hedged Share Classes – 0.03%

Currency Purchased	Amount Purchased	Currency Sold	Amount Sold	Maturity Date	Counterparty	Unrealised Gains/(Loss)	% of Net Asset Value 31 Mar 2020	% of Net Asset Value 30 Sep 2019
GBP	30,956	EUR	33,424	30/04/2020	State Street Bank	1,336	–	
GBP	30,001	EUR	33,555	30/04/2020	State Street Bank	264	–	
GBP	6,168	EUR	6,931	30/04/2020	State Street Bank	26	–	
GBP	3,685	EUR	3,979	30/04/2020	State Street Bank	159	–	
GBP	1,602	EUR	1,799	30/04/2020	State Street Bank	8	–	
GBP	1,153	EUR	1,290	30/04/2020	State Street Bank	10	–	
GBP	1,126	EUR	1,226	30/04/2020	State Street Bank	40	–	
GBP	776	EUR	853	30/04/2020	State Street Bank	20	–	
GBP	680	EUR	764	30/04/2020	State Street Bank	3	–	
GBP	518	EUR	565	30/04/2020	State Street Bank	17	–	
GBP	222	EUR	244	30/04/2020	State Street Bank	6	–	
GBP	215	EUR	234	30/04/2020	State Street Bank	8	–	
GBP	182	EUR	204	30/04/2020	State Street Bank	1	–	
GBP	169	EUR	184	30/04/2020	State Street Bank	6	–	
GBP	118	EUR	130	30/04/2020	State Street Bank	3	–	
GBP	91	EUR	100	30/04/2020	State Street Bank	2	–	
GBP	1,645,454	USD	1,933,631	30/04/2020	State Street Bank	82,029	0.03	
GBP	197,294	USD	231,847	30/04/2020	State Street Bank	9,835	–	
GBP	92,582	USD	108,844	30/04/2020	State Street Bank	4,577	–	
GBP	68,255	USD	81,241	30/04/2020	State Street Bank	2,569	–	
GBP	28,076	USD	33,368	30/04/2020	State Street Bank	1,096	–	
GBP	12,930	USD	15,704	30/04/2020	State Street Bank	233	–	
GBP	11,685	USD	13,739	30/04/2020	State Street Bank	577	–	
GBP	11,576	USD	13,610	30/04/2020	State Street Bank	572	–	
GBP	9,250	USD	11,010	30/04/2020	State Street Bank	348	–	
GBP	5,308	USD	6,446	30/04/2020	State Street Bank	95	–	
					Unrealised gain on Forward Currency Exchange Contracts – Hedged Share Classes	103,840	0.03	
EUR	857	GBP	785	30/04/2020	State Street Bank	(25)	–	
EUR	132	GBP	121	30/04/2020	State Street Bank	(4)	–	
GBP	1,654,909	USD	2,052,513	30/04/2020	State Street Bank	(4,637)	–	
GBP	344,562	USD	427,196	30/04/2020	State Street Bank	(844)	–	
GBP	73,497	USD	91,480	30/04/2020	State Street Bank	(469)	–	
GBP	63,610	USD	78,892	30/04/2020	State Street Bank	(178)	–	
GBP	37,969	USD	47,075	30/04/2020	State Street Bank	(93)	–	
GBP	11,061	USD	13,768	30/04/2020	State Street Bank	(71)	–	
					Unrealised loss on Forward Currency Exchange Contracts – Hedged Share Classes	(6,321)	0.00	
					Net Unrealised gain on Forward Currency Exchange Contracts – Hedged Share Classes	97,519	0.03	0.00

Options – 0.27%

Counterparty	Currency	Quantity	Security Description			
NatWest Markets Plc	USD	95,362,611	Currency Option USD Call CNH Put 7.7455% January 2021	589,203	0.19	
NatWest Markets Plc	USD	73,409,483	Currency Option USD Call CNH Put 8.0925% September 2020	170,094	0.05	
NatWest Markets Plc	USD	74,032,469	Currency Option USD Call CNH Put 7.847% June 2020	98,287	0.03	
				857,584	0.27	0.23
			Portfolio of investments	300,648,626	96.17	97.74
			Net other assets	11,976,142	3.83	2.26
			Net assets	312,624,768	100.00	100.00

All holdings are ordinary shares unless otherwise stated.

* Since the previous report the classification headings have been updated by data providers. Comparative figures have been updated where appropriate.

US Advantage Fund

Statement of Total Return

FOR THE SIX MONTH PERIOD ENDED 31 MARCH 2020 (UNAUDITED)

	31 Mar 2020 (£)	31 Mar 2020 (£)	31 Mar 2019 (£)	31 Mar 2019 (£)
Income				
Net capital (losses)		(16,261,085)		(4,280,889)
Revenue	628,916		1,410,567	
Expenses	(888,512)		(980,854)	
Interest payable and similar charges	(2,855)		(4,016)	
Net (expense)/revenue before taxation	(262,451)		425,697	
Taxation	(89,675)		(190,367)	
Net (expense)/revenue after taxation		(352,126)		235,330
Total return before distributions		(16,613,211)		(4,045,559)
Equalisation		(13,654)		(84,023)
Change in net assets attributable to shareholders from investment activities		(16,626,865)		(4,129,582)

Statement of Change in Net Assets Attributable to Shareholders

FOR THE SIX MONTH PERIOD ENDED 31 MARCH 2020 (UNAUDITED)

	31 Mar 2020 (£)	31 Mar 2020 (£)	31 Mar 2019 (£)	31 Mar 2019 (£)
Opening net assets attributable to shareholders		300,702,863		395,360,167
Amounts receivable on issue of shares	43,327,656		44,870,835	
Amounts payable on cancellation of shares	(14,780,165)		(176,298,320)	
		28,547,491		(131,427,485)
Dilution adjustment charged		1,279		53,701
Change in net assets attributable to shareholders from investment activities		(16,626,865)		(4,129,582)
Closing net assets attributable to shareholders		312,624,768		259,856,801

Comparatives are for the six months to 31 March 2019.

Balance Sheet

AS AT 31 MARCH 2020 (UNAUDITED)

	31 Mar 2020 (£)	31 Mar 2020 (£)	30 Sep 2019 (£)	30 Sep 2019 (£)
Assets				
Investment assets		300,654,947		293,914,300
Debtors	7,971,956		437,518	
Cash and bank balances	9,648,012		8,704,533	
Total other assets		17,619,968		9,142,051
Total assets		318,274,915		303,056,351
Liabilities				
Investment liabilities		6,321		-
Creditors	5,542,137		2,084,903	
Bank overdrafts	101,689		268,585	
Total other liabilities		5,643,826		2,353,488
Total liabilities		5,650,147		2,353,488
Net assets attributable to shareholders		312,624,768		300,702,863

The interim financial statements have been prepared in accordance with the Statement of Recommended Practice for Authorised Funds issued by the Investment Association in May 2014. The accounting policies applied are consistent with those of the annual financial statement for the year ended 30 September 2019 and are described in those annual financial statements.

Sterling Corporate Bond Fund

Fund Review (continued)

OPERATING CHARGES

Date	
Share Class A – Accumulation	
31.03.20	N/A
30.09.19	1.00%
Share Class A – Income	
31.03.20	N/A
30.09.19	1.00%
Share Class I – Accumulation	
31.03.20	0.37%
30.09.19	0.37%
Share Class I – Income	
31.03.20	0.37%
30.09.19	0.37%
Share Class F – Accumulation	
31.03.20	0.22%
30.09.19	0.22%
Share Class F – Income	
31.03.20	0.22%
30.09.19	0.22%

Share Classes A were converted to Share Classes I on 5 November 2019.

Operating charges show the annual expenses of the Fund as a percentage of the average net asset value.

PERFORMANCE REVIEW

For the 6-month period ending 31 March 2020, the Fund's I Accumulation class shares underperformed the benchmark Bank of America-Merrill Lynch Sterling Non-Gilt All Stocks Index by 2.58%, returning -6.48% (net of fees in sterling) versus -3.90% for the Index.

The underperformance of the Fund was driven primarily by the overweight positioning to credit, with most of the negative performance occurring in March due to the sharp widening of credit spreads. The underweight positioning to duration was also negative given the rally in gilts amid risk-off market sentiment.

The Fund is positioned to be overweight credit in spread duration terms overall, with most of the positioning resulting from the overweight allocation in some of the higher-beta sectors (such as financials). Sterling credit spreads were 112 basis points (bps) wider over the period, with financials 121 bps wider, industrials 119 bps wider and utilities 72 bps wider.

Financials (where the Fund has the most overweight allocation) were strong detractors, particularly the exposure to subordinated banking and insurance names. The overall allocation within industrials was also negative, primarily driven by consumer cyclical and communications. Elsewhere, the off-benchmark allocation to high yield names contributed negatively.

MARKET REVIEW

Sterling credit and other risk assets performed negatively in total return terms over the past six months.

Market sentiment was positive during the last quarter of 2019, supported by easing fears around a potential U.S.-China trade war and accommodative central banks. However, spreads started to widen in February amid growing cases of coronavirus in Asia and Europe. Much of the gains made at the beginning of the period were erased in March, which was a historic month across markets as the coronavirus continued its rapid spread around the globe.

The Bank of England ultimately cut rates by an additional 15 bps to 0.1% and boosted quantitative easing (QE) by £200 billion to £645 billion, whilst the government unveiled a fiscal package close to 4-5% of gross domestic product.

Sterling investment grade corporate credit spreads were 112 bps wider during the period, with most of the widening occurring in March. Industrials were 119 bps wider, outperforming financials, which were 121 bps wider. Bonds lower on the risk spectrum (BBB rated) underperformed higher-rated (A, AA) bonds given the sell-off experienced in March. Within rates, gilt yields were lower across the curve, with 10-year yields reaching all-time lows (+0.16%) in March 2020, amid the shock caused by the coronavirus.

PORTFOLIO ACTIVITY

The Fund has remained active throughout the period, participating in new issues and actively rotating existing issues.

Throughout the end of 2019, the Fund's overall spread duration was reduced (particularly the overweight to financials), as profit was taken gradually on the back of valuations becoming richer.

In March, markets were offering value but, given the uncertainty in the outlook, one can't be confident better opportunities will not occur. We increased our credit exposure by a small amount in March, taking advantage of the new issue supply discount in high-quality issuers. We continue to keep powder dry, recognising more issuers will likely take a prudent approach to locking in liquidity and issue debt at attractive credit spreads.

The Fund remains underweight to government-related securities, securitised bonds and covered bonds, driven by limited spread pick-up and the existence of more attractive investment opportunities in other segments of the credit market. The underweight duration position was maintained during the period, getting as low as -1.60 years and as high as -1.77 years versus the benchmark.

Sterling Corporate Bond Fund

Fund Review (continued)

STRATEGY & OUTLOOK

The economy (and asset prices) have been hit by the containment measures necessary to halt the spread of the coronavirus and the related fall in oil prices following the breakdown of Organization of the Petroleum Exporting Countries discussions. Markets are looking for clarity over the length of time isolation policies will remain in force and the time to identify a vaccine.

Hopes of a “V” shaped rebound are no longer the base case, as questions over the assumption that warm weather can reduce the impact of the virus and health experts warning that a vaccine is months, not weeks, away are repricing markets.

In response to the economic impact, central banks have eased monetary policy with rate cuts and additional QE asset purchase programmes. Fiscal policy has been more limited, but is expected to increase over the coming weeks.

For the market to consolidate longer term, we are looking at three key indicators to give confidence to investors:

- A vaccine for the coronavirus.
- A slowdown in new cases (including consideration of re-infection).
- The market stabilising and finding a clearing level for risk.

All information is provided for informational purposes only and should not be deemed as a recommendation to purchase or sell the securities mentioned.

Sterling Corporate Bond Fund

Portfolio Statement

AS AT 31 MARCH 2020 (UNAUDITED)

	Nominal in GBP unless stated	Investments	Market Value (£)	% of Net Asset Value 31 Mar 2020	% of Net Asset Value 30 Sep 2019
Corporate Bonds – 90.56%					
	1,000,000	Abertis Infraestructuras 3.375% 27/11/2026	956,110	0.37	
	3,000,000	ABN AMRO Bank 1.375% 16/01/2025	2,824,620	1.09	
	450,000	Affordable Housing Finance 3.8% 20/05/2044	621,108	0.24	
	725,000	Affordable Housing Finance 2.893% 11/08/2045	882,412	0.34	
	1,000,000	Anglian Water Services Financing 4.5% 22/02/2026	1,077,740	0.42	
	1,000,000	Anglian Water Services Financing 2.625% 15/06/2027	973,920	0.38	
	2,500,000	Anheuser-Busch 2.85% 25/05/2037	2,240,300	0.87	
	1,000,000	Annington Funding 2.646% 12/07/2025	993,220	0.38	
	750,000	Annington Funding 3.935% 12/07/2047	757,590	0.29	
	1,000,000	Apple 3.6% 31/07/2042	1,250,300	0.48	
	2,000,000	APT Pipelines 3.125% 18/07/2031	1,940,760	0.75	
	400,000	Ardagh Packaging Finance 4.75% 15/07/2027	362,956	0.14	
	EUR700,000	Ashland Services 2% 30/01/2028	531,017	0.21	
	2,000,000	AT&T 2.9% 04/12/2026	2,061,120	0.80	
	500,000	AT&T 4.375% 14/09/2029	551,285	0.21	
	2,500,000	AT&T 5.2% 18/11/2033	2,935,000	1.13	
	250,000	Aviva 6.125% 14/11/2036	280,078	0.11	
	1,000,000	Aviva 4.375% 12/09/2049	939,530	0.36	
	300,000	Aviva 5.125% 04/06/2050	288,384	0.11	
	600,000	AXA 7.125% 15/12/2020	617,592	0.24	
	2,000,000	AXA 5.625% 16/01/2054	2,076,680	0.80	
	1,500,000	Banco Santander 1.375% 31/07/2024	1,409,100	0.55	
	EUR1,500,000	Banco Santander 3.125% 19/01/2027	1,300,654	0.50	
	EUR1,000,000	Banco Santander 2.125% 08/02/2028	798,084	0.31	
	1,500,000	Bank of America 4.25% 10/12/2026	1,611,450	0.62	
	800,000	Bank of Ireland 3.125% 19/09/2027	771,144	0.30	
	1,000,000	Banque Federative du Credit Mutuel 2.25% 18/12/2023	984,150	0.38	
	1,000,000	Banque Federative du Credit Mutuel 1.75% 19/12/2024	949,150	0.37	
	EUR950,000	Barclays 3.375% 02/04/2025	852,332	0.33	
	1,000,000	BAT Capital 2.125% 15/08/2025	952,980	0.37	
	900,000	BAT International Finance 4% 23/11/2055	811,278	0.31	
	1,500,000	Berkshire Hathaway Finance 2.375% 19/06/2039	1,477,665	0.57	
	1,500,000	BHP Billiton Finance 6.5% 22/10/2077	1,543,260	0.60	
	1,000,000	BMW International Investment 1.25% 11/07/2022	957,270	0.37	
	2,000,000	BMW International Investment 1.375% 01/10/2024	1,839,940	0.71	
	1,000,000	BNP Paribas 5.75% 24/01/2022	1,059,770	0.41	
	1,500,000	BNP Paribas 3.375% 23/01/2026	1,515,540	0.59	
	3,000,000	BNP Paribas 1.875% 14/12/2027	2,737,350	1.06	
	1,000,000	BP Capital Markets 1.827% 08/09/2025	944,860	0.36	
	2,000,000	BP Capital Markets 2.274% 03/07/2026	1,936,020	0.75	
	2,000,000	BPCE 5.25% 16/04/2029	2,198,660	0.85	
	1,000,000	BUPA Finance 5% 08/12/2026	1,057,120	0.41	
	1,500,000	Cadent Finance 2.625% 22/09/2038	1,469,610	0.57	
	EUR2,500,000	CaixaBank 2.25% 17/04/2030	1,939,229	0.75	
	50,000	Canary Wharf Finance II 5.952% 22/10/2037	71,186	0.03	
	1,500,000	China Development Bank 1.25% 21/01/2023	1,475,220	0.57	
	1,000,000	Citigroup 2.75% 24/01/2024	994,440	0.38	
	1,000,000	Citigroup 1.75% 23/10/2026	915,870	0.35	
	500,000	Citigroup 7.375% 01/09/2039	755,750	0.29	
	2,000,000	CK Hutchison Group Telecom Finance 2% 17/10/2027	1,888,900	0.73	
	EUR550,000	CNAC HK Finbridge 1.75% 14/06/2022	475,815	0.18	
	1,000,000	CNP Assurances 7.375% 30/09/2041	1,032,090	0.40	
	1,200,000	Comcast 1.875% 20/02/2036	1,102,608	0.43	
	EUR1,000,000	Commonwealth Bank of Australia 2% 22/04/2027	863,887	0.33	
	2,000,000	Cooperatieve Rabobank 1.25% 14/01/2025	1,868,260	0.72	
	2,000,000	Cooperatieve Rabobank 5.25% 14/09/2027	2,173,460	0.84	
	2,500,000	Coventry Building Society 1.5% 23/01/2023	2,410,675	0.93	
	2,000,000	CPUK Finance 3.69% 28/02/2047	1,942,420	0.75	
	2,000,000	Credit Agricole 1.25% 02/10/2024	1,883,300	0.73	
	EUR1,300,000	Credit Agricole Assurances 2.625% 29/01/2048	1,031,947	0.40	
	1,000,000	Credit Suisse 2.125% 12/09/2025	948,820	0.37	
	2,500,000	Daimler International Finance 1.25% 05/09/2022	2,361,975	0.91	
	2,300,000	Daimler International Finance 1.625% 11/11/2024	2,072,139	0.80	
	1,300,000	Danske Bank 2.25% 14/01/2028	1,198,392	0.46	

Sterling Corporate Bond Fund

Portfolio Statement (continued)

AS AT 31 MARCH 2020 (UNAUDITED)

Nominal in GBP unless stated	Investments	Market Value (£)	% of Net Asset Value 31 Mar 2020	% of Net Asset Value 30 Sep 2019
Corporate Bonds – 90.56% (continued)				
1,000,000	Deutsche Bahn Finance 1.875% 13/02/2026	1,006,640	0.39	
1,000,000	Deutsche Bank 1.75% 16/12/2021	960,710	0.37	
2,000,000	Deutsche Bank 2.625% 16/12/2024	1,814,660	0.70	
2,000,000	Discovery Communications 2.5% 20/09/2024	1,959,660	0.76	
2,500,000	DP World 4.25% 25/09/2030	2,270,125	0.88	
1,000,000	DWR Cymru Financing 1.625% 31/03/2026	966,490	0.37	
2,300,000	DWR Cymru Financing 1.375% 31/03/2033	2,113,838	0.82	
1,400,000	DXC Technology 2.75% 15/01/2025	1,316,294	0.51	
1,500,000	Eastern Power Networks 2.125% 25/11/2033	1,435,995	0.55	
EUR700,000	EDP - Energias de Portugal 1.7% 20/07/2080	550,052	0.21	
1,000,000	EDP Finance 8.625% 04/01/2024	1,218,870	0.47	
500,000	Electricite de France 6.125% 02/06/2034	676,720	0.26	
200,000	Electricite de France 6% 23/01/2114	294,514	0.11	
USD1,250,000	Enel 8.75% 24/09/2073	1,061,385	0.41	
1,000,000	Enel 7.75% 10/09/2075	1,000,730	0.39	
500,000	Enel Finance 5.75% 14/09/2040	648,315	0.25	
1,000,000	Euroclear Bank 1.25% 30/09/2024	944,920	0.36	
EUR700,000	Europcar Groupe 4.125% 15/11/2024	278,595	0.11	
1,250,000	Eversholt Funding 3.529% 07/08/2042	1,254,938	0.48	
1,500,000	FCA Capital Ireland 1.625% 29/09/2021	1,470,600	0.57	
1,000,000	FCE Bank 2.727% 03/06/2022	919,880	0.36	
1,000,000	Fidelity National Information Services 2.602% 21/05/2025	1,001,570	0.39	
1,000,000	Fidelity National Information Services 3.36% 21/05/2031	1,021,410	0.39	
1,950,000	First Abu Dhabi Bank 1.375% 19/02/2023	1,897,896	0.73	
1,500,000	Fiserv 2.25% 01/07/2025	1,473,750	0.57	
1,500,000	Ford Motor Credit 4.535% 06/03/2025	1,140,000	0.44	
900,000	Friends Life 8.25% 21/04/2022	998,280	0.39	
2,200,000	Gatwick Funding 3.125% 28/09/2041	1,954,282	0.75	
900,000	GE Capital UK Funding Unlimited 4.125% 13/09/2023	916,830	0.35	
1,000,000	General Electric 5.25% 07/12/2028	1,120,830	0.43	
1,500,000	General Motors Financial 2.35% 03/09/2025	1,336,830	0.52	
2,500,000	Glencore Finance Europe 3.125% 26/03/2026	2,213,100	0.85	
1,800,000	Goldman Sachs 4.25% 29/01/2026	1,848,150	0.71	
1,100,000	Goldman Sachs 3.125% 25/07/2029	1,043,867	0.40	
EUR400,000	Grifols 2.25% 15/11/2027	340,254	0.13	
1,500,000	Hammerson 3.5% 27/10/2025	1,308,210	0.51	
1,000,000	Heathrow Finance 4.75% 01/03/2024	945,370	0.37	
1,000,000	Heathrow Funding 6.45% 10/12/2031	1,303,770	0.50	
1,000,000	Heathrow Funding 2.75% 09/08/2051	812,590	0.31	
1,025,000	Hiscox 6.125% 24/11/2045	1,031,581	0.40	
2,500,000	HSBC 2.256% 13/11/2026	2,388,825	0.92	
2,000,000	HSBC 5.75% 20/12/2027	2,222,080	0.86	
1,000,000	Imperial Brands Finance 9% 17/02/2022	1,097,800	0.42	
2,000,000	Industrial & Commercial Bank of China 1.5% 31/07/2022	1,965,840	0.76	
EUR200,000	INEOS Finance 2.125% 15/11/2025	152,385	0.06	
1,100,000	Informa 3.125% 05/07/2026	1,091,959	0.42	
1,500,000	ING 3% 18/02/2026	1,461,210	0.56	
900,000	innogy Finance 4.75% 31/01/2034	1,076,706	0.42	
800,000	innogy Finance 6.125% 06/07/2039	1,150,680	0.44	
EUR600,000	International Game Technology 3.5% 15/06/2026	396,910	0.15	
2,000,000	Intesa Sanpaolo 5.25% 28/01/2022	2,089,880	0.81	
2,100,000	Intesa Sanpaolo 2.5% 15/01/2030	1,817,214	0.70	
EUR500,000	Intrum 3.125% 15/07/2024	317,498	0.12	
1,000,000	Kreditanstalt fuer Wiederaufbau 0.875% 15/09/2026	1,041,430	0.40	
750,000	Legal & General 5.375% 27/10/2045	1,005,940	0.39	
500,000	Legal & General 5.5% 27/06/2064	774,998	0.30	
2,000,000	Lloyds Bank 7.625% 22/04/2025	478,700	0.18	
2,000,000	Lloyds Banking 2.25% 16/10/2024	2,328,480	0.90	
2,000,000	Lloyds Banking 1.875% 15/01/2026	1,922,720	0.74	
2,000,000	Logicor 2019-1 1.875% 17/11/2026	1,873,360	0.72	
500,000	Logicor Financing 2.75% 15/01/2030	1,932,520	0.75	
2,100,000	London & Quadrant Housing Trust 2.625% 28/02/2028	455,480	0.18	

Sterling Corporate Bond Fund

Portfolio Statement (continued)

AS AT 31 MARCH 2020 (UNAUDITED)

Nominal in GBP unless stated	Investments	Market Value (£)	% of Net Asset Value 31 Mar 2020	% of Net Asset Value 30 Sep 2019
Corporate Bonds – 90.56% (continued)				
1,000,000	London Power Networks 2.625% 01/03/2029	1,013,230	0.39	
1,000,000	LVMH Moet Hennessy Louis Vuitton 1% 11/02/2023	973,140	0.38	
2,000,000	LVMH Moet Hennessy Louis Vuitton 1.125% 11/02/2027	1,865,980	0.72	
1,250,000	M&G 5.625% 20/10/2051	1,217,288	0.47	
400,000	M&G 5.56% 20/07/2055	368,700	0.14	
EUR600,000	Mauser Packaging Solutions 4.75% 15/04/2024	448,520	0.17	
1,000,000	McKesson 3.125% 17/02/2029	962,890	0.37	
200,000	MDGH - GMTN 6.875% 14/03/2026	251,152	0.10	
1,000,000	Metropolitan Life Global Funding I 1.625% 21/09/2029	913,470	0.35	
500,000	MPT Operating Partnership / MPT Finance 2.55% 05/12/2023	488,245	0.19	
1,000,000	Muenchener Rueckversicherungs-Gesellschaft 6.625% 26/05/2042	1,076,940	0.42	
1,500,000	National Express 2.5% 11/11/2023	1,434,600	0.55	
800,000	National Grid Electricity Transmission 2.75% 06/02/2035	843,352	0.33	
2,000,000	Nationwide Building Society 1% 24/01/2023	1,899,960	0.73	
1,000,000	New York Life Global Funding 1.625% 15/12/2023	979,930	0.38	
1,000,000	New York Life Global Funding 1.25% 17/12/2026	914,860	0.35	
800,000	NGG Finance 5.625% 18/06/2073	838,520	0.32	
500,000	Northern Electric Finance 2.75% 24/05/2049	532,475	0.21	
700,000	NWEN Finance 5.875% 21/06/2021	714,000	0.28	
1,000,000	Orange 3.25% 15/01/2032	1,051,150	0.41	
600,000	Petrobras Global Finance 5.375% 01/10/2029	528,258	0.20	
2,200,000	Petroleos Mexicanos 3.75% 16/11/2025	1,697,322	0.66	
300,000	Pinewood Finance 3.25% 30/09/2025	275,529	0.11	
275,000	Porterbrook Rail Finance 7.125% 20/10/2026	338,156	0.13	
449,000	QBE Insurance 6.115% 24/05/2042	472,465	0.18	
EUR1,150,000	Q-Park 1.5% 01/03/2025	859,418	0.33	
2,000,000	Quadgas Finance 3.375% 17/09/2029	2,024,580	0.78	
2,000,000	Royal Bank of Scotland 3.125% 28/03/2027	1,939,900	0.75	
2,100,000	Santander UK 2.92% 08/05/2026	2,071,902	0.80	
225,000	Santander UK 6.5% 21/10/2030	275,249	0.11	
1,000,000	Scottish Hydro Electric Transmission 2.25% 27/09/2035	926,710	0.36	
100,000	Scottish Widows 5.5% 16/06/2023	105,837	0.04	
1,500,000	Segro 2.875% 11/10/2037	1,469,263	0.57	
1,000,000	Severn Trent Utilities Finance 2.75% 05/12/2031	1,041,710	0.40	
1,000,000	Siemens Financieringsmaatschappij 1% 20/02/2025	950,490	0.37	
EUR500,000	Silgan 2.25% 01/06/2028	388,501	0.15	
1,350,000	Skipton Building Society 1.75% 30/06/2022	1,321,664	0.51	
1,000,000	Southern Gas Networks 3.1% 15/09/2036	1,071,430	0.41	
1,000,000	SP Transmission 2% 13/11/2031	954,100	0.37	
500,000	Stagecoach 4% 29/09/2025	487,040	0.19	
EUR550,000	Standard Industries 2.25% 21/11/2026	378,381	0.15	
EUR550,000	Techem Verwaltungsgesellschaft 675 mbH 2% 15/07/2025	454,014	0.18	
EUR305,000	Telecom Italia 2.375% 12/10/2027	237,169	0.09	
EUR200,000	Telecom Italia Finance 7.75% 24/01/2033	228,136	0.09	
258,538	Tesco Property Finance 7.6227% 13/07/2039	359,791	0.14	
EUR300,000	Teva Pharmaceutical Finance Netherlands 1.625% 15/10/2028	202,486	0.08	
1,000,000	Total Capital International 1.405% 03/09/2031	866,000	0.33	
1,000,000	Toyota Motor Finance Netherlands 1.375% 23/05/2023	975,360	0.38	
1,000,000	United Utilities Water Finance 1.75% 10/02/2038	889,590	0.34	
2,000,000	University of Oxford 2.544% 08/12/2117	2,345,300	0.91	
1,000,000	Verizon Communications 2.5% 08/04/2031	982,920	0.38	
1,300,000	Verizon Communications 3.125% 02/11/2035	1,332,318	0.51	
1,200,000	Vinci 2.25% 15/03/2027	1,227,912	0.47	
625,000	Virgin Media Receivables Financing Notes II 5.75% 15/04/2023	599,694	0.23	
1,500,000	Virgin Money 4% 25/09/2026	1,396,005	0.54	
700,000	Vodafone 3% 12/08/2056	612,234	0.24	
2,000,000	Vodafone 4.875% 03/10/2078	1,938,560	0.75	
1,300,000	Volkswagen Financial Services 1.625% 09/06/2022	1,260,129	0.49	
1,500,000	Volkswagen Financial Services 1.625% 30/11/2022	1,436,265	0.55	
1,200,000	Volkswagen Financial Services 1.625% 10/02/2024	1,114,836	0.43	
1,500,000	Volkswagen International Finance 4.125% 17/11/2031	1,419,300	0.55	
1,100,000	Wellcome Trust 2.517% 07/02/2118	1,231,538	0.48	

Sterling Corporate Bond Fund

Portfolio Statement (continued)

AS AT 31 MARCH 2020 (UNAUDITED)

	Nominal in GBP unless stated	Investments	Market Value (£)	% of Net Asset Value 31 Mar 2020	% of Net Asset Value 30 Sep 2019
Corporate Bonds – 90.56%					
(continued)					
	1,200,000	Wells Fargo 1.375% 30/06/2022	1,159,992	0.45	
	1,500,000	Wells Fargo 2.5% 02/05/2029	1,429,845	0.55	
	1,000,000	Wessex Water Services Finance 1.5% 17/09/2029	937,590	0.36	
	1,500,000	Western Power Distribution South West 2.375% 16/05/2029	1,471,035	0.57	
	1,000,000	Westfield America Management 2.625% 30/03/2029	974,400	0.38	
	1,500,000	WPP Finance 2.875% 14/09/2046	1,099,620	0.42	
	1,500,000	Yorkshire Building Society 3.5% 21/04/2026	1,563,375	0.60	
	500,000	Yorkshire Building Society 3.375% 13/09/2028	457,350	0.18	
	525,000	Yorkshire Housing Finance 4.125% 31/10/2044	654,402	0.25	
	2,500,000	Yorkshire Water Finance 1.75% 26/11/2026	2,435,075	0.94	
			234,482,324	90.56	88.18
Floating Bonds – 1.69%					
	936,098	Dukinfield 2 1.7866% 20/12/2052	934,724	0.36	
	705,330	Eurosai-UK 2007-4BL 1.4555% 13/06/2045	680,186	0.26	
	249,120	Farringdon Mortgages No 2 2.225% 15/07/2047	233,086	0.09	
	284,857	ResLoC UK 2007-1 0.7068% 15/12/2043	248,901	0.10	
	527,077	Ribbon Finance 2018 2.4491% 20/04/2028	506,703	0.20	
	1,800,000	Taurus 2018-2 UK 1.835% 22/05/2028	1,760,857	0.68	
			4,364,457	1.69	2.19
Government Bonds – 0.81%					
	700,000	Italy Government International Bond 6% 04/08/2028	857,815	0.33	
	1,000,000	Korea Development Bank 1.75% 15/12/2022	996,190	0.39	
	225,000	Mexico Government International Bond 5.625% 19/03/2114	236,250	0.09	
			2,090,255	0.81	1.75
Perpetual Call Bonds – 3.14%					
	EUR1,500,000	ASR Nederland 5%	1,313,701	0.51	
	300,000	Aviva 6.125%	292,062	0.11	
	EUR400,000	Cooperatieve Rabobank 4.625%	308,523	0.12	
	250,000	Direct Line Insurance Group 4.75%	183,312	0.07	
	300,000	Electricite de France 6%	285,030	0.11	
	1,500,000	HSBC Holdings 5.875%	1,325,775	0.51	
	EUR600,000	Lloyds Banking 6.375%	486,285	0.19	
	100,000	National Westminster Bank 7.125%	111,000	0.04	
	1,000,000	Orange 5.75%	1,016,900	0.39	
	750,000	Pennon Group 2.875%	736,560	0.29	
	500,000	Santander UK 7.375%	408,325	0.16	
	EUR1,000,000	Solvay Finance 5.118%	885,960	0.34	
	750,000	Zurich Finance 6.625%	768,458	0.30	
			8,121,891	3.14	3.59
Supra-national Borrowers – 2.05%					
	1,000,000	European Investment Bank 1% 21/09/2026	1,012,430	0.39	
	1,000,000	European Investment Bank 5.625% 07/06/2032	1,526,500	0.59	
	1,400,000	European Investment Bank 4.625% 12/10/2054	2,768,696	1.07	
			5,307,626	2.05	2.64

Sterling Corporate Bond Fund

Portfolio Statement (continued)

AS AT 31 MARCH 2020 (UNAUDITED)

Forward Currency Exchange Contracts – 0.38%

Currency Purchased	Amount Purchased	Currency Sold	Amount Sold	Maturity Date	Counterparty	Unrealised Gains/(Loss)	% of Net Asset Value 31 Mar 2020	% of Net Asset Value 30 Sep 2019
GBP	19,373,991	EUR	20,670,000	12/06/2020	Barclays Bank	1,036,951	0.40	
GBP	836,217	EUR	937,227	12/06/2020	Barclays Bank	4,772	–	
GBP	1,046,657	USD	1,230,000	17/06/2020	Canadian Imperial Bank of Commerce	52,878	0.02	
Unrealised gain on Forward Currency Exchange Contracts						1,094,601	0.42	
EUR	3,330,000	GBP	3,039,894	12/06/2020	HSBC Bank	(85,741)	(0.04)	
EUR	231,472	GBP	217,863	12/06/2020	BNP Paribas	(12,516)	–	
Unrealised loss on Forward Currency Exchange Contracts						(98,257)	(0.04)	
Net Unrealised gain on Forward Currency Exchange Contracts						996,344	0.38	(0.02)

Futures Contracts - (0.10)%

Counterparty	Currency	Number of Contracts	Security Description		
Goldman Sachs	EUR	(45)	Euro Bobl Futures June 2020	28,223	0.01
Goldman Sachs	EUR	(26)	Euro Bund Futures June 2020	56,429	0.02
Goldman Sachs	GBP	(143)	UK Long Gilt Bond Futures June 2020	(272,135)	(0.11)
Goldman Sachs	USD	(13)	US 5 Year Note Futures June 2020	(45,889)	(0.02)
				(233,372)	(0.10)
Portfolio of investments				255,129,525	98.53
Net other assets				3,806,005	1.47
Net assets				258,935,530	100.00

Rating Block	Market value (£)
AAA+	13,266,171
AA+	3,145,090
AA	8,112,607
AA-	3,786,726
A+	10,300,057
A	19,779,632
A-	39,274,044
BBB+	65,631,059
BBB	52,679,565
BBB-	22,634,664
BB+	6,779,291
BB	2,869,652
BB-	2,819,331
B+	862,339
B	1,411,170
CCC	278,595
Unrated	736,560
Portfolio of investments*	254,366,553

* Excludes Futures and Forward contracts.
Source: Bloomberg composite.

Sterling Corporate Bond Fund

Statement of Total Return

FOR THE SIX MONTH PERIOD ENDED 31 MARCH 2020 (UNAUDITED)

	31 Mar 2020 (£)	31 Mar 2020 (£)	31 Mar 2019 (£)	31 Mar 2019 (£)
Income				
Net capital (losses)/gains		(23,278,571)		3,965,888
Revenue	4,007,980		3,762,868	
Expenses	(390,967)		(315,216)	
Interest payable and similar charges	(1,386)		(334)	
Net revenue before taxation	3,615,627		3,447,318	
Taxation	-		-	
Net revenue after taxation		3,615,627		3,447,318
Total return before distributions		(19,662,944)		7,413,206
Distributions		(3,616,218)		(3,447,373)
Change in net assets attributable to shareholders from investment activities		(23,279,162)		3,965,833

Statement of Change in Net Assets Attributable to Shareholders

FOR THE SIX MONTH PERIOD ENDED 31 MARCH 2020 (UNAUDITED)

	31 Mar 2020 (£)	31 Mar 2020 (£)	31 Mar 2019 (£)	31 Mar 2019 (£)
Opening net assets attributable to shareholders		284,836,643		223,559,822
Amounts receivable on issue of shares	31,799,395		37,600,175	
Amounts payable on cancellation of shares	(35,685,083)		(11,569,405)	
		(3,885,688)		26,030,770
Dilution adjustment charged		139,358		71,038
Change in net assets attributable to shareholders from investment activities		(23,279,162)		3,965,833
Retained distribution on accumulation shares		1,124,379		1,021,508
Closing net assets attributable to shareholders		258,935,530		254,648,971

Comparatives are for the six months to 31 March 2019.

Balance Sheet

AS AT 31 MARCH 2020 (UNAUDITED)

	31 Mar 2020 (£)	31 Mar 2020 (£)	30 Sep 2019 (£)	30 Sep 2019 (£)
Assets				
Investment assets		255,545,806		280,211,803
Debtors	5,413,555		5,637,489	
Cash and bank balances	1,220,474		7,052,964	
Total other assets		6,634,029		12,690,453
Total assets		262,179,835		292,902,256
Liabilities				
Investment liabilities		416,281		283,092
Creditors	1,367,934		6,261,803	
Bank overdrafts	7		-	
Distribution payable on income shares	1,460,083		1,520,718	
Total other liabilities		2,828,024		7,782,521
Total liabilities		3,244,305		8,065,613
Net assets attributable to shareholders		258,935,530		284,836,643

The interim financial statements have been prepared in accordance with the Statement of Recommended Practice for Authorised Funds issued by the Investment Association in May 2014.

The accounting policies applied are consistent with those of the annual financial statement for the year ended 30 September 2019 and are described in those annual financial statements.

Sterling Corporate Bond Fund

Distribution Tables

FOR THE SIX MONTH PERIOD ENDED 31 MARCH 2020 (UNAUDITED)

INTERIM DISTRIBUTION IN PENCE PER SHARE

Group 1: shares purchased prior to 1 October 2019

Group 2: shares purchased between 1 October 2019 and 31 March 2020

	Gross revenue (p)	Equalisation (p)	Distribution payable 31 May 2020 (p)	Distribution paid/accumulated 31 May 2019 (p)
Share Class A – Accumulation				
Group 1	–	–	–	27.1278
Group 2	–	–	–	27.1278
Share Class A – Income				
Group 1	–	–	–	17.0901
Group 2	–	–	–	17.0901
Share Class I – Accumulation				
Group 1	34.0550	–	34.0550	37.6772
Group 2	16.1627	17.8923	34.0550	37.6772
Share Class I – Income				
Group 1	19.2705	–	19.2705	21.9154
Group 2	9.9237	9.3468	19.2705	21.9154

INTERIM DISTRIBUTION IN PENCE PER SHARE

Group 1: shares purchased prior to 1 October 2019

Group 2: shares purchased between 1 October 2019 and 31 October 2019

	Gross revenue (p)	Equalisation (p)	Distribution paid/accumulated 31 Dec 2019 (p)	Distribution paid/accumulated 31 Dec 2018 (p)
Share Class F – Accumulation				
Group 1	0.3012	–	0.3012	0.3914
Group 2	0.1094	0.1918	0.3012	0.3914
Share Class F – Income				
Group 1	0.2610	–	0.2610	0.3458
Group 2	0.1353	0.1257	0.2610	0.3458

Sterling Corporate Bond Fund

Distribution Tables (continued)

FOR THE SIX MONTH PERIOD ENDED 31 MARCH 2020 (UNAUDITED)

INTERIM DISTRIBUTION IN PENCE PER SHARE

Group 1: shares purchased prior to 1 November 2019

Group 2: shares purchased between 1 November 2019 and 30 November 2019

	Gross revenue (p)	Equalisation (p)	Distribution paid/accumulated 31 Jan 2020 (p)	Distribution paid/accumulated 31 Jan 2019 (p)
Share Class F – Accumulation				
Group 1	0.2684	–	0.2684	0.3061
Group 2	0.1084	0.1600	0.2684	0.3061
Share Class F – Income				
Group 1	0.2309	–	0.2309	0.2707
Group 2	0.1020	0.1289	0.2309	0.2707

INTERIM DISTRIBUTION IN PENCE PER SHARE

Group 1: shares purchased prior to 1 December 2019

Group 2: shares purchased between 1 December 2019 and 31 December 2019

	Gross revenue (p)	Equalisation (p)	Distribution paid/accumulated 29 Feb 2020 (p)	Distribution paid/accumulated 28 Feb 2019 (p)
Share Class F – Accumulation				
Group 1	0.2943	–	0.2943	0.2576
Group 2	0.1521	0.1422	0.2943	0.2576
Share Class F – Income				
Group 1	0.2528	–	0.2528	0.2297
Group 2	0.1152	0.1376	0.2528	0.2297

INTERIM DISTRIBUTION IN PENCE PER SHARE

Group 1: shares purchased prior to 1 January 2020

Group 2: shares purchased between 1 January 2020 and 31 January 2020

	Gross revenue (p)	Equalisation (p)	Distribution paid/accumulated 31 Mar 2020 (p)	Distribution paid/accumulated 31 Mar 2019 (p)
Share Class F – Accumulation				
Group 1	0.2690	–	0.2690	0.3074
Group 2	0.1163	0.1527	0.2690	0.3074
Share Class F – Income				
Group 1	0.2285	–	0.2285	0.2707
Group 2	0.0769	0.1516	0.2285	0.2707

Sterling Corporate Bond Fund

Distribution Tables (continued)

FOR THE SIX MONTH PERIOD ENDED 31 MARCH 2020 (UNAUDITED)

INTERIM DISTRIBUTION IN PENCE PER SHARE

Group 1: shares purchased prior to 1 February 2020

Group 2: shares purchased between 1 February 2020 and 29 February 2020

	Gross revenue (p)	Equalisation (p)	Distribution payable 30 Apr 2020 (p)	Distribution paid/accumulated 30 Apr 2019 (p)
Share Class F – Accumulation				
Group 1	0.2525	–	0.2525	0.2820
Group 2	0.1051	0.1474	0.2525	0.2820
Share Class F – Income				
Group 1	0.2159	–	0.2159	0.2477
Group 2	0.0963	0.1196	0.2159	0.2477

INTERIM DISTRIBUTION IN PENCE PER SHARE

Group 1: shares purchased prior to 1 March 2020

Group 2: shares purchased between 1 March 2020 to 31 March 2020

	Gross revenue (p)	Equalisation (p)	Distribution payable 31 May 2020 (p)	Distribution paid/accumulated 31 May 2019 (p)
Share Class F – Accumulation				
Group 1	0.3059	–	0.3059	0.3035
Group 2	0.1690	0.1369	0.3059	0.3035
Share Class F – Income				
Group 1	0.2611	–	0.2611	0.2661
Group 2	0.1272	0.1339	0.2611	0.2661

EQUALISATION

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

Share Classes A were converted to Share Classes I on 5 November 2019.

Further information

REPORTS & ACCOUNTS

The annual and semi-annual report is available at our website www.morganstanleyfunds.co.uk or by writing to Morgan Stanley Investment Management (ACD) Limited, 25 Cabot Square, Canary Wharf, London E14 4QA.

UCITS V

The Company is an Undertaking for Collective Investment in Transferable Securities (“UCITS V”) for the purpose of the Council Directive 2009/65/EC as amended by Directive 2014/91/EU and transposed into UK law on 18 March 2016.

PROSPECTUS

The Fund Prospectus, an important document describing each Fund in detail, is available from the ACD, which is responsible for the management and administration of the Funds.

The ACD for Morgan Stanley Funds (UK) is Morgan Stanley Investment Management (ACD) Limited, located at 25 Cabot Square, Canary Wharf, London E14 4QA.

TYPES OF SHARE AVAILABLE

Each of the Funds of Morgan Stanley Funds (UK) offers two classes of shares: Class I shares and Class F shares.

Portfolio Hedged Share Classes may be made available from time to time by the ACD.

Details of the Shares presently available for each Fund are set out in this table:

Fund Name	Share Classes and type of Share available
Global Brands Fund	I Income and Accumulation Shares and I Income and Accumulation (Portfolio Hedged) Shares
Global Brands Equity Income Fund	I and F Income and Accumulation Shares
Global Sustain Fund	I and F Income and Accumulation Shares and I and F Accumulation (Portfolio Hedged) Shares
US Advantage Fund	I and F Accumulation Shares and I and F Accumulation (Portfolio Hedged) Shares
Sterling Corporate Bond Fund	I and F Income and Accumulation Shares

The share classes are differentiated in terms of minimum initial and subsequent investment required and the annual management charge.

HEDGED SHARE CLASSES

Portfolio Hedged Share Classes seek to reduce exposure to currency movements between the Hedged Share Class Currency and the Fund’s Investment Currencies. This involves hedging the Fund’s Investment Currencies back to the Hedged Share Class Currency without reference to its Reference Currency.

There is no segregation of liabilities between the different share classes of the same Fund. As such, under certain conditions,

there is a remote risk that transactions specific to a Hedged Share Class could result in liabilities which may exceed the assets of that Hedged Share Class. In such a scenario, any excess liabilities could adversely impact the Net Asset Value of other share classes within the same Fund, as the assets of other share classes would be exposed to the excess liabilities of the Hedged Share Class. The ACD has put in place a number of measures and controls as part of its risk management framework in order to prevent such an event, hence the risk of such ‘cross contamination’ is considered by the ACD to be extremely low.

The hedging strategies adopted at the period end are as follows:

Fund Name	Hedged Share Class(es)	Hedging Strategy
Global Brands Fund	I Hedge Income and Accumulation	Portfolio Hedged Share Class
Global Sustain Fund	I and F Hedge Accumulation	Portfolio Hedged Share Class
US Advantage Fund	I and F Hedge Accumulation	Portfolio Hedged Share Class

MINIMUM INVESTMENT

For I shares, there is no minimum initial investment and also no minimum for additional investment.

For Class F shares, a minimum initial investment of £150,000,000 is required, with no minimum additional investments.

MINIMUM REDEMPTION

The ACD may refuse a redemption request if the total value of the shares to be redeemed falls below £500 in respect of any share class.

SWITCHING

Investors may sell their shares and transfer the proceeds into any of the other Funds by calling our dealing desk on 0800 328 1571.

DISTRIBUTIONS

Income distributions of I and F share classes are allocated to shareholders at the end of each accounting period. The annual income allocation date is 30 September, the bi-annual income allocation dates are 31 March and 30 September and the quarterly income allocation dates are 31 March, 30 June, 30 September and 31 December and income is paid within 2 months following the end of each accounting period.

Income distributions of the F share class for Sterling Corporate Bond Fund are allocated to shareholders at the end of each month and paid within 2 months following the income allocation.

Income allocated in respect of Income and Accumulation Shares is automatically reinvested at no charge unless a shareholder elects to receive all the income allocation from the income share class in cash.

Further information (continued)

PUBLICATION OF PRICES

The most recent share prices will be published daily on our website www.morganstanleyfunds.co.uk.

CHARGES

A preliminary charge of 5.00% may be levied on the purchase of A shares in all Funds. Part or all of the preliminary charge may be waived at the Authorised Corporate Director's (ACD's) discretion.

No preliminary charge is, or will be, levied in respect of I or F shares.

On an exchange of Shares of one Class or Fund for Shares in another Class or Fund, the ACD may take a charge not exceeding the excess of the amount of the prevailing preliminary charge for the new shares being acquired over the preliminary charge levied on the acquisition of the original shares. There are no exit charges for Morgan Stanley Funds (UK). A proportion of the annual management charge is deducted from the net assets of each Fund on a daily basis. Charges for items such as administration, custody, and auditors fees are also deducted from each Fund.

SWING PRICING

To the extent that the ACD consider that it is in the best interests of Shareholders, taking into account factors including the prevailing market conditions, the level of subscriptions and redemptions in a particular Fund and the size of the Fund, the ACD may decide to adjust the Net Asset Value of a Fund to reflect the estimated dealing spreads, costs and charges ("Swing Factor") to be incurred by the Fund in liquidating or purchasing investments to satisfy the net transactions received in respect of a particular day.

The Swing Factor shall not exceed 1% of the Net Asset Value of the relevant Fund on the relevant day. When net subscriptions in a Fund exceed a certain threshold on a given day, the Net Asset Value is adjusted upwards by the Swing Factor. Similarly, when net redemptions in a Fund exceed a certain threshold on a given day, the Net Asset Value of the Fund is adjusted downwards by the Swing Factor.

The following funds apply the swing mechanism:

Global Brands Fund
Global Brands Equity Income Fund
Global Sustain Fund
US Advantage Fund
Sterling Corporate Bond Fund

IMPORTANT INFORMATION

Recipients of this document should not treat the contents as advice relating to legal, taxation or investment matters and should consult their own professional advisers concerning the acquisition, holding or disposing of investments in the Funds.

Past performance is not necessarily indicative of future performance and the value of the shares and income from them may fall as well as rise. On redemption of shares, the investor may receive back an amount less than the original amount of their investment. The assets of the Funds will be in a variety of currencies and therefore movements in the value of currencies may affect the value of an investor's holdings and the income from the holdings may fluctuate in value in money terms.

Issued by Morgan Stanley Investment Management (ACD) Limited, 25 Cabot Square, Canary Wharf, London E14 4QA, authorised and regulated by the Financial Conduct Authority.

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