True Potential OEIC 1 Annual Report

for the year ended 31 May 2023

Contents

Report of the Authorised Corporate Directors ('ACD')

True Potential Administration (trading name of True Potential Administration LLP), as ACD, presents herewith the True Potential OEIC 1 Annual Report for the year ended 31 May 2023.

True Potential OEIC 1 ('the Company') is an authorised open-ended investment company with variable capital ('ICVC') further to an authorisation order dated 4 February 2015. The Company is incorporated under registration number IC001025. It is a UCITS scheme complying with the investment and borrowing powers rules in the Collective Investment Schemes sourcebook ('COLL'), as published by the Financial Conduct Authority ('FCA').

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

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

The shareholders are not liable for the debts of the Company.

The Company has no Directors other than the ACD.

The base currency of the Company is UK sterling.

The Instrument of Incorporation can be inspected at the offices of the ACD.

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

Cross holdings

In the reporting period, no Sub-Fund held shares of any other Sub-Fund in the umbrella.

Investment objective and policy

The investment objective and policy of each Sub-Fund is disclosed within the Sub-investment Manager's report of the individual Sub-Funds.

Sub-Funds

There are currently twenty-one Sub-Funds available in the Company:

True Potential Close Brothers Cautious

True Potential Close Brothers Cautious Income

True Potential Close Brothers Balanced

True Potential Close Brothers Growth

True Potential SEI Defensive

True Potential SEI Cautious

True Potential SEI Balanced

True Potential SEI Growth

True Potential SEI Aggressive

True Potential UBS Defensive

True Potential UBS Cautious

True Potential UBS Balanced

True Potential UBS Growth

Sub-Funds (continued)

True Potential UBS Aggressive

True Potential 7IM Defensive

True Potential 7IM Cautious

True Potential 7IM Balanced

True Potential 7IM Growth

True Potential 7IM Aggressive

True Potential Goldman Sachs Income Builder

True Potential Goldman Sachs Balanced

Changes affecting the Company in the year

The method used to calculate global exposure has changed from the Commitment approach to Absolute Value at Risk (VaR).

The names of the Sub-Funds changed, as shown below, with effective date 1 September 2022.

Previous Name	New Name
True Potential Cautious 1	True Potential Close Brothers Cautious
True Potential Cautious 2 Income	True Potential Close Brothers Cautious Income
True Potential Balanced 1	True Potential Close Brothers Balanced
True Potential Growth 1	True Potential Close Brothers Growth
True Potential Income Builder 1	True Potential Goldman Sachs Income Builder
True Potential Balanced 4	True Potential Goldman Sachs Balanced
True Potential Defensive 2	True Potential SEI Defensive
True Potential Cautious 3	True Potential SEI Cautious
True Potential Balanced 2	True Potential SEI Balanced
True Potential Growth 2	True Potential SEI Growth
True Potential Aggressive 1	True Potential SEI Aggressive
True Potential Defensive 6	True Potential UBS Defensive
True Potential Cautious 6	True Potential UBS Cautious
True Potential Balanced 6	True Potential UBS Balanced
True Potential Growth 6	True Potential UBS Growth
True Potential Aggressive 6	True Potential UBS Aggressive
True Potential Defensive 7	True Potential 7IM Defensive
True Potential Cautious 7	True Potential 7IM Cautious
True Potential Balanced 7	True Potential 7IM Balanced
True Potential Growth 7	True Potential 7IM Growth
True Potential Aggressive 7	True Potential 7IM Aggressive

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

Brian Shearing

Executive Partner

True Potential Administration LLP

29 September 2023

Statement of the Authorised Corporate Director's Responsibilities

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

In preparing the financial statements the ACD is responsible for:

- selecting suitable accounting policies and then applying them consistently;
- making judgements and estimates that are reasonable and prudent;
- following UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland;
- complying with the disclosure requirements of the Statement of Recommended Practice for UK Authorised Funds published by The Investment Association in May 2014;
- keeping proper accounting records which enable it to demonstrate that the financial statements as prepared comply with the above requirements;
- assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern;
- using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so;
- such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error;
- taking reasonable steps for the prevention and detection of fraud and irregularities; and
- the maintenance and integrity of the Company's information on the ACD's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The ACD is responsible for the management of the Company in accordance with the Instrument of Incorporation, the Prospectus and COLL.

Statement of the Depositary's Responsibilities in Respect of the Scheme and Report of the Depositary to the Shareholders of TRUE POTENTIAL OEIC 1 ("the Company") for the Period Ended 31 May 2023.

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

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

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

The Depositary must ensure that:

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

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

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

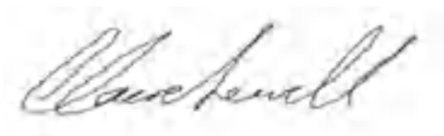
(i) has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Company's shares and the application of the Company's income in accordance with the Regulations and the Scheme documents of the Company; and

(ii) has observed the investment and borrowing powers and restrictions applicable to the Company.

HSBC Bank plc

This report is given on the basis that no breaches are subsequently advised to us before the distribution date. We therefore reserve the right to amend the report in the light of such circumstances.

Yours sincerely



Claire Sewell

Senior Manager Trustee & Depositary

29 September 2023

Independent Auditor's Report to the shareholders of True Potential OEIC 1 ('the company')

Opinion

We have audited the financial statements of True Potential OEIC 1 ("the Company") for the year ended 31 May 2023 which comprise the Statements of Total Return, Statements of Change in Net Assets Attributable to Shareholders, Balance Sheets, the related Notes to the Financial Statements, including significant accounting policies and the Distribution Tables. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Generally Accepted Accounting Practice including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". In our opinion the financial statements:

> give a true and fair view of the financial position of the Company at 31 May 2023 and of the net revenue and the net capital losses on the scheme property of the Company for the year then ended; and

> have been properly prepared in accordance with the IA Statement of Recommended Practice for Authorised Funds, the rules of the Collective Investment Schemes Sourcebook of the Financial Conduct Authority and the Instrument of Incorporation.

Basis for Opinion

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

Conclusions Relating to Going Concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

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

Other Information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Authorised Corporate Director is responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

We have nothing to report in this regard.

Opinion on Other Matters Prescribed by the COLL Regulations

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

> Proper accounting records for the Company have been kept and the accounts are in agreement with those records;

> We have received all the information and explanations which, to the best of our knowledge and belief, are necessary for the purposes of our audit; and

> The information given in the report of the Authorised Corporate Director for the year is consistent with the financial statements.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF TRUE POTENTIAL OEIC 1 (continued)

Responsibilities of the Authorised Corporate Director

As explained more fully in the Authorised Corporate Director's Responsibilities Statement set out on page 7, the Authorised Corporate Director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view and for such internal control as the Authorised Corporate Director determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

Extent the audit was considered capable of detecting irregularities, including fraud

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

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

All engagement team members were briefed on relevant identified laws and regulations and potential fraud risks at the planning stage of the audit. Engagement team members were reminded to remain alert to any indications of fraud or non-compliance with laws and regulations throughout the audit. We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The most relevant frameworks we identified include:

> UK Generally Accepted Accounting Practice including Financial Reporting Standard 102 and the IA Statement of Recommended Practice for Authorised Funds

> the Financial Conduct Authority’s Collective Investment Schemes Sourcebook

> the Company’s Prospectus

We gained an understanding of how the Company is complying with these laws and regulations by making enquiries of the Authorised Corporate Director. We corroborated these enquiries through our review of any relevant correspondence with regulatory bodies and the Company’s breaches register.

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

The following procedures were performed to provide reasonable assurance that the financial statements were free of material fraud or error:

> Performing audit work procedures over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business, review of a pre sign-off Net Asset Valuation (NAV) statement for any unexpected activity and reviewing judgements made by the Authorised Corporate Director in its calculation of accounting estimates for potential management bias;

> Using a third-party independent data source to assess the completeness of the special dividend population and determining whether special dividends recognised were revenue or capital in nature with reference to the underlying circumstances of the investee companies’ dividend payments;

> Assessing the Company’s compliance with the key requirements of the Collective Investment Schemes Sourcebook and its Prospectus.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF TRUE POTENTIAL OEIC 1 (continued)

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

Extent the audit was considered capable of detecting irregularities, including fraud (continued)

> Completion of appropriate checklists and use of our experience to assess the company’s compliance with the IA Statement of Recommended Practice for Authorised Funds; and

> Agreement of the financial statement disclosures to supporting documentation.

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

A further description of our responsibilities is available on the Financial Reporting Council’s website at: https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx. This description forms part of our auditor’s report.

Use of Our Report

This report is made solely to the Company's shareholders, as a body, in accordance with Rule 4.5.12 of the Collective Investment Schemes sourcebook ("the COLL Rules") issued by the Financial Conduct Authority under the Open-Ended Investment Companies Regulations 2001. Our audit work has been undertaken so that we might state to the Company's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Johnston Carmichael LLP

Johnston Carmichael LLP

Chartered Accountants

Statutory Auditor

Bishop's Court

29 Albyn Place

Aberdeen

AB10 1YL

29 September 2023

Accounting policies of True Potential OEIC 1
for the year ended 31 May 2023

The accounting policies relate to the Sub-Funds within the Company.

A Basis of accounting

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

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

B Valuation of investments

The purchase and sale of investments are included up to close of business on 31 May 2023, being the last business day.

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

Investments are stated at their fair value at the balance sheet date. In determining fair value, the valuation point is global close of business on 31 May 2023 with reference to quoted bid prices from reliable external sources.

Collective investment schemes are valued at the bid price for dual priced funds and at the single price for single priced funds.

Collective investment schemes within the portfolio are valued at the most recent published price prior to the close of business valuation on 31 May 2023.

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

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

Structured products are valued at fair value and calculated by an independent source.

C Foreign exchange

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

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

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

D Revenue

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

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

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

Distributions from collective investment schemes are recognised as revenue on the date the securities are quoted ex-dividend. Equalisation on distributions from collective investment schemes is deducted from the cost of the investment and does not form part of the Sub-Fund's distribution.

Distributions from collective investment schemes which are re-invested on behalf of the Sub-Fund are recognised as revenue on the date the securities are quoted ex-dividend and form part of the Sub-Fund's distribution.

Distributions from reporting offshore funds are recognised as revenue when the reported distribution rate is available and forms part of the Sub-Fund's distribution.

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

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

Interest on debt securities is recognised on an effective yield basis. Accrued interest purchased and sold on interest bearing securities is excluded from the capital cost of these securities and dealt with as part of the revenue of the Sub-

Funds. The amortised amounts are accounted for as revenue or as an expense and form part of the distributable revenue of the Sub-Funds.

Management fee rebates agreed in respect of holdings in other collective investment schemes are recognised on an accruals basis and are allocated to revenue or capital being determined by the allocation of the expense in the collective investment scheme held.

Ordinary scrip dividends are recognised wholly as revenue on the basis of the market values of the shares on the date that they are quoted ex-dividend. Where an enhancement is offered the amount by which the market value of the shares on the date they are quoted ex-dividend exceeds the cash dividend is taken to capital. The ordinary element of scrip dividends is treated as revenue and forms part of the Sub-Fund's distributions.

E Expenses

In respect of the following Sub-Fund, all expenses are charged against revenue, other than those relating to the purchase and sale of investments:

True Potential Close Brothers Balanced

True Potential Close Brothers Cautious

True Potential Close Brothers Growth

True Potential SEI Defensive

True Potential 7IM Aggressive

True Potential 7IM Growth

True Potential UBS Aggressive

True Potential UBS Balanced

True Potential UBS Cautious

True Potential UBS Defensive

True Potential UBS Growth

In respect of the following Sub-Funds, all expenses, other than those relating to the purchase and sale of investments, are charged to the relevant share class against revenue and are then reallocated to capital, net of any tax effect:

True Potential Close Brothers Cautious Income

True Potential SEI Balanced

True Potential SEI Cautious

True Potential SEI Growth

True Potential SEI Aggressive

True Potential 7IM Cautious

True Potential 7IM Defensive

True Potential Goldman Sachs Income Builder

True Potential Goldman Sachs Balanced

In respect of True Potential 7IM Balanced, all expenses, with the exemption of those expenses directly relating to the purchase and sale of investment, which are charged to the capital property of the Sub-Fund, are charged to revenue then 50% of these expenses on an accrual basis are reallocated to capital, net of any tax affect.

Bank interest paid is charged to revenue.

F Allocation of revenue and expenses to multiple types of share

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

G Taxation

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

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

Deferred taxation is provided in full on timing differences that result in an obligation at 31 January 2023 to pay more or less tax, at a future date, at rates expected to apply when they crystallise based on current rates and tax laws. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax assets and liabilities are not discounted.

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

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

When a disposal of a holding in a non-reporting offshore fund is made, any gain is an offshore income gain and tax will be charged to capital. There may be instances where tax relief is due to revenue for the utilisation of excess management expenses.

H Efficient Portfolio Management

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

I Dilution adjustment

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

J Distribution policies

i Basis of distribution

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

ii Unclaimed distributions

Distributions to shareholders outstanding after 6 years are taken to the capital property of the Sub-Fund.

iii Revenue

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

iv Expenses

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

v Equalisation

Group 2 shares are shares purchased on or after the previous XD date and before the current XD date. Equalisation applies only to group 2 shares. Equalisation is the average amount of revenue included in the purchase price of 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 in the hands of the shareholders but must be deducted from the cost of shares for capital gains tax purposes. Equalisation per share is disclosed in the Distribution table.

TPI Chief Investment Officer's foreword and commentary

The sub-delegate reports that follow are provided by True Potential Investments LLP's appointed sub-delegates Close Brothers Asset Management (trading name of Close Asset Management Limited), SEI Investment Management Corporation, Seven Investment Management LLP, UBS Asset Management (UK) Ltd and Goldman Sachs Asset Management International. Each provides multi-asset solutions using different approaches. The period covered is from 1 June 2022 to 31 May 2023.

The sub-delegates, Close Brothers Asset Management, SEI Investment Management Corporation, Goldman Sachs Asset Management International (for True Potential Goldman Sachs Balanced and True Potential Goldman Sachs Income Builder) and Seven Investment Management LLP managed funds continuously throughout the period. Close Brothers Asset Management invest directly into stocks selected by them and on occasion use collectives to gain additional diversification in asset classes they do not actively manage themselves. SEI Investment Management Corporation construct multi-asset portfolios based on Strategic asset allocations (SAA) and they select external managers to manage the allocations tactically with a view to enhancing long term returns. The SEI Investment Management Corporation approach is often referred to as manager of managers.

UBS Asset Management (UK) Ltd use a mainly passive approach. They have a single highly diversified portfolio, they add equity futures to increase exposure to equities cost effectively and they use cash and bonds to manage liquidity and interest rate sensitivity. Seven Investment Management LLP offer multi-asset portfolios and use passive instruments including factor-based passives, but the asset allocation is actively managed.

Goldman Sachs Asset Management International's (True Potential Goldman Sachs Income Builder) approach is one of direct investment into both equities and bonds selected by them to offer a regular monthly income and exhibit lower volatility than world equities. Goldman Sachs Asset Management International (True Potential Goldman Sachs Balanced) invest in a wide range of instruments to provide growth using both an active and passive approach. Although mainly invested into equities and bonds, they also have a huge amount of expertise in alternative investing, offering extra diversification as we move through the market cycle. The investment objectives and the actions undertaken by sub-delegate are explained in more detail within the sub-delegates reports.
The period was dominated by continued high inflation. To combat this, central banks in developed markets further moved away from loose monetary policy with significant policy tightening, as interest rates are increased.

Over the twelve months, equity returns have been mixed with bond markets challenged. Within equities, Japanese equities were particularly strong, benefiting from investor interest due to favourable valuation levels and more shareholder friendly companies. In a reversal of what happened in the previous twelve month period, "growth" as a style outperformed value, with anything related to artificial intelligence enjoying very strong returns at the start of '23. Within fixed income, shorter dated paper provided relatively better returns due to its lower sensitivity to rising interest rates.

Within the sub-delegates reports, the performance of the Sub-Funds managed for True Potential Investments LLP by SEI Investment Management Corporation struggled due to the large exposure to value as a style within the equity allocation. Close Brothers Asset Management's higher weighting to US stocks was beneficial leading to good relative returns. Seven Investment Management LLP's positioning within alternative assets helped with overall returns. The CARS position and large weight to emerging market equities pulled back on the overall returns of UBS Asset Management (UK) Ltd. Goldman Sachs Asset Management International's (True Potential Goldman Sachs Income Builder) relatively low weight to equity hindered returns. Goldman Sachs Asset Management International's (True Potential Goldman Sachs Balanced) alternative assets held were additive to overall return, particularly the GS Trend fund.

Looking ahead, it is clear we are moving closer to the end of interest rate hiking cycle with inflation, although still elevated, becoming more contained. Our sub-delegates are focussed on diversification by both region and asset class, helping to position funds through different market scenarios.

True Potential Investment LLP

1st August 2023

True Potential Close Brothers Cautious
Sub-investment Manager's report

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

Investment Objective and Policy

The investment objective of the Sub-Fund is to achieve income and moderate capital growth, investing primarily in equities and fixed income securities. The Sub-Fund may also invest in money market instruments and deposits, cash and near cash and other permitted transferable securities. Exposure to the above asset classes may be gained through investment in collective investment schemes and transferable securities (including closed ended and exchange traded funds). There are no geographic restrictions on the investments in the Sub-Fund.

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

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

Sub-Investment Activities

Global equity markets returned positive performance, +2.6% in sterling terms, with gains helped by the depreciation of the currency and bond markets, as measured by the sterling broad market index, fell -14% (source: FE analytics). The Fund returned -2.3% over the year, outperforming the IA Mixed Investment 20-60% peer group by 0.8%, with the currency overlay detracting (source: Bloomberg).

Broadly, volatility in major asset classes can be characterised by inflation, central bank policy rate action and the business cycle signalling an economic slowdown. Initial market volatility in summer 2022 was dictated by the tone of the US Federal Reserve (Fed), with a market rally dampened by the bank's chairman Jerome Powell confirming his commitment to bringing "some pain to households and businesses" in order to tame inflation. Signs of inflation easing in autumn gave strength to both equity and bond markets, only to partially unwind in December as the recessionary implications of the speed of Fed interest rate hikes (zero to five percent) within the space of a year set in. Despite this, in 2023 equities rallied as the valuation impact of falling yields outweighed the decline in company earnings from slowing economic growth. In step with 2022, market strength then faltered. Choppy data fuelled volatility for the remainder of the period: lingering inflation and a still strong labour market countered weaker incoming industrial data, reigniting concern that interest rates may have further to rise.

In this market we maintained our cautious positioning – taking advantage of market rallies to sell cyclical and buy defensive equities. To this, we divested positions in economically exposed business models including Ashtead, Partners Group, Prudential, AIA, Ferguson and Ally Financial and added to defensive business models which had derated to attractive valuations such RELX, Wolters Kluwer and the US insurance brokers. New positions added through the period included those whose growth profiles remain strong, and the stock had relatively underperformed such as: Nestlé, Pernod Ricard, Tokyo Electron, TSMC, Alcon, Becton Dickinson, Singapore Exchange, IMCD, Merck and Casey's General Stores. In fixed income activity included adding to corporate bonds, where investment grade yields were attractive relative to stock returns, and adding cash to money market funds, which offered an attractive yield for no duration risk. With rising conviction that yields have peaked, we swapped some equities for physical gold ETCs – which don't have earnings risk – and started to invest cash into longer term Treasury bonds, which will benefit from interest rate cuts in a recession as a way to protect capital. In summary, we furthered our equity underweight with a bias towards defensives over cyclicals, and increased our allocation to alternatives and fixed income.

Investment Strategy and Outlook

Looking ahead, we are waiting for final confirmation that the US is entering recession before moving longer duration. We are looking to buy new cyclical equities on profit warnings, where the business models are competitively advantaged yet economically sensitive, and add to corporate bonds into any selloff.

Close Asset Management Limited - a sub-delegate of True Potential Investments LLP

19 June 2023

Portfolio changes

for the year ended 31 May 2023

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

	Cost
Purchases:	£000s
Royal London Short-Term Money Market Fund	27,274
UK Treasury Gilt 0.125% 31/01/2023	19,824
BlackRock ICS Sterling Liquidity Fund	19,809
UK Treasury Gilt 0.75% 22/07/2023	19,251
US Treasury Gilt 0.375% 30/09/2027	17,335
US Treasury Gilt 1.875% 15/02/2032	14,147
US Treasury Gilt 2.875% 15/05/2032	13,939
Insight Liquidity Funds - Sterling Liquidity Fund	11,269
US Treasury Gilt 1.625% 15/05/2031	10,027
US Treasury Gilt 2.875% 15/05/2052	8,871
Subtotal	161,746
Total cost of purchases, including the above, for the year	286,745

	Proceeds
Sales:	£000s
Royal London Short-Term Money Market Fund	27,384
UK Treasury Gilt 0.125% 31/01/2023	19,997
BlackRock ICS Sterling Liquidity Fund	19,880
UK Treasury Gilt 0.75% 22/07/2023	19,425
UK Treasury Gilt 4.25% 07/06/2032	17,948
UK Treasury Gilt 2.25% 07/09/2023	13,898
UK Treasury Gilt 1.75% 07/09/2022	12,200
UK Treasury Gilt 0.5% 22/07/2022	12,200
Insight Liquidity Funds - Sterling Liquidity Fund	11,302
UK Treasury Gilt 1.625% 22/10/2028	7,998
Subtotal	162,232
Total proceeds from sales, including the above, for the year	271,623

Portfolio statement
as at 31 May 2023

Investment	Nominal value or holding	Market value £000s	% of total net assets
Debt Securities - 52.14% (45.67%)			
Corporate Bonds - 17.00% (18.40%)			
A2D Funding II 4.5% 30/09/2026	£768,000	737	0.28
Admiral Group 5.5% 25/07/2024	£3,200,000	3,150	1.19
America Movil 1.5% 10/03/2024	€2,900,000	2,444	0.93
American Tower 0.6% 15/01/2024	$2,700,000	2,109	0.80
American Tower 1.375% 04/04/2025	€2,800,000	2,293	0.87
American Tower 3.375% 15/05/2024	$1,700,000	1,340	0.51
American Tower 5% 15/02/2024	$1,650,000	1,323	0.50
Co-operative Group Holdings 2011 7.5% 08/07/2026	£340,000	320	0.12
Coventry Building Society 1% 21/09/2025	£3,600,000	3,221	1.22
Crown Castle 3.15% 15/07/2023	$950,000	764	0.29
Crown Castle 3.2% 01/09/2024	$2,950,000	2,311	0.88
EDP Finance 8.625% 04/01/2024	£3,870,000	3,931	1.49
Engie SA 1.625% VRN Perpetual**	€100,000	79	0.03
Engie SA 3.25% VRN 28/01/2019 Perpetual**	€100,000	83	0.03
Hiscox 6.125% VRN 24/11/2045**	£3,000,000	2,880	1.09
Iberdrola International BV 2.625% VRN Perpetual**	€100,000	84	0.03
Iberdrola International BV 3.25% VRN Perpetual**	€200,000	166	0.06
Just Group 3.5% 07/02/2025	£1,900,000	1,772	0.67
Legal & General Group 5.375% VRN 27/10/2045**	£2,500,000	2,415	0.92
Pension Insurance 6.5% 03/07/2024	£3,000,000	2,974	1.13
Pershing Square Holdings 1.375% 01/10/2027	€2,300,000	1,686	0.64
Rothesay Life 3.375% 12/07/2026	£3,200,000	2,889	1.09
Scottish Widows 5.5% 16/06/2023	£2,700,000	2,699	1.02
Veolia 2.875% VRN Perpetual**	€200,000	168	0.06
Travis Perkins 4.5% 07/09/2023	£3,080,000	3,041	1.15
Total Corporate Bonds		44,879	17.00
Government Bonds - 35.14% (27.27%)			
US Treasury Gilt 0.375% 30/09/2027	$24,600,000	17,113	6.48
US Treasury Gilt 0.625% 15/05/2030	$11,000,000	7,215	2.73
US Treasury Gilt 1.125% 15/05/2040	$3,900,000	2,045	0.77
US Treasury Gilt 1.25% 15/05/2050	$18,700,000	8,459	3.20
US Treasury Gilt 1.375% 15/08/2050	$9,800,000	4,581	1.74
US Treasury Gilt 1.625% 15/05/2031	$14,000,000	9,740	3.69
US Treasury Gilt 1.875% 15/02/2032	$20,000,000	14,024	5.31
US Treasury Gilt 2.25% 15/08/2046	$12,900,000	7,624	2.89
US Treasury Gilt 2.875% 15/05/2032	$18,000,000	13,663	5.17
US Treasury Gilt 2.875% 15/05/2052	$12,500,000	8,351	3.16
Total Government Bonds		92,815	35.14

Portfolio statement (continued)
as at 31 May 2023

Investment	Nominal value or holding	Market value £000s	% of total net assets
Total Debt Securities		137,694	52.14
Equities 34.46% (40.53%)			
United Kingdom 3.80% (5.32%)			
Consumer Services 2.26% (1.98%)			
RELX GBP	158,169	3,968	1.50
RELX EUR	79,700	2,002	0.76
		5,970	2.26
Financials 1.54% (2.79%)			
3i Group	207,400	4,056	1.54
Industrials 0.00% (0.55%)		-	-
Total United Kingdom		10,026	3.80
Canada 2.49% (2.66%)			
Canadian Natural Resources	75,900	3,299	1.25
Cenovus Energy	133,600	1,721	0.65
Suncor Energy	68,700	1,552	0.59
Total Canada		6,572	2.49
Channel Islands 0.00% (0.57%)		-	-
France 2.81% (2.05%)			
Schneider Electric	12,500	1,735	0.66
LVMH	5,100	3,569	1.35
Pernod–Ricard	12,100	2,101	0.80
Total France		7,405	2.81
Germany - 1.37% (0.00%)			
Bayer	42,000	1,889	0.72
Merck KGAA	12,333	1,729	0.65
Total Germany		3,618	1.37
Hong Kong 0.66% (1.56%)			
AIA Group	224,900	1,741	0.66
India 1.10% (0.79%)			
HDFC Bank ADR	55,900	2,904	1.10

Portfolio statement (continued)

as at 31 May 2023

Investment	Nominal value or holding	Market value £000s	% of total net assets
Equities 34.46% (40.53%) (continued)			
Ireland 0.00% (2.81%)		-	-
Italy 0.41% (0.41%)			
Moncler	20,100	1,082	0.41
Japan 1.23% (2.28%)			
Olympus Corporation	155,700	1,900	0.72
Tokyo Electron	12,000	1,338	0.51
Total Japan		3,238	1.23
Netherlands 1.19% (0.67%)			
Wolters Kluwer	24,200	2,217	0.84
IMCD Group	7,600	918	0.35
Wolters Kluwer Rights	24,200	-	0.00
Total Netherlands		3,135	1.19
Singapore - 0.17% (0.00%)			
Singapore Exchange	80,534	444	0.17
Switzerland 2.69% (1.53%)			
Nestlé	50,700	4,828	1.83
Alcon CHF	25,300	1,578	0.60
Alcon USD	11,000	687	0.26
Total Switzerland		7,093	2.69
Taiwan - 0.90% (0.00%)			
Taiwan Semiconductor Manufacturing ADR	30,000	2,388	0.90
United States 15.64% (19.88%)			
Arthur J. Gallagher & Co.	13,700	2,215	0.84
Brown & Brown	48,200	2,424	0.92
CooperCompanies	6,100	1,829	0.69
Marsh McLennan	22,100	3,086	1.17
Valvoline	103,100	3,202	1.21
Casey's General Stores	4,400	801	0.30
O'Reilly Automotive	3,200	2,333	0.88
Performance Food Group	32,400	1,445	0.55
Visa 'A'	21,200	3,783	1.43

Portfolio statement

as at 31 May 2023

Investment	Nominal value or holding	Market value £000s	% of total net assets
Equities 34.46% (40.53%) (continued)			
United States 15.64% (19.88%) (continued)			
Avantor	191,400	3,078	1.17
Becton Dickinson	17,400	3,393	1.29
Thermo Fisher Scientific	2,900	1,190	0.45
UnitedHealth Group	10,700	4,207	1.59
Automatic Data Processing	10,700	1,805	0.68
Booz Allen Hamilton	21,300	1,729	0.66
Alphabet 'A'	20,500	2,034	0.77
Applied Materials	25,500	2,741	1.04
Total United States		41,295	15.64
Total Equities		90,941	34.46
Collective Investment Schemes 4.77% (1.80%)			
UK Authorised Collective Investment Schemes 0.00% (0.00%)			
Royal London Short-Term Money Market Fund	1,000	1	0.00
Offshore Collective Investment Schemes 4.77% (1.80%)			
Coremont Investment Fund - Brevan Howard Absolute Return Government Bond Fund	22,200	2,650	1.00
Coremont Investment Fund - Landseeram European Equity Focus Long/Short Fund	12,200	1,246	0.47
iShares USD Treasury Bond 20+year UCITS ETF	1,900,000	7,399	2.80
Lumyna - Sandbar Global Equity Market Neutral UCITS Fund	10,000	914	0.35
Neuberger Berman Event Driven Fund	40,000	403	0.15
Total Offshore Collective Investment Schemes		12,612	4.77
Total Collective Investment Schemes		12,613	4.77
Exchange Traded Commodities 4.01% (0.00%)			
iShares Physical Gold	170,600	5,284	2.00
Invesco Physical Gold USD	34,500	5,300	2.01
Total Exchange Traded Commodities		10,584	4.01
Forward Currency Contracts (0.48%) (0.29%)			
Sell Euro	-€14,585,461	(12,553)	
Buy UK sterling	£12,713,635	12,714	
Expiry date 15 June 2023		161	0.06
Sell Japanese yen	-¥285,319,650	(1,651)	
Buy UK sterling	£1,682,976	1,683	
Expiry date 15 June 2023		32	0.01

Portfolio statement

as at 31 May 2023

Investment	Nominal value or holding	Market value £000s	% of total net assets
Forward Currency Contracts (0.48%) (0.29%) (continued)			
Sell Swiss franc	-CHF3,655,546	(3,231)	
Buy UK sterling	£3,259,391	3,259	
Expiry date 15 June 2023		28	0.01
Sell US dollar	-$103,574,498	(83,539)	
Buy UK sterling	£82,068,440	82,068	
Expiry date 15 June 2023		(1,471)	(0.56)
Total Forward Currency Contracts		(1,250)	(0.48)
Portfolio of investments		250,582	94.90
Other net assets		13,468	5.10
Total net assets		264,050	100.00

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

The comparative figures in brackets are as at 31 May 2022.

**Variable interest security

SUMMARY OF PORTFOLIO INVESTMENTS

as at 31 May 2023

	31 May 2023		31 May 2022	
Credit breakdown*	Bid-Market value £000s	Total net assets %	Bid-Market value £000s	Total net assets %
Investments of investment grade	122,811	46.51	108,817	39.06
Investments of below investment grade	320	0.12	5,868	2.10
Unrated bonds	14,563	5.51	12,544	4.51
Total bonds	137,694	52.14	127,229	45.67
Forward currency contracts – assets	221	0.08	848	0.31
Collective Investment Schemes	12,613	4.77	4,998	1.80
Exchange Traded Commodities	10,584	4.01	-	-
Equities	90,941	34.46	112,916	40.53
Investments as shown in the balance sheet	252,053	95.46	245,991	88.31
Forward currency contracts – liabilities	(1,471)	(0.56)	(35)	(0.02)
Total value of investments	250,582	94.90	245,956	88.29

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

Risk and reward profile

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

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

Typically lower rewards, lower risk

Typically higher rewards, higher risk

1	2	3	4	5	6	7

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

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

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

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

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

The Sub-Fund may invest in securities not denominated in sterling, the value of your investments may be affected by changes in currency exchange rates.

For further information please refer to the KIID.

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

There have been no changes to the risk and reward indicator in the year.

Comparative tables

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

	A Income		
	2023	2022	2021
	p	p	p
Change in net assets per share			
Opening net asset value per share	115.12	121.86	110.38
Return before operating charges*	(1.23)	(5.03)	13.39
Operating charges	(0.97)	(1.03)	(0.98)
Return after operating charges*	(2.20)	(6.06)	12.41
Distributions+	(1.24)	(0.68)	(0.93)
Closing net asset value per share	111.68	115.12	121.86
*after direct transaction costs of:	0.02	0.06	0.03
Performance			
Return after charges	(1.91%)	(4.97%)	11.24%
Other information			
Closing net asset value (£000s)	1,936	2,151	2,676
Closing number of shares	1,733,503	1,867,942	2,196,461
Operating charges++	0.86%	0.84%	0.84%
Direct transaction costs	0.02%	0.05%	0.03%
Prices			
Highest share price (p)	116.6	127.3	122.9
Lowest share price (p)	108.4	113.0	110.3

+Rounded to 2 decimal places.

++The operating charges are represented by the Ongoing Charges Figure (OCF). The OCF consists principally of the ACD's periodic charge and the Investment Manager's fee which are included in the annual management charge, but also includes the costs for other services paid. It is indicative of the charges which the share class may incur in a year as it is calculated on historical data. The operating charge includes charges for the underlying funds held.

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

Comparative tables (continued)

	A Accumulation		
	2023	2022	2021
	p	p	p
Change in net assets per share			
Opening net asset value per share	124.31	130.85	117.60
Return before operating charges*	(1.33)	(5.44)	14.30
Operating charges	(1.05)	(1.10)	(1.05)
Return after operating charges*	(2.38)	(6.54)	13.25
Distributions+	(1.34)	(0.73)	(1.00)
Retained distribution on accumulation shares+	1.34	0.73	1.00
Closing net asset value per share	121.93	124.31	130.85
* after direct transaction costs of:	0.02	0.07	0.03
Performance			
Return after charges	(1.91%)	(5.00%)	11.27%
Other information			
Closing net asset value (£000s)	262,114	276,424	285,450
Closing number of shares	214,973,864	222,366,092	218,155,891
Operating charges++	0.86%	0.84%	0.84%
Direct transaction costs	0.02%	0.05%	0.03%
Prices			
Highest share price (p)	125.9	136.7	131.4
Lowest share price (p)	117.0	121.8	117.5

+Rounded to 2 decimal places.

++The operating charges are represented by the Ongoing Charges Figure (OCF). The OCF consists principally of the ACD's periodic charge and the Investment Manager's fee which are included in the annual management charge, but also includes the costs for other services paid. It is indicative of the charges which the share class may incur in a year as it is calculated on historical data. The operating charge includes charges for the underlying funds held.

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

Distribution table

for the year ended 31 May 2023

Distributions on A Income shares in pence per share

Payment date	Share type	Distribution type	Net revenue	Equalisation	Distribution current year	Distribution prior year
31.01.23	group 1	interim	0.338	-	0.338	0.472
31.01.23	group 2	interim	0.240	0.098	0.338	0.472
31.07.23	group 1	final	0.900	-	0.900	0.210
31.07.23	group 2	final	0.343	0.557	0.900	0.210

Equalisation

Equalisation applies only to group 2 shares. It is the average amount of revenue included in the purchase price of 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 in the hands of the shareholder but must be deducted from the cost of shares for capital gains tax purposes.

Interim distributions:

Group 1 Shares purchased before 1 June 2022

Group 2 Shares purchased 1 June 2022 to 30 November 2022

Final distributions:

Group 1 Shares purchased before 1 December 2022

Group 2 Shares purchased 1 December 2022 to 31 May 2023

Distributions on A Accumulation shares in pence per share

Allocation date	Share type	Distribution type	Net revenue	Equalisation	Distribution current year	Distribution prior year
31.01.23	group 1	interim	0.364	-	0.364	0.506
31.01.23	group 2	interim	0.203	0.161	0.364	0.506
31.07.23	group 1	final	0.976	-	0.976	0.227
31.07.23	group 2	final	0.561	0.415	0.976	0.227

Equalisation

Equalisation applies only to group 2 shares. It is the average amount of revenue included in the purchase price of 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 in the hands of the shareholder but must be deducted from the cost of shares for capital gains tax purposes.

Accumulation distributions

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

Financial statements - True Potential Close Brothers Cautious

Statement of total return
for the year ended 31 May 2023

	Notes	2023		2022	
		£000s	£000s	£000s	£000s
Income:					
Net capital losses	2		(8,367)		(18,006)
Revenue	3	5,520		4,384	
Expenses	4	(2,318)		(2,539)	
Interest payable and similar charges		(3)		(2)	
Net revenue before taxation		3,199		1,843	
Taxation	5	(206)		(187)	
Net revenue after taxation			2,993		1,656
Total deficit before distributions			(5,374)		(16,350)
Distributions	6		(2,992)		(1,660)
Change in net assets attributable to shareholders from investment activities			(8,366)		(18,010)

Statement of change in net assets attributable to shareholders
for the year ended 31 May 2023

	2023		2022	
	£000s	£000s	£000s	£000s
Opening net assets attributable to shareholders		278,575		288,126
Amounts receivable on issue of shares	68,169		90,375	
Amounts payable on cancellation of shares	(77,295)		(83,623)	
		(9,126)		6,752
Change in net assets attributable to shareholders from investment activities		(8,366)		(18,010)
Retained distribution on accumulation shares		2,967		1,707
Closing net assets attributable to shareholders		264,050		278,575

Balance Sheet
as at 31 May 2023

	Notes	2023	2022
		£000s	£000s
Assets:			
Fixed assets:			
Investments		252,053	245,991
Current assets:			
Debtors	7	2,362	6,210
Cash and bank balances	8	12,012	29,000
Total assets		266,427	281,201
Liabilities:			
Investment liabilities		(1,471)	(35)
Creditors:			
Distribution payable	6	(16)	(4)
Other creditors	9	(890)	(2,587)
Total liabilities		(2,377)	(2,626)
Net assets attributable to shareholders		264,050	278,575

Notes to the financial statements
for the year ended 31 May 2023

1. Accounting policies

The accounting policies are disclosed on pages 12 to 14.

2. Net capital losses

	2023	2022
	£000s	£000s
Non-derivative securities – losses	(8,451)	(13,600)
Currency gains/(losses)	231	(62)
Forward currency contracts	(147)	(4,486)
Capital special dividend	-	141
Transaction charges	-	1
Net capital losses	(8,367)	(18,006)

3. Revenue

	2023	2022
	£000s	£000s
Non-interest distributions from overseas funds	-	40
Distributions from UK regulated collective investment schemes:		
Franked investment income	-	(16)
Interest distribution	58	-
Interest on debt securities from overseas collective investment schemes	126	-
UK revenue	335	1,531
Overseas revenue	1,339	1,198
Interest on debt securities	3,439	1,616
Bank interest	223	15
Total revenue	5,520	4,384

4. Expenses

	2023	2022
	£000s	£000s
Payable to the ACD and associates		
Annual management charge	2,318	2,539
Total expenses	2,318	2,539

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

The annual management charge included an audit fee of £8,394 inclusive of VAT (2022: £5,940 inclusive of VAT).

5. Taxation

	2023	2022
	£000s	£000s
a) Analysis of charge for the year		
Overseas tax withheld	179	187
Reclaimable tax written off	27	-
Total taxation (note 5b)	206	187

Notes to the financial statements (continued)
for the year ended 31 May 2023

5. Taxation (continued)

b) Factors affecting the current tax charge for the year

The tax assessed for the year is lower (2022: lower) than the standard rate of UK corporation tax for an authorised collective investment scheme of 20% (2022: 20%).

The differences are explained below:

	2023	2022
	£000s	£000s
Net revenue before taxation	3,199	1,843
Corporation tax @ 20%	640	369
Effects of:		
UK revenue	(67)	(303)
Overseas revenue	(268)	(248)
Overseas tax withheld	179	187
Reclaimable tax written off	27	-
Excess management expenses (utilised)/carried forward	(305)	178
Unrealised gains on non-qualifying offshore fund	-	4
Total taxation (note 5a)	206	187

c) Provision for deferred tax
At the year end, a deferred tax asset has not been recognised in respect of timing differences relating to excess management expenses as there is insufficient evidence that the asset will be recovered. The amount of asset not recognised is £66,142 (2022: £371,547).

6. Distributions
The distributions take account of revenue added on the issue of shares and revenue deducted on the cancellation of shares and comprise:

	2023	2022
	£000s	£000s
Interim income distribution	6	9
Interim accumulation distribution	869	1,202
Final income distribution	16	4
Final accumulation distribution	2,098	505
	2,989	1,720
Equalisation:		
Amounts deducted on cancellation of shares	145	71
Amounts added on issue of shares	(142)	(131)
Total net distributions	2,992	1,660

Notes to the financial statements (continued)
for the year ended 31 May 2023

6. Distributions (continued)

Reconciliation between net revenue and distributions:	2023	2022
	£000s	£000s
Net revenue after taxation per Statement of total return	2,993	1,656
Undistributed revenue brought forward	-	1
Capital taxation	1	3
Undistributed revenue carried forward	(2)	-
Distributions	2,992	1,660

Details of the distribution per share are disclosed in the distribution table.

7. Debtors

	2023	2022
	£000s	£000s
Amounts receivable on issue of shares	803	1,681
Sales awaiting settlement	-	917
Currency trades outstanding	24	1,439
Accrued revenue	1,442	2,105
Recoverable overseas withholding tax	93	62
Recoverable income tax	-	6
Total debtors	2,362	6,210

8. Cash and bank balances

	2023	2022
	£000s	£000s
Total cash and bank balances	12,012	29,000

9. Other creditors

	2023	2022
	£000s	£000s
Amounts payable on cancellation of shares	641	423
Purchases awaiting settlement	24	523
Currency trades outstanding	24	1,439
Accrued expenses:		
Payable to the ACD and associates		
Annual management charge	201	202
Total accrued expenses	201	202
Total other creditors	890	2,587

10. Commitments and contingent liabilities

At the balance sheet date there are no commitments or contingent liabilities (2022: same).

Notes to the financial statements (continued)
for the year ended 31 May 2023

11. Share classes

The following reflects the change in shares in issue for each share class in the year:

	A Income
Opening shares in issue	1,867,942
Total shares issued in the year	22,323
Total shares cancelled in the year	(156,762)
Closing shares in issue	1,733,503

11. Share classes (continued)

	A Accumulation
Opening shares in issue	222,366,092
Total shares issued in the year	56,193,646
Total shares cancelled in the year	(63,585,874)
Closing shares in issue	214,973,864

For the year ended 31 May 2023, the annual management charge is 0.84%. The annual management charge includes the ACD's periodic charge, Investment Manager's fee and other permitted charges to the operation of the Sub-Fund.

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

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

12. Related party transactions

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

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

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

13. Events after the balance sheet date

Subsequent to the year end, the net asset value per A Income share has decreased from 111.7p to 109.4p and the A Accumulation share has decreased from 121.9p to 119.5p as at 27 September 2023. This movement takes into account routine transactions but also reflects the market movements of recent months.

14. Transaction costs

Direct transaction costs

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

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

Notes to the financial statements (continued)
for the year ended 31 May 2023

14. Transaction costs (continued)

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

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

	Purchases before transaction costs	Commission		Taxes		Other Expenses		Purchases after transaction costs
2023	£000s	£000s	%	£000s	%	£000s	%	£000s
Equities	46,418	8	0.02	15	0.03	1	-	46,442
Bonds*	153,687	-	-	-	-	-	-	153,687
Collective Investment Schemes	86,611	5	0.01	-	-	-	-	86,616
Total	286,716	13		15		1		286,745

	Purchases before transaction costs	Commission		Taxes		Other Expenses		Purchases after transaction costs
2022	£000s	£000s	%	£000s	%	£000s	%	£000s
Equities	124,937	29	0.02	89	0.07	6	-	125,061
Bonds*	65,531	-	-	-	-	-	-	65,531
Collective Investment Schemes*	6,032	-	-	-	-	-	-	6,032
Total	196,500	29		89		6		196,624

	Sales before transaction costs	Commissions		Taxes		Other Expenses		Sales after transaction costs
2023	£000s	£000s	%	£000s	%	£000s	%	£000s
Equities	69,921	(14)	(0.02)	-	-	(5)	(0.01)	69,902
Bonds*	133,446	-	-	-	-	-	-	133,446
Collective Investment Schemes	68,276	(1)	-	-	-	-	-	68,275
Total	271,643	(15)		-		(5)		271,623

	Sales before transaction costs	Commissions		Taxes		Other Expenses		Sales after transaction costs
2022	£000s	£000s	%	£000s	%	£000s	%	£000s
Equities	134,874	(28)	(0.02)	-	-	(1)	-	134,845
Bonds*	28,196	-	-	-	-	-	-	28,196
Collective Investment Schemes	24,892	(2)	(0.01)	-	-	-	-	24,890
Total	187,962	(30)		-		(1)		187,931

* No direct transaction costs were incurred in these transactions.

Notes to the financial statements (continued)

for the year ended 31 May 2023

15 Risk management policies (continued)

Summary of direct transaction costs

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

2023	£000s	% of average net asset value
Commission	28	0.01
Taxes	15	0.01
Other Expenses	6	0.00

2022	£000s	% of average net asset value
Commission	59	0.02
Taxes	89	0.03
Other Expenses	7	0.00

b Average portfolio dealing spread

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

The average portfolio dealing spread of the investments at the balance sheet date was 0.12% (2022: 0.12%).

15 Risk management policies

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

a Market risk

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

The method used to calculate the global exposure is absolute Value at risk (VaR). The calculation of the Absolute VaR is carried out in accordance with the following parameters: 99% one-sided confidence interval, 1 month (20 day) holding period, Monte Carlo simulation (10,000 simulations) ,1-year (250 day) history with time decay factor (weighting recent events).

A given fund’s limit is based on its Risk profile. All of the positions within the fund (direct investments and derivatives) are taken into account for the VaR calculation, not just derivatives.

The below table shows the lowest, the highest and the average utilisation of the VaR limit calculated during the financial year, 01 June 2022 - 31 May 2023. Funds using the VaR approach disclose the level of leverage employed during the relevant period, using the gross method (sum of the notionals of the derivatives used).

	Lowest VaR %	Highest VaR %	Average VaR %	VaR Limit %	Average Level of leverage %	Typical expected Leverage %
True Potential Close Brothers Cautious	4.47	8.16	5.83	10.50	115	125

Notes to the financial statements (continued)

for the year ended 31 May 2023

15 Risk management policies (continued)

(i) Other price risk

The Sub-Fund's exposure to price risk comprises mainly of movements in the value of investment positions in the face of price movements.

The main elements of the portfolio of investments exposed to this risk are equities and collective investment schemes.

This risk is generally regarded as consisting of two elements: stock specific risk and market risk. Through these two factors, the Sub-Fund is exposed to price fluctuations, which are monitored by the ACD in pursuance of the investment objective and policy.

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

At 31 May 2023, if the price of the investments held by the Sub-Fund increased or decreased by 5%, with all other variables remaining constant, then the net assets attributable to shareholders of the Sub-Fund would increase or decrease by approximately £12,529,000 (2022: £12,298,000).

(ii) Currency risk

Currency risk is the risk that the value of investments or future cash flows will fluctuate as a result of exchange rate movements. Investment in overseas securities or holdings of foreign currency cash will provide direct exposure to currency risk as a consequence of the movement in foreign exchange rates against sterling. Investments in UK securities investing in overseas securities will give rise to indirect exposure to currency risk. These fluctuations can also affect the profitability of some UK companies, and thus their market prices, as sterling's relative strength or weakness can affect export prospects, the value of overseas earnings in sterling terms, and the prices of imports sold in the UK.

Forward currency contracts are used to help the Sub-Fund achieve its investment objective as stated in the Prospectus. The ACD monitors the exposure to these contracts to ensure they are in keeping with the investment objective.

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

	Total net foreign currency exposure*
2023	£000s
Euro	24,487
Hong Kong dollar	1,767
Japanese yen	3,301
Norwegian krone	45
Singapore dollar	444
Swiss franc	6,463
US dollar	171,358
Total net foreign currency exposure	207,865

Notes to the financial statements (continued)
for the year ended 31 May 2023

15 Risk management policies (continued)

	Total net foreign currency exposure*
2022	£000s
Euro	12,440
Hong Kong dollar	4,397
Japanese yen	6,404
Norwegian krone	53
Swiss franc	4,366
US dollar	73,657
Total net foreign currency exposure	101,317

At 31 May 2023, if the value of sterling increased or decreased by 5% against all other currencies, with all other variables remaining constant, then the net assets attributable to shareholders of the Sub-Fund would increase or decrease by approximately £5,407,000 (2022: £2,666,000). Forward currency contracts are used to manage to the portfolio exposure to currency movements.

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

(iii) Interest rate risk

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

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

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

The Sub-Fund has indirect exposure to interest rate risk as it invests in bond funds.

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

At 31 May 2023, if interest rates increased or decreased by 25 points, with all other variables remaining constant, then the net assets attributable to shareholders of the Sub-Fund would increase or decrease by approximately £46,000 (2022: £333,000).

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

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

Notes to the financial statements (continued)

for the year ended 31 May 2023

15 Risk management policies (continued)

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

	Variable rate financial assets	Variable rate financial liabilities	Fixed rate financial assets	Non-interest bearing financial assets	Non-interest bearing financial liabilities	Total
2023	£000s	£000s	£000s	£000s	£000s	£000s
Euro	583	-	6,423	17,481	-	24,487
Hong Kong dollar	-	-	-	1,767	-	1,767
Japanese yen	-	-	-	3,301	-	3,301
Norwegian krone	-	-	-	45	-	45
Singapore dollar	-	-	-	468	(24)	444
Swiss franc	-	-	-	6,463	-	6,463
UK sterling	17,626	-	24,413	15,028	(882)	56,185
US dollar	-	-	100,661	72,168	(1,471)	171,358
	18,209	-	131,497	116,721	(2,377)	264,050

	Variable rate financial assets	Variable rate financial liabilities	Fixed rate financial assets	Non-interest bearing financial assets	Non-interest bearing financial liabilities	Total
2022	£000s	£000s	£000s	£000s	£000s	£000s
Euro	-	-	1,660	10,780	-	12,440
Hong Kong dollar	-	-	-	4,397	-	4,397
Japanese yen	-	-	-	6,404	-	6,404
Norwegian krone	-	-	-	53	-	53
Swiss franc	-	-	-	4,377	(11)	4,366
UK sterling	41,994	-	112,575	23,864	(1,175)	177,258
US dollar	-	-	-	75,097	(1,440)	73,657
	41,994	-	114,235	124,972	(2,626)	278,575

b Credit risk

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

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

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

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

Notes to the financial statements (continued)

for the year ended 31 May 2023

15 Risk management policies (continued)

Holdings in collective investment schemes are subject to direct credit risk. The exposure to pooled investment vehicles is unrated.

c Liquidity risk

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

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

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

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

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

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

d Fair value of financial assets and financial liabilities

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

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

	Investment assets	Investment liabilities
Basis of valuation	2023	2023
	£000s	£000s
Quoted prices	201,739	-
Observable market data	50,314	(1,471)
Unobservable data	-	-
	252,053	(1,471)

Notes to the financial statements (continued)

for the year ended 31 May 2023

15 Risk management policies (continued)

	Investment assets	Investment liabilities
Basis of valuation	2022	2022
	£000s	£000s
Quoted prices	188,885	-
Observable market data	57,106	(35)
Unobservable data	-	-
	245,991	(35)

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

In 2022 the RELX bonus issue holding has a fair value of nil.

e Assets subject to special arrangements arising from their illiquid nature

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

f Derivatives

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

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

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

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

Derivatives may be used for investment purposes and as a result could potentially impact upon the risk factors outlined above.

(i) Counterparties

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

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

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

Notes to the financial statements (continued)

for the year ended 31 May 2023

15 Risk management policies (continued)

(ii) Leverage

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

There have been no leveraging arrangements in the year.

(iii) Global exposure

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

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

	Gross exposure value	% of the total net asset value
Investment	£000s	
Forward Currency Contracts		
Value of short position - Euro	12,553	4.75
Value of short position -Japanese yen	1,651	0.63
Value of short position - Swiss franc	3,231	31.64
Value of short position - US dollar	83,539	1.22

There have been no collateral arrangements in the year.

True Potential Close Brothers Cautious Income
Sub-investment Manager's report

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

Investment Objective and Policy

The investment objective of the Sub-Fund is to achieve income with capital growth. The Sub-Fund aims to have a yield in excess of what ordinarily can be expected from a basket of UK equities consisting of the top thousand listed holdings in the UK based on capitalisation, by investing primarily in a selection of equities and fixed income securities. The Sub-Fund may also invest in money market instruments and deposits, cash and near cash and other permitted transferable securities. Exposure to the above asset classes may be gained through investment in collective investment schemes and transferable securities (including closed ended and exchange traded funds). There are no geographic restrictions on the investments of the Sub-Fund.

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

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

Sub-Investment Activities

In the 12-month period to 31st May 2023 the Fund returned -5% (source: Bloomberg) underperforming the IA Mixed Investment 20-60% peer group by 1.9%, with the currency overlay detracting (source: Bloomberg). It was a volatile period for UK assets, particularly in the aftermath of Kwarteng's budget which led to a spike in the Gilt yield and the US banking crisis/Credit Suisse failure. This impacted the Fund's holdings in 2 ways:

1. Bank and insurance sector corporate bonds and callable bonds in all sectors sold off. Rising gilt yields equals falling bond prices (higher yields) but on top of this fears of a banking crisis and that the bond market would be closed to companies looking to refinance meant that credit spreads widened too. These fears seem overdone and the bonds are slowly recovering, with banks, once again, calling their bonds and issuing new bonds. In the turmoil we added a new bond, the Phoenix Perpetual at a yield to call of 15.1%. Phoenix is a constituent of the top 100 firms in the UK and investment grade rated.

2. UK investment trusts sold off heavily – a higher risk free rate (gilt yield) raises the required rate of return on all asset classes – but this is more transparent in investment trusts than equities as investment trusts report a Net Asset Value (which are actively being adjusted to reflect a higher forward looking required return). This is not the case in equities where little mention is made of needing to adjust down share prices to reflect a higher required rate of return. Whilst many investment trusts have increased the required rate of return used to generate their NAVs (reducing the NAV) the investment trusts are still currently trading at record high discounts to NAV – so the market is punishing the investment trusts twice for the current interest rate environment. As at the end of May the difference between investment trust share prices and their NAVs equates to 6.3% of lost Fund performance.

The gross prospective yield before charges (based on month-end valuation prices) has risen from 4.8% to 7.2% over the year to May 23 (Source: Close Brothers Asset Management). With the Fund generating c0.6% of income a month, it is in a much better position to offset any future volatility versus two years ago when yields were very low (valuations much higher). This higher yield is starting to be reflected in actual dividends paid out. Cautious Income saw its August 2022 dividend rise 29% year-on-year to 1.337p, November 2022 dividend rise 22% to 1.063p and its February 2023 dividend rise 24% to 1.12p. We expect the next quarterly dividend to show a material increase too as the benefits of the trades undertaken in 2022 (cash into bonds) still come through.

Investment Strategy and Outlook

The Fund continues to use its proprietary multi-asset Quantitative Model combined with fundamental research, to focus in on those ideas with the best risk:reward, valuation and long-term prospects. Falling asset prices does give the opportunity to pick up cheaper investments with better forward-looking returns. The high cash balance at the start of the year has steadily been invested into such opportunities.

Close Asset Management Limited- a sub-delegate of True Potential Investments LLP

19 June 2023

Portfolio changes

for the year ended 31 May 2023

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

	Cost
Purchases:	£000s
Aviva 6.875% VRN Perpetual**	8,393
3i Infrastructure	5,537
abrdn 5.25% VRN Perpetual**	4,603
Nationwide Building Society 5.75% VRN Perpetual**	4,470
Lloyds Banking Group 7.875% VRN Perpetual**	3,543
Trafigura Group 5.875% VRN Perpetual**	2,830
Just Group 5% VRN Perpetual**	2,664
Travis Perkins 3.75% 17/02/2026	2,513
TP ICAP 7.875% 17/04/2030	2,397
Lloyds Banking Group 8.5% VRN Perpetual**	2,300
Subtotal	39,250
Total cost of purchases, including the above, for the year	102,022

	Proceeds
Sales:	£000s
Unilever	4,204
BHP Billiton Finance 6.5% VRN 22/10/2077**	2,139
Severn Trent 1.3% Index Linked 11/07/2022	2,123
Trafigura Funding 5.25% 19/03/2023	1,977
TP ICAP 5.25% 26/01/2024	1,657
Schroder US Equity Income Maximiser Fund	1,618
Lloyds Banking Group 8.5% VRN Perpetual**	1,318
Supermarket Income REIT	1,009
Travis Perkins 4.5% 07/09/2023	996
iShares Physical Gold	884
Subtotal	17,925
Total proceeds from sales, including the above, for the year	24,437

Portfolio statement
as at 31 May 2023

Investment	Nominal value or holding	Market value £000s	% of total net assets
Debt Securities 49.07% (35.96%)			
Corporate Bonds 49.04% (35.03%)			
abrdn 5.25% VRN Perpetual**	£13,420,000	10,625	3.81
Aviva 6.875% VRN Perpetual**	£8,846,000	7,498	2.69
Barclays 8% VRN Perpetual**	$1,800,000	1,260	0.45
Barclays 8.875% VRN Perpetual**	£1,900,000	1,748	0.63
Barclays 9.25% VRN Perpetual**	£200,000	181	0.07
Beazley Insurance 5.5% 10/09/2029	$6,500,000	4,799	1.72
Beazley Insurance 5.875% 04/11/2026	$900,000	704	0.25
BP Capital 4.25% VRN Perpetual**	£1,250,000	1,115	0.40
British American Tobacco International Finance 5.75% 05/07/2040	£1,250,000	997	0.36
BUPA Finance 4% VRN Perpetual**	£1,100,000	677	0.24
BUPA Finance 4.125% 14/06/2035	£951,000	725	0.26
Burford Capital 5% 01/12/2026	£2,923,700	2,625	0.94
Burford Capital Finance 6.125% 12/08/2025	$3,990,000	3,010	1.08
Burford Capital Global Finance 6.25% 15/04/2028	$1,868,000	1,408	0.51
Co-operative Group Holdings 11% 20/12/2025	£268,000	282	0.10
Co-Operative Group Holdings 2011 7.5% 08/07/2026	£2,400,000	2,259	0.81
Hiscox 6.125% VRN 24/11/2045**	£7,796,000	7,483	2.68
HSBC Holdings 8.201% VRN 16/11/2034**	£2,230,000	2,309	0.83
International Personal Finance 9.75% 12/11/2025	€2,000,000	1,553	0.56
JRP Group 9% 26/10/2026	£2,646,000	2,816	1.01
Jupiter Fund Management 8.875% VRN 27/07/2030**	£1,425,000	1,445	0.52
Just Group 5% VRN Perpetual**	£3,921,000	2,523	0.91
Just Group 8.125% 26/10/2029	£400,000	405	0.15
Lancashire Holdings 5.625% VRN 18/09/2041**	$8,560,000	5,698	2.04
Legal & General 5.625% VRN Perpetual**	£1,700,000	1,335	0.48
Lloyds Banking Group 7.875% VRN Perpetual**	£3,700,000	3,361	1.21
Lloyds Banking Group 8.5% VRN Perpetual**	£1,000,000	953	0.34
Lloyds Banking Group 8.5% VRN Perpetual**	£1,667,000	1,582	0.57
Marks & Spencer 7.125% 01/12/2037	$4,350,000	3,257	1.17
Nationwide Building Society 5.75% VRN Perpetual **	£5,300,000	4,631	1.66
Nationwide Building Society 5.875% VRN Perpetual**	£7,700,000	7,221	2.59
NGG Finance 5.625% VRN 18/06/2073**	£5,218,000	5,022	1.80
Paragon Banking Group 4.375% VRN 25/09/2031**	£7,567,000	6,468	2.32
Paragon Banking Group 6% 28/08/2024	£279,800	277	0.10
Pension Insurance 4.625% 07/05/2031	£1,088,000	888	0.32
Pension Insurance 7.375% VRN Perpetual**	£3,700,000	3,191	1.14
Pension Insurance 8% 23/11/2026	£2,342,000	2,382	0.85
Pershing Square Holdings 3.25% 01/10/2031	$3,000,000	1,847	0.66
Phoenix Group Holdings 5.625% 28/04/2031	£1,440,000	1,270	0.46

Portfolio statement

as at 31 May 2023

Investment	Nominal value or holding	Market value £000s	% of total net assets
Debt Securities 49.07% (35.96%) (continued)			
Corporate Bonds 49.04% (35.03%) (continued)			
Phoenix Group Holdings 5.625% VRN Perpetual**	$2,503,000	1,728	0.62
Phoenix Group Holdings 5.75% VRN Perpetual**	£2,500,000	1,980	0.71
Phoenix Group Holdings 5.867% 13/06/2029	£800,000	731	0.26
Rothesay Life 5% VRN Perpetual**	£1,200,000	780	0.28
Rothesay Life 6.875% VRN Perpetual**	£2,000,000	1,666	0.60
Rothesay Life 7.734% 16/05/2033	£750,000	738	0.26
Shawbrook Group 9% VRN 10/10/2030**	£700,000	670	0.24
Society of Lloyds 4.875% VRN 07/02/2047**	£800,000	734	0.26
TP ICAP 2.625% 18/11/2028	£1,201,000	905	0.32
TP ICAP 5.25% 29/05/2026	£700,000	650	0.23
TP ICAP 7.875% 17/04/2030	£2,426,000	2,336	0.84
Trafigura Group 5.875% VRN Perpetual**	$12,560,000	8,765	3.14
Travis Perkins 3.75% 17/02/2026	£6,116,000	5,516	1.98
Travis Perkins 4.5% 07/09/2023	£1,716,000	1,694	0.61
Total Corporate Bonds		136,723	49.04
Corporate Convertibles 0.03% (0.04%)			
abrdn Asia Focus 2.25% 31/05/2025	£101,750	97	0.03
Other Index Linked Bond 0.00% (0.89%)			
Total Debt Securities		136,820	49.07
Equities 45.22% (52.11%)			
United Kingdom 19.16% (25.69%)			
Consumer Goods 0.88% (2.62%)			
British American Tobacco	34,879	891	0.32
Imperial Brands	92,057	1,560	0.56
		2,451	0.88
Consumer Services 0.51% (0.36%)			
CVS Group	34,800	725	0.26
Moneysupermarket.com Group	272,000	683	0.25
		1,408	0.51

Portfolio statement
as at 31 May 2023

Investment	Nominal value or holding	Market value £000s	% of total net assets
Equities 45.22% (52.11%) (continued)			
United Kingdom 19.16% (25.69%) (continued)			
Financials 14.86% (20.56%)			
AEW UK REIT	853,452	828	0.30
Atrato Onsite Energy	3,101,329	2,605	0.93
Ediston Property Investment	1,412,048	856	0.31
Greencoat UK Wind	6,943,729	10,311	3.70
Ground Rents Income Fund	395,250	154	0.06
HICL Infrastructure	2,429,319	3,493	1.25
Phoenix Group Holdings	1,310,636	7,240	2.60
Pollen Street	871,737	5,893	2.11
Residential Secure Income	4,803,966	3,353	1.20
Schroder European Real Estate Investment Trust	2,124,818	1,827	0.66
Schroders	379,005	1,726	0.62
Tritax EuroBox	2,462,161	1,472	0.53
Tritax EuroBox London	372,161	221	0.08
Urban Logistics REIT	649,637	880	0.32
Warehouse REIT	529,814	534	0.19
		41,393	14.86
Industrials 2.91% (2.15%)			
Bunzl	86,250	2,711	0.97
Diploma	142,078	4,302	1.54
Mears Group	462,928	1,113	0.40
		8,126	2.91
Total United Kingdom		53,378	19.16
Australia 0.40% (0.46%)			
BHP	50,491	1,116	0.40
Canada 0.85% (0.96%)			
Barrick Gold	174,952	2,380	0.85
Channel Islands 15.54% (16.26%)			
3i Infrastructure	2,032,815	6,414	2.30
Burford Capital	222,027	2,391	0.86
Cordiant Digital Infrastructure	1,807,130	1,504	0.54
Digital 9 Infrastructure	935,000	580	0.21

Portfolio statement

as at 31 May 2023

Investment	Nominal value or holding	Market value £000s	% of total net assets
Equities 45.22% (52.11%) (continued)			
Channel Islands 15.54% (16.26%) (continued)			
GCP Asset Backed Income Fund	9,259,953	6,241	2.24
GCP Infrastructure Investments	4,053,979	3,397	1.22
ICG-Longbow Senior Secured UK Property Debt Investments	5,257,115	1,893	0.68
International Public Partnerships	3,154,491	4,385	1.57
Real Estate Credit Investments	6,254,842	7,693	2.76
Starwood European Real Estate Finance	10,062,885	8,815	3.16
		43,313	15.54
Germany 2.37% (1.69%)			
Brenntag	104,585	6,610	2.37
Switzerland 1.74% (1.75%)			
Roche Holding	19,026	4,840	1.74
United States 5.16% (5.30%)			
Philip Morris International	119,589	8,683	3.11
Mastercard	7,275	2,142	0.77
Visa ‘A’	20,015	3,571	1.28
Total United States		14,396	5.16
Total Equities		126,033	45.22
Collective Investment Schemes 0.01% (0.58%)			
Offshore Collective Investment Schemes 0.01% (0.00%)			
Xtrackers Euro Stoxx 50 Short Daily Swap UCITS ETF	900	6	0.00
Xtrackers Euro Stoxx 50 Short Daily Swap UCITS ETF EUR	900	6	0.00
Xtrackers FTSE 100 Short Daily Swap UCITS ETF	2,500	8	0.01
Xtrackers S&P 500 Inverse Daily Swap UCITS ETF	800	5	0.00
Xtrackers S&P 500 Inverse Daily Swap UCITS ETF USD	800	5	0.00
Total Offshore Collective Investment Schemes		30	0.01
UK Authorised Collective Investment Schemes 0.00% (0.58%)		-	-
Total Collective Investment Schemes		30	0.01

Portfolio statement

as at 31 May 2023

Investment	Nominal value or holding	Market value £000s	% of total net assets
Exchange Traded Commodities 2.63% (3.09%)			
Invesco Physical Gold	9,600	1,475	0.53
Royal Mint Responsibly Sourced Physical Gold	310,300	4,900	1.76
WisdomTree Physical Gold	6,388	955	0.34
Total Exchange Traded Commodities		7,330	2.63
Forward Currency Contracts (0.12%) (0.17%)			
Sell Euro	-€4,897,131	(4,215)	
Buy UK sterling	£4,269,234	4,269	
Expiry date 15 June 2023		54	0.02
Sell US dollar	-$26,913,664	(21,707)	
Buy UK sterling	£21,325,350	21,325	
Expiry date 15 June 2023		(382)	(0.14)
Total Forward Currency Contracts		(328)	(0.12)
Portfolio of investments		269,885	96.81
Other net assets		8,888	3.19
Total net assets		278,773	100.00

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

The comparative figures in brackets are as at 31 May 2022.

**Variable interest security.

SUMMARY OF PORTFOLIO INVESTMENTS

as at 31 May 2023

	31 May 2023		31 May 2022	
Credit breakdown*	Bid-Market value £000s	Total net assets %	Bid-Market value £000s	Total net assets %
Investments of investment grade	40,367	14.47	22,502	9.51
Investments of below investment grade	41,029	14.73	29,117	12.30
Unrated bonds	55,424	19.87	33,473	14.15
Total bonds	136,820	49.07	85,092	35.96
Forward currency contracts – assets	54	0.02	396	0.17
Collective Investment Schemes	30	0.01	1,389	0.58
Exchange Traded Commodities	7,330	2.63	7,301	3.09
Equities	126,033	45.22	123,275	52.11
Investments as shown in the balance sheet	270,267	96.95	217,453	91.91
Forward currency contracts – liabilities	(382)	(0.14)	-	-
Total value of investments	269,885	96.81	217,453	91.91

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

Risk and reward profile

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

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

← Typically lower rewards, lower risk | Typically higher rewards, higher risk →

1	2	3	**4**	5	6	7

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

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

Where investments are made in smaller company shares, these may be riskier as they can be more difficult to buy and sell. Their share prices may also move up and down more than larger companies.

Exposure to the risks associated with property investment, include but are not limited to, fluctuations in land prices, construction costs, interest rates, inflation and property yields, changes in taxation, legislation changes in landlord and tenant legislation, environmental factors, and changes in the supply and demand for property.

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

Where this Sub-Fund invests into other investment funds, they may invest in different assets, countries or economic sectors and therefore have different risk profiles not in line with those of this Sub-Fund.

Investment trusts and closed ended funds may borrow to purchase additional investments. This can increase returns when stock markets rise but will magnify losses when markets fall. The value of an investment trust or a closed-ended fund moves in line with stock market demand and its share price may be less than or more than the net value of the investments it holds.

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

The Sub-Fund may invest in securities not denominated in sterling, the value of your investments may be affected by changes in currency exchange rates.

For further information please refer to the KIID.

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

There have been no changes to the risk and reward indicator in the year.

Comparative tables

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

	A Income		
	2023	2022	2021
	p	p	p
Change in net assets per share			
Opening net asset value per share	103.26	103.67	96.45
Return before operating charges*	(4.23)	4.70	12.02
Operating charges	(0.96)	(1.09)	(1.10)
Return after operating charges*	(5.19)	3.61	10.92
Distributions+	(4.94)	(4.02)	(3.70)
Closing net asset value per share	93.13	103.26	103.67
*after direct transaction costs of:	0.02	0.05	0.05
Performance			
Return after charges	(5.03%)	3.48%	11.32%
Other information			
Closing net asset value (£000s)	104,743	82,778	72,410
Closing number of shares	112,475,428	80,167,041	69,845,063
Operating charges++	0.98%	1.03%	1.09%
Direct transaction costs	0.02%	0.05%	0.05%
Prices			
Highest share price (p)	104.0	107.5	105.2
Lowest share price (p)	91.76	101.9	97.03

+Rounded to 2 decimal places.

++The operating charges are represented by the Ongoing Charges Figure (OCF). The OCF consists principally of the ACD's periodic charge and the Investment Manager's fee which are included in the annual management charge, but also includes the costs for other services paid. It is indicative of the charges which the share class may incur in a year as it is calculated on historical data. The operating charge includes charges for the underlying funds held.

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

Comparative tables (continued)

	A Accumulation		
	2023	2022	2021
	p	p	p
Change in net assets per share			
Opening net asset value per share	133.44	128.94	115.67
Return before operating charges*	(5.55)	5.87	14.61
Operating charges	(1.26)	(1.37)	(1.34)
Return after operating charges*	(6.81)	4.50	13.27
Distributions+	(6.50)	(5.07)	(4.50)
Retained distribution on accumulation shares+	6.50	5.07	4.50
Closing net asset value per share	126.63	133.44	128.94
* after direct transaction costs of:	0.03	0.06	0.07
Performance			
Return after charges	(5.10%)	3.49%	11.47%
Other information			
Closing net asset value (£000s)	174,030	153,803	135,595
Closing number of shares	137,431,516	115,260,567	105,160,336
Operating charges++	0.98%	1.03%	1.09%
Direct transaction costs	0.02%	0.05%	0.05%
Prices			
Highest share price (p)	134.4	135.8	129.5
Lowest share price (p)	120.2	129.5	116.4

+Rounded to 2 decimal places.

++The operating charges are represented by the Ongoing Charges Figure (OCF). The OCF consists principally of the ACD's periodic charge and the Investment Manager's fee which are included in the annual management charge, but also includes the costs for other services paid. It is indicative of the charges which the share class may incur in a year as it is calculated on historical data. The operating charge includes charges for the underlying funds held.

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

Distribution tables

for the year ended 31 May 2023

Distributions on A Income shares in pence per share

Payment date	Share type	Distribution type	Net revenue	Equalisation	Distribution current year	Distribution prior year
31.10.22	group 1	quarter 1	1.337	-	1.337	1.040
31.10.22	group 2	quarter 1	0.658	0.679	1.337	1.040
31.01.23	group 1	interim	1.063	-	1.063	0.869
31.01.23	group 2	interim	0.503	0.560	1.063	0.869
28.04.23	group 1	quarter 3	1.120	-	1.120	0.900
28.04.23	group 2	quarter 3	0.502	0.618	1.120	0.900
31.07.23	group 1	final	1.421	-	1.421	1.207
31.07.23	group 2	final	0.678	0.743	1.421	1.207

Equalisation

Equalisation applies only to group 2 shares. It is the average amount of revenue included in the purchase price of 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 in the hands of the shareholder but must be deducted from the cost of shares for capital gains tax purposes.

Quarter 1 distributions:

Group 1 Shares purchased before 1 June 2022

Group 2 Shares purchased 1 June 2022 to 31 August 2022

Interim distributions:

Group 1 Shares purchased before 1 September 2022

Group 2 Shares purchased 1 September 2022 to 30 November 2022

Quarter 3 distributions:

Group 1 Shares purchased before 1 December 2022

Group 2 Shares purchased 1 December 2022 to 28 February 2023

Final distributions:

Group 1 Shares purchased before 1 March 2023

Group 2 Shares purchased 1 March 2023 to 31 May 2023

Distribution tables (continued)

for the year ended 31 May 2023

Distributions on A Accumulation shares in pence per share

Allocation date	Share type	Distribution type	Net revenue	Equalisation	Distribution current year	Distribution prior year
31.10.22	group 1	quarter 1	1.728	-	1.728	1.291
31.10.22	group 2	quarter 1	0.865	0.863	1.728	1.291
31.01.23	group 1	interim	1.390	-	1.390	1.065
31.01.23	group 2	interim	0.632	0.758	1.390	1.065
28.04.23	group 1	quarter 3	1.484	-	1.484	1.169
28.04.23	group 2	quarter 3	0.638	0.846	1.484	1.169
31.07.23	group 1	final	1.902	-	1.902	1.542
31.07.23	group 2	final	0.972	0.930	1.902	1.542

Equalisation

Equalisation applies only to group 2 shares. It is the average amount of revenue included in the purchase price of 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 in the hands of the shareholder but must be deducted from the cost of shares for capital gains tax purposes.

Accumulation distributions

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

Quarter 1 distributions:

Group 1 Shares purchased before 1 June 2022

Group 2 Shares purchased 1 June 2022 to 31 August 2022

Interim distributions:

Group 1 Shares purchased before 1 September 2022

Group 2 Shares purchased 1 September 2022 to 30 November 2022

Quarter 3 distributions:

Group 1 Shares purchased before 1 December 2022

Group 2 Shares purchased 1 December 2022 to 28 February 2023

Final distributions:

Group 1 Shares purchased before 1 March 2023

Group 2 Shares purchased 1 March 2023 to 31 May 2023

Financial statements - True Potential Close Brothers Cautious Income

Statement of total return
for the year ended 31 May 2023

	Notes	2023		2022	
		£000s	£000s	£000s	£000s
Income:					
Net capital losses	2		(24,717)		(308)
Revenue	3	14,908		9,693	
Expenses	4	(1,634)		(1,469)	
Net revenue before taxation		13,274		8,224	
Taxation	5	(1,431)		(513)	
Net revenue after taxation			11,843		7,711
Total (deficit)/return before distributions			(12,874)		7,403
Distributions	6		(13,150)		(8,886)
Change in net assets attributable to shareholders from investment activities			(26,024)		(1,483)

Statement of change in net assets attributable to shareholders
for the year ended 31 May 2023

	2023		2022	
	£000s	£000s	£000s	£000s
Opening net assets attributable to shareholders		236,581		208,005
Amounts receivable on issue of shares	98,439		81,647	
Amounts payable on cancellation of shares	(38,740)		(57,468)	
		59,699		24,179
Change in net assets attributable to shareholders from investment activities		(26,024)		(1,483)
Retained distribution on accumulation shares		8,517		5,880
Closing net assets attributable to shareholders		278,773		236,581

Balance Sheet

as at 31 May 2023

	Notes	2023	2022
		£000s	£000s
Assets:			
Fixed assets:			
Investments		270,267	217,453
Current assets:			
Debtors	7	5,242	4,725
Cash and bank balances	8	7,832	16,558
Total assets		283,341	238,736
Liabilities:			
Investment liabilities		(382)	-
Creditors:			
Distribution payable	6	(1,598)	(968)
Other creditors	9	(2,588)	(1,187)
Total liabilities		(4,568)	(2,155)
Net assets attributable to shareholders		278,773	236,581

Notes to the financial statements

for the year ended 31 May 2023

1. Accounting policies

The accounting policies are disclosed on pages 12 to 14.

2. Net capital losses

	2023	2022
	£000s	£000s
Non-derivative securities – (losses)/gains	(24,324)	1,623
Currency losses	(16)	(41)
Forward currency contracts	(377)	(1,891)
Transaction charges	-	1
Net capital losses	(24,717)	(308)

3. Revenue

	2023	2022
	£000s	£000s
Non-interest distributions from overseas funds	1	1
Distributions from UK regulated collective investment schemes:		
Franked investment income	4	45
Unfranked investment income	52	62
UK revenue	3,078	2,878
Unfranked revenue	445	320
Overseas revenue	3,583	2,915
Interest on debt securities	7,600	3,460
Bank interest	145	12
Total revenue	14,908	9,693

4. Expenses

	2023	2022
	£000s	£000s
Payable to the ACD and associates		
Annual management charge	1,634	1.469
Total expenses	1,634	1.469

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

The annual management charge included an audit fee of £8,952 inclusive of VAT (2022: £6,426 inclusive of VAT).

5. Taxation

	2023	2022
	£000s	£000s
a) Analysis of charge for the year		
UK Corporation tax	1,322	477
Prior period adjustments	-	(3)
Overseas tax withheld	56	39
Reclaimable tax written off	53	-
Total taxation (note 5b)	1,431	513

Notes to the financial statements (continued)
for the year ended 31 May 2023

5. Taxation (continued)

b) Factors affecting the current tax charge for the year

The tax assessed for the year is lower (2022: lower) than the standard rate of UK corporation tax for an authorised collective investment scheme of 20% (2022: 20%).

The differences are explained below:

	2023	2022
	£000s	£000s
Net revenue before taxation	13,274	8,224
Corporation tax @ 20%	2,655	1,645
Effects of:		
UK revenue	(616)	(585)
Overseas revenue	(717)	(583)
Overseas tax withheld	56	39
Reclaimable tax written off	53	-
Prior period adjustments	-	(3)
Total taxation (note 5a)	1,431	513

6. Distributions
The distributions take account of revenue added on the issue of shares and revenue deducted on the cancellation of shares and comprise:

	2023	2022
	£000s	£000s
Quarter 1 income distribution	1,191	766
Quarter 1 accumulation distribution	2,131	1,448
Interim income distribution	1,056	660
Interim accumulation distribution	1,807	1,269
Quarter 3 income distribution	1,186	688
Quarter 3 accumulation distribution	1,965	1,386
Final income distribution	1,598	968
Final accumulation distribution	2,614	1,777
	13,548	8,962
Equalisation:		
Amounts deducted on cancellation of shares	261	323
Amounts added on issue of shares	(659)	(399)
Total net distributions	13,150	8,886

Notes to the financial statements (continued)
for the year ended 31 May 2023

6. Distributions (continued)

Reconciliation between net revenue and distributions	2023	2022
	£000s	£000s
Net revenue after taxation per Statement of total return	11,843	7,711
Undistributed revenue brought forward	1	1
Expenses paid from capital	1,634	1,469
Marginal tax relief	(327)	(294)
Undistributed revenue carried forward	(1)	(1)
Distributions	13,150	8,886

Details of the distribution per share are disclosed in the Distribution table.

7. Debtors

	2023	2022
	£000s	£000s
Amounts receivable on issue of shares	969	1,574
Sales awaiting settlement	-	244
Currency trades outstanding	299	319
Accrued revenue	3,949	2,534
Recoverable overseas withholding tax	25	54
Total debtors	5,242	4,725

8. Cash and bank balances

	2023	2022
	£000s	£000s
Total cash and bank balances	7,832	16,558

9. Other creditors

	2023	2022
	£000s	£000s
Amounts payable on cancellation of shares	703	237
Purchases awaiting settlement	761	319
Currency trades outstanding	299	319
Accrued expenses:		
Payable to the ACD and associates		
Annual management charge	162	132
Total accrued expenses	162	132
Corporation tax payable	663	180
Total other creditors	2,588	1,187

10. Commitments and contingent liabilities

At the balance sheet date there are no commitments or contingent liabilities (2022: same).

Notes to the financial statements (continued)
for the year ended 31 May 2023

11. Share classes (continued)

The following reflects the change in shares in issue for each share class in the year:

	A Income
Opening shares in issue	80,167,041
Total shares issued in the year	48,414,452
Total shares cancelled in the year	(16,106,065)
Closing shares in issue	112,475,428

	A Accumulation
Opening shares in issue	115,260,567
Total shares issued in the year	40,264,869
Total shares cancelled in the year	(18,093,920)
Closing shares in issue	137,431,516

For the year ended 31 May 2023, the annual management charge is 0.63%. The annual management charge includes the ACD's periodic charge, Investment Manager's fee and other permitted charges to the operation of the Sub-Fund.

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

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

12. Related party transactions

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

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

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

13. Events after the balance sheet date

Subsequent to the year end, the net asset value per A Income share has decreased from 93.1p to 91.9p and the A Accumulation share has decreased from 126.6p to 126.5p as at 27 September 2023. This movement takes into account routine transactions but also reflects the market movements of recent months.

14. Transaction costs

Direct transaction costs

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

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

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

Notes to the financial statements (continued)

for the year ended 31 May 2023

14. Transaction costs (continued)

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

	Purchases before transaction costs	Commission		Taxes		Other Expenses		Purchases after transaction costs
2023	£000s	£000s	%	£000s	%	£000s	%	£000s
Equities	27,437	12	0.04	36	0.13	1	-	27,486
Bonds*	73,288	-	-	-	-	-	-	73,288
Collective Investment Schemes	1,248	-	-	-	-	-	-	1,248
Total	101,973	12		36		1		102,022

Capital events amount of nil (2022: £1,056,000) is excluded from the total purchases as there were no direct transaction costs charged in these transactions.

	Purchases before transaction costs	Commission		Taxes		Other Expenses		Purchases after transaction costs
2022	£000s	£000s	%	£000s	%	£000s	%	£000s
Equities	36,175	16	0.04	71	0.20	-	-	36,262
Bonds*	42,857	-	-	-	-	-	-	42,857
Collective Investment Schemes	3,669	1	0.03	-	-	-	-	3,670
Total	82,701	17		71		-		82,789

	Sales before transaction costs	Commissions		Taxes		Other Expenses		Sales after transaction costs
2023	£000s	£000s	%	£000s	%	£000s	%	£000s
Equities	7,479	(4)	(0.05)	-	-	-	-	7,475
Bonds*	13,521	-	-	-	-	-	-	13,521
Collective Investment Schemes	3,160	-	-	-	-	-	-	3,160
Total	24,160	(4)		-		-		24,156

Capital events amount of £281,000 (2022: nil) is excluded from the total sales as there were no direct transaction costs charged in these transactions.

	Sales before transaction costs	Commissions		Taxes**		Other Expenses		Sales after transaction costs
2022	£000s	£000s	%	£000s	%	£000s	%	£000s
Equities	30,619	(20)	(0.07)	-	-	-	-	30,599
Bonds*	12,105	-	-	-	-	-	-	12,105
Collective Investment Schemes	5,117	(1)	(0.02)	-	-	-	-	5,116
Total	47,841	(21)		-		-		47,820

* No direct transaction costs were incurred in these transactions.

Notes to the financial statements (continued)

for the year ended 31 May 2023

14. Transaction costs (continued)

Summary of direct transaction costs

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

2023	£000s	% of average net asset value
Commission	16	0.01
Taxes	36	0.01
Other Expenses	1	-

2022	£000s	% of average net asset value
Commission	38	0.02
Taxes	71	0.03

b Average portfolio dealing spread

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

The average portfolio dealing spread of the investments at the balance sheet date was 0.95% (2022: 0.73%).

15 Risk management policies

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

a Market risk

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

The method used to calculate the global exposure is absolute Value at risk (VaR). The calculation of the Absolute VaR is carried out in accordance with the following parameters: 99% one-sided confidence interval, 1 month (20 day) holding period, Monte Carlo simulation (10,000 simulations) ,1-year (250 day) history with time decay factor (weighting recent events).

A given fund’s limit is based on its Risk profile. All of the positions within the fund (direct investments and derivatives) are taken into account for the VaR calculation, not just derivatives.

The below table shows the lowest, the highest and the average utilisation of the VaR limit calculated during the financial year, 01 June 2022 - 31 May 2023. Funds using the VaR approach disclose the level of leverage employed during the relevant period, using the gross method (sum of the notionals of the derivatives used).

	Lowest VaR %	Highest VaR %	Average VaR %	VaR Limit %	Average Level of Leverage %	Typical expected Leverage %
True Potential Close Brothers Cautious Income	4.33	7.64	5.61	10.50	104	125

Notes to the financial statements (continued)

for the year ended 31 May 2023

15 Risk management policies (continued)

(i) Other price risk

The Sub-Fund's exposure to price risk comprises mainly of movements in the value of investment positions in the face of price movements.

The main elements of the portfolio of investments exposed to this risk are equities and collective investment schemes.

This risk is generally regarded as consisting of two elements: stock specific risk and market risk. Through these two factors, the Sub-Fund is exposed to price fluctuations, which are monitored by the ACD in pursuance of the investment objective and policy.

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

At 31 May 2023, if the price of the investments held by the Sub-Fund increased or decreased by 5%, with all other variables remaining constant, then the net assets attributable to shareholders of the Sub-Fund would increase or decrease by approximately £13,494,000 (2022: £10,873,000).

(ii) Currency risk

Currency risk is the risk that the value of investments or future cash flows will fluctuate as a result of exchange rate movements. Investment in overseas securities or holdings of foreign currency cash will provide direct exposure to currency risk as a consequence of the movement in foreign exchange rates against sterling. Investments in UK securities investing in overseas securities will give rise to indirect exposure to currency risk. These fluctuations can also affect the profitability of some UK companies, and thus their market prices, as sterling's relative strength or weakness can affect export prospects, the value of overseas earnings in sterling terms, and the prices of imports sold in the UK.

Forward currency contracts are used to help the Sub-Fund achieve its investment objective as stated in the Prospectus. The ACD monitors the exposure to these contracts to ensure they are in keeping with the investment objective.

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

	Total net foreign currency exposure*
2023	£000s
Canadian dollar	2,380
Euro	8,592
Swiss franc	4,840
US dollar	47,008
Total net foreign currency exposure	62,820

	Total net foreign currency exposure*
2022	£000s
Canadian dollar	2,267
Euro	5,065
Swiss franc	4,178
US dollar	37,298
Total net foreign currency exposure	48,808

Notes to the financial statements (continued)
for the year ended 31 May 2023

15 Risk management policies (continued)

At 31 May 2023, if the value of sterling increased or decreased by 5% against all other currencies, with all other variables remaining constant, then the net assets attributable to shareholders of the Sub-Fund would increase or decrease by approximately £1,861,000 (2022: £1,414,000). Forward currency contracts are used to manage to the portfolio exposure to currency movements.

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

(iii) Interest rate risk

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

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

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

The Sub-Fund has indirect exposure to interest rate risk as it invests in bond funds.

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

At 31 May 2023, if interest rates increased or decreased by 25 points, with all other variables remaining constant, then the net assets attributable to shareholders of the Sub-Fund would increase or decrease by approximately £257,000 (2022: £621,000).

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

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

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

	Variable rate financial assets	Variable rate financial liabilities	Fixed rate financial assets	Non-interest bearing financial assets	Non-interest bearing financial liabilities	Total
2023	£000s	£000s	£000s	£000s	£000s	£000s
Canadian dollar	-	-	-	2,380	-	2,380
Euro	1	-	1,552	7,039	-	8,592
Swiss franc	-	-		4,840	-	4,840
UK sterling	85,276	-	25,334	109,220	(3,877)	215,953
US dollar	17,461	-	15,025	15,213	(691)	47,008
	102,738	-	41,911	138,692	(4,568)	278,773

Notes to the financial statements (continued)

for the year ended 31 May 2023

15 Risk management policies (continued)

	Variable rate financial assets	Variable rate financial liabilities	Fixed rate financial assets	Non-interest bearing financial assets	Non-interest bearing financial liabilities	Total
2022	£000s	£000s	£000s	£000s	£000s	£000s
Canadian dollar	-	-	-	2,267	-	2,267
Euro	-	-	599	4,466	-	5,065
Swiss franc	-	-	-	4,178	-	4,178
UK sterling	60,005	-	18,360	111,244	(1,836)	187,773
US dollar	10,080	-	12,605	14,932	(319)	37,298
	70,085	-	31,564	137,087	(2,155)	236,581

b Credit risk

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

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

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

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

Holdings in collective investment schemes are subject to direct credit risk. The exposure to pooled investment vehicles is unrated.

c Liquidity risk

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

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

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

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

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

Notes to the financial statements (continued)

for the year ended 31 May 2023

15 Risk management policies (continued)

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

d Fair value of financial assets and financial liabilities

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

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

	Investment assets	Investment liabilities
Basis of valuation	2023	2023
	£000s	£000s
Quoted prices	133,393	-
Observable market data	136,874	(382)
Unobservable data	-	-
	270,267	(382)

	Investment assets	Investment liabilities
Basis of valuation	2022	2022
	£000s	£000s
Quoted prices	130,607	-
Observable market data	86,846	-
Unobservable data	-	-
	217,453	-

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

e Assets subject to special arrangements arising from their illiquid nature

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

f Derivatives

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

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

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

Notes to the financial statements (continued)

for the year ended 31 May 2023

15 Risk management policies (continued)

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

Derivatives may be used for investment purposes and as a result could potentially impact upon the risk factors outlined above.

(i) Counterparties

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

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

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

(ii) Leverage

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

There have been no leveraging arrangements in the year.

(iii) Global exposure

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

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

	Gross exposure value	% of the total net asset value
Investment	£000s	
Forward Currency Contracts		
Value of short position - Euro	4,215	1.51%
Value of short position - US dollar	21,707	7.79%

True Potential Close Brothers Balanced
Sub-investment Manager's report

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

Investment Objective and Policy

The investment objective of the Sub-Fund is to generate capital growth with some income and it will aim to achieve this by investing primarily in equities and fixed income securities. The balance of the Sub-Fund will be invested in money market instruments and deposits, cash and near cash and other permitted transferable securities. Exposure to the above asset classes may be gained through investment in collective investment schemes and transferable securities (including closed ended and exchange traded funds). There are no geographic restrictions on the investments of the Sub-Fund.

Derivatives and forward transactions may only be used for Efficient Portfolio Management. The Sub-Fund may use derivatives and forward transactions for investment purposes on the giving of 60 days' notice to shareholders. The use of derivatives for investment purposes may alter the risk profile of the Sub-Fund. Please be aware that there is no guarantee that capital will be preserved.

Sub-Investment Activities

Global equity markets returned positive performance, +2.6% in sterling terms, with gains helped by the depreciation of the currency. Bond markets, as measured by the sterling broad market index, fell -14% (source: FE analytics). The Fund returned -1.9% over the year (source: Bloomberg), underperforming the IA Mixed Investment 40-85% peer group by 0.2%, with the currency overlay detracting (source: Bloomberg).

Broadly, volatility in major asset classes can be characterised by inflation, central bank policy rate action and the business cycle signalling an economic slowdown. Initial market volatility in summer 2022 was dictated by the tone of the US Federal Reserve, with a market rally dampened by the bank's chairman Jerome Powell confirming his commitment to bringing "some pain to households and businesses" in order to tame inflation. Signs of inflation easing in autumn gave strength to both equity and bond markets, only to partially unwind in December as the recessionary implications of the speed of US Federal Reserve interest rate hikes (zero to five percent) within the space of a year set in. Despite this, in 2023 equities rallied as the valuation impact of falling yields outweighed the decline in company earnings from slowing economic growth. In step with 2022, market strength then faltered. Choppy data fuelled volatility for the remainder of the period: lingering inflation and a still strong labour market countered weaker incoming industrial data, reigniting concern that interest rates may have further to rise.

In this market we maintained our cautious positioning – taking advantage of market rallies to sell cyclical and buy defensive equities. To this, we divested positions in economically exposed business models including Ashtead, Partners Group, Prudential, AIA, Ferguson and Ally Financial and added to defensive business models which had derated to attractive valuations such RELX, Wolters Kluwer and the US insurance brokers. New positions added through the period included those whose growth profiles remain strong, and the stock had relatively underperformed such as: Nestlé, Pernod Ricard, Tokyo Electron, TSMC, Alcon, Becton Dickinson, Singapore Exchange, IMCD, Merck and Casey's General Stores. In fixed income activity included adding to corporate bonds, where investment grade yields were attractive relative to stock returns, and adding cash to money market funds, which offered an attractive yield for no duration risk. With rising conviction that yields have peaked, we swapped some equities for physical gold ETCs – which don't have earnings risk – and started to invest cash into longer term Treasury bonds, which will benefit from interest rate cuts in a recession as a way to protect capital. In summary, we furthered our equity underweight with a bias towards defensives over cyclicals, and increased our allocation to alternatives and fixed income.

Investment Strategy and Outlook

Looking ahead, we are waiting for final confirmation that the US is entering recession before moving longer duration. We are looking to buy new cyclical equities on profit warnings, where the business models are competitively advantaged yet economically sensitive, and add to corporate bonds into any selloff.

Close Asset Management Limited - a sub-delegate of True Potential Investments LLP

19 June 2023

Portfolio changes

for the year ended 31 May 2023

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

	Cost
Purchases:	£000s
Royal London Short-Term Money Market Fund	131,315
BlackRock ICS Sterling Liquidity Fund	71,917
UK Treasury Gilt 0.125% 31/01/2023	71,325
US Treasury Gilt 0.375% 30/09/2027	62,716
UK Treasury Gilt 0.75% 22/07/2023	45,929
US Treasury Gilt 2.875% 15/05/2032	44,340
Insight Liquidity Funds - Sterling Liquidity Fund	41,120
US Treasury Gilt 1.875% 15/02/2032	33,316
US Treasury Gilt 0.625% 15/05/2030	32,210
US Treasury Gilt 1.625% 15/05/2031	30,582
Subtotal	564,770
Total cost of purchases, including the above, for the year	1,175,907

	Proceeds
Sales:	£000s
Royal London Short-Term Money Market Fund	105,105
BlackRock ICS Sterling Liquidity Fund	72,187
UK Treasury Gilt 0.125% 31/01/2023	71,988
UK Treasury Gilt 4.25% 07/06/2032	55,101
UK Treasury Gilt 0.75% 22/07/2023	46,337
Insight Liquidity Funds - Sterling Liquidity Fund	41,257
UK Treasury Gilt 1.75% 07/09/2022	38,000
Microsoft	34,185
UK Treasury Gilt 0.5% 22/07/2022	32,700
UK Treasury Gilt 2.25% 07/09/2023	31,668
Subtotal	528,528
Total proceeds from sales, including the above, for the year	965,517

Portfolio statement
as at 31 May 2023

Investment	Nominal value or holding	Market value £000s	% of total net assets
Debt Securities 36.68% (31.72%)			
Corporate Bonds 8.96% (8.43%)			
A2Dominion Housing Group 3.5% 15/11/2028	£4,540,000	4,054	0.36
Admiral Group 5.5% 25/07/2024	£5,000,000	4,921	0.43
America Movil 1.5% 10/03/2024	€11,200,000	9,439	0.83
American Tower 0.6% 15/01/2024	$6,200,000	4,843	0.43
American Tower 1.375% 04/04/2025	€11,250,000	9,213	0.81
American Tower 3.375% 15/05/2024	$9,050,000	7,136	0.63
American Tower 5% 15/02/2024	$9,850,000	7,899	0.70
BUPA Finance 5% 08/12/2026	£5,000,000	4,729	0.42
Co-operative Group Holdings 2011 7.5% 08/07/2026	£880,000	828	0.07
Crown Castle 3.15% 15/07/2023	$6,000,000	4,824	0.42
Crown Castle 3.2% 01/09/2024	$10,850,000	8,500	0.75
Engie SA 1.625% VRN Perpetual**	€100,000	79	0.01
Engie SA 3.25% VRN Perpetual**	€100,000	83	0.01
Iberdrola International BV 2.625% VRN Perpetual**	€100,000	85	0.01
Iberdrola International BV 3.25% VRN Perpetual**	€500,000	416	0.04
Just Group 3.5% 07/02/2025	£5,000,000	4,662	0.41
Pension Insurance 8% 23/11/2026	£5,000,000	5,085	0.45
Pershing Square Holdings 1.375% 01/10/2027	€5,500,000	4,033	0.36
Phoenix Group Holdings 6.625% 18/12/2025	£5,000,000	4,962	0.44
Rothesay Life 3.375% 12/07/2026	£5,000,000	4,514	0.40
Travis Perkins 4.5% 07/09/2023	£10,915,000	10,776	0.95
Veolia 2.875% VRN Perpetual**	€400,000	337	0.03
Total Corporate Bonds		101,418	8.96
Government Bonds 27.72% (23.29%)			
US Treasury Gilt 0.375% 30/09/2027	$89,000,000	61,913	5.47
US Treasury Gilt 0.625% 15/05/2030	$48,900,000	32,075	2.83
US Treasury Gilt 1.125% 15/05/2040	$35,600,000	18,667	1.65
US Treasury Gilt 1.25% 15/05/2050	$54,200,000	24,517	2.17
US Treasury Gilt 1.375% 15/08/2050	$39,000,000	18,229	1.61
US Treasury Gilt 1.625% 15/05/2031	$42,700,000	29,707	2.63
US Treasury Gilt 1.875% 15/02/2032	$47,100,000	33,026	2.92
US Treasury Gilt 2.25% 15/08/2046	$45,000,000	26,594	2.35
US Treasury Gilt 2.875% 15/05/2032	$57,200,000	43,417	3.84
US Treasury Gilt 2.875% 15/05/2052	$38,100,000	25,455	2.25
Total Government Bonds		313,600	27.72
Total Debt Securities		415,018	36.68

Portfolio statement

as at 31 May 2023

Investment	Nominal value or holding	Market value £000s	% of total net assets
Equities 49.78% (56.81%)			
United Kingdom 5.63% (7.22%)			
Consumer Services 3.35% (2.70%)			
RELX GBP	1,008,276	25,298	2.24
RELX EUR	499,100	12,536	1.11
		37,834	3.35
Financials 2.28% (3.76%)			
3i Group	1,321,200	25,836	2.28
Industrials 0.00% (0.76%)		-	-
Total United Kingdom		63,670	5.63
Canada 3.61% (3.35%)			
Canadian Natural Resources	451,800	19,637	1.74
Cenovus Energy	908,800	11,710	1.03
Suncor Energy	420,300	9,495	0.84
Total Canada		40,842	3.61
Channel Islands 0.00% (0.78%)		-	-
France 3.94% (2.85%)			
LVMH	29,500	20,643	1.83
Pernod-Ricard	76,700	13,320	1.18
Schneider Electric	76,100	10,560	0.93
Total France		44,523	3.94
Germany 2.04% (0.00%)			
Bayer	267,500	12,032	1.06
Merck KGAA	78,753	11,042	0.98
Total Germany		23,074	2.04
Hong Kong 0.96% (2.14%)			
AIA Group	1,409,200	10,908	0.96
India 1.64% (1.10%)			
HDFC Bank ADR	356,800	18,534	1.64

Portfolio statement

as at 31 May 2023

Investment	Nominal value or holding	Market value £000s	% of total net assets
Equities 49.78% (56.81%) (continued)			
Ireland 0.00% (4.20%)		-	-
Italy 0.56% (0.45%)			
Moncler	117,500	6,327	0.56
Japan 1.73% (3.15%)			
Olympus Corporation	960,800	11,724	1.04
Tokyo Electron	70,500	7,862	0.69
Total Japan		19,586	1.73
Netherlands 1.66% (0.92%)			
IMCD Group	48,400	5,847	0.52
Wolters Kluwer	141,300	12,944	1.14
Wolters Kluwer Rights	141,300	-	-
Total Netherlands		18,791	1.66
Singapore 0.25% (0.00%)			
Singapore Exchange	517,303	2,853	0.25
Switzerland 3.91% (2.10%)			
Alcon CHF	158,400	9,879	0.87
Alcon USD	69,200	4,320	0.38
Nestlé	316,100	30,104	2.66
Total Switzerland		44,303	3.91
Taiwan 1.32% (0.00%)			
Taiwan Semiconductor Manufacturing ADR	187,200	14,903	1.32
United States 22.53% (28.55%)			
Alphabet 'A'	130,800	12,978	1.15
Applied Materials	149,300	16,045	1.42
Arthur J. Gallagher & Co.	86,100	13,920	1.23
Automatic Data Processing	69,300	11,687	1.03
Avantor	1,119,100	17,995	1.59
Becton Dickinson	111,400	21,724	1.92
Booz Allen Hamilton	124,600	10,113	0.89
Brown & Brown	323,200	16,251	1.44
Casey's General Stores	28,700	5,223	0.46

Portfolio statement

as at 31 May 2023

Investment	Nominal value or holding	Market value £000s	% of total net assets
Equities 49.78% (56.81%) (continued)			
United States 22.53% (28.55%) (continued)			
CooperCompanies	37,500	11,244	0.99
Marsh McLennan	129,500	18,084	1.60
O'Reilly Automotive	20,300	14,799	1.31
Performance Food Group	205,900	9,185	0.81
Thermo Fisher Scientific	18,300	7,510	0.66
UnitedHealth Group	69,500	27,325	2.42
Valvoline	602,600	18,714	1.66
Visa 'A'	123,700	22,071	1.95
Total United States		254,868	22.53
Total Equities		563,182	49.78
Collective Investment Schemes 5.78% (1.27%)			
UK Authorised Collective Investment Schemes 2.40% (0.00%)			
Royal London Short-Term Money Market Fund	25,800,000	27,137	2.40
Offshore Collective Investment Schemes 3.38% (1.27%)			
Coremont Investment Fund - Brevan Howard Absolute Return Government Bond Fund	96,200	11,484	1.01
Coremont Investment Fund - Landseeram European Equity Focus Long/Short Fund	41,800	4,270	0.38
Insight Liquidity Funds - Sterling Liquidity Fund	36,420	39	0.00
iShares USD Treasury Bond 20+year UCITS ETF	4,700,000	18,303	1.62
Lumyna - Sandbar Global Equity Market Neutral UCITS Fund	40,400	3,694	0.33
Neuberger Berman Event Driven Fund	50,000	504	0.04
Total Offshore Collective Investment Schemes		38,294	3.38
Total Collective Investment schemes		65,431	5.78
Exchange Traded Commodities 4.99% (0.00%)			
iShares Physical Gold	912,000	28,249	2.50
Source Physical Gold ETC	183,800	28,234	2.49
Total Exchange Traded Commodities		56,483	4.99
Forward Currency Contracts (0.44%) (0.40%)			
Sell Euro	-€73,642,707	(63,382)	
Buy UK sterling	£64,197,996	64,198	
Expiry date 15 June 2023		816	0.07

Portfolio statement
as at 31 May 2023

Investment	Nominal value or holding	Market value £000s	% of total net assets
Forward Currency Contracts 0.44% (0.40%) (continued)			
Sell Japanese yen	-¥1,732,656,475	(10,026)	
Buy UK sterling	£10,220,184	10,220	
Expiry date 15 June 2023		194	0.02
Sell Swiss franc	-CHF22,812,086	(20,164)	
Buy UK sterling	£20,339,916	20,340	
Expiry date 15 June 2023		176	0.02
Sell US dollar	-$434,629,460	(350,555)	
Buy UK sterling	£344,383,630	344,384	
Expiry date 15 June 2023		(6,171)	(0.55)
Total Forward Currency Contracts		(4,985)	(0.44)
Portfolio of investments		1,095,129	96.79
Other net assets		36,311	3.21
Total net assets		1,131,440	100.00

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

The comparative figures in brackets are as at 31 May 2022.

**Variable interest security.

SUMMARY OF PORTFOLIO INVESTMENTS

as at 31 May 2023

	31 May 2023		31 May 2022	
Credit breakdown*	Bid-Market value £000s	Total net assets %	Bid-Market value £000s	Total net assets %
Investments of investment grade	375,216	33.17	269,522	26.59
Investments of below investment grade	828	0.07	13,692	1.35
Unrated bonds	38,974	3.44	38,327	3.78
Total bonds	415,018	36.68	321,541	31.72
Forward currency contracts – assets	1,186	0.11	4,221	0.41
Collective Investment Schemes	65,431	5.78	12,841	1.27
Exchange Traded Commodities	56,483	4.99	-	-
Equities	563,182	49.78	575,812	56.81
Investments as shown in the balance sheet	1,101,300	97.34	914,415	90.21
Forward currency contracts – liabilities	(6,171)	(0.55)	(101)	(0.01)
Total value of investments	1,095,129	96.79	914,314	90.20

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

Risk and reward profile

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

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

Typically lower rewards, lower risk

Typically higher rewards, higher risk

1	2	3	4	5	6	7

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

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

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

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

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

The Sub-Fund may invest in securities not denominated in sterling, the value of your investments may be affected by changes in currency exchange rates.

For further information please refer to the KIID.

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

There have been no changes to the risk and reward indicator in the year.

Comparative tables

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

	A Income		
	2023	2022	2021
	p	p	p
Change in net assets per share			
Opening net asset value per share	125.10	132.00	116.12
Return before operating charges*	(0.76)	(5.04)	18.07
Operating charges	(1.04)	(1.11)	(1.05)
Return after operating charges*	(1.80)	(6.15)	17.02
Distributions+	(1.19)	(0.75)	(1.14)
Closing net asset value per share	122.11	125.10	132.00
*after direct transaction costs of:	0.03	0.10	0.08
Performance			
Return after charges	(1.44%)	(4.66%)	14.66%
Other information			
Closing net asset value (£000s)	584	606	651
Closing number of shares	477,894	484,450	493,179
Operating charges++	0.85%	0.83%	0.83%
Direct transaction costs	0.03%	0.07%	0.06%
Prices			
Highest share price (p)	127.8	141.2	133.9
Lowest share price (p)	117.3	122.1	115.7

+Rounded to 2 decimal places.

++The operating charges are represented by the Ongoing Charges Figure (OCF). The OCF consists principally of the ACD's periodic charge and the Investment Manager's fee which are included in the annual management charge, but also includes the costs for other services paid. It is indicative of the charges which the share class may incur in a year as it is calculated on historical data. The operating charge includes charges for the underlying funds held.

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

Comparative tables (continued)

	A Accumulation		
	2023	2022	2021
	p	p	p
Change in net assets per share			
Opening net asset value per share	135.13	141.73	123.62
Return before operating charges*	(0.82)	(5.41)	19.22
Operating charges	(1.13)	(1.19)	(1.11)
Return after operating charges*	(1.95)	(6.60)	18.11
Distributions+	(1.29)	(0.81)	(1.21)
Retained distribution on accumulation shares+	1.29	0.81	1.21
Closing net asset value per share	133.18	135.13	141.73
* after direct transaction costs of:	0.04	0.11	0.08
Performance			
Return after charges	(1.44%)	(4.66%)	14.65%
Other information			
Closing net asset value (£000s)	1,130,856	1,013,008	968,569
Closing number of shares	849,098,629	749,655,225	683,391,721
Operating charges++	0.85%	0.83%	0.83%
Direct transaction costs	0.03%	0.07%	0.06%
Prices			
Highest share price (p)	138.0	151.6	142.5
Lowest share price (p)	126.7	131.1	123.2

+Rounded to 2 decimal places.

++The operating charges are represented by the Ongoing Charges Figure (OCF). The OCF consists principally of the ACD's periodic charge and the Investment Manager's fee which are included in the annual management charge, but also includes the costs for other services paid. It is indicative of the charges which the share class may incur in a year as it is calculated on historical data. The operating charge includes charges for the underlying funds held.

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

Distribution tables

for the year ended 31 May 2023

Distributions on A Income shares in pence per share

Payment date	Share type	Distribution type	Net revenue	Equalisation	Distribution current year	Distribution prior year
31.07.23	group 1	final	1.192	-	1.192	0.753
31.07.23	group 2	final	0.814	0.378	1.192	0.753

Equalisation

Equalisation applies only to group 2 shares. It is the average amount of revenue included in the purchase price of 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 in the hands of the shareholder but must be deducted from the cost of shares for capital gains tax purposes.

Final distributions:

Group 1 Shares purchased before 1 June 2022

Group 2 Shares purchased 1 June 2022 to 31 May 2023

Distributions on A Accumulation shares in pence per share

Allocation date	Share type	Distribution type	Net revenue	Equalisation	Distribution current year	Distribution prior year
31.07.23	group 1	final	1.288	-	1.288	0.808
31.07.23	group 2	final	0.890	0.398	1.288	0.808

Equalisation

Equalisation applies only to group 2 shares. It is the average amount of revenue included in the purchase price of 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 in the hands of the shareholder but must be deducted from the cost of shares for capital gains tax purposes.

Accumulation distributions

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

Final distributions:

Group 1 Shares purchased before 1 June 2022

Group 2 Shares purchased 1 June 2022 to 31 May 2023

Financial statements - True Potential Close Brothers Balanced

Statement of total return

for the year ended 31 May 2023

	Notes	2023		2022	
		£000s	£000s	£000s	£000s
Income:					
Net capital losses	2		(24,559)		(65,088)
Revenue	3	20,619		15,640	
Expenses	4	(8,887)		(8,996)	
Interest payable and similar charges		(5)		(1)	
Net revenue before taxation		11,727		6,643	
Taxation	5	(1,140)		(819)	
Net revenue after taxation			10,587		5,824
Total deficit before distributions			(13,972)		(59,264)
Distributions	6		(10,590)		(5,829)
Change in net assets attributable to shareholders from investment activities			(24,562)		(65,093)

Statement of change in net assets attributable to shareholders

for the year ended 31 May 2023

	2023		2022	
	£000s	£000s	£000s	£000s
Opening net assets attributable to shareholders		1,013,614		969,220
Amounts receivable on issue of shares	327,759		438,864	
Amounts payable on cancellation of shares	(196,307)		(335,434)	
		131,452		103,430
Change in net assets attributable to shareholders from investment activities		(24,562)		(65,093)
Retained distribution on accumulation shares		10,936		6,057
Closing net assets attributable to shareholders		1,131,440		1,013,614

Balance Sheet

as at 31 May 2023

	Notes	2023	2022
		£000s	£000s
Assets:			
Fixed assets:			
Investments		1,101,300	914,415
Current assets:			
Debtors	7	8,802	15,033
Cash and bank balances	8	30,394	91,961
Total assets		1,140,496	1,021,409
Liabilities:			
Investment liabilities		(6,171)	(101)
Creditors:			
Distribution payable		(6)	(4)
Other creditors	9	(2,879)	(7,690)
Total liabilities		(9,056)	(7,795)
Net assets attributable to shareholders		1,131,440	1,013,614

Notes to the financial statements
for the year ended 31 May 2023

1. Accounting policies

The accounting policies are disclosed on pages 12 to 14.

2. Net capital losses

	2023	2022
	£000s	£000s
Non-derivative securities – losses	(22,464)	(42,818)
Currency gains/(losses)	134	(993)
Forward currency contracts	(2,229)	(21,932)
Capital special dividend	-	654
Transaction charges	-	1
Net capital losses	(24,559)	(65,088)

3. Revenue

	2023	2022
	£000s	£000s
Non-interest distributions from overseas funds	-	370
Distributions from UK regulated collective investment schemes:		
Franked investment income	-	(121)
Interest distribution	681	-
Interest on debt securities from overseas collective investment schemes	456	-
UK revenue	1,831	6,628
Overseas revenue	7,515	5,658
Interest on debt securities	9,368	3,057
Bank interest	768	48
Total revenue	20,619	15,640

4. Expenses

	2023	2022
	£000s	£000s
Payable to the ACD and associates		
Annual management charge	8,887	8,996
Total expenses	8,887	8,996

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

The annual management charge included an audit fee of £8,082 inclusive of VAT (2022: £5,670 inclusive of VAT).

5. Taxation

	2023	2022
	£000s	£000s
a) Analysis of charge for the year		
Irrecoverable overseas tax	1,005	819
Reclaimable tax written off	135	-
Total taxation (note 5b)	1,140	819

Notes to the financial statements (continued)
for the year ended 31 May 2023

5. Taxation (continued)

b) Factors affecting the current tax charge for the year

The tax assessed for the year is lower (2022: lower) than the standard rate of UK corporation tax for an authorised collective investment scheme of 20% (2022: 20%).

The differences are explained below:

	2023	2022
	£000s	£000s
Net revenue before taxation	11,727	6,643
Corporation tax @ 20%	2,345	1,329
Effects of:		
UK revenue	(366)	(1,301)
Overseas revenue	(1,503)	(1,206)
Irrecoverable overseas tax	1,005	819
Reclaimable tax written off	135	-
Excess management expenses (utilised)/unutilised	(476)	1,178
Total taxation (note 5a)	1,140	819

c) Provision for deferred tax

At the year end, a deferred tax asset has not been recognised in respect of timing differences relating to excess management expenses as there is insufficient evidence that the asset will be recovered. The amount of asset not recognised is £2,755,787 (2022: £3,232,017).

6. Distributions

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

	2023	2022
	£000s	£000s
Final income distribution	6	4
Final accumulation distribution	10,936	6,057
	10,942	6,061
Equalisation:		
Amounts deducted on cancellation of shares	636	1,188
Amounts added on issue of shares	(988)	(1,420)
Total net distributions	10,590	5,829

Notes to the financial statements (continued)

for the year ended 31 May 2023

6. Distributions (continued)

Reconciliation between net revenue and distributions:	2023	2022
	£000s	£000s
Net revenue after taxation per Statement of total return	10,587	5,824
Undistributed revenue brought forward	6	1
Corporation tax relief to capital	1	10
Undistributed revenue carried forward	(4)	(6)
Distributions	10,590	5,829

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

7. Debtors

	2023	2022
	£000s	£000s
Amounts receivable on issue of shares	4,557	6,132
Currency trades outstanding	145	2,764
Accrued revenue	3,641	5,863
Recoverable overseas withholding tax	459	251
Recoverable Income tax	-	23
Total debtors	8,802	15,033

8. Cash and bank balances

	2023	2022
	£000s	£000s
Cash and bank balances	30,394	91,961
Total cash and bank balances	30,394	91,961

9. Other creditors

	2023	2022
	£000s	£000s
Amounts payable on cancellation of shares	1,693	1,438
Purchases awaiting settlement	190	2,764
Currency trades outstanding	145	2,767
Accrued expenses:		
Payable to the ACD and associates		
Annual management charge	851	721
Total accrued expenses	851	721
Total other creditors	2,879	7,690

10. Commitments and contingent liabilities

At the balance sheet date there are no commitments or contingent liabilities (2022: same).

Notes to the financial statements (continued)

for the year ended 31 May 2023

11. Share classes

The following reflects the change in shares in issue for each share class in the year:

	A Income
Opening shares in issue	484,450
Total shares issued in the year	7,220
Total shares cancelled in the year	(13,776)
Closing shares in issue	477,894

	A Accumulation
Opening shares in issue	749,655,225
Total shares issued in the year	248,089,605
Total shares cancelled in the year	(148,646,201)
Closing shares in issue	849,098,629

For the year ended 31 May 2023, the annual management charge is 0.83%. The annual management charge includes the ACD's periodic charge, Investment Manager's fee and other permitted charges to the operation of the Sub-Fund.

Further information in respect of the return per share is disclosed in the Comparative tables.

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

12. Related party transactions

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

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

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

13. Events after the balance sheet date

Subsequent to the year end, the net asset value per A Income share has decreased from 122.1p to 120.5p and the A Accumulation share has decreased from 133.2p to 131.5p as at 27 September 2023. This movement takes into account routine transactions but also reflects the market movements of recent months.

14. Transaction costs

Direct transaction costs

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

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

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

Notes to the financial statements (continued)

for the year ended 31 May 2023

14. Transaction costs (continued)

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

	Purchases before transaction costs	Commission		Taxes		Other Expenses		Purchases after transaction costs
2023	£000s	£000s	%	£000s	%	£000s	%	£000s
Equities	324,618	56	0.02	121	0.04	4	-	324,799
Bonds*	506,228	-	-	-	-	-	-	506,228
Collective Investment Schemes	344,861	19	0.01	-	-	-	-	344,880
Total	1,175,707	75		121		4		1,175,907

	Purchases before transaction costs	Commission		Taxes		Other Expenses		Purchases after transaction costs
2022	£000s	£000s	%	£000s	%	£000s	%	£000s
Equities	646,921	164	0.03	452	0.07	30	-	647,567
Bonds*	203,321	-	-	-	-	-	-	203,321
Collective Investment Schemes	19,447	-	-	-	-	-	-	19,447
Total	869,689	164		452		30		870,335

	Sales before transaction costs	Commissions		Taxes		Other Expenses		Sales after transaction costs
2023	£000s	£000s	%	£000s	%	£000s	%	£000s
Equities	345,800	(70)	(0.02)	-	-	(22)	(0.01)	345,708
Bonds*	382,177	-	-	-	-	-	-	382,177
Collective Investment Schemes	237,636	(4)	-	-	-	-	-	237,632
Total	965,613	(74)		-		(22)		965,517

	Sales before transaction costs	Commissions		Taxes		Other Expenses		Sales after transaction costs
2022	£000s	£000s	%	£000s	%	£000s	%	£000s
Equities	639,942	(151)	(0.02)	-	-	(3)	-	639,788
Bonds*	35,435	-	-	-	-	-	-	35,435
Collective Investment Schemes	113,481	(9)	(0.01)	-	-	-	-	113,472
Total	788,858	(160)		-		(3)		788,695

* No direct transaction costs were incurred in these transactions.

Notes to the financial statements (continued)

for the year ended 31 May 2023

15 Risk management policies (continued)

Summary of direct transaction costs

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

2023	£000s	% of average net asset value
Commission	149	0.02
Taxes	121	0.01
Other Expenses	26	0.00

2022	£000s	% of average net asset value
Commission	324	0.03
Taxes	452	0.04
Other Expenses	33	0.00

b Average portfolio dealing spread

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

The average portfolio dealing spread of the investments at the balance sheet date was 0.10% (2022: 0.09%).

15 Risk management policies

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

a Market risk

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

The method used to calculate the global exposure is absolute Value at risk (VaR). The calculation of the Absolute VaR is carried out in accordance with the following parameters: 99% one-sided confidence interval, 1 month (20 day) holding period, Monte Carlo simulation (10,000 simulations) ,1-year (250 day) history with time decay factor (weighting recent events).

A given fund’s limit is based on its Risk profile. All of the positions within the fund (direct investments and derivatives) are taken into account for the VaR calculation, not just derivatives.

The below table shows the lowest, the highest and the average utilisation of the VaR limit calculated during the financial year, 01 June 2022 - 31 May 2023. Funds using the VaR approach disclose the level of leverage employed during the relevant period, using the gross method (sum of the notionals of the derivatives used).

	Lowest VaR %	Highest VaR %	Average VaR %	VaR Limit %	Average Level of leverage %	Typical expected Leverage %
True Potential Close Brothers Balanced	4.90	11.25	7.46	14.20	121	150

Notes to the financial statements (continued)

for the year ended 31 May 2023

15 Risk management policies (continued)

(i) Other price risk

The Sub-Fund's exposure to price risk comprises mainly of movements in the value of investment positions in the face of price movements.

The main elements of the portfolio of investments exposed to this risk are equities and collective investment schemes.

This risk is generally regarded as consisting of two elements: stock specific risk and market risk. Through these two factors, the Sub-Fund is exposed to price fluctuations, which are monitored by the ACD in pursuance of the investment objective and policy.

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

At 31 May 2023, if the price of the investments held by the Sub-Fund increased or decreased by 5%, with all other variables remaining constant, then the net assets attributable to shareholders of the Sub-Fund would increase or decrease by approximately £54,756,000 (2022: £45,716,000).

(ii) Currency risk

Currency risk is the risk that the value of investments or future cash flows will fluctuate as a result of exchange rate movements. Investment in overseas securities or holdings of foreign currency cash will provide direct exposure to currency risk as a consequence of the movement in foreign exchange rates against sterling. Investments in UK securities investing in overseas securities will give rise to indirect exposure to currency risk. These fluctuations can also affect the profitability of some UK companies, and thus their market prices, as sterling's relative strength or weakness can affect export prospects, the value of overseas earnings in sterling terms, and the prices of imports sold in the UK.

Forward currency contracts are used to help the Sub-Fund achieve its investment objective as stated in the Prospectus. The ACD monitors the exposure to these contracts to ensure they are in keeping with the investment objective.

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

	Total net foreign currency exposure*
2023	£000s
Euro	130,088
Hong Kong dollar	11,073
Japanese yen	19,963
Norwegian krone	185
Singapore dollar	2,853
Swiss franc	40,331
US dollar	750,160
Total net foreign currency exposure	954,653

Notes to the financial statements (continued)
for the year ended 31 May 2023

15 Risk management policies (continued)

	Total net foreign currency exposure*
2022	£000s
Hong Kong dollar	56,986
Japanese yen	22,023
Norwegian krone	32,098
Singapore dollar	216
Swiss franc	21,831
US dollar	381,179
Total net foreign currency exposure	514,333

At 31 May 2023, if the value of sterling increased or decreased by 5% against all other currencies, with all other variables remaining constant, then the net assets attributable to shareholders of the Sub-Fund would increase or decrease by approximately £25,776,000 (2022: £13,725,000). Forward currency contracts are used to manage to the portfolio exposure to currency movements.

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

(iii) Interest rate risk

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

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

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

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

At 31 May 2023, if interest rates increased or decreased by 25 points, with all other variables remaining constant, then the net assets attributable to shareholders of the Sub-Fund would increase or decrease by approximately £81,000 (2022: £783,000).

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

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

Notes to the financial statements (continued)

for the year ended 31 May 2023

15 Risk management policies (continued)

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

	Variable rate financial assets	Variable rate financial liabilities	Fixed rate financial assets	Non-interest bearing financial assets	Non-interest bearing financial liabilities	Total
2023	£000s	£000s	£000s	£000s	£000s	£000s
Euro	1,001	-	22,685	106,402	-	130,088
Hong Kong dollar	-	-	-	11,073	-	11,073
Japanese yen	-	-	-	19,963	-	19,963
Norwegian krone	-	-	-	185	-	185
Singapore dollar	-	-	-	2,998	(145)	2,853
Swiss franc	-	-	-	40,331	-	40,331
UK sterling	31,220	-	43,704	104,603	(2,740)	176,787
US dollar	-	-	346,801	409,530	(6,171)	750,160
	32,221	-	413,190	695,085	(9,056)	1,131,440

	Variable rate financial assets	Variable rate financial liabilities	Fixed rate financial assets	Non-interest bearing financial assets	Non-interest bearing financial liabilities	Total
2022	£000s	£000s	£000s	£000s	£000s	£000s
Euro	-	-	-	53,016	-	56,986
Hong Kong dollar	-	-	-	22,023	-	22,023
Japanese yen	-	-	-	32,098	-	32,098
Norwegian krone	-	-	-	216	-	216
Swiss franc	-	-	-	21,886	(55)	21,831
UK sterling	102,368	-	307,164	94,725	(4,976)	499,281
US dollar	-	-	-	383,943	(2,764)	381,179
	102,368	-	311,134	607,907	(7,795)	1,013,614

b Credit risk

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

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

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

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

Notes to the financial statements (continued)

for the year ended 31 May 2023

15 Risk management policies (continued)

Holdings in collective investment schemes are subject to direct credit risk. The exposure to pooled investment vehicles is unrated.

c Liquidity risk

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

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

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

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

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

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

d Fair value of financial assets and financial liabilities

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

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

	Investment assets	Investment liabilities
Basis of valuation	2023	2023
	£000s	£000s
Quoted prices	951,568	-
Observable market data	149,732	(6,171)
Unobservable data	-	-
	1,101,300	(6,171)

Notes to the financial statements (continued)

for the year ended 31 May 2023

15 Risk management policies (continued)

Basis of valuation	Investment assets 2022 £000s	Investment liabilities 2022 £000s
Quoted prices	811,894	-
Observable market data	102,521	(101)
Unobservable data	-	-
	914,415	(101)

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

e Assets subject to special arrangements arising from their illiquid nature

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

f Derivatives

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

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

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

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

Derivatives may be used for investment purposes and as a result could potentially impact upon the risk factors outlined above.

(i) Counterparties

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

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

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

Notes to the financial statements (continued)

for the year ended 31 May 2023

15 Risk management policies (continued)

(ii) Leverage

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

There have been no leveraging arrangements in the year.

(iii) Global exposure

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

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

	Gross exposure value	% of the total net asset value
Investment	£000s	
Forward Currency Contracts		
Value of short position - euro	63,382	5.60
Value of short position -Japanese yen	10,026	0.89
Value of short position - Swiss franc	20,164	1.78
Value of short position - US dollar	350,555	30.98

There have been no collateral arrangements in the year.

True Potential Close Brothers Growth
Sub-investment Manager's report

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

Investment Objective and Policy

The investment objective of the Sub-Fund is to generate capital growth by investing primarily in equities and fixed interest securities. The balance of the Sub-Fund will be invested in money market instrument and deposits, cash and near cash and other permitted transferable securities. Exposure to the above asset classes may be gained through investment in collective investment schemes and transferable securities (including closed ended and exchange traded funds). There are no geographic restrictions on the investments of the Sub-Fund.

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

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

Sub-Investment Activities

Global equity markets returned positive performance, +2.6% in sterling terms, with gains helped by the depreciation of the currency. Bond markets, as measured by the sterling broad market index, fell -14% (source: FE analytics). The Fund returned -1.2% over the year, in line with the IA Flexible Investment peer group, with the currency overlay detracting (source: Bloomberg).

Broadly, volatility in major asset classes can be characterised by inflation, central bank policy rate action and the business cycle signalling an economic slowdown. Initial market volatility in summer 2022 was dictated by the tone of the US Federal Reserve, with a market rally dampened by the bank's chairman Jerome Powell confirming his commitment to bringing "some pain to households and businesses" in order to tame inflation. Signs of inflation easing in autumn gave strength to both equity and bond markets, only to partially unwind in December as the recessionary implications of the speed of US Federal Reserve interest rate hikes (zero to five percent) within the space of a year set in. Despite this, in 2023 equities rallied as the valuation impact of falling yields outweighed the decline in company earnings from slowing economic growth. In step with 2022, market strength then faltered. Choppy data fuelled volatility for the remainder of the period: lingering inflation and a still strong labour market countered weaker incoming industrial data, reigniting concern that interest rates may have further to rise.

In this market we maintained our cautious positioning – taking advantage of market rallies to sell cyclical and buy defensive equities. To this, we divested positions in economically exposed business models including Ashtead, Partners Group, Prudential, AIA, Ferguson and Ally Financial and added to defensive business models which had derated to attractive valuations such RELX, Wolters Kluwer and the US insurance brokers. New positions added through the period included those whose growth profiles remain strong, and the stock had relatively underperformed such as: Nestlé, Pernod Ricard, Tokyo Electron, TSMC, Alcon, Becton Dickinson, Singapore Exchange, IMCD, Merck and Casey's General Stores. In fixed income activity included adding to corporate bonds, where investment grade yields were attractive relative to stock returns, and adding cash to money market funds, which offered an attractive yield for no duration risk. With rising conviction that yields have peaked, we swapped some equities for physical gold ETCs – which don't have earnings risk – and started to invest cash into longer term Treasury bonds, which will benefit from interest rate cuts in a recession as a way to protect capital. In summary, we furthered our equity underweight with a bias towards defensives over cyclicals, and increased our allocation to alternatives and fixed income.

Investment Strategy and Outlook

Looking ahead, we are waiting for final confirmation that the US is entering recession before moving longer duration. We are looking to buy new cyclical equities on profit warnings, where the business models are competitively advantaged yet economically sensitive, and add to corporate bonds into any selloff.

Close Asset Management Limited - a sub-delegate of True Potential Investments LLP

19 June 2023

Portfolio changes

for the year ended 31 May 2023

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

	Cost
Purchases:	£000s
Royal London Short-Term Money Market Fund	87,673
BlackRock ICS Sterling Liquidity Fund	58,168
UK Treasury Gilt 0.125% 31/01/2023	54,709
US Treasury Gilt 2.875% 15/05/2032	41,543
US Treasury Gilt 0.375% 30/09/2027	37,207
Insight Liquidity Funds - Sterling Liquidity Fund	33,176
Nestlé	32,669
First Republic Bank	26,161
Source Physical Gold	26,001
iShares Physical Gold	25,665
Subtotal	422,972
Total cost of purchases, including the above, for the year	936,044

	Proceeds
Sales:	£000s
Royal London Short-Term Money Market Fund	88,141
BlackRock ICS Sterling Liquidity Fund	58,408
UK Treasury Gilt 0.125% 31/01/2023	55,126
Microsoft	39,120
Insight Liquidity Funds - Sterling Liquidity Fund	33,324
UK Treasury Gilt 4.25% 07/06/2032	31,874
Accenture	29,033
Alphabet 'A'	25,653
Partners Group	23,011
Costco Wholesale	21,241
Subtotal	404,931
Total proceeds from sales, including the above, for the year	714,283

Portfolio statement
as at 31 May 2023

Investment	Nominal value or holding	Market value £000s	% of total net assets
Debt Securities - 27.89% (13.09%)			
Corporate Bonds - 6.60% (0.80%)			
America Movil 1.5% 10/03/2024	€12,700,000	10,703	1.16
American Tower 0.6% 15/01/2024	$9,950,000	7,772	0.84
American Tower 1.375% 04/04/2025	€10,700,000	8,763	0.95
American Tower 3.375% 15/05/2024	$9,400,000	7,412	0.80
American Tower 5% 15/02/2024	$9,100,000	7,298	0.79
Co-operative Group 7.5% 08/07/2026	£430,000	405	0.04
Crown Castle 3.15% 15/07/2023	$10,600,000	8,523	0.92
Crown Castle 3.2% 01/09/2024	$9,300,000	7,285	0.79
Engie 1.625% VRN Perpetual**	€100,000	79	0.01
Engie 3.25% VRN 28/01/2019 Perpetual**	€100,000	83	0.01
Iberdrola International 2.625% VRN Perpetual**	€100,000	85	0.01
Iberdrola International 3.25% VRN Perpetual**	€400,000	333	0.03
Pershing Square Holdings 1.375% 01/10/2027	€2,800,000	2,053	0.22
Suez 2.875% VRN Perpetual**	€300,000	253	0.03
Total Corporate Bonds		61,047	6.60
Government Bonds - 21.29% (12.29%)			
US Treasury Gilt 0.375% 30/09/2027	$52,800,000	36,730	3.97
US Treasury Gilt 0.625% 15/05/2030	$37,100,000	24,335	2.63
US Treasury Gilt 1.125% 15/05/2040	$25,600,000	13,423	1.45
US Treasury Gilt 1.25% 15/05/2050	$12,000,000	5,428	0.59
US Treasury Gilt 1.375% 15/08/2050	$22,300,000	10,423	1.13
US Treasury Gilt 1.625% 15/05/2031	$18,900,000	13,149	1.42
US Treasury Gilt 1.875% 15/02/2032	$25,400,000	17,810	1.93
US Treasury Gilt 2.25% 15/08/2046	$34,800,000	20,566	2.22
US Treasury Gilt 2.875% 15/05/2032	$53,600,000	40,684	4.40
US Treasury Gilt 2.875% 15/05/2052	$21,400,000	14,297	1.55
Total Government Bonds		196,845	21.29
Total Debt Securities		257,892	27.89
Equities - 63.21% (72.47%)			
United Kingdom - 7.25% (9.06%)			
Consumer Services - 4.31% (3.39%)			
RELX GBP	1,062,034	26,646	2.88
RELX EUR	525,700	13,204	1.43
		39,850	4.31
Financials - 2.94% (4.72%)			
3i Group	1,390,400	27,189	2.94

Portfolio statement

as at 31 May 2023

Investment	Nominal value or holding	Market value £000s	% of total net assets
Equities - 63.21% (72.47%) (continued)			
United Kingdom - 7.25% (9.06%) (continued)			
Industrials - 0.00% (0.95%)		-	-
Total United Kingdom		67,039	7.25
Canada - 4.51% (4.64%)			
Canadian Natural Resources	461,600	20,063	2.17
Cenovus Energy	928,500	11,964	1.29
Suncor Energy	429,500	9,703	1.05
Total Canada		41,730	4.51
Channel Islands - 0.00% (1.00%)		-	-
France - 4.99% (3.52%)			
LVMH	30,200	21,133	2.29
Pernod–Ricard	78,800	10,935	1.18
Schneider Electric	80,900	14,050	1.52
Total France		46,118	4.99
Germany - 2.63% (0.00%)			
Bayer	281,500	12,662	1.37
Merck KGAA	82,885	11,621	1.26
Total Germany		24,283	2.63
Hong Kong - 1.23% (2.71%)			
AIA Group	1,466,500	11,351	1.23
India - 2.10% (1.39%)			
HDFC Bank ADR	374,100	19,433	2.10
Ireland 0.00% (5.30%)		-	-
Italy 0.70% (0.64%)			
Moncler	120,100	6,467	0.70
Japan - 2.18% (3.85%)			
Olympus Corporation	997,200	12,168	1.31
Tokyo Electron	72,000	8,029	0.87
Total Japan		20,197	2.18

Portfolio statement

as at 31 May 2023

Investment	Nominal value or holding	Market value £000s	% of total net assets
Equities - 63.21% (72.47%) (continued)			
Luxembourg - 0.00% (0.78%)		-	-
Netherlands - 2.09% (1.17%)			
IMCD Group	50,700	6,125	0.66
Wolters Kluwer	144,300	13,219	1.43
Wolters Kluwer Rights*	144,300	-	0.00
Total Netherlands		19,344	2.09
Singapore - 0.33% (0.00%)			
Singapore Exchange	545,332	3,007	0.33
Switzerland - 5.02% (2.66%)			
Alcon CHF	165,500	10,322	1.11
Alcon USD	72,300	4,514	0.49
Nestlé	332,200	31,637	3.42
Total Switzerland		46,473	5.02
Taiwan - 1.69% (0.00%)			
Taiwan Semiconductor Manufacturing ADR	196,900	15,675	1.69
United States 28.49% (35.75%)			
Alphabet 'A'	137,700	13,662	1.48
Applied Materials	152,600	16,400	1.77
Arthur J. Gallagher & Co.	88,900	14,373	1.55
Automatic Data Processing	72,900	12,294	1.33
Avantor	1,143,300	18,385	1.99
Becton Dickinson	117,200	22,855	2.47
Booz Allen Hamilton	119,800	9,723	1.05
Brown & Brown	330,200	16,603	1.80
Casey's General Stores	30,200	5,496	0.59
CooperCompanies	38,900	11,663	1.26
Marsh McLennan	132,400	18,489	2.00
O'Reilly Automotive	21,300	15,528	1.68
Performance Food Group	217,200	9,689	1.05
Thermo Fisher Scientific	19,300	7,921	0.86
UnitedHealth Group	73,000	28,701	3.10
Valvoline	615,700	19,121	2.07
Visa 'A'	126,400	22,553	2.44
Total United States		263,456	28.49

*This relates to nil value rights issues holding.

Portfolio statement

as at 31 May 2023

Investment	Nominal value or holding	Market value £000s	% of total net assets
Total Equities		584,573	63.21
Collective Investment Schemes 1.48% (0.00%)			
UK Authorised Collective Investment Schemes 0.00% (0.00%)			
Royal London Short-Term Money Market Fund	1,000	1	0.00
Offshore Collective Investment Schemes - 1.48% (0.00%)			
Coremont Investment Fund - Brevan Howard Absolute Return Government Bond Fund	20,000	2,388	0.26
Coremont Investment Fund - Landseeram European Equity Focus Long/Short Fund	1,000	102	0.01
iShares USD Treasury Bond 20+year UCITS ETF	2,800,000	10,904	1.18
Lumyna - Sandbar Global Equity Market Neutral UCITS Fund	1,000	92	0.01
Neuberger Berman Event Driven Fund	20,000	202	0.02
Total Offshore Collective Investment Schemes		13,688	1.48
Total Collective Investment Schemes		13,689	1.48
Exchange Traded Commodities - 5.84% (0.00%)			
iShares Physical Gold	872,000	27,010	2.92
Source Physical Gold	176,000	27,036	2.92
Total Exchange Traded Commodities		54,046	5.84
Forward Currency Contracts - (0.49%) (0.51%)			
Sell Euro	-€73,194,087	(62,995)	
Buy UK sterling	£63,790,249	63,790	
Expiry date 15 June 2023		795	0.09
Sell Japanese yen	-¥1,789,061,400	(10,353)	
Buy UK sterling	£10,552,892	10,553	
Expiry date 15 June 2023		200	0.02
Sell Swiss franc	-CHF23,943,556	(21,164)	
Buy UK sterling	£21,348,768	21,349	
Expiry date 15 June 2023		185	0.02
Sell US dollar	-$406,260,392	(327,673)	
Buy UK sterling	£321,972,412	321,972	
Expiry date 15 June 2023		(5,701)	(0.62)
Total Forward Currency Contracts		(4,521)	(0.49)

Portfolio statement

as at 31 May 2023

Investment	Nominal value or holding	Market value £000s	% of total net assets
Portfolio of investments		905,679	97.93
Other net assets		19,189	2.07
Total net assets		924,868	100.00

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

The comparative figures in brackets are as at 31 May 2022.

**Variable interest security.

SUMMARY OF PORTFOLIO INVESTMENTS

as at 31 May 2023

Credit breakdown*	31 May 2023 Bid-Market value £000s	31 May 2023 Total net assets %	31 May 2022 Bid-Market value £000s	31 May 2022 Total net assets %
Investments of investment grade	257,487	27.85	101,794	12.54
Investments of below investment grade	405	0.04	399	0.05
Unrated bonds	-	-	4,080	0.50
Total bonds	257,892	27.89	106,273	13.09
Forward currency contracts – assets	1,180	0.13	4,220	0.52
Collective Investment Schemes	13,689	1.48	-	-
Exchange Traded Commodities	54,046	5.84	-	-
Equities	584,573	63.21	588,261	72.47
Investments as shown in the balance sheet	911,380	98.55	698,754	86.08
Forward currency contracts – liabilities	(5,701)	(0.62)	(81)	(0.01)
Total value of investments	905,679	97.93	698,673	86.07

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

Risk and reward profile

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

Typically lower rewards, lower risk

Typically higher rewards, higher risk

1	2	3	4	5	6	7

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

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

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

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

The price of gold or other resources may be subject to sudden, unexpected and substantial fluctuations. This may lead to significant declines in the values of any companies developing these resources in which the Sub-Fund invests and significantly impact investment performance.

The Sub-Fund may invest in securities not denominated in sterling, the value of your investments may be affected by changes in currency exchange rates

For further information please refer to the KIID.

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

There have been no changes to the risk and reward indicator in the year.

Comparative table

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

	A Accumulation		
	2023	2022	2021
	p	p	p
Change in net assets per share			
Opening net asset value per share	145.31	151.85	128.89
Return before operating charges*	0.10	(5.25)	24.17
Operating charges	(1.19)	(1.29)	(1.21)
Return after operating charges*	(1.09)	(6.54)	22.96
Distributions+	(1.22)	(0.95)	(1.46)
Retained distribution on accumulation shares+	1.22	0.95	1.46
Closing net asset value per share	144.22	145.31	151.85
*after direct transaction costs of:	0.05	0.14	0.11
Performance			
Return after charges	(0.75%)	(4.31%)	17.81%
Other information			
Closing net asset value (£000s)	924,868	811,766	634,523
Closing number of shares	641,300,173	558,629,813	417,873,436
Operating charges++	0.83%	0.83%	0.86%
Direct transaction costs	0.04%	0.09%	0.08%
Prices			
Highest share price (p)	149.5	167.2	152.9
Lowest share price (p)	134.9	139.7	128.0

+Rounded to 2 decimal places.

++The operating charges are represented by the Ongoing Charges Figure (OCF). The OCF consists principally of the ACD's periodic charge and the Investment Manager's fee which are included in the annual management charge, but also includes the costs for other services paid. It is indicative of the charges which the share class may incur in a year as it is calculated on historical data. The operating charge includes charges for the underlying funds held.

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

Distribution table

for the year ended 31 May 2023

Distributions on A Accumulation shares in pence per share

Allocation date	Share type	Distribution type	Net revenue	Equalisation	Distribution current year	Distribution prior year
31.07.23	group 1	final	1.221	-	1.221	0.948
31.07.23	group 2	final	0.837	0.384	1.221	0.948

Equalisation

Equalisation applies only to group 2 shares. It is the average amount of revenue included in the purchase price of 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 in the hands of the shareholder but must be deducted from the cost of shares for capital gains tax purposes.

Accumulation distributions

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

Final distributions:

Group 1	Shares purchased before 1 June 2022
Group 2	Shares purchased 1 June 2022 to 31 May 2023

Financial statements - True Potential Close Brothers Growth

Statement of total return
for the year ended 31 May 2023

	Notes	2023		2022	
		£000s	£000s	£000s	£000s
Income:					
Net capital losses	2		(12,330)		(49,380)
Revenue	3	15,902		11,589	
Expenses	4	(7,190)		(6,425)	
Interest payable and similar charges		(2)		(1)	
Net revenue before taxation		8,710		5,163	
Taxation	5	(1,174)		(645)	
Net revenue after taxation			7,536		4,518
Total deficit before distributions			(4,794)		(44,862)
Distributions	6		(7,538)		(4,522)
Change in net assets attributable to shareholders from investment activities			(12,332)		(49,384)

Statement of change in net assets attributable to shareholders
for the year ended 31 May 2023

	2023		2022	
	£000s	£000s	£000s	£000s
Opening net assets attributable to shareholders		811,766		634,523
Amounts receivable on issue of shares	299,223		410,905	
Amounts payable on cancellation of shares	(181,619)		(189,574)	
		117,604		221,331
Change in net assets attributable to shareholders from investment activities		(12,332)		(49,384)
Retained distribution on accumulation shares		7,830		5,296
Closing net assets attributable to shareholders		924,868		811,766

Balance Sheet

as at 31 May 2023

	Notes	2023	2022
		£000s	£000s
Assets:			
Fixed assets:			
Investments		911,380	698,754
Current assets:			
Debtors	7	6,654	14,665
Cash and bank balances	8	14,860	105,608
Total assets		932,894	819,027
Liabilities:			
Investment liabilities		(5,701)	(81)
Creditors:			
Other creditors	9	(2,325)	(7,180)
Total liabilities		(8,026)	(7,261)
Net assets attributable to shareholders		924,868	811,766

Notes to the financial statements

for the year ended 31 May 2023

1. Accounting policies

The accounting policies are disclosed on pages 12 to 14.

2. Net capital losses	2023	2022
	£000s	£000s
Non-derivative securities – losses	(8,382)	(28,922)
Currency gains/(losses)	35	(838)
Forward currency contracts	(3,983)	(20,277)
Capital special dividend	-	656
Transaction charges	-	1
Net capital losses	(12,330)	(49,380)

3. Revenue	2023	2022
	£000s	£000s
Non-interest distributions from overseas funds	-	226
Distributions from UK regulated collective investment schemes:		
Franked investment income	-	(71)
Interest distribution	171	-
Interest on debt securities from overseas collective investment schemes	369	
UK revenue	1,882	5,615
Overseas revenue	7,792	5,212
Interest on debt securities	5,102	557
Bank interest	586	50
Total revenue	15,902	11,589

4. Expenses	2023	2022
	£000s	£000s
Payable to the ACD and associates		
Annual management charge	7,189	6,425
Other expenses:		
Dividend collection expenses	1	-
Total expenses	7,190	6,425

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

The annual management charge included an audit fee of £8,082 inclusive of VAT (2022: £5,670 inclusive of VAT).

5. Taxation	2023	2022
	£000s	£000s
a) Analysis of charge for the year		
Overseas tax withheld	1,037	626
Reclaimable tax written off	137	-
Irrecoverable income tax	-	19
Total taxation (note 5b)	1,174	645

Notes to the financial statements (continued)
for the year ended 31 May 2023

5. Taxation (continued)

b) Factors affecting the current tax charge for the year

The tax assessed for the year is lower (2022: lower) than the standard rate of UK corporation tax for an authorised collective investment scheme of 20% (2022: 20%).

The differences are explained below:

	2023	2022
	£000s	£000s
Net revenue before taxation	8,710	5,163
Corporation tax @ 20%	1,742	1,033
Effects of:		
UK revenue	(377)	(1,109)
Overseas revenue	(1,558)	(1,088)
Overseas tax withheld	1,037	626
Reclaimable tax written off	137	-
Excess management expenses	192	1,159
Realised/Unrealised gains on non-qualifying offshore fund	1	5
Irrecoverable overseas tax	-	19
Total taxation (note 5a)	1,174	645

c) Provision for deferred tax

At the year end, a deferred tax asset has not been recognised in respect of timing differences relating to excess management expenses as there is insufficient evidence that the asset will be recovered. The amount of asset not recognised is £3,450,106 (2022: £3,258,028).

6. Distributions

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

	2023	2022
	£000s	£000s
Final accumulation distribution	7,830	5,296
Equalisation:		
Amounts deducted on cancellation of shares	514	715
Amounts added on issue of shares	(806)	(1,489)
Total net distributions	7,538	4,522

Notes to the financial statements (continued)

for the year ended 31 May 2023

6. Distributions (continued)

Reconciliation between net revenue and distributions:	2023	2022
	£000s	£000s
Net revenue after taxation per Statement of total return	7,536	4,518
Undistributed revenue brought forward	2	1
Corporation tax relief to capital	1	5
Undistributed revenue carried forward	(1)	(2)
Distributions	7,538	4,522

Details of the distribution per share are disclosed in the Distribution table.

7. Debtors	2023	2022
	£000s	£000s
Amounts receivable on issue of shares	3,877	8,067
Currency trades outstanding	153	2,914
Accrued revenue	2,235	3,221
Accrued special dividends	-	303
Recoverable overseas withholding tax	389	151
Recoverable Income tax	-	9
Total debtors	6,654	14,665

8. Cash and bank balances	2023	2022
	£000s	£000s
Cash and bank balances	14,860	105,608
Total cash and bank balances	14,860	105,608

9. Other creditors	2023	2022
	£000s	£000s
Amounts payable on cancellation of shares	1,323	779
Purchases awaiting settlement	153	2,914
Currency trades outstanding	154	2,916
Accrued expenses:		
Payable to the ACD and associates		
Annual management charge	695	571
Total accrued expenses	695	571
Total other creditors	2,325	7,180

10. Commitments and contingent liabilities

At the balance sheet date there are no commitments or contingent liabilities (2022: same).

Notes to the financial statements (continued)

for the year ended 31 May 2023

11. Share class

The following reflects the change in shares in issue for each share class in the year:

	A Accumulation
Opening shares in issue	558,629,813
Total shares issued in the year	209,886,074
Total shares cancelled in the year	(127,215,714)
Closing shares in issue	641,300,173

For the year ended 31 May 2023, the annual management charge is 0.83%. The annual management charge includes the ACD's periodic charge, Investment Manager's fee and other permitted charges to the operation of the Sub-Fund.

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

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

12. Related party transactions

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

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

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

13. Events after the balance sheet date

Subsequent to the year end, the net asset value per A Accumulation share has decreased from 144.22p to 143.3p as at 27 September 2023. This movement takes into account routine transactions but also reflects the market movements of recent months.

14. Transaction costs

a Direct transaction costs

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

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

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

Notes to the financial statements (continued)
for the year ended 31 May 2023

14. Transaction costs (continued)

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

2023	Purchases before transaction costs	Commission		Taxes		Other Expenses		Purchases after transaction costs
	£000s	£000s	%	£000s	%	£000s	%	£000s
Equities	354,715	61	0.02	143	0.04	6	-	354,925
Bonds*	323,898	-	-	-	-	-	-	323,898
Collective Investment Schemes	257,207	14	0.01	-	-	-	-	257,221
Total	935,820	75		143		6		936,044

2022	Purchases before transaction costs	Commission		Taxes		Other Expenses		Purchases after transaction costs
	£000s	£000s	%	£000s	%	£000s	%	£000s
Equities	583,504	144	0.02	419	0.07	29	-	584,096
Bonds*	96,818	-	-	-	-	-	-	96,818
Collective Investment Schemes	16,461	1	0.01	-	-	-	-	16,462
Total	696,783	145		419		29		697,376

2023	Sales before transaction costs	Commissions		Taxes		Other Expenses		Sales after transaction costs
	£000s	£000s	%	£000s	%	£000s	%	£000s
Equities	360,441	71	0.02	-	-	23	0.01	360,347
Bonds*	156,204	-	-	-	-	-	-	156,204
Collective Investment Schemes	197,734	2	-	-	-	-	-	197,732
Total	714,379	73		-		23		714,283

2022	Sales before transaction costs	Commissions		Taxes		Other Expenses		Sales after transaction costs
	£000s	£000s	%	£000s	%	£000s	%	£000s
Equities	476,065	(103)	0.02	-	-	(1)	-	475,961
Bonds*	3,767	-	-	-	-	-	-	3,767
Collective Investment Schemes	81,488	(8)	0.01	-	-	-	-	81,480
Total	561,320	(111)		-		(1)		561,208

* No direct transaction costs were incurred in these transactions.

Notes to the financial statements (continued)

for the year ended 31 May 2023

14 Transactions costs (continued)

Summary of direct transaction costs

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

2023	£000s	% of average net asset value
Commission	148	0.02
Taxes	143	0.02
Other Expenses	29	-

2022	£000s	% of average net asset value
Commission	256	0.03
Taxes	419	0.05
Other Expenses	30	0.01

b Average portfolio dealing spread

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

The average portfolio dealing spread of the investments at the balance sheet date was 0.08% (2022: 0.05%).

15 Risk Management policies

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

a Market risk

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

The method used to calculate the global exposure is absolute Value at risk (VaR). The calculation of the Absolute VaR is carried out in accordance with the following parameters: 99% one-sided confidence interval, 1 month (20 day) holding period, Monte Carlo simulation (10,000 simulations) ,1-year (250 day) history with time decay factor (weighting recent events).

A given fund’s limit is based on its Risk profile. All of the positions within the fund (direct investments and derivatives) are taken into account for the VaR calculation, not just derivatives.

The below table shows the lowest, the highest and the average utilisation of the VaR limit calculated during the financial year, 01 June 2022 - 31 May 2023. Funds using the VaR approach disclose the level of leverage employed during the relevant period, using the gross method (sum of the notionals of the derivatives used).

	Lowest VaR %	Highest VaR %	Average VaR %	VaR Limit %	Average Level of leverage %	Typical expected Leverage %
True Potential Close Brothers Growth	5.76	13.97	9.15	17.50	125.85	170

Notes to the financial statements (continued)

for the year ended 31 May 2023

15 Risk management policies (continued)

(i) Other price risk

The Sub-Fund's exposure to price risk comprises mainly of movements in the value of investment positions in the face of price movements.

The main elements of the portfolio of investments exposed to this risk are equities and collective investment schemes.

This risk is generally regarded as consisting of two elements: stock specific risk and market risk. Through these two factors, the Sub-Fund is exposed to price fluctuations, which are monitored by the ACD in pursuance of the investment objective and policy.

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

At 31 May 2023, if the price of the investments held by the Sub-Fund increased or decreased by 5%, with all other variables remaining constant, then the net assets attributable to shareholders of the Sub-Fund would increase or decrease by approximately £45,284,000 (2022: £34,934,000).

(ii) Currency risk

Currency risk is the risk that the value of investments or future cash flows will fluctuate as a result of exchange rate movements. Investment in overseas securities or holdings of foreign currency cash will provide direct exposure to currency risk as a consequence of the movement in foreign exchange rates against sterling. Investments in UK securities investing in overseas securities will give rise to indirect exposure to currency risk. These fluctuations can also affect the profitability of some UK companies, and thus their market prices, as sterling's relative strength or weakness can affect export prospects, the value of overseas earnings in sterling terms, and the prices of imports sold in the UK.

Forward currency contracts are used to help the Sub-Fund achieve its investment objective as stated in the Prospectus. The ACD monitors the exposure to these contracts to ensure they are in keeping with the investment objective.

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

	Total net foreign currency exposure*
2023	£000s
Euro	132,906
Hong Kong dollar	11,522
Japanese yen	20,586
Norwegian krone	82
Singapore dollar	3,030
Swiss franc	42,325
US dollar	640,232
Total net foreign currency exposure	850,683

Notes to the financial statements (continued)

for the year ended 31 May 2023

15 Risk management policies (continued)

	Total net foreign currency exposure*
2022	£000s
Hong Kong dollar	55,614
Japanese yen	22,290
Norwegian krone	31,387
Singapore dollar	96
Swiss franc	22,091
US dollar	386,456
Total net foreign currency exposure	517,934

At 31 May 2023, if the value of sterling increased or decreased by 5% against all other currencies, with all other variables remaining constant, then the net assets attributable to shareholders of the Sub-Fund would increase or decrease by approximately £21,651,000 (2022: £13,865,000). Forward currency contracts are used to manage to the portfolio exposure to currency movements.

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

(iii) Interest rate risk

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

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

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

The Sub-Fund has indirect exposure to interest rate risk as it invests in bond funds.

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

At 31 May 2023, if interest rates increased or decreased by 25 points, with all other variables remaining constant, then the net assets attributable to shareholders of the Sub-Fund would increase or decrease by approximately £40,000 (2022: £261,000).

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

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

Notes to the financial statements (continued)

for the year ended 31 May 2023

15 Risk management policies (continued)

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

	Variable rate financial assets	Variable rate financial liabilities	Fixed rate financial assets	Non-interest bearing financial assets	Non-interest bearing financial liabilities	Total
2023	£000s	£000s	£000s	£000s	£000s	£000s
Euro	835	-	21,519	110,552	-	132,906
Hong Kong dollar	-	-	-	11,522	-	11,522
Japanese yen	-	-	-	20,586	-	20,586
Norwegian krone	-	-	-	82	-	82
Singapore dollar	-	-	-	3,184	(154)	3,030
Swiss franc	-	-	-	42,325	-	42,325
UK sterling	15,262	-	-	61,094	(2,171)	74,185
US dollar	-	-	235,139	410,794	(5,701)	640,232
	16,097	-	256,658	660,139	(8,026)	924,868

	Variable rate financial assets	Variable rate financial liabilities	Fixed rate financial assets	Non-interest bearing financial assets	Non-interest bearing financial liabilities	Total
2022	£000s	£000s	£000s	£000s	£000s	£000s
Euro	-	-	2,021	53,593	-	55,614
Hong Kong dollar	-	-	-	22,290	-	22,290
Japanese yen	-	-	-	31,387	-	31,387
Norwegian krone	-	-	-	96	-	96
Swiss franc	-	-	-	22,147	(56)	22,091
UK sterling	105,608	-	104,252	88,263	(4,291)	293,832
US dollar	-	-	-	389,370	(2,914)	386,456
	105,608	-	106,273	607,146	(7,261)	811,766

b Credit risk

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

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

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

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

Holdings in collective investment schemes are subject to direct credit risk. The exposure to pooled investment vehicles is unrated.

Notes to the financial statements (continued)

for the year ended 31 May 2023

15 Risk management policies (continued)

c Liquidity risk

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

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

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

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

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

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

d Fair value of financial assets and financial liabilities

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

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

	Investment assets	Investment liabilities
Basis of valuation	2023	2023
	£000s	£000s
Quoted prices	846,368	-
Observable market data	65,012	(5,701)
Unobservable data	-	-
	911,380	(5,701)

	Investment assets	Investment liabilities
Basis of valuation	2022	2022
	£000s	£000s
Quoted prices	681,705	-
Observable market data	17,049	(81)
Unobservable data	-	-
	698,754	(81)

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

Notes to the financial statements (continued)

for the year ended 31 May 2023

15 Risk management policies (continued)

e Assets subject to special arrangements arising from their illiquid nature

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

f Derivatives

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

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

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

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

Derivatives may be used for investment purposes and as a result could potentially impact upon the risk factors outlined above.

(i) Counterparties

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

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

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

(ii) Leverage

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

There have been no leveraging arrangements in the year.

Notes to the financial statements (continued)

for the year ended 31 May 2023

15 Risk management policies (continued)

(iii) Global exposure

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

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

	Gross exposure value	% of the total net asset value
Investment	£000s	
Forward Currency Contracts		
Value of short position - Euro	62,995	6.81
Value of short position -Japanese yen	10,353	1.12
Value of short position - Swiss franc	21,164	2.29
Value of short position - US dollar	327,673	35.43

There have been no collateral arrangements in the year.

True Potential SEI Defensive
Sub-investment Manager's report

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

Investment Objective and Policy

The investment objective of the Sub-Fund is to generate some capital growth and income growth while seeking to protect against the risk of a significant loss of capital, through diversified exposure, directly or indirectly, to equity and fixed income markets. The Sub-Fund will aim to achieve this by investing almost exclusively in other collective investment schemes which themselves have an equity and fixed income focus. The Sub-Fund may seek to protect capital through the use of derivatives utilising Efficient Portfolio Management techniques where appropriate.

The Sub-Fund may hold up to 100% of its Scheme Property in collective investment vehicles.

There are no geographic restrictions on the investments of the Sub-Fund.

Derivatives and forward transactions may also be used for Investment Purposes. The use of derivatives for investment purposes may increase the volatility and risk profile of the Sub-Fund.

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

Sub-Investment activities

Current Market Recap

Global equity markets experienced a modest downturn in May amid periods of volatility in response to the latest developments in the politically charged debt-ceiling standoff in the U.S., ongoing concerns about the stability of U.S. regional banks, as well as economic data. Developed markets slightly outperformed emerging markets.

U.S. regional bank stocks encountered significant volatility again in May and ended the month with notable losses. Early in the month, U.S. regulators took control of California-based First Republic Bank. The California Department of Financial Protection and Innovation–which oversees the operations of state-licensed financial institutions, including banks and credit unions–issued a statement announcing that it had taken over the bank and appointed the Federal Deposit Insurance Corporation (FDIC) as receiver. Global fixed-income assets lost ground in May. In the U.S. market, high-yield bonds recorded the smallest losses and were the top performers for the month, followed by mortgage-backed securities (MBS). U.S. Treasuries and corporate bonds were the weakest performers. U.S. Treasury yields moved sharply higher across the curve in May. Investors demanded higher yields as compensation for the additional risk that the U.S. government could default on its debt in early June. The yields on 2-, 3-, 5-, and 10-year Treasury notes climbed 0.36%, 0.29%, 0.23%, and 0.20%, respectively, in May. The spread between 10- and 2-year notes widened from -0.60% to -0.76% during the month, further inverting the yield curve.

Global Managed Volatility Equities, which seeks to protect and preserve capital for investors, posted negative total returns in May, trailing the broader market. Defensive sector positioning and a tilt to low volatility were ineffective over the period, while a tilt to value detracted. Size tilts were mixed over the quarter, although the narrow market leadership of riskier mega cap names posed a significant challenge for managed volatility investing. In a concentrated market rally among large technology companies, diversity was the key driver of the underperformance in the Global Equity building block, with most of the managers struggling to beat their respective capitalisation-weighted regional benchmarks.

SEI believes that the positioning in fixed income and equities will continue to add value as we look into the future, despite another shorter-term setback to the positive relative returns achieved over the medium term. SEI continues to warn that the return pattern SEI expects from its positioning will not be delivered in a straight line; investors should continue to expect short-term setbacks on the path to potential medium and long-term success.

Our allocation to value managers remains the highest, in line with our belief in the factor’s potential for outperformance. We have been marginally increasing exposure to quality, in line with its improved valuation characteristics, but remain cautious about the factor given the potential for near-term inflation impacts on high profitability stocks.

Current Market Environment

According to the U.S. Department of Commerce, the personal-consumption-expenditures (PCE) price index rose 0.4% in April and 4.4% over the previous 12-month period, fueling speculation over the possibility of further Fed rate hikes to combat inflation. Food prices dipped less than 0.1% during the month and were up 6.9% year-over-year. Energy prices increased 0.7% in April but fell 6.3% over the previous 12 months. The PCE price index is the Fed's preferred gauge of inflation, as it tracks the change in prices paid by or on behalf of consumers for a more comprehensive set of goods and services than that of the consumer-price index (CPI).

The Department of Labor also reported that U.S. payrolls expanded by 253,000 in April, up from 236,000 in March. The unemployment rate dipped 0.2% to 3.4%. The professional and business services, healthcare, and leisure and hospitality sectors saw the largest employment gains in April. Despite the greater-than-expected growth in payrolls during the month, the total lagged the 400,000 monthly average job gains for the 2022 calendar year. Average hourly earnings rose 0.5% In April and 4.4% year-over-year. The 12-month increase was modestly higher than the 4.2% annual rise in March.

Higher mortgage rates continue to weigh on the U.S. housing market. The National Association of Realtors (NAR) reported that sales of existing homes fell 3.4% in April and plummeted 23.2% versus the same period in 2022. The median existing-home price was down 1.7% year-over-year to $388,000—the biggest 12-month decline since January 2012. The inventory of unsold existing homes increased 7.2% from the previous month to 1.04 million at the end of April, equivalent to 2.9 months' supply at the current monthly sales pace. According to the NAR, a six-month supply of homes historically has indicated a "balanced market," in which prices rise modestly.

According to the second estimate of the Department of Commerce, U.S. gross domestic product (GDP) grew at an annualised rate of 1.3% in the first quarter of 2023, up modestly from the initial estimate of 1.1%, but down from the 2.6% rise in the fourth quarter of 2022. The largest increases for the first quarter of this year were in consumer spending, exports, and federal government spending. These gains offset reductions in private inventory investment (a measure of the changes in values of inventories from one time period to the next) and residential fixed investment (purchases of private residential structures and residential equipment that property owners use for rentals).

The European Central Bank (ECB) increased its benchmark interest rate by 0.25% to 3.75% following its meeting on May 10. In a statement announcing the rate hike, the central bank noted, "The inflation outlook continues to be too high for too long…Headline inflation has declined over recent months, but underlying price pressures remain strong."

Inflation in the Eurozone ticked up 0.1% to 7.0% for the 12-month period ending in April. Prices for food, alcohol and tobacco, as well as non-energy industrial goods, led the upturn in the year-over-year inflation rate.

Eurozone manufacturing decreased in April, with the HCOB Flash Eurozone Manufacturing Output Index falling 2.2 to a six-month low of 46.3.

Services activity in the Eurozone expanded in April, but the HCOB Flash Eurozone Services PMI Activity Index dipped 0.3 to 55.9.
According to Eurostat's second estimate, Eurozone GDP increased 0.1% in the first quarter of 2023, unchanged from the initial estimate. The Eurozone saw flat economic growth in the fourth quarter of 2022. GDP increased 1.3% over the previous 12 months. Poland's economy was the strongest performer, expanding 3.9% in the first quarter, while Lithuania's GDP decreased 3.0% during the period.

In a split 7-2 vote, the Bank of England (BOE) raised its benchmark rate by 0.25% to 4.50% on May 11. The BOE's Monetary Policy Committee (MPC) expects U.K. GDP to be virtually flat over the first half of 2023; however, it anticipates that there will be a modest increase in underlying economic output. Additionally, the MPC projects that the UK's inflation rate, as measured by the consumer-price index, will drop below 2% within the next two to three years.

According to the Office for National Statistics (ONS), consumer prices in the U.K. rose 1.2% month-over-month in April, up from the 0.8% increase in March. The inflation rate rose 7.8% over the previous 12-month period, but was significantly lower than the 8.9% year-over-year rise in March. Food and non-alcoholic beverages, as well as housing and household services (particularly electricity) were the most notable contributors to the annual increase in prices. Core inflation, which excludes volatile food and energy prices, rose at an annual rate of 6.2% in April, unchanged from the increase in March.

The ONS also reported that U.K. GDP ticked up 0.1% in the first quarter of 2023, with a 0.5% expansion in January, flat growth in February, and a 0.3% decline in March. The services and production sectors recorded marginal growth rates for the quarter, while household consumption was flat.

Key Market Factors 2022/2023

Inflation

We continue to see central banks attempt to fight inflation. SEI has maintained its stance, in that inflation is stubborn and was not going to fall away nearly as rapidly as central banks or others had initially anticipated. Recently, we have seen additional pressures from the labour market in terms of wage-push inflation, which is making the central banker's ability to mitigate sustained periods of rising prices even tougher to mitigate. With unemployment rates of a plethora of developed nations below record, upward pressures on wages will ensue. Central bankers will continue to tread a fine line between battling inflation and ensuring that the financial system remains robust and intact. We are likely to see central banks lean towards preference for financial stability. Obviously, central bankers and politicians are wishing for a swift end to elevated inflation; however, despite quantitative tightening and a dramatic rate-hiking cycle that is likely nearing an end, labour pains may persist until an economic recession fully takes root.

Recession

Aforementioned above, we do believe that recessionary environments loom. We do believe that this could help to dial back any excess inflation that we are seeing in the stickier sectors such as food, shelter and energy. We have increased our allocation towards our quality managers, as we believe that the companies which our quality managers invest in are better positioned during recessionary environments. We also are of the opinion that quality stocks are priced more attractively as of late, whilst offering more supportive margin squeezes during economic downturns.

China

The pent up stimulus in China is of far greater magnitude than we could have anticipated. A bright spot in terms of investment has opened up within our zero-COVID-policy ally. After an extensive 3-year lockdown, China is out and ready to party. They may not maintain the stimulus checks that the likes of the US have received, but their accumulation of wealth is magnanimous and they are spending already. Over the first quarter, we witnessed a leap in service inflation with catering sales leading the charge. We expect the bounce back of the Chinese economy to continue to beat analysts' expectations as we move forth.

Banking Crisis

With conversation running dry and COVID largely withering away as an agenda item for discussion, it wasn't long before the economic environment produced another major talking point with reference to the banking fallout throughout Q1. Despite the 2008 GFC being rather a distressing time for many individuals and institutions, we definitely learned some lessons. Q1 2023 saw the first major test of these post-GFC regulations. Regional banks play a large role in the US, being responsible for circa 38% of all lending and it was not long before we saw the spillage from across the Atlantic flood European territory too. Following the Silvergate fallout, Signature Bank was shut down by federal regulators. The bank's failure resulted from regulator concern about depositors withdrawing large amounts of money after the failure of Silicon Valley Bank (SVB). SVB was shut down in March 2023 by the California Department of Financial Protection and Innovation. Finally, Credit Suisse collapsed in March, only to be bought out by rival UBS. The banking crisis again will tighten policy, adding additional pressures to an already thorny environment. We are in a stronger place with stronger provisions; banks have better liquidity provisions and capital ratios.

Performance

Over the course of Q2 2022 the Defensive Fund benefitted from currency and interest rate positioning within the Liquid Alternative Fund. Positioning for higher rates in Europe, the UK and the US as well as positions designed to benefit from a flatter yield curve also contributed. An overweight to bank loans and energy, coupled with positive selection within basic industry, services and energy sectors of the high yield market was a positive for the Defensive Fund. Key managers within the High Yield fund were Brigade, Benefit Street Partners and JPMorgan.

Low volatility stocks, which make up a significant proportion of the portfolio's equity, outperformed over Q2. Concerns around the possibility of central banks raising rates too quickly as well as geopolitical tensions brought by the Russia/Ukraine conflict brought about heightened levels of uncertainty for global markets. In this environment, defensive sectors provided protection while volatile Discretionary and Tech led the markets lower.

During Q3 of 2022, the Fund experienced tailwinds as a result of sector allocation and security selection as a result of overweights to financials and overweights to quasi-sovereigns. This position was present within the UK Core Fixed Income Fund and key managers were M&G and PIMCO.

Over the course of Q4 2022, we saw contributions to performance in the Fund as a result of an underweight positioning in Europe, Japan and overweight Mexico. The Fund experienced performance detractors due to poor selection within healthcare, retail and basic industry as well as an overweight to retail during the final quarter of 2022, this was present within the High Yield Fixed Income Fund.

The portfolio's allocation to defensive, low volatility equities had a strong positive impact on performance over Q4. While equity markets ended the quarter higher, it wasn't the typical high beta growth and megacaps that led markets, but rather value and defensive stocks found in the staples, industrial and financial sectors. The effectiveness of Low Vol was most evident in US markets, where riskier consumer discretionary and tech stocks lagged the market, as did speculative growth names.

Throughout Q1 of 2023, the Fund was positive as a result of exposure to off-benchmark financials as well as strong curve positioning delivered strong results for the M&G mandate, whilst RLAM's overweight positioning in financials and securitised bonds were the main contributors to their performance with regards to the UK Core Fixed Income Fund. Also in Q1 the Fund benefitted from having greater exposure to higher beta emerging market currencies and an overweight to higher yield debt, most notably Argentina which performed strongly. More recently, being overweight local currency duration aided results within the Emerging Market Debt Fund. 2023 has been a difficult period for our fundamental factor based approach as most factors lagged the market. Expensive tech led the market, and Low Vol was the biggest laggard while Value also struggled

Performance	*Q2 2022*	*Q3 2022*	*Q4 2022*	*Q1 2023*
SEI Defensive	-3.48%	-2.82%	1.99%	0.89%

(source: SEI Investment Management Corporation)

True Potential SEI Defensive: Positioning

Theme (Q2 2022): Credit starting to offer value

Cautiously adding credit exposure. Maintaining a lower quality and shorter maturity bias.
Building overweight positions to the corporate bond managers. For now, still maintaining lower quality, shorter maturity credit bias; which provides attractive carry but with less spread duration than the index. Within corporate credit, prefer financials over industrials and utilities as a higher rate environment is typically better for banks.

Theme (Q4 2022 Through Q1 2023): Relative value in development market sovereign bonds.

In Q4 of 2022 SEI were Underweight interest rate risk across most developed markets, with the exception of the US. Overweight select local currency emerging markets (Mexico, Colombia, and Indonesia).

While we expect to be past peak-inflation, by pricing in rate cuts for later in the year the market is underestimating inflation "stickiness". The disinflationary forces evident in the global economy in recent decades have given way to new geopolitical risks, de-globalisation and rising protectionist instincts.

While the spread between emerging and developed market yields has compressed in recent months, we still find very attractive real rates available in select local emerging markets; specifically Colombia, Mexico and Indonesia. We also view emerging market currencies as attractive on long term valuation metrics and could find support should the US Federal Reserve softens its hawkish stance as inflation rolls over (which should be negative for the overvalued USD).

In Q1 2023, we focused on an Overweight to emerging market rates and currencies. The spread between Emerging and Developed Market bond yields has compressed significantly in the past 9 months, however this was driven more by the sell- off in Developed Market bonds than a rally in Emerging Market local currency bonds. EM rates are still comfortably higher than their long term average, while real yields are still attractive across a number of markets. Emerging market currencies in general also remains cheap on long term valuation measures.

Theme (Q1 2023): Maintaining a modest overweight to credit.

Modest overweight credit. Maintaining a lower quality and shorter maturity bias. Not chasing the rally in credit spreads.
Global investment grade corporate spreads are close to 20-year average. We expect credit spreads to come under pressure later in 2023 as the cumulative impact of 475 bps of Fed rate hikes over the past twelve months is felt. We are maintaining a lower quality, shorter maturity credit bias for now. This provides attractive carry, but with lower spread duration than the index. We anticipate a more attractive entry point later in the year to add to credit.

Theme (Q1 2023): Risks remain, and will be a source of equity market volatility

Risks include:
The collapse of Silicon Valley Bank highlights stresses in the financial system resulting from the rapid rise in rates, although there are no signs of wider contagion. Inflation may prove stickier than markets are anticipating. China's reopening could push commodity prices higher, adding to inflationary pressures. Threat of recession remains. Further earnings downgrades are likely and the risk of bankruptcies increases. Ongoing threat of the Russia / Ukraine war.

Investment strategy and outlook

Political brinkmanship is back in full force, thanks to the U.S. debt ceiling. If U.S. political dysfunction seemed high in the 2011 and 2013 debt-ceiling episodes, it's even worse today. Prior to the agreement between Biden and McCarthy and the subsequent vote in the U.S. Congress to suspend the debt ceiling until the beginning of 2025, yields on U.S. Treasury securities maturing this summer varied quite a bit by maturity, reflecting fluctuating degrees of confidence in whether holders will be made whole on schedule. There was near-universal acknowledgement that a default would have constituted a catastrophic policy error.

The tumult in the banking system isn't over yet. Although it appears that the crisis stage has eased, smaller banks are facing ongoing pressure to raise deposit rates to more competitive levels, while borrowing from the Fed and U.S. government agencies to improve their liquidity. Smaller banks are struggling financially after the Fed's rate hikes over the past 15 months have significantly reduced the value of their bond holdings, resulting in estimated unrealized losses totaling $1.8 trillion. SEI views the situation as a crisis of confidence, not the credit crunch that occurred during the Global Financial Crisis of 2007-2008. Between the asset/liability mismatch and the downstream effects from 5.25% of Fed rate hikes in an incredibly short period of time, we think that the market will continue to judge and punish the "weak hands."

Regarding Fed monetary policy, some interpreted the language in the FOMC's statement following its 0.25% rate hike in early May as an indication that the central bank was giving itself the flexibility to pause its rate-hiking cycle at its June meeting. We're in the "pause" camp. We don't see a cut in 2023 unless we see a sudden extreme acceleration in the softening of prices and a dramatic deterioration in employment trends.

Labour input costs are one of the most prominent drivers of inflation and, with worker participation levels softening over time (particularly for the working-age male cohort) and the swift aging of populations in many major developed and emerging economies, we may see continued upward pressure on wages that help keep inflation higher for longer. The most recent reported unemployment rates are at or below long-term equilibrium levels for many countries. This implies that labour markets globally are extremely tight and wage growth is likely to remain higher-than-desired, putting continued upward pressure on inflation.

SEI has consistently predicted that inflation would be higher for longer since the spring of 2021. Our out-of-consensus call was based in part on the tight labour-market conditions that prevailed in the U.S., Canada, the U.K., and Europe.

"Labour pains" may persist until an economic recession fully takes root. Nonetheless, even the bitter pill of a recession won't alleviate all pressure from the labour market, as population aging can't be reversed by economic distress. While we believe that a recession is likely, we expect it will be relatively shallow and brief. Unfortunately, at least some labour pains may outlive a recession.

We remain cautious on equity markets from a top-down perspective. Within the equity asset class, we continue to focus on our core approach: favoring high-quality companies with positive earnings momentum at reasonable valuations.

Looking forward, we see opportunities and risks in both the resilient (equities, credit) and the divergent (value, rates) segments of the global financial markets. Specifically, we are fading the resilient and leaning into the divergent.

SEI Investment Management Corporation - a sub-delegate of True Potential Investments LLP

19 June 2023

Portfolio changes

for the year ended 31 May 2023

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

	Cost
Purchases:	£000s
BlackRock ICS Sterling Liquidity Fund	16,148
SEI Global Master Fund - UK Core Fixed Interest Fund	9,224
SEI Global Master Fund - Short Duration Bond Fund	8,997
SEI Global Master Fund - Global Managed Volatility Fund	8,932
SEI Global Master Fund - Global Fixed Income Fund	7,293
SEI Global Master Fund - UK Index Linked Fixed Interest Fund	6,594
SEI Global Master Fund - Global Multi-Asset Income Fund	4,424
SEI Global Master Fund - SEI Factor Allocation Global Equity	3,734
SEI Global Master Fund - Global Opportunistic Fixed Income Fund	3,141
SEI Global Master Fund - Emerging Markets Debt Fund	2,072
Subtotal	70,559
Total cost of purchases, including the above, for the year	76,642

	Proceeds
Sales:	£000s
SEI Global Master Fund - SEI Global Short Term Bond Fund	10,917
SEI Global Master Fund - Global Developed Markets Equity Fund	3,350
SEI Global Master Fund - Short Duration Bond Fund	1,715
SEI Global Master Fund - Global Managed Volatility Fund	1,143
SEI Global Master Fund - Global Multi-Asset Income Fund	583
SEI Global Master Fund - UK Core Fixed Interest Fund	572
SEI Global Master Fund - UK Index Linked Fixed Interest Fund	546
SEI Global Master Fund - UK Equity Fund	372
SEI Global Master Fund - Emerging Markets Debt Fund	326
SEI Global Master Fund - Global Fixed Income Fund	172
Subtotal	19,696
Total proceeds from sales, including the above, for the year	19,842

Portfolio statement

as at 31 May 2023

Investment	Nominal value or holding	Market value £000s	% of total net assets
Collective Investment Schemes - 99.92% (99.35%)			
Offshore Collective Investment Schemes - 99.92% (99.35%)			
BlackRock ICS Sterling Liquidity Fund	468,004	50,672	15.31
SEI Global Master Fund - Emerging Markets Debt Fund	1,401,924	9,982	3.02
SEI Global Master Fund - Global Fixed Income Fund	2,161,568	22,221	6.72
SEI Global Master Fund - Global Managed Volatility Fund	3,184,177	58,430	17.66
SEI Global Master Fund - Global Multi-Asset Income Fund	3,065,519	23,206	7.01
SEI Global Master Fund - Global Opportunistic Fixed Income Fund	1,916,360	18,148	5.48
SEI Global Master Fund - High Yield Fixed Income Fund	1,206,416	9,989	3.02
SEI Global Master Fund - SEI Factor Allocation Global Equity	361,712	3,726	1.13
SEI Global Master Fund - SEI Global Short Term Bond Fund	1,726,982	16,544	5.00
SEI Global Master Fund - SEI Liquid Alternative Fund	758,948	10,177	3.08
SEI Global Master Fund - Short Duration Bond Fund	6,225,441	59,988	18.13
SEI Global Master Fund - UK Core Fixed Interest Fund	2,787,461	28,070	8.48
SEI Global Master Fund - UK Equity Fund	370,395	6,937	2.10
SEI Global Master Fund - UK Index Linked Fixed Interest Fund	837,006	12,505	3.78
Total Offshore Collective Investment Schemes		330,595	99.92
Total Collective Investment Schemes		330,595	99.92
Portfolio of investments		330,595	99.92
Other net assets		249	0.08
Total net assets		330,844	100.00

All investments are regulated collective investment schemes within the meaning of the FCA rules unless otherwise stated.

The comparative figures in brackets are as at 31 May 2022.

Risk and reward profile

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

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

← Typically lower rewards, lower risk

Typically higher rewards, higher risk →

1	2	**3**	4	5	6	7

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

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

Where the Sub-Fund invests into other investment funds, they may invest in different assets, countries or economic sectors and therefore have different risk profiles not in line with those of the Sub-Fund.

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

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

For further information please refer to the KIID.

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

There have been no changes to the risk and reward indicator in the year.

Comparative tables

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

	A Income		
	2023	2022	2021
	p	p	p
Change in net assets per share			
Opening net asset value per share	106.92	109.18	106.93
Return before operating charges*	(2.88)	(0.48)	4.12
Operating charges	(0.89)	(0.94)	(0.92)
Return after operating charges*	(3.77)	(1.42)	3.20
Distributions+	(1.78)	(0.84)	(0.95)
Closing net asset value per share	101.37	106.92	109.18
*after direct transaction costs of:	-	-	-
Performance			
Return after charges	(3.53%)	(1.30%)	2.99%
Other information			
Closing net asset value (£000s)	330,503	291,160	238,224
Closing number of shares	326,028,462	272,323,640	218,200,072
Operating charges++	0.86%	0.86%	0.85%
Direct transaction costs	-	-	-
Prices			
Highest share price (p)	106.8	111.3	109.6
Lowest share price (p)	99.71	106.1	106.0

+Rounded to 2 decimal places.

++The operating charges are represented by the Ongoing Charges Figure (OCF). The OCF consists principally of the ACD's periodic charge and the Investment Manager's fee which are included in the annual management charge, but also includes the costs for other services paid. It is indicative of the charges which the share class may incur in a year as it is calculated on historical data. The operating charge includes charges for the underlying funds held.

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

Comparative tables (continued)

	A Accumulation		
	2023	2022	2021
	p	p	p
Change in net assets per share			
Opening net asset value per share	116.27	117.82	114.39
Return before operating charges*	(3.14)	(0.53)	4.41
Operating charges	(0.97)	(1.02)	(0.98)
Return after operating charges*	(4.11)	(1.55)	3.43
Distributions+	(1.95)	(0.91)	(1.02)
Retained distribution on accumulation shares+	1.95	0.91	1.02
Closing net asset value per share	112.16	116.27	117.82
*after direct transaction costs of:	-	-	-
Performance			
Return after charges	(3.53%)	(1.32%)	3.00%
Other information			
Closing net asset value (£000s)	341	370	642
Closing number of shares	303,961	318,328	544,820
Operating charges++	0.86%	0.86%	0.85%
Direct transaction costs	-	-	-
Prices			
Highest share price (p)	116.1	120.6	118.0
Lowest share price (p)	108.8	115.1	113.7

+Rounded to 2 decimal places.

++The operating charges are represented by the Ongoing Charges Figure (OCF). The OCF consists principally of the ACD's periodic charge and the Investment Manager's fee which are included in the annual management charge, but also includes the costs for other services paid. It is indicative of the charges which the share class may incur in a year as it is calculated on historical data. The operating charge includes charges for the underlying funds held.

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

Distribution tables
for the year ended 31 May 2023

Distributions on A Income shares in pence per share

Payment date	Share type	Distribution type	Net revenue	Equalisation	Distribution current year	Distribution prior year
31.10.22	group 1	quarter 1	0.392	-	0.392	0.215
31.10.22	group 2	quarter 1	0.115	0.277	0.392	0.215
31.01.23	group 1	interim	0.386	-	0.386	0.186
31.01.23	group 2	interim	0.102	0.284	0.386	0.186
28.04.23	group 1	quarter 3	0.498	-	0.498	0.227
28.04.23	group 2	quarter 3	0.163	0.335	0.498	0.227
31.07.23	group 1	final	0.507	-	0.507	0.212
31.07.23	group 2	final	0.242	0.265	0.507	0.212

Equalisation

Equalisation applies only to group 2 shares. It is the average amount of revenue included in the purchase price of 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 in the hands of the shareholder but must be deducted from the cost of shares for capital gains tax purposes.

Quarter 1 distributions:

Group 1	Shares purchased before 1 June 2022
Group 2	Shares purchased 1 June 2022 to 31 August 2022

Interim distributions:

Group 1	Shares purchased before 1 September 2022
Group 2	Shares purchased 1 September 2022 to 30 November 2022

Quarter 3 distributions:

Group 1	Shares purchased before 1 December 2022
Group 2	Shares purchased 1 December 2022 to 28 February 2023

Final distributions:

Group 1	Shares purchased before 1 March 2023
Group 2	Shares purchased 1 March 2023 to 31 May 2023

Distribution tables (continued)
for the year ended 31 May 2023

Distributions on A Accumulation shares in pence per share

Allocation date	Share type	Distribution type	Net revenue	Equalisation	Distribution current year	Distribution prior year
31.10.22	group 1	quarter 1	0.426	-	0.426	0.231
31.10.22	group 2	quarter 1	0.052	0.374	0.426	0.231
31.01.23	group 1	interim	0.422	-	0.422	0.203
31.01.23	group 2	interim	0.093	0.329	0.422	0.203
28.04.23	group 1	quarter 3	0.545	-	0.545	0.246
28.04.23	group 2	quarter 3	0.053	0.492	0.545	0.246
31.07.23	group 1	final	0.558	-	0.558	0.230
31.07.23	group 2	final	0.283	0.275	0.558	0.230

Equalisation

Equalisation applies only to group 2 shares. It is the average amount of revenue included in the purchase price of 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 in the hands of the shareholder but must be deducted from the cost of shares for capital gains tax purposes.

Accumulation distributions

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

Quarter 1 distributions:

Group 1	Shares purchased before 1 June 2022
Group 2	Shares purchased 1 June 2022 to 31 August 2022

Interim distributions:

Group 1	Shares purchased before 1 September 2022
Group 2	Shares purchased 1 September 2022 to 30 November 2022

Quarter 3 distributions:

Group 1	Shares purchased before 1 December 2022
Group 2	Shares purchased 1 December 2022 to 28 February 2023

Final distributions:

Group 1	Shares purchased before 1 March 2023
Group 2	Shares purchased 1 March 2023 to 31 May 2023

Financial statements - True Potential SEI Defensive

Statement of total return
for the year ended 31 May 2023

	Notes	2023 £000s	2023 £000s	2022 £000s	2022 £000s
Income:					
Net capital losses	2		(16,328)		(5,784)
Revenue	3	8,563		4,113	
Expenses	4	(2,271)		(1,917)	
Net revenue before taxation		6,292		2,196	
Taxation	5	(889)		(180)	
Net revenue after taxation			5,403		2,016
Total deficit before distributions			(10,925)		(3,768)
Distributions	6		(5,404)		(2,015)
Change in net assets attributable to shareholders from investment activities			(16,329)		(5,783)

Statement of change in net assets attributable to shareholders
for the year ended 31 May 2023

	2023 £000s	2023 £000s	2022 £000s	2022 £000s
Opening net assets attributable to shareholders		291,530		238,866
Amounts receivable on issue of shares	106,393		123,252	
Amounts payable on cancellation of shares	(50,756)		(64,809)	
		55,637		58,443
Change in net assets attributable to shareholders from investment activities		(16,329)		(5,783)
Retained distribution on accumulation shares		6		4
Closing net assets attributable to shareholders		330,844		291,530

Balance Sheet

as at 31 May 2023

	Notes	2023	2022
		£000s	£000s
Assets:			
Fixed assets:			
Investments		330,595	289,629
Current assets:			
Debtors	7	1,601	10,726
Cash and bank balances	8	3,537	1,223
Total assets		335,733	301,578
Liabilities:			
Creditors:			
Distribution payable	6	(1,653)	(577)
Other creditors	9	(3,236)	(9,471)
Total liabilities		(4,889)	(10,048)
Net assets attributable to shareholders		330,844	291,530

Notes to the financial statements

for the year ended 31 May 2023

1. Accounting policies

The accounting policies are disclosed on pages 12 to 14.

2. Net capital losses	2023	2022
	£000s	£000s
Non-derivative securities – losses	(16,328)	(5,784)
Net capital losses	(16,328)	(5,784)

3. Revenue	2023	2022
	£000s	£000s
Non-interest distributions from overseas funds	1,846	1,297
Interest on debt securities from overseas collective investment schemes	6,672	2,815
Bank interest	45	1
Total revenue	8,563	4,113

4. Expenses	2023	2022
	£000s	£000s
Payable to the ACD and associates		
Annual management charge	2,271	1,917
Total expenses	2,271	1,917

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

The annual management charge included an audit fee of £8,394 inclusive of VAT (2022: £5,940 inclusive of VAT).

5. Taxation	2023	2022
	£000s	£000s
a) Analysis of charge for the year		
Corporation tax	889	180
Total taxation (note 5b)	889	180

b) Factors affecting the current tax charge for the year

The tax assessed for the year is lower (2022: lower) than the standard rate of UK corporation tax for an authorised collective investment scheme of 20% (2022: 20%).

The differences are explained below:

	2023	2022
	£000s	£000s
Net revenue before taxation	6,292	2,196
Corporation tax @ 20%	1,258	439
Effects of:		
Overseas revenue	(369)	(259)
Total taxation (note 5a)	889	180

Notes to the financial statements
for the year ended 31 May 2023

6. Distributions

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

	2023	2022
	£000s	£000s
Quarter 1 income distribution	1,147	508
Quarter 1 accumulation distribution	1	1
Interim income distribution	1,182	445
Interim accumulation distribution	1	1
Quarter 3 income distribution	1,585	565
Quarter 3 accumulation distribution	2	1
Final income distribution	1,653	577
Final accumulation distribution	2	1
	5,573	2,099
Equalisation:		
Amounts deducted on cancellation of shares	133	90
Amounts added on issue of shares	(302)	(174)
Total net distributions	5,404	2,015

Reconciliation between net revenue and distributions:	2023	2022
	£000s	£000s
Net revenue after taxation per Statement of total return	5,403	2,016
Undistributed revenue brought forward	2	1
Undistributed revenue carried forward	(1)	(2)
Distributions	5,404	2,015

Details of the distribution per share are disclosed in the Distribution table.

7. Debtors

	2023	2022
	£000s	£000s
Amounts receivable on issue of shares	1,595	10,726
Accrued revenue	6	-
Total debtors	1,601	10,726

8. Cash and bank balances

	2023	2022
	£000s	£000s
Cash and bank balances	3,537	1,223
Total cash and bank balances	3,537	1,223

Notes to the financial statements (continued)
for the year ended 31 May 2023

9. Other creditors

	2023	2022
	£000s	£000s
Amounts payable on cancellation of shares	845	423
Purchases awaiting settlement	1,699	8,794
Accrued expenses:		
Payable to the ACD and associates		
Annual management charge	218	177
Total accrued expenses	218	177
Corporation tax payable	474	77
Total other creditors	3,236	9,471

10. Commitments and contingent liabilities

At the balance sheet date there are no commitments or contingent liabilities (2022: same).

11. Share classes

The following reflects the change in shares in issue for each share class in the year:

	A Income
Opening shares in issue	272,323,640
Total shares issued in the year	102,780,322
Total shares cancelled in the year	(49,075,500)
Closing shares in issue	326,028,462

	A Accumulation
Opening shares in issue	318,328
Total shares issued in the year	26,784
Total shares cancelled in the year	(41,151)
Closing shares in issue	303,961

For the year ended 31 May 2023, the annual management charge is 0.72%. The annual management charge includes the ACD's periodic charge, Investment Manager's fee and other permitted charges to the operation of the Sub-Fund.

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

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

12. Related party transactions

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

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

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

Notes to the financial statements (continued)

for the year ended 31 May 2023

13. Events after the balance sheet date

Subsequent to the year end, the net asset value per A Income share has increased from 101.4p to 101.8p and the A Accumulation share has increased from 112.2p to 113.3p as at 27 September 2023. This movement takes into account routine transactions but also reflects the market movements of recent months.

14. Transaction costs

Direct transaction costs

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

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

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

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

2023	Purchases before transaction costs £000s	Purchases after transaction costs* £000s
Collective Investment Schemes	76,642	76,642
Total	76,642	76,642

2022	Purchases before transaction costs £000s	Purchases after transaction costs* £000s
Collective Investment Schemes	81,031	81,031
Total	81,031	81,031

2023	Sales before transaction costs £000s	Sales after transaction costs* £000s
Collective Investment Schemes	19,842	19,842
Total	19,842	19,842

2022	Sales before transaction costs £000s	Sales after transaction costs* £000s
Collective Investment Schemes	22,585	22,585
Total	22,585	22,585

*No direct transaction costs were incurred in the purchase and sale of investments during the year (2022: same).

Notes to the financial statements (continued)

for the year ended 31 May 2023

15 Risk management policies

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

a Market risk

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

The method used to calculate the global exposure is absolute Value at risk (VaR). The calculation of the Absolute VaR is carried out in accordance with the following parameters: 99% one-sided confidence interval, 1 month (20 day) holding period, Monte Carlo simulation (10,000 simulations) ,1-year (250 day) history with time decay factor (weighting recent events).

A given fund’s limit is based on its Risk profile. All of the positions within the fund (direct investments and derivatives) are taken into account for the VaR calculation, not just derivatives.

The below table shows the lowest, the highest and the average utilisation of the VaR limit calculated during the financial year, 01 June 2022 - 31 May 2023. Funds using the VaR approach disclose the level of leverage employed during the relevant period, using the gross method (sum of the notionals of the derivatives used).

	Lowest VaR %	Highest VaR %	Average VaR %	VaR Limit %	Average Level of leverage %	Typical expected Leverage %
True Potential SEI Defensive	2.42	5.55	3.70	9.00	99.26	100

(i) Other price risk

The Sub-Fund's exposure to price risk comprises mainly of movements in the value of investment positions in the face of price movements.

The main elements of the portfolio of investments exposed to this risk is collective investment schemes.

This risk is generally regarded as consisting of two elements: stock specific risk and market risk. Through these two factors, the Sub-Fund is exposed to price fluctuations, which are monitored by the ACD in pursuance of the investment objective and policy.

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

At 31 May 2023, if the price of the investments held by the Sub-Fund increased or decreased by 5%, with all other variables remaining constant, then the net assets attributable to shareholders of the Sub-Fund would increase or decrease by approximately £16,530,000 (2022: £14,481,000).

(ii) Currency risk

Currency risk is the risk that the value of investments or future cash flows will fluctuate as a result of exchange rate movements. Investment in overseas securities or holdings of foreign currency cash will provide direct exposure to currency risk as a consequence of the movement in foreign exchange rates against sterling. Investments in UK securities investing in overseas securities will give rise to indirect exposure to currency risk. These fluctuations can also affect the profitability of some UK companies, and thus their market prices, as sterling's relative strength or weakness can affect export prospects, the value of overseas earnings in sterling terms, and the prices of imports sold in the UK.

The Sub-Fund had no significant direct exposure to foreign currency in the year.

Notes to the financial statements (continued)
for the year ended 31 May 2023

15 Risk management policies (continued)

(iii) Interest rate risk

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

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

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

The Sub-Fund has indirect exposure to interest rate risk as it invests in bond funds.

In the event of a change in interest rates, there would be no material impact upon the net assets of the Sub-Fund.

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

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

There is no significant exposure to interest bearing securities at the balance sheet date.

b Credit risk

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

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

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

Holdings in collective investment schemes are subject to direct credit risk. The exposure to pooled investment vehicles is unrated.

c Liquidity risk

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

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

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

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

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

All of the financial liabilities are payable on demand.

Notes to the financial statements (continued)
for the year ended 31 May 2023

15 Risk management policies (continued)

d Fair value of financial assets and financial liabilities

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

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

	Investment assets
Basis of valuation	2023
	£000s
Quoted prices	-
Observable market data	330,595
Unobservable data	-
	330,595

	Investment assets
Basis of valuation	2022
	£000s
Quoted prices	-
Observable market data	289,629
Unobservable data	-
	289,629

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

e Assets subject to special arrangements arising from their illiquid nature

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

f Derivatives

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

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

During the year there were no derivative transactions.

(i) Counterparties

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

Notes to the financial statements (continued)

for the year ended 31 May 2023

15 Risk management policies (continued)

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

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

(ii) Leverage

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

There have been no leveraging arrangements in the year.

(iii) Global exposure

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

At the balance sheet date there is no global exposure to derivatives.

There have been no collateral arrangements in the year.

True Potential SEI Cautious
Sub-investment Manager's report

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

Investment Objective and Policy

The investment objective of the Sub-Fund is to provide the opportunity for capital growth and income through diversified exposure, directly or indirectly, to global equity and fixed income markets. The Sub-Fund will aim to achieve this by investing predominantly in collective investment schemes which themselves have a global equity and fixed income focus. The Sub-Fund may also invest in other permitted collective investment schemes and other permitted transferable securities. The Sub-Fund may seek to protect capital through the use of derivatives utilising Efficient Portfolio Management techniques where appropriate.

The Sub-Fund may hold up to 100% of its scheme property in collective investment vehicles.

Derivatives and forward transactions may also be used for investment purposes. The use of derivatives for investment purposes may increase the volatility and risk profile of the Sub-Fund.

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

Sub-Investment Activities

Current Market Recap

Global equity markets experienced a modest downturn in May amid periods of volatility in response to the latest developments in the politically charged debt-ceiling standoff in the U.S., ongoing concerns about the stability of U.S. regional banks, as well as economic data. Developed markets slightly outperformed emerging markets.

U.S. regional bank stocks encountered significant volatility again in May and ended the month with notable losses. Early in the month, U.S. regulators took control of California-based First Republic Bank. The California Department of Financial Protection and Innovation–which oversees the operations of state-licensed financial institutions, including banks and credit unions–issued a statement announcing that it had taken over the bank and appointed the Federal Deposit Insurance Corporation (FDIC) as receiver. Global fixed-income assets lost ground in May. In the U.S. market, high-yield bonds recorded the smallest losses and were the top performers for the month, followed by mortgage-backed securities (MBS). U.S. Treasuries and corporate bonds were the weakest performers. U.S. Treasury yields moved sharply higher across the curve in May. Investors demanded higher yields as compensation for the additional risk that the U.S. government could default on its debt in early June. The yields on 2-, 3-, 5-, and 10-year Treasury notes climbed 0.36%, 0.29%, 0.23%, and 0.20%, respectively, in May. The spread between 10- and 2-year notes widened from -0.60% to -0.76% during the month, further inverting the yield curve.

Global Managed Volatility Equities, which seeks to protect and preserve capital for investors, posted negative total returns in May, trailing the broader market. Defensive sector positioning and a tilt to low volatility were ineffective over the period, while a tilt to value detracted. Size tilts were mixed over the quarter, although the narrow market leadership of riskier mega cap names posed a significant challenge for managed volatility investing. In a concentrated market rally among large technology companies, diversity was the key driver of the underperformance in the Global Equity building block, with most of the managers struggling to beat their respective capitalisation-weighted regional benchmarks.

SEI believes that the positioning in fixed income and equities will continue to add value as we look into the future, despite another shorter term setback to the positive relative returns achieved over the medium term. SEI continues to warn that the return pattern SEI expects from its positioning will not be delivered in a straight line; investors should continue to expect short-term setbacks on the path to potential medium and long-term success.

Our allocation to value managers remains the highest, in line with our belief in the factor’s potential for outperformance. We have been marginally increasing exposure to quality, in line with its improved valuation characteristics, but remain cautious about the factor given the potential for near-term inflation impacts on high profitability stocks.

Current Market Environment

According to the U.S. Department of Commerce, the personal-consumption-expenditures (PCE) price index rose 0.4% in April and 4.4% over the previous 12-month period, fuelling speculation over the possibility of further Fed rate hikes to combat inflation. Food prices dipped less than 0.1% during the month and were up 6.9% year-over-year. Energy prices increased 0.7% in April but fell 6.3%

over the previous 12 months. The PCE price index is the Fed's preferred gauge of inflation, as it tracks the change in prices paid by or on behalf of consumers for a more comprehensive set of goods and services than that of the consumer-price index (CPI).

The Department of Labor also reported that U.S. payrolls expanded by 253,000 in April, up from 236,000 in March. The unemployment rate dipped 0.2% to 3.4%. The professional and business services, healthcare, and leisure and hospitality sectors saw the largest employment gains in April. Despite the greater-than-expected growth in payrolls during the month, the total lagged the 400,000 monthly average job gains for the 2022 calendar year. Average hourly earnings rose 0.5% In April and 4.4% year-over-year. The 12-month increase was modestly higher than the 4.2% annual rise in March.

Higher mortgage rates continue to weigh on the U.S. housing market. The National Association of Realtors (NAR) reported that sales of existing homes fell 3.4% in April and plummeted 23.2% versus the same period in 2022. The median existing-home price was down 1.7% year-over-year to $388,000—the biggest 12-month decline since January 2012. The inventory of unsold existing homes increased 7.2% from the previous month to 1.04 million at the end of April, equivalent to 2.9 months' supply at the current monthly sales pace. According to the NAR, a six-month supply of homes historically has indicated a "balanced market," in which prices rise modestly.

According to the second estimate of the Department of Commerce, U.S. gross domestic product (GDP) grew at an annualised rate of 1.3% in the first quarter of 2023, up modestly from the initial estimate of 1.1%, but down from the 2.6% rise in the fourth quarter of 2022. The largest increases for the first quarter of this year were in consumer spending, exports, and federal government spending. These gains offset reductions in private inventory investment (a measure of the changes in values of inventories from one time period to the next) and residential fixed investment (purchases of private residential structures and residential equipment that property owners use for rentals).

The European Central Bank (ECB) increased its benchmark interest rate by 0.25% to 3.75% following its meeting on May 10. In a statement announcing the rate hike, the central bank noted, "The inflation outlook continues to be too high for too long…Headline inflation has declined over recent months, but underlying price pressures remain strong."

Inflation in the Eurozone ticked up 0.1% to 7.0% for the 12-month period ending in April. Prices for food, alcohol and tobacco, as well as non-energy industrial goods, led the upturn in the year-over-year inflation rate.

Eurozone manufacturing decreased in April, with the HCOB Flash Eurozone Manufacturing Output Index falling 2.2 to a six-month low of 46.3.

Services activity in the Eurozone expanded in April, but the HCOB Flash Eurozone Services PMI Activity Index dipped 0.3 to 55.9. According to Eurostat's second estimate, Eurozone GDP increased 0.1% in the first quarter of 2023, unchanged from the initial estimate. The Eurozone saw flat economic growth in the fourth quarter of 2022. GDP increased 1.3% over the previous 12 months. Poland's economy was the strongest performer, expanding 3.9% in the first quarter, while Lithuania's GDP decreased 3.0% during the period.

In a split 7-2 vote, the Bank of England (BOE) raised its benchmark rate by 0.25% to 4.50% on May 11. The BOE's Monetary Policy Committee (MPC) expects U.K. GDP to be virtually flat over the first half of 2023; however, it anticipates that there will be a modest increase in underlying economic output. Additionally, the MPC projects that the UK's inflation rate, as measured by the consumer-price index, will drop below 2% within the next two to three years.

According to the Office for National Statistics (ONS), consumer prices in the U.K. rose 1.2% month-over-month in April, up from the 0.8% increase in March. The inflation rate rose 7.8% over the previous 12-month period, but was significantly lower than the 8.9% year-over-year rise in March. Food and non-alcoholic beverages, as well as housing and household services (particularly electricity) were the most notable contributors to the annual increase in prices. Core inflation, which excludes volatile food and energy prices, rose at an annual rate of 6.2% in April, unchanged from the increase in March.

The ONS also reported that U.K. GDP ticked up 0.1% in the first quarter of 2023, with a 0.5% expansion in January, flat growth in February, and a 0.3% decline in March. The services and production sectors recorded marginal growth rates for the quarter, while household consumption was flat.

Key Market Factors 2022/2023

Inflation

We continue to see central banks attempt to fight inflation. SEI has maintained its stance, in that inflation is stubborn and was not going to fall away nearly as rapidly as central banks or others had initially anticipated. Recently, we have seen additional pressures from the labour market in terms of wage-push inflation, which is making the central banker's ability to mitigate sustained periods of rising prices even tougher to mitigate. With unemployment rates of a plethora of developed nations below record, upward pressures on wages will ensue. Central bankers will continue to tread a fine line between battling inflation and ensuring that the financial system remains robust and intact. We are likely to see central banks lean towards preference for financial stability. Obviously, central bankers and politicians are wishing for a swift end to elevated inflation; however, despite quantitative tightening and a dramatic rate-hiking cycle that is likely nearing an end, labour pains may persist until an economic recession fully takes root.

Recession

Aforementioned above, we do believe that recessionary environments loom. We do believe that this could help to dial back any excess inflation that we are seeing in the stickier sectors such as food, shelter and energy. We have increased our allocation towards our quality managers, as we believe that the companies which our quality managers invest in are better positioned during recessionary environments. We also are of the opinion that quality stocks are priced more attractively as of late, whilst offering more supportive margin squeezes during economic downturns.

China

The pent up stimulus in China is of far greater magnitude than we could have anticipated. A bright spot in terms of investment has opened up within our zero-COVID-policy ally. After an extensive 3-year lockdown, China is out and ready to party. They may not maintain the stimulus checks that the likes of the US have received, but their accumulation of wealth is magnanimous and they are spending already. Over the first quarter, we witnessed a leap in service inflation with catering sales leading the charge. We expect the bounce back of the Chinese economy to continue to beat analysts' expectations as we move forth.

Banking Crisis

With conversation running dry and COVID largely withering away as an agenda item for discussion, it wasn't long before the economic environment produced another major talking point with reference to the banking fallout throughout Q1. Despite the 2008 GFC being rather a distressing time for many individuals and institutions, we definitely learned some lessons. Q1 2023 saw the first major test of these post-GFC regulations. Regional banks play a large role in the US, being responsible for circa 38% of all lending and it was not long before we saw the spillage from across the Atlantic flood European territory too. Following the Silvergate fallout, Signature Bank was shut down by federal regulators. The bank's failure resulted from regulator concern about depositors withdrawing large amounts of money after the failure of Silicon Valley Bank (SVB). SVB was shut down in March 2023 by the California Department of Financial Protection and Innovation. Finally, Credit Suisse collapsed in March, only to be bought out by rival UBS. The banking crisis again will tighten policy, adding additional pressures to an already thorny environment. We are in a stronger place with stronger provisions; banks have better liquidity provisions and capital ratios.

Performance

Over the course of Q2 2022 the Cautious Fund benefitted from currency and interest rate positioning within the Liquid Alternative Fund. Positioning for higher rates in Europe, the UK and the US as well as positions designed to benefit from a flatter yield curve also contributed. An overweight to bank loans and energy, coupled with positive selection within basic industry, services and energy sectors of the high yield market was a positive for the Fund. Key managers within the High Yield fund were Brigade, Benefit Street Partners and JPMorgan.

Low volatility stocks, which make up a significant proportion of the portfolio's equity, outperformed over Q2 2022. Concerns around the possibility of central banks raising rates too quickly as well as geopolitical tensions brought by the Russia/Ukraine conflict brought about heightened levels of uncertainty for global markets. In this environment, defensive sectors provided protection while volatile Discretionary and Tech led the markets lower.

During Q3 of 2022, the Fund experienced tailwinds as a result of sector allocation and security selection as a result of overweights to financials and overweights to quasi-sovereigns. This position was present within the UK Core Fixed Income Fund and key managers were M&G and PIMCO.

Over the course of Q4 2022, we saw contributions to performance in the Fund as a result of an underweight positioning in Europe, Japan and overweight Mexico. The Fund experienced performance detractors due to poor selection within healthcare, retail and basic industry as well as an overweight to retail during the final quarter of 2022, this was present within the High Yield Fixed Income Fund. We witnessed currency positioning benefit performance (short JPY and EUR vs USD) within the Liquid Alternative Fund.

The portfolio's allocation to defensive, low volatility equities had a strong positive impact on performance over Q4. While equity markets ended the quarter higher, it wasn't the typical high beta growth and megacaps that led markets, but rather value and defensive stocks found in the staples, industrial and financial sectors. The effectiveness of Low Vol was most evident in US markets, where riskier consumer discretionary and tech stocks lagged the market, as did speculative growth names.

Throughout Q1 of 2023, the Fund was positive as a result of exposure to off-benchmark financials as well as strong curve positioning delivering strong results for the M&G mandate, whilst RLAM's overweight positioning in financials and securitised bonds were the main contributors to their performance with regards to the UK Core Fixed Income Fund. Also, in Q1 the Fund benefitted from having greater exposure to higher beta emerging market currencies and an overweight to higher yield debt, most notably Argentina which performed strongly. More recently, being overweight local currency duration aided results within the Emerging Market Debt Fund. 2023 has been a difficult period for our fundamental factor based approach as most factors lagged the market. Expensive tech led the market, and Low Vol was the biggest laggard while Value also struggled.

Performance	*Q2 2022*	*Q3 2022*	*Q4 2022*	*Q1 2023*
SEI Cautious	-5.17%	-3.20%	2.98%	1.25%

(source: SEI Investment Management Corporation)

True Potential SEI Cautious: Positioning

Theme: Relative value in development market sovereign bonds

Underweight duration in most core markets (UK, US, Core Europe) but with select overweights (Australia). Overweight select local currency emerging markets (Mexico, Colombia, and Indonesia).

Developed market real yields remain deeply negative. Inflation likely to remain structurally higher than in recent decades. Underweight interest rate risk across most developed markets, although extent of underweight has been reduced. Neutral on US interest rates. Overweight Australian rates.

Our view is that inflation is likely to remain sticky, on the back of continued geopolitical risks, rising protectionist instincts and focus on supply chain resilience. However, we do see US inflation moderating as growth slows and a stronger USD tightens financial conditions.

While the spread between emerging and development market yields have compressed in recent months, we still find very attractive real rates available in select local emerging markets; specifically Colombia, Mexico and Indonesia. We also view emerging market currencies as attractive on long term valuation metrics and could find support should the US Federal Reserve softens its hawkish stance as inflation rolls over (which should be negative for the overvalued USD).

Theme: Credit starting to offer value, maintaining a modest overweight to credit.

We are modestly overweight credit. Maintaining a lower quality and shorter maturity bias. Not chasing the rally in credit spreads. Building overweight position to the corporate bond managers. For now, still maintaining lower quality, shorter maturity credit bias; which provides attractive carry but with less spread duration than the index. Within corporate credit, prefer financials over industrials and utilities as a higher rate environment is typically better for banks.

Global investment grade corporate spreads are close to 20-year average. We expect credit spreads to come under pressure later in 2023 as the cumulative impact of 475 bps of Fed rate hikes over the past twelve months is felt. We are maintaining a lower quality, shorter maturity credit bias for now. This provides attractive carry, but with lower spread duration than the index. We anticipate a more attractive entry point later in the year to add to credit.

Theme (Q1 2023): Risks remain, and will be a source of equity market volatility

Risks include:
The collapse of Silicon Valley Bank highlights stresses in the financial system resulting from the rapid rise in rates, although there are no signs of wider contagion. Inflation may prove stickier than markets are anticipating. China's reopening could push commodity prices higher, adding to inflationary pressures. Threat of recession remains. Further earnings downgrades are likely and the risk of bankruptcies increases. Ongoing threat of the Russia / Ukraine war.

Investment Strategy and Outlook

Political brinkmanship is back in full force, thanks to the U.S. debt ceiling. If U.S. political dysfunction seemed high in the 2011 and 2013 debt-ceiling episodes, it’s even worse today. Prior to the agreement between Biden and McCarthy and the subsequent vote in the U.S. Congress to suspend the debt ceiling until the beginning of 2025, yields on U.S. Treasury securities maturing this summer varied quite a bit by maturity, reflecting fluctuating degrees of confidence in whether holders will be made whole on schedule. There was near-universal acknowledgement that a default would have constituted a catastrophic policy error.

The tumult in the banking system isn’t over yet. Although it appears that the crisis stage has eased, smaller banks are facing ongoing pressure to raise deposit rates to more competitive levels, while borrowing from the Fed and U.S. government agencies to improve their liquidity. Smaller banks are struggling financially after the Fed's rate hikes over the past 15 months have significantly reduced the value of their bond holdings, resulting in estimated unrealized losses totaling $1.8 trillion. SEI views the situation as a crisis of confidence, not the credit crunch that occurred during the Global Financial Crisis of 2007-2008. Between the asset/liability mismatch and the downstream effects from 5.25% of Fed rate hikes in an incredibly short period of time, we think that the market will continue to judge and punish the “weak hands.”

Regarding Fed monetary policy, some interpreted the language in the FOMC’s statement following its 0.25% rate hike in early May as an indication that the central bank was giving itself the flexibility to pause its rate-hiking cycle at its June meeting. We’re in the “pause” camp. We don’t see a cut in 2023 unless we see a sudden extreme acceleration in the softening of prices and a dramatic deterioration in employment trends.

Labour input costs are one of the most prominent drivers of inflation and, with worker participation levels softening over time (particularly for the working-age male cohort) and the swift aging of populations in many major developed and emerging economies, we may see continued upward pressure on wages that help keep inflation higher for longer. The most recent reported unemployment rates are at or below long-term equilibrium levels for many countries. This implies that labour markets globally are extremely tight and wage growth is likely to remain higher-than-desired, putting continued upward pressure on inflation.

SEI has consistently predicted that inflation would be higher for longer since the spring of 2021. Our out-of-consensus call was based in part on the tight labour-market conditions that prevailed in the U.S., Canada, the U.K., and Europe.

“Labour pains” may persist until an economic recession fully takes root. Nonetheless, even the bitter pill of a recession won’t alleviate all pressure from the labour market, as population aging can’t be reversed by economic distress. While we believe that a recession is likely, we expect it will be relatively shallow and brief. Unfortunately, at least some labour pains may outlive a recession.

We remain cautious on equity markets from a top-down perspective. Within the equity asset class, we continue to focus on our core approach: favoring high-quality companies with positive earnings momentum at reasonable valuations.

Looking forward, we see opportunities and risks in both the resilient (equities, credit) and the divergent (value, rates) segments of the global financial markets. Specifically, we are fading the resilient and leaning into the divergent.

SEI Investment Management Corporation - a sub-delegate of True Potential Investments LLP

19 June 2023

Portfolio changes

for the year ended 31 May 2023

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

	Cost
Purchases:	£000s
SEI Global Master Fund - Global Fixed Income Fund	60,457
SEI Global Master Fund - Global Opportunistic Fixed Income Fund	41,868
SEI Global Master Fund - Global Managed Volatility Fund	39,947
SEI Global Master Fund - SEI Factor Allocation Global Equity	38,873
SEI Global Master Fund - UK Index Linked Fixed Interest Fund	32,298
BlackRock ICS Sterling Liquidity Fund	30,466
SEI Global Master Fund - UK Equity Fund	26,730
SEI Global Master Fund - UK Core Fixed Interest Fund	25,569
SEI Global Master Fund - High Yield Fixed Income Fund	21,053
SEI Global Master Fund - Emerging Markets Debt Fund	18,276
Subtotal	335,537
Total cost of purchases, including the above, for the year	401,187

	Proceeds
Sales:	£000s
SEI Global Master Fund - Short Duration Bond Fund	24,447
SEI Global Master Fund - UK Core Fixed Interest Fund	23,706
SEI Global Master Fund - Global Developed Markets Equity Fund	20,728
SEI Global Master Fund - Global Managed Volatility Fund	14,114
SEI Global Master Fund - SEI Global Short Term Bond Fund	13,655
SEI Global Master Fund - UK Equity Fund	11,558
SEI Global Master Fund - Emerging Markets Equity Fund	10,620
SEI Global Master Fund - Global Multi-Asset Income Fund	10,306
SEI Global Master Fund - UK Index Linked Fixed Interest Fund	8,569
SEI Global Master Fund - Global Opportunistic Fixed Income Fund	5,231
Subtotal	142,934
Total proceeds from sales, including the above, for the year	168,661

Portfolio statement

as at 31 May 2023

Investment	Nominal value or holding	Market value £000s	% of total net assets
Collective Investment Schemes - 100.07% (99.74%)			
Offshore Collective Investment Schemes - 100.07% (99.74%)			
BlackRock ICS Sterling Liquidity Fund	274,685	29,741	2.41
SEI Global Master Fund - Emerging Markets Debt Fund	9,965,575	70,955	5.75
SEI Global Master Fund - Emerging Markets Equity Fund	1,712,425	23,083	1.87
SEI Global Master Fund - European Ex-UK Equity Fund	353,943	8,703	0.71
SEI Global Master Fund - Global Fixed Income Fund	13,177,174	135,461	10.98
SEI Global Master Fund - Global Managed Volatility Fund	10,537,178	193,357	15.67
SEI Global Master Fund - Global Multi-Asset Income Fund	2,893,997	21,908	1.78
SEI Global Master Fund - Global Opportunistic Fixed Income Fund	12,455,653	117,955	9.56
SEI Global Master Fund - High Yield Fixed Income Fund	8,547,646	70,774	5.74
SEI Global Master Fund - Japan Equity Fund	400,341	8,107	0.66
SEI Global Master Fund - Pacific Basin Ex-Japan Equity Fund	340,615	4,721	0.38
SEI Global Master Fund - Pan European Small Cap Fund	350,037	9,234	0.75
SEI Global Master Fund - SEI Dynamic Asset Allocation Fund	1,674,509	37,308	3.02
SEI Global Master Fund - SEI Factor Allocation Global Equity	7,506,765	77,320	6.27
SEI Global Master Fund - SEI Factor Allocation US Equity	1,180,604	27,803	2.25
SEI Global Master Fund - SEI Global Short Term Bond Fund	1,686,275	16,154	1.31
SEI Global Master Fund - SEI Liquid Alternative Fund	2,715,344	36,413	2.95
SEI Global Master Fund - SEI US Small Companies Fund	509,799	18,083	1.47
SEI Global Master Fund - Short Duration Bond Fund	6,210,835	59,848	4.85
SEI Global Master Fund - UK Core Fixed Interest Fund	7,516,495	75,691	6.14
SEI Global Master Fund - UK Equity Fund	7,052,379	132,091	10.71
SEI Global Master Fund - UK Index Linked Fixed Interest Fund	3,361,240	50,217	4.07
SEI Global Master Fund - US Large Companies Fund	227,444	9,462	0.77
Total Offshore Collective Investment Schemes		1,234,389	100.07
Total Collective Investment Schemes		1,234,389	100.07
Portfolio of investments		1,234,389	100.07
Other net liabilities		(877)	(0.07)
Total net assets		1,233,512	100.00

All investments are regulated collective investment schemes within the meaning of the FCA rules unless otherwise stated.

The comparative figures in brackets are as at 31 May 2022.

Risk and reward profile

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

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

Typically lower rewards, lower risk

Typically higher rewards, higher risk

1	2	3	**4**	5	6	7

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

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

Where the Sub-Fund invests into other investment funds, they may invest in different assets, countries or economic sectors and therefore have different risk profiles not in line with those of the Sub-Fund.

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

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

For further information please refer to the KIID.

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

There have been no changes to the risk and reward indicator in the year.

Comparative tables

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

	A Income		
	2023	2022	2021
	p	p	p
Change in net assets per share			
Opening net asset value per share	112.25	115.11	107.24
Return before operating charges*	(3.30)	0.74	11.17
Operating charges	(1.07)	(1.15)	(1.10)
Return after operating charges*	(4.37)	(0.41)	10.07
Distributions+	(3.37)	(2.45)	(2.20)
Closing net asset value per share	104.51	112.25	115.11
*after direct transaction costs of:	-	-	-
Performance			
Return after charges	(3.89%)	(0.36%)	9.39%
Other information			
Closing net asset value (£000s)	1,227,270	1,068,245	901,639
Closing number of shares	1,174,339,470	951,704,706	783,260,277
Operating charges++	0.99%	0.99%	0.99%
Direct transaction costs	-	-	-
Prices			
Highest share price (p)	112.7	119.2	116.1
Lowest share price (p)	102.2	110.6	106.2

+Rounded to 2 decimal places.

++The operating charges are represented by the Ongoing Charges Figure (OCF). The OCF consists principally of the ACD's periodic charge and the Investment Manager's fee which are included in the annual management charge, but also includes the costs for other services paid. It is indicative of the charges which the share class may incur in a year as it is calculated on historical data. The operating charge includes charges for the underlying funds held.

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

Comparative tables (continued)

	A Accumulation		
	2023	2022	2021
	p	p	p
Change in net assets per share			
Opening net asset value per share	133.00	133.54	121.97
Return before operating charges*	(4.00)	0.80	12.83
Operating charges	(1.28)	(1.34)	(1.26)
Return after operating charges*	(5.28)	(0.54)	11.57
Distributions+	(4.02)	(2.86)	(2.52)
Retained distribution on accumulation shares+	4.02	2.86	2.52
Closing net asset value per share	127.72	133.00	133.54
*after direct transaction costs of:	-	-	-
Performance			
Return after charges	(3.97%)	(0.40%)	9.49%
Other information			
Closing net asset value (£000s)	6,242	7,583	9,108
Closing number of shares	4,887,205	5,700,961	6,820,226
Operating charges++	0.99%	0.99%	0.99%
Direct transaction costs	-	-	-
Prices			
Highest share price (p)	133.5	139.2	134.1
Lowest share price (p)	122.1	130.3	121.3

+Rounded to 2 decimal places.

++The operating charges are represented by the Ongoing Charges Figure (OCF). The OCF consists principally of the ACD's periodic charge and the Investment Manager's fee which are included in the annual management charge, but also includes the costs for other services paid. It is indicative of the charges which the share class may incur in a year as it is calculated on historical data. The operating charge includes charges for the underlying funds held.

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

Distribution tables

for the year ended 31 May 2023

Distributions on A Income shares in pence per share

Payment date	Share type	Distribution type	Net revenue	Equalisation	Distribution current year	Distribution prior year
31.10.22	group 1	quarter 1	0.914	-	0.914	0.599
31.10.22	group 2	quarter 1	0.299	0.615	0.914	0.599
31.01.23	group 1	interim	0.800	-	0.800	0.587
31.01.23	group 2	interim	0.267	0.533	0.800	0.587
28.04.23	group 1	quarter 3	0.873	-	0.873	0.681
28.04.23	group 2	quarter 3	0.447	0.426	0.873	0.681
31.07.23	group 1	final	0.787	-	0.787	0.581
31.07.23	group 2	final	0.607	0.180	0.787	0.581

Equalisation

Equalisation applies only to group 2 shares. It is the average amount of revenue included in the purchase price of 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 in the hands of the shareholder but must be deducted from the cost of shares for capital gains tax purposes.

Quarter 1 distributions:

Group 1	Shares purchased before 1 June 2022
Group 2	Shares purchased 1 June 2022 to 31 August 2022

Interim distributions:

Group 1	Shares purchased before 1 September 2022
Group 2	Shares purchased 1 September 2022 to 30 November 2022

Quarter 3 distributions:

Group 1	Shares purchased before 1 December 2022
Group 2	Shares purchased 1 December 2022 to 28 February 2023

Final distributions:

Group 1	Shares purchased before 1 March 2023
Group 2	Shares purchased 1 March 2023 to 31 May 2023

Distribution tables (continued)

for the year ended 31 May 2023

Distributions on A Accumulation shares in pence per share

Allocation date	Share type	Distribution type	Net revenue	Equalisation	Distribution current year	Distribution prior year
31.10.22	group 1	quarter 1	1.084	-	1.084	0.693
31.10.22	group 2	quarter 1	0.723	0.361	1.084	0.693
31.01.23	group 1	interim	0.956	-	0.956	0.686
31.01.23	group 2	interim	0.053	0.903	0.956	0.686
28.04.23	group 1	quarter 3	1.050	-	1.050	0.798
28.04.23	group 2	quarter 3	0.276	0.774	1.050	0.798
31.07.23	group 1	final	0.929	-	0.929	0.684
31.07.23	group 2	final	0.454	0.475	0.929	0.684

Equalisation

Equalisation applies only to group 2 shares. It is the average amount of revenue included in the purchase price of 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 in the hands of the shareholder but must be deducted from the cost of shares for capital gains tax purposes.

Accumulation distributions

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

Quarter 1 distributions:

Group 1	Shares purchased before 1 June 2022
Group 2	Shares purchased 1 June 2022 to 31 August 2022

Interim distributions:

Group 1	Shares purchased before 1 September 2022
Group 2	Shares purchased 1 September 2022 to 30 November 2022

Quarter 3 distributions:

Group 1	Shares purchased before 1 December 2022
Group 2	Shares purchased 1 December 2022 to 28 February 2023

Final distributions:

Group 1	Shares purchased before 1 March 2023
Group 2	Shares purchased 1 March 2023 to 31 May 2023

Financial statements - True Potential SEI Cautious

Statement of total return
for the year ended 31 May 2023

	Notes	2023		2022	
		£000s	£000s	£000s	£000s
Income:					
Net capital losses	2		(72,809)		(20,704)
Revenue	3	41,564		23,506	
Expenses	4	(9,978)		(8,493)	
Net revenue before taxation		31,586		15,013	
Taxation	5	(3,113)		(724)	
Net revenue after taxation			28,473		14,289
Total deficit before distributions			(44,336)		(6,415)
Distributions	6		(36,453)		(21,089)
Change in net assets attributable to shareholders from investment activities			(80,789)		(27,504)

Statement of change in net assets attributable to shareholders
for the year ended 31 May 2023

	2023		2022	
	£000s	£000s	£000s	£000s
Opening net assets attributable to shareholders		1,075,828		910,747
Amounts receivable on issue of shares	433,487		425,262	
Amounts payable on cancellation of shares	(195,217)		(232,853)	
		238,270		192,409
Change in net assets attributable to shareholders from investment activities		(80,789)		(27,504)
Retained distribution on accumulation shares		203		176
Closing net assets attributable to shareholders		1,233,512		1,075,828

Balance Sheet

as at 31 May 2023

	Notes	2023	2022
		£000s	£000s
Assets:			
Fixed assets:			
Investments		1,234,389	1,073,007
Current assets:			
Debtors	7	5,156	5,840
Cash and bank balances	8	6,616	4,843
Total assets		1,246,161	1,083,690
Liabilities:			
Investment liabilities			
Creditors:			
Distribution payable	6	(9,242)	(5,529)
Other creditors	9	(3,407)	(2,333)
Total liabilities		(12,649)	(7,862)
Net assets attributable to shareholders		1,233,512	1,075,828

Notes to the financial statements

for the year ended 31 May 2023

1. Accounting policies

The accounting policies are disclosed on pages 12 to 14.

2. Net capital losses

	2023	2022
	£000s	£000s
Non-derivative securities – losses	(72,809)	(20,704)
Net capital losses	(72,809)	(20,704)

3. Revenue

	2023	2022
	£000s	£000s
Non-interest distributions from overseas funds	16,021	11,394
Interest on debt securities from overseas collective investment schemes	25,335	12,107
Bank interest	208	5
Total revenue	41,564	23,506

4. Expenses

	2023	2022
	£000s	£000s
Payable to the ACD and associates		
Annual management charge	9,978	8,493
Total expenses	9,978	8,493

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

The annual management charge included an audit fee of £8,394 inclusive of VAT (2022: £5,940 inclusive of VAT).

5. Taxation

	2023	2022
	£000s	£000s
a) Analysis of charge for the year		
Corporation tax	3,113	724
Total taxation (note 5b)	3,113	724

b) Factors affecting the current tax charge for the year

The tax assessed for the year is lower (2022: lower) than the standard rate of UK corporation tax for an authorised collective investment scheme of 20% (2022: 20%).

The differences are explained below:

	2023	2022
	£000s	£000s
Net revenue before taxation	31,586	15,013
Corporation tax @ 20%	6,317	3,003
Effects of:		
Overseas revenue	(3,204)	(2,279)
Total taxation (note 5a)	3,113	724

Notes to the financial statements (continued)
for the year ended 31 May 2023

6. Distributions

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

	2023	2022
	£000s	£000s
Quarter 1 income distribution	9,308	4,770
Quarter 1 accumulation distribution	59	45
Interim income distribution	8,637	4,958
Interim accumulation distribution	47	44
Quarter 3 income distribution	10,152	6,093
Quarter 3 accumulation distribution	52	47
Final income distribution	9,242	5,529
Final accumulation distribution	45	39
	37,542	21,525
Equalisation:		
Amounts deducted on cancellation of shares	1,026	958
Amounts added on issue of shares	(2,115)	(1,394)
Total net distributions	36,453	21,089

Reconciliation between net revenue and distributions:	2023	2022
	£000s	£000s
Net revenue after taxation per Statement of total return	28,473	14,289
Distributed revenue brought forward	1	7
Expenses paid from capital	9,978	8,493
Marginal tax relief	(1,995)	(1,699)
Undistributed revenue carried forward	(4)	(1)
Distributions	36,453	21,089

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

7. Debtors	2023	2022
	£000s	£000s
Amounts receivable on issue of shares	4,719	5,838
Accrued revenue	20	2
Corporation tax receivable	417	-
Total debtors	5,156	5,840

8. Cash and bank balances	2023	2022
	£000s	£000s
Cash and bank balances	6,616	4,843
Total cash and bank balances	6,616	4,843

Notes to the financial statements (continued)
for the year ended 31 May 2023

9. Other creditors	2023	2022
	£000s	£000s
Amounts payable on cancellation of shares	2,426	1,202
Annual management charge	981	795
Total accrued expenses	981	795
Corporation tax payable	-	336
Total other creditors	3,407	2,333

10. Commitments and contingent liabilities

At the balance sheet date there are no commitments or contingent liabilities (2022: same).

11. Share classes

The following reflects the change in shares in issue for each share class in the year:

	A Income
Opening shares in issue	951,704,706
Total shares issued in the year	403,695,495
Total shares cancelled in the year	(181,060,731)
Closing shares in issue	1,174,339,470

	A Accumulation
Opening shares in issue	5,700,961
Total shares issued in the year	691,591
Total shares cancelled in the year	(1,505,347)
Closing shares in issue	4,887,205

For the year ended 31 May 2023, the annual management charge is 0.85%. The annual management charge includes the ACD's periodic charge, Investment Manager's fee and other permitted charges to the operation of the Sub-Fund.

Further information in respect of the return per share is disclosed in the Comparative tables.

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

12. Related party transactions

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

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

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

13. Events after the balance sheet date

Subsequent to the year end, the net asset value per A Income share has increased from 104.5p to 105.0p and the A Accumulation share has increased from 127.7p to 129.4p as at 27 September 2023. This movement takes into account routine transactions but also reflects the market movements of recent months.

Notes to the financial statements (continued)

for the year ended 31 May 2023

14. Transaction costs

Direct transaction costs

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

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

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

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

	Purchases before transaction costs	Purchases after transaction costs*
2023	£000s	£000s
Collective Investment Schemes	401,187	401,187
Total	401,187	401,187

	Purchases before transaction costs	Purchases after transaction costs*
2022	£000s	£000s
Collective Investment Schemes	267,669	267,669
Total	267,669	267,669

	Sales before transaction costs	Sales after transaction costs*
2023	£000s	£000s
Collective Investment Schemes	168,661	168,661
Total	168,661	168,661

	Sales before transaction costs	Sales after transaction costs*
2022	£000s	£000s
Collective Investment Schemes	78,248	78,248
Total	78,248	78,248

*No direct transaction costs were incurred in the purchase and sale of investments during the year (2022: same).

Notes to the financial statements (continued)

for the year ended 31 May 2023

15 Risk management policies

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

a Market risk

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

The method used to calculate the global exposure is absolute Value at risk (VaR). The calculation of the Absolute VaR is carried out in accordance with the following parameters: 99% one-sided confidence interval, 1 month (20 day) holding period, Monte Carlo simulation (10,000 simulations) ,1-year (250 day) history with time decay factor (weighting recent events).

A given fund’s limit is based on its Risk profile. All of the positions within the fund (direct investments and derivatives) are taken into account for the VaR calculation, not just derivatives.

The below table shows the lowest, the highest and the average utilisation of the VaR limit calculated during the financial year, 01 June 2022 - 31 May 2023. Funds using the VaR approach disclose the level of leverage employed during the relevant period, using the gross method (sum of the notionals of the derivatives used).

	Lowest VaR %	Highest VaR %	Average VaR %	VaR Limit %	Average Level of leverage %	Typical expected Leverage %
True Potential SEI Cautious	3.94	9.53	5.84	10.50	99.19	100

(i) Other price risk

The Sub-Fund's exposure to price risk comprises mainly of movements in the value of investment positions in the face of price movements.

The main elements of the portfolio of investments exposed to this risk is collective investment schemes.

This risk is generally regarded as consisting of two elements: stock specific risk and market risk. Through these two factors, the Sub-Fund is exposed to price fluctuations, which are monitored by the ACD in pursuance of the investment objective and policy.

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

At 31 May 2023, if the price of the investments held by the Sub-Fund increased or decreased by 5%, with all other variables remaining constant, then the net assets attributable to shareholders of the Sub-Fund would increase or decrease by approximately £61,719,000 (2022: £53,650,000).

(ii) Currency risk

Currency risk is the risk that the value of investments or future cash flows will fluctuate as a result of exchange rate movements. Investment in overseas securities or holdings of foreign currency cash will provide direct exposure to currency risk as a consequence of the movement in foreign exchange rates against sterling. Investments in UK securities investing in overseas securities will give rise to indirect exposure to currency risk. These fluctuations can also affect the profitability of some UK companies, and thus their market prices, as sterling's relative strength or weakness can affect export prospects, the value of overseas earnings in sterling terms, and the prices of imports sold in the UK.

The Sub-Fund had no significant direct exposure to foreign currency in the year.

Notes to the financial statements (continued)

for the year ended 31 May 2023

15 Risk management policies (continued)

(iii) Interest rate risk

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

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

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

The Sub-Fund has indirect exposure to interest rate risk as it invests in bond funds.

In the event of a change in interest rates, there would be no material impact upon the net assets of the Sub-Fund.

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

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

There is no significant exposure to interest bearing securities at the balance sheet date.

b Credit risk

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

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

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

Holdings in collective investment schemes are subject to direct credit risk. The exposure to pooled investment vehicles is unrated.

c Liquidity risk

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

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

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

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

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

15 Risk management policies (continued)

All of the financial liabilities are payable on demand.

d Fair value of financial assets and financial liabilities

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

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

	Investment assets
Basis of valuation	2023
	£000s
Quoted prices	-
Observable market data	1,234,389
Unobservable data	-
	1,234,389

	Investment assets
Basis of valuation	2022
	£000s
Quoted prices	-
Observable market data	1,073,007
Unobservable data	-
	1,073,007

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

e Assets subject to special arrangements arising from their illiquid nature

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

f Derivatives

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

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

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

During the year there were no derivative transactions.

Notes to the financial statements (continued)

for the year ended 31 May 2023

15 Risk management policies (continued)

(i) Counterparties

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

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

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

(ii) Leverage

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

There have been no leveraging arrangements in the year.

(iii) Global exposure

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

At the balance sheet date there is no global exposure to derivatives.

There have been no collateral arrangements in the year.

True Potential SEI Balanced
Sub-investment Manager's report

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

Investment Objective and Policy

The investment objective of the Sub-Fund is to provide capital growth and income through diversified exposure, directly or indirectly, to global equity and fixed income markets. The Sub-Fund will aim to achieve this by investing predominantly in collective investment schemes which themselves have a global equity and fixed income focus. The Sub-Fund may also invest in other permitted collective investment schemes and other permitted transferable securities. The Sub-Fund may seek to protect capital through the use of derivatives utilising Efficient Portfolio Management techniques where appropriate.

The Sub-Fund may hold up to 100% of its scheme property in collective investment vehicles.

Derivatives and forward transactions may also be used for investment purposes. The use of derivatives for investment purposes may increase the volatility and risk profile of the Sub-Fund.

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

Sub-Investment Activities

Current Market Recap

Global equity markets experienced a modest downturn in May amid periods of volatility in response to the latest developments in the politically charged debt-ceiling standoff in the U.S., ongoing concerns about the stability of U.S. regional banks, as well as economic data. Developed markets slightly outperformed emerging markets.

U.S. regional bank stocks encountered significant volatility again in May and ended the month with notable losses. Early in the month, U.S. regulators took control of California-based First Republic Bank. The California Department of Financial Protection and Innovation–which oversees the operations of state-licensed financial institutions, including banks and credit unions–issued a statement announcing that it had taken over the bank and appointed the Federal Deposit Insurance Corporation (FDIC) as receiver. Global fixed-income assets lost ground in May. In the U.S. market, high-yield bonds recorded the smallest losses and were the top performers for the month, followed by mortgage-backed securities (MBS). U.S. Treasuries and corporate bonds were the weakest performers. U.S. Treasury yields moved sharply higher across the curve in May. Investors demanded higher yields as compensation for the additional risk that the U.S. government could default on its debt in early June. The yields on 2-, 3-, 5-, and 10-year Treasury notes climbed 0.36%, 0.29%, 0.23%, and 0.20%, respectively, in May. The spread between 10- and 2-year notes widened from -0.60% to -0.76% during the month, further inverting the yield curve.

Global Managed Volatility Equities, which seeks to protect and preserve capital for investors, posted negative total returns in May, trailing the broader market. Defensive sector positioning and a tilt to low volatility were ineffective over the period, while a tilt to value detracted. Size tilts were mixed over the quarter, although the narrow market leadership of riskier mega cap names posed a significant challenge for managed volatility investing. In a concentrated market rally among large technology companies, diversity was the key driver of the underperformance in the Global Equity building block, with most of the managers struggling to beat their respective capitalisation-weighted regional benchmarks.

SEI believes that the positioning in fixed income and equities will continue to add value as we look into the future, despite another shorter term setback to the positive relative returns achieved over the medium term. SEI continues to warn that the return pattern SEI expects from its positioning will not be delivered in a straight line; investors should continue to expect short-term setbacks on the path to potential medium and long-term success.

Our allocation to value managers remains the highest, in line with our belief in the factor's potential for outperformance. We have been marginally increasing exposure to quality, in line with its improved valuation characteristics, but remain cautious about the factor given the potential for near-term inflation impacts on high profitability stocks.

Current Market Environment

According to the U.S. Department of Commerce, the personal-consumption-expenditures (PCE) price index rose 0.4% in April and 4.4% over the previous 12-month period, fueling speculation over the possibility of further Fed rate hikes to combat inflation. Food prices dipped less than 0.1% during the month and were up 6.9% year-over-year. Energy prices increased 0.7% in April but fell 6.3% over the previous 12 months. The PCE price index is the Fed's preferred gauge of inflation, as it tracks the change in prices paid by or on behalf of consumers for a more comprehensive set of goods and services than that of the consumer-price index (CPI).

The Department of Labor also reported that U.S. payrolls expanded by 253,000 in April, up from 236,000 in March. The unemployment rate dipped 0.2% to 3.4%. The professional and business services, healthcare, and leisure and hospitality sectors saw the largest employment gains in April. Despite the greater-than-expected growth in payrolls during the month, the total lagged the 400,000 monthly average job gains for the 2022 calendar year. Average hourly earnings rose 0.5% In April and 4.4% year-over-year. The 12-month increase was modestly higher than the 4.2% annual rise in March.

Higher mortgage rates continue to weigh on the U.S. housing market. The National Association of Realtors (NAR) reported that sales of existing homes fell 3.4% in April and plummeted 23.2% versus the same period in 2022. The median existing-home price was down 1.7% year-over-year to $388,000—the biggest 12-month decline since January 2012. The inventory of unsold existing homes increased 7.2% from the previous month to 1.04 million at the end of April, equivalent to 2.9 months' supply at the current monthly sales pace. According to the NAR, a six-month supply of homes historically has indicated a "balanced market," in which prices rise modestly.

According to the second estimate of the Department of Commerce, U.S. gross domestic product (GDP) grew at an annualised rate of 1.3% in the first quarter of 2023, up modestly from the initial estimate of 1.1%, but down from the 2.6% rise in the fourth quarter of 2022. The largest increases for the first quarter of this year were in consumer spending, exports, and federal government spending. These gains offset reductions in private inventory investment (a measure of the changes in values of inventories from one time period to the next) and residential fixed investment (purchases of private residential structures and residential equipment that property owners use for rentals).

The European Central Bank (ECB) increased its benchmark interest rate by 0.25% to 3.75% following its meeting on May 10. In a statement announcing the rate hike, the central bank noted, "The inflation outlook continues to be too high for too long…Headline inflation has declined over recent months, but underlying price pressures remain strong."

Inflation in the Eurozone ticked up 0.1% to 7.0% for the 12-month period ending in April. Prices for food, alcohol and tobacco, as well as non-energy industrial goods, led the upturn in the year-over-year inflation rate.

Eurozone manufacturing decreased in April, with the HCOB Flash Eurozone Manufacturing Output Index falling 2.2 to a six-month low of 46.3.

Services activity in the Eurozone expanded in April, but the HCOB Flash Eurozone Services PMI Activity Index dipped 0.3 to 55.9.
According to Eurostat's second estimate, Eurozone GDP increased 0.1% in the first quarter of 2023, unchanged from the initial estimate. The Eurozone saw flat economic growth in the fourth quarter of 2022. GDP increased 1.3% over the previous 12 months. Poland's economy was the strongest performer, expanding 3.9% in the first quarter, while Lithuania's GDP decreased 3.0% during the period.

In a split 7-2 vote, the Bank of England (BOE) raised its benchmark rate by 0.25% to 4.50% on May 11. The BOE's Monetary Policy Committee (MPC) expects U.K. GDP to be virtually flat over the first half of 2023; however, it anticipates that there will be a modest increase in underlying economic output. Additionally, the MPC projects that the UK's inflation rate, as measured by the consumer-price index, will drop below 2% within the next two to three years.

According to the Office for National Statistics (ONS), consumer prices in the U.K. rose 1.2% month-over-month in April, up from the 0.8% increase in March. The inflation rate rose 7.8% over the previous 12-month period, but was significantly lower than the 8.9% year-over-year rise in March. Food and non-alcoholic beverages, as well as housing and household services (particularly electricity) were the most notable contributors to the annual increase in prices. Core inflation, which excludes volatile food and energy prices, rose at an annual rate of 6.2% in April, unchanged from the increase in March.

The ONS also reported that U.K. GDP ticked up 0.1% in the first quarter of 2023, with a 0.5% expansion in January, flat growth in February, and a 0.3% decline in March. The services and production sectors recorded marginal growth rates for the quarter, while household consumption was flat.

Key Market Factors 2022/2023

Inflation

We continue to see central banks attempt to fight inflation. SEI has maintained its stance, in that inflation is stubborn and was not going to fall away nearly as rapidly as central banks or others had initially anticipated. Recently, we have seen additional pressures from the labour market in terms of wage-push inflation, which is making the central banker's ability to mitigate sustained periods of rising prices even tougher to mitigate. With unemployment rates of a plethora of developed nations below record, upward pressures on wages will ensue. Central bankers will continue to tread a fine line between battling inflation and ensuring that the financial system remains robust and intact. We are likely to see central banks lean towards preference for financial stability. Obviously, central bankers and politicians are wishing for a swift end to elevated inflation; however, despite quantitative tightening and a dramatic rate-hiking cycle that is likely nearing an end, labour pains may persist until an economic recession fully takes root.

Recession

Aforementioned above, we do believe that recessionary environments loom. We do believe that this could help to dial back any excess inflation that we are seeing in the stickier sectors such as food, shelter and energy. We have increased our allocation towards our quality managers, as we believe that the companies which our quality managers invest in are better positioned during recessionary environments. We also are of the opinion that quality stocks are priced more attractively as of late, whilst offering more supportive margin squeezes during economic downturns.

China

The pent up stimulus in China is of far greater magnitude than we could have anticipated. A bright spot in terms of investment has opened up within our zero-COVID-policy ally. After an extensive 3-year lockdown, China is out and ready to party. They may not maintain the stimulus checks that the likes of the US have received, but their accumulation of wealth is magnanimous and they are spending already. Over the first quarter, we witnessed a leap in service inflation with catering sales leading the charge. We expect the bounce back of the Chinese economy to continue to beat analysts' expectations as we move forth.

Banking Crisis

With conversation running dry and COVID largely withering away as an agenda item for discussion, it wasn't long before the economic environment produced another major talking point with reference to the banking fallout throughout Q1. Despite the 2008 GFC being rather a distressing time for many individuals and institutions, we definitely learned some lessons. Q1 2023 saw the first major test of these post-GFC regulations. Regional banks play a large role in the US, being responsible for circa 38% of all lending and it was not long before we saw the spillage from across the Atlantic flood European territory too. Following the Silvergate fallout, Signature Bank was shut down by federal regulators. The bank's failure resulted from regulator concern about depositors withdrawing large amounts of money after the failure of Silicon Valley Bank (SVB). SVB was shut down in March 2023 by the California Department of Financial Protection and Innovation. Finally, Credit Suisse collapsed in March, only to be bought out by rival UBS. The banking crisis again will tighten policy, adding additional pressures to an already thorny environment. We are in a stronger place with stronger provisions; banks have better liquidity provisions and capital ratios.

Performance

Considering the Balanced Fund, the fund benefitted from tactical overweights to commodities positions designed to benefit from higher yields and higher inflation expectations in the US. This position contributed within the Dynamic Asset Allocation fund throughout 2022. In Q2 we also experienced strong outperformance as a result of value exposures and avoiding speculative growth as equities slipped into bear market territory. Recessionary fears and rising interest rates weighed on popular high-multiple technology leaders that provided an additional tailwind to actively managed portfolios. Relative performance was notably strong in the US and Japan, key asset classes responsible for this were Global Equity, UK Equity and Japanese Equities.

Key managers throughout 2022 were LSV (Low Volatility), Poplar (US Vale), Towle (US Small Value) and Sompo (Japan Value).
2023 has been a difficult period for our fundamental factor based approach as most factors lagged the market. Expensive tech led the market, and Low Vol was the biggest laggard while Value also struggled. SEI have always stated that we don't expect the outperformance of our factors to be delivered in a straight line. The aim is to ensure over 1, 3 and 5 year periods we are outperforming our benchmarks. On the plus side the US Small Companies Fund was additive to performance with Copeland, Hillsdale and LSV all contributing to performance over the quarter.

If we look at those 1, 3 and 5 year returns to the end of Q1 2023, equities for those periods delivered strong outperformance as a result of the pro value tilt. Recessionary fears and rising interest rates weighed on popular high-multiple technology leaders that provided an additional tailwind to actively managed portfolios. The Fund also benefitted from owning cheaper companies with higher quality, being underweight speculative stocks particularly within biotech and software.

Performance	*Q2 2022*	*Q3 2022*	*Q4 2022*	*Q1 2023*
SEI Balanced	-6.1%	-3.18%	3.5%	1.69%

(source: SEI Investment Management Corporation)

True Potential SEI Balanced: Positioning

Theme (Q2/ Q3 2022): Supportive backdrop for active management.

Exposure to proven alpha sources.
End of easy money: Policy tightening and falling liquidity in response to inflation. Fundamentals matter: Unprofitable stocks lagging proven cash flow generators and the headwinds to mega cap tech stocks is increasing market breadth. This creates a need to be more selective as a result of increased uncertainty.

Theme (Q3/Q4 2022): Outlook for value remains strong.

Preference for value.
Elevated valuation dispersions have a long way to normalise. Highly rated growth stocks face headwinds from elevated multiples and rising bond yields while undervalued energy and commodity stocks are beneficiaries in an inflationary environment. Value portfolios have become more defensive/higher quality, increasing resilience. Recent outperformance has gained momentum and is likely to attract further interest and inflows.

Theme (Q3/Q4 2022): Expecting tighter financial conditions in the US and tighter conditions in commodities markets.

Tactically positioned for tighter financial conditions in the US (through a basket that includes short positions in US equity, US treasuries and investment grade credit spreads and a long position in the USD). Tactically positioned for higher commodity prices (through an overweight to commodities).

We expect tighter financial conditions in the US, based on our view that inflation will remain stubbornly high and that the Federal Reserve will remain steadfast in the removal of monetary stimulus. In terms of the portfolio's commodities position; while the commodities market has recently experienced a pullback, we believe fundamentals continue to support a bullish view on the market as a whole. Consequently, we have recently added to our overweight position.

Theme (Q1 2023): Risks remain, and will be a source of equity market volatility

Risks include:
The collapse of Silicon Valley Bank highlights stresses in the financial system resulting from the rapid rise in rates, although there are no signs of wider contagion. Inflation may prove stickier than markets are anticipating. China's reopening could push commodity prices higher, adding to inflationary pressures. Threat of recession remains. Further earnings downgrades are likely and the risk of bankruptcies increases. Ongoing threat of the Russia / Ukraine war.

Investment Strategy and outlook

Political brinkmanship is back in full force, thanks to the U.S. debt ceiling. If U.S. political dysfunction seemed high in the 2011 and 2013 debt-ceiling episodes, it's even worse today. Prior to the agreement between Biden and McCarthy and the subsequent vote in the U.S. Congress to suspend the debt ceiling until the beginning of 2025, yields on U.S. Treasury securities maturing this summer varied quite a bit by maturity, reflecting fluctuating degrees of confidence in whether holders will be made whole on schedule. There was near-universal acknowledgement that a default would have constituted a catastrophic policy error.

The tumult in the banking system isn't over yet. Although it appears that the crisis stage has eased, smaller banks are facing ongoing pressure to raise deposit rates to more competitive levels, while borrowing from the Fed and U.S. government agencies to improve their liquidity. Smaller banks are struggling financially after the Fed's rate hikes over the past 15 months have significantly reduced the value of their bond holdings, resulting in estimated unrealized losses totaling $1.8 trillion. SEI views the situation as a crisis of confidence, not the credit crunch that occurred during the Global Financial Crisis of 2007-2008. Between the asset/liability mismatch and the downstream effects from 5.25% of Fed rate hikes in an incredibly short period of time, we think that the market will continue to judge and punish the "weak hands."

Regarding Fed monetary policy, some interpreted the language in the FOMC's statement following its 0.25% rate hike in early May as an indication that the central bank was giving itself the flexibility to pause its rate-hiking cycle at its June meeting. We're in the "pause" camp. We don't see a cut in 2023 unless we see a sudden extreme acceleration in the softening of prices and a dramatic deterioration in employment trends.

Labour input costs are one of the most prominent drivers of inflation and, with worker participation levels softening over time (particularly for the working-age male cohort) and the swift aging of populations in many major developed and emerging economies, we may see continued upward pressure on wages that help keep inflation higher for longer. The most recent reported unemployment rates are at or below long-term equilibrium levels for many countries. This implies that labour markets globally are extremely tight and wage growth is likely to remain higher-than-desired, putting continued upward pressure on inflation.

SEI has consistently predicted that inflation would be higher for longer since the spring of 2021. Our out-of-consensus call was based in part on the tight labour-market conditions that prevailed in the U.S., Canada, the U.K., and Europe.

“Labour pains” may persist until an economic recession fully takes root. Nonetheless, even the bitter pill of a recession won’t alleviate all pressure from the labour market, as population aging can’t be reversed by economic distress. While we believe that a recession is likely, we expect it will be relatively shallow and brief. Unfortunately, at least some labour pains may outlive a recession.

We remain cautious on equity markets from a top-down perspective. Within the equity asset class, we continue to focus on our core approach: favoring high-quality companies with positive earnings momentum at reasonable valuations.

Looking forward, we see opportunities and risks in both the resilient (equities, credit) and the divergent (value, rates) segments of the global financial markets. Specifically, we are fading the resilient and leaning into the divergent.

SEI Investment Management Corporation - a sub-delegate of True Potential Investments LLP

19 June 2023

Portfolio changes

for the year ended 31 May 2023

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

	Cost
Purchases:	£000s
SEI Global Master Fund - SEI Factor Allocation Global Equity	52,157
SEI Global Master Fund - UK Index Linked Fixed Interest Fund	31,422
SEI Global Master Fund - UK Equity Fund	29,277
SEI Global Master Fund - UK Core Fixed Interest Fund	23,893
SEI Global Master Fund - High Yield Fixed Income Fund	17,774
SEI Global Master Fund - Global Opportunistic Fixed Income Fund	15,696
SEI Global Master Fund - Global Fixed Income Fund	15,429
SEI Global Master Fund - SEI Factor Allocation US Equity	15,011
SEI Global Master Fund - Emerging Markets Debt Fund	14,983
SEI Global Master Fund - SEI Dynamic Asset Allocation Fund	13,926
Subtotal	229,568
Total cost of purchases, including the above, for the year	309,730

	Proceeds
Sales:	£000s
SEI Global Master Fund - Global Developed Markets Equity Fund	27,974
SEI Global Master Fund - Emerging Markets Equity Fund	13,546
SEI Global Master Fund - UK Index Linked Fixed Interest Fund	5,451
SEI Global Master Fund - UK Equity Fund	5,158
SEI Global Master Fund - SEI Dynamic Asset Allocation Fund	2,086
SEI Global Master Fund - Global Managed Volatility Fund	1,790
SEI Global Master Fund - SEI Factor Allocation Global Equity	1,194
SEI Global Master Fund - US Large Companies Fund	1,153
SEI Global Master Fund - SEI US Small Companies Fund	1,038
SEI Global Master Fund - SEI Factor Allocation US Equity	1,026
Subtotal	60,416
Total proceeds from sales, including the above, for the year	63,768

Portfolio statement
as at 31 May 2023

Investment	Nominal value or holding	Market value £000s	% of total net assets
Collective Investment Schemes 99.77% (100.20%)			
Offshore Collective Investment Schemes - 99.77% (100.20%)			
SEI Global Master Fund - Emerging Markets Debt Fund	8,394,400	59,768	5.56
SEI Global Master Fund - Emerging Markets Equity Fund	2,784,732	37,538	3.50
SEI Global Master Fund - European Ex-UK Equity Fund	981,315	24,131	2.25
SEI Global Master Fund - Global Fixed Income Fund	6,180,911	63,540	5.92
SEI Global Master Fund - Global Managed Volatility Fund	3,502,506	64,271	5.98
SEI Global Master Fund - Global Multi-Asset Income Fund	3,048,064	23,074	2.15
SEI Global Master Fund - Global Opportunistic Fixed Income Fund	6,700,626	63,455	5.91
SEI Global Master Fund - High Yield Fixed Income Fund	7,159,660	59,282	5.52
SEI Global Master Fund - Japan Equity Fund	1,015,013	20,554	1.91
SEI Global Master Fund - Pacific Basin Ex-Japan Equity Fund	916,862	12,708	1.18
SEI Global Master Fund - Pan European Small Cap Fund	709,725	18,722	1.74
SEI Global Master Fund - SEI Dynamic Asset Allocation Fund	2,961,712	65,987	6.14
SEI Global Master Fund - SEI Factor Allocation Global Equity	10,705,261	110,264	10.27
SEI Global Master Fund - SEI Factor Allocation US Equity	2,992,689	70,478	6.56
SEI Global Master Fund - SEI Fundamental UK Equity Fund	762,545	18,164	1.69
SEI Global Master Fund - SEI Liquid Alternative Fund	1,709,798	22,928	2.13
SEI Global Master Fund - SEI Quantitative UK Equity Fund	969,272	18,532	1.73
SEI Global Master Fund - SEI US Small Companies Fund	783,731	27,799	2.59
SEI Global Master Fund - UK Core Fixed Interest Fund	6,787,434	68,349	6.36
SEI Global Master Fund - UK Equity Fund	7,406,546	138,725	12.92
SEI Global Master Fund - UK Index Linked Fixed Interest Fund	3,026,912	45,222	4.21
SEI Global Master Fund - US Large Companies Fund	915,499	38,085	3.55
Total Offshore Collective Investment Schemes		1,071,576	99.77
Total Collective Investment Schemes		1,071,576	99.77
Portfolio of investments		1,071,576	99.77
Other net assets		2,462	0.23
Total net assets		1,074,038	100.00

All investments are regulated collective investment schemes within the meaning of the FCA rules unless otherwise stated.

The comparative figures in brackets are as at 31 May 2022.

Risk and reward profile

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

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

Typically lower rewards, lower risk

Typically higher rewards, higher risk

1	2	3	4	5	6	7

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

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

Where the Sub-Fund invests into other investment funds, they may invest in different assets, countries or economic sectors and therefore have different risk profiles not in line with those of the Sub-Fund.

Investments in emerging markets may involve greater risks due to political and economic instability and underdeveloped markets and systems. This means your money may be at greater risk of loss.

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

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

For further information please refer to the KIID.

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

There have been no changes to the risk and reward indicator in the year.

Comparative tables

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

	A Income		
	2023	2022	2021
	p	p	p
Change in net assets per share			
Opening net asset value per share	123.41	125.72	110.12
Return before operating charges*	(3.11)	2.09	19.34
Operating charges	(1.23)	(1.32)	(1.23)
Return after operating charges*	(4.34)	0.77	18.11
Distributions+	(3.99)	(3.08)	(2.51)
Closing net asset value per share	115.08	123.41	125.72
*after direct transaction costs of:	-	-	-
Performance			
Return after charges	(3.52%)	0.61%	16.45%
Other information			
Closing net asset value (£000s)	1,048,825	849,794	780,731
Closing number of shares	911,387,042	688,574,257	620,985,574
Operating charges++	1.04%	1.04%	1.04%
Direct transaction costs	-	-	-
Prices			
Highest share price (p)	124.4	132.2	127.3
Lowest share price (p)	111.2	120.7	109.7

+Rounded to 2 decimal places.

++The operating charges are represented by the Ongoing Charges Figure (OCF). The OCF consists principally of the ACD's periodic charge and the Investment Manager's fee which are included in the annual management charge, but also includes the costs for other services paid. It is indicative of the charges which the share class may incur in a year as it is calculated on historical data. The operating charge includes charges for the underlying funds held.

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

Comparative tables (continued)

	A Accumulation		
	2023	2022	2021
	p	p	p
Change in net assets per share			
Opening net asset value per share	147.82	147.02	126.08
Return before operating charges*	(3.79)	2.36	22.35
Operating charges	(1.49)	(1.56)	(1.41)
Return after operating charges*	(5.28)	0.80	20.94
Distributions+	(4.84)	(3.61)	(2.90)
Retained distribution on accumulation shares+	4.84	3.61	2.90
Closing net asset value per share	142.54	147.82	147.02
*after direct transaction costs of:	-	-	-
Performance			
Return after charges	(3.57%)	0.54%	16.61%
Other information			
Closing net asset value (£000s)	25,213	28,414	30,470
Closing number of shares	17,687,685	19,222,535	20,724,547
Operating charges++	1.04%	1.04%	1.04%
Direct transaction costs	-	-	-
Prices			
Highest share price (p)	149.6	155.5	148.1
Lowest share price (p)	134.5	143.7	125.6

+Rounded to 2 decimal places.

++The operating charges are represented by the Ongoing Charges Figure (OCF). The OCF consists principally of the ACD's periodic charge and the Investment Manager's fee which are included in the annual management charge, but also includes the costs for other services paid. It is indicative of the charges which the share class may incur in a year as it is calculated on historical data. The operating charge includes charges for the underlying funds held.

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

Distribution tables

for the year ended 31 May 2023

Distributions on A Income shares in pence per share

Payment date	Share type	Distribution type	Net revenue	Equalisation	Distribution current year	Distribution prior year
31.10.22	group 1	quarter 1	1.159	-	1.159	0.740
31.10.22	group 2	quarter 1	0.407	0.752	1.159	0.740
31.01.23	group 1	interim	0.969	-	0.969	0.756
31.01.23	group 2	interim	0.256	0.713	0.969	0.756
28.04.23	group 1	quarter 3	0.960	-	0.960	0.872
28.04.23	group 2	quarter 3	0.639	0.321	0.960	0.872
31.07.23	group 1	final	0.901	-	0.901	0.709
31.07.23	group 2	final	0.375	0.526	0.901	0.709

Equalisation

Equalisation applies only to group 2 shares. It is the average amount of revenue included in the purchase price of 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 in the hands of the shareholder but must be deducted from the cost of shares for capital gains tax purposes.

Quarter 1 distributions:

Group 1	Shares purchased before 1 June 2022
Group 2	Shares purchased 1 June 2022 to 31 August 2022

Interim distributions:

Group 1	Shares purchased before 1 September 2022
Group 2	Shares purchased 1 September 2022 to 30 November 2022

Quarter 3 distributions:

Group 1	Shares purchased before 1 December 2022
Group 2	Shares purchased 1 December 2022 to 28 February 2023

Final distributions:

Group 1	Shares purchased before 1 March 2023
Group 2	Shares purchased 1 March 2023 to 31 May 2023

Distribution tables (continued)

for the year ended 31 May 2023

Distributions on A Accumulation shares in pence per share

Allocation date	Share type	Distribution type	Net revenue	Equalisation	Distribution current year	Distribution prior year
31.10.22	group 1	quarter 1	1.388	-	1.388	0.865
31.10.22	group 2	quarter 1	0.388	1.000	1.388	0.865
31.01.23	group 1	interim	1.160	-	1.160	0.890
31.01.23	group 2	interim	0.279	0.881	1.160	0.890
28.04.23	group 1	quarter 3	1.183	-	1.183	1.031
28.04.23	group 2	quarter 3	0.229	0.954	1.183	1.031
31.07.23	group 1	final	1.107	-	1.107	0.823
31.07.23	group 2	final	0.729	0.378	1.107	0.823

Equalisation

Equalisation applies only to group 2 shares. It is the average amount of revenue included in the purchase price of 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 in the hands of the shareholder but must be deducted from the cost of shares for capital gains tax purposes.

Accumulation distributions

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

Quarter 1 distributions:

Group 1	Shares purchased before 1 June 2022
Group 2	Shares purchased 1 June 2022 to 31 August 2022

Interim distributions:

Group 1	Shares purchased before 1 September 2022
Group 2	Shares purchased 1 September 2022 to 30 November 2022

Quarter 3 distributions:

Group 1	Shares purchased before 1 December 2022
Group 2	Shares purchased 1 December 2022 to 28 February 2023

Final distributions:

Group 1	Shares purchased before 1 March 2023
Group 2	Shares purchased 1 March 2023 to 31 May 2023

Financial statements - True Potential SEI Balanced

Statement of total return
for the year ended 31 May 2023

	Notes	2023		2022	
		£000s	£000s	£000s	£000s
Income:					
Net capital losses	2		(55,793)		(8,960)
Revenue	3	36,045		22,446	
Expenses	4	(8,777)		(7,708)	
Net revenue before taxation		27,268		14,738	
Taxation	5	(1,867)		(248)	
Net revenue after taxation			25,401		14,490
Total (deficit)/return before distributions			(30,392)		5,530
Distributions	6		(32,421)		(20,654)
Change in net assets attributable to shareholders from investment activities			(62,813)		(15,124)

Statement of change in net assets attributable to shareholders
for the year ended 31 May 2023

	2023		2022	
	£000s	£000s	£000s	£000s
Opening net assets attributable to shareholders		878,208		811,201
Amounts receivable on issue of shares	389,896		314,033	
Amounts payable on cancellation of shares	(132,138)		(232,607)	
		257,758		81,426
Change in net assets attributable to shareholders from investment activities		(62,813)		(15,124)
Retained distribution on accumulation shares		885		705
Closing net assets attributable to shareholders		1,074,038		878,208

Balance Sheet
as at 31 May 2023

	Notes	2023	2022
		£000s	£000s
Assets:			
Fixed assets:			
Investments		1,071,576	879,926
Current assets:			
Debtors	7	3,613	4,244
Cash and bank balances	8	9,153	976
Total assets		1,084,342	885,146
Liabilities:			
Creditors:			
Distribution payable	6	(8,212)	(4,882)
Other creditors	9	(2,092)	(2,056)
Total liabilities		(10,304)	(6,938)
Net assets attributable to shareholders		1,074,038	878,208

Notes to the financial statements
for the year ended 31 May 2023

1. Accounting policies

The accounting policies are disclosed on pages 12 to 14.

2. Net capital losses	2023	2022
	£000s	£000s
Non-derivative securities – losses	(55,793)	(8,960)
Net capital losses	(55,793)	(8,960)

3. Revenue	2023	2022
	£000s	£000s
Non-interest distributions from overseas funds	17,931	13,498
Interest on debt securities from overseas collective investment schemes	17,940	8,944
Bank interest	174	4
Total revenue	36,045	22,446

4. Expenses	2023	2022
	£000s	£000s
Payable to the ACD and associates		
Annual management charge	8,777	7,708
Total expenses	8,777	7,708

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

The annual management charge included an audit fee of £8,394 inclusive of VAT (2022: £5,940 inclusive of VAT).

5. Taxation	2023	2022
	£000s	£000s
a) Analysis of charge for the year		
Corporation tax	1,867	248
Total taxation (note 5b)	1,867	248

b) Factors affecting the current tax charge for the year

The tax assessed for the year is lower (2022: lower) than the standard rate of UK corporation tax for an authorised collective investment scheme of 20% (2022: 20%).

The differences are explained below:

	2023	2022
	£000s	£000s
Net revenue before taxation	27,268	14,738
Corporation tax @ 20%	5,454	2,948
Effects of:		
Overseas revenue	(3,587)	(2,700)
Total taxation (note 5a)	1,867	248

Notes to the financial statements (continued)
for the year ended 31 May 2023

6. Distributions
The distributions take account of revenue added on the issue of shares and revenue deducted on the cancellation of shares and comprise:

	2023	2022
	£000s	£000s
Quarter 1 income distribution	8,319	4,652
Quarter 1 accumulation distribution	260	174
Interim income distribution	7,660	4,750
Interim accumulation distribution	216	177
Quarter 3 income distribution	8,445	5,669
Quarter 3 accumulation distribution	213	196
Final income distribution	8,212	4,882
Final accumulation distribution	196	158
	33,521	20,658
Equalisation:		
Amounts deducted on cancellation of shares	804	1,188
Amounts added on issue of shares	(1,904)	(1,192)
Total net distributions	32,421	20,654

Reconciliation between net revenue and distributions:	2023	2022
	£000s	£000s
Net revenue after taxation per Statement of total return	25,401	14,490
Distributed revenue brought forward	3	1
Expenses paid from capital	8,777	7,708
Marginal tax relief	(1,756)	(1,542)
Undistributed revenue carried forward	(4)	(3)
Distributions	32,421	20,654

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

7. Debtors

	2023	2022
	£000s	£000s
Amounts receivable on issue of shares	3,597	4,242
Accrued revenue	16	2
Total debtors	3,613	4,244

8. Cash and bank balances

	2023	2022
	£000s	£000s
Cash and bank balances	9,153	976
Total cash and bank balances	9,153	976

Notes to the financial statements (continued)
for the year ended 31 May 2023

9. Other creditors

	2023	2022
	£000s	£000s
Amounts payable on cancellation of shares	1,550	1,249
Payable to the ACD and associates		
Annual management charge	885	686
Total accrued expenses	885	686
Corporation tax payable	(343)	121
Total other creditors	2,092	2,056

10. Commitments and contingent liabilities

At the balance sheet date there are no commitments or contingent liabilities (2022: same).

11. Share classes

The following reflects the change in shares in issue for each share class in the year:

	A Income
Opening shares in issue	688,574,257
Total shares issued in the year	329,181,059
Total shares cancelled in the year	(106,368,274)
Closing shares in issue	911,387,042

	A Accumulation
Opening shares in issue	19,222,535
Total shares issued in the year	3,011,081
Total shares cancelled in the year	(4,545,931)
Closing shares in issue	17,687,685

For the year ended 31 May 2023, the annual management charge is 0.90%. The annual management charge includes the ACD's periodic charge, Investment Manager's fee and other permitted charges to the operation of the Sub-Fund.

Further information in respect of the return per share is disclosed in the Comparative tables.

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

12. Related party transactions

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

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

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

Notes to the financial statements (continued)

for the year ended 31 May 2023

13. Events after the balance sheet date

Subsequent to the year end, the net asset value per A Income share has increased from 115.1p to 116.1p and the A Accumulation share has increased from 142.5p to 145.1p as at 27 September 2023. This movement takes into account routine transactions but also reflects the market movements of recent months.

14. Transaction costs

Direct transaction costs

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

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

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

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

	Purchases before transaction costs	Purchases after transaction costs*
2023	£000s	£000s
Collective Investment Schemes	309,730	309,730
Total	309,730	309,730

	Purchases before transaction costs	Purchases after transaction costs*
2022	£000s	£000s
Collective Investment Schemes	199,729	199,729
Total	199,729	199,729

	Sales before transaction costs	Sales after transaction costs*
2023	£000s	£000s
Collective Investment Schemes	63,768	63,768
Total	63,768	63,768

	Sales before transaction costs	Sales after transaction costs*
2022	£000s	£000s
Collective Investment Schemes	117,679	117,679
Total	117,679	117,679

*No direct transaction costs were incurred in the purchase and sale of investments during the year (2022: same).

Notes to the financial statements (continued)

for the year ended 31 May 2023

15 Risk management policies

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

a Market risk

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

The method used to calculate the global exposure is absolute Value at risk (VaR). The calculation of the Absolute VaR is carried out in accordance with the following parameters: 99% one-sided confidence interval, 1 month (20 day) holding period, Monte Carlo simulation (10,000 simulations) ,1-year (250 day) history with time decay factor (weighting recent events).

A given fund's limit is based on its Risk profile. All of the positions within the fund (direct investments and derivatives) are taken into account for the VaR calculation, not just derivatives.

The below table shows the lowest, the highest and the average utilisation of the VaR limit calculated during the financial year, 01 June 2022 - 31 May 2023. Funds using the VaR approach disclose the level of leverage employed during the relevant period, using the gross method (sum of the notionals of the derivatives used).

	Lowest VaR %	Highest VaR %	Average VaR %	VaR Limit %	Average Level of leverage %	Typical expected Leverage %
True Potential SEI Balanced	5.66	11.36	7.78	14.20	99.20	100

(i) Other price risk

The Sub-Fund's exposure to price risk comprises mainly of movements in the value of investment positions in the face of price movements.

The main elements of the portfolio of investments exposed to this risk is collective investment schemes.

This risk is generally regarded as consisting of two elements: stock specific risk and market risk. Through these two factors, the Sub-Fund is exposed to price fluctuations, which are monitored by the ACD in pursuance of the investment objective and policy.

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

At 31 May 2023, if the price of the investments held by the Sub-Fund increased or decreased by 5%, with all other variables remaining constant, then the net assets attributable to shareholders of the Sub-Fund would increase or decrease by approximately £53,579,000 (2022: £43,996,000).

(ii) Currency risk

Currency risk is the risk that the value of investments or future cash flows will fluctuate as a result of exchange rate movements. Investment in overseas securities or holdings of foreign currency cash will provide direct exposure to currency risk as a consequence of the movement in foreign exchange rates against sterling. Investments in UK securities investing in overseas securities will give rise to indirect exposure to currency risk. These fluctuations can also affect the profitability of some UK companies, and thus their market prices, as sterling's relative strength or weakness can affect export prospects, the value of overseas earnings in sterling terms, and the prices of imports sold in the UK.

The Sub-Fund had no significant direct exposure to foreign currency in the year.

Notes to the financial statements (continued)

for the year ended 31 May 2023

15 Risk management policies (continued)

(iii) Interest rate risk

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

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

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

The Sub-Fund has indirect exposure to interest rate risk as it invests in bond funds.

In the event of a change in interest rates, there would be no material impact upon the net assets of the Sub-Fund.

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

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

There is no significant exposure to interest bearing securities at the balance sheet date.

b Credit risk

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

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

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

Holdings in collective investment schemes are subject to direct credit risk. The exposure to pooled investment vehicles is unrated.

c Liquidity risk

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

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

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

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

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

Notes to the financial statements (continued)
for the year ended 31 May 2023

15 Risk management policies (continued)

All of the financial liabilities are payable on demand.

d Fair value of financial assets and financial liabilities

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

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

	Investment assets
Basis of valuation	2023
	£000s
Quoted prices	-
Observable market data	1,071,576
Unobservable data	-
	1,071,576

	Investment assets
Basis of valuation	2022
	£000s
Quoted prices	-
Observable market data	879,926
Unobservable data	-
	879,926

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

e Assets subject to special arrangements arising from their illiquid nature

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

f Derivatives

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

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

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

During the year there were no derivative transactions.

Notes to the financial statements (continued)

for the year ended 31 May 2023

15 Risk management policies (continued)

(i) Counterparties

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

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

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

(ii) Leverage

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

There have been no leveraging arrangements in the year.

(iii) Global exposure

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

At the balance sheet date there is no global exposure to derivatives.

There have been no collateral arrangements in the year.

True Potential SEI Growth
Sub-investment Manager's report

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

Investment Objective and Policy

The investment objective of the Sub-Fund is to provide capital growth through diversified exposure, directly or indirectly to global equity markets. The Sub-Fund will aim to achieve this by investing predominantly in collective investment schemes which themselves have a global equity focus. The Sub-Fund may also invest in other permitted collective investment schemes and other permitted transferable securities. The Sub-Fund may seek to protect capital through the use of derivatives utilising Efficient Portfolio Management techniques where appropriate.

The Sub-Fund may hold up to 100% of its scheme property in collective investment vehicles.

Derivatives and forward transactions may also be used for investment purposes. The use of derivatives for investment purposes may increase the volatility and risk profile of the Sub-Fund.

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

Sub-Investment Activities

Current Market Recap

Global equity markets experienced a modest downturn in May amid periods of volatility in response to the latest developments in the politically charged debt-ceiling standoff in the U.S., ongoing concerns about the stability of U.S. regional banks, as well as economic data. Developed markets slightly outperformed emerging markets.

U.S. regional bank stocks encountered significant volatility again in May and ended the month with notable losses. Early in the month, U.S. regulators took control of California-based First Republic Bank. The California Department of Financial Protection and Innovation–which oversees the operations of state-licensed financial institutions, including banks and credit unions–issued a statement announcing that it had taken over the bank and appointed the Federal Deposit Insurance Corporation (FDIC) as receiver. Global fixed-income assets lost ground in May. In the U.S. market, high-yield bonds recorded the smallest losses and were the top performers for the month, followed by mortgage-backed securities (MBS). U.S. Treasuries and corporate bonds were the weakest performers. U.S. Treasury yields moved sharply higher across the curve in May. Investors demanded higher yields as compensation for the additional risk that the U.S. government could default on its debt in early June. The yields on 2-, 3-, 5-, and 10-year Treasury notes climbed 0.36%, 0.29%, 0.23%, and 0.20%, respectively, in May. The spread between 10- and 2-year notes widened from -0.60% to -0.76% during the month, further inverting the yield curve.

Global Managed Volatility Equities, which seeks to protect and preserve capital for investors, posted negative total returns in May, trailing the broader market. Defensive sector positioning and a tilt to low volatility were ineffective over the period, while a tilt to value detracted. Size tilts were mixed over the quarter, although the narrow market leadership of riskier mega cap names posed a significant challenge for managed volatility investing. In a concentrated market rally among large technology companies, diversity was the key driver of the underperformance in the Global Equity building block, with most of the managers struggling to beat their respective capitalisation-weighted regional benchmarks.

SEI believes that the positioning in fixed income and equities will continue to add value as we look into the future, despite another shorter term setback to the positive relative returns achieved over the medium term. SEI continues to warn that the return pattern SEI expects from its positioning will not be delivered in a straight line; investors should continue to expect short-term setbacks on the path to potential medium and long-term success.

Our allocation to value managers remains the highest, in line with our belief in the factor’s potential for outperformance. We have been marginally increasing exposure to quality, in line with its improved valuation characteristics, but remain cautious about the factor given the potential for near-term inflation impacts on high profitability stocks.

Current Market Environment

According to the U.S. Department of Commerce, the personal-consumption-expenditures (PCE) price index rose 0.4% in April and 4.4% over the previous 12-month period, fueling speculation over the possibility of further Fed rate hikes to combat inflation. Food prices dipped less than 0.1% during the month and were up 6.9% year-over-year. Energy prices increased 0.7% in April but fell 6.3%

over the previous 12 months. The PCE price index is the Fed's preferred gauge of inflation, as it tracks the change in prices paid by or on behalf of consumers for a more comprehensive set of goods and services than that of the consumer-price index (CPI).

The Department of Labor also reported that U.S. payrolls expanded by 253,000 in April, up from 236,000 in March. The unemployment rate dipped 0.2% to 3.4%. The professional and business services, healthcare, and leisure and hospitality sectors saw the largest employment gains in April. Despite the greater-than-expected growth in payrolls during the month, the total lagged the 400,000 monthly average job gains for the 2022 calendar year. Average hourly earnings rose 0.5% In April and 4.4% year-over-year. The 12-month increase was modestly higher than the 4.2% annual rise in March.

Higher mortgage rates continue to weigh on the U.S. housing market. The National Association of Realtors (NAR) reported that sales of existing homes fell 3.4% in April and plummeted 23.2% versus the same period in 2022. The median existing-home price was down 1.7% year-over-year to $388,000—the biggest 12-month decline since January 2012. The inventory of unsold existing homes increased 7.2% from the previous month to 1.04 million at the end of April, equivalent to 2.9 months' supply at the current monthly sales pace. According to the NAR, a six-month supply of homes historically has indicated a "balanced market," in which prices rise modestly.

According to the second estimate of the Department of Commerce, U.S. gross domestic product (GDP) grew at an annualised rate of 1.3% in the first quarter of 2023, up modestly from the initial estimate of 1.1%, but down from the 2.6% rise in the fourth quarter of 2022. The largest increases for the first quarter of this year were in consumer spending, exports, and federal government spending. These gains offset reductions in private inventory investment (a measure of the changes in values of inventories from one time period to the next) and residential fixed investment (purchases of private residential structures and residential equipment that property owners use for rentals).

The European Central Bank (ECB) increased its benchmark interest rate by 0.25% to 3.75% following its meeting on May 10. In a statement announcing the rate hike, the central bank noted, "The inflation outlook continues to be too high for too long…Headline inflation has declined over recent months, but underlying price pressures remain strong."

Inflation in the Eurozone ticked up 0.1% to 7.0% for the 12-month period ending in April. Prices for food, alcohol and tobacco, as well as non-energy industrial goods, led the upturn in the year-over-year inflation rate.

Eurozone manufacturing decreased in April, with the HCOB Flash Eurozone Manufacturing Output Index falling 2.2 to a six-month low of 46.3.

Services activity in the Eurozone expanded in April, but the HCOB Flash Eurozone Services PMI Activity Index dipped 0.3 to 55.9. According to Eurostat's second estimate, Eurozone GDP increased 0.1% in the first quarter of 2023, unchanged from the initial estimate. The Eurozone saw flat economic growth in the fourth quarter of 2022. GDP increased 1.3% over the previous 12 months. Poland's economy was the strongest performer, expanding 3.9% in the first quarter, while Lithuania's GDP decreased 3.0% during the period.

In a split 7-2 vote, the Bank of England (BOE) raised its benchmark rate by 0.25% to 4.50% on May 11. The BOE's Monetary Policy Committee (MPC) expects U.K. GDP to be virtually flat over the first half of 2023; however, it anticipates that there will be a modest increase in underlying economic output. Additionally, the MPC projects that the UK's inflation rate, as measured by the consumer-price index, will drop below 2% within the next two to three years.

According to the Office for National Statistics (ONS), consumer prices in the U.K. rose 1.2% month-over-month in April, up from the 0.8% increase in March. The inflation rate rose 7.8% over the previous 12-month period, but was significantly lower than the 8.9% year-over-year rise in March. Food and non-alcoholic beverages, as well as housing and household services (particularly electricity) were the most notable contributors to the annual increase in prices. Core inflation, which excludes volatile food and energy prices, rose at an annual rate of 6.2% in April, unchanged from the increase in March.

The ONS also reported that U.K. GDP ticked up 0.1% in the first quarter of 2023, with a 0.5% expansion in January, flat growth in February, and a 0.3% decline in March. The services and production sectors recorded marginal growth rates for the quarter, while household consumption was flat.

Key Market Factors 2022/2023

Inflation

We continue to see central banks attempt to fight inflation. SEI has maintained its stance, in that inflation is stubborn and was not going to fall away nearly as rapidly as central banks or others had initially anticipated. Recently, we have seen additional pressures from the labour market in terms of wage-push inflation, which is making the central banker's ability to mitigate sustained periods of rising prices even tougher to mitigate. With unemployment rates of a plethora of developed nations below record, upward pressures on wages will ensue. Central bankers will continue to tread a fine line between battling inflation and ensuring that the financial system remains robust and intact. We are likely to see central banks lean towards preference for financial stability. Obviously, central bankers and politicians are wishing for a swift end to elevated inflation; however, despite quantitative tightening and a dramatic rate-hiking cycle that is likely nearing an end, labour pains may persist until an economic recession fully takes root.

Recession

Aforementioned above, we do believe that recessionary environments loom. We do believe that this could help to dial back any excess inflation that we are seeing in the stickier sectors such as food, shelter and energy. We have increased our allocation towards our quality managers, as we believe that the companies which our quality managers invest in are better positioned during recessionary environments. We also are of the opinion that quality stocks are priced more attractively as of late, whilst offering more supportive margin squeezes during economic downturns.

China

The pent up stimulus in China is of far greater magnitude than we could have anticipated. A bright spot in terms of investment has opened up within our zero-COVID-policy ally. After an extensive 3-year lockdown, China is out and ready to party. They may not maintain the stimulus checks that the likes of the US have received, but their accumulation of wealth is magnanimous and they are spending already. Over the first quarter, we witnessed a leap in service inflation with catering sales leading the charge. We expect the bounce back of the Chinese economy to continue to beat analysts' expectations as we move forth.

Banking Crisis

With conversation running dry and COVID largely withering away as an agenda item for discussion, it wasn't long before the economic environment produced another major talking point with reference to the banking fallout throughout Q1. Despite the 2008 GFC being rather a distressing time for many individuals and institutions, we definitely learned some lessons. Q1 2023 saw the first major test of these post-GFC regulations. Regional banks play a large role in the US, being responsible for circa 38% of all lending and it was not long before we saw the spillage from across the Atlantic flood European territory too. Following the Silvergate fallout, Signature Bank was shut down by federal regulators. The bank's failure resulted from regulator concern about depositors withdrawing large amounts of money after the failure of Silicon Valley Bank (SVB). SVB was shut down in March 2023 by the California Department of Financial Protection and Innovation. Finally, Credit Suisse collapsed in March, only to be bought out by rival UBS. The banking crisis again will tighten policy, adding additional pressures to an already thorny environment. We are in a stronger place with stronger provisions; banks have better liquidity provisions and capital ratios.

Performance

Over the course of Q2 2022 we witnessed a tactical overweight to commodities and positions designed to benefit from higher yields and higher inflation expectations in the US within the Dynamic Asset Allocation Fund brought positive performance to the Growth Fund. Strong outperformance as a result of value exposure and avoiding speculative growth as equities slipped into bear market territory during 2022. We saw recessionary fears and rising interest rates weigh on popular high multiple technology leaders that provided an additional tailwind to actively managed portfolios. Relative performance was notably strong in the US and Japan adding to returns throughout Q2, in particular we witnessed positive performances from the likes of Global Equity, UK Equity and Japan Equity.

Throughout Q4 of 2022 the US High Yield Fund detracted as a result of poor selection within healthcare, retail and basic industry as well as an overweight to retail over the final quarter of 2022 led to modest underperformance for the year as a whole. Key managers which maintained this position included the likes of T.Rowe and Brigade.

Throughout Q1 of 2023 the Fund saw favorable returns as a result of the pro value tilt. While the rotation into value took a pause over the most recent quarter, equities for the 12 month period delivered strong outperformance as a result of our pro value tilt and avoiding speculative growth as equities slipped into bear market territory over 2022. Recessionary fears and rising interest rates weighed on popular high-multiple technology leaders that provided an additional tailwind to actively managed portfolios. The Fund also saw benefits from holding cheaper companies with higher quality, being underweight speculative stocks, particularly within biotech and software this position was within the US Small Cap Fund. A slight detractor to performance resulted from poor selection within healthcare, retail and basic industry as well as an overweight to retail which we saw within the High Yield Fund.

2023 has been a difficult period for our fundamental factor based approach as most factors lagged the market. Expensive tech led the market, and Low Vol was the biggest laggard while Value also struggled.

Performance	*Q2 2022*	*Q3 2022*	*Q4 2022*	*Q1 2023*
TP-SEI Growth	-6.0%	-2.04%	3.9%	1.81%

(source: SEI Investment Management Corporation)

True Potential SEI Growth: Positioning

Theme (Q2/Q3 2022): Supportive backdrop for active management.

Exposure to proven alpha sources.
End of easy money: Policy tightening and falling liquidity in response to inflation. Fundamentals matter: Unprofitable stocks lagging proven cash flow generators and the headwinds to mega cap tech stocks is increasing market breadth. This creates a need to be more selective as a result of increased uncertainty.

Theme (Q3/Q4 2022): Outlook for value remains strong.

Preference for value.
Elevated valuation dispersions have a long way to normalise. Highly rated growth stocks face headwinds from elevated multiples and rising bond yields while undervalued energy and commodity stocks are beneficiaries in an inflationary environment. Value portfolios have become more defensive/higher quality, increasing resilience. Recent outperformance has gained momentum and is likely to attract further interest and inflows.

Theme (Q3/Q4 2022): Expecting tighter financial conditions in the US and tighter conditions in commodities markets.
Tactically positioned for tighter financial conditions in the US (through a basket that includes short positions in US equity, US treasuries and investment grade credit spreads and a long position in the USD). Tactically positioned for higher commodity prices (through an overweight to commodities).

We expect tighter financial conditions in the US, based on our view that inflation will remain stubbornly high and that the Federal Reserve will remain steadfast in the removal of monetary stimulus. In terms of the portfolio's commodities position; while the commodities market has recently experienced a pullback, we believe fundamentals continue to support a bullish view on the market as a whole. Consequently, we have recently added to our overweight position.

Theme (Q1 2023): Risks remain, and will be a source of equity market volatility

Risks include:
The collapse of Silicon Valley Bank highlights stresses in the financial system resulting from the rapid rise in rates, although there are no signs of wider contagion. Inflation may prove stickier than markets are anticipating. China's reopening could push commodity prices higher, adding to inflationary pressures. Threat of recession remains. Further earnings downgrades are likely and the risk of bankruptcies increases. Ongoing threat of the Russia / Ukraine war.

Investment Strategy and Outlook

Political brinkmanship is back in full force, thanks to the U.S. debt ceiling. If U.S. political dysfunction seemed high in the 2011 and 2013 debt-ceiling episodes, it's even worse today. Prior to the agreement between Biden and McCarthy and the subsequent vote in the U.S. Congress to suspend the debt ceiling until the beginning of 2025, yields on U.S. Treasury securities maturing this summer varied quite a bit by maturity, reflecting fluctuating degrees of confidence in whether holders will be made whole on schedule. There was near-universal acknowledgement that a default would have constituted a catastrophic policy error.

The tumult in the banking system isn't over yet. Although it appears that the crisis stage has eased, smaller banks are facing ongoing pressure to raise deposit rates to more competitive levels, while borrowing from the Fed and U.S. government agencies to improve their liquidity. Smaller banks are struggling financially after the Fed's rate hikes over the past 15 months have significantly reduced the value of their bond holdings, resulting in estimated unrealized losses totaling $1.8 trillion. SEI views the situation as a crisis of confidence, not the credit crunch that occurred during the Global Financial Crisis of 2007-2008. Between the asset/liability mismatch and the downstream effects from 5.25% of Fed rate hikes in an incredibly short period of time, we think that the market will continue to judge and punish the "weak hands."

Regarding Fed monetary policy, some interpreted the language in the FOMC's statement following its 0.25% rate hike in early May as an indication that the central bank was giving itself the flexibility to pause its rate-hiking cycle at its June meeting. We're in the "pause" camp. We don't see a cut in 2023 unless we see a sudden extreme acceleration in the softening of prices and a dramatic deterioration in employment trends.

Labour input costs are one of the most prominent drivers of inflation and, with worker participation levels softening over time (particularly for the working-age male cohort) and the swift aging of populations in many major developed and emerging economies, we may see continued upward pressure on wages that help keep inflation higher for longer. The most recent reported unemployment rates are at or below long-term equilibrium levels for many countries. This implies that labour markets globally are extremely tight and wage growth is likely to remain higher-than-desired, putting continued upward pressure on inflation.

SEI has consistently predicted that inflation would be higher for longer since the spring of 2021. Our out-of-consensus call was based in part on the tight labour-market conditions that prevailed in the U.S., Canada, the U.K., and Europe.

"Labour pains" may persist until an economic recession fully takes root. Nonetheless, even the bitter pill of a recession won't alleviate all pressure from the labour market, as population aging can't be reversed by economic distress. While we believe that a recession is likely, we expect it will be relatively shallow and brief. Unfortunately, at least some labour pains may outlive a recession.

We remain cautious on equity markets from a top-down perspective. Within the equity asset class, we continue to focus on our core approach: favoring high-quality companies with positive earnings momentum at reasonable valuations.

Looking forward, we see opportunities and risks in both the resilient (equities, credit) and the divergent (value, rates) segments of the global financial markets. Specifically, we are fading the resilient and leaning into the divergent.

SEI Investment Management Corporation - a sub-delegate of True Potential Investments LLP

19 June 2023

Portfolio changes

for the year ended 31 May 2023

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

	Cost
Purchases:	£000s
SEI Global Master Fund - SEI Factor Allocation Global Equity Fund	73,926
SEI Global Master Fund - UK Equity Fund	29,327
SEI Global Master Fund - SEI Factor Allocation US Equity Fund	19,668
SEI Global Master Fund - SEI Dynamic Asset Allocation Fund	16,239
SEI Global Master Fund - UK Index Linked Fixed Interest Fund	15,969
SEI Global Master Fund - US Large Companies Fund	14,335
SEI Global Master Fund - High Yield Fixed Income Fund	13,833
SEI Global Master Fund - Emerging Markets Equity Fund	12,512
SEI Global Master Fund - Emerging Markets Debt Fund	12,214
SEI Global Master Fund - Global Opportunistic Fixed Income Fund	8,054
Subtotal	216,077
Total cost of purchases, including the above, for the year	278,931

	Proceeds
	£000s
SEI Global Master Fund - Global Developed Markets Equity Fund	53,168
SEI Global Master Fund - Emerging Markets Equity Fund	8,463
SEI Global Master Fund - UK Equity Fund	2,663
SEI Global Master Fund - UK Index Linked Fixed Interest Fund	2,431
SEI Global Master Fund - US Large Companies Fund	1,076
SEI Global Master Fund - SEI Dynamic Asset Allocation Fund	960
SEI Global Master Fund - High Yield Fixed Income Fund	805
SEI Global Master Fund - SEI US Small Companies Fund	677
SEI Global Master Fund - SEI Quantitative UK Equity Fund	555
SEI Global Master Fund - SEI Factor Allocation US Equity Fund	541
Subtotal	71,339
Total proceeds from sales, including the above, for the year	72,614

Portfolio statement
as at 31 May 2023

Investment	Nominal value or holding	Market value £000s	% of total net assets
Collective Investment Schemes - 99.72% (99.69%)			
Offshore Collective Investment Schemes - 99.72% (99.69%)			
SEI Global Master Fund - Emerging Markets Debt Fund	4,850,932	34,539	5.49
SEI Global Master Fund - Emerging Markets Equity Fund	2,085,915	28,118	4.47
SEI Global Master Fund - European Ex-UK Equity Fund	898,786	22,101	3.51
SEI Global Master Fund - Global Fixed Income Fund	1,850,329	19,021	3.02
SEI Global Master Fund - Global Managed Volatility Fund	1,019,617	18,710	2.97
SEI Global Master Fund - Global Opportunistic Fixed Income Fund	2,348,362	22,239	3.53
SEI Global Master Fund - High Yield Fixed Income Fund	4,172,945	34,552	5.49
SEI Global Master Fund - Japan Equity Fund	886,825	17,958	2.85
SEI Global Master Fund - Pacific Basin Ex-Japan Equity Fund	842,303	11,674	1.86
SEI Global Master Fund - Pan European Small Cap Fund	601,121	15,858	2.52
SEI Global Master Fund - SEI Dynamic Asset Allocation Fund	2,291,403	51,053	8.11
SEI Global Master Fund - SEI Factor Allocation Global Equity Fund	7,318,475	75,380	11.98
SEI Global Master Fund - SEI Factor Allocation US Equity fund	2,579,849	60,755	9.66
SEI Global Master Fund - SEI Fundamental UK Equity Fund	968,505	23,070	3.67
SEI Global Master Fund - SEI Quantitative UK Equity Fund	1,202,694	22,996	3.66
SEI Global Master Fund - SEI US Small Companies Fund	558,273	19,802	3.15
SEI Global Master Fund - UK Equity Fund	4,709,645	88,212	14.02
SEI Global Master Fund - UK Index Linked Fixed Interest Fund	1,415,529	21,148	3.36
SEI Global Master Fund - US Large Companies Fund	968,007	40,269	6.40
Total Offshore Collective Investment Schemes		627,455	99.72
Total Collective Investment Schemes		627,455	99.72
Portfolio of investments		627,455	99.72
Other net assets		1,735	0.28
Total net assets		629,190	100.00

All investments are regulated collective investment schemes within the meaning of the FCA rules unless otherwise stated.

The comparative figures in brackets are as at 31 May 2022.

Risk and reward profile

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

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

Typically lower rewards, lower risk

Typically higher rewards, higher risk

1	2	3	4	5	6	7

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

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

Where the Sub-Fund invests into other investment funds, they may invest in different assets, countries or economic sectors and therefore have different risk profiles not in line with those of the Sub-Fund.

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

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

For further information please refer to the KIID.

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

There have been no changes to the risk and reward indicator in the year.

Comparative tables

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

	A Income		
	2023	2022	2021
	p	p	p
Change in net assets per share			
Opening net asset value per share	132.41	132.52	112.11
Return before operating charges*	(0.73)	4.83	24.42
Operating charges	(1.36)	(1.46)	(1.33)
Return after operating charges*	(2.09)	3.37	23.09
Distributions+	(4.38)	(3.48)	(2.68)
Closing net asset value per share	125.94	132.41	132.52
*after direct transaction costs of:	-	-	-
Performance			
Return after charges	(1.58%)	2.54%	20.60%
Other information			
Closing net asset value (£000s)	622,097	434,295	293,917
Closing number of shares	493,958,329	327,994,982	221,791,568
Operating charges++	1.06%	1.08%	1.08%
Direct transaction costs	-	-	-
Prices			
Highest share price (p)	134.8	140.6	134.5
Lowest share price (p)	121.0	127.0	111.6

+Rounded to 2 decimal places.

++The operating charges are represented by the Ongoing Charges Figure (OCF). The OCF consists principally of the ACD's periodic charge and the Investment Manager's fee which are included in the annual management charge, but also includes the costs for other services paid. It is indicative of the charges which the share class may incur in a year as it is calculated on historical data. The operating charge includes charges for the underlying funds held.

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

Comparative tables (continued)

	A Accumulation		
	2023	2022	2021
	p	p	p
Change in net assets per share			
Opening net asset value per share	158.90	155.00	128.32
Return before operating charges*	(0.82)	5.62	28.18
Operating charges	(1.66)	(1.72)	(1.50)
Return after operating charges*	(2.48)	3.90	26.68
Distributions+	(5.33)	(4.11)	(3.10)
Retained distribution on accumulation shares+	5.33	4.11	3.10
Closing net asset value per share	156.42	158.90	155.00
*after direct transaction costs of:	-	-	-
Performance			
Return after charges	(1.56%)	2.52%	20.79%
Other information			
Closing net asset value (£000s)	7,093	6,849	7,146
Closing number of shares	4,534,608	4,310,225	4,610,429
Operating charges++	1.06%	1.08%	1.08%
Direct transaction costs	-	-	-
Prices			
Highest share price (p)	164.3	165.5	156.4
Lowest share price (p)	146.7	151.5	127.7

+Rounded to 2 decimal places.

++The operating charges are represented by the Ongoing Charges Figure (OCF). The OCF consists principally of the ACD's periodic charge and the Investment Manager's fee which are included in the annual management charge, but also includes the costs for other services paid. It is indicative of the charges which the share class may incur in a year as it is calculated on historical data. The operating charge includes charges for the underlying funds held.

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

Distribution tables

for the year ended 31 May 2023

Distributions on A Income shares in pence per share

Payment date	Share type	Distribution type	Net revenue	Equalisation	Distribution current year	Distribution prior year
31.10.22	group 1	quarter 1	1.346	-	1.346	0.842
31.10.22	group 2	quarter 1	0.424	0.922	1.346	0.842
31.01.23	group 1	interim	1.099	-	1.099	0.876
31.01.23	group 2	interim	0.312	0.787	1.099	0.876
28.04.23	group 1	quarter 3	0.967	-	0.967	0.947
28.04.23	group 2	quarter 3	0.634	0.333	0.967	0.947
31.07.23	group 1	final	0.970	-	0.970	0.812
31.07.23	group 2	final	0.382	0.588	0.970	0.812

Equalisation

Equalisation applies only to group 2 shares. It is the average amount of revenue included in the purchase price of 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 in the hands of the shareholder but must be deducted from the cost of shares for capital gains tax purposes.

Quarter 1 distributions:

Group 1 Shares purchased before 1 June 2022

Group 2 Shares purchased 1 June 2022 to 31 August 2022

Interim distributions:

Group 1 Shares purchased before 1 September 2022

Group 2 Shares purchased 1 September 2022 to 30 November 2022

Quarter 3 distributions:

Group 1 Shares purchased before 1 December 2022

Group 2 Shares purchased 1 December 2022 to 28 February 2023

Final distributions:

Group 1 Shares purchased before 1 March 2023

Group 2 Shares purchased 1 March 2023 to 31 May 2023

Distribution tables (continued)

for the year ended 31 May 2023

Distributions on A Accumulation shares in pence per share

Allocation date	Share type	Distribution type	Net revenue	Equalisation	Distribution current year	Distribution prior year
31.10.22	group 1	quarter 1	1.616	-	1.616	0.984
31.10.22	group 2	quarter 1	0.330	1.286	1.616	0.984
31.01.23	group 1	interim	1.332	-	1.332	1.031
31.01.23	group 2	interim	0.615	0.717	1.332	1.031
28.04.23	group 1	quarter 3	1.182	-	1.182	1.121
28.04.23	group 2	quarter 3	0.869	0.313	1.182	1.121
31.07.23	group 1	final	1.196	-	1.196	0.969
31.07.23	group 2	final	0.571	0.625	1.196	0.969

Equalisation

Equalisation applies only to group 2 shares. It is the average amount of revenue included in the purchase price of 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 in the hands of the shareholder but must be deducted from the cost of shares for capital gains tax purposes.

Accumulation distributions

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

Quarter 1 distributions:

Group 1 Shares purchased before 1 June 2022

Group 2 Shares purchased 1 June 2022 to 31 August 2022

Interim distributions:

Group 1 Shares purchased before 1 September 2022

Group 2 Shares purchased 1 September 2022 to 30 November 2022

Quarter 3 distributions:

Group 1 Shares purchased before 1 December 2022

Group 2 Shares purchased 1 December 2022 to 28 February 2023

Final distributions:

Group 1 Shares purchased before 1 March 2023

Group 2 Shares purchased 1 March 2023 to 31 May 2023

Financial statements - True Potential SEI Growth

Statement of total return
for the year ended 31 May 2023

	Notes	2023		2022	
		£000s	£000s	£000s	£000s
Income:					
Net capital losses	2		(19,419)		(87)
Revenue	3	19,017		10,286	
Expenses	4	(4,991)		(3,564)	
Net revenue before taxation		14,026		6,722	
Taxation	5	(150)		-	
Net revenue after taxation			13,876		6,722
Total (deficit)/return before distributions			(5,543)		6,635
Distributions	6		(17,637)		(9,685)
Change in net assets attributable to shareholders from investment activities			(23,180)		(3,050)

Statement of change in net assets attributable to shareholders
for the year ended 31 May 2023

	2023		2022	
	£000s	£000s	£000s	£000s
Opening net assets attributable to shareholders		441,144		301,063
Amounts receivable on issue of shares	280,870		212,188	
Amounts payable on cancellation of shares	(69,883)		(69,238)	
		210,987		142,950
Change in net assets attributable to shareholders from investment activities		(23,180)		(3,050)
Retained distribution on accumulation shares		239		181
Closing net assets attributable to shareholders		629,190		441,144

Balance Sheet

as at 31 May 2023

	Notes	2023	2022
		£000s	£000s
Assets:			
Fixed assets:			
Investments		627,455	439,771
Current assets:			
Debtors	7	2,683	3,075
Cash and bank balances	8	6,205	3,659
Total assets		636,343	446,505
Liabilities:			
Creditors:			
Distribution payable	6	(4,791)	(2,663)
Other creditors	9	(2,362)	(2,698)
Total liabilities		(7,153)	(5,361)
Net assets attributable to shareholders		629,190	441,144

Notes to the financial statements

for the year ended 31 May 2023

1. Accounting policies

The accounting policies are disclosed on pages 12 to 14.

2. Net capital losses

	2023	2022
	£000s	£000s
Non-derivative securities – losses	(19,419)	(88)
Transactional charges	-	1
Net capital losses	(19,419)	(87)

3. Revenue

	2023	2022
	£000s	£000s
Non-interest distributions from overseas funds	12,121	7,287
Interest on debt securities from overseas collective investment schemes	6,799	2,997
Bank interest	97	2
Total revenue	19,017	10,286

4. Expenses

	2023	2022
	£000s	£000s
Payable to the ACD and associates		
Annual management charge	4,991	3,564
Total expenses	4,991	3,564

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

The annual management charge included an audit fee of £8,394 inclusive of VAT (2022: £5,940 inclusive of VAT).

5. Taxation

	2023	2022
	£000s	£000s
a) Analysis of charge for the year		
Corporation tax	150	-
Total taxation (note 5b)	150	-

b) Factors affecting the current tax charge for the year

The tax assessed for the year is lower (2022: lower) than the standard rate of UK corporation tax for an authorised collective investment scheme of 20% (2022: 20%).

The differences are explained below:

	2023	2022
	£000s	£000s
Net revenue before taxation	14,026	6,722
Corporation tax @ 20%	2,805	1,344
Effects of:		
Overseas revenue	(2,424)	(1,457)
Excess management expenses (utilised)	(231)	113
Total taxation (note 5a)	150	-

Notes to the financial statements (continued)
for the year ended 31 May 2023

5. Taxation (continued)

At the year end, a deferred tax asset has not been recognised in respect of timing differences relating to excess management expenses as there is insufficient evidence that the asset will be recovered. The amount of asset not recognised is £nil (2022: £231,490).

6. Distributions

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

	2023	2022
	£000s	£000s
Quarter 1 income distribution	4,734	2,068
Quarter 1 accumulation distribution	72	45
Interim income distribution	4,350	2,424
Interim accumulation distribution	60	44
Quarter 3 income distribution	4,459	2,826
Quarter 3 accumulation distribution	53	50
Final income distribution	4,791	2,663
Final accumulation distribution	54	42
	18,573	10,162
Equalisation:		
Amounts deducted on cancellation of shares	422	366
Amounts added on issue of shares	(1,358)	(843)
Total net distributions	17,637	9,685

Reconciliation between net revenue and distributions:	2023	2022
	£000s	£000s
Net revenue after taxation per Statement of total return	13,876	6,722
Undistributed revenue brought forward	3	2
Expenses paid from capital	4,991	3,564
Marginal tax relief	(1,230)	(600)
Undistributed revenue carried forward	(3)	(3)
Distributions	17,637	9,685

Details of the distribution per share are disclosed on the Distribution table.

7. Debtors	2023	2022
	£000s	£000s
Amounts receivable on issue of shares	2,673	3,074
Accrued revenue	10	1
Total debtors	2,683	3,075

8. Cash and bank balances	2023	2022
	£000s	£000s
Bank balances	6,205	3,659
Total cash and bank balances	6,205	3,659

Notes to the financial statements (continued)

for the year ended 31 May 2023

9. Other creditors	2023	2022
	£000s	£000s
Amounts payable on cancellation of shares	634	412
Purchases awaiting settlement	1,111	1,931
Accrued expenses		
Payable to the ACD and associates		
Annual management charge	537	355
Total accrued expenses	537	355
Corporation tax payable	80	-
Total other creditors	2,362	2,698

10. Commitments and contingent liabilities

At the balance sheet date there are no commitments or contingent liabilities (2022: same).

11. Share classes

The following reflects the change in shares in issue for each share class in the year:

	A Income
Opening shares in issue	327,994,982
Total shares issued in the year	219,622,389
Total shares cancelled in the year	(53,659,042)
Closing shares in issue	493,958,329

	A Accumulation
Opening shares in issue	4,310,225
Total shares issued in the year	950,350
Total shares cancelled in the year	(725,967)
Closing shares in issue	4,534,608

For the year ended 31 May 2023, the annual management charge is 0.94%. The annual management charge includes the ACD's periodic charge, Investment Manager's fee and other permitted charges to the operation of the Sub-Fund.

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

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

12. Related party transactions

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

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

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

Notes to the financial statements (continued)

for the year ended 31 May 2023

13. Events after the balance sheet date

Subsequent to the year end, the net asset value per A Income share has increased from 125.9p to 127.7p and the A Accumulation share has increased from 156.4p to 160.0p as at 27 September 2023. This movement takes into account routine transactions but also reflects the market movements of recent months.

14. Transaction costs

Direct transaction costs

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

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

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

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

	Purchases before transaction costs	Purchases after transaction costs*
2023	£000s	£000s
Collective Investment Schemes	278,931	278,931
Total	278,931	278,931

	Purchases before transaction costs	Purchases after transaction costs*
2022	£000s	£000s
Collective Investment Schemes	164,813	164,813
Total	164,813	164,813

	Sales before transaction costs	Sales after transaction costs*
2023	£000s	£000s
Collective Investment Schemes	72,614	72,614
Total	72,614	72,614

	Sales before transaction costs	Sales after transaction costs*
2022	£000s	£000s
Collective Investment Schemes	24,662	24,662
Total	24,662	24,662

*No direct transaction costs were incurred in the purchase and sale of investments during the year (2022: same).

Notes to the financial statements (continued)

for the year ended 31 May 2023

15 Risk management policies

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

a Market risk

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

The method used to calculate the global exposure is absolute Value at risk (VaR). The calculation of the Absolute VaR is carried out in accordance with the following parameters: 99% one-sided confidence interval, 1 month (20 day) holding period, Monte Carlo simulation (10,000 simulations) ,1-year (250 day) history with time decay factor (weighting recent events).

A given fund’s limit is based on its Risk profile. All of the positions within the fund (direct investments and derivatives) are taken into account for the VaR calculation, not just derivatives.

The below table shows the lowest, the highest and the average utilisation of the VaR limit calculated during the financial year, 01 June 2022 - 31 May 2023. Funds using the VaR approach disclose the level of leverage employed during the relevant period, using the gross method (sum of the notionals of the derivatives used).

	Lowest VaR %	Highest VaR %	Average VaR %	VaR Limit %	Average Level of leverage %	Typical expected Leverage %
True Potential SEI Growth	7.20	12.48	9.33	17.50	99.12	100

(i) Other price risk

The Sub-Fund's exposure to price risk comprises mainly of movements in the value of investment positions in the face of price movements.

The main elements of the portfolio of investments exposed to this risk is collective investment schemes.

This risk is generally regarded as consisting of two elements: stock specific risk and market risk. Through these two factors, the Sub-Fund is exposed to price fluctuations, which are monitored by the ACD in pursuance of the investment objective and policy.

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

At 31 May 2023, if the price of the investments held by the Sub-Fund increased or decreased by 5%, with all other variables remaining constant, then the net assets attributable to shareholders of the Sub-Fund would increase or decrease by approximately £31,373,000 (2022: £21,989,000).

(ii) Currency risk

Currency risk is the risk that the value of investments or future cash flows will fluctuate as a result of exchange rate movements. Investment in overseas securities or holdings of foreign currency cash will provide direct exposure to currency risk as a consequence of the movement in foreign exchange rates against sterling. Investments in UK securities investing in overseas securities will give rise to indirect exposure to currency risk. These fluctuations can also affect the profitability of some UK companies, and thus their market prices, as sterling's relative strength or weakness can affect export prospects, the value of overseas earnings in sterling terms, and the prices of imports sold in the UK.

The Sub-Fund had no significant direct exposure to foreign currency in the year.

Notes to the financial statements (continued)

for the year ended 31 May 2023

15 Risk management policies (continued)

(iii) Interest rate risk

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

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

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

The Sub-Fund has indirect exposure to interest rate risk as it invests in bond funds.

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

In the event of a change in interest rates, there would be no material impact upon the net assets of the Sub-Fund.

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

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

There is no significant exposure to interest bearing securities at the balance sheet date.

b Credit risk

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

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

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

Holdings in collective investment schemes are subject to direct credit risk. The exposure to pooled investment vehicles is unrated.

c Liquidity risk

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

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

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

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

Notes to the financial statements (continued)

for the year ended 31 May 2023

15 Risk management policies (continued)

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

All of the financial liabilities are payable on demand.

d Fair value of financial assets and financial liabilities

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

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

	Investment assets
Basis of valuation	2023
	£000s
Quoted prices	-
Observable market data	627,455
Unobservable data	-
	627,455

	Investment assets
Basis of valuation	2022
	£000s
Quoted prices	-
Observable market data	439,771
Unobservable data	-
	439,771

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

e Assets subject to special arrangements arising from their illiquid nature

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

f Derivatives

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

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

During the year there were no derivative transactions.

Notes to the financial statements (continued)

for the year ended 31 May 2023

15 Risk management policies (continued)

(i) Counterparties

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

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

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

(ii) Leverage

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

There have been no leveraging arrangements in the year.

(iii) Global exposure

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

At the balance sheet date there is no global exposure to derivatives.

There have been no collateral arrangements in the year.

True Potential SEI Aggressive
Sub-investment Manager's report

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

Investment Objective and Policy

The investment objective of the Sub-Fund is to provide capital growth through exposure to equities globally. This will be achieved through investing almost exclusively in collective investment schemes which themselves have a global focus. The Sub-Fund may seek to protect capital through the use of derivatives utilising Efficient Portfolio Management techniques where appropriate.

The Sub-Fund may hold up to 100% of its scheme property in collective investment vehicles.

Derivatives and forward transactions may also be used for investment purposes. The use of derivatives for investment purposes may increase the volatility and risk profile of the Sub-Fund.

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

Sub-Investment Activities

Current Market Recap

Global equity markets experienced a modest downturn in May amid periods of volatility in response to the latest developments in the politically charged debt-ceiling standoff in the U.S., ongoing concerns about the stability of U.S. regional banks, as well as economic data. Developed markets slightly outperformed emerging markets.

U.S. regional bank stocks encountered significant volatility again in May and ended the month with notable losses. Early in the month, U.S. regulators took control of California-based First Republic Bank. The California Department of Financial Protection and Innovation–which oversees the operations of state-licensed financial institutions, including banks and credit unions–issued a statement announcing that it had taken over the bank and appointed the Federal Deposit Insurance Corporation (FDIC) as receiver. Global fixed-income assets lost ground in May. In the U.S. market, high-yield bonds recorded the smallest losses and were the top performers for the month, followed by mortgage-backed securities (MBS). U.S. Treasuries and corporate bonds were the weakest performers. U.S. Treasury yields moved sharply higher across the curve in May. Investors demanded higher yields as compensation for the additional risk that the U.S. government could default on its debt in early June. The yields on 2-, 3-, 5-, and 10-year Treasury notes climbed 0.36%, 0.29%, 0.23%, and 0.20%, respectively, in May. The spread between 10- and 2-year notes widened from -0.60% to -0.76% during the month, further inverting the yield curve.

Global Managed Volatility Equities, which seeks to protect and preserve capital for investors, posted negative total returns in May, trailing the broader market. Defensive sector positioning and a tilt to low volatility were ineffective over the period, while a tilt to value detracted. Size tilts were mixed over the quarter, although the narrow market leadership of riskier mega cap names posed a significant challenge for managed volatility investing. In a concentrated market rally among large technology companies, diversity was the key driver of the underperformance in the Global Equity building block, with most of the managers struggling to beat their respective capitalisation-weighted regional benchmarks.

SEI believes that the positioning in fixed income and equities will continue to add value as we look into the future, despite another shorter term setback to the positive relative returns achieved over the medium term. SEI continues to warn that the return pattern SEI expects from its positioning will not be delivered in a straight line; investors should continue to expect short-term setbacks on the path to potential medium and long-term success.

Our allocation to value managers remains the highest, in line with our belief in the factor’s potential for outperformance. We have been marginally increasing exposure to quality, in line with its improved valuation characteristics, but remain cautious about the factor given the potential for near-term inflation impacts on high profitability stocks.

Current Market Environment

According to the U.S. Department of Commerce, the personal-consumption-expenditures (PCE) price index rose 0.4% in April and 4.4% over the previous 12-month period, fueling speculation over the possibility of further Fed rate hikes to combat inflation. Food prices dipped less than 0.1% during the month and were up 6.9% year-over-year. Energy prices increased 0.7% in April but fell 6.3% over the previous 12 months. The PCE price index is the Fed’s preferred gauge of inflation, as it tracks the change in prices paid by or on behalf of consumers for a more comprehensive set of goods and services than that of the consumer-price index (CPI).

The Department of Labor also reported that U.S. payrolls expanded by 253,000 in April, up from 236,000 in March. The unemployment rate dipped 0.2% to 3.4%. The professional and business services, healthcare, and leisure and hospitality sectors saw the largest employment gains in April. Despite the greater-than-expected growth in payrolls during the month, the total lagged the 400,000 monthly average job gains for the 2022 calendar year. Average hourly earnings rose 0.5% In April and 4.4% year-over-year. The 12-month increase was modestly higher than the 4.2% annual rise in March.

Higher mortgage rates continue to weigh on the U.S. housing market. The National Association of Realtors (NAR) reported that sales of existing homes fell 3.4% in April and plummeted 23.2% versus the same period in 2022. The median existing-home price was down 1.7% year-over-year to $388,000—the biggest 12-month decline since January 2012. The inventory of unsold existing homes increased 7.2% from the previous month to 1.04 million at the end of April, equivalent to 2.9 months' supply at the current monthly sales pace. According to the NAR, a six-month supply of homes historically has indicated a "balanced market," in which prices rise modestly.

According to the second estimate of the Department of Commerce, U.S. gross domestic product (GDP) grew at an annualised rate of 1.3% in the first quarter of 2023, up modestly from the initial estimate of 1.1%, but down from the 2.6% rise in the fourth quarter of 2022. The largest increases for the first quarter of this year were in consumer spending, exports, and federal government spending. These gains offset reductions in private inventory investment (a measure of the changes in values of inventories from one time period to the next) and residential fixed investment (purchases of private residential structures and residential equipment that property owners use for rentals).

The European Central Bank (ECB) increased its benchmark interest rate by 0.25% to 3.75% following its meeting on May 10. In a statement announcing the rate hike, the central bank noted, "The inflation outlook continues to be too high for too long…Headline inflation has declined over recent months, but underlying price pressures remain strong."

Inflation in the Eurozone ticked up 0.1% to 7.0% for the 12-month period ending in April. Prices for food, alcohol and tobacco, as well as non-energy industrial goods, led the upturn in the year-over-year inflation rate.

Eurozone manufacturing decreased in April, with the HCOB Flash Eurozone Manufacturing Output Index falling 2.2 to a six-month low of 46.3.

Services activity in the Eurozone expanded in April, but the HCOB Flash Eurozone Services PMI Activity Index dipped 0.3 to 55.9. According to Eurostat's second estimate, Eurozone GDP increased 0.1% in the first quarter of 2023, unchanged from the initial estimate. The Eurozone saw flat economic growth in the fourth quarter of 2022. GDP increased 1.3% over the previous 12 months. Poland's economy was the strongest performer, expanding 3.9% in the first quarter, while Lithuania's GDP decreased 3.0% during the period.

In a split 7-2 vote, the Bank of England (BOE) raised its benchmark rate by 0.25% to 4.50% on May 11. The BOE's Monetary Policy Committee (MPC) expects U.K. GDP to be virtually flat over the first half of 2023; however, it anticipates that there will be a modest increase in underlying economic output. Additionally, the MPC projects that the UK's inflation rate, as measured by the consumer-price index, will drop below 2% within the next two to three years.

According to the Office for National Statistics (ONS), consumer prices in the U.K. rose 1.2% month-over-month in April, up from the 0.8% increase in March. The inflation rate rose 7.8% over the previous 12-month period, but was significantly lower than the 8.9% year-over-year rise in March. Food and non-alcoholic beverages, as well as housing and household services (particularly electricity) were the most notable contributors to the annual increase in prices. Core inflation, which excludes volatile food and energy prices, rose at an annual rate of 6.2% in April, unchanged from the increase in March.

The ONS also reported that U.K. GDP ticked up 0.1% in the first quarter of 2023, with a 0.5% expansion in January, flat growth in February, and a 0.3% decline in March. The services and production sectors recorded marginal growth rates for the quarter, while household consumption was flat.

Key Market Factors 2022/2023

Inflation

We continue to see central banks attempt to fight inflation. SEI has maintained its stance, in that inflation is stubborn and was not going to fall away nearly as rapidly as central banks or others had initially anticipated. Recently, we have seen additional pressures from the labour market in terms of wage-push inflation, which is making the central banker's ability to mitigate sustained periods of rising prices even tougher to mitigate. With unemployment rates of a plethora of developed nations below record, upward pressures on wages will ensue. Central bankers will continue to tread a fine line between battling inflation and ensuring that the financial system remains robust and intact. We are likely to see central banks lean towards preference for financial stability. Obviously, central bankers and politicians are wishing for a swift end to elevated inflation; however, despite quantitative tightening and a dramatic rate-hiking cycle that is likely nearing an end, labour pains may persist until an economic recession fully takes root.

Recession

Aforementioned above, we do believe that recessionary environments loom. We do believe that this could help to dial back any excess inflation that we are seeing in the stickier sectors such as food, shelter and energy. We have increased our allocation towards our quality managers, as we believe that the companies which our quality managers invest in are better positioned during recessionary environments. We also are of the opinion that quality stocks are priced more attractively as of late, whilst offering more supportive margin squeezes during economic downturns.

China

The pent up stimulus in China is of far greater magnitude than we could have anticipated. A bright spot in terms of investment has opened up within our zero-COVID-policy ally. After an extensive 3-year lockdown, China is out and ready to party. They may not maintain the stimulus checks that the likes of the US have received, but their accumulation of wealth is magnanimous and they are spending already. Over the first quarter, we witnessed a leap in service inflation with catering sales leading the charge. We expect the bounce back of the Chinese economy to continue to beat analysts' expectations as we move forth.

Banking Crisis

With conversation running dry and COVID largely withering away as an agenda item for discussion, it wasn't long before the economic environment produced another major talking point with reference to the banking fallout throughout Q1. Despite the 2008 GFC being rather a distressing time for many individuals and institutions, we definitely learned some lessons. Q1 2023 saw the first major test of these post-GFC regulations. Regional banks play a large role in the US, being responsible for circa 38% of all lending and it was not long before we saw the spillage from across the Atlantic flood European territory too. Following the Silvergate fallout, Signature Bank was shut down by federal regulators. The bank's failure resulted from regulator concern about depositors withdrawing large amounts of money after the failure of Silicon Valley Bank (SVB). SVB was shut down in March 2023 by the California Department of Financial Protection and Innovation. Finally, Credit Suisse collapsed in March, only to be bought out by rival UBS. The banking crisis again will tighten policy, adding additional pressures to an already thorny environment. We are in a stronger place with stronger provisions; banks have better liquidity provisions and capital ratios.

Performance

Considering the Aggressive Fund, the fund benefitted from tactical overweights to commodities positions designed to benefit from higher yields and higher inflation expectations in the US. This position contributed within the Dynamic Asset Allocation fund throughout Q2 of 2022. In Q2 we also experienced strong outperformance as a result of value exposures and avoiding speculative growth as equities slipped into bear market territory. Recessionary fears and rising interest rates weighed on popular high-multiple technology leaders that provided an additional tailwind to actively managed portfolios. Relative performance was notably strong in the US and Japan, key asset classes responsible for this were Global Equity, UK Equity and Japanese Equities.

The same themes persisted over Q3 and Q4 within the Fund, notably the tactical overweight to commodities and positions designed to benefit from higher yields within the Dynamic Asset Allocation Fund and also strong outperformance as a result of the value tilt, specifically within Global Equity, UK Equity and Japan Equity Funds.

Throughout Q1 of 2023 the Fund saw favorable returns as a result of the pro value tilt. While the rotation into value took a pause over the most recent quarter, equities for the 12 month period delivered strong outperformance as a result of our pro value tilt and avoiding speculative growth as equities slipped into bear market territory over 2022. Recessionary fears and rising interest rates weighed on popular high-multiple technology leaders that provided an additional tailwind to actively managed portfolios. The Fund also saw benefits from holding cheaper companies with higher quality, being underweight speculative stocks, particularly within biotech and software this position was within the US Small Cap Fund.

2023 has been a difficult period for our fundamental factor based approach as most factors lagged the market. Expensive tech led the market, and Low Vol was the biggest laggard while Value also struggled

Performance	*Q2 2022*	*Q3 2022*	*Q4 2022*	*Q1 2023*
SEI Aggressive	-5.22%	-1.36%	4.32%	1.67%

(source: SEI Investment Management Corporation)

True Potential SEI Aggressive: Positioning

Theme (Q2/Q3 2022): Supportive backdrop for active management.

Exposure to proven alpha sources.
End of easy money: Policy tightening and falling liquidity in response to inflation. Fundamentals matter: Unprofitable stocks lagging proven cash flow generators and the headwinds to mega cap tech stocks is increasing market breadth. This creates a need to be more selective as a result of increased uncertainty.

Theme (Q3/Q4 2022): Outlook for value remains strong.

Preference for value.
Elevated valuation dispersions have a long way to normalise. Highly rated growth stocks face headwinds from elevated multiples and rising bond yields while undervalued energy and commodity stocks are beneficiaries in an inflationary environment. Value portfolios have become more defensive/higher quality, increasing resilience. Recent outperformance has gained momentum and is likely to attract further interest and inflows.

Theme (Q3/Q4 2022): Expecting tighter financial conditions in the US and tighter conditions in commodities markets.

Tactically positioned for tighter financial conditions in the US (through a basket that includes short positions in US equity, US treasuries and investment grade credit spreads and a long position in the USD). Tactically positioned for higher commodity prices (through an overweight to commodities).

We expect tighter financial conditions in the US, based on our view that inflation will remain stubbornly high and that the Federal Reserve will remain steadfast in the removal of monetary stimulus. In terms of the portfolio's commodities position; while the commodities market has recently experienced a pullback, we believe fundamentals continue to support a bullish view on the market as a whole. Consequently, we have recently added to our overweight position.

Theme (Q1 2023): Risks remain, and will be a source of equity market volatility

Risks include:
The collapse of Silicon Valley Bank highlights stresses in the financial system resulting from the rapid rise in rates, although there are no signs of wider contagion. Inflation may prove stickier than markets are anticipating. China's reopening could push commodity prices higher, adding to inflationary pressures. Threat of recession remains. Further earnings downgrades are likely and the risk of bankruptcies increases. Ongoing threat of the Russia / Ukraine war.

Investment Strategy and Outlook

Political brinkmanship is back in full force, thanks to the U.S. debt ceiling. If U.S. political dysfunction seemed high in the 2011 and 2013 debt-ceiling episodes, it's even worse today. Prior to the agreement between Biden and McCarthy and the subsequent vote in the U.S. Congress to suspend the debt ceiling until the beginning of 2025, yields on U.S. Treasury securities maturing this summer varied quite a bit by maturity, reflecting fluctuating degrees of confidence in whether holders will be made whole on schedule. There was near-universal acknowledgement that a default would have constituted a catastrophic policy error.

The tumult in the banking system isn't over yet. Although it appears that the crisis stage has eased, smaller banks are facing ongoing pressure to raise deposit rates to more competitive levels, while borrowing from the Fed and U.S. government agencies to improve their liquidity. Smaller banks are struggling financially after the Fed's rate hikes over the past 15 months have significantly reduced the value of their bond holdings, resulting in estimated unrealized losses totaling $1.8 trillion. SEI views the situation as a crisis of confidence, not the credit crunch that occurred during the Global Financial Crisis of 2007-2008. Between the asset/liability mismatch and the downstream effects from 5.25% of Fed rate hikes in an incredibly short period of time, we think that the market will continue to judge and punish the "weak hands."

Regarding Fed monetary policy, some interpreted the language in the FOMC's statement following its 0.25% rate hike in early May as an indication that the central bank was giving itself the flexibility to pause its rate-hiking cycle at its June meeting. We're in the "pause" camp. We don't see a cut in 2023 unless we see a sudden extreme acceleration in the softening of prices and a dramatic deterioration in employment trends.

Labour input costs are one of the most prominent drivers of inflation and, with worker participation levels softening over time (particularly for the working-age male cohort) and the swift aging of populations in many major developed and emerging economies, we may see continued upward pressure on wages that help keep inflation higher for longer. The most recent reported unemployment rates are at or below long-term equilibrium levels for many countries. This implies that labour markets globally are extremely tight and wage growth is likely to remain higher-than-desired, putting continued upward pressure on inflation.

SEI has consistently predicted that inflation would be higher for longer since the spring of 2021. Our out-of-consensus call was based in part on the tight labour-market conditions that prevailed in the U.S., Canada, the U.K., and Europe.

“Labour pains” may persist until an economic recession fully takes root. Nonetheless, even the bitter pill of a recession won’t alleviate all pressure from the labour market, as population aging can’t be reversed by economic distress. While we believe that a recession is likely, we expect it will be relatively shallow and brief. Unfortunately, at least some labour pains may outlive a recession.

We remain cautious on equity markets from a top-down perspective. Within the equity asset class, we continue to focus on our core approach: favoring high-quality companies with positive earnings momentum at reasonable valuations.

Looking forward, we see opportunities and risks in both the resilient (equities, credit) and the divergent (value, rates) segments of the global financial markets. Specifically, we are fading the resilient and leaning into the divergent.

SEI Investment Management Corporation - a sub-delegate of True Potential Investments LLP

19 June 2023

Portfolio changes

for the year ended 31 May 2023

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

	Cost
Purchases	£000's
SEI Global Master Fund - SEI Factor Allocation Global Equity	71,720
SEI Global Master Fund - UK Equity Fund	29,240
SEI Global Master Fund - SEI Factor Allocation US Equity	20,218
SEI Global Master Fund - SEI Dynamic Asset Allocation Fund	15,522
SEI Global Master Fund - US Large Companies Fund	14,369
SEI Global Master Fund - Emerging Markets Equity Fund	11,321
SEI Global Master Fund - SEI Quantitative UK Equity Fund	8,995
SEI Global Master Fund - SEI Fundamental UK Equity Fund	8,692
SEI Global Master Fund - Global Developed Markets Equity Fund	7,824
SEI Global Master Fund - European Ex-UK Equity Fund	6,566
Subtotal	194,467
Total cost of purchases, including the above, for the year	215,063

	Proceeds
Sales:	£000s
SEI Global Master Fund - Global Developed Markets Equity Fund	51,302
SEI Global Master Fund - Emerging Markets Equity Fund	8,243
SEI Global Master Fund - UK Equity Fund	4,995
SEI Global Master Fund - SEI Factor Allocation US Equity	3,040
SEI Global Master Fund - SEI Factor Allocation Global Equity	2,412
SEI Global Master Fund - US Large Companies Fund	2,193
SEI Global Master Fund - SEI Dynamic Asset Allocation Fund	2,146
SEI Global Master Fund - SEI Quantitative UK Equity Fund	1,629
SEI Global Master Fund - SEI Fundamental UK Equity Fund	1,237
SEI Global Master Fund - Japan Equity Fund	1,176
Subtotal	78,373
Total proceeds from sales, including the above, for the year	81,929

Portfolio statement
as at 31 May 2023

Investment	Nominal value or holding	Market value £000s	% of total net assets
Collective Investment Schemes 99.67% (99.61%)			
Offshore Collective Investment Schemes - 99.67% (99.61%)			
SEI Global Master Fund - Emerging Markets Equity Fund	1,874,981	25,275	5.58
SEI Global Master Fund - European Ex-UK Equity Fund	884,019	21,738	4.80
SEI Global Master Fund - Japan Equity Fund	857,652	17,367	3.84
SEI Global Master Fund - Pacific Basin Ex-Japan Equity Fund	837,746	11,611	2.56
SEI Global Master Fund - Pan European Small Cap Fund	502,900	13,267	2.93
SEI Global Master Fund - SEI Dynamic Asset Allocation Fund	2,048,791	45,647	10.08
SEI Global Master Fund - SEI Factor Allocation Global Equity	6,853,919	70,595	15.59
SEI Global Master Fund - SEI Factor Allocation US Equity	2,504,943	58,991	13.03
SEI Global Master Fund - SEI Fundamental UK Equity Fund	1,034,097	24,632	5.44
SEI Global Master Fund - SEI Quantitative UK Equity Fund	1,283,447	24,540	5.42
SEI Global Master Fund - SEI US Small Companies Fund	470,830	16,700	3.69
SEI Global Master Fund - UK Equity Fund	4,234,006	79,303	17.51
SEI Global Master Fund - US Large Companies Fund	1,001,381	41,658	9.20
Total Offshore Collective Investment Schemes		451,324	99.67
Total Collective Investment Schemes		451,324	99.67
Portfolio of investments		451,324	99.67
Other net assets		1,479	0.33
Total net assets		452,803	100.00

All investments are regulated collective investment schemes within the meaning of the FCA rules unless otherwise stated.

The comparative figures in brackets are as at 31 May 2022.

Risk and reward profile

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

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

← Typically lower rewards, lower risk

Typically higher rewards, higher risk →

1	2	3	4	5	6	7

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

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

Where the Sub-Fund invests into other investment funds, they may invest in different assets, countries or economic sectors and therefore have different risk profiles not in line with those of the Sub-Fund.

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

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

For further information please refer to the KIID.

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

There have been no changes to the risk and reward indicator in the year.

Comparative tables

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

	A Income		
	2023	2022	2021
	p	p	p
Change in net assets per share			
Opening net asset value per share	148.41	144.46	116.81
Return before operating charges*	1.78	9.23	31.70
Operating charges	(1.58)	(1.60)	(1.41)
Return after operating charges*	0.20	7.63	30.29
Distributions+	(4.40)	(3.68)	(2.64)
Closing net asset value per share	144.21	148.41	144.46
*after direct transaction costs of:	-	-	-
Performance			
Return after charges	0.13%	5.28%	25.93%
Other information			
Closing net asset value (£000s)	450,213	321,961	248,727
Closing number of shares	312,189,548	216,940,494	172,177,597
Operating charges++	1.08%	1.08%	1.08%
Direct transaction costs	-	-	-
Prices			
Highest share price (p)	154.4	155.2	147.1
Lowest share price (p)	137.6	138.7	115.9

+Rounded to 2 decimal places.

++The operating charges are represented by the Ongoing Charges Figure (OCF). The OCF consists principally of the ACD's periodic charge and the Investment Manager's fee which are included in the annual management charge, but also includes the costs for other services paid. It is indicative of the charges which the share class may incur in a year as it is calculated on historical data. The operating charge includes charges for the underlying funds held.

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

Comparative tables (continued)

	A Accumulation		
	2023	2022	2021
	p	p	p
Change in net assets per share			
Opening net asset value per share	176.02	167.16	132.49
Return before operating charges*	2.10	10.73	36.26
Operating charges	(1.89)	(1.87)	(1.59)
Return after operating charges*	0.21	8.86	34.67
Distributions+	(5.28)	(4.30)	(3.01)
Retained distribution on accumulation shares+	5.28	4.30	3.01
Closing net asset value per share	176.23	176.02	167.16
*after direct transaction costs of:	-	-	-
Performance			
Return after charges	0.12%	5.30%	26.17%
Other information			
Closing net asset value (£000s)	2,590	2,505	2,660
Closing number of shares	1,469,756	1,423,176	1,591,256
Operating charges++	1.08%	1.08%	1.08%
Direct transaction costs	-	-	-
Prices			
Highest share price (p)	186.4	180.9	169.3
Lowest share price (p)	163.3	163.6	131.4

+Rounded to 2 decimal places.

++The operating charges are represented by the Ongoing Charges Figure (OCF). The OCF consists principally of the ACD's periodic charge and the Investment Manager's fee which are included in the annual management charge, but also includes the costs for other services paid. It is indicative of the charges which the share class may incur in a year as it is calculated on historical data. The operating charge includes charges for the underlying funds held.

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

Distribution tables

for the year ended 31 May 2023

Distributions on A Income shares in pence per share

Payment date	Share type	Distribution type	Net revenue	Equalisation	Distribution current year	Distribution prior year
31.10.22	group 1	quarter 1	1.457	-	1.457	0.902
31.10.22	group 2	quarter 1	0.461	0.996	1.457	0.902
31.01.23	group 1	interim	1.128	-	1.128	0.943
31.01.23	group 2	interim	0.277	0.851	1.128	0.943
28.04.23	group 1	quarter 3	0.820	-	0.820	0.993
28.04.23	group 2	quarter 3	0.466	0.354	0.820	0.993
31.07.23	group 1	final	0.996	-	0.996	0.845
31.07.23	group 2	final	0.391	0.605	0.996	0.845

Equalisation

Equalisation applies only to group 2 shares. It is the average amount of revenue included in the purchase price of 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 in the hands of the shareholder but must be deducted from the cost of shares for capital gains tax purposes.

Quarter 1 distributions:

Group 1	Shares purchased before 1 June 2022
Group 2	Shares purchased 1 June 2022 to 31 August 2022

Interim distributions:

Group 1	Shares purchased before 1 September 2022
Group 2	Shares purchased 1 September 2022 to 30 November 2022

Quarter 3 distributions:

Group 1	Shares purchased before 1 December 2022
Group 2	Shares purchased 1 December 2022 to 28 February 2023

Final distributions:

Group 1	Shares purchased before 1 March 2023
Group 2	Shares purchased 1 March 2023 to 31 May 2023

Distribution tables (continued)
for the year ended 31 May 2023

Distributions on A Accumulation shares in pence per share

Allocation date	Share type	Distribution type	Net revenue	Equalisation	Distribution current year	Distribution prior year
31.10.22	group 1	quarter 1	1.728	-	1.728	1.041
31.10.22	group 2	quarter 1	0.585	1.143	1.728	1.041
31.01.23	group 1	interim	1.352	-	1.352	1.100
31.01.23	group 2	interim	0.778	0.574	1.352	1.100
28.04.23	group 1	quarter 3	0.989	-	0.989	1.164
28.04.23	group 2	quarter 3	0.794	0.195	0.989	1.164
31.07.23	group 1	final	1.208	-	1.208	0.996
31.07.23	group 2	final	0.764	0.444	1.208	0.996

Equalisation
Equalisation applies only to group 2 shares. It is the average amount of revenue included in the purchase price of 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 in the hands of the shareholder but must be deducted from the cost of shares for capital gains tax purposes.

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

Quarter 1 distributions:

Group 1	Shares purchased before 1 June 2022
Group 2	Shares purchased 1 June 2022 to 31 August 2022

Interim distributions:

Group 1	Shares purchased before 1 September 2022
Group 2	Shares purchased 1 September 2022 to 30 November 2022

Quarter 3 distributions:

Group 1	Shares purchased before 1 December 2022
Group 2	Shares purchased 1 December 2022 to 28 February 2023

Final distributions:

Group 1	Shares purchased before 1 March 2023
Group 2	Shares purchased 1 March 2023 to 31 May 2023

Financial statements - True Potential SEI Aggressive

Statement of total return
for the year ended 31 May 2023

	Notes	2023		2022	
		£000s	£000s	£000s	£000s
Income:					
Net capital (losses)/gains	2		(5,535)		10,178
Revenue	3	11,277		7,072	
Expenses	4	(3,662)		(2,726)	
Net revenue before taxation		7,615		4,346	
Taxation	5	-		-	
Net revenue after taxation			7,615		4,346
Total return before distributions			2,080		14,524
Distributions	6		(11,265)		(7,071)
Change in net assets attributable to shareholders from investment activities			(9,185)		7,453

Statement of change in net assets attributable to shareholders
for the year ended 31 May 2023

	2023		2022	
	£000s	£000s	£000s	£000s
Opening net assets attributable to shareholders		324,466		251,387
Amounts receivable on issue of shares	198,756		148,597	
Amounts payable on cancellation of shares	(61,310)		(83,034)	
		137,446		65,563
Change in net assets attributable to shareholders from investment activities		(9,185)		7,453
Retained distribution on accumulation shares		76		63
Closing net assets attributable to shareholders		452,803		324,466

Balance Sheet
as at 31 May 2023

	Notes	2023	2022
		£000s	£000s
Assets:			
Fixed assets:			
Investments		451,324	323,214
Current assets:			
Debtors	7	3,248	2,614
Cash and bank balances	8	2,625	1,015
Total assets		457,197	326,843
Liabilities:			
Investment liabilities			
Creditors:			
Distribution payable	6	(3,109)	(1,833)
Other creditors	9	(1,285)	(544)
Total liabilities		(4,394)	(2,377)
Net assets attributable to shareholders		452,803	324,466

Notes to the financial statements
for the year ended 31 May 2023

1. Accounting policies

The accounting policies are disclosed on pages 12 to 14.

2. Net capital (losses)/gains

	2023	2022
	£000s	£000s
Non-derivative securities – realised (losses) /gains	(5,535)	10,177
Transaction charges	-	1
Net capital (losses)/gains	(5,535)	10,178

3. Revenue

	2023	2022
	£000s	£000s
Non-interest distributions from overseas funds	11,210	7,071
Bank interest	67	1
Total revenue	11,277	7,072

4. Expenses

	2023	2022
	£000s	£000s
Payable to the ACD and associates		
Annual management charge	3,662	2,726
Total expenses	3,662	2,726

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

The annual management charge included an audit fee of £8,394 inclusive of VAT (2022: £5,940 inclusive of VAT).

5. Taxation

	2023	2022
	£000s	£000s
a) Analysis of charge for the year	-	-
Total taxation (note 5b)	-	-

b) Factors affecting the current tax charge for the year

The tax assessed for the year is lower (2022: lower) than the standard rate of UK corporation tax for an authorised collective investment scheme of 20% (2022: 20%).

The differences are explained below:

	2023	2022
	£000s	£000s
Net revenue before taxation	7,615	4,346
Corporation tax @ 20%	1,523	869
Effects of:		
Overseas revenue	(2,242)	(1,414)
Excess management expenses	719	545
Total taxation (note 5a)	-	-

Notes to the financial statements (continued)
for the year ended 31 May 2023

5. Taxation (continued)

At the year end, a deferred tax asset has not been recognised in respect of timing differences relating to excess management expenses as there is insufficient evidence that the asset will be recovered. The amount of asset not recognised is £2,357,718 (2022: £1,638,699).

6. Distributions

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

	2023	2022
	£000s	£000s
Quarter 1 income distribution	3,311	1,583
Quarter 1 accumulation distribution	25	15
Interim income distribution	2,922	1,738
Interim accumulation distribution	19	16
Quarter 3 income distribution	2,416	2,001
Quarter 3 accumulation distribution	14	18
Final income distribution	3,109	1,833
Final accumulation distribution	18	14
	11,834	7,218
Equalisation:		
Amounts deducted on cancellation of shares	347	432
Amounts added on issue of shares	(916)	(579)
Total net distributions	11,265	7,071

Reconciliation between net revenue and distributions:	2023	2022
	£000s	£000s
Net revenue after taxation per Statement of total return	7,615	4,346
Distributed revenue brought forward	2	1
Expenses paid from capital	3,662	2,726
Marginal tax relief	(14)	-
Undistributed revenue carried forward	-	(2)
Distributions	11,265	7,071

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

7. Debtors

	2023	2022
	£000s	£000s
Amounts receivable on issue of shares	3,241	2,614
Accrued revenue	7	-
Total debtors	3,248	2,614

8. Cash and bank balances

	2023	2022
	£000s	£000s
Bank balances	2,625	1,015
Total cash and bank balances	2,625	1,015

Notes to the financial statements (continued)
for the year ended 31 May 2023

9. Other creditors	2023	2022
	£000s	£000s
Amounts payable on cancellation of shares	897	281
Accrued expenses		
Payable to the ACD and associates		
Annual management charge	388	263
Total accrued expenses	388	263
Total other creditors	1,285	544

10. Commitments and contingent liabilities

At the balance sheet date there are no commitments or contingent liabilities (2022: same).

11. Share classes

The following reflects the change in shares in issue for each share class in the year:

	A Income
Opening shares in issue	216,940,494
Total shares issued in the year	137,169,828
Total shares cancelled in the year	(41,920,774)
Closing shares in issue	312,189,548

	A Accumulation
Opening shares in issue	1,423,176
Total shares issued in the year	205,026
Total shares cancelled in the year	(158,446)
Closing shares in issue	1,469,756

For the year ended 31 May 2023, the annual management charge is 0.95%. The annual management charge includes the ACD's periodic charge, Investment Manager's fee and other permitted charges to the operation of the Sub-Fund.

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

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

12. Related party transactions

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

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

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

13. Events after the balance sheet date

Subsequent to the year end, the net asset value per A Income share has increased from 144.2p to 147.2p and the A Accumulation share has increased from 176.2p to 181.3p as at 27 September 2023. This movement takes into account routine transactions but also reflects the market movements of recent months.

Notes to the financial statements (continued)

for the year ended 31 May 2023

14. Transaction costs

Direct transaction costs

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

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

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

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

2023	Purchases before transaction costs £000s	Purchases after transaction costs* £000s
Collective Investment Schemes	215,063	215,063
Total	215,063	215,063

2022	Purchases before transaction costs £000s	Purchases after transaction costs* £000s
Collective Investment Schemes	115,622	115,622
Total	115,622	115,622

2023	Sales before transaction costs £000s	Sales after transaction costs* £000s
Collective Investment Schemes	81,929	81,929
Total	81,929	81,929

2022	Sales before transaction costs £000s	Sales after transaction costs* £000s
Collective Investment Schemes	52,215	52,215
Total	52,215	52,215

*No direct transaction costs were incurred in the purchase and sale of investments during the year (2022: same).

Notes to the financial statements (continued)

for the year ended 31 May 2023

15 Risk management policies

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

a Market risk

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

The method used to calculate the global exposure is absolute Value at risk (VaR). The calculation of the Absolute VaR is carried out in accordance with the following parameters: 99% one-sided confidence interval, 1 month (20 day) holding period, Monte Carlo simulation (10,000 simulations) ,1-year (250 day) history with time decay factor (weighting recent events).

A given fund’s limit is based on its Risk profile. All of the positions within the fund (direct investments and derivatives) are taken into account for the VaR calculation, not just derivatives.

The below table shows the lowest, the highest and the average utilisation of the VaR limit calculated during the financial year, 01 June 2022 - 31 May 2023. Funds using the VaR approach disclose the level of leverage employed during the relevant period, using the gross method (sum of the notionals of the derivatives used).

	Lowest VaR %	Highest VaR %	Average VaR %	VaR Limit %	Average Level of leverage %	Typical expected Leverage %
True Potential SEI Aggressive	9.07	14.31	11.35	20.00	99.15	100

(i) Other price risk

The Sub-Fund's exposure to price risk comprises mainly of movements in the value of investment positions in the face of price movements.

The main elements of the portfolio of investments exposed to this risk is collective investment schemes.

This risk is generally regarded as consisting of two elements: stock specific risk and market risk. Through these two factors, the Sub-Fund is exposed to price fluctuations, which are monitored by the ACD in pursuance of the investment objective and policy.

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

At 31 May 2023, if the price of the investments held by the Sub-Fund increased or decreased by 5%, with all other variables remaining constant, then the net assets attributable to shareholders of the Sub-Fund would increase or decrease by approximately £22,566,000 (2022: £16,161,000).

(ii) Currency risk

Currency risk is the risk that the value of investments or future cash flows will fluctuate as a result of exchange rate movements. Investment in overseas securities or holdings of foreign currency cash will provide direct exposure to currency risk as a consequence of the movement in foreign exchange rates against sterling. Investments in UK securities investing in overseas securities will give rise to indirect exposure to currency risk. These fluctuations can also affect the profitability of some UK companies, and thus their market prices, as sterling's relative strength or weakness can affect export prospects, the value of overseas earnings in sterling terms, and the prices of imports sold in the UK.

The Sub-Fund had no significant direct exposure to foreign currency in the year.

15 Risk management policies (continued)

(iii) Interest rate risk

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

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

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

The Sub-Fund has indirect exposure to interest rate risk as it invests in bond funds.

In the event of a change in interest rates, there would be no material impact upon the net assets of the Sub-Fund.

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

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

There is no significant exposure to interest bearing securities at the balance sheet date.

b Credit risk

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

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

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

Holdings in collective investment schemes are subject to direct credit risk. The exposure to pooled investment vehicles is unrated.

c Liquidity risk

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

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

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

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

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

Notes to the financial statements (continued)

for the year ended 31 May 2023

15 Risk management policies (continued)

All of the financial liabilities are payable on demand.

d Fair value of financial assets and financial liabilities

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

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

	Investment assets
Basis of valuation	2023
	£000s
Quoted prices	-
Observable market data	451,324
Unobservable data	-
	451,324

	Investment assets
Basis of valuation	2022
	£000s
Quoted prices	-
Observable market data	323,214
Unobservable data	
	323,214

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

e Assets subject to special arrangements arising from their illiquid nature

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

f Derivatives

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

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

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

During the year there were no derivative transactions.

Notes to the financial statements (continued)

for the year ended 31 May 2023

15 Risk management policies (continued)

(i) Counterparties

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

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

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

(ii) Leverage

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

There have been no leveraging arrangements in the year.

(iii) Global exposure

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

At the balance sheet date there is no global exposure to derivatives.

There have been no collateral arrangements in the year.

True Potential UBS Defensive
Sub-investment Manager's report

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

Investment Objective and Policy

The investment objective of the Sub-Fund is to achieve capital growth over the long term (5 years or longer) through active management of a diversified investment portfolio whilst seeking to control the overall level of portfolio risk. The sub-delegate will seek to diversify the Sub-Fund’s exposures across asset classes and vary the total market exposure as required.

To achieve the objective the Sub-Fund will be invested in a range of higher and lower risk assets. Higher risk assets include domestic and international equities, property, commodities and absolute return strategies. Exposure to these higher risk assets will be achieved indirectly through eligible collective investment schemes (this may include collective investment schemes managed by the Investment Manager or sub-delegate), listed securities or eligible derivatives. Exposure to higher risk assets is expected to represent between 20% and 60% of assets reflecting the defensive nature of the Sub-Fund.

Lower risk assets include domestic and international government, corporate and supranational institution bonds, money market instruments and cash or near cash instruments. Exposure to lower risk assets may be achieved directly, through investment in listed securities and money market instruments, or indirectly, through eligible collective investment schemes and eligible derivatives.

The Sub-Fund may also use spot and forward foreign exchange instruments to manage currency exposure.

There are no geographical restrictions on the countries of investment.

Derivatives may be used for investment purposes and Efficient Portfolio Management. A significant proportion of the Sub-Fund's Scheme Property may be invested in derivatives. The use of derivatives for investment purposes may increase the volatility and risk profile of the Sub-Fund.

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

Sub-Investment Activities

The Defensive Fund delivered a negative return of -3.38% for the review period (Source: Refinitiv).

The period in review saw a market environment characterised by elevated inflation fluctuating expectations over central bank policy, while worst case scenarios for global growth were largely avoided. Early in the period, central banks remained hawkish and resolute in their messaging given persistent inflation pressures, leading to investor concerns that monetary policy would weigh on growth and induce a recession. Fixed income markets remained under pressure as a result, with the higher yield environment proving a headwind for global equities moving into Q4 2023. October and November 2022 saw improved risk sentiment however, with signs that US inflation pressures were at or near a turning point leading to pricing of less aggressive monetary policy from the Federal Reserve in Q3 2022. As a result, the USD also softened in Q4 2022, with optimism stemming from China’s apparent readiness to move away from a COVID-zero approach an additional support to global risk sentiment.

The first quarter of 2023 saw a continuation of the recovery in risk assets, while on a cross asset basis, reversion was seen across a number of segments with full year 2022 underperformers largely rebounding strongly. Despite medium-term recession fears, economic data showed resilience and generally surprised positively, with composite purchasing managers’ index (PMI) readings across the US, Europe and China rebounding and moving into positive territory. The relative strength in services versus the weakness in manufacturing was a key feature that continued into Q2 2023, leading to headwinds for emerging market economies despite the USD remaining well below its September 2022 highs. Slowing momentum in the Chinese economy was an additional headwind for emerging markets, with the strong recovery seen in economic data in Q1 2023 failing to continue into Q2 2023. Despite the lack of momentum out of China, Europe and UK managed to avoid major growth slowdown concerns that were expected over the winter months, with easing concerns over energy prices and security leading to support for both economies. General economic resilience in developed economies saw recession concerns fade more broadly, with robust labour markets keeping the prospect of a soft-landing environment alive over the medium term horizon. As a result, risk sentiment improved and equity markets were relatively stable towards the end of the period, although leadership remained fairly narrow given the outperformance of the mega-cap tech names.

More broadly, global equity markets were range bound early in the review period before trending higher in 2023, with developed markets generally finishing in positive territory over the 12-months. Emerging market equities were negative over the period however, with USD strength earlier in the period and disappointment over Chinese economic momentum in 2023 both headwinds. Higher rates were an additional challenge, with 10-year yields rising across German, US and UK government bond among others. On the commodity side, the period saw broad weakness following the highs seen in early 2022, with oil prices trending lower over the 12-month period.

Fund Commentary

The Fund's aggregate equity and fixed income exposures both detracted over the period, while active currency views also contributed negatively. Within equities, core positioning in minimum volatility contributed positively, while RAFI (Research Affiliates Fundamental Indexation) fundamental equity positioning marginally detracted. Both positions underperformed market cap weighted indices over the period, largely due to underperformance between January and May 2023. Elsewhere, a tactical overweight within energy equities detracted given the weakness in commodity prices, while US small cap exposure also contributed negatively. Overweight positioning in Japan added value over the period.

Negative contributions from fixed income were seen across government bonds and yields pushed higher given elevated inflation pressures. UK and US government bond exposures were key detractors, although tactical positioning in Canadian government bonds versus US Treasuries added value. UK investment grade corporates positioning was also a headwind alongside emerging market debt, while US high yield added value.

The Fund's active currency exposure was negative over the reporting period. Long positioning in the Norwegian krone (NOK) was the largest detractor, with low carry and high inflation a headwind. Norges Bank foreign FX purchases also weighed on NOK. Long Japanese yen (JPY) also contributed negatively, seemingly on account of broadening nominal rate differentials. Short New Zealand dollar (NZD), short sterling (GBP) and short Chinese renminbi (CNH) were positive contributors over the period.

Investment Strategy and Outlook

We continue to be of the view there will not be an imminent recession – but, as such, we expect inflation to remain sticky and elevated. Labour markets continue to hold up well, with lower energy prices providing some support for real consumer spending and therefore core inflationary pressures can remain elevated. As a result, central bank tightening is likely not complete, however they have been slowing down and in some cases nearing the end. Overall, we expect this should mean a decline in bond volatility, such that further rate hikes will have less of an impact on risky assets going forward. While an expected tightening in lending standards may weigh on growth, we think the strong backdrop for the economy and recent easing of financial conditions will cushion economic activity.

Growth is strong and has room to slow from a high level. Most importantly, the US labour market is in a strong position, with high levels of wage growth. Initial and continuing jobless claims are low, and aggregate income growth is positive in real terms. This should fuel continued gains in consumer spending. And while China's economic rebound has lost some momentum, the outlook for activity is far better than it was last year. Growth resilience raises the odds that services inflation, which is more closely linked to the labour market, remains sticky above central bank targets. As such, we see limited room for longer-term government bond yields to fall absent an unexpected negative shock to economic activity.

A deceleration in inflation and financial stability concerns are causing central banks to be more cautious about delivering additional monetary tightening. We expect price pressures to moderate, but this process will not be in a straight line. That inflation remains above target means that central banks may be reluctant to swiftly ease policy proactively to address growth headwinds brought about by financial stability concerns, and may wait until there are more evident signs of economic weakness.

On the geopolitical front, the US-China relationship will be marked by ongoing tensions on a number of issues pertaining to trade, technology, human rights, capital flows, regional disputes, and the environment. Elsewhere, Russia's invasion of Ukraine continues to cause volatility in global energy markets and supply chains. To date, Russia's ability to access export markets has been relatively undisturbed, despite the imposition of sanctions. Over the medium term, this geopolitical shock is likely to contribute to higher levels of defence spending across Europe.

Companies judged to be aggressively pursuing AI capabilities or servicing this demand are enjoying a substantial increase in valuations. This, in our minds, will put pressure on other management teams to make their own plans on how to benefit from this disruptive technology. More broadly on the earnings front, corporations have retained pricing power amid a slowing in economic growth – and nominal activity is still high and has room to decelerate further without triggering recession fears. The aggregate amount that US companies exceeded expectations increased for both the top and bottom lines during the most recent reporting period. The resilience of nominal activity and margins suggest that downside to earnings is limited outside of recession, which we do not believe is imminent. Core inflationary pressures are also poised to decelerate, in our view, and may give scope for the Federal Reserve to not only skip hiking rates at its June meeting, but go on a more extended pause.

In our view, the risk-reward proposition for global equities at an index level is balanced. Stocks remain expensive, but we believe earnings estimates will remain resilient as tight labour markets support consumer spending while profit margins stay relatively elevated. US stocks have been the early winners in the AI boom, although at the index level, they have been relatively expensive for a long time, and may underperform if ex-US activity is better than consensus anticipates. However, while European equities have posted strong earnings, some forward looking measures for growth are slowing. We think there is scope for a pullback from Europe's outperformance. Elsewhere, widespread improvements in shareholder return programs have increased the appeal of Japanese equities, however our expectation for JPY appreciation diminishes the attractiveness somewhat. In emerging markets, there has been a derating and a larger total drawdown in earnings estimates compared to development markets. In our view, this limits scope for further relative underperformance going forward.

Within fixed income, central banks' commitment to keeping policy in restrictive territory and reluctance to reverse course amid above-target inflation should keep yield curves relatively flat until a contraction in economic activity is at hand. In our view, carry within credit is attractive however the market pricing is in line with a soft-landing environment and may be challenged should recession fears increase. Typically, the end of the Fed tightening cycle is a negative for spreads and this adds to our less constructive view on US high yield.

Foreign exchange markets continue to provide clean expressions for our relative value views over a number of horizons. the degree of overvaluation seen in the USD remains inconsistent with many weak US economic fundamentals. Looking back over the last 18 months, the hawkishness of the Fed was one major hurdle preventing us from increasing the USD underweight, however this has largely faded year-to-date. In our view, with the Fed coming closer to the end of its tightening cycle, and previously priced cuts now removed from the curve, we view scope for USD weakness in the second half of this year. We remain constructive on JPY given it remains very attractively valued, while portfolio utility it affords is appealing should more recessionary pricing come to the fore. We continue to prefer expressing our European exposure via Norwegian krone (NOK) where the valuation case has become more attractive, fundamentals appear more robust, and which has positive energy exposure. We remain constructive on Latin American currencies, having rebalanced towards those where we see greatest prospective upside. Generally, we are seeing an improved outlook given reduced political risk premium reduce and high carry across the bloc.

UBS Asset Management (UK) Ltd- a sub-delegate of True Potential Investments LLP

27 June 2023

Portfolio changes

for the year ended 31 May 2023

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

	Cost
Purchases:	£000s
UK Treasury Gilt 5% 07/03/2025	5,169
UK Treasury Gilt 0% 23/01/2023	4,949
UK Treasury Gilt 0.625% 07/06/2025	3,769
UK Treasury Gilt 0.25% 31/01/2025	3,702
UBS MSCI World Minimum Volatility Index Fund	2,634
UBS Investment Funds ICVC II - UBS FTSE RAFI Developed 1000 Index Fund	2,479
UK Treasury Gilt 1% 22/04/2024	1,961
US Treasury Gilt 4.25% 15/05/2039	1,539
Government of Australia 3.75% 21/04/2037	1,378
UBS Irl Investor Selection - Currency Allocation Return Strategy	1,299
Subtotal	28,879
Total cost of purchases, including the above, for the year	34,512

	Proceeds
Sales:	£000s
UK Treasury Gilt 0% 23/01/2023	5,000
UK Treasury Gilt 0.5% 22/07/2022	4,612
UK Treasury Gilt 0.125% 31/01/2023	4,594
UK Treasury Gilt 1.75% 07/09/2022	3,974
UBS Investment Funds ICVC II - UBS FTSE RAFI Developed 1000 Index Fund	2,023
UBS MSCI World Minimum Volatility Index Fund	1,538
UBS Investment Funds ICVC - UBS UK Equity Income Fund	1,333
US Treasury Gilt 4.25% 15/05/2039	1,228
Xtrackers USD High Yield Corporate Bond UCITS ETF	965
Government of Australia 3.75% 21/04/2037	904
Subtotal	26,171
Total proceeds from sales, including the above, for the year	29,650

Portfolio statement
as at 31 May 2023

Investment	Nominal value or holding	Market value £000s	% of total net assets
Debt Securities - 62.58% (60.10%)			
Government Bonds - 62.58% (60.10%)			
Government of Australia 3.75% 21/04/2037	AUD 2,440,000	1,263	1.99
UK Treasury Gilt 0.125% 31/01/2024	£4,178,000	4,055	6.38
UK Treasury Gilt 0.25% 31/01/2025	£3,974,000	3,691	5.81
UK Treasury Gilt 0.625% 07/06/2025	£4,000,000	3,717	5.85
UK Treasury Gilt 0.75% 22/07/2023	£5,680,000	5,650	8.89
UK Treasury Gilt 1% 22/04/2024	£5,989,000	5,796	9.12
UK Treasury Gilt 2.25% 07/09/2023	£4,000,000	3,975	6.26
UK Treasury Gilt 2.75% 07/09/2024	£4,000,000	3,907	6.15
UK Treasury Gilt 4.75% 07/12/2038	£897,000	932	1.47
UK Treasury Gilt 5% 07/03/2025	£5,000,000	5,034	7.92
US Treasury Gilt 4.25% 15/05/2039	$2,041,000	1,737	2.74
Total Government Bonds		39,757	62.58
Total Debt Securities		39,757	62.58
Collective Investment Schemes 30.00% (27.40%)			
UK Authorised Collective Investment Schemes 22.97% (20.83%)			
UBS Investment Funds ICVC II - UBS FTSE RAFI Developed 1000 Index Fund	732	4,750	7.47
UBS Investment Funds ICVC - UBS UK Equity Income Fund	2,270	2,489	3.92
UBS MSCI World Minimum Volatility Index Fund	1,109	6,076	9.57
UBS Sterling Corporate Bond Indexed Fund	10,566	1,279	2.01
Total UK Authorised Collective Investment Schemes		14,594	22.97
Offshore Collective Investment Schemes 7.03% (6.57%)			
Amundi Index Solutions - Amundi Index FTSE EPRA NAREIT Global UCITS ETF	6,261	304	0.48
BlackRock iShares Emerging Markets Government Bond Index Fund	191,313	1,551	2.44
UBS Irl Investor Selection - Currency Allocation Return Strategy	28	2,381	3.75
Xtrackers MSCI World Energy UCITS ETF	6,964	231	0.36
Total Offshore Collective Investment Schemes		4,467	7.03
Total Collective Investment Schemes		19,061	30.00
Futures 0.28% (0.14%)			
CME - Mini S&P 500 Index June 2023	16	151	0.24
EUREX - Euro Stoxx 50 June 2023	18	10	0.02
EUREX - Euro Stoxx Bank June 2023	153	(10)	(0.02)
ICF - FTSE 100 Index June 2023	- 2	4	0.01
MSE - Canada 10Year Bond Future September 2023	22	-	-
NYF - MSCI Emerging Market June 2023	73	6	0.01
OSE - Topix Index June 2023	2	12	0.02
Total Futures		173	0.28

Portfolio statement (continued)

as at 31 May 2023

Investment	Nominal value or holding	Market value £000s	% of total net assets
Forward Currency Contracts 0.21% ((0.40)%)			
Sell Australian dollar	-AUD 2,471,000	(1,290)	
Buy UK sterling	£1,358,386	1,358	
Expiry date 15 June 2023		68	0.11
Sell US dollar	-$3,674,000	(2,963)	
Buy UK sterling	£3,025,806	3,026	
Expiry date 15 June 2023		63	0.10
Sell UK sterling	-£1,055,717	(1,056)	
Buy US dollar	$1,313,000	1,059	
Expiry date 15 June 2023		3	-
Total Forward Currency Contracts		134	0.21
Portfolio of investments		59,125	93.07
Other net assets		4,404	6.93
Total net assets		63,529	100.00

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

The comparative figures in brackets are as at 31 May 2022.

SUMMARY OF PORTFOLIO INVESTMENTS

as at 31 May 2023

	31 May 2023		31 May 2022	
Credit breakdown*	Bid-Market value £000s	Total net assets %	Bid-Market value £000s	Total net assets %
Investments of investment grade	39,757	62.58	37,446	58.82
Investments of below investment grade	-	-	816	1.28
Total bonds	39,757	62.58	38,262	60.10
Forward currency contracts – assets	134	0.21	-	-
Futures – assets	183	0.30	150	0.24
Collective Investment Schemes	19,061	30.00	17,443	27.40
Investments as shown in the balance sheet	59,135	93.09	55,855	87.74
Forward currency contracts – liabilities	-	-	(253)	(0.40)
Futures – liabilities	(10)	(0.02)	(62)	(0.10)
Total value of investments	59,125	93.07	55,540	87.24

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

Risk and reward profile

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

← Typically lower rewards, lower risk

Typically higher rewards, higher risk →

1	2	**3**	4	5	6	7

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

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

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

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

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

Zeros and synthetic zeros may not deliver their specified capital return if the assets fail to grow sufficiently during their lifetime and may be unable to pay the amount promised at the maturity date. Zeros and synthetic zeros may leverage their assets, which may lead to more volatile results than assets that do not use leverage. The share prices of zeros and synthetic zeros may stand at a discount to their net asset value per share for prolonged periods.

The Sub-Fund may invest in securities not denominated in sterling, the value of your investments may be affected by changes in currency exchange rates.

For further information please refer to the KIID.

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

There have been no changes to the risk and reward indicator in the year.

Comparative table

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

	A Accumulation		
	2023	2022	2021
	p	p	p
Change in net assets per share			
Opening net asset value per share	115.38	116.44	108.32
Return before operating charges*	(3.04)	(0.36)	8.80
Operating charges	(0.67)	(0.70)	(0.68)
Return after operating charges*	(3.71)	(1.06)	8.12
Distributions+	(1.13)	(0.61)	(0.29)
Retained distribution on accumulation shares+	1.13	0.61	0.29
Closing net asset value per share	111.67	115.38	116.44
*after direct transaction costs of:	0.01	-	-
Performance			
Return after charges	(3.22)%	(0.91)%	7.50%
Other information			
Closing net asset value (£000s)	63,529	63,665	60,066
Closing number of shares	56,891,170	55,180,483	51,585,807
Operating charges++	0.59%	0.59%	0.60%
Direct transaction costs	0.00%	0.00%	0.00%
Prices			
Highest share price (p)	115.7	119.5	116.7
Lowest share price (p)	109.2	114.1	108.4

+Rounded to 2 decimal places.

++The operating charges are represented by the Ongoing Charges Figure (OCF). The OCF consists principally of the ACD's periodic charge and the Investment Manager's fee which are included in the annual management charge, but also includes the costs for other services paid. It is indicative of the charges which the share class may incur in a year as it is calculated on historical data. The operating charge includes charges for the underlying funds held.

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

Distribution table

for the year ended 31 May 2023

Distributions on A Accumulation shares in pence per share

Allocation date	Share type	Distribution type	Net revenue	Equalisation	Distribution current year	Distribution prior year
31.01.23	group 1	interim	0.464	-	0.464	0.238
31.01.23	group 2	interim	0.272	0.192	0.464	0.238
31.07.23	group 1	final	0.666	-	0.666	0.372
31.07.23	group 2	final	0.422	0.244	0.666	0.372

Equalisation

Equalisation applies only to group 2 shares. It is the average amount of revenue included in the purchase price of 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 in the hands of the shareholder but must be deducted from the cost of shares for capital gains tax purposes.

Accumulation distribution

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

Interim distributions:

Group 1	Shares purchased before 1 June 2022
Group 2	Shares purchased 1 June 2022 to 30 November 2022

Final distributions:

Group 1	Shares purchased before 1 December 2022
Group 2	Shares purchased 1 December 2022 to 31 May 2023

Financial statements - True Potential UBS Defensive

Statement of total return
for the year ended 31 May 2023

	Notes	2023		2022	
		£000s	£000s	£000s	£000s
Income:					
Net capital losses	2		(2,633)		(868)
Revenue	3	1,094		689	
Expenses	4	(365)		(346)	
Interest payable and similar charges		-		(20)	
Net revenue before taxation		729		323	
Taxation	5	(75)		-	
Net revenue after taxation			654		323
Total deficit before distributions			(1,979)		(545)
Distributions	6		(654)		(323)
Change in net assets attributable to shareholders from investment activities			(2,633)		(868)

Statement of change in net assets attributable to shareholders
for the year ended 31 May 2023

	2023		2022	
	£000s	£000s	£000s	£000s
Opening net assets attributable to shareholders		63,665		60,066
Amounts receivable on issue of shares	24,609		24,261	
Amounts payable on cancellation of shares	(22,765)		(20,125)	
		1,844		4,136
Dilution levy charged		-		1
Change in net assets attributable to shareholders from investment activities		(2,633)		(868)
Retained distribution on accumulation shares		653		330
Closing net assets attributable to shareholders		63,529		63,665

Balance Sheet

as at 31 May 2023

	Notes	2023	2022
		£000s	£000s
Assets:			
Fixed assets:			
Investments		59,135	55,855
Current assets:			
Debtors	7	562	572
Cash and bank balances and amounts held at futures clearing houses and brokers	8	4,552	8,480
Total assets		64,249	64,907
Liabilities:			
Investment liabilities		(10)	(315)
Creditors:			
Bank overdrafts (including futures overdrafts)	8	(295)	(635)
Other creditors	9	(415)	(292)
Total liabilities		(720)	(1,242)
Net assets attributable to shareholders		63,529	63,665

Notes to the financial statements
for the year ended 31 May 2023

1. Accounting policies

The accounting policies are disclosed on pages 12 to 14.

2. Net capital losses

	2023	2022
	£000s	£000s
Non-derivative securities – (losses) /gains	(2,092)	242
Derivative contracts – losses	(466)	(761)
Currency gains	43	206
Forward currency contracts	(115)	(553)
Commission on futures	(3)	(2)
Net capital losses	(2,633)	(868)

3. Revenue

	2023	2022
Non-interest distributions from overseas funds	10	11
Distributions from UK regulated collective investment schemes:		
Franked investment income	319	290
Unfranked investment income	2	1
Interest distributions	33	40
Interest on debt securities from overseas collective investment schemes	100	93
Interest on debt securities	550	250
Bank interest	80	4
Total revenue	1,094	689

4. Expenses

	2023	2022
	£000s	£000s
Payable to the ACD and associates		
Annual management charge	365	346
Total expenses	365	346

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

The annual management charge included an audit fee of £8,082 inclusive of VAT (2022: £5,670 inclusive of VAT).

5. Taxation

	2023	2022
	£000s	£000s
a) Analysis of charge for the year		
Corporation tax	75	-
Total taxation (note 5b)	75	-

b) Factors affecting the current tax charge for the year

The tax assessed for the year is lower (2022: lower) than the standard rate of UK corporation tax for an authorised collective investment scheme of 20% (2022: 20%).

Notes to the financial statements (continued)
for the year ended 31 May 2023

5. Taxation (continued)

The differences are explained below:

	2023	2022
	£000s	£000s
Net revenue before taxation	729	323
Corporation tax @ 20%	146	65
Effects of:		
UK revenue	(64)	(58)
Overseas revenue	(2)	(3)
Excess management expenses (utilised)	(5)	(4)
Total taxation (note 5a)	75	-

c) Provision for deferred tax
At the year end, there is no potential deferred tax asset (2022: £5,163) in relation to surplus management expenses.

6. Distributions
The distributions take account of revenue added on the issue of shares and revenue deducted on the cancellation of shares and comprise:

	2023	2022
	£000s	£000s
Interim accumulation distribution	274	125
Final accumulation distribution	379	205
	653	330
Equalisation:		
Amounts deducted on cancellation of shares	47	19
Amounts added on issue of shares	(46)	(26)
Total net distributions	654	323

Reconciliation between net revenue and distributions:	2023	2022
	£000s	£000s
Net revenue after taxation per Statement of total return	654	323
Distributions	654	323

Details of the distribution per share are disclosed in the Distribution table.

7. Debtors

	2023	2022
	£000s	£000s
Amounts receivable on issue of shares	382	421
Accrued revenue	180	150
Recoverable overseas withholding tax	-	1
Total debtors	562	572

Notes to the financial statements (continued)

for the year ended 31 May 2023

8. Cash and bank balances

	2023	2022
	£000s	£000s
Cash and bank balances and amounts held at futures clearing houses and brokers	4,552	8,480
Bank overdraft (including futures overdraft)	(295)	(635)
Total cash and bank balances	4,257	7,845

9. Other creditors

	2023	2022
	£000s	£000s
Amounts payable on cancellation of shares	308	261
Accrued expenses		
Payable to the ACD and associates		
Annual management charge	33	31
Total accrued expenses	33	31
Corporation tax payable	74	-
Total other creditors	415	292

10. Commitments and contingent liabilities

At the balance sheet date there are no commitments or contingent liabilities (2022: same).

11. Share classes

The following reflects the change in shares in issue for each share class in the year:

	A Accumulation
Opening shares in issue	55,180,483
Total shares issued in the year	21,899,553
Total shares cancelled in the year	(20,188,866)
Closing shares in issue	56,891,170

For the year ended 31 May 2023, the annual management charge is 0.56%. The annual management charge includes the ACD's periodic charge, Investment Manager's fee and other permitted charges to the operation of the Sub-Fund.

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

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

12. Related party transactions

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

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

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

Notes to the financial statements (continued)

for the year ended 31 May 2023

13. Events after the balance sheet date

Subsequent to the year end, the net asset value per A Accumulation share has increased from 111.67p to 113.1p as at 27 September 2023. This movement takes into account routine transactions but also reflects the market movements of recent months.

14. Transaction costs

a Direct transaction costs

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

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

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

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

	Purchases before transaction costs	Purchases after transaction costs*
2023	£000s	£000s
Bonds	24,625	24,625
Collective Investment Schemes	9,887	9,887
Total	34,512	34,512

	Purchases before transaction costs	Purchases after transaction costs*
2022	£000s	£000s
Bonds	27,473	27,473
Collective Investment Schemes	5,136	5,136
Total	32,609	32,609

	Sales before transaction costs	Sales after transaction costs*
2023	£000s	£000s
Bonds	21,933	21,933
Collective Investment Schemes	7,717	7,717
Total	29,650	29,650

Notes to the financial statements (continued)

for the year ended 31 May 2023

14. Transaction costs (continued)

2022	Sales before transaction costs £000s	Sales after transaction costs* £000s
Bonds	21,410	21,410
Collective Investment Schemes	8,373	8,373
Total	29,783	29,783

*No direct transaction costs were incurred in the purchase and sale of investments during the year (2022: same).

Summary of direct transaction costs

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

	£000s	% of average net asset value
2023	-	0.00%
Commission	-	0.00%
Taxes	-	0.00%
Other Expenses		

2022	£000s	% of average net asset value
Commission	-	0.00%
Taxes	-	0.00%
Other Expenses	-	0.00%

	2023		2022	
Summary of direct transaction costs	£000s	% of average net asset value	£000s	% of average net asset value
Derivatives	3	0.00	2	0.00

b Average portfolio dealing spread

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

The average portfolio dealing spread of the investments at the balance sheet date was 0.05% (2022: 0.05%).

15 Risk management policies

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

a Market risk

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

The method used to calculate the global exposure is absolute Value at risk (VaR). The calculation of the Absolute VaR is carried out in accordance with the following parameters: 99% one-sided confidence interval, 1 month (20 day) holding period, Monte Carlo simulation (10,000 simulations) ,1-year (250 day) history with time decay factor (weighting recent events).

A given fund's limit is based on its Risk profile. All of the positions within the fund (direct investments and derivatives) are taken into account for the VaR calculation, not just derivatives.

Notes to the financial statements (continued)
for the year ended 31 May 2023

15 Risk management policies (continued)

The below table shows the lowest, the highest and the average utilisation of the VaR limit calculated during the financial year, 01 June 2022 - 31 May 2023. Funds using the VaR approach disclose the level of leverage employed during the relevant period, using the gross method (sum of the notionals of the derivatives used).

	Lowest VaR %	Highest VaR %	Average VaR %	VaR Limit %	Average Level of leverage %	Typical expected Leverage %
True Potential UBS Defensive	2.91	4.91	3.93	9.00	111.83	115

(i) Other price risk

The Sub-Fund's exposure to price risk comprises mainly of movements in the value of investment positions in the face of price movements.

The main elements of the portfolio of investments exposed to this risk are debt securities and collective investment schemes.

This risk is generally regarded as consisting of two elements: stock specific risk and market risk. Through these two factors, the Sub-Fund is exposed to price fluctuations, which are monitored by the ACD in pursuance of the investment objective and policy.

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

At 31 May 2023, if the price of the investments held by the Sub-Fund increased or decreased by 5%, with all other variables remaining constant, then the net assets attributable to shareholders of the Sub-Fund would increase or decrease by approximately £2,956,000 (2022: £2,777,000).

(ii) Currency risk

Currency risk is the risk that the value of investments or future cash flows will fluctuate as a result of exchange rate movements. Investment in overseas securities or holdings of foreign currency cash will provide direct exposure to currency risk as a consequence of the movement in foreign exchange rates against sterling. Investments in UK securities investing in overseas securities will give rise to indirect exposure to currency risk. These fluctuations can also affect the profitability of some UK companies, and thus their market prices, as sterling's relative strength or weakness can affect export prospects, the value of overseas earnings in sterling terms, and the prices of imports sold in the UK.

Forward currency contracts are used to help the Sub-Fund achieve its investment objective as stated in the Prospectus. The ACD monitors the exposure to these contracts to ensure they are in keeping with the investment objective.

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

2023	Total net foreign currency exposure* £000s
Australian dollar	1,563
Canadian dollar	24
Euro	183
Hong Kong dollar	(148)
Japanese yen	216
South African rand	176
US dollar	4,210
Total net foreign currency exposure	6,224

Notes to the financial statements (continued)
for the year ended 31 May 2023

15 Risk management policies (continued)

2022	Total net foreign currency exposure* £000s
Australian dollar	1,192
Euro	174
Hong Kong dollar	(101)
Japanese yen	177
South African rand	1,097
US dollar	5,456
Total net foreign currency exposure	7,995

At 31 May 2023, if the value of sterling increased or decreased by 5% against all other currencies, with all other variables remaining constant, then the net assets attributable to shareholders of the Sub-Fund would increase or decrease by approximately £145,000 (2022: £95,000). Forward currency contracts are used to manage the portfolio exposure to currency movements.

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

(iii) Interest rate risk

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

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

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

The Sub-Fund has indirect exposure to interest rate risk as it invests in bond funds.

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

At 31 May 2023, if interest rates increased or decreased by 25 points, with all other variables remaining constant, then the net assets attributable to shareholders of the Sub-Fund would increase or decrease by approximately £11,000 (2022: £95,000).

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

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

Notes to the financial statements (continued)
for the year ended 31 May 2023

15 Risk management policies (continued)

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

2023	Variable rate financial assets £000s	Variable rate financial liabilities £000s	Fixed rate financial assets £000s	Non-interest bearing financial assets £000s	Non-interest bearing financial liabilities £000s	Total £000s
Australian dollar	227	-	1,263	73	-	1,563
Canadian dollar	24	-	-	-	-	24
Euro	183	-	-	10	(10)	183
Hong Kong dollar	-	(148)	-	-	-	(148)
Japanese yen	204	-	-	12	-	216
South African rand	176	-	-	-	-	176
UK sterling	3,269	(147)	36,757	17,841	(415)	57,305
US dollar	469	-	1,737	2,004	-	4,210
	4,552	(295)	39,757	19,940	(425)	63,529

2022	Variable rate financial assets £000s	Variable rate financial liabilities £000s	Fixed rate financial assets £000s	Non-interest bearing financial assets £000s	Non-interest bearing financial liabilities £000s	Total £000s
Australian dollar	322	-	885	4	(19)	1,192
Euro	108	-	-	66	-	174
Hong Kong dollar	-	(101)	-	-	-	(101)
Japanese yen	146	-	-	31	-	177
South African rand	294	-	816	24	(37)	1,097
UK sterling	5,569	(534)	34,979	15,998	(342)	55,670
US dollar	2,041	-	1,583	2,041	(209)	5,456
	8,480	(635)	38,263	18,164	(607)	63,665

b Credit risk

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

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

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

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

Notes to the financial statements (continued)
for the year ended 31 May 2023

15 Risk management policies (continued)

Holdings in collective investment schemes are subject to direct credit risk. The exposure to pooled investment vehicles is unrated.

c Liquidity risk

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

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

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

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

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

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

d Fair value of financial assets and financial liabilities

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

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

	Investment assets	Investment liabilities
Basis of valuation	2023	2023
	£000s	£000s
Quoted prices	40,475	(10)
Observable market data	18,660	-
Unobservable data	-	-
	59,135	(10)

	Investment assets	Investment liabilities
Basis of valuation	2022	2022
	£000s	£000s
Quoted prices	39,372	(62)
Observable market data	16,483	(253)
Unobservable data	-	-
	55,855	(315)

Notes to the financial statements (continued)
for the year ended 31 May 2023

15 Risk management policies (continued)

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

e Assets subject to special arrangements arising from their illiquid nature

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

f Derivatives

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

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

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

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

Derivatives may be used for investment purposes and as a result could potentially impact upon the risk factors outlined above.

(i) Counterparties

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

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

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

(ii) Leverage

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

As at the balance sheet date, the leverage was 113.68%.

(iii) Global exposure

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

Notes to the financial statements (continued)

for the year ended 31 May 2023

15 Risk management policies (continued)

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

	Gross exposure value £000s	% of the total net asset value
Investment		
Futures		
CME - Mini S&P 500 Index June 2023	2,705	4.26%
EUREX - Euro Stoxx 50 June 2023	653	1.03%
EUREX - Euro Stoxx Bank June 2023	648	1.02%
MSE - Canada 10Year Bond Future September 2023	1,615	2.54%
NYF - MSCI Emerging Market June 2023	2,818	4.44%
OSE - Topix Index June 2023	246	0.39%
Forward Currency Contracts		
Value of short position - Australian dollar	1,291	2.03%
Value of short position - US dollar	1,904	3.00%

The Sub-Fund holds 'Over the Counter' (OTC) derivatives. This type of transaction gives rise to counterparty risk whereby the other party to the transaction may fail to fulfil their contractual obligations. Effective monitoring of counterparty credit risk is an important element of the management of the Sub-Fund.

Collateral arrangements are actively managed, ensuring cash or securities are pledged against the performance of a contract where necessary. This mitigates any potential negative impact on the Sub-Fund in the unlikely event of a counterparty default. Whether or not each position is collateralised depends on whether a net liability is held with each counterparty, the specific agreements with individual counterparties and de minimis thresholds. As such there will be instances where the Sub-Fund is not required to hold collateral.

Counterparty	Collateral classification	Collateral value
Merrill Lynch International	Cash	£370,091

True Potential UBS Cautious
Sub-investment Manager's report

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

Investment Objective and Policy

The investment objective of the Sub-Fund is to achieve capital growth over the long term (5 years or longer) through active management of a diversified investment portfolio whilst seeking to control the overall level of portfolio risk. The sub-delegate will seek to diversify the Sub-Fund's exposures across asset classes and vary the total market exposure as required.

To achieve the objective the Sub-Fund will be invested in a range of higher and lower risk assets. Higher risk assets include domestic and international equities, property, commodities and absolute return strategies. Exposure to these higher risk assets will be achieved indirectly through eligible collective investment schemes (this may include collective investment schemes managed by the Investment Manager or sub-delegate), listed securities or eligible derivatives. Exposure to higher risk assets is expected to represent between 25% and 65% of assets reflecting the cautious nature of the Sub-Fund.

Lower risk assets include domestic and international government, corporate and supranational institution bonds, money market instruments and cash or near cash instruments. Exposure to lower risk assets may be achieved directly, through investment in listed securities and money market instruments, or indirectly, through eligible collective investment schemes and eligible derivatives.

The Sub-Fund may also use spot and forward foreign exchange instruments to manage currency exposure. There are no geographical restrictions on the countries of investment.

Derivatives may be used for investment purposes and Efficient Portfolio Management. A significant proportion of the Sub-Fund's scheme property may be invested in derivatives. The use of derivatives for investment purposes may increase the volatility and risk profile of the Sub-Fund.

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

Sub-Investment Activities

The Cautious Fund delivered a negative return of -5.00% for the review period (Source: Refinitiv).

The period in review saw a market environment characterised by elevated inflation fluctuating expectations over central bank policy, while worst case scenarios for global growth were largely avoided. Early in the period, central banks remained hawkish and resolute in their messaging given persistent inflation pressures, leading to investor concerns that monetary policy would weigh on growth and induce a recession. Fixed income markets remained under pressure as a result, with the higher yield environment proving a headwind for global equities moving into Q4 2023. October and November 2022 saw improved risk sentiment however, with signs that US inflation pressures were at or near a turning point leading to pricing of less aggressive monetary policy from the Federal Reserve in Q3 2022. As a result, the USD also softened in Q4 2022, with optimism stemming from China's apparent readiness to move away from a COVID-zero approach an additional support to global risk sentiment.

The first quarter of 2023 saw a continuation of the recovery in risk assets, while on a cross asset basis, reversion was seen across a number of segments with full year 2022 underperformers largely rebounding strongly. Despite medium-term recession fears, economic data showed resilience and generally surprised positively, with composite purchasing managers' index (PMI) readings across the US, Europe and China rebounding and moving into positive territory. The relative strength in services versus the weakness in manufacturing was a key feature that continued into Q2 2023, leading to headwinds for emerging market economies despite the USD remaining well below its September 2022 highs. Slowing momentum in the Chinese economy was an additional headwind for emerging markets, with the strong recovery seen in economic data in Q1 2023 failing to continue into Q2 2023. Despite the lack of momentum out of China, Europe and UK managed to avoid major growth slowdown concerns that were expected over the winter months, with easing concerns over energy prices and security leading to support for both economies. General economic resilience in developed economies saw recession concerns fade more broadly, with robust labour markets keeping the prospect of a soft-landing environment alive over the medium term horizon. As a result, risk sentiment improved and equity markets were relatively stable towards the end of the period, although leadership remained fairly narrow given the outperformance of the mega-cap tech names.

More broadly, global equity markets were range bound early in the review period before trending higher in 2023, with developed markets generally finishing in positive territory over the 12-months. Emerging market equities were negative over the period however, with USD strength earlier in the period and disappointment over Chinese economic momentum in 2023 both headwinds.

Higher rates were an additional challenge, with 10-year yields rising across German, US and UK government bond among others. On the commodity side, the period saw broad weakness following the highs seen in early 2022, with oil prices trending lower over the 12-month period.

Fund Commentary

The Fund's aggregate equity and fixed income exposures both detracted over the period, while active currency views also contributed negatively. Within equities, core positioning in minimum volatility contributed positively, while RAFI (Research Affiliates Fundamental Indexation) fundamental equity positioning marginally detracted. Both positions underperformed market cap weighted indices over the period, largely due to underperformance between January and May 2023. Elsewhere, a tactical overweight within energy equities detracted given the weakness in commodity prices, while US small cap exposure also contributed negatively. Overweight positioning in Japan added value over the period.

Negative contributions from fixed income were seen across government bonds and yields pushed higher given elevated inflation pressures. UK and US government bond exposures were key detractors, although tactical positioning in Canadian government bonds versus US Treasuries added value. UK investment grade corporates positioning was also a headwind alongside emerging market debt, while US high yield added value.

The Fund's active currency exposure was negative over the reporting period. Long positioning in the Norwegian krone (NOK) was the largest detractor, with low carry and high inflation a headwind. Norges Bank foreign FX purchases also weighed on NOK. Long Japanese yen (JPY) also contributed negatively, seemingly on account of broadening nominal rate differentials. Short New Zealand dollar (NZD), short sterling (GBP) and short Chinese renminbi (CNH) were positive contributors over the period.

Investment Strategy and Outlook

We continue to be of the view there will not be an imminent recession – but, as such, we expect inflation to remain sticky and elevated. Labour markets continue to hold up well, with lower energy prices providing some support for real consumer spending and therefore core inflationary pressures can remain elevated. As a result, central bank tightening is likely not complete, however they have been slowing down and in some cases nearing the end. Overall, we expect this should mean a decline in bond volatility, such that further rate hikes will have less of an impact on risky assets going forward. While an expected tightening in lending standards may weigh on growth, we think the strong backdrop for the economy and recent easing of financial conditions will cushion economic activity.
Growth is strong and has room to slow from a high level. Most importantly, the US labour market is in a strong position, with high levels of wage growth. Initial and continuing jobless claims are low, and aggregate income growth is positive in real terms. This should fuel continued gains in consumer spending. And while China's economic rebound has lost some momentum, the outlook for activity is far better than it was last year. Growth resilience raises the odds that services inflation, which is more closely linked to the labour market, remains sticky above central bank targets. As such, we see limited room for longer-term government bond yields to fall absent an unexpected negative shock to economic activity.

A deceleration in inflation and financial stability concerns are causing central banks to be more cautious about delivering additional monetary tightening. We expect price pressures to moderate, but this process will not be in a straight line. That inflation remains above target means that central banks may be reluctant to swiftly ease policy proactively to address growth headwinds brought about by financial stability concerns, and may wait until there are more evident signs of economic weakness.

On the geopolitical front, the US-China relationship will be marked by ongoing tensions on a number of issues pertaining to trade, technology, human rights, capital flows, regional disputes, and the environment. Elsewhere, Russia's invasion of Ukraine continues to cause volatility in global energy markets and supply chains. To date, Russia's ability to access export markets has been relatively undisturbed, despite the imposition of sanctions. Over the medium term, this geopolitical shock is likely to contribute to higher levels of defence spending across Europe.

Companies judged to be aggressively pursuing AI capabilities or servicing this demand are enjoying a substantial increase in valuations. This, in our minds, will put pressure on other management teams to make their own plans on how to benefit from this disruptive technology. More broadly on the earnings front, corporations have retained pricing power amid a slowing in economic growth – and nominal activity is still high and has room to decelerate further without triggering recession fears. The aggregate amount that US companies exceeded expectations increased for both the top and bottom lines during the most recent reporting period. The resilience of nominal activity and margins suggest that downside to earnings is limited outside of recession, which we do not believe is imminent. Core inflationary pressures are also poised to decelerate, in our view, and may give scope for the Federal Reserve to not only skip hiking rates at its June meeting, but go on a more extended pause.

In our view, the risk-reward proposition for global equities at an index level is balanced. Stocks remain expensive, but we believe earnings estimates will remain resilient as tight labour markets support consumer spending while profit margins stay relatively elevated. US stocks have been the early winners in the AI boom, although at the index level, they have been relatively expensive for a long time, and may underperform if ex-US activity is better than consensus anticipates. However, while European equities have posted strong earnings, some forward looking measures for growth are slowing. We think there is scope for a pullback from Europe's outperformance. Elsewhere, widespread improvements in shareholder return programs have increased the appeal of Japanese equities, however our expectation for JPY appreciation diminishes the attractiveness somewhat. In emerging markets, there has been a derating and a larger total drawdown in earnings estimates compared to development markets. In our view, this limits scope for further relative underperformance going forward.

Within fixed income, central banks' commitment to keeping policy in restrictive territory and reluctance to reverse course amid above-target inflation should keep yield curves relatively flat until a contraction in economic activity is at hand. In our view, carry within credit is attractive however the market pricing is in line with a soft-landing environment and may be challenged should recession fears increase. Typically, the end of the Fed tightening cycle is a negative for spreads and this adds to our less constructive view on US high yield.

Foreign exchange markets continue to provide clean expressions for our relative value views over a number of horizons. the degree of overvaluation seen in the USD remains inconsistent with many weak US economic fundamentals. Looking back over the last 18 months, the hawkishness of the Fed was one major hurdle preventing us from increasing the USD underweight, however this has largely faded year-to-date. In our view, with the Fed coming closer to the end of its tightening cycle, and previously priced cuts now removed from the curve, we view scope for USD weakness in the second half of this year. We remain constructive on JPY given it remains very attractively valued, while portfolio utility it affords is appealing should more recessionary pricing come to the fore. We continue to prefer expressing our European exposure via Norwegian krone (NOK) where the valuation case has become more attractive, fundamentals appear more robust, and which has positive energy exposure. We remain constructive on Latin American currencies, having rebalanced towards those where we see greatest prospective upside. Generally, we are seeing an improved outlook given reduced political risk premium reduce and high carry across the bloc.

UBS Asset Management (UK) Ltd- a sub-delegate of True Potential Investments LLP

27 June 2023

Portfolio changes

for the year ended 31 May 2023

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

	Cost
Purchases:	£000s
UBS MSCI World Minimum Volatility Index Fund	33,658
UBS Investment Funds ICVC II - UBS FTSE RAFI Developed 1000 Index Fund	28,496
UK Treasury Gilt 0.625% 07/06/2025	22,613
UK Treasury Gilt 0.25% 31/01/2025	18,634
US Treasury Gilt 4.25% 15/05/2039	16,239
UK Treasury Gilt 5% 07/03/2025	15,506
UK Treasury Gilt 2.25% 07/09/2023	15,013
UK Treasury Gilt 0% 23/01/2023	14,848
UBS Irl Investor Selection - Currency Allocation Return Strategy	14,754
Government of Australia 3.75% 21/04/2037	12,128
Subtotal	191,889
Total cost of purchases, including the above, for the year	245,580

	Proceeds
Sales:	£000s
UBS MSCI World Minimum Volatility Index Fund	27,169
UBS Investment Funds ICVC II - UBS FTSE RAFI Developed 1000 Index Fund	25,964
UK Treasury Gilt 0.125% 31/01/2023	23,881
UK Treasury Gilt 1.75% 07/09/2022	19,818
UBS Investment Funds ICVC - UBS UK Equity Income Fund	15,419
UK Treasury Gilt 0% 23/01/2023	15,000
US Treasury Gilt 4.25% 15/05/2039	14,492
UK Treasury Gilt 0.5% 22/07/2022	10,748
UBS Irl Investor Selection - Currency Allocation Return Strategy	10,369
Xtrackers USD High Yield Corporate Bond UCITS ETF	10,201
Subtotal	173,061
Total proceeds from sales, including the above, for the year	212,923

Portfolio statement
as at 31 May 2023

Investment	Nominal value or holding	Market value £000s	% of total net assets
Debt Securities - 45.13% (44.05%)			
Government Bonds - 45.13% (44.05%)			
Government of Australia 3.75% 21/04/2037	AUD 21,320,000	11,032	3.05
UK Treasury Gilt 0.25% 31/01/2025	£20,500,000	19,041	5.25
UK Treasury Gilt 0.125% 31/01/2024	£12,444,000	12,077	3.33
UK Treasury Gilt 0.625% 07/06/2025	£24,000,000	22,302	6.16
UK Treasury Gilt 0.75% 22/07/2023	£21,150,000	21,040	5.81
UK Treasury Gilt 1% 22/04/2024	£16,092,000	15,574	4.30
UK Treasury Gilt 2.25% 07/09/2023	£24,435,000	24,284	6.70
UK Treasury Gilt 4.75% 07/12/2038	£7,589,000	7,882	2.17
UK Treasury Gilt 5% 07/03/2025	£15,000,000	15,101	4.17
US Treasury Gilt 4.25% 15/05/2039	$17,840,000	15,181	4.19
Total Government Bonds		163,514	45.13
Total Debt Securities		163,514	45.13
Collective Investment Schemes - 45.53% (46.87%)			
UK Authorised Collective Investment Schemes - 35.07% (35.50%)			
UBS Investment Funds ICVC II - UBS FTSE RAFI Developed 1000 Index Fund	6,384	41,411	11.43
UBS Investment Funds ICVC - UBS UK Equity Income Fund	19,497	21,379	5.90
UBS MSCI World Minimum Volatility Index Fund	9,658	52,890	14.60
UBS Sterling Corporate Bond Indexed Fund	94,007	11,377	3.14
Total UK Authorised Collective Investment Schemes		127,057	35.07
Offshore Collective Investment Schemes - 10.46% (11.37%)			
Amundi Index Solutions - Amundi Index FTSE EPRA NAREIT Global UCITS ETF	56,268	2,730	0.75
BlackRock iShares Emerging Markets Government Bond Index Fund	1,671,566	13,552	3.74
UBS Irl Investor Selection - Currency Allocation Return Strategy	228	19,604	5.41
Xtrackers MSCI World Energy UCITS ETF	61,015	2,025	0.56
Total Offshore Collective Investment Schemes		37,911	10.46
Total Collective Investment Schemes		164,968	45.53
Futures - 0.42% (0.01%)			
CME E Mini S&P 500 Index June 2023	139	1,332	0.37
EUREX Euro Stoxx 50 June 2023	156	91	0.02
EUREX Euro Stoxx Bank June 2023	1,341	(85)	(0.02)
ICF FTSE 100 Index Future June 2023	(19)	35	0.01
MSE CAN 10 Year Bond Future September 2023	198	1	0.00
NYF MSCI Emerging Market June 2023	644	37	0.01
OSX Topix Index Future June 2023	18	108	0.03
Total Futures		1,519	0.42

Portfolio statement (continued)

as at 31 May 2023

Investment	Nominal value or holding	Market value £000s	% of total net assets
Forward Currency Contracts - 0.32% ((0.57)%)			
Sell Australian dollar	-AUD 21,650,000	(11,307)	
Buy UK sterling	£11,901,686	11,902	
Expiry date 15 June 2023		595	0.17
Sell UK sterling	-£7,935,996	(7,936)	
Buy US dollar	$9,877,000	7,966	
Expiry date 15 June 2023		30	0.01
Sell US dollar	-$30,507,000	(24,606)	
Buy UK sterling	£25,124,732	25,125	
Expiry date 15 June 2023		519	0.14
Total Forward Currency Contracts		1,144	0.32
Portfolio of investments		331,145	91.40
Other net assets		31,141	8.60
Total net assets		362,286	100.00

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

The comparative figures in brackets are as at 31 May 2022.

SUMMARY OF PORTFOLIO INVESTMENTS

as at 31 May 2023

	31 May 2023		31 May 2022	
Credit breakdown*	Bid-Market value £000s	Total net assets %	Bid-Market value £000s	Total net assets %
Investments of investment grade	163,514	45.13	142,046	41.89
Investments of below investment grade	-	-	7,306	2.16
Total bonds	163,514	45.13	149,352	44.05
Forward currency contracts – assets	1,144	0.32	-	-
Collective Investment Schemes	164,968	45.53	158,909	46.87
Futures - assets	1,604	0.44	816	0.24
Investments as shown in the balance sheet	331,230	91.42	309,077	91.16
Forward currency contracts – liabilities	-	-	(1,926)	(0.57)
Futures – liabilities	(85)	(0.02)	(796)	(0.23)
Total value of investments	331,145	91.40	306,355	90.36

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

Risk and reward profile

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

Typically lower rewards, lower risk

Typically higher rewards, higher risk

1	2	3	4	5	6	7

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

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

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

Where this Sub-Fund invests into other investment funds, they may invest in different assets, countries or economic sectors and therefore have different risk profiles not in line with those of this Sub-Fund.

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

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

Zeros and synthetic zeros may not deliver their specified capital return if the assets fail to grow sufficiently during their lifetime and may be unable to pay the amount promised at the maturity date. Zeros and synthetic zeros may leverage their assets, which may lead to more volatile results than assets that do not use leverage. The share prices of zeros and synthetic zeros may stand at a discount to their net asset value per share for prolonged periods.

The Sub-Fund may invest in securities not denominated in sterling, the value of your investments may be affected by changes in currency exchange rates.

For further information please refer to the KIID.

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

There have been no changes to the risk and reward indicator in the year.

Comparative table

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

	A Accumulation		
	2023	2022	2021
	p	p	p
Change in net assets per share			
Opening net asset value per share	121.82	123.00	110.28
Return before operating charges*	(5.13)	(0.43)	13.41
Operating charges	(0.69)	(0.75)	(0.69)
Return after operating charges*	(5.82)	(1.18)	12.72
Distributions+	(1.52)	(1.16)	(0.71)
Retained distribution on accumulation shares+	1.52	1.16	0.71
Closing net asset value per share	116.00	121.82	123.00
*after direct transaction costs of:	0.01	0.01	-
Performance			
Return after charges	(4.78%)	(0.96%)	11.53%
Other information			
Closing net asset value (£000s)	362,286	339,022	289,050
Closing number of shares	312,303,508	278,295,630	235,009,664
Operating charges++	0.59%	0.60%	0.59%
Direct transaction costs	0.01%	-	-
Prices			
Highest share price (p)	122.0	127.8	123.4
Lowest share price (p)	112.1	119.2	110.0

+Rounded to 2 decimal places.

++The operating charges are represented by the Ongoing Charges Figure (OCF). The OCF consists principally of the ACD's periodic charge and the Investment Manager's fee which are included in the annual management charge, but also includes the costs for other services paid. It is indicative of the charges which the share class may incur in a year as it is calculated on historical data. The operating charge includes charges for the underlying funds held.

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

Distribution table

for the year ended 31 May 2023

Distributions on A Accumulation shares in pence per share

Allocation date	Share type	Distribution type	Net revenue	Equalisation	Distribution current year	Distribution prior year
31.01.23	group 1	interim	0.696	-	0.696	0.501
31.01.23	group 2	interim	0.423	0.273	0.696	0.501
31.07.23	group 1	final	0.819	-	0.819	0.658
31.07.23	group 2	final	0.495	0.324	0.819	0.658

Equalisation

Equalisation applies only to group 2 shares. It is the average amount of revenue included in the purchase price of 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 in the hands of the shareholder but must be deducted from the cost of shares for capital gains tax purposes.

Accumulation distributions

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

Interim distributions:

Group 1 Shares purchased before 1 June 2022

Group 2 Shares purchased 1 June 2022 to 30 November 2022

Final distributions:

Group 1 Shares purchased before 1 December 2022

Group 2 Shares purchased 1 December 2022 to 31 May 2023

Financial statements - True Potential UBS Cautious

Statement of total return
for the year ended 31 May 2023

	Notes	2023		2022	
		£000s	£000s	£000s	£000s
Income:					
Net capital losses	2		(21,271)		(6,861)
Revenue	3	7,120		5,023	
Expenses	4	(1,914)		(1,733)	
Interest payable and similar charges		(89)		(92)	
Net revenue before taxation		5,117		3,198	
Taxation	5	(501)		(172)	
Net revenue after taxation			4,616		3,026
Total deficit before distributions			(16,655)		(3,835)
Distributions	6		(4,616)		(3,026)
Change in net assets attributable to shareholders from investment activities			(21,271)		(6,861)

Statement of change in net assets attributable to shareholders
for the year ended 31 May 2023

	2023		2022	
	£000s	£000s	£000s	£000s
Opening net assets attributable to shareholders		339,022		289,050
Amounts receivable on issue of shares	93,050		99,986	
Amounts payable on cancellation of shares	(53,203)		(46,282)	
		39,847		53,704
Change in net assets attributable to shareholders from investment activities		(21,271)		(6,861)
Retained distribution on accumulation shares		4,688		3,129
Closing net assets attributable to shareholders		362,286		339,022

Balance Sheet

as at 31 May 2023

	Notes	2023	2022
		£000s	£000s
Assets:			
Fixed assets:			
Investments		331,230	309,077
Current assets:			
Debtors	7	1,963	3,240
Cash and bank balances and amounts held at futures clearing houses and brokers	8	35,697	31,049
Total assets		368,890	343,366
Liabilities:			
Investment liabilities		(85)	(2,722)
Creditors:			
Bank overdrafts (including futures overdrafts)	8	(5,231)	(801)
Other creditors	9	(1,288)	(821)
Total liabilities		(6,604)	(4,344)
Net assets attributable to shareholders		362,286	339,022

Notes to the financial statements

for the year ended 31 May 2023

1. Accounting policies

The accounting policies are disclosed on pages 12 to 14.

2. Net capital losses	2023	2022
	£000s	£000s
Non-derivative securities – (losses)/gains	(15,760)	2,788
Derivative contracts – losses	(4,205)	(6,280)
Currency (losses)/gains	(388)	801
Forward currency contracts	(886)	(4,155)
Commission on futures	(32)	(15)
Net capital losses	(21,271)	(6,861)

3. Revenue	2023	2022
	£000s	£000s
Non-interest distributions from overseas funds	89	81
Distributions from UK regulated collective investment schemes:		
Franked investment income	2,522	2,258
Unfranked investment income	15	10
Interest distributions	258	292
Interest on debt securities	2,876	1,512
Interest on debt securities from overseas collective investment schemes	894	853
Bank interest	466	17
Total revenue	7,120	5,023

4. Expenses	2023	2022
	£000s	£000s
Payable to the ACD and associates		
Annual management charge	1,914	1,733
Total expenses	1,914	1,733

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

The annual management charge included an audit fee of £8,082 inclusive of VAT (2022: £5,670 inclusive of VAT).

5. Taxation	2023	2022
	£000s	£000s
a) Analysis of charge for the year		
Corporation tax	501	172
Total taxation (note 5b)	501	172

b) Factors affecting the current tax charge for the year

The tax assessed for the year is lower (2022: lower) than the standard rate of UK corporation tax for an authorised collective investment scheme of 20% (2022: 20%).

Notes to the financial statements (continued)
for the year ended 31 May 2023

5. Taxation (continued)

The differences are explained below:

	2023	2022
	£000s	£000s
Net revenue before taxation	5,117	3,198
Corporation tax @ 20%	1,023	640
Effects of:		
UK revenue	(504)	(452)
Overseas revenue	(18)	(16)
Total taxation (note 5a)	501	172

6. Distributions

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

	2023	2022
	£000s	£000s
Interim accumulation distribution	2,131	1,298
Final accumulation distribution	2,557	1,831
	4,688	3,129
Equalisation:		
Amounts deducted on cancellation of shares	161	80
Amounts added on issue of shares	(233)	(183)
Total net distributions	4,616	3,026

Reconciliation between net revenue and distributions:	2023	2022
	£000s	£000s
Net revenue after taxation per Statement of total return	4,616	3,026
Undistributed revenue brought forward	1	1
Undistributed revenue carried forward	(1)	(1)
Distributions	4,616	3,026

Details of the distribution per share are disclosed in the Distribution table.

7. Debtors	2023	2022
	£000s	£000s
Amounts receivable on issue of shares	1,189	2,494
Accrued revenue	774	746
Total debtors	1,963	3,240

Notes to the financial statements (continued)

for the year ended 31 May 2023

8. Cash and bank balances

	2023	2022
	£000s	£000s
Cash and bank balances and amounts held at futures clearing houses and brokers	35,697	31,049
Bank overdraft (including futures overdraft)	(5,231)	(801)
Total cash and bank balances	30,466	30,248

9. Other creditors

	2023	2022
	£000s	£000s
Amounts payable on cancellation of shares	837	551
Payable to the ACD and associates		
Annual management charge	178	157
Other expenses:		
Overdraft interest	-	1
Total accrued expenses	178	158
Corporation tax payable	273	112
Total other creditors	1,288	821

10. Commitments and contingent liabilities

At the balance sheet date there are no commitments or contingent liabilities (2022: same).

11. Share classes

The following reflects the change in shares in issue for each share class in the year:

	A Accumulation
Opening shares in issue	278,295,630
Total shares issued in the year	79,509,360
Total shares cancelled in the year	(45,501,482)
Closing shares in issue	312,303,508

For the year ended 31 May 2023, the annual management charge is 0.54%. The annual management charge includes the ACD's periodic charge, Investment Manager's fee and other permitted charges to the operation of the Sub-Fund.

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

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

12. Related party transactions

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

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

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

Notes to the financial statements (continued)

for the year ended 31 May 2023

13. Events after the balance sheet date

Subsequent to the year end, the net asset value per A Accumulation share has increased from 116.0p to 117.6p as at 27 September 2023. This movement takes into account routine transactions but also reflects the market movements of recent months.

14. Transaction costs

a Direct transaction costs

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

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

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

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

2023	Purchases before transaction costs £000s	Purchases after transaction costs* £000s
Bonds	130,398	130,398
Collective Investment Schemes	115,182	115,182
Total	245,580	245,580

2022	Purchases before transaction costs £000s	Purchases after transaction costs* £000s
Bonds	114,797	114,797
Collective Investment Schemes	77,914	77,914
Total	192,711	192,711

2023	Sales before transaction costs £000s	Sales after transaction costs* £000s
Bonds	108,765	108,765
Collective Investment Schemes	104,158	104,158
Total	212,923	212,923

Notes to the financial statements (continued)

for the year ended 31 May 2023

14. Transaction costs (continued)

2022	Sales before transaction costs £000s	Sales after transaction costs* £000s
Bonds	77,417	77,417
Collective Investment Schemes	60,001	60,001
Total	137,418	137,418

*No direct transaction costs were incurred in the purchase and sale of investments during the year (2022: same).

	2023		2022	
Summary of direct transaction costs	£000s	% of average net asset value	£000s	% of average net asset value
Derivatives	32	0.01	14	0.00

b Average portfolio dealing spread

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

The average portfolio dealing spread of the investments at the balance sheet date was 0.04% (2022: 0.05%).

15 Risk management policies

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

a Market risk

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

The method used to calculate the global exposure is absolute Value at risk (VaR). The calculation of the Absolute VaR is carried out in accordance with the following parameters: 99% one-sided confidence interval, 1 month (20 day) holding period, Monte Carlo simulation (10,000 simulations) ,1-year (250 day) history with time decay factor (weighting recent events).

A given fund’s limit is based on its Risk profile. All of the positions within the fund (direct investments and derivatives) are taken into account for the VaR calculation, not just derivatives.

The below table shows the lowest, the highest and the average utilisation of the VaR limit calculated during the financial year, 01 June 2022 - 31 May 2023. Funds using the VaR approach disclose the level of leverage employed during the relevant period, using the gross method (sum of the notionals of the derivatives used).

	Lowest VaR %	Highest VaR %	Average VaR %	VaR Limit %	Average Level of leverage %	Typical expected Leverage %
True Potential UBS Cautious	4.16	6.74	5.56	10.50	123.41	130

Notes to the financial statements (continued)

for the year ended 31 May 2023

15 Risk management policies (continued)

(i) Other price risk

The Sub-Fund's exposure to price risk comprises mainly of movements in the value of investment positions in the face of price movements.

The main elements of the portfolio of investments exposed to this risk are bonds and collective investment schemes.

This risk is generally regarded as consisting of two elements: stock specific risk and market risk. Through these two factors, the Sub-Fund is exposed to price fluctuations, which are monitored by the ACD in pursuance of the investment objective and policy.

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

At 31 May 2023, if the price of the investments held by the Sub-Fund increased or decreased by 5%, with all other variables remaining constant, then the net assets attributable to shareholders of the Sub-Fund would increase or decrease by approximately £16,557,000 (2022: £15,318,000).

(ii) Currency risk

Currency risk is the risk that the value of investments or future cash flows will fluctuate as a result of exchange rate movements. Investment in overseas securities or holdings of foreign currency cash will provide direct exposure to currency risk as a consequence of the movement in foreign exchange rates against sterling. Investments in UK securities investing in overseas securities will give rise to indirect exposure to currency risk. These fluctuations can also affect the profitability of some UK companies, and thus their market prices, as sterling's relative strength or weakness can affect export prospects, the value of overseas earnings in sterling terms, and the prices of imports sold in the UK.

Forward currency contracts are used to help the Sub-Fund achieve its investment objective as stated in the Prospectus. The ACD monitors the exposure to these contracts to ensure they are in keeping with the investment objective.

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

	Total net foreign currency exposure*
2023	£000s
Australian dollar	12,106
Canadian dollar	177
Euro	830
Hong Kong dollar	(1,179)
Japanese yen	1,223
South African rand	1,349
US dollar	30,664
Total net foreign currency exposure	45,170

Notes to the financial statements (continued)

for the year ended 31 May 2023

15 Risk management policies (continued)

	Total net foreign currency exposure*
2022	£000s
Australian dollar	9,043
Euro	877
Hong Kong dollar	(801)
Japanese yen	878
South African rand	8,122
US dollar	34,698
Total net foreign currency exposure	52,817

At 31 May 2023, if the value of sterling increased or decreased by 5% against all other currencies, with all other variables remaining constant, then the net assets attributable to shareholders of the Sub-Fund would increase or decrease by approximately £805,000 (2022: £173,000). Forward currency contracts are used to manage the portfolio exposure to currency movements.

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

(iii) Interest rate risk

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

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

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

The Sub-Fund has indirect exposure to interest rate risk as it invests in bond funds.

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

At 31 May 2023, if interest rates increased or decreased by 25 points, with all other variables remaining constant, then the net assets attributable to shareholders of the Sub-Fund would increase or decrease by approximately £76,000 (2022: £363,000).

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

Notes to the financial statements (continued)

for the year ended 31 May 2023

15 Risk management policies (continued)

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

	Variable rate financial assets	Variable rate financial liabilities	Fixed rate financial assets	Non-interest bearing financial assets	Non-interest bearing financial liabilities	Total
2023	£000s	£000s	£000s	£000s	£000s	£000s
Australian dollar	433	-	11,033	640	-	12,106
Canadian dollar	176	-	-	1	-	177
Euro	824	-	-	91	(85)	830
Hong Kong dollar	-	(1,179)	-	-	-	(1,179)
Japanese yen	1,115	-	-	108	-	1,223
South African rand	1,349	-	-	-	-	1,349
UK sterling	29,756	-	137,301	151,347	(1,288)	317,116
US dollar	2,044	(4,052)	15,181	17,491	-	30,664
	35,697	(5,231)	163,515	169,678	(1,373)	362,286

	Variable rate financial assets	Variable rate financial liabilities	Fixed rate financial assets	Non-interest bearing financial assets	Non-interest bearing financial liabilities	Total
2022	£000s	£000s	£000s	£000s	£000s	£000s
Australian dollar	983	-	8,173	32	(145)	9,043
Euro	397	-	-	480	-	877
Hong Kong dollar	-	(801)	-	-	-	(801)
Japanese yen	707	-	-	171	-	878
South African rand	885	-	7,306	213	(282)	8,122
UK sterling	24,629	-	119,009	143,746	(1,179)	286,205
US dollar	3,448	-	14,864	18,323	(1,937)	34,698
	31,049	(801)	149,352	162,965	(3,543)	339,022

b Credit risk

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

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

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

Notes to the financial statements (continued)

for the year ended 31 May 2023

15 Risk management policies (continued)

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

Holdings in collective investment schemes are subject to direct credit risk. The exposure to pooled investment vehicles is unrated.

c Liquidity risk

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

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

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

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

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

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

d Fair value of financial assets and financial liabilities

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

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

	Investment assets	Investment liabilities
Basis of valuation	2023	2023
	£000s	£000s
Quoted prices	169,873	(85)
Observable market data	161,357	-
Unobservable data	-	-
	331,230	(85)

Notes to the financial statements (continued)

for the year ended 31 May 2023

15 Risk management policies (continued)

Basis of valuation	Investment assets 2022 £000s	Investment liabilities 2022 £000s
Quoted prices	159,083	(796)
Observable market data	149,994	(1,926)
Unobservable data	-	-
	309,077	(2,722)

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

e Assets subject to special arrangements arising from their illiquid nature

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

f Derivatives

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

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

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

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

Derivatives may be used for investment purposes and as a result could potentially impact upon the risk factors outlined above.

(i) Counterparties

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

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

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

(ii) Leverage

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

As at the balance sheet date, the leverage was 121.49%.

Notes to the financial statements (continued)

for the year ended 31 May 2023

15 Risk management policies (continued)

(iii) Global exposure

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

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

	Gross exposure value £000s	% of the total net asset value
Investment		
CME E Mini S&P 500 Index June 2023	23,498	6.49
EUREX Euro Stoxx 50 June 2023	5,659	1.56
EUREX Euro Stoxx Bank June 2023	5,678	1.57
ICF FTSE 100 Index Future June 2023	1,416	0.39
MSE CAN 10 Year Bond Future September 2023	14,535	4.01
NYF MSCI Emerging Market June 2023	24,858	6.86
OSX Topix Index Future June 2023	2,210	0.61
Forward Currency Contracts		
Value of short position - US dollar	16,640	4.59
Value of short position - Australian dollar	11,307	3.12

The Sub-Fund holds 'Over the Counter' (OTC) derivatives. This type of transaction gives rise to counterparty risk whereby the other party to the transaction may fail to fulfil their contractual obligations. Effective monitoring of counterparty credit risk is an important element of the management of the Sub-Fund.

Collateral arrangements are actively managed, ensuring cash or securities are pledged against the performance of a contract where necessary. This mitigates any potential negative impact on the Sub-Fund in the unlikely event of a counterparty default. Whether or not each position is collateralised depends on whether a net liability is held with each counterparty, the specific agreements with individual counterparties and de minimis thresholds. As such there will be instances where the Sub-Fund is not required to hold collateral.

Counterparty	Collateral classification	Collateral value
Merrill Lynch International	Cash	£3,244,696

True Potential UBS Balanced
Sub-investment Manager's report

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

Investment Objective and Policy

The investment objective of the Sub-Fund is to achieve capital growth over the long term (5 years or longer) through active management of a diversified investment portfolio whilst seeking to control the overall level of portfolio risk. The sub-delegate will seek to diversify the Sub-Fund's exposure across asset classes and vary the total market exposure as required. To achieve the objective the Sub-Fund will be invested in a range of higher and lower risk assets. Higher risk assets include domestic and international equities, property, commodities and absolute return strategies. Exposure to these higher risk assets will be achieved indirectly through eligible collective investment schemes (this may include collective investment schemes managed by the Investment Manager or sub-delegate), listed securities or eligible derivatives. Exposure to higher risk assets is expected to represent between 30% and 80% of assets reflecting the balanced nature of the Sub-Fund.

Lower risk assets include domestic and international government, corporate and supranational institution bonds, money market instruments and cash or near cash instruments. Exposure to lower risk assets may be achieved directly, through investment in listed securities and money market instruments, or indirectly, through eligible collective investment schemes and eligible derivatives.

The Sub-Fund may also use spot and forward foreign exchange instruments to manage currency exposure.

There are no geographical restrictions on the countries of investment.

Derivatives may be used for investment purposes and Efficient Portfolio Management. A significant proportion of the Sub-Fund's scheme property may be invested in derivatives. The use of derivatives for investment purposes may increase the volatility and risk profile of the Sub-Fund.

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

Sub-Investment Activities

The Balanced Fund delivered a negative return of -6.22% for the review period (Source: Refinitiv).

The period in review saw a market environment characterised by elevated inflation fluctuating expectations over central bank policy, while worst case scenarios for global growth were largely avoided. Early in the period, central banks remained hawkish and resolute in their messaging given persistent inflation pressures, leading to investor concerns that monetary policy would weigh on growth and induce a recession. Fixed income markets remained under pressure as a result, with the higher yield environment proving a headwind for global equities moving into Q4 2023. October and November 2022 saw improved risk sentiment however, with signs that US inflation pressures were at or near a turning point leading to pricing of less aggressive monetary policy from the Federal Reserve in Q3 2022. As a result, the USD also softened in Q4 2022, with optimism stemming from China's apparent readiness to move away from a COVID-zero approach an additional support to global risk sentiment.

The first quarter of 2023 saw a continuation of the recovery in risk assets, while on a cross asset basis, reversion was seen across a number of segments with full year 2022 underperformers largely rebounding strongly. Despite medium-term recession fears, economic data showed resilience and generally surprised positively, with composite purchasing managers' index (PMI) readings across the US, Europe and China rebounding and moving into positive territory. The relative strength in services versus the weakness in manufacturing was a key feature that continued into Q2 2023, leading to headwinds for emerging market economies despite the USD remaining well below its September 2022 highs. Slowing momentum in the Chinese economy was an additional headwind for emerging markets, with the strong recovery seen in economic data in Q1 2023 failing to continue into Q2 2023. Despite the lack of momentum out of China, Europe and UK managed to avoid major growth slowdown concerns that were expected over the winter months, with easing concerns over energy prices and security leading to support for both economies. General economic resilience in developed economies saw recession concerns fade more broadly, with robust labour markets keeping the prospect of a soft-landing environment alive over the medium term horizon. As a result, risk sentiment improved and equity markets were relatively stable towards the end of the period, although leadership remained fairly narrow given the outperformance of the mega-cap tech names.

More broadly, global equity markets were range bound early in the review period before trending higher in 2023, with developed markets generally finishing in positive territory over the 12-months. Emerging market equities were negative over the period however, with USD strength earlier in the period and disappointment over Chinese economic momentum in 2023 both headwinds. Higher rates were an additional challenge, with 10-year yields rising across German, US and UK government bond among others.

On the commodity side, the period saw broad weakness following the highs seen in early 2022, with oil prices trending lower over the 12-month period.

Fund Commentary

The Fund's aggregate equity and fixed income exposures both detracted over the period, while active currency views also contributed negatively. Within equities, core positioning in minimum volatility contributed positively, while RAFI (Research Affiliates Fundamental Indexation) fundamental equity positioning marginally detracted. Both positions underperformed market cap weighted indices over the period, largely due to underperformance between January and May 2023. Elsewhere, a tactical overweight within energy equities detracted given the weakness in commodity prices, while US small cap exposure also contributed negatively. Overweight positioning in Japan added value over the period.

Negative contributions from fixed income were seen across government bonds and yields pushed higher given elevated inflation pressures. UK and US government bond exposures were key detractors, although tactical positioning in Canadian government bonds versus US Treasuries added value. UK investment grade corporates positioning was also a headwind alongside emerging market debt, while US high yield added value.

The Fund's active currency exposure was negative over the reporting period. Long positioning in the Norwegian krone (NOK) was the largest detractor, with low carry and high inflation a headwind. Norges Bank foreign FX purchases also weighed on NOK. Long Japanese yen (JPY) also contributed negatively, seemingly on account of broadening nominal rate differentials. Short New Zealand dollar (NZD), short sterling (GBP) and short Chinese renminbi (CNH) were positive contributors over the period.

Investment Strategy and Outlook

We continue to be of the view there will not be an imminent recession – but, as such, we expect inflation to remain sticky and elevated. Labour markets continue to hold up well, with lower energy prices providing some support for real consumer spending and therefore core inflationary pressures can remain elevated. As a result, central bank tightening is likely not complete, however they have been slowing down and in some cases nearing the end. Overall, we expect this should mean a decline in bond volatility, such that further rate hikes will have less of an impact on risky assets going forward. While an expected tightening in lending standards may weigh on growth, we think the strong backdrop for the economy and recent easing of financial conditions will cushion economic activity. Growth is strong and has room to slow from a high level. Most importantly, the US labour market is in a strong position, with high levels of wage growth. Initial and continuing jobless claims are low, and aggregate income growth is positive in real terms. This should fuel continued gains in consumer spending. And while China's economic rebound has lost some momentum, the outlook for activity is far better than it was last year. Growth resilience raises the odds that services inflation, which is more closely linked to the labour market, remains sticky above central bank targets. As such, we see limited room for longer-term government bond yields to fall absent an unexpected negative shock to economic activity.

A deceleration in inflation and financial stability concerns are causing central banks to be more cautious about delivering additional monetary tightening. We expect price pressures to moderate, but this process will not be in a straight line. That inflation remains above target means that central banks may be reluctant to swiftly ease policy proactively to address growth headwinds brought about by financial stability concerns, and may wait until there are more evident signs of economic weakness.

On the geopolitical front, the US-China relationship will be marked by ongoing tensions on a number of issues pertaining to trade, technology, human rights, capital flows, regional disputes, and the environment. Elsewhere, Russia's invasion of Ukraine continues to cause volatility in global energy markets and supply chains. To date, Russia's ability to access export markets has been relatively undisturbed, despite the imposition of sanctions. Over the medium term, this geopolitical shock is likely to contribute to higher levels of defence spending across Europe.

Companies judged to be aggressively pursuing AI capabilities or servicing this demand are enjoying a substantial increase in valuations. This, in our minds, will put pressure on other management teams to make their own plans on how to benefit from this disruptive technology. More broadly on the earnings front, corporations have retained pricing power amid a slowing in economic growth – and nominal activity is still high and has room to decelerate further without triggering recession fears. The aggregate amount that US companies exceeded expectations increased for both the top and bottom lines during the most recent reporting period. The resilience of nominal activity and margins suggest that downside to earnings is limited outside of recession, which we do not believe is imminent. Core inflationary pressures are also poised to decelerate, in our view, and may give scope for the Federal Reserve to not only skip hiking rates at its June meeting, but go on a more extended pause.

In our view, the risk-reward proposition for global equities at an index level is balanced. Stocks remain expensive, but we believe earnings estimates will remain resilient as tight labour markets support consumer spending while profit margins stay relatively elevated. US stocks have been the early winners in the AI boom, although at the index level, they have been relatively expensive for a long time, and may underperform if ex-US activity is better than consensus anticipates. However, while European equities have posted strong earnings, some forward looking measures for growth are slowing. We think there is scope for a pullback from Europe's outperformance. Elsewhere, widespread improvements in shareholder return programs have increased the appeal of Japanese equities, however our expectation for JPY appreciation diminishes the attractiveness somewhat. In emerging markets, there has been a derating and a larger total drawdown in earnings estimates compared to development markets. In our view, this limits scope for further relative underperformance going forward.

Within fixed income, central banks' commitment to keeping policy in restrictive territory and reluctance to reverse course amid above-target inflation should keep yield curves relatively flat until a contraction in economic activity is at hand. In our view, carry within credit is attractive however the market pricing is in line with a soft-landing environment and may be challenged should recession fears increase. Typically, the end of the Fed tightening cycle is a negative for spreads and this adds to our less constructive view on US high yield.

Foreign exchange markets continue to provide clean expressions for our relative value views over a number of horizons. the degree of overvaluation seen in the USD remains inconsistent with many weak US economic fundamentals. Looking back over the last 18 months, the hawkishness of the Fed was one major hurdle preventing us from increasing the USD underweight, however this has largely faded year-to-date. In our view, with the Fed coming closer to the end of its tightening cycle, and previously priced cuts now removed from the curve, we view scope for USD weakness in the second half of this year. We remain constructive on JPY given it remains very attractively valued, while portfolio utility it affords is appealing should more recessionary pricing come to the fore. We continue to prefer expressing our European exposure via Norwegian krone (NOK) where the valuation case has become more attractive, fundamentals appear more robust, and which has positive energy exposure. We remain constructive on Latin American currencies, having rebalanced towards those where we see greatest prospective upside. Generally, we are seeing an improved outlook given reduced political risk premium reduce and high carry across the bloc.

UBS Asset Management (UK) Ltd- a sub-delegate of True Potential Investments LLP

27 June 2023

Portfolio changes

for the year ended 31 May 2023

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

	Cost
Purchases:	£000s
UBS MSCI World Minimum Volatility Index Fund	121,900
UBS Investment Funds ICVC II - UBS FTSE RAFI Developed 1000 Index Fund	104,922
US Treasury Gilt 4.25% 15/05/2039	55,948
UK Treasury Gilt 0.25% 31/01/2025	54,736
UBS Investor Selection - Currency Allocation Return Strategy	54,468
Government of Australia 3.75% 21/04/2037	45,175
UK Treasury Gilt 2.25% 07/09/2023	44,886
BlackRock iShares Emerging Markets Government Bond Index Fund	44,328
UK Treasury Gilt 0.75% 22/07/2023	44,294
UBS Investment Funds ICVC- UBS UK Equity Income Fund	37,627
Subtotal	608,284
Total cost of purchases, including the above, for the year	767,240

	Proceeds
Sales:	£000s
UBS MSCI World Minimum Volatility Index Fund	99,995
UBS Investment Funds ICVC II - UBS FTSE RAFI Developed 1000 Index Fund	97,656
UBS Investment Funds ICVC - UBS UK Equity Income Fund	56,009
US Treasury Gilt 4.25% 15/05/2039	51,445
UK Treasury Gilt 0.125% 31/01/2023	49,477
UK Treasury Gilt 0.75% 22/07/2023	49,222
UK Treasury Gilt 1.75% 07/09/2022	44,644
Xtrackers USD High Yield Corporate Bond UCITS ETF	38,469
UBS Investor Selection - Currency Allocation Return Strategy	37,548
Republic of South Africa 8% 31/01/2030	33,003
Subtotal	557,468
Total proceeds from sales, including the above, for the year	685,687

Portfolio statement

as at 31 May 2023

Investment	Nominal value or holding	Market value £000s	% of total net assets
Debt Securities 30.86% (30.54%)			
Government Bonds 30.86% (30.54%)			
Government of Australia 3.75% 21/04/2037	AUD 85,934,000	44,468	3.72
UK Treasury Gilt 0.125% 31/01/2024	£37,968,000	36,848	3.08
UK Treasury Gilt 0.25% 31/01/2025	£60,000,000	55,730	4.67
UK Treasury Gilt 0.625% 07/06/2025	£10,000,000	9,292	0.78
UK Treasury Gilt 0.75% 22/07/2023	£13,350,000	13,281	1.11
UK Treasury Gilt 1% 22/04/2024	£55,944,000	54,143	4.53
UK Treasury Gilt 2.25% 07/09/2023	£55,755,000	55,410	4.64
UK Treasury Gilt 4.75% 07/12/2038	£30,930,000	32,124	2.69
UK Treasury Gilt 5% 07/03/2025	£5,000,000	5,035	0.42
US Treasury Gilt 4.25% 15/05/2039	$73,234,000	62,320	5.22
Total Government Bonds		368,651	30.86
Total Debt Securities		368,651	30.86
Collective Investment Schemes 56.82% (60.63%)			
UK Authorised Collective Investment Schemes 43.81% (45.94%)			
UBS Investment Funds ICVC II - UBS FTSE RAFI Developed 1000 Index Fund	26,425	171,410	14.35
UBS Investment Funds ICVC - UBS UK Equity Income Fund	78,885	86,501	7.24
UBS MSCI World Minimum Volatility Index Fund	39,826	218,101	18.26
UBS Sterling Corporate Bond Indexed Fund	390,665	47,279	3.96
Total UK Authorised Collective Investment Schemes		523,291	43.81
Offshore Collective Investment Schemes 13.01% (14.69%)			
Amundi Index Solutions - Amundi Index FTSE EPRA NAREIT Global UCITS ETF	230,211	11,168	0.94
BlackRock iShares Emerging Markets Government Bond Index Fund	6,737,604	54,623	4.57
UBS Irl Investor Selection - Currency Allocation Return Strategy	947	81,375	6.81
Xtrackers MSCI World Energy UCITS ETF	248,693	8,255	0.69
Total Offshore Collective Investment Schemes		155,421	13.01
Total Collective Investment Schemes		678,712	56.82
Futures 0.51% ((0.03)%)			
ICF-FTSE 100 Index Future June 2023	(77)	143	0.01
EUREX - Euro Stoxx Bank June 2023	5,466	(342)	(0.03)
CME S&P 500 Emini Future June 2023	568	5,405	0.45
NYF - MSCI Emerging Market June 2023	2,625	94	0.01
EUREX - Euro Stoxx 50 June 2023	637	366	0.03
OSE Topix Index Future June 2023	73	439	0.04
MSE - CAN 10 years Bond Future September 2023	825	4	-
Total Futures		6,109	0.51

Portfolio statement (continued)

as at 31 May 2023

Investment	Nominal value or holding	Market value £000s	% of total net assets
Forward Currency Contracts 0.39% ((0.72)%)			
Buy UK sterling	£47,961,321	47,961	
Sell Australian dollar	-AUD 87,245,000	(45,566)	
Expiry date 15 June 2023		2,395	0.20
Buy UK sterling	£101,399,094	101,399	
Sell US dollar	-$123,121,000	(99,305)	
Expiry date 15 June 2023		2,094	0.18
Buy US dollar	$38,433,000	30,999	
Sell UK sterling	-£30,877,184	(30,877)	
Expiry date 15 June 2023		122	0.01
Total Forward Currency Contracts		4,611	0.39
Portfolio of investments		1,058,083	88.58
Other net assets		136,425	11.42
Total net assets		1,194,508	100.00

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

The comparative figures in brackets are as at 31 May 2022.

SUMMARY OF PORTFOLIO INVESTMENTS

as at 31 May 2023

	31 May 2023		31 May 2022	
Credit breakdown*	Bid-Market value £000s	Total net assets %	Bid-Market value £000s	Total net assets %
Investments of investment grade	368,651	30.86	308,712	27.74
Investments of below investment grade	-	-	31,018	2.80
Total bonds	368,651	30.86	339,730	30.54
Forward currency contracts – assets	4,611	0.39	-	-
Collective Investment Schemes	678,712	56.82	674,420	60.63
Futures - assets	6,451	0.54	3,224	0.29
Investments as shown in the balance sheet	1,058,425	88.61	1,017,374	91.46
Forward currency contracts – liabilities	-	-	(8,043)	(0.72)
Futures – liabilities	(342)	(0.03)	(3,509)	(0.32)
Total value of investments	1,058,083	88.58	1,005,822	90.42

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

Risk and reward profile

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

← Typically lower rewards, lower risk

Typically higher rewards, higher risk →

1	2	3	**4**	5	6	7

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

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

Where the Sub-Fund invests in bonds, there is a risk the bond issuer may fail to meet its repayments. Changes in interest rates, inflation and the creditworthiness of the bond issuer may also affect the bond’s market value.

Where this Sub-Fund invests into other investment funds, they may invest in different assets, countries or economic sectors and therefore have different risk profiles not in line with those of this Sub-Fund.

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

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

Zeros and synthetic zeros may not deliver their specified capital return if the assets fail to grow sufficiently during their lifetime and may be unable to pay the amount promised at the maturity date. Zeros and synthetic zeros may leverage their assets, which may lead to more volatile results than assets that do not use leverage. The share prices of zeros and synthetic zeros may stand at a discount to their net asset value per share for prolonged periods.

The Sub-Fund may invest in securities not denominated in sterling, the value of your investments may be affected by changes in currency exchange rates.

For further information please refer to the KIID.

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

There have been no changes to the risk and reward indicator in the year.

Comparative table

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

	A Accumulation		
	2023	2022	2021
	p	p	p
Change in net assets per share			
Opening net asset value per share	130.03	131.31	114.05
Return before operating charges*	(7.02)	(0.46)	17.97
Operating charges	(0.73)	(0.82)	(0.71)
Return after operating charges*	(7.75)	(1.28)	17.26
Distributions+	(1.88)	(1.74)	(1.06)
Retained distribution on accumulation shares+	1.88	1.74	1.06
Closing net asset value per share	122.28	130.03	131.31
*after direct transaction costs of:	0.01	0.01	-
Performance			
Return after charges	(5.96%)	(0.97%)	15.13%
Other information			
Closing net asset value (£000s)	1,194,508	1,112,450	859,727
Closing number of shares	976,866,389	855,553,336	654,720,298
Operating charges++	0.59%	0.61%	0.58%
Direct transaction costs	0.01%	0.01%	-
Prices			
Highest share price (p)	129.9	138.1	131.8
Lowest share price (p)	117.0	126.3	113.4

+Rounded to 2 decimal places.

++The operating charges are represented by the Ongoing Charges Figure (OCF). The OCF consists principally of the ACD's periodic charge and the Investment Manager's fee which are included in the annual management charge, but also includes the costs for other services paid. It is indicative of the charges which the share class may incur in a year as it is calculated on historical data. The operating charge includes charges for the underlying funds held.

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

Distribution table

for the year ended 31 May 2023

Distributions on A Accumulation shares in pence per share

Allocation date	Share type	Distribution type	Net revenue	Equalisation	Distribution current year	Distribution prior year
31.01.23	group 1	interim	0.861	-	0.861	0.773
31.01.23	group 2	interim	0.479	0.382	0.861	0.773
31.07.23	group 1	final	1.021	-	1.021	0.970
31.07.23	group 2	final	0.528	0.493	1.021	0.970

Equalisation

Equalisation applies only to group 2 shares. It is the average amount of revenue included in the purchase price of 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 in the hands of the shareholder but must be deducted from the cost of shares for capital gains tax purposes.

Accumulation distributions

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

Interim distributions:

Group 1	Shares purchased before 1 June 2022
Group 2	Shares purchased 1 June 2022 to 30 November 2022

Final distributions:

Group 1	Shares purchased before 1 December 2022
Group 2	Shares purchased 1 December 2022 to 31 May 2023

Financial statements - True Potential UBS Balanced

Statement of total return
for the year ended 31 May 2023

	Notes	2023		2022	
		£000s	£000s	£000s	£000s
Income:					
Net capital losses	2		(87,959)		(28,756)
Revenue	3	25,625		20,175	
Expenses	4	(6,036)		(5,363)	
Interest payable and similar charges		(558)		(303)	
Net revenue before taxation		19,031		14,509	
Taxation	5	(1,645)		(1,006)	
Net revenue after taxation			17,386		13,503
Total deficit before distributions			(70,573)		(15,253)
Distributions	6		(17,391)		(13,500)
Change in net assets attributable to shareholders from investment activities			(87,964)		(28,753)

Statement of change in net assets attributable to shareholders
for the year ended 31 May 2023

	2023		2022	
	£000s	£000s	£000s	£000s
Opening net assets attributable to shareholders		1,112,450		859,727
Amounts receivable on issue of shares	359,257		408,891	
Amounts payable on cancellation of shares	(207,061)		(141,616)	
		152,196		267,275
Change in net assets attributable to shareholders from investment activities		(87,964)		(28,753)
Retained distribution on accumulation shares		17,826		14,201
Closing net assets attributable to shareholders		1,194,508		1,112,450

Balance Sheet

as at 31 May 2023

	Notes	2023	2022
		£000s	£000s
Assets:			
Fixed assets:			
Investments		1,058,425	1,017,374
Current assets:			
Debtors	7	8,259	10,824
Cash and bank balances and amounts held at futures clearing houses and brokers	8	161,353	101,836
Total assets		1,228,037	1,130,034
Liabilities:			
Investment liabilities		(342)	(11,552)
Creditors:			
Bank overdrafts (including futures overdrafts)	8	(30,161)	(3,432)
Other creditors	9	(3,026)	(2,600)
Total liabilities		(33,529)	(17,584)
Net assets attributable to shareholders		1,194,508	1,112,450

Notes to the financial statements
for the year ended 31 May 2023

1. Accounting policies

The accounting policies are disclosed on pages 12 to 14.

2. Net capital losses	2023	2022
	£000s	£000s
Non-derivative securities – (losses)/gains	(62,004)	12,718
Derivative contracts – losses	(20,984)	(26,967)
Currency – (losses)/gains	(1,796)	2,692
Forward currency contracts	(3,063)	(17,128)
Commission on futures	(112)	(71)
Net capital losses	(87,959)	(28,756)

3. Revenue	2023	2022
	£000s	£000s
Non-interest distributions from overseas funds	365	318
Distributions from UK regulated collective investment schemes:		
Franked investment income	10,438	9,162
Unfranked investment income	65	41
Interest distributions	1,043	1,167
Interest on debt securities	9,248	6,030
Interest on debt securities from overseas collective investment schemes	2,904	3,408
Bank interest	1,562	49
Total revenue	25,625	20,175

4. Expenses	2023	2022
	£000s	£000s
Payable to the ACD and associates		
Annual management charge	6,036	5,363
Total expenses	6,036	5,363

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

The annual management charge included an audit fee of £8,082 inclusive of VAT (2022: £5,670 inclusive of VAT).

5. Taxation	2023	2022
	£000s	£000s
a) Analysis of charge for the year		
Corporation tax	1,645	1,006
Total taxation (note 5b)	1,645	1,006

b) Factors affecting the current tax charge for the year

The tax assessed for the year is lower (2022: lower) than the standard rate of UK corporation tax for an authorised collective investment scheme of 20% (2022: 20%).

Notes to the financial statements (continued)
for the year ended 31 May 2023

5. Taxation (continued)

The differences are explained below:

	2023	2022
	£000s	£000s
Net revenue before taxation	19,031	14,509
Corporation tax @ 20%	3,806	2,902
Effects of:		
UK revenue	(2,088)	(1,832)
Overseas revenue	(73)	(64)
Total taxation (note 5a)	1,645	1,006

6. Distributions
The distributions take account of revenue added on the issue of shares and revenue deducted on the cancellation of shares and comprise:

	2023	2022
	£000s	£000s
Interim accumulation distribution	7,852	5,902
Final accumulation distribution	9,974	8,299
	17,826	14,201
Equalisation:		
Amounts deducted on cancellation of shares	825	374
Amounts added on issue of shares	(1,260)	(1,075)
Total net distributions	17,391	13,500

Reconciliation between net revenue and distributions:	2023	2022
	£000s	£000s
Net revenue after taxation per Statement of total return	17,386	13,503
Undistributed revenue brought forward	8	5
Undistributed revenue carried forward	(3)	(8)
Distributions	17,391	13,500

Details of the distribution per share are disclosed in the Distribution table.

7. Debtors	2023	2022
	£000s	£000s
Amounts receivable on issue of shares	6,477	8,407
Accrued revenue	1,782	2,417
Total debtors	8,259	10,824

Notes to the financial statements (continued)

for the year ended 31 May 2023

8. Cash and bank balances

	2023	2022
	£000s	£000s
Cash and bank balances and amounts held at futures clearing houses and brokers	161,353	101,836
Bank overdraft (including futures overdraft)	(30,161)	(3,432)
Total cash and bank balances	131,192	98,404

9. Other creditors

	2023	2022
	£000s	£000s
Amounts payable on cancellation of shares	1,628	1,481
Accrued expenses:		
Payable to the ACD and associates		
Annual management charge	576	504
Total accrued expenses	576	504
Corporation tax payable	822	615
Total other creditors	3,026	2,600

10. Commitments and contingent liabilities

At the balance sheet date there are no commitments or contingent liabilities (2022: same).

11. Share classes

The following reflects the change in shares in issue for each share class in the year:

	A Accumulation
Opening shares in issue	855,553,336
Total shares issued in the year	290,296,140
Total shares cancelled in the year	(168,983,087)
Closing shares in issue	976,866,389

For the year ended 31 May 2023, the annual management charge is 0.53%. The annual management charge includes the ACD's periodic charge, Investment Manager's fee and other permitted charges to the operation of the Sub-Fund.

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

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

12. Related party transactions

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

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

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

Notes to the financial statements (continued)

for the year ended 31 May 2023

13. Events after the balance sheet date

Subsequent to the year end, the net asset value per A Accumulation share has increased from 122.3p to 124.1p as at 27 September 2023. This movement takes into account routine transactions but also reflects the market movements of recent months.

14. Transaction costs

a Direct transaction costs

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

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

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

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

2023	Purchases before transaction costs £000s	Purchases after transaction costs* £000s
Bonds	351,034	351,034
Collective Investment Schemes	416,206	416,206
Total	767,240	767,240

2022	Purchases before transaction costs £000s	Purchases after transaction costs* £000s
Bonds	375,140	375,140
Collective Investment Schemes	369,890	369,890
Total	745,030	745,030

2023	Sales before transaction costs £000s	Sales after transaction costs* £000s
Bonds	295,941	295,941
Collective Investment Schemes	389,746	389,746
Total	685,687	685,687

Notes to the financial statements (continued)

for the year ended 31 May 2023

14. Transaction costs (continued)

2022	Sales before transaction costs £000s	Sales after transaction costs* £000s
Bonds	254,210	254,210
Collective Investment Schemes	239,281	239,281
Total	493,491	493,491

*No direct transaction costs were incurred in the purchase and sale of investments during the year (2022: same).

Summary of direct transaction costs	2023 £000s	2023 % of average net asset value	2022 £000s	2022 % of average net asset value
Derivatives	112	0.01	71	0.01

b Average portfolio dealing spread

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

The average portfolio dealing spread of the investments at the balance sheet date was 0.04% (2022: 0.06%).

15 Risk management policies

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

a Market risk

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

The method used to calculate the global exposure is absolute Value at risk (VaR). The calculation of the Absolute VaR is carried out in accordance with the following parameters: 99% one-sided confidence interval, 1 month (20 day) holding period, Monte Carlo simulation (10,000 simulations) ,1-year (250 day) history with time decay factor (weighting recent events).

A given fund’s limit is based on its Risk profile. All of the positions within the fund (direct investments and derivatives) are taken into account for the VaR calculation, not just derivatives.

The below table shows the lowest, the highest and the average utilisation of the VaR limit calculated during the financial year, 01 June 2022 - 31 May 2023. Funds using the VaR approach disclose the level of leverage employed during the relevant period, using the gross method (sum of the notionals of the derivatives used).

	Lowest VaR %	Highest VaR %	Average VaR %	VaR Limit %	Average Level of leverage %	Typical expected Leverage %
True Potential UBS Balanced	5.30	8.01	6.79	14.20	132.12	145

Notes to the financial statements (continued)

for the year ended 31 May 2023

15 Risk management policies (continued)

(i) Other price risk

The Sub-Fund's exposure to price risk comprises mainly of movements in the value of investment positions in the face of price movements.

The main elements of the portfolio of investments exposed to this risk are debt securities and collective investment schemes.

This risk is generally regarded as consisting of two elements: stock specific risk and market risk. Through these two factors, the Sub-Fund is exposed to price fluctuations, which are monitored by the ACD in pursuance of the investment objective and policy.

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

At 31 May 2023, if the price of the investments held by the Sub-Fund increased or decreased by 5%, with all other variables remaining constant, then the net assets attributable to shareholders of the Sub-Fund would increase or decrease by approximately £52,904,000 (2022: £50,291,000).

(ii) Currency risk

Currency risk is the risk that the value of investments or future cash flows will fluctuate as a result of exchange rate movements. Investment in overseas securities or holdings of foreign currency cash will provide direct exposure to currency risk as a consequence of the movement in foreign exchange rates against sterling. Investments in UK securities investing in overseas securities will give rise to indirect exposure to currency risk. These fluctuations can also affect the profitability of some UK companies, and thus their market prices, as sterling's relative strength or weakness can affect export prospects, the value of overseas earnings in sterling terms, and the prices of imports sold in the UK.

Forward currency contracts are used to help the Sub-Fund achieve its investment objective as stated in the Prospectus. The ACD monitors the exposure to these contracts to ensure they are in keeping with the investment objective.

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

2023	Total net foreign currency exposure* £000s
Australian dollar	53,984
Canadian dollar	666
Euro	2,182
Hong Kong dollar	(4,993)
Japanese yen	4,456
South African rand	5,394
US dollar	113,591
Total net foreign currency exposure	175,280

Notes to the financial statements (continued)

for the year ended 31 May 2023

15 Risk management policies (continued)

2022	Total net foreign currency exposure* £000s
Australian dollar	37,679
Euro	2,841
Hong Kong dollar	(3,432)
Japanese yen	3,024
South African rand	33,737
US dollar	140,739
Total net foreign currency exposure	214,588

At 31 May 2023, if the value of sterling increased or decreased by 5% against all other currencies, with all other variables remaining constant, then the net assets attributable to shareholders of the Sub-Fund would increase or decrease by approximately £2,846,000 (2022: £355,000). Forward currency contracts are used to manage the portfolio exposure to currency movements.

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

(iii) Interest rate risk

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

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

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

The Sub-Fund has indirect exposure to interest rate risk as it invests in bond funds.

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

At 31 May 2023, if interest rates increased or decreased by 25 points, with all other variables remaining constant, then the net assets attributable to shareholders of the Sub-Fund would increase or decrease by approximately £328,000 (2022: £802,000).

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

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

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

Notes to the financial statements (continued)
for the year ended 31 May 2023

15 Risk management policies (continued)

2023	Variable rate financial assets £000s	Variable rate financial liabilities £000s	Fixed rate financial assets £000s	Non-interest bearing financial assets £000s	Non-interest bearing financial liabilities £000s	Total £000s
Australian dollar	6,936	-	44,469	2,579	-	53,984
Canadian dollar	662	-	-	4	-	666
Euro	2,158	-	-	366	(342)	2,182
Hong Kong dollar	-	(4,993)	-	-	-	(4,993)
Japanese yen	4,017	-	-	439	-	4,456
South African rand	5,394	-	-	-	-	5,394
UK sterling	136,327	-	261,863	624,064	(3,026)	1,019,228
US dollar	5,859	(25,168)	62,319	70,581	-	113,591
	161,353	(30,161)	368,651	698,033	(3,368)	1,194,508

2022	Variable rate financial assets £000s	Variable rate financial liabilities £000s	Fixed rate financial assets £000s	Non-interest bearing financial assets £000s	Non-interest bearing financial liabilities £000s	Total £000s
Australian dollar	3,450	-	34,697	139	(607)	37,679
Euro	862	-	-	1,979	-	2,841
Hong Kong dollar	-	(3,432)	-	-	-	(3,432)
Japanese yen	2,362	-	-	662	-	3,024
South African rand	2,996	-	31,018	904	(1,181)	33,737
UK sterling	83,897	-	210,915	607,118	(4,068)	897,862
US dollar	8,269	-	63,102	77,664	(8,296)	140,739
	101,836	(3,432)	339,732	688,466	(14,152)	1,112,450

b Credit risk

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

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

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

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

Holdings in collective investment schemes are subject to direct credit risk. The exposure to pooled investment vehicles is unrated.

Notes to the financial statements (continued)
for the year ended 31 May 2023

15 Risk management policies (continued)

c Liquidity risk

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

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

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

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

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

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

d Fair value of financial assets and financial liabilities

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

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

	Investment assets	Investment liabilities
Basis of valuation	2023	2023
	£000s	£000s
Quoted prices	394,525	(342)
Observable market data	663,900	-
Unobservable data	-	-
	1,058,425	(342)

	Investment assets	Investment liabilities
Basis of valuation	2022	2022
	£000s	£000s
Quoted prices	380,736	(3,509)
Observable market data	636,638	(8,043)
Unobservable data	-	-
	1,017,374	(11,552)

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

Notes to the financial statements (continued)
for the year ended 31 May 2023

15 Risk management policies (continued)

e Assets subject to special arrangements arising from their illiquid nature

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

f Derivatives

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

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

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

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

Derivatives may be used for investment purposes and as a result could potentially impact upon the risk factors outlined above.

(i) Counterparties

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

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

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

(ii) Leverage

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

As at the balance sheet date, the leverage was 126.21%.

(iii) Global exposure

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

Notes to the financial statements (continued)

for the year ended 31 May 2023

15 Risk management policies (continued)

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

	Gross exposure value £000s	% of the total net asset value
Investment		
Futures		
CME S&P 500 Emini Future June 2023	23,106	1.93
EUREX - Euro Stoxx 50 June 2023	23,144	1.94
EUREX - Euro Stoxx Bank June 2023	60,561	5.07
MSE - CAN 10 years Bond Future September 2023	101,323	8.48
NYF - MSCI Emerging Market June 2023	8,963	0.75
OSE Topix Index Future June 2023	96,022	8.04
Forward Currency Contracts		
Value of short position - Australian dollar	45,566	3.81
Value of short position - US dollar	68,306	5.72

The Sub-Fund holds 'Over the Counter' (OTC) derivatives. This type of transaction gives rise to counterparty risk whereby the other party to the transaction may fail to fulfil their contractual obligations. Effective monitoring of counterparty credit risk is an important element of the management of the Sub-Fund.

Collateral arrangements are actively managed, ensuring cash or securities are pledged against the performance of a contract where necessary. This mitigates any potential negative impact on the Sub-Fund in the unlikely event of a counterparty default. Whether or not each position is collateralised depends on whether a net liability is held with each counterparty, the specific agreements with individual counterparties and de minimis thresholds. As such there will be instances where the Sub-Fund is not required to hold collateral.

The counterparty, collateral amount and type held by the Sub-Fund as at the 31 May 2023 is detailed in the table below.

Counterparty	Collateral classification	Collateral value
Merrill Lynch International	Cash	£13,268,405

True Potential UBS Growth
Sub-investment Manager's report

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

Investment Objective and Policy

The investment objective of the Sub-Fund is to achieve capital growth over the long term (5 years or longer) through active management of a diversified investment portfolio whilst seeking to control the overall level of portfolio risk. The sub-delegate will seek to diversify the Sub-Fund's exposures across asset classes and vary the total market exposure as required.

To achieve the objective the Sub-Fund will be invested in a range of higher and lower risk assets. Higher risk assets include domestic and international equities, property, commodities and absolute return strategies. Exposure to these higher risk assets will be achieved indirectly through eligible collective investment schemes (this may include collective investment schemes managed by the Investment Manager or sub-delegate), listed securities or eligible derivatives. Exposure to higher risk assets is expected to represent between 40% and 90% of assets reflecting the growth nature of the Sub-Fund.

Lower risk assets include domestic and international government, corporate and supranational institution bonds, money market instruments and cash or near cash instruments. Exposure to lower risk assets may be achieved directly, through investment in listed securities and money market instruments, or indirectly, through eligible collective investment schemes and eligible derivatives.

The Sub-Fund may also use spot and forward foreign exchange instruments to manage currency exposure.

There are no geographical restrictions on the countries of investment.

Derivatives may be used for investment purposes and Efficient Portfolio Management. A significant proportion of the Sub-Fund's scheme property may be invested in derivatives. The use of derivatives for investment purposes may increase the volatility and risk profile of the Sub-Fund.

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

Sub-Investment Activities

The Growth Fund delivered a negative return of -6.36% for the review period (Source: Refinitiv).

The period in review saw a market environment characterised by elevated inflation fluctuating expectations over central bank policy, while worst case scenarios for global growth were largely avoided. Early in the period, central banks remained hawkish and resolute in their messaging given persistent inflation pressures, leading to investor concerns that monetary policy would weigh on growth and induce a recession. Fixed income markets remained under pressure as a result, with the higher yield environment proving a headwind for global equities moving into Q4 2023. October and November 2022 saw improved risk sentiment however, with signs that US inflation pressures were at or near a turning point leading to pricing of less aggressive monetary policy from the Federal Reserve in Q3 2022. As a result, the USD also softened in Q4 2022, with optimism stemming from China's apparent readiness to move away from a COVID-zero approach an additional support to global risk sentiment.

The first quarter of 2023 saw a continuation of the recovery in risk assets, while on a cross asset basis, reversion was seen across a number of segments with full year 2022 underperformers largely rebounding strongly. Despite medium-term recession fears, economic data showed resilience and generally surprised positively, with composite purchasing managers' index (PMI) readings across the US, Europe and China rebounding and moving into positive territory. The relative strength in services versus the weakness in manufacturing was a key feature that continued into Q2 2023, leading to headwinds for emerging market economies despite the USD remaining well below its September 2022 highs. Slowing momentum in the Chinese economy was an additional headwind for emerging markets, with the strong recovery seen in economic data in Q1 2023 failing to continue into Q2 2023. Despite the lack of momentum out of China, Europe and UK managed to avoid major growth slowdown concerns that were expected over the winter months, with easing concerns over energy prices and security leading to support for both economies. General economic resilience in developed economies saw recession concerns fade more broadly, with robust labour markets keeping the prospect of a soft-landing environment alive over the medium term horizon. As a result, risk sentiment improved and equity markets were relatively stable towards the end of the period, although leadership remained fairly narrow given the outperformance of the mega-cap tech names.

More broadly, global equity markets were range bound early in the review period before trending higher in 2023, with developed markets generally finishing in positive territory over the 12-months. Emerging market equities were negative over the period however, with USD strength earlier in the period and disappointment over Chinese economic momentum in 2023 both headwinds.

Higher rates were an additional challenge, with 10-year yields rising across German, US and UK government bond among others. On the commodity side, the period saw broad weakness following the highs seen in early 2022, with oil prices trending lower over the 12-month period.

Fund Commentary

The Fund's aggregate equity and fixed income exposures both detracted over the period, while active currency views also contributed negatively. Within equities, core positioning in minimum volatility contributed positively, while RAFI (Research Affiliates Fundamental Indexation) fundamental equity positioning marginally detracted. Both positions underperformed market cap weighted indices over the period, largely due to underperformance between January and May 2023. Elsewhere, a tactical overweight within energy equities detracted given the weakness in commodity prices, while US small cap exposure also contributed negatively. Overweight positioning in Japan added value over the period.

Negative contributions from fixed income were seen across government bonds and yields pushed higher given elevated inflation pressures. UK and US government bond exposures were key detractors, although tactical positioning in Canadian government bonds versus US Treasuries added value. UK investment grade corporates positioning was also a headwind alongside emerging market debt, while US high yield added value.

The Fund's active currency exposure was negative over the reporting period. Long positioning in the Norwegian krone (NOK) was the largest detractor, with low carry and high inflation a headwind. Norges Bank foreign FX purchases also weighed on NOK. Long Japanese yen (JPY) also contributed negatively, seemingly on account of broadening nominal rate differentials. Short New Zealand dollar (NZD), short sterling (GBP) and short Chinese renminbi (CNH) were positive contributors over the period.

In the first half of the reporting period, the Fund's dynamic risk overlay was active in adjusting exposure as volatility measures fluctuated, with whipsaw market dynamics proving challenging at times. In the second half of the period, volatility measures trended lower and led to full risk allocation. On average, exposure was towards maximum levels over the full period.

Investment Strategy and Outlook

We continue to be of the view there will not be an imminent recession – but, as such, we expect inflation to remain sticky and elevated. Labour markets continue to hold up well, with lower energy prices providing some support for real consumer spending and therefore core inflationary pressures can remain elevated. As a result, central bank tightening is likely not complete, however they have been slowing down and in some cases nearing the end. Overall, we expect this should mean a decline in bond volatility, such that further rate hikes will have less of an impact on risky assets going forward. While an expected tightening in lending standards may weigh on growth, we think the strong backdrop for the economy and recent easing of financial conditions will cushion economic activity.
Growth is strong and has room to slow from a high level. Most importantly, the US labour market is in a strong position, with high levels of wage growth. Initial and continuing jobless claims are low, and aggregate income growth is positive in real terms. This should fuel continued gains in consumer spending. And while China's economic rebound has lost some momentum, the outlook for activity is far better than it was last year. Growth resilience raises the odds that services inflation, which is more closely linked to the labour market, remains sticky above central bank targets. As such, we see limited room for longer-term government bond yields to fall absent an unexpected negative shock to economic activity.

A deceleration in inflation and financial stability concerns are causing central banks to be more cautious about delivering additional monetary tightening. We expect price pressures to moderate, but this process will not be in a straight line. That inflation remains above target means that central banks may be reluctant to swiftly ease policy proactively to address growth headwinds brought about by financial stability concerns, and may wait until there are more evident signs of economic weakness.

On the geopolitical front, the US-China relationship will be marked by ongoing tensions on a number of issues pertaining to trade, technology, human rights, capital flows, regional disputes, and the environment. Elsewhere, Russia's invasion of Ukraine continues to cause volatility in global energy markets and supply chains. To date, Russia's ability to access export markets has been relatively undisturbed, despite the imposition of sanctions. Over the medium term, this geopolitical shock is likely to contribute to higher levels of defence spending across Europe.

Companies judged to be aggressively pursuing AI capabilities or servicing this demand are enjoying a substantial increase in valuations. This, in our minds, will put pressure on other management teams to make their own plans on how to benefit from this disruptive technology. More broadly on the earnings front, corporations have retained pricing power amid a slowing in economic growth – and nominal activity is still high and has room to decelerate further without triggering recession fears. The aggregate amount that US companies exceeded expectations increased for both the top and bottom lines during the most recent reporting period. The resilience of nominal activity and margins suggest that downside to earnings is limited outside of recession, which we do not believe is imminent. Core inflationary pressures are also poised to decelerate, in our view, and may give scope for the Federal Reserve to not only skip hiking rates at its June meeting, but go on a more extended pause.

In our view, the risk-reward proposition for global equities at an index level is balanced. Stocks remain expensive, but we believe earnings estimates will remain resilient as tight labour markets support consumer spending while profit margins stay relatively elevated. US stocks have been the early winners in the AI boom, although at the index level, they have been relatively expensive for a long time, and may underperform if ex-US activity is better than consensus anticipates. However, while European equities have posted strong earnings, some forward looking measures for growth are slowing. We think there is scope for a pullback from Europe's outperformance. Elsewhere, widespread improvements in shareholder return programs have increased the appeal of Japanese equities, however our expectation for JPY appreciation diminishes the attractiveness somewhat. In emerging markets, there has been a derating and a larger total drawdown in earnings estimates compared to development markets. In our view, this limits scope for further relative underperformance going forward.

Within fixed income, central banks' commitment to keeping policy in restrictive territory and reluctance to reverse course amid above-target inflation should keep yield curves relatively flat until a contraction in economic activity is at hand. In our view, carry within credit is attractive however the market pricing is in line with a soft-landing environment and may be challenged should recession fears increase. Typically, the end of the Fed tightening cycle is a negative for spreads and this adds to our less constructive view on US high yield.

Foreign exchange markets continue to provide clean expressions for our relative value views over a number of horizons. the degree of overvaluation seen in the USD remains inconsistent with many weak US economic fundamentals. Looking back over the last 18 months, the hawkishness of the Fed was one major hurdle preventing us from increasing the USD underweight, however this has largely faded year-to-date. In our view, with the Fed coming closer to the end of its tightening cycle, and previously priced cuts now removed from the curve, we view scope for USD weakness in the second half of this year. We remain constructive on JPY given it remains very attractively valued, while portfolio utility it affords is appealing should more recessionary pricing come to the fore. We continue to prefer expressing our European exposure via Norwegian krone (NOK) where the valuation case has become more attractive, fundamentals appear more robust, and which has positive energy exposure. We remain constructive on Latin American currencies, having rebalanced towards those where we see greatest prospective upside. Generally, we are seeing an improved outlook given reduced political risk premium reduce and high carry across the bloc.

UBS Asset Management (UK) Ltd- a sub-delegate of True Potential Investments LLP

27 June 2023

Portfolio changes

for the year ended 31 May 2023

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

	Cost
Purchases:	£000s
UBS MSCI World Minimum Volatility Index Fund	46,402
UBS Investment Funds ICVC II - UBS FTSE RAFI Developed 1000 Index Fund	45,809
UK Treasury Gilt 0.625% 07/06/2025	37,689
US Treasury Gilt 4.25% 15/05/2039	31,530
BlackRock iShares Emerging Markets Government Bond Index Fund	26,379
Government of Australia 3.75% 21/04/2037	25,909
UBS Irl Investor Selection - Currency Allocation Return Strategy	23,584
UK Treasury Gilt 0.25% 31/01/2025	18,631
UK Treasury Gilt 5% 07/03/2025	15,506
UK Treasury Gilt 0.125% 31/01/2023	14,870
Subtotal	286,309
Total cost of purchases, including the above, for the year	371,060

	Proceeds
Sales:	£000s
UK Treasury Gilt 0.125% 31/01/2023	35,900
UBS Investment Funds ICVC II - UBS FTSE RAFI Developed 1000 Index Fund	28,451
US Treasury Gilt 4.25% 15/05/2039	23,255
Xtrackers USD High Yield Corporate Bond UCITS ETF	21,161
Republic of South Africa 8% 31/01/2030	18,763
UK Treasury 1.75% 07/09/2022	18,354
UBS MSCI World Minimum Volatility Index Fund	17,920
iShares USD High Yield Corporate Bond UCITS ETF	15,960
UBS Investment Funds ICVC - UBS UK Equity Income Fund	15,689
UK Treasury Gilt 0% 23/01/2023	15,000
Subtotal	210,453
Total proceeds from sales, including the above, for the year	253,528

Portfolio statement

as at 31 May 2023

Investment	Nominal value or holding	Market value £000s	% of total net assets
Debt Securities 28.37% (29.27%)			
Government Bonds 28.37% (29.27%)			
Government of Australia 3.75% 21/04/2037	AUD 58,532,000	30,289	3.60
UK Treasury Gilt 0.125% 31/01/2024	£9,982,000	9,688	1.15
UK Treasury Gilt 0.25% 31/01/2025	£20,000,000	18,577	2.21
UK Tresury Gilt 0.625% 07/06/2025	£40,000,000	37,170	4.42
UK Treasury Gilt 0.75% 22/07/2023	£28,090,000	27,944	3.32
UK Treasury Gilt 1% 22/04/2024	£19,991,000	19,347	2.30
UK Treasury Gilt 2.25% 07/09/2023	£14,719,000	14,628	1.74
UK Treasury Gilt 4.75% 07/12/2038	£21,497,000	22,327	2.65
UK Treasury Gilt 5% 07/03/2025	£15,000,000	15,101	1.80
US Treasury Gilt 4.25% 15/05/2039	$51,175,000	43,548	5.18
Total Government Bonds		238,619	28.37
Total Debt Securities		238,619	28.37
Collective Investment Schemes 56.32% (59.87%)			
UK Authorised Collective Investment Schemes 43.55% (45.49%)			
UBS Investment Funds ICVC II - UBS FTSE RAFI Developed 1000 Index Fund	18,536	120,241	14.29
UBS Investment Funds ICVC - UBS UK Equity Income Fund	54,622	59,895	7.12
UBS MSCI World Minimum Volatility Index Fund	27,938	152,998	18.19
UBS Sterling Corporate Bond Indexed Fund	274,051	33,166	3.95
Total UK Authorised Collective Investment Schemes		366,300	43.55
Offshore Collective Investment Schemes 12.77% (14.38%)			
Amundi Index Solutions - Amundi Index FTSE EPRA NAREIT Global UCITS ETF	151,214	7,335	0.87
BlackRock iShares Emerging Markets Government Bond Index Fund	4,589,143	37,205	4.42
UBS Irl Investor Selection - Currency Allocation Return Strategy	665	57,152	6.80
Xtrackers MSCI World Energy UCITS ETF	172,843	5,737	0.68
Total Offshore Collective Investment Schemes		107,429	12.77
Total Collective Investment Schemes		473,729	56.32
Futures 1.40% (-0.45)%			
CME - E Mini S&P 500 Index June 2023	787	8,457	1.01
EUX - Euro Stoxx 50 June 2023	849	849	0.10
EUX Euro Stoxx Bank June 2023	3,799	(234)	(0.03)
EUX MSCI World Index June 2023	596	2,047	0.24
ICF - FTSE 100 Index June 2023	91	(65)	(0.01)
MSE - Canada 10Year Bond Future September 2023	582	3	-
NYF - MSCI Emerging Market June 2023	1,824	4	-
OSE - Topix Index June 2023	125	753	0.09
Total Futures		11,814	1.40

Portfolio statement (continued)

as at 31 May 2023

Investment	Nominal value or holding	Market value £000s	% of total net assets
Forward Currency Contracts 0.27% ((0.72)%)			
Sell Australian dollar	-AUD 59,245,000	(30,942)	
Buy UK sterling	£32,568,840	32,569	
Expiry date 15 June 2023		1,627	0.19
Sell US dollar	-$34,267,000	(27,638)	
Buy UK sterling	£28,221,365	28,221	
Expiry date 15 June 2023		583	0.07
Sell UK sterling	-£23,397,647	(23,398)	
Buy US dollar	£29,121,000	23,488	
Expiry date 15 June 2023		90	0.01
Total Forward Currency Contracts		2,300	0.27
Portfolio of investments		726,462	86.36
Other net assets		114,711	13.64
Total net assets		841,173	100.00

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

The comparative figures in brackets are as at 31 May 2022.

SUMMARY OF PORTFOLIO INVESTMENTS

as at 31 May 2023

	31 May 2023		31 May 2022	
Credit breakdown*	Bid-Market value £000s	Total net assets %	Bid-Market value £000s	Total net assets %
Investments of investment grade	238,619	28.37	185,897	26.52
Investments of below investment grade	-	-	19,255	2.75
Total bonds	238,619	28.37	205,152	29.27
Forward currency contracts – assets	2,300	0.27	-	-
Futures – assets	12,113	1.44	1,994	0.28
Collective Investment Schemes	473,729	56.32	419,638	59.87
Investments as shown in the balance sheet	726,761	86.40	626,784	89.42
Forward currency contracts – liabilities	-	-	(5,030)	(0.72)
Futures – liabilities	(299)	(0.04)	(5,140)	(0.73)
Total value of investments	726,462	86.36	616,614	87.97

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

Risk and reward profile

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

Typically lower rewards, lower risk						Typically higher rewards, higher risk
1	2	3	**4**	5	6	7

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

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

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

Where this Sub-Fund invests into other investment funds, they may invest in different assets, countries or economic sectors and therefore have different risk profiles not in line with those of this Sub-Fund.

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

Zeros and synthetic zeros may not deliver their specified capital return if the assets fail to grow sufficiently during their lifetime and may be unable to pay the amount promised at the maturity date. Zeros and synthetic zeros may leverage their assets, which may lead to more volatile results than assets that do not use leverage. The share prices of zeros and synthetic zeros may stand at a discount to their net asset value per share for prolonged periods.

The Sub-Fund may invest in securities not denominated in sterling, the value of your investments may be affected by changes in currency exchange rates.

For further information please refer to the KIID.

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

There have been no changes to the risk and reward indicator in the year.
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Comparative table

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

	A Accumulation		
	2023	2022	2021
	p	p	p
Change in net assets per share			
Opening net asset value per share	136.52	138.63	116.02
Return before operating charges*	(7.65)	(1.26)	23.38
Operating charges	(0.76)	(0.85)	(0.77)
Return after operating charges*	(8.41)	(2.11)	22.61
Distributions+	(1.94)	(1.74)	(1.13)
Retained distribution on accumulation shares+	1.94	1.74	1.13
Closing net asset value per share	128.11	136.52	138.63
*after direct transaction costs of:	0.02	0.01	0.01
Performance			
Return after charges	(6.16%)	(1.52%)	19.49%
Other information			
Closing net asset value (£000s)	841,173	700,967	462,945
Closing number of shares	656,583,080	513,438,863	333,936,382
Operating charges++	0.59%	0.60%	0.60%
Direct transaction costs	0.01%	0.01%	0.01%
Prices			
Highest share price (p)	137.1	148.3	139.3
Lowest share price (p)	120.8	132.4	116.2

+Rounded to 2 decimal places.

++The operating charges are represented by the Ongoing Charges Figure (OCF). The OCF consists principally of the ACD's periodic charge and the Investment Manager's fee which are included in the annual management charge, but also includes the costs for other services paid. It is indicative of the charges which the share class may incur in a year as it is calculated on historical data. The operating charge includes charges for the underlying funds held.

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

Distribution table

for the year ended 31 May 2023

Distributions on A Accumulation shares in pence per share

Allocation date	Share type	Distribution type	Net revenue	Equalisation	Distribution current year	Distribution prior year
31.01.23	group 1	interim	0.896	-	0.896	0.786
31.01.23	group 2	interim	0.523	0.373	0.896	0.786
31.07.23	group 1	final	1.039	-	1.039	0.958
31.07.23	group 2	final	0.570	0.469	1.039	0.958

Equalisation

Equalisation applies only to group 2 shares. It is the average amount of revenue included in the purchase price of 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 in the hands of the shareholder but must be deducted from the cost of shares for capital gains tax purposes.

Accumulation distributions

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

Interim distributions:

Group 1 Shares purchased before 1 June 2022

Group 2 Shares purchased 1 June 2022 to 30 November 2022

Final distributions:

Group 1 Shares purchased before 1 December 2022

Group 2 Shares purchased 1 December 2022 to 31 May 2023

Financial statements - True Potential UBS Growth

Statement of total return
for the year ended 31 May 2023

	Notes	2023		2022	
		£000s	£000s	£000s	£000s
Income:					
Net capital losses	2		(55,939)		(24,279)
Revenue	3	16,999		11,639	
Expenses	4	(4,025)		(3,192)	
Interest payable and similar charges		(498)		(270)	
Net revenue before taxation		12,476		8,177	
Taxation	5	(943)		(533)	
Net revenue after taxation			11,533		7,644
Total deficit before distributions			(44,406)		(16,635)
Distributions	6		(11,535)		(7,641)
Change in net assets attributable to shareholders from investment activities			(55,941)		(24,276)

Statement of change in net assets attributable to shareholders
for the year ended 31 May 2023

	2023		2022	
	£000s	£000s	£000s	£000s
Opening net assets attributable to shareholders		700,967		462,945
Amounts receivable on issue of shares	315,113		327,832	
Amounts payable on cancellation of shares	(131,081)		(73,805)	
		184,032		254,027
Change in net assets attributable to shareholders from investment activities		(55,941)		(24,276)
Retained distribution on accumulation shares		12,115		8,271
Closing net assets attributable to shareholders		841,173		700,967

Balance Sheet

as at 31 May 2023

	Notes	2023	2022
		£000s	£000s
Assets:			
Fixed assets:			
Investments		726,761	626,784
Current assets:			
Debtors	7	5,497	9,010
Cash and bank balances and amounts held at futures clearing houses and brokers	8	134,294	79,122
Total assets		866,552	714,916
Liabilities:			
Investment liabilities		(299)	(10,170)
Creditors:			
Bank overdrafts (including futures overdrafts)	8	(23,233)	(2,438)
Other creditors	9	(1,847)	(1,341)
Total liabilities		(25,379)	(13,949)
Net assets attributable to shareholders		841,173	700,967

Notes to the financial statements

for the year ended 31 May 2023

1. Accounting policies

The accounting policies are disclosed on pages 12 to 14.

2. Net capital losses

	2023	2022
	£000s	£000s
Non-derivative securities – (losses)/gains	(38,990)	7,745
Derivative contracts – losses	(14,898)	(23,744)
Currency – gains	174	2,178
Forward currency contracts	(2,134)	(10,406)
Commission on futures	(91)	(52)
Net capital losses	(55,939)	(24,279)

3. Revenue

	2023	2022
	£000s	£000s
Non-interest distributions from overseas funds	239	179
Distributions from UK regulated collective investment schemes:		
Franked investment income	7,521	5,332
Unfranked investment income	43	22
Interest distributions	758	663
Interest on debt securities	5,191	3,229
Interest on debt securities from overseas collective investment schemes	1,975	2,172
Bank interest	1,272	42
Total revenue	16,999	11,639

4. Expenses

	2023	2022
	£000s	£000s
Payable to the ACD and associates		
Annual management charge	4,025	3,192
Total expenses	4,025	3,192

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

The annual management charge included an audit fee of £8,082 inclusive of VAT (2022: £5,670 inclusive of VAT).

5. Taxation

	2023	2022
	£000s	£000s
a) Analysis of charge for the year		
Corporation tax	943	533
Total taxation (note 5b)	943	533

b) Factors affecting the current tax charge for the year

The tax assessed for the year is lower (2022: lower) than the standard rate of UK corporation tax for an authorised collective investment scheme of 20% (2022: 20%).

Notes to the financial statements (continued)
for the year ended 31 May 2023

5. Taxation (continued)

The differences are explained below:

	2023	2022
	£000s	£000s
Net revenue before taxation	12,476	8,177
Corporation tax @ 20%	2,495	1,635
Effects of:		
UK revenue	(1,504)	(1,066)
Overseas revenue	(48)	(36)
Total taxation (note 5a)	943	533

6. Distributions

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

	2023	2022
	£000s	£000s
Interim accumulation distribution	5,293	3,352
Final accumulation distribution	6,822	4,919
	12,115	8,271
Equalisation:		
Amounts deducted on cancellation of shares	435	197
Amounts added on issue of shares	(1,015)	(827)
Total net distributions	11,535	7,641

Reconciliation between net revenue and distributions:	2023	2022
	£000s	£000s
Net revenue after taxation per Statement of total return	11,533	7,644
Undistributed revenue brought forward	4	1
Undistributed revenue carried forward	(2)	(4)
Distributions	11,535	7,641

Details of the distribution per share are disclosed in the Distribution table.

7. Debtors

	2023	2022
	£000s	£000s
Amounts receivable on issue of shares	4,092	7,421
Accrued revenue	1,405	1,589
Total debtors	5,497	9,010

8. Cash and bank balances

	2023	2022
	£000s	£000s
Cash and bank balances and amounts held at futures clearing houses and brokers	134,294	79,122
Bank overdraft (including futures overdraft)	(23,233)	(2,438)
Total cash and bank balances	111,061	76,684

9. Other creditors

	2023	2022
	£000s	£000s
Amounts payable on cancellation of shares	942	707
Accrued expenses:		
Payable to the ACD and associates		
Annual management charge	405	316
Total accrued expenses	405	316
Corporation tax payable	500	318
Total other creditors	1,847	1,341

10. Commitments and contingent liabilities

At the balance sheet date there are no commitments or contingent liabilities (2022: same).

11. Share classes

The following reflects the change in shares in issue for each share class in the year:

	A Accumulation
Opening shares in issue	513,438,863
Total shares issued in the year	244,899,469
Total shares cancelled in the year	(101,755,252)
Closing shares in issue	656,583,080

For the year ended 31 May 2023, the annual management charge is 0.53%. The annual management charge includes the ACD's periodic charge, Investment Manager's fee and other permitted charges to the operation of the Sub-Fund.

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

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

12. Related party transactions

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

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

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

13. Events after the balance sheet date

Subsequent to the year end, the net asset value per A Accumulation share has increased from 128.11p to 130.5p as at 27 September 2023. This movement takes into account routine transactions but also reflects the market movements of recent months.

Notes to the financial statements (continued)

for the year ended 31 May 2023

14. Transaction costs

a Direct transaction costs

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

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

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

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

2023	Purchases before transaction costs £000s	Purchases after transaction costs* £000s
Bonds	197,867	197,867
Collective Investment Schemes	173,193	173,193
Total	371,060	371,060

2022	Purchases before transaction costs £000s	Purchases after transaction costs* £000s
Bonds	184,867	184,867
Collective Investment Schemes	210,503	210,503
Total	395,370	395,370

2023	Sales before transaction costs £000s	Sales after transaction costs* £000s
Bonds	146,710	146,710
Collective Investment Schemes	106,818	106,818
Total	253,528	253,528

2022	Sales before transaction costs £000s	Sales after transaction costs* £000s
Bonds	93,269	93,269
Collective Investment Schemes	80,981	80,981
Total	174,250	174,250

*No direct transaction costs were incurred in the purchase and sale of investments during the year (2022: same).

Notes to the financial statements (continued)
for the year ended 31 May 2023

14. Transaction costs (continued)

Summary of direct transaction costs	2023 £000s	2023 % of average net asset value	2022 £000s	2022 % of average net asset value
Derivatives	91	0.01	52	0.01

b Average portfolio dealing spread

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

The average portfolio dealing spread of the investments at the balance sheet date was 0.04% (2022: 0.06%).

15 Risk management policies

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

a Market risk

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

The method used to calculate the global exposure is absolute Value at risk (VaR). The calculation of the Absolute VaR is carried out in accordance with the following parameters: 99% one-sided confidence interval, 1 month (20 day) holding period, Monte Carlo simulation (10,000 simulations) ,1-year (250 day) history with time decay factor (weighting recent events).

A given fund's limit is based on its Risk profile. All of the positions within the fund (direct investments and derivatives) are taken into account for the VaR calculation, not just derivatives.

The below table shows the lowest, the highest and the average utilisation of the VaR limit calculated during the financial year, 01 June 2022 - 31 May 2023. Funds using the VaR approach disclose the level of leverage employed during the relevant period, using the gross method (sum of the notionals of the derivatives used).

	Lowest VaR %	Highest VaR %	Average VaR %	VaR Limit %	Average Level of leverage %	Typical expected Leverage %
True Potential UBS Growth	6.91	10.12	8.41	17.50	139.04	160

(i) Other price risk

The Sub-Fund's exposure to price risk comprises mainly of movements in the value of investment positions in the face of price movements.

The main elements of the portfolio of investments exposed to this risk are debt securities and collective investment schemes.

This risk is generally regarded as consisting of two elements: stock specific risk and market risk. Through these two factors, the Sub-Fund is exposed to price fluctuations, which are monitored by the ACD in pursuance of the investment objective and policy.

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

Notes to the financial statements (continued)
for the year ended 31 May 2023

15 Risk management policies (continued)

At 31 May 2023, if the price of the investments held by the Sub-Fund increased or decreased by 5%, with all other variables remaining constant, then the net assets attributable to shareholders of the Sub-Fund would increase or decrease by approximately £36,323,000 (2022: £30,830,000).

(ii) Currency risk

Currency risk is the risk that the value of investments or future cash flows will fluctuate as a result of exchange rate movements. Investment in overseas securities or holdings of foreign currency cash will provide direct exposure to currency risk as a consequence of the movement in foreign exchange rates against sterling. Investments in UK securities investing in overseas securities will give rise to indirect exposure to currency risk. These fluctuations can also affect the profitability of some UK companies, and thus their market prices, as sterling's relative strength or weakness can affect export prospects, the value of overseas earnings in sterling terms, and the prices of imports sold in the UK.

Forward currency contracts are used to help the Sub-Fund achieve its investment objective as stated in the Prospectus. The ACD monitors the exposure to these contracts to ensure they are in keeping with the investment objective.

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

2023	Total net foreign currency exposure* £000s
Australian dollar	34,719
Canadian dollar	398
Euro	815
Hong Kong dollar	(3,143)
Japanese yen	3,436
South African rand	4,302
US dollar	77,568
Total net foreign currency exposure	118,095

2022	Total net foreign currency exposure* £000s
Australian dollar	22,439
Euro	546
Hong Kong dollar	(2,112)
Japanese yen	1,825
South African rand	22,195
US dollar	86,715
Total net foreign currency exposure	131,608

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

At 31 May 2023, if the value of sterling increased or decreased by 5% against all other currencies, with all other variables remaining constant, then the net assets attributable to shareholders of the Sub-Fund would increase or decrease by approximately £4,040,000 (2022: £62,000). Forward currency contracts are used to manage the portfolio exposure to currency movements.

Notes to the financial statements (continued)

for the year ended 31 May 2023

15 Risk management policies (continued)

(iii) Interest rate risk

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

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

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

The Sub-Fund has indirect exposure to interest rate risk as it invests in bond funds.

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

At 31 May 2023, if interest rates increased or decreased by 25 points, with all other variables remaining constant, then the net assets attributable to shareholders of the Sub-Fund would increase or decrease by approximately £278,000 (2022: £482,000).

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

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

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

	Variable rate financial assets	Variable rate financial liabilities	Fixed rate financial assets	Non-interest bearing financial assets	Non-interest bearing financial liabilities	Total
2023	£000s	£000s	£000s	£000s	£000s	£000s
Australian dollar	2,679	-	30,288	1,752	-	34,719
Canadian dollar	395	-	-	3	-	398
Euro	199	-	-	850	(234)	815
Hong Kong dollar	-	(3,143)	-	-	-	(3,143)
Japanese yen	2,683	-	-	753	-	3,436
South African rand	4,302	-	-		-	4,302
UK sterling	124,036	-	164,782	436,172	(1,912)	723,078
US dollar	-	(20,090)	43,547	54,111	-	77,568
	134,294	(23,233)	238,617	493,641	(2,146)	841,173

Notes to the financial statements (continued)

for the year ended 31 May 2023

15 Risk management policies (continued)

	Variable rate financial assets	Variable rate financial liabilities	Fixed rate financial assets	Non-interest bearing financial assets	Non-interest bearing financial liabilities	Total
2022	£000s	£000s	£000s	£000s	£000s	£000s
Australian dollar	1,186	-	21,540	86	(373)	22,439
Euro	-	(326)	-	898	(26)	546
Hong Kong dollar	-	(2,112)	-	-	-	(2,112)
Japanese yen	1,774	-	-	51	-	1,825
South African rand	3,104	-	19,255	561	(725)	22,195
UK sterling	65,436	-	125,185	380,718	(1,980)	569,359
US dollar	7,622	-	39,173	48,327	(8,407)	86,715
	79,122	(2,438)	205,153	430,641	(11,511)	700,967

b Credit risk

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

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

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

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

Holdings in collective investment schemes are subject to direct credit risk. The exposure to pooled investment vehicles is unrated.

c Liquidity risk

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

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

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

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

Notes to the financial statements (continued)

for the year ended 31 May 2023

15 Risk management policies (continued)

In addition liquidity is subject to stress testing on an annual basis to assess the ability of the Sub-Fund to meet large redemptions (50% of the net asset value and 80% of the net asset value), while still being able to adhere to its objective guidelines and the FCA investment borrowing regulations.

All of the financial liabilities are payable on demand. In the case of forward foreign currency contracts these are payable in less than one year.

d Fair value of financial assets and financial liabilities

There is no material difference between the value of the financial assets and liabilities, as shown in the balance sheet, and their fair value.

To ensure this, the fair value pricing committee is a body appointed by the ACD to analyse, review and vote on price adjustments/maintenance where no current secondary market exists and/or where there are potential liquidity issues that would affect the disposal of an asset. In addition, the committee may also consider adjustments to the Sub-Fund's price should the constituent investments be exposed to closed markets during general market volatility or instability.

	Investment assets	Investment liabilities
Basis of valuation	2023	2023
	£000s	£000s
Quoted prices	263,804	(299)
Observable market data	462,957	-
Unobservable data	-	-
	726,761	(299)

	Investment assets	Investment liabilities
Basis of valuation	2022	2022
	£000s	£000s
Quoted prices	230,570	(5,140)
Observable market data	396,214	(5,030)
Unobservable data	-	-
	626,784	(10,170)

No securities in the portfolio of investments are valued using valuation techniques.

e Assets subject to special arrangements arising from their illiquid nature

There are no assets held in the portfolio of investments which are subject to special arrangements arising from their illiquid nature.

f Derivatives

The Sub-Fund may employ derivatives with the aim of reducing the Sub-Fund's risk profile, reducing costs or generating additional capital or revenue, in accordance with Efficient Portfolio Management.

The ACD monitors that any exposure is covered globally to ensure adequate cover is available to meet the Sub-Fund's total exposure, taking into account the value of the underlying investments, any reasonably foreseeable market movement, counterparty risk, and the time available to liquidate any positions.

In the year there was direct exposure to derivatives. On a daily basis, exposure is calculated in UK sterling using the Absolute Value at Risk (VaR) approach with netting applied where appropriate. The total global exposure figure is divided by the net asset value of the Sub-Fund to calculate the percentage global exposure. Global exposure is a risk mitigation technique that monitors the overall commitment to derivatives in the Sub-Fund at any given time and may not exceed 100% of the net asset value of the property of the Sub-Fund.

Notes to the financial statements (continued)
for the year ended 31 May 2023

15 Risk management policies (continued)

For certain derivative transactions cash margins may be required to be paid to the brokers with whom the trades were executed and settled. These balances are subject to daily reconciliations and are held by the broker in segregated cash accounts that are afforded client money protection.

Derivatives may be used for investment purposes and as a result could potentially impact upon the risk factors outlined above.

(i) Counterparties

Transactions in securities give rise to exposure to the risk that the counterparties may not be able to fulfil their responsibility by completing their side of the transaction. This risk is mitigated by the Sub-Fund using a range of brokers for security transactions, thereby diversifying the risk of exposure to any one broker. In addition the Sub-Fund will only transact with brokers who are subject to frequent reviews with whom transaction limits are set.

The Sub-Fund may transact in derivative contracts which potentially exposes the Sub-Fund to counterparty risk from the counterparty not settling their side of the contract. Transactions involving derivatives are entered into only with investment banks and brokers with appropriate and approved credit rating, which are regularly monitored. Forward currency transactions are only undertaken with the custodians appointed by the Depositary.

At the balance sheet date, there are no securities in the portfolio of investments subject to a repurchase agreement.

(ii) Leverage

The leverage is calculated as the sum of the net asset value and the incremental exposure generated through the use of derivatives (calculated in accordance with the Absolute Value at Risk (VaR) approach) divided by the net asset value.

As at the balance sheet date, the leverage was 142.42%.

(iii) Global exposure

Global exposure is a measure designed to limit the leverage generated by a fund through the use of financial derivative instruments, including derivatives with embedded assets.

At the balance sheet date the global exposure is as follows:

	Gross exposure value £000s	% of the total net asset value
Investment		
Futures		
CME - E Mini S&P 500 Index June 2023	133,045	15.82%
EUX - Euro Stoxx 50 June 2023	30,796	3.66%
EUX Euro Stoxx Bank June 2023	16,086	1.91%
EUX MSCI World Index June 2023	41,644	4.95%
ICF - FTSE 100 Index June 2023	6,781	0.81%
MSE - Canada 10Year Bond Future September 2023	42,723	5.08%
NYF - MSCI Emerging Market June 2023	70,405	8.37%
OSE - Topix Index June 2023	15,347	1.82%
Forward Currency Contracts		
Value of short position - Australian dollar	30,942	3.68%
Value of short position - US dollar	4,151	0.49%

Notes to the financial statements (continued)
for the year ended 31 May 2023

15 Risk management policies (continued)

The Sub-Fund holds 'Over the Counter' (OTC) derivatives. This type of transaction gives rise to counterparty risk whereby the other party to the transaction may fail to fulfil their contractual obligations. Effective monitoring of counterparty credit risk is an important element of the management of the Sub-Fund.

Collateral arrangements are actively managed, ensuring cash or securities are pledged against the performance of a contract where necessary. This mitigates any potential negative impact on the Sub-Fund in the unlikely event of a counterparty default. Whether or not each position is collateralised depends on whether a net liability is held with each counterparty, the specific agreements with individual counterparties and de minimis thresholds. As such there will be instances where the Sub-Fund is not required to hold collateral.

The counterparty, collateral amount and type held by the Sub-Fund as at the 31 May 2023 is detailed in the table below.

Counterparty	Collateral classification	Collateral value
Merrill Lynch International	Cash	£15,380,657

True Potential UBS Aggressive
Sub-investment Manager's report

This supplemental reporting is intended to provide you with an overview of portfolio activity during the period and should not be relied upon to make investment decisions or otherwise.

Investment Objective and Policy

The investment objective of the Sub-Fund is to achieve capital growth over the long term (5 years or longer) through active management of a diversified investment portfolio whilst seeking to control the overall level of portfolio risk. The sub-delegate will seek to diversify the Sub-Fund's exposure across asset classes and vary the total market exposure as required.

To achieve the objective the Sub-Fund will be invested in a range of higher and lower risk assets. Higher risk assets include domestic and international equities, property, commodities and absolute return strategies. Exposure to these higher risk assets will be achieved indirectly through eligible collective investment schemes (this may include collective investment schemes managed by the Investment Manager or sub-delegate), listed securities or eligible derivatives. Exposure to higher risk assets is expected to represent between 40% and 100% of assets reflecting the aggressive nature of the Sub-Fund.

Lower risk assets include domestic and international government, corporate and supranational institution bonds, money market instruments and cash or near cash instruments. Exposure to lower risk assets may be achieved directly, through investment in listed securities and money market instruments, or indirectly, through eligible collective investment schemes and eligible derivatives.

The Sub-Fund may also use spot and forward foreign exchange instruments to manage currency exposure.

There are no geographical restrictions on the countries of investment.

Derivatives may be used for investment purposes and Efficient Portfolio Management. A significant proportion of the Sub-Fund's scheme property may be invested in derivatives. The use of derivatives for investment purposes may increase the volatility and risk profile of the Sub-Fund.

Please be aware that there is no guarantee that capital will be preserved.

Sub-Investment Activities

The Aggressive Fund delivered a negative return of -5.89% for the review period (Source: Refinitiv).

The period in review saw a market environment characterised by elevated inflation fluctuating expectations over central bank policy, while worst case scenarios for global growth were largely avoided. Early in the period, central banks remained hawkish and resolute in their messaging given persistent inflation pressures, leading to investor concerns that monetary policy would weigh on growth and induce a recession. Fixed income markets remained under pressure as a result, with the higher yield environment proving a headwind for global equities moving into Q4 2023. October and November 2022 saw improved risk sentiment however, with signs that US inflation pressures were at or near a turning point leading to pricing of less aggressive monetary policy from the Federal Reserve in Q3 2022. As a result, the USD also softened in Q4 2022, with optimism stemming from China's apparent readiness to move away from a COVID-zero approach an additional support to global risk sentiment.

The first quarter of 2023 saw a continuation of the recovery in risk assets, while on a cross asset basis, reversion was seen across a number of segments with full year 2022 underperformers largely rebounding strongly. Despite medium-term recession fears, economic data showed resilience and generally surprised positively, with composite purchasing managers' index (PMI) readings across the US, Europe and China rebounding and moving into positive territory. The relative strength in services versus the weakness in manufacturing was a key feature that continued into Q2 2023, leading to headwinds for emerging market economies despite the USD remaining well below its September 2022 highs. Slowing momentum in the Chinese economy was an additional headwind for emerging markets, with the strong recovery seen in economic data in Q1 2023 failing to continue into Q2 2023. Despite the lack of momentum out of China, Europe and UK managed to avoid major growth slowdown concerns that were expected over the winter months, with easing concerns over energy prices and security leading to support for both economies. General economic resilience in developed economies saw recession concerns fade more broadly, with robust labour markets keeping the prospect of a soft-landing environment alive over the medium term horizon. As a result, risk sentiment improved and equity markets were relatively stable towards the end of the period, although leadership remained fairly narrow given the outperformance of the mega-cap tech names.

More broadly, global equity markets were range bound early in the review period before trending higher in 2023, with developed markets generally finishing in positive territory over the 12-months. Emerging market equities were negative over the period however, with USD strength earlier in the period and disappointment over Chinese economic momentum in 2023 both headwinds. Higher rates were an additional challenge, with 10-year yields rising across German, US and UK government bond among others. On the commodity side, the period saw broad weakness following the highs seen in early 2022, with oil prices trending lower over the 12-month period.

Fund Commentary

The Fund's aggregate equity and fixed income exposures both detracted over the period, while active currency views also contributed negatively. Within equities, core positioning in minimum volatility contributed positively, while RAFI (Research Affiliates Fundamental Indexation) fundamental equity positioning marginally detracted. Both positions underperformed market cap weighted indices over the period, largely due to underperformance between January and May 2023. Elsewhere, a tactical overweight within energy equities detracted given the weakness in commodity prices, while US small cap exposure also contributed negatively. Overweight positioning in Japan added value over the period.

Negative contributions from fixed income were seen across government bonds and yields pushed higher given elevated inflation pressures. UK and US government bond exposures were key detractors, although tactical positioning in Canadian government bonds versus US Treasuries added value. UK investment grade corporates positioning was also a headwind alongside emerging market debt, while US high yield added value.

The Fund's active currency exposure was negative over the reporting period. Long positioning in the Norwegian krone (NOK) was the largest detractor, with low carry and high inflation a headwind. Norges Bank foreign FX purchases also weighed on NOK. Long Japanese yen (JPY) also contributed negatively, seemingly on account of broadening nominal rate differentials. Short New Zealand dollar (NZD), short sterling (GBP) and short Chinese renminbi (CNH) were positive contributors over the period.

In the first half of the reporting period, the Fund's dynamic risk overlay was active in adjusting exposure as volatility measures fluctuated. In the second half of the period, volatility measures trended lower and the Fund had a full risk allocation. Overall, on average, exposure was towards maximum levels over the period.

Investment Strategy and Outlook

We continue to be of the view there will not be an imminent recession – but, as such, we expect inflation to remain sticky and elevated. Labour markets continue to hold up well, with lower energy prices providing some support for real consumer spending and therefore core inflationary pressures can remain elevated. As a result, central bank tightening is likely not complete, however they have been slowing down and in some cases nearing the end. Overall, we expect this should mean a decline in bond volatility, such that further rate hikes will have less of an impact on risky assets going forward. While an expected tightening in lending standards may weigh on growth, we think the strong backdrop for the economy and recent easing of financial conditions will cushion economic activity.

Growth is strong and has room to slow from a high level. Most importantly, the US labour market is in a strong position, with high levels of wage growth. Initial and continuing jobless claims are low, and aggregate income growth is positive in real terms. This should fuel continued gains in consumer spending. And while China's economic rebound has lost some momentum, the outlook for activity is far better than it was last year. Growth resilience raises the odds that services inflation, which is more closely linked to the labour market, remains sticky above central bank targets. As such, we see limited room for longer-term government bond yields to fall absent an unexpected negative shock to economic activity.

A deceleration in inflation and financial stability concerns are causing central banks to be more cautious about delivering additional monetary tightening. We expect price pressures to moderate, but this process will not be in a straight line. That inflation remains above target means that central banks may be reluctant to swiftly ease policy proactively to address growth headwinds brought about by financial stability concerns, and may wait until there are more evident signs of economic weakness.

On the geopolitical front, the US-China relationship will be marked by ongoing tensions on a number of issues pertaining to trade, technology, human rights, capital flows, regional disputes, and the environment. Elsewhere, Russia's invasion of Ukraine continues to cause volatility in global energy markets and supply chains. To date, Russia's ability to access export markets has been relatively undisturbed, despite the imposition of sanctions. Over the medium term, this geopolitical shock is likely to contribute to higher levels of defence spending across Europe.

Companies judged to be aggressively pursuing AI capabilities or servicing this demand are enjoying a substantial increase in valuations. This, in our minds, will put pressure on other management teams to make their own plans on how to benefit from this disruptive technology. More broadly on the earnings front, corporations have retained pricing power amid a slowing in economic growth – and nominal activity is still high and has room to decelerate further without triggering recession fears. The aggregate amount that US companies exceeded expectations increased for both the top and bottom lines during the most recent reporting period. The resilience of nominal activity and margins suggest that downside to earnings is limited outside of recession, which we do not believe is imminent. Core inflationary pressures are also poised to decelerate, in our view, and may give scope for the Federal Reserve to not only skip hiking rates at its June meeting, but go on a more extended pause.

In our view, the risk-reward proposition for global equities at an index level is balanced. Stocks remain expensive, but we believe earnings estimates will remain resilient as tight labour markets support consumer spending while profit margins stay relatively elevated. US stocks have been the early winners in the AI boom, although at the index level, they have been relatively expensive for a long time, and may underperform if ex-US activity is better than consensus anticipates. However, while European equities have posted strong earnings, some forward looking measures for growth are slowing. We think there is scope for a pullback from Europe's outperformance. Elsewhere, widespread improvements in shareholder return programs have increased the appeal of Japanese equities, however our expectation for JPY appreciation diminishes the attractiveness somewhat. In emerging markets, there has been a derating and a larger total drawdown in earnings estimates compared to development markets. In our view, this limits scope for further relative underperformance going forward.

Within fixed income, central banks' commitment to keeping policy in restrictive territory and reluctance to reverse course amid above-target inflation should keep yield curves relatively flat until a contraction in economic activity is at hand. In our view, carry within credit is attractive however the market pricing is in line with a soft-landing environment and may be challenged should recession fears increase. Typically, the end of the Fed tightening cycle is a negative for spreads and this adds to our less constructive view on US high yield.

Foreign exchange markets continue to provide clean expressions for our relative value views over a number of horizons. the degree of overvaluation seen in the USD remains inconsistent with many weak US economic fundamentals. Looking back over the last 18 months, the hawkishness of the Fed was one major hurdle preventing us from increasing the USD underweight, however this has largely faded year-to-date. In our view, with the Fed coming closer to the end of its tightening cycle, and previously priced cuts now removed from the curve, we view scope for USD weakness in the second half of this year. We remain constructive on JPY given it remains very attractively valued, while portfolio utility it affords is appealing should more recessionary pricing come to the fore. We continue to prefer expressing our European exposure via Norwegian krone (NOK) where the valuation case has become more attractive, fundamentals appear more robust, and which has positive energy exposure. We remain constructive on Latin American currencies, having rebalanced towards those where we see greatest prospective upside. Generally, we are seeing an improved outlook given reduced political risk premium reduce and high carry across the bloc.

UBS Asset Management (UK) Ltd- a sub-delegate of True Potential Investments LLP

27 June 2023

Portfolio changes

for the year ended 31 May 2023

The following represents the top ten purchases and sales in the year to reflect a clearer picture of the investment activities.

	Cost
Purchases:	£000s
UBS Investment Funds ICVC II - UBS FTSE RAFI Developed 1000 Index Fund	60,786
UBS MSCI World Minimum Volatility Index Fund	55,848
UK Treasury Gilt 0.625% 07/06/2025	47,111
US Treasury Gilt 4.25% 15/05/2039	45,156
BlackRock iShares Emerging Markets Government Bond Index Fund	36,513
Government of Australia 3.75% 21/04/2037	35,156
UK Treasury Gilt 0.25% 31/01/2025	29,989
UBS Irl Investor Selection - Currency Allocation Return Strategy	28,564
UK Treasury 5% 07/03/2025	15,506
UK Treasury Gilt 0.125% 31/01/2023	14,870
Subtotal	369,499
Total cost of purchases, including the above, for the year	450,873

	Proceeds
Sales:	£000s
UK Treasury Gilt 0.125% 31/01/2023	46,000
UBS Investment Funds ICVC II - UBS FTSE RAFI Developed 1000 Index Fund	38,565
US Treasury Gilt 4.25% 15/05/2039	34,452
UK Treasury Gilt 1.75% 07/09/2022	32,193
Xtrackers USD High Yield Corporate Bond UCITS ETF	29,285
Republic of South Africa 8% 31/01/2030	26,570
UBS Investment Funds ICVC - UBS UK Equity Income Fund	22,338
iShares USD High Yield Corporate Bond UCITS ETF	21,535
Government of Australia 3.75% 21/04/2037	20,057
UBS MSCI World Minimum Volatility Index Fund	19,802
Subtotal	290,797
Total proceeds from sales, including the above, for the year	331,818

Portfolio statement

as at 31 May 2023

Investment	Nominal value or holding	Market value £000s	% of total net assets
Debt Securities - 25.81% (29.50%)			
Government Bonds - 25.81% (29.50%)			
Government of Australia 3.75% 21/04/2037	AUD 81,839,000	42,349	3.56
UK Treasury Gilt 0.125% 31/01/2024	£14,289,000	13,868	1.17
UK Treasury Gilt 0.25% 31/01/2025	£32,193,000	29,902	2.52
UK Treasury Gilt 0.625% 07/06/2025	£50,000,000	46,462	3.91
UK Treasury Gilt 0.75% 22/07/2023	£39,465,000	39,261	3.30
UK Treasury Gilt 1% 22/04/2024	£7,145,000	6,915	0.58
UK Treasury Gilt 2.25% 07/09/2023	£20,473,000	20,346	1.71
UK Treasury Gilt 4.75% 07/12/2038	£30,161,000	31,325	2.64
UK Treasury Gilt 5% 07/03/2025	£15,000,000	15,101	1.27
US Treasury Gilt 4.25% 15/05/2039	$71,852,000	61,144	5.15
Total Government Bonds		306,673	25.81
Total Debt Securities		306,673	25.81
Collective Investment Schemes - 55.95% (59.67%)			
UK Authorised Collective Investment Schemes - 43.26% (45.35%)			
UBS Investment Funds ICVC II - UBS FTSE RAFI Developed 1000 Index Fund	26,037	168,893	14.21
UBS Investment Funds ICVC - UBS UK Equity Income Fund	76,326	83,695	7.04
UBS MSCI World Minimum Volatility Index Fund	39,241	214,897	18.09
UBS Sterling Corporate Bond Indexed Fund	384,928	46,584	3.92
Total UK Authorised Collective Investment Schemes		514,069	43.26
Offshore Collective Investment Schemes - 12.69% (14.32%)			
Amundi Index Solutions - Amundi Index FTSE EPRA NAREIT Global UCITS ETF	214,388	10,400	0.88
BlackRock iShares Emerging Markets Government Bond Index Fund	6,416,518	52,020	4.38
UBS Irl Investor Selection - Currency Allocation Return Strategy	933	80,209	6.75
Xtrackers MSCI World Energy UCITS ETF	242,508	8,050	0.68
Total Offshore Collective Investment Schemes		150,679	12.69
Total Collective Investment Schemes		664,748	55.95
Futures - 1.92% ((0.16)%)			
CME - E Mini S&P 500 Index June 2023	1,419	15,630	1.32
EUREX - Euro Stoxx 50 June 2023	1,517	1,667	0.14
EUREX - Euro Stoxx bank June 2023	5,330	(328)	(0.03)
EUX - MSCI World Index June 2023	1,300	4,466	0.38
ICF - FTSE 100 Index June 2023	244	(174)	(0.01)
MSE CAN 10 years Bond Future September 2023	822	4	-
NYF - MSCI Emerging Market June 2023	2,560	(12)	-
OSE - Topix Index June 2023	235	1,415	0.12
Total Futures		22,668	1.92

Portfolio statement (continued)

as at 31 May 2023

Investment	Nominal value or holding	Market value £000s	% of total net assets
Forward Currency Contracts - 0.21% ((0.70)%)			
Sell Australian dollar	-AUD 82,748,000	(43,217)	
Buy UK sterling	£45,489,179	45,489	
Expiry date 15 June 2023		2,272	0.19
Sell US dollar	-$9,508,000	(7,669)	
Buy UK sterling	£7,830,529	7,831	
Expiry date 15 June 2023		162	0.01
Sell UK sterling	-£36,675,526	(36,676)	
Buy US dollar	$45,634,000	36,807	
Expiry date 15 June 2023		131	0.01
Total Forward Currency Contracts		2,565	0.21
Portfolio of investments		996,654	83.89
Other net assets		191,466	16.11
Total net assets		1,188,120	100.00

All investments are listed on recognised stock exchanges or are approved securities or regulated collective investment schemes within the meaning of the FCA rules unless otherwise stated. Forward contracts are not listed on stock exchanges and are considered over-the-counter instruments.

The comparative figures in brackets are as at 31 May 2022.

SUMMARY OF PORTFOLIO INVESTMENTS

as at 31 May 2023

	31 May 2023		31 May 2022	
Credit breakdown*	Bid-Market value £000s	Total net assets %	Bid-Market value £000s	Total net assets %
Investments of investment grade	306,673	25.81	268,804	26.76
Investments of below investment grade	-	-	27,485	2.74
Total bonds	306,673	25.81	296,289	29.50
Forward currency contracts – assets	2,565	0.21	-	-
Collective Investment Schemes	664,748	55.95	599,305	59.67
Futures - assets	23,182	1.96	5,931	0.59
Investments as shown in the balance sheet	997,168	83.93	901,525	89.76
Forward currency contracts – liabilities	-		(7,171)	(0.70)
Futures – liabilities	(514)	(0.04)	(7,484)	(0.75)
Total value of investments	996,654	83.89	886,870	88.31

* Ratings supplied by S&P, followed by Moody's.

Risk and reward profile

The risk and reward indicator table demonstrates where the Sub-Fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the future risk profile of the Sub-Fund. The shaded area in the table below shows the Sub-Fund's ranking on the risk and reward indicator.

← Typically lower rewards, lower risk | Typically higher rewards, higher risk →

1	2	3	4	5	6	7

The Sub-Fund is in a higher category because the price of its investments have risen or fallen frequently and more dramatically than some other types of investment. The category shown is not guaranteed to remain unchanged and may shift over time. Even the lowest category does not mean a risk-free investment.

The price of the Sub-Fund and any income from it can go down as well as up and is not guaranteed. Investors may not get back the amount invested. Past performance is not a guide to future performance.

Where the Sub-Fund invests in bonds, there is a risk the bond issuer may fail to meet its repayments. This is usually a greater risk for bonds that produce a higher level of income. Changes in interest rates, inflation and the creditworthiness of the bond issuer may also affect the bond's market value.

Where the Sub-Fund invests into other investment funds, they may invest in different assets, countries or economic sectors and therefore have different risk profiles not in line with those of this Sub-Fund.

The Sub-Fund is entitled to use derivative instruments for Efficient Portfolio Management and investment purposes. Derivatives may not achieve their intended purpose. Their prices may move up or down significantly over relatively short periods of time which may result in losses greater than the amount paid. This could adversely impact the value of the Sub-Fund.

The organisation from which the Sub-Fund buys a derivative may fail to carry out its obligations, which could also cause losses to the Sub-Fund.

Zeros and synthetic zeros may not deliver their specified capital return if the assets fail to grow sufficiently during their lifetime and may be unable to pay the amount promised at the maturity date. Zeros and synthetic zeros may leverage their assets, which may lead to more volatile results than assets that do not use leverage. The share prices of zeros and synthetic zeros may stand at a discount to their net asset value per share for prolonged periods.

The Sub-Fund may invest in securities not denominated in sterling, the value of your investments may be affected by changes in currency exchange rates.

For further information please refer to the KIID.

For full details on risk factors for the Sub-Fund, please refer to the Prospectus.

During the year the risk and reward indicator changed from 4 to 5.

Comparative table

The following disclosures give a shareholder an indication of the performance of a share in the Sub-Fund. It also discloses the operating charges and direct transaction costs applied to each share. Operating charges are those charges incurred in operating the Sub-Fund and direct transaction costs are costs incurred when purchasing or selling securities in the portfolio of investments.

	A Accumulation		
	2023	2022	2021
	p	p	p
Change in net assets per share			
Opening net asset value per share	143.88	145.64	117.31
Return before operating charges*	(7.20)	(0.85)	29.12
Operating charges	(0.80)	(0.91)	(0.79)
Return after operating charges*	(8.00)	(1.76)	28.33
Distributions+	(2.04)	(1.85)	(1.26)
Retained distribution on accumulation shares+	2.04	1.85	1.26
Closing net asset value per share	135.88	143.88	145.64
*after direct transaction costs of:	0.02	0.01	0.01
Performance			
Return after charges	(5.56%)	(1.21%)	24.15%
Other information			
Closing net asset value (£000s)	1,188,120	1,004,290	689,402
Closing number of shares	874,407,657	698,016,742	473,371,791
Operating charges++	0.59%	0.60%	0.60%
Direct transaction costs	0.01%	0.01%	0.01%
Prices			
Highest share price (p)	145.5	157.7	146.5
Lowest share price (p)	125.9	137.9	117.5

+Rounded to 2 decimal places.

++The operating charges are represented by the Ongoing Charges Figure (OCF). The OCF consists principally of the ACD's periodic charge and the Investment Manager's fee which are included in the annual management charge, but also includes the costs for other services paid. It is indicative of the charges which the share class may incur in a year as it is calculated on historical data. The operating charge includes charges for the underlying funds held.

Investments carry risk. Past performance is not a guide to future performance. Investors may not get back the amount invested.

Distribution table

for the year ended 31 May 2023

Distributions on A Accumulation shares in pence per share

Allocation date	Share type	Distribution type	Net revenue	Equalisation	Distribution current year	Distribution prior year
31.01.23	group 1	interim	0.953	-	0.953	0.834
31.01.23	group 2	interim	0.468	0.485	0.953	0.834
31.07.23	group 1	final	1.091	-	1.091	1.016
31.07.23	group 2	final	0.554	0.537	1.091	1.016

Equalisation

Equalisation applies only to group 2 shares. It is the average amount of revenue included in the purchase price of 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 in the hands of the shareholder but must be deducted from the cost of shares for capital gains tax purposes.

Accumulation distributions

Holders of accumulation shares should add the distributions received thereon to the cost of the shares for capital gains tax purposes.

Interim distributions:

Group 1	Shares purchased before 1 June 2022
Group 2	Shares purchased 1 June 2022 to 30 November 2022

Final distributions:

Group 1	Shares purchased before 1 December 2022
Group 2	Shares purchased 1 December 2022 to 31 May 2023

Financial statements - True Potential UBS Aggressive

Statement of total return
for the year ended 31 May 2023

	Notes	2023		2022	
		£000s	£000s	£000s	£000s
Income:					
Net capital losses	2		(72,297)		(31,631)
Revenue	3	23,391		16,871	
Expenses	4	(5,634)		(4,582)	
Interest payable and similar charges		(465)		(595)	
Net revenue before taxation		17,292		11,694	
Taxation	5	(1,264)		(737)	
Net revenue after taxation			16,028		10,957
Total deficit before distributions			(56,269)		(20,674)
Distributions	6		(16,032)		(10,954)
Change in net assets attributable to shareholders from investment activities			(72,301)		(31,628)

Statement of change in net assets attributable to shareholders
for the year ended 31 May 2023

	2023		2022	
	£000s	£000s	£000s	£000s
Opening net assets attributable to shareholders		1,004,290		689,402
Amounts receivable on issue of shares	410,261		426,976	
Amounts payable on cancellation of shares	(171,086)		(92,335)	
		239,175		334,641
Change in net assets attributable to shareholders from investment activities		(72,301)		(31,628)
Retained distribution on accumulation shares		16,956		11,875
Closing net assets attributable to shareholders		1,188,120		1,004,290

Balance Sheet

as at 31 May 2023

	Notes	2023	2022
		£000s	£000s
Assets:			
Fixed assets:			
Investments		997,168	901,525
Current assets:			
Debtors	7	11,387	16,674
Cash and bank balances and amounts held at futures clearing houses and brokers	8	213,033	105,488
Total assets		1,221,588	1,023,687
Liabilities:			
Investment liabilities		(514)	(14,655)
Creditors:			
Bank overdrafts (including futures overdrafts)	8	(29,775)	(2,955)
Other creditors	9	(3,179)	(1,787)
Total liabilities		(33,468)	(19,397)
Net assets attributable to shareholders		1,188,120	1,004,290

Notes to the financial statements
for the year ended 31 May 2023

1. Accounting policies

The accounting policies are disclosed on pages 12 to 14.

2. Net capital losses	2023	2022
	£000s	£000s
Non-derivative securities – (losses) /gains	(55,409)	11,334
Derivative contracts – losses	(14,076)	(32,791)
Currency – gains	409	4,828
Forward currency contracts	(3,088)	(14,921)
Commission on futures	(133)	(81)
Net capital losses	(72,297)	(31,631)

3. Revenue	2023	2022
	£000s	£000s
Non-interest distributions from overseas funds	340	263
Distributions from UK regulated collective investment schemes:		
Franked investment income	10,631	7,747
Unfranked investment income	60	33
Interest distributions	1,060	968
Interest on debt securities from overseas collective investment schemes	5,986	3,164
Interest on debt securities	3,308	4,656
Bank interest	2,006	40
Total revenue	23,391	16,871

4. Expenses	2023	2022
	£000s	£000s
Payable to the ACD and associates		
Annual management charge	5,634	4,582
Total expenses	5,634	4,582

The annual management charge includes the ACD's periodic charge, investment management fees and other permitted charges relating to the operation of the Sub-Fund.

The annual management charge included an audit fee of £8,082 inclusive of VAT (2022: £5,670 inclusive of VAT).

5. Taxation	2023	2022
	£000s	£000s
a) Analysis of charge for the year		
Corporation tax	1,264	737
Total taxation (note 5b)	1,264	737

b) Factors affecting the current tax charge for the year

The tax assessed for the year is lower (2022: lower) than the standard rate of UK corporation tax for an authorised collective investment scheme of 20% (2022: 20%).

Notes to the financial statements (continued)
for the year ended 31 May 2023

5. Taxation (continued)

The differences are explained below:

	2023	2022
	£000s	£000s
Net revenue before taxation	17,292	11,694
Corporation tax @ 20%	3,458	2,339
Effects of:		
UK revenue	(2,126)	(1,602)
Overseas revenue	(68)	-
Total taxation (note 5a)	1,264	737

6. Distributions
The distributions take account of revenue added on the issue of shares and revenue deducted on the cancellation of shares and comprise:

	2023	2022
	£000s	£000s
Interim accumulation distribution	7,416	4,783
Final accumulation distribution	9,540	7,092
	16,956	11,875
Equalisation:		
Amounts deducted on cancellation of shares	620	244
Amounts added on issue of shares	(1,544)	(1,165)
Total net distributions	16,032	10,954

Reconciliation between net revenue and distributions:	2023	2022
	£000s	£000s
Net revenue after taxation per Statement of total return	16,028	10,957
Undistributed revenue brought forward	7	4
Undistributed revenue carried forward	(3)	(7)
Distributions	16,032	10,954

Details of the distribution per share are disclosed in the Distribution table.

7. Debtors	2023	2022
	£000s	£000s
Amounts receivable on issue of shares	9,493	14,401
Accrued revenue	1,894	2,273
Total debtors	11,387	16,674

Notes to the financial statements (continued)

for the year ended 31 May 2023

8. Cash and bank balances

	2023	2022
	£000s	£000s
Cash and bank balances and amounts held at futures clearing houses and brokers	213,033	105,488
Bank overdraft (including futures overdraft)	(29,775)	(2,955)
Total cash and bank balances	183,258	102,533

9. Other creditors

	2023	2022
	£000s	£000s
Amounts payable on cancellation of shares	1,982	911
Accrued expenses:		
Payable to the ACD and associates		
Annual management charge	570	449
Total accrued expenses	570	449
Corporation tax payable	627	427
Total other creditors	3,179	1,787

10. Commitments and contingent liabilities

At the balance sheet date there are no commitments or contingent liabilities (2022: same).

11. Share classes

The following reflects the change in shares in issue for each share class in the year:

	A Accumulation
Opening shares in issue	698,016,742
Total shares issued in the year	302,322,268
Total shares cancelled in the year	(125,931,353)
Closing shares in issue	874,407,657

For the year ended 31 May 2023, the annual management charge is 0.53%. The annual management charge includes the ACD's periodic charge, Investment Manager's fee and other permitted charges to the operation of the Sub-Fund.

Further information in respect of the return per share is disclosed in the Comparative table.

On the winding up of a Sub-Fund all the assets of the Sub-Fund will be realised and apportioned to the share classes in relation to the net asset value on the closure date. Shareholders will receive their respective share of the proceeds, net of liabilities and the expenses incurred in the termination in accordance with the FCA regulations. Each share class has the same rights on winding up.

12. Related party transactions

True Potential Administration LLP, as ACD, is a related party due to its ability to act in respect of the operations of the Sub-Fund.

The ACD acts as principal in respect of all transactions of shares in the Sub-Fund. The aggregate monies received and paid through the creation and cancellation of shares are disclosed in the Statement of change in net assets attributable to shareholders of the Sub-Fund.

Amounts payable to the ACD and its associates are disclosed in note 4. The amount due to the ACD and its associates at the balance sheet date is disclosed in note 9.

Notes to the financial statements (continued)

for the year ended 31 May 2023

13. Events after the balance sheet date

Subsequent to the year end, the net asset value per A Accumulation share has increased from 135.88p to 138.8p as at 27 September 2023. This movement takes into account routine transactions but also reflects the market movements of recent months.

14. Transaction costs

a Direct transaction costs

Direct transaction costs include fees and commissions paid to advisers, brokers and dealers; levies by regulatory agencies and security exchanges; and transfer taxes and duties.

Commission is a charge which is deducted from the proceeds of the sale of securities and added to the cost of the purchase of securities. This charge is a payment to advisers, brokers and dealers in respect of their services in executing the trades.

Tax is payable on the purchase of securities in the United Kingdom. It may be the case that 'other taxes' will be charged on the purchase of securities in countries other than the United Kingdom.

The total purchases and sales and the related direct transaction costs incurred in these transactions are as follows:

2023	Purchases before transaction costs £000s	Purchases after transaction costs* £000s
Bonds	229,724	229,724
Collective Investment Schemes	221,149	221,149
Total	450,873	450,873

2022	Purchases before transaction costs £000s	Purchases after transaction costs* £000s
Bonds	253,259	253,259
Collective Investment Schemes	281,862	281,862
Total	535,121	535,121

2023	Sales before transaction costs £000s	Sales after transaction costs* £000s
Bonds	193,837	193,837
Collective Investment Schemes	137,981	137,981
Total	331,818	331,818

Notes to the financial statements (continued)

for the year ended 31 May 2023

14. Transaction costs (continued)

2022	Sales before transaction costs £000s	Sales after transaction costs* £000s
Bonds	123,688	123,688
Collective Investment Schemes	117,908	117,908
Total	241,596	241,596

*No direct transaction costs were incurred in the purchase and sale of investments during the year (2022: same).

Summary of direct transaction costs	2023 £000s	2023 % of average net asset value	2022 £000s	2022 % of average net asset value
Derivatives	133	0.01	81	0.01

b Average portfolio dealing spread

The average portfolio dealing spread is calculated as the difference between the bid and offer value of the portfolio as a percentage of the offer value.

The average portfolio dealing spread of the investments at the balance sheet date was 0.04% (2022: 0.06%).

15 Risk management policies

In pursuing the Sub-Fund's investment objective, as set out in the Prospectus, the following are accepted by the ACD as being the main risks from the Sub-Fund's holding of financial instruments, either directly or indirectly through its underlying holdings. These are presented with the ACD's policy for managing these risks. To ensure these risks are consistently and effectively managed these are continually reviewed by the risk committee, a body appointed by the ACD, which sets the risk appetite and ensures continued compliance with the management of all known risks.

a Market risk

Market risk is the risk that the value of the Sub-Fund's financial instruments will fluctuate as a result of changes in market prices and comprise three elements: other price risk, currency risk, and interest rate risk.

The method used to calculate the global exposure is absolute Value at risk (VaR). The calculation of the Absolute VaR is carried out in accordance with the following parameters: 99% one-sided confidence interval, 1 month (20 day) holding period, Monte Carlo simulation (10,000 simulations) ,1-year (250 day) history with time decay factor (weighting recent events).

A given fund’s limit is based on its Risk profile. All of the positions within the fund (direct investments and derivatives) are taken into account for the VaR calculation, not just derivatives.

The below table shows the lowest, the highest and the average utilisation of the VaR limit calculated during the financial year, 01 June 2022 - 31 May 2023. Funds using the VaR approach disclose the level of leverage employed during the relevant period, using the gross method (sum of the notionals of the derivatives used).

	Lowest VaR %	Highest VaR %	Average VaR %	VaR Limit %	Average Level of leverage %	Typical expected Leverage %
True Potential UBS Aggressive	7.64	12.30	9.88	20.00	149.19	175

Notes to the financial statements (continued)

for the year ended 31 May 2023

15 Risk management policies (continued)

(i) Other price risk

The Sub-Fund's exposure to price risk comprises mainly of movements in the value of investment positions in the face of price movements.

The main elements of the portfolio of investments exposed to this risk are debt securities and collective investment schemes.

This risk is generally regarded as consisting of two elements: stock specific risk and market risk. Through these two factors, the Sub-Fund is exposed to price fluctuations, which are monitored by the ACD in pursuance of the investment objective and policy.

Adhering to investment guidelines and avoiding excessive exposure to one particular issuer can limit stock specific risk. Subject to compliance with the investment objective of the Sub-Fund, spreading exposure in the portfolio of investments both globally and across sectors or geography can mitigate market risk.

At 31 May 2023, if the price of the investments held by the Sub-Fund increased or decreased by 5%, with all other variables remaining constant, then the net assets attributable to shareholders of the Sub-Fund would increase or decrease by approximately £49,833,000 (2022: £44,343,000).

(ii) Currency risk

Currency risk is the risk that the value of investments or future cash flows will fluctuate as a result of exchange rate movements. Investment in overseas securities or holdings of foreign currency cash will provide direct exposure to currency risk as a consequence of the movement in foreign exchange rates against sterling. Investments in UK securities investing in overseas securities will give rise to indirect exposure to currency risk. These fluctuations can also affect the profitability of some UK companies, and thus their market prices, as sterling's relative strength or weakness can affect export prospects, the value of overseas earnings in sterling terms, and the prices of imports sold in the UK.

Forward currency contracts are used to help the Sub-Fund achieve its investment objective as stated in the Prospectus. The ACD monitors the exposure to these contracts to ensure they are in keeping with the investment objective.

The foreign currency risk profile of the Sub-Fund's financial instruments and cash holdings at the balance sheet date is as follows:

2023	Total net foreign currency exposure* £000s
Australian dollar	47,482
Canadian dollar	512
Euro	6,748
Hong Kong dollar	(4,354)
Japanese yen	6,822
South African rand	6,167
US dollar	123,122
Total net foreign currency exposure	186,499

2022	Total net foreign currency exposure* £000s
Australian dollar	31,745
Euro	3,305
Hong Kong dollar	(2,955)
Japanese yen	3,037
South African rand	31,762
US dollar	137,412
Total net foreign currency exposure	204,306

Notes to the financial statements (continued)

for the year ended 31 May 2023

15 Risk management policies (continued)

At 31 May 2023, if the value of sterling increased or decreased by 5% against all other currencies, with all other variables remaining constant, then the net assets attributable to shareholders of the Sub-Fund would increase or decrease by approximately £8,499,000 (2022: £915,000). Forward currency contracts are used to manage the portfolio exposure to currency movements.

* Please note the financial instruments and cash holdings and net debtors and creditors has been merged with total net foreign currency exposure.

(iii) Interest rate risk

Interest rate risk is the risk that the value of the Sub-Fund's investments will fluctuate as a result of interest rate changes.

During the year the Sub-Fund's direct exposure to interest rates consisted of cash and bank balances and interest bearing securities.

The amount of revenue receivable from bank balances or payable on bank overdrafts will be affected by fluctuations in interest rates.

The Sub-Fund has indirect exposure to interest rate risk as it invests in bond funds.

The value of interest bearing securities may be affected by changes in the interest rate environment, either globally or locally.

At 31 May 2023, if interest rates increased or decreased by 25 points, with all other variables remaining constant, then the net assets attributable to shareholders of the Sub-Fund would increase or decrease by approximately £458,000 (2022: £696,957).

The interest rate risk profile of financial assets and liabilities at the balance sheet date is as follows:

The Sub-Fund would not in normal market conditions hold significant cash balances and would have limited borrowing capabilities as stipulated in the COLL rules.

The interest rate risk profile of financial assets and liabilities at the balance sheet date is as follows:

	Variable rate financial assets	Variable rate financial liabilities	Fixed rate financial assets	Non-interest bearing financial assets	Non-interest bearing financial liabilities	Total
2023	£000s	£000s	£000s	£000s	£000s	£000s
Australian dollar	2,686	-	42,349	2,447	-	47,482
Canadian dollar	508	-	-	4	-	512
Euro	5,408	-	-	1,668	(328)	6,748
Hong Kong dollar	-	(4,354)	-	-	-	(4,354)
Japanese yen	5,407	-	-	1,415	-	6,822
South African rand	6,167	-	-	-	-	6,167
UK sterling	185,879	-	203,180	615,915	(3,353)	1,001,621
US dollar	6,978	(25,421)	61,143	80,434	(12)	123,122
	213,033	(29,775)	306,672	701,883	(3,693)	1,188,120

Notes to the financial statements (continued)

for the year ended 31 May 2023

15 Risk management policies (continued)

2022	Variable rate financial assets £000s	Variable rate financial liabilities £000s	Fixed rate financial assets £000s	Non-interest bearing financial assets £000s	Non-interest bearing financial liabilities £000s	Total £000s
Australian dollar	1,408	-	30,745	123	(531)	31,745
Euro	325	-	-	2,980	-	3,305
Hong Kong dollar	-	(2,955)	-	-	-	(2,955)
Japanese yen	1,713	-	-	1,324	-	3,037
South African rand	4,510	-	27,485	801	(1,034)	31,762
UK sterling	72,001	-	182,143	547,663	(1,823)	799,984
US dollar	25,531	-	55,916	69,019	(13,054)	137,412
	105,488	(2,955)	296,289	621,910	(16,442)	1,004,290

b Credit risk

This is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. This includes counterparty risk and issuer risk.

The Depositary has appointed the custodian to provide custody services for the assets of the Sub-Fund. There is a counterparty risk that the custodian could cease to be in a position to provide custody services to the Sub-Fund. The Sub-Fund's investments (excluding cash) are ring fenced hence the risk is considered to be negligible.

In addition to the interest rate risk, bond investments are exposed to issuer risk which reflects the ability for the bond issuer to meet its obligations to pay interest and return the capital on the redemption date. Change in issuer risk will change the value of the investments and is dealt with further in note 15a. All debt securities held within the portfolio are investment grade bonds. These are made across a variety of industry sectors and geographical markets, so as to avoid concentrations of credit risk. A breakdown is provided in the Portfolio statement. The credit quality of the debt securities is disclosed in the Summary of Portfolio Investments.

The Sub-Fund holds cash and cash deposits with financial institutions which potentially exposes the Sub-Fund to counterparty risk. The credit rating of the financial institution is taken into account so as to minimise the risk to the Sub-Fund of default.

Holdings in collective investment schemes are subject to direct credit risk. The exposure to pooled investment vehicles is unrated.

c Liquidity risk

A significant risk is the cancellation of shares which investors may wish to sell and that securities may have to be sold in order to fund such cancellations if insufficient cash is held at the bank to meet this obligation. If there were significant requests for the redemption of shares at a time when a large proportion of the portfolio of investments were not easily tradable due to market volumes or market conditions, the ability to fund those redemptions would be impaired and it might be necessary to suspend dealings in shares in the Sub-Fund.

Investments in smaller companies at times may prove illiquid, as by their nature they tend to have relatively modest traded share capital. Shifts in investor sentiment, or the announcement of new price sensitive information, can provoke significant movement in share prices, and make dealing in any quantity difficult.

The Sub-Fund may also invest in securities that are not listed or traded on any stock exchange. In such situations the Sub-Fund may not be able to immediately sell such securities.

To reduce liquidity risk the ACD will ensure, in line with the limits stipulated within the COLL rules, a substantial portion of the Sub-Fund's assets consist of readily realisable securities. This is monitored on a monthly basis and reported to the Risk Committee together with historical outflows of the Sub-Fund.

Notes to the financial statements (continued)

for the year ended 31 May 2023

15 Risk management policies (continued)

In addition liquidity is subject to stress testing on an annual basis to assess the ability of the Sub-Fund to meet large redemptions (50% of the net asset value and 80% of the net asset value), while still being able to adhere to its objective guidelines and the FCA investment borrowing regulations.

All of the financial liabilities are payable on demand. In the case of forward foreign currency contracts these are payable in less than one year.

d Fair value of financial assets and financial liabilities

There is no material difference between the value of the financial assets and liabilities, as shown in the balance sheet, and their fair value.

To ensure this, the fair value pricing committee is a body appointed by the ACD to analyse, review and vote on price adjustments/maintenance where no current secondary market exists and/or where there are potential liquidity issues that would affect the disposal of an asset. In addition, the committee may also consider adjustments to the Sub-Fund's price should the constituent investments be exposed to closed markets during general market volatility or instability.

	Investment assets	Investment liabilities
Basis of valuation	2023	2023
	£000s	£000s
Quoted prices	348,304	(514)
Observable market data	648,864	-
Unobservable data	-	-
	997,168	(514)

	Investment assets	Investment liabilities
Basis of valuation	2022	2022
	£000s	£000s
Quoted prices	335,570	(7,484)
Observable market data	565,955	(7,171)
Unobservable data	-	-
	901,525	(14,655)

No securities in the portfolio of investments are valued using valuation techniques.

e Assets subject to special arrangements arising from their illiquid nature

There are no assets held in the portfolio of investments which are subject to special arrangements arising from their illiquid nature.

f Derivatives

The Sub-Fund may employ derivatives with the aim of reducing the Sub-Fund's risk profile, reducing costs or generating additional capital or revenue, in accordance with Efficient Portfolio Management.

The ACD monitors that any exposure is covered globally to ensure adequate cover is available to meet the Sub-Fund's total exposure, taking into account the value of the underlying investments, any reasonably foreseeable market movement, counterparty risk, and the time available to liquidate any positions.

In the year there was direct exposure to derivatives. On a daily basis, exposure is calculated in UK sterling using the Absolute Value at Risk (VaR) approach with netting applied where appropriate. The total global exposure figure is divided by the net asset value of the Sub-Fund to calculate the percentage global exposure. Global exposure is a risk mitigation technique that monitors the overall commitment to derivatives in the Sub-Fund at any given time and may not exceed 100% of the net asset value of the property of the Sub-Fund.

Notes to the financial statements (continued)
for the year ended 31 May 2023

15 Risk management policies (continued)

For certain derivative transactions cash margins may be required to be paid to the brokers with whom the trades were executed and settled. These balances are subject to daily reconciliations and are held by the broker in segregated cash accounts that are afforded client money protection.

Derivatives may be used for investment purposes and as a result could potentially impact upon the risk factors outlined above.

(i) Counterparties

Transactions in securities give rise to exposure to the risk that the counterparties may not be able to fulfil their responsibility by completing their side of the transaction. This risk is mitigated by the Sub-Fund using a range of brokers for security transactions, thereby diversifying the risk of exposure to any one broker. In addition the Sub-Fund will only transact with brokers who are subject to frequent reviews with whom transaction limits are set.

The Sub-Fund may transact in derivative contracts which potentially exposes the Sub-Fund to counterparty risk from the counterparty not settling their side of the contract. Transactions involving derivatives are entered into only with investment banks and brokers with appropriate and approved credit rating, which are regularly monitored. Forward currency transactions are only undertaken with the custodians appointed by the Depositary.

At the balance sheet date, there are no securities in the portfolio of investments subject to a repurchase agreement.

(ii) Leverage

The leverage is calculated as the sum of the net asset value and the incremental exposure generated through the use of derivatives (calculated in accordance with the Absolute Value at Risk (VaR) approach) divided by the net asset value.

As at the balance sheet date, the leverage was 154.18%.

(iii) Global exposure

Global exposure is a measure designed to limit the leverage generated by a fund through the use of financial derivative instruments, including derivatives with embedded assets.

At the balance sheet date the global exposure is as follows:

	Gross exposure value £000s	% of the total net asset value
Investment		
Futures		
CME - E Mini S&P 500 Index June 2023	239,887	20.19
EUREX - Euro Stoxx 50 June 2023	55,027	4.63
EUREX - Euro Stoxx bank June 2023	22,568	1.90
EUX- MSCI World Index June 2023	90,834	7.65
ICF- FTSE 100 Index June 2023	18,183	1.53
MSE CAN 10 years Bond Future September 2023	60,341	5.08
NYF- MSCI Emerging Market June 2023	98,814	8.32
OSE - Topix Index June 2023	28,852	2.43
Forward Currency Contracts		
Value of short position - Australian dollar	43,217	3.64
Value of long position - US dollar	29,138	2.45

Notes to the financial statements (continued)

for the year ended 31 May 2023

15 Risk management policies (continued)

The Sub-Fund holds 'Over the Counter' (OTC) derivatives. This type of transaction gives rise to counterparty risk whereby the other party to the transaction may fail to fulfil their contractual obligations. Effective monitoring of counterparty credit risk is an important element of the management of the Sub-Fund.

Collateral arrangements are actively managed, ensuring cash or securities are pledged against the performance of a contract where necessary. This mitigates any potential negative impact on the Sub-Fund in the unlikely event of a counterparty default. Whether or not each position is collateralised depends on whether a net liability is held with each counterparty, the specific agreements with individual counterparties and de minimis thresholds. As such there will be instances where the Sub-Fund is not required to hold collateral.

The counterparty, collateral amount and type held by the Sub-Fund as at the 31 May 2023 is detailed in the table below.

Counterparty	Collateral classification	Collateral value
Merrill Lynch International	Cash	£27,372,685

True Potential 7IM Defensive
Sub-investment Manager's report

This supplemental reporting is intended to provide you with an overview of portfolio activity during the period and should not be relied upon to make investment decisions or otherwise.

Investment Objective and Policy

The investment objective of the Sub-Fund is to provide a total return of capital and income, substantially by way of income. The majority of the portfolio of the Sub-Fund will be invested in fixed income and equity instruments (including collective investment schemes which, at times, may form a substantial part of the Sub-Fund) using predominantly actively allocated, but, passively implemented strategies (that is, strategies designed to track the performance of particular indices, market sectors or asset classes). The Sub-Fund may be invested in other asset classes such as property (indirectly), commodities (indirectly), hedge funds (indirectly, for example via listed securities) and private equities (indirectly, for example via listed securities). Exposure to the above asset classes will be gained through direct holdings of securities, collective investment schemes, exchange traded funds or derivatives with the objective of improving returns and controlling risk by increasing diversification within the portfolio. The Sub-Fund may also be invested in deposits, cash and near cash and money market instruments.

There are no geographic restrictions on the investments of the Sub-Fund.

Derivatives may be used for investment purposes and Efficient Portfolio Management. The use of derivatives for investment purposes may increase the volatility and risk profile of the Sub-Fund.

Please be aware that there is no guarantee that capital will be preserved.

Sub-Investment Activities

The fund returned -5.2% during the reporting period. Over the same period, the IA Mixed Investment 0-35% shares returned -4.2% (Source: FEfundinfo).

Global equities had a very tough month in June 2022. Investors grew increasingly concerned about rising rates and inflation data showed no sign of slowing down. Rising food and energy prices were a key cause as crude retreated slightly after peaking in early June. China was a slight exception as lockdowns seemed to temporarily ease resulting in a slight positive upturn. In June 2022, we tilted our UK allocation away from the FTSE 250 and towards the FTSE 100. This change tilted our portfolios towards an inexpensive market, with sector exposures which aligned with a number of our other views: growth to value rotation, inflation-driven market volatility, healthcare, and a potential commodity super-cycle.

Along with this change, we also moved duration to neutral from underweight in June 2022. Given much more attractive yields on bonds, we viewed this as a good time to increase our exposure. In August 2022, we refreshed our SAA (Strategic Asset allocation) in line with its annual schedule. This is led by an optimisation process that maps asset classes onto risk factors in order to create optimal portfolios for each risk profile. This year’s process resulted in an increase in equity exposure as well as reductions in duration and credit exposure.

In July 2022, developed markets turned around. Investors began to focus on the potential of interest rate cuts in 2023 as there were very slight signs that the global economy, and hence inflation, could be slowing. Themes that were seen earlier in the year reversed as growth stocks rallied the most. Contrary to what we saw in June, China lagged developed markets, and bond yields fell across the developed world.

Going into 2022 August, our worldview was turning more negative. Our belief was that economic data was likely to weaken and equity markets would respond by moving sideways with some volatility. In order to position portfolios for this market outcome, we moved our portfolios underweight equity relative to our SAA. In August 2022, markets returned to the trends that were seen before July as markets realised that rate hikes were required to bring inflation down in a meaningful way. Developed markets sold off. In contrast to July, bond yields fell, and emerging markets help up well. The UK was another market that underperformed as investors were gripped by the resignation of Boris Johnson, the energy crisis, and weakening economic data.

September 2022 rounded off yet another tough quarter for markets with the trends that were seen in August continuing. Yet again, a lot of the drama came from the UK as Kwasi Kwarteng presented the mini budget. Unfunded tax cuts and proposed spending on a large scale elicited a dramatic response from markets. Gilts and UK equities sold off heavily as investors lost confidence in the UK economy going forward. During September 2022, we further reduced the headline equity beta of our portfolios to an even more underweight position relative to our SAA. This was in line with our core view that a global manufacturing downturn is unavoidable and economic fundamentals are set to decline.

During September 2022, we also removed the remaining part of our value allocation. This position was in place to benefit from a cyclical upturn, something we no longer believe will happen soon. This position went into a combination of cash and our Berkshire Hathaway allocation which is better placed to benefit from the economic conditions we see going forward.

In yet another mini reversal, developed markets posted strong gains as emerging markets fell in October 2022. Despite the Federal reserve signalling that tighter monetary policy is still required to keep inflation in check, markets found something to be positive about. It is possible that investors were focussed on earnings season where in previous reports data had been better than expectations. In China, equities performed badly as covid restrictions did not let up. And in the UK, the appointment of Rishi Sunak was well received by gilt markets. During October 2022, we unwound our tactical emerging market overweight. Our original case for the emerging market overweight was that the global economy would rebound after COVID-19. This has happened and it now looks as though the global economy is headed for/already in recession mode.

In October, we also removed our RMBS position. The original bull case for the position has played out and we took profits on the position. The US housing market stayed strong and mortgage prepayments meant the trade performed well. With employment potentially less certain than it has been and changing forces in housing markets, we do not think the trade is as attractive as it was.

Equity markets were positive in November 2022 with emerging markets outperforming their developed counterparts. In the developed world, there was hope that US inflation may have peaked, and rates might turn around. The driver of emerging market outperformance, yet again, was China's covid policy. In November, China loosened rules and markets responded very positively.

In December 2022, investors faced challenges as the Chinese economy reopened faster than expected, central banks continued to tighten monetary policy, and the Bank of Japan surprised the market. Developed market equities declined. The hawkishness of the US Federal Reserve set the tone for the month, despite easing inflation in many developed countries. Major central banks showed no signs of changing their accommodative monetary policies. Government bond yields rose due to central bank actions. China's swift policy changes towards reopening and downgrading COVID restrictions caused market concerns. In December, we further reduced our headline equity beta. Our base case view of the world for 2023 was that a recession was more likely than not. In this environment, we would not expect equities to perform well.

In December, we also increased our headline bond exposure. Since the start of 2022, treasury yields had risen significantly. This means they have a much more attractive base return before any price movement. On top of this, we believe that rate hikes are already priced in. In January 2023, we introduced a metals and mining trade. We have a lot of conviction in this trade as a long-term theme. The amount of metal needed to get to net zero is vast, and the nature of mining means that supply cannot increase in line with this. Mining companies are likely to benefit. Furthermore, the companies are cheap and produce very healthy dividends.

January 2023 witnessed a strong beginning for equity markets, both in developed and emerging markets. Bond prices rallied as yields decreased, reflecting positive market sentiment. Factors such as improving inflation outlook, Europe's resilient economic growth, and the expected recovery of the Chinese economy contributed to the market rally. The decline in inflation influenced expectations that central banks may end rate hikes earlier. Overall, January showed promising signs for the economy and markets, despite lingering risks.

February 2023 saw releases of tight job market data. This led to expectations of rates being higher for longer. Global equities fell slightly led by declines in the US market off the back of increased rate expectations. European equities gained slightly as forward looking data looked relatively better than it had done at the start of the year. Emerging markets struggled over the month as the US-China tensions escalated slightly.

March 2023 was a very eventful month for markets. Silicon Valley Bank was unable to meet deposits and went under. Later in the month Credit Suisse experienced extreme deposit flight and was eventually purchased by UBS in a government brokered deal. Establishing whether or not this was related to Silicon Valley Bank is very hard, but Credit Suisse's troubled reputation no doubt contributed to the speed of deposit flight when concerns around the banking sector emerged. During March, we began reducing AT1 bonds to their new target weight. The asset class has struggled on account of the stress in the European Banking sector. We believe that it is prudent risk management to downsize the positions and have been carefully reducing the allocation in tranches.

Global shares rose in April, supported by resilient economic data. Developed markets outperformed emerging markets. US equities made limited gains as the Fed signaled a potential slowdown. Eurozone shares rose, except for the IT sector. UK equities rose, driven by financials and energy. Japan maintained positive momentum. Asia ex Japan and emerging market equities declined. In April, we trimmed our put selling position. The position had performed well versus the S&P - the allocation it is funded from - and a general fall in volatility means that the base level of returns from the strategy that are available are lower.

Global shares declined in May, but technology stocks saw gains driven by enthusiasm over artificial intelligence. Economic data showed weakness in manufacturing sectors, while services remained strong. Concerns over the US debt ceiling were resolved with a deal reached at the end of the month. Government bond yields increased, and the Bank of England raised interest rates.

Japanese stocks continued their strong performance, while Asia ex Japan and emerging markets underperformed. During May, we split our intraday trend strategy such that it now uses both the S&P and Nasdaq 100 index. This further diversifies our alternatives basket.

Investment Strategy and Outlook

Over the next twelve months, we think that the global economy will slide into a recession. In this environment, it is important to rely on a stable identity. Economic uncertainty creates fear and investor sentiment tends to overreact to economic turning points. Going forward, we believe that:

- Inflation will come down. Goods inflation is slowly normalizing, and supply chain pressures are going.
- Central banks are getting close to the end of their hiking cycles, but there is still a bit more work to do.
- A US recession is highly likely. Most leading indicators are pointing towards a recession, but the recession shouldn't be too long or deep.

And so, investors are starting to worry about what's next for financial markets. Economic data isn't likely to stabilise until next year. Equity markets are unlikely to perform well.

We know our investment identity helps us to deliver in just these kinds of environments. We have positions that can generate returns despite this volatile backdrop.

Seven Investment Management LLP - a sub-delegate of True Potential Investments LLP

16 June 2023

Portfolio changes

for the year ended 31 May 2023

The following represents the top ten purchases and sales in the year to reflect a clearer picture of the investment activities.

	Cost
Purchases:	£000s
Vanguard US Government Bond Index Fund	24,564
Lyxor FTSE Actuaries UK Gilts DR UCITS ETF	19,981
iShares ESG Overseas Corporate Bond Index Fund	18,573
HSBC Global Funds ICAV - Global Corporate Bond Index Fund	12,145
Vanguard Euro Government Bond Index Fund	10,695
Legal & General Short Dated Sterling Corporate Bond Index Fund	10,084
HSBC Global Funds ICAV - Global Government Bond Index Fund	9,062
JPMorgan Structured Products 0% 08/07/2025	7,632
UBS AG London 0% 20/10/2027	6,047
Goldman Sachs International 0% Perpetual	5,365
Subtotal	124,148
Total cost of purchases, including the above, for the year	152,603

	Proceeds
Sales:	£000s
HSBC Global Funds ICAV - Global Government Bond Index Fund	40,880
HSBC Global Funds ICAV - Global Corporate Bond Index Fund	12,331
iShares Core UK Gilts UCITS ETF	12,177
BNP Paribas Issuance 0% 08/07/2024	7,452
GAM Star MBS Total Return	6,056
Invesco AT1 Capital Bond UCITS ETF	6,023
iShares ESG Overseas Corporate Bond Index Fund	5,951
Angel Oak Multi-Strategy Income UCITS Fund	5,845
Rolling Options US Series P-Note Perpetual	5,365
Candriam Absolute Return Equity Market Neutral V GBP Hedged	4,247
Subtotal	106,327
Total proceeds from sales, including the above, for the year	137,530

Portfolio statement

as at 31 May 2023

Investment	Nominal value or holding	Market value £000s	% of total net assets
Debt Securities 6.39% (10.47%)			
Corporate Bonds 6.39% (9.84%)			
Goldman Sachs International 0% Perpetual	5,868	4,405	2.05
Roche Finance Europe 5.375% 29/08/2023	£155,000	155	0.07
Royal Bank of Canada FRN 30/01/2025**	£500,000	500	0.23
SG Issuer 0% 22/12/2023	3,894,000	3,183	1.48
UBS AG London 0% 20/10/2027	59,267	5,491	2.56
Total Corporate Bonds		13,734	6.39
Public Authorities 0.00% (0.63%)			
Total Debt Securities		13,734	6.39
Equities 1.41% (0.95%)			
United States 1.41% (0.95%)			
Berkshire Hathaway B	11,735	3,041	1.41
Total Equities		3,041	1.41
Collective Investment Schemes 70.39% (78.89%)			
Offshore Collective Investment Schemes 56.40% (74.34%)			
AQR Managed Futures UCITS Fund	30,030	3,244	1.51
BlackRock Strategic Funds - Global Event Driven Fund	44,710	5,083	2.36
Candriam Absolute Return Equity Market Neutral Fund	2,781	4,231	1.97
Fulcrum UCITS SICAV - Fulcrum Equity Dispersion Fund	61,280	7,409	3.45
Invesco AT1 Capital Bond UCITS ETF	200,382	6,199	2.88
iShares Global Inflation-Linked Bond Index Fund	1,123,225	12,382	5.76
JPMorgan Liquidity Funds – GBP Liquidity LVNAV Fund	8,359,648	8,360	3.89
Legal & General Emerging Markets - Government Bond Index Fund	3,333,347	3,032	1.41
Lyxor FTSE Actuaries UK Gilts DR UCITS ETF	183,337	18,519	8.62
Morgan Stanley Liquidity Funds - Sterling Liquidity Fund	8,007,033	8,007	3.73
Northern Trust Global Funds - Sterling Fund	8,000,000	8,000	3.72
WisdomTree AT1 CoCo Bond UCITS ETF	17,475	1,371	0.64
VanEck Global Mining UCITS ETF	35,709	831	0.39
Vanguard Euro Government Bond Index Fund	113,067	10,358	4.82
Vanguard US Government Bond Index Fund	272,812	24,180	11.25
Total Offshore Collective Investment Schemes		121,206	56.40

Portfolio statement (continued)

as at 31 May 2023

Investment	Nominal value or holding	Market value £000s	% of total net assets
Collective Investment Schemes 70.39% (78.89%) (continued)			
UK Authorised Collective Investment Schemes 13.99% (4.55%)			
iShares Environment & Low Carbon Tilt Real Estate Index Fund	730,602	1,548	0.72
iShares ESG Overseas Corporate Bond Index Fund	12,506,543	13,310	6.19
Legal & General Emerging Markets - Government Bond Local Currency Index Fund	4,428,545	2,857	1.33
Legal & General Short Dated Sterling Corporate Bond Index Fund	18,558,712	10,346	4.82
Ninety One Funds Series iii - Global Environment Fund	1.313.357	2,005	0.93
Total UK Authorised Collective Investment Schemes		30,066	13.99
Total Collective Investment Schemes		151,272	70.39
Warrants 2.41% (3.56%)			
JPMorgan FX Value Warrants 10/09/2024	6,110,000	5,173	2.41
Structured Products 2.98% (0.00%)			
JPMorgan Structured Products 0% 08/07/2025	8,280,000	6,394	2.98
Futures 0.16% (0.01%)			
CBT - US 10 Yr Note September 2023	115	59	0.03
CBT - US Ultra Bond September 2023	45	52	0.02
EUREX - MSCI Europe June 2023	215	197	0.09
EUX Euro-Bund Future June 2023	35	53	0.03
ICF - FTSE 100 Index June 2023	172	(263)	(0.12)
ICF - Long Gilt Future September 2023	41	70	0.03
ICF - MSCI Health Care December 2023	184	(199)	(0.09)
NYF - MSCI Emerging Market June 2023	93	18	0.01
OSE - Topix Index June 2023	39	351	0.16
Total Futures		338	0.16
Forward Currency Contracts 0.38% ((3.54%))			
Sell Euro	-€ 10,178,183	(8,809)	
Buy UK sterling	£9,034,155	9,034	
Expiry date 20 October 2023		225	0.10
Sell UK sterling	-£3,816,680	(3,817)	
Buy Euro	€ 4,300,000	3,722	
Expiry date 20 October 2023		(95)	(0.04)
Sell UK sterling	-£14,492,900	(14,493)	
Buy Japanese yen	¥2,435,800,000	14,423	
Expiry date 17 November 2023		(70)	(0.03)

Portfolio statement (continued)

as at 31 May 2023

Investment	Nominal value or holding	Market value £000s	% of total net assets
Forward Currency Contracts 0.38% ((3.54%)) (continued)			
Sell UK sterling	-£21,679,429	(21,679)	
Buy US dollar	$26,610,736	21,451	
Expiry date 14 July 2023		(228)	(0.11)
Sell US dollar	-$100,510,736	(81,022)	
Buy UK sterling	£82,014,398	82,014	
Expiry date 14 July 2023		992	0.46
Total Forward Currency Contracts		824	0.38
Portfolio of investments		180,776	84.12
Other net assets		34,135	15.88
Total net assets		214,911	100.00

All investments are listed on recognised stock exchanges or are approved securities or regulated collective investment schemes within the meaning of the FCA rules unless otherwise stated. Forward contracts are not listed on stock exchanges and are considered over-the-counter instruments.

The comparative figures in brackets are as at 31 May 2022.

**Variable interest security

SUMMARY OF PORTFOLIO INVESTMENTS

as at 31 May 2023

Credit breakdown*	31 May 2023 Bid-Market value £000s	31 May 2023 Total net assets %	31 May 2022 Bid-Market value £000s	31 May 2022 Total net assets %
Investments of investment grade	655	0.30	3,755	2.07
Unrated bonds	13,079	6.09	15,253	8.40
Total bonds	13,734	6.39	19,008	10.47
Structured Products	6,394	2.98	-	-
Forward currency contracts – assets	1,217	0.56	-	-
Warrants	5,173	2.41	6,455	3.56
Futures - assets	800	0.37	257	0.14
Collective Investment Schemes	151,272	70.39	143,173	78.89
Equities	3,041	1.41	1,733	0.95
Investments as shown in the balance sheet	181,631	84.51	170,626	94.01
Forward currency contracts – liabilities	(393)	(0.18)	(6,431)	(3.54)
Futures – liabilities	(462)	(0.21)	(233)	(0.13)
Total value of investments	180,776	84.12	163,962	90.34

* Ratings supplied by S&P, followed by Moody's.

Risk and reward profile

The risk and reward profile relates to both share classes in the Sub-Fund.

The risk and reward indicator table demonstrates where the Sub-Fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the future risk profile of the Sub-Fund. The shaded area in the table below shows the Sub-Fund's ranking on the risk and reward indicator.

← Typically lower rewards, lower risk

Typically higher rewards, higher risk →

1	2	**3**	4	5	6	7

The Sub-Fund is in a medium category because the price of its investments have risen or fallen to some extent. The category shown is not guaranteed to remain unchanged and may shift over time. Even the lowest category does not mean a risk-free investment.

The price of the Sub-Fund and any income from it can go down as well as up and is not guaranteed. Investors may not get back the amount invested. Past performance is not a guide to future performance. Where the Sub-Fund invests in bonds, there is a risk the bond issuer may fail to meet its repayments. This is usually a greater risk for bonds that produce a higher level of income. Changes in interest rates, inflation and the creditworthiness of the bond issuer may also affect the bond’s market value.

Where the Sub-Fund invests into other investment funds, they may invest in different assets, countries or economic sectors and therefore have different risk profiles not in line with those of the Sub-Fund.

Where the Sub-Fund invests in structured products and derivatives, there may be cases where the organisation from which we buy an asset (usually a financial institution such as a bank) fails to carry out its obligations, which could cause losses to the Sub-Fund. The Sub-Fund is entitled to use derivative instruments for Efficient Portfolio Management and investment purposes. Derivatives may not achieve their intended purpose. Their prices may move up or down significantly over relatively short periods of time which may result in losses greater than the amount paid. This could adversely impact the value of the Sub-Fund.

Zeros and synthetic zeros may not deliver their specified capital return if the assets fail to grow sufficiently during their lifetime and may be unable to pay the amount promised at the maturity date. Zeros and synthetic zeros may leverage their assets, which may lead to more volatile results than assets that do not use leverage. The share prices of zeros and synthetic zeros may stand at a discount to their net asset value per share for prolonged periods.

The Sub-Fund may invest in securities not denominated in sterling, the value of your investments may be affected by changes in currency exchange rates.

For further information please refer to the KIID.

For full details on risk factors for the Sub-Fund, please refer to the Prospectus.

There have been no changes to the risk and reward indicator in the year.

Comparative tables

The following disclosures give a shareholder an indication of the performance of a share in the Sub-Fund. It also discloses the operating charges and direct transaction costs applied to each share. Operating charges are those charges incurred in operating the Sub-Fund and direct transaction costs are costs incurred when purchasing or selling securities in the portfolio of investments.

	A Income		
	2023	2022	2021
	p	p	p
Change in net assets per share			
Opening net asset value per share	106.78	113.42	109.13
Return before operating charges*	(4.59)	(4.72)	6.59
Operating charges	(0.85)	(1.02)	(0.99)
Return after operating charges*	(5.44)	(5.74)	5.60
Distributions+	(1.66)	(0.90)	(1.31)
Closing net asset value per share	99.68	106.78	113.42
*after direct transaction costs of:	0.01	0.01	0.00
Performance			
Return after charges	(5.09%)	(5.06%)	5.13%
Other information			
Closing net asset value (£000s)	184	229	289
Closing number of shares	185,205	213,967	254,864
Operating charges++	0.82%	0.90%	0.88%
Direct transaction costs	0.01%	0.01%	0.00%
Prices			
Highest share price (p)	107.2	115.6	114.8
Lowest share price (p)	98.69	106.6	109.3

+Rounded to 2 decimal places.

++The operating charges are represented by the Ongoing Charges Figure (OCF). The OCF consists principally of the ACD's periodic charge and the Investment Manager's fee which are included in the annual management charge, but also includes the costs for other services paid. It is indicative of the charges which the share class may incur in a year as it is calculated on historical data. The operating charge includes charges for the underlying funds held.

Investments carry risk. Past performance is not a guide to future performance. Investors may not get back the amount invested.

Comparative tables (continued)

	A Accumulation		
	2023	2022	2021
	p	p	p
Change in net assets per share			
Opening net asset value per share	115.63	121.43	115.50
Return before operating charges*	(4.99)	(4.72)	6.99
Operating charges	(0.92)	(1.08)	(1.06)
Return after operating charges*	(5.91)	(5.80)	5.93
Distributions+	(1.81)	(0.97)	(1.39)
Retained distribution on accumulation shares+	1.81	0.97	1.39
Closing net asset value per share	109.72	115.63	121.43
*after direct transaction costs of:	0.02	0.01	0.00
Performance			
Return after charges	(5.11%)	(4.78%)	5.13%
Other information			
Closing net asset value (£000s)	214,727	181,262	108,522
Closing number of shares	195,695,983	156,756,482	89,367,404
Operating charges++	0.82%	0.90%	0.88%
Direct transaction costs	0.01%	0.01%	0.00%
Prices			
Highest share price (p)	115.6	123.7	122.4
Lowest share price (p)	106.9	114.5	115.7

+Rounded to 2 decimal places.

++The operating charges are represented by the Ongoing Charges Figure (OCF). The OCF consists principally of the ACD's periodic charge and the Investment Manager's fee which are included in the annual management charge, but also includes the costs for other services paid. It is indicative of the charges which the share class may incur in a year as it is calculated on historical data. The operating charge includes charges for the underlying funds held.

Investments carry risk. Past performance is not a guide to future performance. Investors may not get back the amount invested.

Distribution tables

for the year ended 31 May 2023

Distributions on A Income shares in pence per share

Payment date	Share type	Distribution type	Net revenue	Equalisation	Distribution current year	Distribution prior year
31.01.23	group 1	interim	0.660	-	0.660	0.384
31.01.23	group 2	interim	0.283	0.377	0.660	0.384
31.07.23	group 1	final	1.003	-	1.003	0.518
31.07.23	group 2	final	1.003	0.000	1.003	0.518

Equalisation

Equalisation applies only to group 2 shares. It is the average amount of revenue included in the purchase price of 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 in the hands of the shareholder but must be deducted from the cost of shares for capital gains tax purposes.

Interim distributions:

Group 1 Shares purchased before 1 June 2022

Group 2 Shares purchased 1 June 2022 to 30 November 2022

Final distributions:

Group 1 Shares purchased before 1 December 2022

Group 2 Shares purchased 1 December 2022 to 31 May 2023

Distributions on A Accumulation shares in pence per share

Allocation date	Share type	Distribution type	Net revenue	Equalisation	Distribution current year	Distribution prior year
31.01.23	group 1	interim	0.713	-	0.713	0.411
31.01.23	group 2	interim	0.325	0.388	0.713	0.411
31.07.23	group 1	final	1.094	-	1.094	0.559
31.07.23	group 2	final	0.481	0.613	1.094	0.559

Equalisation

Equalisation applies only to group 2 shares. It is the average amount of revenue included in the purchase price of 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 in the hands of the shareholder but must be deducted from the cost of shares for capital gains tax purposes.

Accumulation distributions

Holders of accumulation shares should add the distributions received thereon to the cost of the shares for capital gains tax purposes.

Interim distributions:

Group 1 Shares purchased before 1 June 2022

Group 2 Shares purchased 1 June 2022 to 30 November 2022

Final distributions:

Group 1 Shares purchased before 1 December 2022

Group 2 Shares purchased 1 December 2022 to 31 May 2023

Financial statements - True Potential 7IM Defensive

Statement of total return
for the year ended 31 May 2023

	Notes	2023		2022	
		£000s	£000s	£000s	£000s
Income:					
Net capital losses	2		(12,454)		(11,582)
Revenue	3	4,013		1,652	
Expenses	4	(1,351)		(1,088)	
Interest payable and similar charges		-		(3)	
Net revenue before taxation		2,662		561	
Taxation	5	(529)		(128)	
Net revenue after taxation			2,133		433
Total deficit before distributions			(10,321)		(11,149)
Distributions	6		(3,224)		(1,323)
Change in net assets attributable to shareholders from investment activities			(13,545)		(12,472)

Statement of change in net assets attributable to shareholders
for the year ended 31 May 2023

	2023		2022	
	£000s	£000s	£000s	£000s
Opening net assets attributable to shareholders		181,491		108,811
Amounts receivable on issue of shares	78,617		154,022	
Amounts payable on cancellation of shares	(35,055)		(70,404)	
		43,562		83,618
Change in net assets attributable to shareholders from investment activities		(13,545)		(12,472)
Retained distribution on accumulation shares		3,403		1,534
Closing net assets attributable to shareholders		214,911		181,491

Balance Sheet

as at 31 May 2023

	Notes	2023	2022
		£000s	£000s
Assets:			
Fixed assets:			
Investments		181,631	170,626
Current assets:			
Debtors	7	8,409	1,148
Cash and bank balances and amounts held at futures clearing houses and brokers	8	30,127	16,935
Total assets		220,167	188,709
Liabilities:			
Investment liabilities		(855)	(6,664)
Creditors:			
Bank overdraft (including futures overdraft)	8	-	(34)
Distribution payable	6	(2)	(1)
Other creditors	9	(4,399)	(519)
Total liabilities		(5,256)	(7,218)
Net assets attributable to shareholders		214,911	181,491

Notes to the financial statements

for the year ended 31 May 2023

1. Accounting policies

The accounting policies are disclosed on pages 12 to 14.

2. Net capital losses

	2023	2022
	£000s	£000s
Non-derivative securities – losses	(7,100)	(3,234)
Derivative contracts – losses	(1,526)	(1,305)
Currency losses	(523)	(24)
Forward currency contracts	(3,335)	(7,105)
Rebates from collective investment schemes	57	102
Commission on futures	(27)	(16)
Net capital losses	(12,454)	(11,582)

3. Revenue

	2023	2022
	£000s	£000s
Non-interest distributions from overseas funds	59	14
Distributions from UK regulated collective investment schemes:		
Franked investment income	15	8
Interest distributions	516	204
Interest on debt securities from overseas collective investment schemes	3,037	1,237
Interest on debt securities	112	171
Bank interest	230	9
Deposit interest	20	-
Rebates from collective investment schemes	24	9
Total revenue	4,013	1,652

4. Expenses

	2023	2022
	£000s	£000s
Payable to the ACD and associates		
Annual management charge	1,351	1,088
Total expenses	1,351	1,088

The annual management charge includes the ACD's periodic charge, investment management fees and other permitted charges relating to the operation of the Sub-Fund.

The annual management charge included an audit fee of £8,394 inclusive of VAT (2022: £5,940 inclusive of VAT).

5. Taxation

	2023	2022
	£000s	£000s
a) Analysis of charge for the year		
Corporation tax	529	128
Total taxation (note 5b)	529	128

b) Factors affecting the current tax charge for the year

The tax assessed for the year is lower (2022: higher) than the standard rate of UK corporation tax for an authorised collective investment scheme of 20% (2022: 20%).

Notes to the financial statements (continued)
for the year ended 31 May 2023

5. Taxation (continued)

The differences are explained below:

	2023 £000s	2022 £000s
Net revenue before taxation	2,662	561
Corporation tax @ 20%	532	112
Effects of:		
UK revenue	(3)	(1)
Overseas revenue	(11)	(3)
Capital rebates from collective investment schemes	11	20
Total taxation (note 5a)	529	128

6. Distributions

The distributions take account of revenue added on the issue of shares and revenue deducted on the cancellation of shares and comprise:

	2023 £000s	2022 £000s
Interim income distribution	1	1
Interim accumulation distribution	1,262	658
Final income distribution	2	1
Final accumulation distribution	2,141	876
	3,406	1,536
Equalisation:		
Amounts deducted on cancellation of shares	172	178
Amounts added on issue of shares	(354)	(391)
Total net distributions	3,224	1,323

Reconciliation between net revenue and distributions:	2023 £000s	2022 £000s
Net revenue after taxation per Statement of total return	2,133	433
Expenses paid from capital	1,351	1,088
Marginal tax relief	(259)	(198)
Undistributed revenue carried forward	(1)	-
Distributions	3,224	1,323

Details of the distribution per share are disclosed in the Distribution table.

7. Debtors

	2023 £000s	2022 £000s
Amounts receivable on issue of shares	1,909	1,004
Sales awaiting settlement	3,182	-
Currency trades outstanding	3,178	-
Accrued revenue	69	31
Accrued rebates from collective investment schemes	71	113
Total debtors	8,409	1,148

Notes to the financial statements (continued)
for the year ended 31 May 2023

8. Cash and bank balances

	2023	2022
	£000s	£000s
Cash and bank balances and amounts held at futures clearing houses and brokers	30,127	16,935
Bank overdraft (including futures overdraft)	-	(34)
Total cash and bank balances	30,127	16,901

9. Other creditors

	2023	2022
	£000s	£000s
Amounts payable on cancellation of shares	556	284
Currency trades outstanding	3,182	-
Accrued expenses :		
Payable to the ACD and associates		
Annual management charge	132	107
Total accrued expenses	132	107
Corporation tax payable	529	128
Total other creditors	4,399	519

10. Commitments and contingent liabilities

At the balance sheet date there are no commitments or contingent liabilities (2022: same).

11. Share classes

The following reflects the change in shares in issue for each share class in the year:

	A Income
Opening shares in issue	213,967
Total shares issued in the year	1,199
Total shares cancelled in the year	(29,961)
Closing shares in issue	185,205

	A Accumulation
Opening shares in issue	156,756,482
Total shares issued in the year	70,410,531
Total shares cancelled in the year	(31,471,030)
Closing shares in issue	195,695,983

For the year ended 31 May 2023, the annual management charge is 0.68%. The annual management charge includes the ACD's periodic charge, Investment Manager's fee and other permitted charges to the operation of the Sub-Fund.

Further information in respect of the return per share is disclosed in the Comparative table.

On the winding up of a Sub-Fund all the assets of the Sub-Fund will be realised and apportioned to the share classes in relation to the net asset value on the closure date. Shareholders will receive their respective share of the proceeds, net of liabilities and the expenses incurred in the termination in accordance with the FCA regulations. Each share class has the same rights on winding up.

12. Related party transactions

True Potential Administration LLP, as ACD, is a related party due to its ability to act in respect of the operations of the Sub-Fund.

The ACD acts as principal in respect of all transactions of shares in the Sub-Fund. The aggregate monies received and paid through the creation and cancellation of shares are disclosed in the Statement of change in net assets attributable to shareholders of the Sub-Fund.

Notes to the financial statements (continued)

for the year ended 31 May 2023

12. Related party transactions (continued)

Amounts payable to the ACD and its associates are disclosed in note 4. The amount due to the ACD and its associates at the balance sheet date is disclosed in note 9.

13. Events after the balance sheet date

Subsequent to the year end, the net asset value per A Income share has decreased from 99.7p to 98.6p and the A Accumulation share has decreased from 109.7p to 108.6p as at 27 September 2023. This movement takes into account routine transactions but also reflects the market movements of recent months.

14. Transaction costs

a Direct transaction costs

Direct transaction costs include fees and commissions paid to advisers, brokers and dealers; levies by regulatory agencies and security exchanges; and transfer taxes and duties.

Commission is a charge which is deducted from the proceeds of the sale of securities and added to the cost of the purchase of securities. This charge is a payment to advisers, brokers and dealers in respect of their services in executing the trades.

Tax is payable on the purchase of securities in the United Kingdom. It may be the case that 'other taxes' will be charged on the purchase of securities in countries other than the United Kingdom.

The total purchases and sales and the related direct transaction costs incurred in these transactions are as follows:

2023	Purchases before transaction costs £000s	Purchases after transaction costs* £000s
Equities	1,821	1,821
Bonds	21,183	21,183
Collective Investment Schemes	129,581	129,581
Total	152,585	152,585

Capital events amount of £18,000 (2022: £63,000) is excluded from the total purchases as there were no direct transaction costs charged in these transactions.

2022	Purchases before transaction costs £000s	Purchases after transaction costs* £000s
Equities	9,168	9,168
Bonds	27,541	27,541
Collective Investment Schemes	174,053	174,053
Total	210,762	210,762

Notes to the financial statements (continued)

for the year ended 31 May 2023

14. Transaction costs (continued)

2023	Sales before transaction costs £000s	Sales after transaction costs* £000s
Equities	2,157	2,157
Bonds	17,093	17,093
Collective Investment Schemes	118,280	118,280
Total	137,530	137,530

2022	Sales before transaction costs £000s	Sales after transaction costs* £000s
Equities	6,251	6,251
Bonds	30,246	30,246
Collective Investment Schemes	94,550	94,550
Total	131,047	131,047

*No direct transaction costs were incurred in the purchase and sale of investments during the year (2022: same).

The following represents the total of each type of transaction cost, expressed as a percentage of the Sub-Fund's average net asset value in the year:

Summary of direct transaction costs	2023 £000s	2023 % of average net asset value	2022 £000s	2022 % of average net asset value
Derivatives	27	0.01	16	0.01

b Average portfolio dealing spread

The average portfolio dealing spread is calculated as the difference between the bid and offer value of the portfolio as a percentage of the offer value.

The average portfolio dealing spread of the investments at the balance sheet date was 0.05% (2022: 0.11%).

15. Risk management policies

In pursuing the Sub-Fund's investment objective, as set out in the Prospectus, the following are accepted by the ACD as being the main risks from the Sub-Fund's holding of financial instruments, either directly or indirectly through its underlying holdings. These are presented with the ACD's policy for managing these risks. To ensure these risks are consistently and effectively managed these are continually reviewed by the risk committee, a body appointed by the ACD, which sets the risk appetite and ensures continued compliance with the management of all known risks.

a Market risk

Market risk is the risk that the value of the Sub-Fund's financial instruments will fluctuate as a result of changes in market prices and comprise three elements: other price risk, currency risk, and interest rate risk.

The method used to calculate the global exposure is absolute Value at risk (VaR). The calculation of the Absolute VaR is carried out in accordance with the following parameters: 99% one-sided confidence interval, 1 month (20 day) holding period, Monte Carlo simulation (10,000 simulations) ,1-year (250 day) history with time decay factor (weighting recent events).

15 Risk management policies (continued)

A given fund's limit is based on its Risk profile. All of the positions within the fund (direct investments and derivatives) are taken into account for the VaR calculation, not just derivatives.

The below table shows the lowest, the highest and the average utilisation of the VaR limit calculated during the financial year, 01 June 2022 - 31 May 2023. Funds using the VaR approach disclose the level of leverage employed during the relevant period, using the gross method (sum of the notionals of the derivatives used).

	Lowest VaR %	Highest VaR %	Average VaR %	VaR Limit %	Average Level of leverage %	Typical expected Leverage %
True Potential 7IM Defensive	2.80	7.38	4.55	9.00	150.39	180

(i) Other price risk

The Sub-Fund's exposure to price risk comprises mainly of movements in the value of investment positions in the face of price movements.

The main elements of the portfolio of investments exposed to this risk are debt securities and collective investment schemes.

This risk is generally regarded as consisting of two elements: stock specific risk and market risk. Through these two factors, the Sub-Fund is exposed to price fluctuations, which are monitored by the ACD in pursuance of the investment objective and policy.

Adhering to investment guidelines and avoiding excessive exposure to one particular issuer can limit stock specific risk. Subject to compliance with the investment objective of the Sub-Fund, spreading exposure in the portfolio of investments both globally and across sectors or geography can mitigate market risk.

At 31 May 2023, if the price of the investments held by the Sub-Fund increased or decreased by 5%, with all other variables remaining constant, then the net assets attributable to shareholders of the Sub-Fund would increase or decrease by approximately £9,039,000 (2022: £8,198,000).

(ii) Currency risk

Currency risk is the risk that the value of investments or future cash flows will fluctuate as a result of exchange rate movements. Investment in overseas securities or holdings of foreign currency cash will provide direct exposure to currency risk as a consequence of the movement in foreign exchange rates against sterling. Investments in UK securities investing in overseas securities will give rise to indirect exposure to currency risk. These fluctuations can also affect the profitability of some UK companies, and thus their market prices, as sterling's relative strength or weakness can affect export prospects, the value of overseas earnings in sterling terms, and the prices of imports sold in the UK.

Forward currency contracts are used to help the Sub-Fund achieve its investment objective as stated in the Prospectus. The ACD monitors the exposure to these contracts to ensure they are in keeping with the investment objective.

The foreign currency risk profile of the Sub-Fund's financial instruments and cash holdings at the balance sheet date is as follows:

2023	Total net foreign currency exposure* £000s
Euro	10,834
Japanese yen	350
US dollar	68,469
Total net foreign currency exposure	79,653

Notes to the financial statements (continued)

for the year ended 31 May 2023

15 Risk management policies (continued)

	Total net foreign currency exposure*
2022	£000s
Euro	129
Japanese yen	92
US dollar	64,079
Total net foreign currency exposure	64,300

At 31 May 2023, if the value of sterling increased or decreased by 5% against all other currencies, with all other variables remaining constant, then the net assets attributable to shareholders of the Sub-Fund would increase or decrease by approximately £1,410,000 (2022: £446,000). Forward currency contracts are used to manage the portfolio exposure to currency movements.

* Please note the financial instruments and cash holdings and net debtors and creditors has been merged with total net foreign currency exposure.

(iii) Interest rate risk

Interest rate risk is the risk that the value of the Sub-Fund's investments will fluctuate as a result of interest rate changes.

During the year the Sub-Fund's direct exposure to interest rates consisted of cash and bank balances and interest bearing securities.

The amount of revenue receivable from floating rate securities and bank balances or payable on bank overdrafts will be affected by fluctuations in interest rates.

The Sub-Fund has indirect exposure to interest rate risk as it invests in bond funds.

The value of interest bearing securities may be affected by changes in the interest rate environment, either globally or locally.

At 31 May 2023, if interest rates increased or decreased by 25 points, with all other variables remaining constant, then the net assets attributable to shareholders of the Sub-Fund would increase or decrease by approximately £77,000 (2022: £10,000).

The Sub-Fund would not in normal market conditions hold significant cash balances and would have limited borrowing capabilities as stipulated in the COLL rules.

Derivative contracts are not used to hedge against the exposure to interest rate risk.

The interest rate risk profile of financial assets and liabilities at the balance sheet date is as follows:

	Variable rate financial assets	Variable rate financial liabilities	Fixed rate financial assets	Non-interest bearing financial assets	Non-interest bearing financial liabilities	Total
2023	£000s	£000s	£000s	£000s	£000s	£000s
Euro	1	-	-	10,833	-	10,834
Japanese yen	-	-	-	350	-	350
UK sterling	30,573	-	155	106,405	(1,875)	135,258
US dollar	53	-	13,079	58,718	(3,381)	68,469
	30,627	-	13,234	176,306	(5,256)	214,911

Notes to the financial statements (continued)

for the year ended 31 May 2023

15 Risk management policies (continued)

2022	Variable rate financial assets £000s	Variable rate financial liabilities £000s	Fixed rate financial assets £000s	Non-interest bearing financial assets £000s	Non-interest bearing financial liabilities £000s	Total £000s
Euro	37	-	-	93	(1)	129
Japanese yen	106	-	-	-	(14)	92
UK sterling	19,164	-	1,383	97,500	(856)	117,191
US dollar	-	(34)	15,254	55,172	(6,313)	64,079
	19,307	(34)	16,637	152,765	(7,184)	181,491

b Credit risk

This is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. This includes counterparty risk and issuer risk.

The Depositary has appointed the custodian to provide custody services for the assets of the Sub-Fund. There is a counterparty risk that the custodian could cease to be in a position to provide custody services to the Sub-Fund. The Sub-Fund's investments (excluding cash) are ring fenced hence the risk is considered to be negligible.

In addition to the interest rate risk, bond investments are exposed to issuer risk which reflects the ability for the bond issuer to meet its obligations to pay interest and return the capital on the redemption date. Change in issuer risk will change the value of the investments and is dealt with further in note 15a. The majority of debt securities held within the portfolio are uunrated bonds. These are made across a variety of industry sectors and geographical markets, so as to avoid concentrations of credit risk. A breakdown is provided in the Portfolio statement. The credit quality of the debt securities is disclosed in the Summary of Portfolio Investments.

The Sub-Fund holds cash and cash deposits with financial institutions which potentially exposes the Sub-Fund to counterparty risk. The credit rating of the financial institution is taken into account so as to minimise the risk to the Sub-Fund of default.

Holdings in collective investment schemes are subject to direct credit risk. The exposure to pooled investment vehicles is unrated.

c Liquidity risk

A significant risk is the cancellation of shares which investors may wish to sell and that securities may have to be sold in order to fund such cancellations if insufficient cash is held at the bank to meet this obligation. If there were significant requests for the redemption of shares at a time when a large proportion of the portfolio of investments were not easily tradable due to market volumes or market conditions, the ability to fund those redemptions would be impaired and it might be necessary to suspend dealings in shares in the Sub-Fund.

Investments in smaller companies at times may prove illiquid, as by their nature they tend to have relatively modest traded share capital. Shifts in investor sentiment, or the announcement of new price sensitive information, can provoke significant movement in share prices, and make dealing in any quantity difficult.

The Sub-Fund may also invest in securities that are not listed or traded on any stock exchange. In such situations the Sub-Fund may not be able to immediately sell such securities.

To reduce liquidity risk the ACD will ensure, in line with the limits stipulated within the COLL rules, a substantial portion of the Sub-Fund's assets consist of readily realisable securities. This is monitored on a monthly basis and reported to the Risk Committee together with historical outflows of the Sub-Fund.

In addition liquidity is subject to stress testing on an annual basis to assess the ability of the Sub-Fund to meet large redemptions (50% of the net asset value and 80% of the net asset value), while still being able to adhere to its objective guidelines and the FCA investment borrowing regulations.

Notes to the financial statements (continued)

for the year ended 31 May 2023

15 Risk management policies (continued)

All of the financial liabilities are payable on demand. In the case of forward foreign currency contracts these are payable in less than one year.

d Fair value of financial assets and financial liabilities

There is no material difference between the value of the financial assets and liabilities, as shown in the balance sheet, and their fair value.

To ensure this, the fair value pricing committee is a body appointed by the ACD to analyse, review and vote on price adjustments/maintenance where no current secondary market exists and/or where there are potential liquidity issues that would affect the disposal of an asset. In addition, the committee may also consider adjustments to the Sub-Fund's price should the constituent investments be exposed to closed markets during general market volatility or instability.

	Investment assets	Investment liabilities
Basis of valuation	2023	2023
	£000s	£000s
Quoted prices	35,934	(462)
Observable market data	139,303	(393)
Unobservable data	6,394	-
	181,631	(855)

	Investment assets	Investment liabilities
Basis of valuation	2022	2022
	£000s	£000s
Quoted prices	40,010	(233)
Observable market data	130,616	(6,431)
	170,626	(6,664)

No securities in the portfolio of investments are valued using valuation techniques.

e Assets subject to special arrangements arising from their illiquid nature

There are no assets held in the portfolio of investments which are subject to special arrangements arising from their illiquid nature.

f Derivatives

The Sub-Fund may employ derivatives with the aim of reducing the Sub-Fund's risk profile, reducing costs or generating additional capital or revenue, in accordance with Efficient Portfolio Management.

The ACD monitors that any exposure is covered globally to ensure adequate cover is available to meet the Sub-Fund's total exposure, taking into account the value of the underlying investments, any reasonably foreseeable market movement, counterparty risk, and the time available to liquidate any positions.

In the year there was direct exposure to derivatives. On a daily basis, exposure is calculated in UK sterling using the Absolute Value at Risk (VaR) approach with netting applied where appropriate. The total global exposure figure is divided by the net asset value of the Sub-Fund to calculate the percentage global exposure. Global exposure is a risk mitigation technique that monitors the overall commitment to derivatives in the Sub-Fund at any given time and may not exceed 100% of the net asset value of the property of the Sub-Fund.

For certain derivative transactions cash margins may be required to be paid to the brokers with whom the trades were executed and settled. These balances are subject to daily reconciliations and are held by the broker in segregated cash accounts that are afforded client money protection.

Derivatives may be used for investment purposes and as a result could potentially impact upon the risk factors outlined above.

Notes to the financial statements (continued)
for the year ended 31 May 2023

15 Risk management policies (continued)

(i) Counterparties

Transactions in securities give rise to exposure to the risk that the counterparties may not be able to fulfil their responsibility by completing their side of the transaction. This risk is mitigated by the Sub-Fund using a range of brokers for security transactions, thereby diversifying the risk of exposure to any one broker. In addition the Sub-Fund will only transact with brokers who are subject to frequent reviews with whom transaction limits are set.

The Sub-Fund may transact in derivative contracts which potentially exposes the Sub-Fund to counterparty risk from the counterparty not settling their side of the contract. Transactions involving derivatives are entered into only with investment banks and brokers with appropriate and approved credit rating, which are regularly monitored. Forward currency transactions are only undertaken with the custodians appointed by the Depositary.

At the balance sheet date, there are no securities in the portfolio of investments subject to a repurchase agreement.

(ii) Leverage

The leverage is calculated as the sum of the net asset value and the incremental exposure generated through the use of derivatives (calculated in accordance with the Absolute Value at Risk (VaR) approach) divided by the net asset value.

As at the balance sheet date, the leverage was 136.63% (2022: 114.65%).

(iii) Global exposure

Global exposure is a measure designed to limit the leverage generated by a fund through the use of financial derivative instruments, including derivatives with embedded assets.

At the balance sheet date the global exposure is as follows:

	Gross exposure value £000s	% of the total net asset value
Investment		
Structured Products		
JPMorgan Structured Products 0% 08/07/2025	6,468	3.01
Futures		
ICF - FTSE 100 Index June 2023	12,817	5.96
ICF - Long Gilt Future September 2023	3,968	1.85
ICF - MSCI Health Care December 2023	7,279	3.39
NYF - MSCI Emerging Market June 2023	3,590	1.67
OSE - Topix Index June 2023	4,788	2.23
EUX Euro-Bund Future June 2023	4,096	1.91
EUREX - MSCI Europe June 2023	5,705	2.65
CBT - US 10 Yr Note September 2023	10,621	4.94
CBT - US Ultra Bond September 2023	4,970	2.31
Forward Currency Contracts		
Value of short position - euro	5,087	2.37
Value of short position - US dollar	59,571	27.72
Value of long position - Japanese yen	14,423	6.71

The Sub-Fund holds 'Over the Counter' (OTC) derivatives. This type of transaction gives rise to counterparty risk whereby the other party to the transaction may fail to fulfil their contractual obligations. Effective monitoring of counterparty credit risk is an important element of the management of the Sub-Fund.

15 Risk management policies (continued)

Collateral arrangements are actively managed, ensuring cash or securities are pledged against the performance of a contract where necessary. This mitigates any potential negative impact on the Sub-Fund in the unlikely event of a counterparty default. Whether or not each position is collateralised depends on whether a net liability is held with each counterparty, the specific agreements with individual counterparties and de minimis thresholds. As such there will be instances where the Sub-Fund is not required to hold collateral.

The counterparty, collateral amount and type held by the Sub-Fund as at the 31 May 2023 is detailed in the table below.

Counterparty	Collateral classification	Collateral value
Citigroup Global Markets Limited	Cash	£2,456,040

True Potential 7IM Cautious
Sub-investment Manager's report

This supplemental reporting is intended to provide you with an overview of portfolio activity during the period and should not be relied upon to make investment decisions or otherwise.

Investment Objective and Policy

The investment objective of the Sub-Fund is to provide a total return, substantially by way of income, though with some capital appreciation. The majority of the portfolio of the Sub-Fund will be invested in fixed income and equity instruments using predominantly actively allocated, but passively implemented strategies (that is, strategies designed to track the performance of particular indices, market sectors or asset classes).

The Sub-Fund will also be invested in other asset classes such as property (indirectly), commodities (indirectly), hedge funds (indirectly, for example via listed securities) and private equities (indirectly, for example via listed securities). Exposure to the above asset classes will be gained through direct holdings of securities, collective investment schemes, exchange traded funds, or derivatives with the objective of improving returns and controlling risk by increasing diversification within the portfolio. The Sub-Fund may also be invested in deposits, cash and near cash and money market instruments.

There are no geographic restrictions on the investments of the Sub-Fund.

Derivatives may be used for investment purposes and Efficient Portfolio Management. The use of derivatives for investment purposes may increase the volatility and risk profile of the Sub-Fund.

Please be aware that there is no guarantee that capital will be preserved.

Sub-Investment Activities

The fund returned -4.1% during the reporting period. Over the same period, the IA Mixed Investment 20-60% shares returned -3.0% (Source: FEfundinfo).

Global equities had a very tough month in June 2022. Investors grew increasingly concerned about rising rates and inflation data showed no sign of slowing down. Rising food and energy prices were a key cause as crude retreated slightly after peaking in early June. China was a slight exception as lockdowns seemed to temporarily ease resulting in a slight positive upturn. In June 2022, we tilted our UK allocation away from the FTSE 250 and towards the FTSE 100. This change tilted our portfolios towards an inexpensive market, with sector exposures which aligned with a number of our other views: growth to value rotation, inflation-driven market volatility, healthcare, and a potential commodity super-cycle.

Along with this change, we also moved duration to neutral from underweight in June 2022. Given much more attractive yields on bonds, we viewed this as a good time to increase our exposure. In August 2022, we refreshed our SAA (Strategic Asset allocation) in line with its annual schedule. This is led by an optimisation process that maps asset classes onto risk factors in order to create optimal portfolios for each risk profile. This year’s process resulted in an increase in equity exposure as well as reductions in duration and credit exposure.

In July 2022, developed markets turned around. Investors began to focus on the potential of interest rate cuts in 2023 as there were very slight signs that the global economy, and hence inflation, could be slowing. Themes that were seen earlier in the year reversed as growth stocks rallied the most. Contrary to what we saw in June, China lagged developed markets, and bond yields fell across the developed world.

Going into 2022 August, our worldview was turning more negative. Our belief was that economic data was likely to weaken and equity markets would respond by moving sideways with some volatility. In order to position portfolios for this market outcome, we moved our portfolios underweight equity relative to our SAA. In August 2022, markets returned to the trends that were seen before July as markets realised that rate hikes were required to bring inflation down in a meaningful way. Developed markets sold off. In contrast to July, bond yields fell, and emerging markets help up well. The UK was another market that underperformed as investors were gripped by the resignation of Boris Johnson, the energy crisis, and weakening economic data.

September 2022 rounded off yet another tough quarter for markets with the trends that were seen in August continuing. Yet again, a lot of the drama came from the UK as Kwasi Kwarteng presented the mini budget. Unfunded tax cuts and proposed spending on a large scale elicited a dramatic response from markets. Gilts and UK equities sold off heavily as investors lost confidence in the UK economy going forward. During September 2022, we further reduced the headline equity beta of our portfolios to an even more underweight position relative to our SAA. This was in line with our core view that a global manufacturing downturn is unavoidable and economic fundamentals are set to decline.

During September 2022, we also removed the remaining part of our value allocation. This position was in place to benefit from a cyclical upturn, something we no longer believe will happen soon. This position went into a combination of cash and our Berkshire Hathaway allocation which is better placed to benefit from the economic conditions we see going forward.

In yet another mini reversal, developed markets posted strong gains as emerging markets fell in October 2022. Despite the Federal reserve signalling that tighter monetary policy is still required to keep inflation in check, markets found something to be positive about. It is possible that investors were focussed on earnings season where in previous reports data had been better than expectations. In China, equities performed badly as covid restrictions did not let up. And in the UK, the appointment of Rishi Sunak was well received by gilt markets. In October, we also removed our RMBS position. The original bull case for the position has played out and we took profits on the position. The US housing market stayed strong and mortgage prepayments meant the trade performed well. With employment potentially less certain than it has been and changing forces in housing markets, we do not think the trade is as attractive as it was.

Equity markets were positive in November 2022 with emerging markets outperforming their developed counterparts. In the developed world, there was hope that US inflation may have peaked, and rates might turn around. The driver of emerging market outperformance, yet again, was China’s covid policy. In November, China loosened rules and markets responded very positively.

In December 2022, investors faced challenges as the Chinese economy reopened faster than expected, central banks continued to tighten monetary policy, and the Bank of Japan surprised the market. Developed market equities declined. The hawkishness of the US Federal Reserve set the tone for the month, despite easing inflation in many developed countries. Major central banks showed no signs of changing their accommodative monetary policies. Government bond yields rose due to central bank actions. China's swift policy changes towards reopening and downgrading COVID restrictions caused market concerns. In December, we further reduced our headline equity beta. Our base case view of the world for 2023 was that a recession was more likely than not. In this environment, we would not expect equities to perform well.

In December, we also increased our headline bond exposure. Since the start of 2022, treasury yields had risen significantly. This means they have a much more attractive base return before any price movement. On top of this, we believe that rate hikes are already priced in. In January 2023, we introduced a metals and mining trade. We have a lot of conviction in this trade as a long-term theme. The amount of metal needed to get to net zero is vast, and the nature of mining means that supply cannot increase in line with this. Mining companies are likely to benefit. Furthermore, the companies are cheap and produce very healthy dividends.

January 2023 witnessed a strong beginning for equity markets, both in developed and emerging markets. Bond prices rallied as yields decreased, reflecting positive market sentiment. Factors such as improving inflation outlook, Europe's resilient economic growth, and the expected recovery of the Chinese economy contributed to the market rally. The decline in inflation influenced expectations that central banks may end rate hikes earlier. Overall, January showed promising signs for the economy and markets, despite lingering risks. February 2023 saw releases of tight job market data. This led to expectations of rates being higher for longer. Global equities fell slightly led by declines in the US market off the back of increased rate expectations. European equities gained slightly as forward looking data looked relatively better than it had done at the start of the year. Emerging markets struggled over the month as the US-China tensions escalated slightly.

March 2023 was a very eventful month for markets. Silicon Valley Bank was unable to meet deposits and went under. Later in the month Credit Suisse experienced extreme deposit flight and was eventually purchased by UBS in a government brokered deal. Establishing whether or not this was related to Silicon Valley Bank is very hard, but Credit Suisse’s troubled reputation no doubt contributed to the speed of deposit flight when concerns around the banking sector emerged. During March, we began reducing AT1 bonds to their new target weight. The asset class has struggled on account of the stress in the European Banking sector. We believe that it is prudent risk management to downsize the positions and have been carefully reducing the allocation in tranches.

Global shares rose in April, supported by resilient economic data. Developed markets outperformed emerging markets. US equities made limited gains as the Fed signaled a potential slowdown. Eurozone shares rose, except for the IT sector. UK equities rose, driven by financials and energy. Japan maintained positive momentum. Asia ex Japan and emerging market equities declined. In April, we trimmed our put selling position. The position had performed well versus the S&P - the allocation it is funded from - and a general fall in volatility means that the base level of returns from the strategy that are available are lower.

Global shares declined in May, but technology stocks saw gains driven by enthusiasm over artificial intelligence. Economic data showed weakness in manufacturing sectors, while services remained strong. Concerns over the US debt ceiling were resolved with a deal reached at the end of the month. Government bond yields increased, and the Bank of England raised interest rates. Japanese stocks continued their strong performance, while Asia ex Japan and emerging markets underperformed. During May, we split our intraday trend strategy such that it now uses both the S&P and Nasdaq 100 index. This further diversifies our alternatives basket.

Investment Strategy and Outlook

Over the next twelve months, we think that the global economy will slide into a recession. In this environment, it is important to rely on a stable identity. Economic uncertainty creates fear and investor sentiment tends to overreact to economic turning points. Going forward, we believe that:

- Inflation will come down. Goods inflation is slowly normalizing, and supply chain pressures are going.
- Central banks are getting close to the end of their hiking cycles, but there is still a bit more work to do.
- A US recession is highly likely. Most leading indicators are pointing towards a recession, but the recession shouldn't be too long or deep.

And so, investors are starting to worry about what's next for financial markets. Economic data isn't likely to stabilise until next year. Equity markets are unlikely to perform well.

We know our investment identity helps us to deliver in just these kinds of environments. We have positions that can generate returns despite this volatile backdrop.

Seven Investment Management LLP- a sub-delegate of True Potential Investments LLP

16 June 2023

Portfolio changes

for the year ended 31 May 2023

The following represents the top ten purchases and sales in the year to reflect a clearer picture of the investment activities.

	Cost
Purchases:	£000s
iShares ESG Overseas Corporate Bond Index Fund	27,864
HSBC Global Funds ICAV - Global Corporate Bond Index Fund	17,062
Legal & General Short Dated Sterling Corporate Bond Index Fund	14,241
Vanguard ESG Global Corporate Bond Index Fund	11,347
Goldman Sachs International 0% Perpetual	11,208
JPMorgan Structured Products 0% 08/07/2025	10,506
UBS AG London 0% 20/10/2027	7,134
HSBC Global Funds ICAV - Global Government Bond Index Fund	6,905
Candriam Absolute Return Equity Market Neutral Fund	6,897
iShares Global Property Securities Equity Index Fund UK	5,318
Subtotal	118,482
Total cost of purchases, including the above, for the year	157,192

	Proceeds
Sales:	£000s
HSBC Global Funds ICAV - Global Corporate Bond Index Fund	30,191
HSBC Global Funds ICAV - Global Government Bond Index Fund	17,882
Invesco AT1 Capital Bond UCITS ETF	10,335
GAM Star MBS Total Return Fund	10,183
Angel Oak Multi-Strategy Income UCITS Fund	9,827
BNP Paribas Issuance 0% 08/07/2024	7,931
Rolling Options US Series P-Note Perp	7,839
Candriam Absolute Return Equity Market Neutral Fund	6,214
iShares ESG Overseas Corporate Bond Index Fund	6,182
AQR Managed Futures UCITS Fund	5,595
Subtotal	112,179
Total proceeds from sales, including the above, for the year	162,264

Portfolio statement
as at 31 May 2023

Investment	Nominal value or holding	Market value £000s	% of total net assets
Debt Securities 9.12% (10.84%)			
Corporate Bonds 9.12% (10.84%)			
Commonwealth Bank of Australia FRN 16/01/2025**	£700,000	701	0.27
Goldman Sachs International 0% Perpetual	11,034	8,283	3.15
Leeds Building Society FRN 15/01/2025**	£1,000,000	1,002	0.38
Royal Bank of Canada FRN 30/01/2025**	£700,000	700	0.27
SG Issuer 0% 22/12/2023	$3,996,000	3,266	1.24
SG Issuer 0% 25/11/2025	$3,953,000	3,275	1.24
UBS AG London 0% 20/10/2027	72,816	6,746	2.57
Total Corporate Bonds		23,973	9.12
Total debt securities		23,973	9.12
Equities 2.12% (1.44%)			
United States			
Berkshire Hathaway 'B'	21,455	5,560	2.12
Total Equities		5,560	2.12
Collective Investment Schemes 71.78% (76.12%)			
UK Authorised Collective Investment Schemes 26.40% (10.85%)			
iShares ESG Overseas Corporate Bond Index Fund	21,649,531	23,040	8.77
iShares Environment & Low Carbon Tilt Real Estate Index	4,822,804	10,220	3.89
Legal & General Emerging Markets - Government Bond Local Currency Index Fund	12,281,808	7,924	3.02
Legal & General Short Dated Sterling Corporate Bond Index Fund	23,540,198	13,124	5.00
Ninety One Funds Series iii - Global Environment Fund	3,431,134	5,239	1.99
UBS Investment Funds ICVC - Sterling Corporate Bond Indexed	108,523	9,800	3.73
Total UK Authorised Collective Investment Schemes		69,347	26.40
Offshore Collective Investment Schemes 45.38% (65.27%)			
BlackRock Strategic Funds - Global Event Driven Fund	56,479	6,421	2.45
Candriam Absolute Return Equity Market Neutral Fund	3,527	5,365	2.04
Fulcrum UCITS SICAV - Fulcrum Equity Dispersion Fund	58,608	7,086	2.70
HSBC Global Funds ICAV - Global Corporate Bond Index Fund	603	4	0.00
HSBC Global Funds ICAV - Global Government Bond Index Fund	1,751,349	13,238	5.04
Invesco AT1 Capital Bond UCITS ETF	251,275	7,773	2.96
iShares Global Inflation-Linked Bond Index Fund	705,291	7,775	2.96
JPMorgan Liquidity Funds - GBP Liquidity LVNAV Fund	14,978,444	14,979	5.70
Legal & General Emerging Markets - Government Bond Index Fund	8,846,742	8,046	3.06
Lyxor FTSE Actuaries UK Gilts DR UCITS ETF	37,766	3,815	1.45

Portfolio statement (continued)

as at 31 May 2023

Investment	Nominal value or holding	Market value £000s	% of total net assets
Offshore Collective Investment Schemes 45.38% (65.27%) (continued)			
Morgan Stanley Liquidity Funds - Sterling Liquidity Fund	15,013,464	15,014	5.72
Northern Trust Global Funds - Sterling Fund	15,000,000	15,000	5.71
VanEck Global Mining UCITS ETF	101,627	2,365	0.90
Vanguard ESG Global Corporate Bond Index Fund	98,947	10,468	3.98
WisdomTree AT1 CoCo Bond UCITS ETF	23,828	1,869	0.71
Total Offshore Collective Investment Schemes		119,218	45.38
Total Collective Investment Schemes		188,565	71.78
Warrants 2.50% (3.58%)			
JPMorgan FX Value Warrants 10/09/2024	7,740,000	6,553	2.50
Total Warrants		6,553	2.50
Structured Products 3.26% (0.00%)			
JPMorgan Structured Products 0% 08/07/2025	$11,080,000	8,556	3.26
Futures 0.20% (0.03%)			
CBT - 10 year US Treasury Note September 2023	115	59	0.02
CBT - Ultra US Treasury Bond September 2023	48	55	0.02
EUREX - Euro Bund June 2023	48	96	0.03
EUREX - USA ESG Screened June 2023	94	75	0.03
EUX - MSCI Europe ex UK June 2023	307	285	0.11
ICF - FTSE 100 Index June 2023	270	(464)	(0.18)
ICF - MSCI Health Care December 2023	222	(351)	(0.13)
ICF Long Gilt Future September 2023	40	68	0.03
NYF - MSCI Emerging Market June 2023	184	54	0.02
OSX - Topix Index June 2023	75	660	0.25
Total futures		537	0.20
Forward Currency Contracts 0.34% ((2.43)%)			
Sell UK sterling	-£7,326,250	(7,326)	
Buy Euro	€ 8,254,000	7,144	
Expiry date 20 October 2023		(182)	(0.07)
Sell UK sterling	-£25,498,252	(25,498)	
Buy Japanese yen	¥4,285,453,000	25,375	
Expiry date 17 November 2023		(123)	(0.05)

Portfolio statement (continued)

as at 31 May 2023

Investment	Nominal value or holding	Market value £000s	% of total net assets
Forward Currency Contracts 0.34% ((2.43)%) (continued)			
Sell UK sterling	-£20,157,553	(20,157)	
Buy US dollar	$25,100,000	20,233	
Expiry date 14 July 2023		76	0.03
Sell US dollar	-$89,500,000	(72,146)	
Buy UK sterling	£73,271,074	73,271	
Expiry date 14 July 2023		1,125	0.43
Total Forward Currency Contracts		896	0.34
Portfolio of investments		234,640	89.32
Other net assets		28,058	10.68
Total net assets		262,698	100.00

All investments are listed on recognised stock exchanges or are approved securities or regulated collective investment schemes within the meaning of the FCA rules unless otherwise stated. Forward contracts are not listed on stock exchanges and are considered over-the-counter instruments.

The comparative figures in brackets are as at 31 May 2022.

**Variable interest security

SUMMARY OF PORTFOLIO INVESTMENTS

as at 31 May 2023

	31 May 2023		31 May 2022	
Credit breakdown*	Bid-Market value £000s	Total net assets %	Bid-Market value £000s	Total net assets %
Investments of investment grade	2,402	0.91	10,381	3.92
Unrated bonds	21,571	8.21	18,317	6.92
Total bonds	23,973	9.12	28,698	10.84
Forward currency contracts – assets	1,201	0.46	413	0.16
Collective Investment Schemes	188,565	71.78	201,643	76.12
Futures - assets	1,352	0.51	692	0.26
Equities	5,560	2.12	3,806	1.44
Warrants	6,553	2.50	9,482	3.58
Structured Products	8,556	3.26	-	-
Investments as shown in the balance sheet	235,760	89.75	244,734	92.40
Forward currency contracts – liabilities	(305)	(0.12)	(6,856)	(2.59)
Futures – liabilities	(815)	(0.31)	(609)	(0.23)
Total value of investments	234,640	89.32	237,269	89.58

* Ratings supplied by S&P, followed by Moody's.

Risk and reward profile

The risk and reward profile relates to both share classes in the Sub-Fund.

The risk and reward indicator table demonstrates where the Sub-Fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the future risk profile of the Sub-Fund. The shaded area in the table below shows the Sub-Fund's ranking on the risk and reward indicator.

Typically lower rewards, lower risk

Typically higher rewards, higher risk

1	2	3	4	5	6	7

The Sub-Fund is in a medium category because the price of its investments have risen or fallen to some extent. The category shown is not guaranteed to remain unchanged and may shift over time. Even the lowest category does not mean a risk-free investment.

The price of the Sub-Fund and any income from it can go down as well as up and is not guaranteed. Investors may not get back the amount invested. Past performance is not a guide to future performance.

Where the Sub-Fund invests in bonds, there is a risk the bond issuer may fail to meet its repayments. This is usually a greater risk for bonds that produce a higher level of income. Changes in interest rates, inflation and the creditworthiness of the bond issuer may also affect the bond’s market value.

Where the Sub-Fund invests into other investment funds, they may invest in different assets, countries or economic sectors and therefore have different risk profiles not in line with those of the Sub-Fund.

Investment trusts and closed ended funds may borrow to purchase additional investments. This can increase returns when stock markets rise but will magnify losses when markets fall. The value of an investment trust or a closed ended fund moves in line with stock market demand and its unit/share price may be less than or more than the net value of the investments it holds.

Where the Sub-Fund invests in structured products and derivatives, there may be cases where the organisation from which we buy an asset (usually a financial institution such as a bank) fails to carry out its obligations, which could cause losses to the Sub-Fund. The Sub-Fund is entitled to use derivative instruments for Efficient Portfolio Management and investment purposes. Derivatives may not achieve their intended purpose. Their prices may move up or down significantly over relatively short periods of time which may result in losses greater than the amount paid. This could adversely impact the value of the Sub-Fund.

Zeros and synthetic zeros may not deliver their specified capital return if the assets fail to grow sufficiently during their lifetime and may be unable to pay the amount promised at the maturity date. Zeros and synthetic zeros may leverage their assets, which may lead to more volatile results than assets that do not use leverage. The share prices of zeros and synthetic zeros may stand at a discount to their net asset value per share for prolonged periods.

The Sub-Fund may invest in securities not denominated in sterling, the value of your investments may be affected by changes in currency exchange rates.

For further information please refer to the KIID.

During the year the risk and reward indicator changed from 3 to 4.

Comparative tables

The following disclosures give a shareholder an indication of the performance of a share in the Sub-Fund. It also discloses the operating charges and direct transaction costs applied to each share. Operating charges are those charges incurred in operating the Sub-Fund and direct transaction costs are costs incurred when purchasing or selling securities in the portfolio of investments.

	A Income		
	2023	2022	2021
	p	p	p
Change in net assets per share			
Opening net asset value per share	107.85	114.69	107.40
Return before operating charges*	(3.47)	(4.58)	9.68
Operating charges	(0.76)	(1.03)	(0.87)
Return after operating charges*	(4.23)	(5.61)	8.81
Distributions+	(1.80)	(1.23)	(1.52)
Closing net asset value per share	101.82	107.85	114.69
*after direct transaction costs of:	0.02	0.01	-
Performance			
Return after charges	(3.92%)	(4.89%)	8.20%
Other information			
Closing net asset value (£000s)	664	733	993
Closing number of shares	652,500	679,576	865,675
Operating charges++	0.73%	0.90%	0.78%
Direct transaction costs	0.02%	0.01%	0.01%
Prices			
Highest share price (p)	108.2	117.2	115.6
Lowest share price (p)	100.2	107.0	107.8

+Rounded to 2 decimal places.

++The operating charges are represented by the Ongoing Charges Figure (OCF). The OCF consists principally of the ACD's periodic charge and the Investment Manager's fee which are included in the annual management charge, but also includes the costs for other services paid. It is indicative of the charges which the share class may incur in a year as it is calculated on historical data. The operating charge includes charges for the underlying funds held.

Investments carry risk. Past performance is not a guide to future performance. Investors may not get back the amount invested.

Comparative tables (continued)

	A Accumulation		
	2023	2022	2021
	p	p	p
Change in net assets per share			
Opening net asset value per share	117.23	123.29	113.94
Return before operating charges*	(3.77)	(4.96)	10.29
Operating charges	(0.83)	(1.10)	(0.94)
Return after operating charges*	(4.60)	(6.06)	9.35
Distributions+	(1.97)	(1.30)	(1.62)
Retained distribution on accumulation shares+	1.97	1.30	1.62
Closing net asset value per share	112.63	117.23	123.29
*after direct transaction costs of:	0.02	0.01	-
Performance			
Return after charges	(3.92%)	(4.92%)	8.21%
Other information			
Closing net asset value (£000s)	262,034	264,142	254,782
Closing number of shares	232,642,199	225,315,937	206,646,983
Operating charges++	0.73%	0.90%	0.78%
Direct transaction costs	0.02%	0.01%	0.01%
Prices			
Highest share price (p)	118.4	126.0	123.7
Lowest share price (p)	108.9	115.5	114.3

+Rounded to 2 decimal places.

++The operating charges are represented by the Ongoing Charges Figure (OCF). The OCF consists principally of the ACD's periodic charge and the Investment Manager's fee which are included in the annual management charge, but also includes the costs for other services paid. It is indicative of the charges which the share class may incur in a year as it is calculated on historical data. The operating charge includes charges for the underlying funds held.

Investments carry risk. Past performance is not a guide to future performance. Investors may not get back the amount invested.

Distribution tables

for the year ended 31 May 2023

Distributions on A Income shares in pence per share

Payment date	Share type	Distribution type	Net revenue	Equalisation	Distribution current year	Distribution prior year
31.01.23	group 1	interim	0.786	-	0.786	0.456
31.01.23	group 2	interim	0.326	0.460	0.786	0.456
31.07.23	group 1	final	1.017	-	1.017	0.772
31.07.23	group 2	final	0.630	0.387	1.017	0.772

Equalisation

Equalisation applies only to group 2 shares. It is the average amount of revenue included in the purchase price of 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 in the hands of the shareholder but must be deducted from the cost of shares for capital gains tax purposes.

Interim distributions:

Group 1 Shares purchased before 1 June 2022

Group 2 Shares purchased 1 June 2022 to 30 November 2022

Final distributions:

Group 1 Shares purchased before 1 December 2022

Group 2 Shares purchased 1 December 2022 to 31 May 2023

Distributions on A Accumulation shares in pence per share

Allocation date	Share type	Distribution type	Net revenue	Equalisation	Distribution current year	Distribution prior year
31.01.23	group 1	interim	0.853	-	0.853	0.490
31.01.23	group 2	interim	0.422	0.431	0.853	0.490
31.07.23	group 1	final	1.118	-	1.118	0.812
31.07.23	group 2	final	0.461	0.657	1.118	0.812

Equalisation

Equalisation applies only to group 2 shares. It is the average amount of revenue included in the purchase price of 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 in the hands of the shareholder but must be deducted from the cost of shares for capital gains tax purposes.

Accumulation distribution

Holders of accumulation shares should add the distributions received thereon to the cost of the shares for capital gains tax purposes.

Interim distributions:

Group 1 Shares purchased before 1 June 2022

Group 2 Shares purchased 1 June 2022 to 30 November 2022

Final distributions:

Group 1 Shares purchased before 1 December 2022

Group 2 Shares purchased 1 December 2022 to 31 May 2023

Financial statements - True Potential 7IM Cautious

Statement of total return
for the year ended 31 May 2023

	Notes	2023		2022	
		£000s	£000s	£000s	£000s
Income:					
Net capital losses	2		(14,006)		(15,769)
Revenue	3	5,914		3,594	
Expenses	4	(1,627)		(1,601)	
Interest payable and similar charges		-		(5)	
Net revenue before taxation		4,287		1,988	
Taxation	5	(827)		(410)	
Net revenue after taxation			3,460		1,578
Total deficit before distributions			(10,546)		(14,191)
Distributions	6		(4,781)		(2,900)
Change in net assets attributable to shareholders from investment activities			(15,327)		(17,091)

Statement of change in net assets attributable to shareholders
for the year ended 31 May 2023

	2023		2022	
	£000s	£000s	£000s	£000s
Opening net assets attributable to shareholders		264,875		255,775
Amounts receivable on issue of shares	70,431		85,397	
Amounts payable on cancellation of shares	(61,979)		(62,130)	
		8,452		23,267
Change in net assets attributable to shareholders from investment activities		(15,327)		(17,091)
Retained distribution on accumulation shares		4,698		2,924
Closing net assets attributable to shareholders		262,698		264,875

Balance Sheet

as at 31 May 2023

	Notes	2023	2022
		£000s	£000s
Assets:			
Fixed assets:			
Investments		235,760	244,734
Current assets:			
Debtors	7	7,936	2,480
Cash and bank balances and amounts held at futures clearing houses and brokers	8	28,023	25,984
Total assets		271,719	273,198
Liabilities:			
Investment liabilities		(1,120)	(7,465)
Creditors:			
Bank overdrafts (including futures overdrafts)	8	-	(21)
Distribution payable	6	(7)	(5)
Other creditors	9	(7,894)	(832)
Total liabilities		(9,021)	(8,323)
Net assets attributable to shareholders		262,698	264,875

Notes to the financial statements
for the year ended 31 May 2023

1. Accounting policies

The accounting policies are disclosed on pages 12 to 14.

2. Net capital losses

	2023	2022
	£000s	£000s
Non-derivative securities – losses	(7,112)	(5,571)
Derivative contracts – losses	(2,146)	(1,282)
Currency losses	(704)	(119)
Forward currency contracts	(4,096)	(8,970)
Rebates from collective investment schemes	98	205
Commission on futures	(46)	(32)
Net capital losses	(14,006)	(15,769)

3. Revenue

	2023	2022
	£000s	£000s
Non-interest distributions from overseas funds	168	100
Distributions from UK regulated collective investment schemes:		
Franked investment income	82	45
Unfranked investment income	170	164
Interest distributions	1,059	693
Interest on debt securities from overseas collective investment schemes	3,789	2,289
Interest on debt securities	232	267
Bank and deposit interest (including futures interest)	359	8
Rebates from collective investment schemes	55	28
Total revenue	5,914	3,594

4. Expenses

	2023	2022
	£000s	£000s
Payable to the ACD and associates		
Annual management charge	1,627	1,601
Total expenses	1,627	1,601

The annual management charge includes the ACD's periodic charge, investment management fees and other permitted charges relating to the operation of the Sub-Fund.

The annual management charge included an audit fee of £8,952 inclusive of VAT (2022: £6,426 inclusive of VAT).

5. Taxation

	2023	2022
	£000s	£000s
a) Analysis of charge for the year		
Corporation tax	827	410
Total taxation (note 5b)	827	410

b) Factors affecting the current tax charge for the year

The tax assessed for the year is lower (2022: higher) than the standard rate of UK corporation tax for an authorised collective investment scheme of 20% (2022: 20%).

Notes to the financial statements (continued)
for the year ended 31 May 2023

5. Taxation (continued)

The differences are explained below:

	2023 £000s	2022 £000s
Net revenue before taxation	4,287	1,988
Corporation tax @ 20%	857	398
Effects of:		
UK revenue	(16)	(9)
Overseas revenue	(34)	(20)
Capital rebates from collective investment schemes	20	41
Total taxation (note 5a)	827	410

6. Distributions
The distributions take account of revenue added on the issue of shares and revenue deducted on the cancellation of shares and comprise:

	2023 £000s	2022 £000s
Interim income distribution	5	4
Interim accumulation distribution	2,097	1,094
Final income distribution	7	5
Final accumulation distribution	2,601	1,830
	4,710	2,933
Equalisation:		
Amounts deducted on cancellation of shares	392	169
Amounts added on issue of shares	(321)	(202)
Total net distributions	4,781	2,900

Reconciliation between net revenue and distributions:	2023 £000s	2022 £000s
Net revenue after taxation per Statement of total return	3,460	1,578
Undistributed revenue brought forward	1	1
Expenses paid from capital	1,627	1,601
Marginal tax relief	(306)	(279)
Undistributed revenue carried forward	(1)	(1)
Distributions	4,781	2,900

Details of the distribution per share are disclosed in the Distribution tables.

Notes to the financial statements (continued)

for the year ended 31 May 2023

7. Debtors	2023	2022
	£000s	£000s
Amounts receivable on issue of shares	833	2,260
Sales awaiting settlement	3,453	-
Currency trades outstanding	3,449	-
Accrued revenue	82	91
Accrued rebates from collective investment schemes	119	129
Total debtors	7,936	2,480

8. Cash and bank balances	2023	2022
	£000s	£000s
Cash and bank balances and amounts held at futures clearing houses and brokers	28,023	25,984
Bank overdraft (including futures overdraft)	-	(21)
Total cash and bank balances	28,023	25,963

9. Other creditors	2023	2022
	£000s	£000s
Amounts payable on cancellation of shares	602	416
Purchases awaiting settlement	3,264	-
Currency trades outstanding	3,453	
Accrued expenses:		
Payable to the ACD and associates		
Annual management charge	142	135
Total accrued expenses	142	135
Corporation tax payable	433	281
Total other creditors	7,894	832

10. Commitments and contingent liabilities

At the balance sheet date there are no commitments or contingent liabilities (2022: same).

11. Share classes

The following reflects the change in shares in issue for each share class in the year:

	A Income
Opening shares in issue	679,576
Total shares issued in the year	36,787
Total shares cancelled in the year	(63,863)
Closing shares in issue	652,500

	A Accumulation
Opening shares in issue	225,315,937
Total shares issued in the year	61,965,521
Total shares cancelled in the year	(54,639,259)
Closing shares in issue	232,642,199

For the year ended 31 May 2023, the annual management charge is 0.59%. The annual management charge includes the ACD's periodic charge, Investment Manager's fee and other permitted charges to the operation of the Sub-Fund.

Further information in respect of the return per share is disclosed in the Comparative tables.

Notes to the financial statements (continued)

for the year ended 31 May 2023

11. Share classes (continued)

On the winding up of a Sub-Fund all the assets of the Sub-Fund will be realised and apportioned to the share classes in relation to the net asset value on the closure date. Shareholders will receive their respective share of the proceeds, net of liabilities and the expenses incurred in the termination in accordance with the FCA regulations. Each share class has the same rights on winding up.

12. Related party transactions

True Potential Administration LLP, as ACD, is a related party due to its ability to act in respect of the operations of the Sub-Fund.

The ACD acts as principal in respect of all transactions of shares in the Sub-Fund. The aggregate monies received and paid through the creation and cancellation of shares are disclosed in the Statement of change in net assets attributable to shareholders of the Sub-Fund.

Amounts payable to the ACD and its associates are disclosed in note 4. The amount due to the ACD and its associates at the balance sheet date is disclosed in note 9.

13. Events after the balance sheet date

Subsequent to the year end, the net asset value per A Income share has decreased from 101.8p to 101.2p and the A Accumulation share has decreased from 112.6p to 111.9p as at 27 September 2023. This movement takes into account routine transactions but also reflects the market movements of recent months.

14. Transaction costs

a Direct transaction costs

Direct transaction costs include fees and commissions paid to advisers, brokers and dealers; levies by regulatory agencies and security exchanges; and transfer taxes and duties.

Commission is a charge which is deducted from the proceeds of the sale of securities and added to the cost of the purchase of securities. This charge is a payment to advisers, brokers and dealers in respect of their services in executing the trades.

Tax is payable on the purchase of securities in the United Kingdom. It may be the case that 'other taxes' will be charged on the purchase of securities in countries other than the United Kingdom.

The total purchases and sales and the related direct transaction costs incurred in these transactions are as follows:

	Purchases before transaction costs	Purchases after transaction costs*
2023	£000s	£000s
Equities	3,712	3,712
Bonds	34,895	34,895
Collective Investment Schemes	118,553	118,553
Total	157,160	157,160

*No direct transaction costs were incurred in the purchase and sale of investments during the year (2022:same)

Capital events amount of £32,000 (2022: £114,000) is excluded from the total purchases as there were no direct transaction costs charged in these transactions.

Notes to the financial statements (continued)

for the year ended 31 May 2023

14. Transaction costs (continued)

2022	Purchases before transaction costs £000s	Purchases after transaction costs* £000s
Equities	11,802	11,802
Bonds	30,214	30,214
Collective Investment Schemes	152,649	152,649
Total	194,665	194,665

2023	Sales before transaction costs £000s	Sales after transaction costs* £000s
Equities	13,229	13,229
Bonds	26,218	26,218
Collective Investment Schemes	122,817	122,817
Total	162,264	162,264

2022	Sales before transaction costs £000s	Sales after transaction costs* £000s
Equities	13,351	13,351
Bonds	48,075	48,075
Collective Investment Schemes	102,903	102,903
Total	164,329	164,329

*No direct transaction costs were incurred in the purchase and sale of investments during the year (2022: same).

The following represents the total of each type of transaction cost, expressed as a percentage of the Sub-Fund's average net asset value in the year :

Summary of direct transaction costs	2023 £000s	2023 % of average net asset value	2022 £000s	2022 % of average net asset value
Derivatives	46	0.02	32	0.01

b Average portfolio dealing spread

The average portfolio dealing spread is calculated as the difference between the bid and offer value of the portfolio as a percentage of the offer value.

The average portfolio dealing spread of the investments at the balance sheet date was 0.04% (2022: 0.11%).

Notes to the financial statements (continued)
for the year ended 31 May 2023

15 Risk management policies

In pursuing the Sub-Fund's investment objective, as set out in the Prospectus, the following are accepted by the ACD as being the main risks from the Sub-Fund's holding of financial instruments, either directly or indirectly through its underlying holdings. These are presented with the ACD's policy for managing these risks. To ensure these risks are consistently and effectively managed these are continually reviewed by the risk committee, a body appointed by the ACD, which sets the risk appetite and ensures continued compliance with the management of all known risks.

a Market risk

Market risk is the risk that the value of the Sub-Fund's financial instruments will fluctuate as a result of changes in market prices and comprise three elements: other price risk, currency risk, and interest rate risk.

The method used to calculate the global exposure is absolute Value at risk (VaR). The calculation of the Absolute VaR is carried out in accordance with the following parameters: 99% one-sided confidence interval, 1 month (20 day) holding period, Monte Carlo simulation (10,000 simulations) ,1-year (250 day) history with time decay factor (weighting recent events).

A given fund's limit is based on its Risk profile. All of the positions within the fund (direct investments and derivatives) are taken into account for the VaR calculation, not just derivatives.

The below table shows the lowest, the highest and the average utilisation of the VaR limit calculated during the financial year, 01 June 2022 - 31 May 2023. Funds using the VaR approach disclose the level of leverage employed during the relevant period, using the gross method (sum of the notionals of the derivatives used).

	Lowest VaR %	Highest VaR %	Average VaR %	VaR Limit %	Average Level of leverage %	Typical expected Leverage %
True Potential 7IM Cautious	3.65	7.33	5.02	10.50	146.10	192.50

(i) Other price risk

The Sub-Fund's exposure to price risk comprises mainly of movements in the value of investment positions in the face of price movements.

The main elements of the portfolio of investments exposed to this risk are debt securities and collective investment schemes.

This risk is generally regarded as consisting of two elements: stock specific risk and market risk. Through these two factors, the Sub-Fund is exposed to price fluctuations, which are monitored by the ACD in pursuance of the investment objective and policy.

Adhering to investment guidelines and avoiding excessive exposure to one particular issuer can limit stock specific risk. Subject to compliance with the investment objective of the Sub-Fund, spreading exposure in the portfolio of investments both globally and across sectors or geography can mitigate market risk.

At 31 May 2023, if the price of the investments held by the Sub-Fund increased or decreased by 5%, with all other variables remaining constant, then the net assets attributable to shareholders of the Sub-Fund would increase or decrease by approximately £11,732,000 (2022: £11,863,000).

(ii) Currency risk

Currency risk is the risk that the value of investments or future cash flows will fluctuate as a result of exchange rate movements. Investment in overseas securities or holdings of foreign currency cash will provide direct exposure to currency risk as a consequence of the movement in foreign exchange rates against sterling. Investments in UK securities investing in overseas securities will give rise to indirect exposure to currency risk. These fluctuations can also affect the profitability of some UK companies, and thus their market prices, as sterling's relative strength or weakness can affect export prospects, the value of overseas earnings in sterling terms, and the prices of imports sold in the UK.

Forward currency contracts are used to help the Sub-Fund achieve its investment objective as stated in the Prospectus. The ACD monitors the exposure to these contracts to ensure they are in keeping with the investment objective.

15 Risk management policies (continued)

The foreign currency risk profile of the Sub-Fund's financial instruments and cash holdings at the balance sheet date is as follows:

2023	Total net foreign currency exposure* £000s
Euro	382
Japanese yen	660
US dollar	61,012
Total net foreign currency exposure	62,054

*Please note the financial instruments and cash holdings and net debtors and creditors has been merged with total net foreign currency exposure.

2022	Total net foreign currency exposure* £000s
Euro	140
Japanese yen	177
US dollar	75,076
Total net foreign currency exposure	75,393

At 31 May 2023, if the value of sterling increased or decreased by 5% against all other currencies, with all other variables remaining constant, then the net assets attributable to shareholders of the Sub-Fund would increase or decrease by approximately £2,077,000 (2022: £1,477,000). Forward currency contracts are used to manage the portfolio exposure to currency movements.

* Please note the financial instruments and cash holdings and net debtors and creditors has been merged with total net foreign currency exposure.

(iii) Interest rate risk

Interest rate risk is the risk that the value of the Sub-Fund's investments will fluctuate as a result of interest rate changes.

During the year the Sub-Fund's direct exposure to interest rates consisted of cash and bank balances and interest bearing securities.

The amount of revenue receivable from floating rate securities and bank balances or payable on bank overdrafts will be affected by fluctuations in interest rates.

The Sub-Fund has indirect exposure to interest rate risk as it invests in bond funds.

The value of interest bearing securities may be affected by changes in the interest rate environment, either globally or locally.

At 31 May 2023, if interest rates increased or decreased by 25 points, with all other variables remaining constant, then the net assets attributable to shareholders of the Sub-Fund would increase or decrease by approximately £76,000 (2022: £53,000).

The Sub-Fund would not in normal market conditions hold significant cash balances and would have limited borrowing capabilities as stipulated in the COLL rules.

Derivative contracts are not used to hedge against the exposure to interest rate risk.

The interest rate risk profile of financial assets and liabilities at the balance sheet date is as follows:

Notes to the financial statements (continued)
for the year ended 31 May 2023

15 Risk management policies (continued)

2023	Variable rate financial assets £000s	Variable rate financial liabilities £000s	Fixed rate financial assets £000s	Non-interest bearing financial assets £000s	Non-interest bearing financial liabilities £000s	Total £000s
Euro	1	-	-	381	-	382
Japanese yen	-	-	-	660	-	660
UK sterling	30,423	-	-	172,174	(1,953)	200,644
US dollar	1	-	8,283	59,796	(7,068)	61,012
	30,425	-	8,283	233,011	(9,021)	262,698

2022	Variable rate financial assets £000s	Variable rate financial liabilities £000s	Fixed rate financial assets £000s	Non-interest bearing financial assets £000s	Non-interest bearing financial liabilities £000s	Total £000s
Euro	37	-	-	103	-	140
Japanese yen	208	-	-	-	(31)	177
UK sterling	33,849	-	2,270	154,310	(947)	189,482
US dollar	-	(21)	18,318	64,103	(7,324)	75,076
	34,094	(21)	20,588	218,516	(8,302)	264,875

b Credit risk

This is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. This includes counterparty risk and issuer risk.

The Depositary has appointed the custodian to provide custody services for the assets of the Sub-Fund. There is a counterparty risk that the custodian could cease to be in a position to provide custody services to the Sub-Fund. The Sub-Fund's investments (excluding cash) are ring fenced hence the risk is considered to be negligible.

In addition to the interest rate risk, bond investments are exposed to issuer risk which reflects the ability for the bond issuer to meet its obligations to pay interest and return the capital on the redemption date. Change in issuer risk will change the value of the investments and is dealt with further in note 15a. The majority of debt securities held within the portfolio are unrated bonds. These are made across a variety of industry sectors and geographical markets, so as to avoid concentrations of credit risk. A breakdown is provided in the Portfolio statement. The credit quality of the debt securities is disclosed in the Summary of Portfolio Investments.

The Sub-Fund holds cash and cash deposits with financial institutions which potentially exposes the Sub-Fund to counterparty risk. The credit rating of the financial institution is taken into account so as to minimise the risk to the Sub-Fund of default.

Holdings in collective investment schemes are subject to direct credit risk. The exposure to pooled investment vehicles is unrated.

c Liquidity risk

A significant risk is the cancellation of shares which investors may wish to sell and that securities may have to be sold in order to fund such cancellations if insufficient cash is held at the bank to meet this obligation. If there were significant requests for the redemption of shares at a time when a large proportion of the portfolio of investments were not easily tradable due to market volumes or market conditions, the ability to fund those redemptions would be impaired and it might be necessary to suspend dealings in shares in the Sub-Fund.

Notes to the financial statements (continued)

for the year ended 31 May 2023

15 Risk management policies (continued)

Investments in smaller companies at times may prove illiquid, as by their nature they tend to have relatively modest traded share capital. Shifts in investor sentiment, or the announcement of new price sensitive information, can provoke significant movement in share prices, and make dealing in any quantity difficult.

The Sub-Fund may also invest in securities that are not listed or traded on any stock exchange. In such situations the Sub-Fund may not be able to immediately sell such securities.

To reduce liquidity risk the ACD will ensure, in line with the limits stipulated within the COLL rules, a substantial portion of the Sub-Fund's assets consist of readily realisable securities. This is monitored on a monthly basis and reported to the Risk Committee together with historical outflows of the Sub-Fund.

In addition liquidity is subject to stress testing on an annual basis to assess the ability of the Sub-Fund to meet large redemptions (50% of the net asset value and 80% of the net asset value), while still being able to adhere to its objective guidelines and the FCA investment borrowing regulations.

All of the financial liabilities are payable on demand. In the case of forward foreign currency contracts these are payable in less than one year.

d Fair value of financial assets and financial liabilities

There is no material difference between the value of the financial assets and liabilities, as shown in the balance sheet, and their fair value.

To ensure this, the fair value pricing committee is a body appointed by the ACD to analyse, review and vote on price adjustments/maintenance where no current secondary market exists and/or where there are potential liquidity issues that would affect the disposal of an asset. In addition, the committee may also consider adjustments to the Sub-Fund's price should the constituent investments be exposed to closed markets during general market volatility or instability.

	Investment assets	Investment liabilities
Basis of valuation	2023	2023
	£000s	£000s
Quoted prices	29,287	(815)
Observable market data	197,917	(305)
Unobservable data	8,556	-
	235,760	(1,120)

	Investment assets	Investment liabilities
Basis of valuation	2022	2022
	£000s	£000s
Quoted prices	47,623	(609)
Observable market data	197,111	(6,856)
Unobservable data	-	-
	244,734	(7,465)

No securities in the portfolio of investments are valued using valuation techniques.

e Assets subject to special arrangements arising from their illiquid nature

There are no assets held in the portfolio of investments which are subject to special arrangements arising from their illiquid nature.

Notes to the financial statements (continued)

for the year ended 31 May 2023

15 Risk management policies (continued)

f Derivatives

The Sub-Fund may employ derivatives with the aim of reducing the Sub-Fund's risk profile, reducing costs or generating additional capital or revenue, in accordance with Efficient Portfolio Management.

The ACD monitors that any exposure is covered globally to ensure adequate cover is available to meet the Sub-Fund's total exposure, taking into account the value of the underlying investments, any reasonably foreseeable market movement, counterparty risk, and the time available to liquidate any positions.

In the year there was direct exposure to derivatives. On a daily basis, exposure is calculated in UK sterling using the Absolute Value at Risk (VaR) approach with netting applied where appropriate. The total global exposure figure is divided by the net asset value of the Sub-Fund to calculate the percentage global exposure. Global exposure is a risk mitigation technique that monitors the overall commitment to derivatives in the Sub-Fund at any given time and may not exceed 100% of the net asset value of the property of the Sub-Fund.

For certain derivative transactions cash margins may be required to be paid to the brokers with whom the trades were executed and settled. These balances are subject to daily reconciliations and are held by the broker in segregated cash accounts that are afforded client money protection.

Derivatives may be used for investment purposes and as a result could potentially impact upon the risk factors outlined above.

(i) Counterparties

Transactions in securities give rise to exposure to the risk that the counterparties may not be able to fulfil their responsibility by completing their side of the transaction. This risk is mitigated by the Sub-Fund using a range of brokers for security transactions, thereby diversifying the risk of exposure to any one broker. In addition the Sub-Fund will only transact with brokers who are subject to frequent reviews with whom transaction limits are set.

The Sub-Fund may transact in derivative contracts which potentially exposes the Sub-Fund to counterparty risk from the counterparty not settling their side of the contract. Transactions involving derivatives are entered into only with investment banks and brokers with appropriate and approved credit rating, which are regularly monitored. Forward currency transactions are only undertaken with the custodians appointed by the Depositary.

At the balance sheet date, there are no securities in the portfolio of investments subject to a repurchase agreement.

(ii) Leverage

The leverage is calculated as the sum of the net asset value and the incremental exposure generated through the use of derivatives (calculated in accordance with the Absolute Value at Risk (VaR) approach) divided by the net asset value.

As at the balance sheet date, the leverage was 147.56%.

(iii) Global exposure

Global exposure is a measure designed to limit the leverage generated by a fund through the use of financial derivative instruments, including derivatives with embedded assets.

At the balance sheet date the global exposure is as follows:

	Gross exposure value £000s	% of the total net asset value
Investment		
Structured Products		
JPMorgan Structured Products 0% 08/07/2025	8,556	4.10%

Notes to the financial statements (continued)
for the year ended 31 May 2023

15 Risk management policies (continued)

	Gross exposure value £000s	% of the total net asset value
Futures		
CBT - 10 year US Treasury Note September 2023	10,621	4.04%
CBT - Ultra US Treasury Bond September 2023	5,301	2.02%
EUREX - Euro Bund June 2023	5,617	2.14%
EUREX - USA ESG Screened June 2023	2,895	1.10%
EUX - MSCI Europe ex UK June 2023	8,147	3.10%
ICF - FTSE 100 Index June 2023	20,120	7.66%
ICF - MSCI Health Care December 2023	8,783	3.34%
ICF Long Gilt Future September 2023	3,872	1.47%
NYF - MSCI Emerging Market June 2023	7,102	2.70%
OSX - Topix Index June 2023	9,208	3.51%
Forward Currency Contracts		
Value of short position – US dollar	51,913	19.76%
Value of long position - euro	7,144	2.72%
Value of long position - Japanese yen	25,375	9.66%

The Sub-Fund holds 'Over the Counter' (OTC) derivatives. This type of transaction gives rise to counterparty risk whereby the other party to the transaction may fail to fulfil their contractual obligations. Effective monitoring of counterparty credit risk is an important element of the management of the Sub-Fund.

Collateral arrangements are actively managed, ensuring cash or securities are pledged against the performance of a contract where necessary. This mitigates any potential negative impact on the Sub-Fund in the unlikely event of a counterparty default. Whether or not each position is collateralised depends on whether a net liability is held with each counterparty, the specific agreements with individual counterparties and de minimis thresholds. As such there will be instances where the Sub-Fund is not required to hold collateral.

The counterparty, collateral amount and type held by the Sub-Fund as at the 31 May 2023 is detailed in the table below.

Counterparty	Collateral classification	Collateral value
Citigroup Global Markets Limited	Cash	£3,390,449

True Potential 7IM Balanced
Sub-investment Manager's report

This supplemental reporting is intended to provide you with an overview of portfolio activity during the period and should not be relied upon to make investment decisions or otherwise.

Investment Objective and Policy

The investment objective of the Sub-Fund is to provide a balance of income and capital appreciation. The majority of the portfolio of the Sub-Fund will be invested in fixed income and equity instruments using predominantly actively allocated, but passively implemented strategies (that is, strategies designed to track the performance of particular indices, market sectors or asset classes). The Sub-Fund may be invested in other asset classes such as property (indirectly), commodities (indirectly), hedge funds (indirectly, for example via listed securities) and private equities (indirectly, for example via listed securities). Exposure to the above asset classes will be gained through direct holdings of securities, collective investment schemes, exchange traded funds or derivatives with the objective of improving returns and controlling risk by increasing diversification within the portfolio. The Sub-Fund may also be invested in deposits, cash and near cash and money market instruments.

There are no geographic restrictions on the investments of the Sub-Fund.

Derivatives may be used for investment purposes and Efficient Portfolio Management. The use of derivatives for investment purposes may increase the volatility and risk profile of the Sub-Fund.

Please be aware that there is no guarantee that capital will be preserved.

Sub-Investment Activities

The fund returned -2.7% during the reporting period. Over the same period, the IA Mixed Investment 20-60% shares returned -3.0% (Source: FEfundinfo).

Global equities had a very tough month in June 2022. Investors grew increasingly concerned about rising rates and inflation data showed no sign of slowing down. Rising food and energy prices were a key cause as crude retreated slightly after peaking in early June. China was a slight exception as lockdowns seemed to temporarily ease resulting in a slight positive upturn. In June 2022, we tilted our UK allocation away from the FTSE 250 and towards the FTSE 100. This change tilted our portfolios towards an inexpensive market, with sector exposures which aligned with a number of our other views: growth to value rotation, inflation-driven market volatility, healthcare, and a potential commodity super-cycle.

Along with this change, we also moved duration to neutral from underweight in June 2022. Given much more attractive yields on bonds, we viewed this as a good time to increase our exposure. In August 2022, we refreshed our SAA (Strategic Asset allocation) in line with its annual schedule. This is led by an optimisation process that maps asset classes onto risk factors in order to create optimal portfolios for each risk profile. This year’s process resulted in an increase in equity exposure as well as reductions in duration and credit exposure.

In July 2022, developed markets turned around. Investors began to focus on the potential of interest rate cuts in 2023 as there were very slight signs that the global economy, and hence inflation, could be slowing. Themes that were seen earlier in the year reversed as growth stocks rallied the most. Contrary to what we saw in June, China lagged developed markets, and bond yields fell across the developed world.

Going into 2022 August, our worldview was turning more negative. Our belief was that economic data was likely to weaken and equity markets would respond by moving sideways with some volatility. In order to position portfolios for this market outcome, we moved our portfolios underweight equity relative to our SAA. In August 2022, markets returned to the trends that were seen before July as markets realised that rate hikes were required to bring inflation down in a meaningful way. Developed markets sold off. In contrast to July, bond yields fell, and emerging markets help up well. The UK was another market that underperformed as investors were gripped by the resignation of Boris Johnson, the energy crisis, and weakening economic data.

September 2022 rounded off yet another tough quarter for markets with the trends that were seen in August continuing. Yet again, a lot of the drama came from the UK as Kwasi Kwarteng presented the mini budget. Unfunded tax cuts and proposed spending on a large scale elicited a dramatic response from markets. Gilts and UK equities sold off heavily as investors lost confidence in the UK economy going forward. During September 2022, we further reduced the headline equity beta of our portfolios to an even more underweight position relative to our SAA. This was in line with our core view that a global manufacturing downturn is unavoidable and economic fundamentals are set to decline.

During September 2022, we also removed the remaining part of our value allocation. This position was in place to benefit from a cyclical upturn, something we no longer believe will happen soon. This position went into a combination of cash and our Berkshire Hathaway allocation which is better placed to benefit from the economic conditions we see going forward.

In yet another mini reversal, developed markets posted strong gains as emerging markets fell in October 2022. Despite the Federal reserve signalling that tighter monetary policy is still required to keep inflation in check, markets found something to be positive about. It is possible that investors were focussed on earnings season where in previous reports data had been better than expectations. In China, equities performed badly as covid restrictions did not let up. And in the UK, the appointment of Rishi Sunak was well received by gilt markets. During October 2022, we unwound our tactical emerging market overweight. Our original case for the emerging market overweight was that the global economy would rebound after COVID-19. This has happened and it now looks as though the global economy is headed for/already in recession mode.

In October, we also removed our RMBS position. The original bull case for the position has played out and we took profits on the position. The US housing market stayed strong and mortgage prepayments meant the trade performed well. With employment potentially less certain than it has been and changing forces in housing markets, we do not think the trade is as attractive as it was.

Equity markets were positive in November 2022 with emerging markets outperforming their developed counterparts. In the developed world, there was hope that US inflation may have peaked, and rates might turn around. The driver of emerging market outperformance, yet again, was China's covid policy. In November, China loosened rules and markets responded very positively.

In December 2022, investors faced challenges as the Chinese economy reopened faster than expected, central banks continued to tighten monetary policy, and the Bank of Japan surprised the market. Developed market equities declined. The hawkishness of the US Federal Reserve set the tone for the month, despite easing inflation in many developed countries. Major central banks showed no signs of changing their accommodative monetary policies. Government bond yields rose due to central bank actions. China's swift policy changes towards reopening and downgrading COVID restrictions caused market concerns. In December, we further reduced our headline equity beta. Our base case view of the world for 2023 was that a recession was more likely than not. In this environment, we would not expect equities to perform well.

In December, we also increased our headline bond exposure. Since the start of 2022, treasury yields had risen significantly. This means they have a much more attractive base return before any price movement. On top of this, we believe that rate hikes are already priced in. In January 2023, we introduced a metals and mining trade. We have a lot of conviction in this trade as a long-term theme. The amount of metal needed to get to net zero is vast, and the nature of mining means that supply cannot increase in line with this. Mining companies are likely to benefit. Furthermore, the companies are cheap and produce very healthy dividends.

January 2023 witnessed a strong beginning for equity markets, both in developed and emerging markets. Bond prices rallied as yields decreased, reflecting positive market sentiment. Factors such as improving inflation outlook, Europe's resilient economic growth, and the expected recovery of the Chinese economy contributed to the market rally. The decline in inflation influenced expectations that central banks may end rate hikes earlier. Overall, January showed promising signs for the economy and markets, despite lingering risks.

February 2023 saw releases of tight job market data. This led to expectations of rates being higher for longer. Global equities fell slightly led by declines in the US market off the back of increased rate expectations. European equities gained slightly as forward looking data looked relatively better than it had done at the start of the year. Emerging markets struggled over the month as the US-China tensions escalated slightly.

March 2023 was a very eventful month for markets. Silicon Valley Bank was unable to meet deposits and went under. Later in the month Credit Suisse experienced extreme deposit flight and was eventually purchased by UBS in a government brokered deal. Establishing whether or not this was related to Silicon Valley Bank is very hard, but Credit Suisse's troubled reputation no doubt contributed to the speed of deposit flight when concerns around the banking sector emerged. During March, we began reducing AT1 bonds to their new target weight. The asset class has struggled on account of the stress in the European Banking sector. We believe that it is prudent risk management to downsize the positions and have been carefully reducing the allocation in tranches.

During March, we also added to our climate change position. The trade had underperformed over the past few months, we still have a lot of conviction in the long term case for the position and since it had sold off, the valuations looked more attractive than they had in the past. In April, we trimmed our put selling position. The position had performed well versus the S&P - the allocation it is funded from - and a general fall in volatility means that the base level of returns from the strategy that are available are lower.

Global shares rose in April, supported by resilient economic data. Developed markets outperformed emerging markets. US equities made limited gains as the Fed signaled a potential slowdown. Eurozone shares rose, except for the IT sector. UK equities rose, driven by financials and energy. Japan maintained positive momentum. Asia ex Japan and emerging market equities declined.

Global shares declined in May, but technology stocks saw gains driven by enthusiasm over artificial intelligence. Economic data showed weakness in manufacturing sectors, while services remained strong. Concerns over the US debt ceiling were resolved with a deal reached at the end of the month. Government bond yields increased, and the Bank of England raised interest rates. Japanese stocks continued their strong performance, while Asia ex Japan and emerging markets underperformed. During May, we split our intraday trend strategy such that it now uses both the S&P and Nasdaq 100 index. This further diversifies our alternatives basket.

Investment Strategy and Outlook

Over the next twelve months, we think that the global economy will slide into a recession. In this environment, it is important to rely on a stable identity. Economic uncertainty creates fear and investor sentiment tends to overreact to economic turning points. Going forward, we believe that:

- Inflation will come down. Goods inflation is slowly normalizing, and supply chain pressures are going.
- Central banks are getting close to the end of their hiking cycles, but there is still a bit more work to do.
- A US recession is highly likely. Most leading indicators are pointing towards a recession, but the recession shouldn't be too long or deep.

And so, investors are starting to worry about what's next for financial markets. Economic data isn't likely to stabilise until next year. Equity markets are unlikely to perform well.

We know our investment identity helps us to deliver in just these kinds of environments. We have positions that can generate returns despite this volatile backdrop.

Seven Investment Management LLP- a sub-delegate of True Potential Investments LLP

16 June 2023

Portfolio changes

for the year ended 31 May 2023

The following represents the top ten purchases and sales in the year to reflect a clearer picture of the investment activities.

	Cost
Purchases:	£000s
JPMorgan Liquidity Funds - GBP Liquidity LVNAV Fund	25,000
Legal & General Short Dated Sterling Corporate Bond Index Fund	23,939
iShares ESG Overseas Corporate Bond Index Fund	17,969
Goldman Sachs International 0% Perpetual	13,809
JPMorgan Structured Products 0% 08/07/2025	13,370
HSBC Global Funds ICAV - Global Corporate Bond Index Fund	12,892
UBS London 0% 20/10/2027	11,744
HSBC Global Funds ICAV - Global Government Bond Index Fund	11,253
iShares Environment & Low Carbon Tilt Real Estate Index	7,945
VanEck Global Mining UCITS ETF	7,208
Subtotal	145,129
Total cost of purchases, including the above, for the year	196,612

	Proceeds
Sales:	£000s
Invesco AT1 Capital Bond UCITS ETF	14,816
HSBC Global Funds ICAV - Global Corporate Bond Index Fund	13,206
BNP Paribas Issuance BV 0% 08/07/2024	13,077
Xtrackers MSCI World Value UCITS ETF	12,976
Angel Oak Multi-Strategy Income UCITS Fund	10,734
GAM Star MBS Total Return	10,411
Northern Trust Global Funds - Sterling Fund	10,000
Morgan Stanley Liquidity Funds - Sterling Liquidity Fund	10,000
JPMorgan FX Value Warrants 10/09/2024	9,522
SG Issuer 0% 22/12/2023	9,452
Subtotal	114,194
Total proceeds from sales, including the above, for the year	218,137

Portfolio statement
as at 31 May 2023

Investment	Nominal value or holding	Market value £000s	% of total net assets
Debt Securities 10.34% (12.79%)			
Corporate Bonds 10.09% (11.39%)			
Commonwealth Bank of Australia FRN 16/01/2025**	£1,160,000	1,161	0.29
Goldman Sachs International 0% Perpetual	21,678	16,273	4.12
Leeds Building Society FRN 15/01/2025**	£1,000,000	1,002	0.25
Royal Bank of Canada FRN 30/01/2025**	£3,000,000	2,999	0.76
Santander UK FRN 12/02/2024**	£1,000,000	1,003	0.25
SG Issuer 0% 22/12/2023	$6,058,000	4,952	1.26
TSB Bank United Kingdom FRN 15/02/2024**	£1,000,000	1,004	0.26
UBS London 0% 20/10/2027	109,277	10,124	2.57
Yorkshire Building Society FRN 19/11/2023**	£1,290,000	1,292	0.33
Total Corporate Bonds		39,810	10.09
Government Bonds 0.00% (0.69%)			
Public Authorities 0.25% (0.71%)			
NRW Bank FRN 09/10/2024**	£1,000,000	1,002	0.25
Total Public Authorities		1,002	0.25
Total Debt Securities		40,812	10.34
Equities 3.20% (5.48%)			
United States 3.20% (1.93%)			
Berkshire Hathaway 'B'	48,743	12,632	3.20
Total Equities		12,632	3.20
Collective Investment Schemes 76.43% (74.38%)			
UK Authorised Collective Investment Schemes 19.35% (8.96%)			
iShares ESG Overseas Corporate Bond Index Fund	15,121,167	16,092	4.08
iShares Environment & Low Carbon Tilt Real Estate Index	6,005,276	12,726	3.23
Legal & General Emerging Markets - Government Bond Local Currency Index Fund	18,532,341	11,957	3.03
Legal & General Short Dated Sterling Corporate Bond Index Fund	35,623,720	19,860	5.03
Ninety One Funds Series iii - Global Environment Fund	10,277,417	15,694	3.98
Total UK Authorised Collective Investment Schemes		76,329	19.35
Offshore Collective Investment Schemes 57.08% (65.42%)			
BlackRock Strategic Funds - Global Event Driven Fund	90,166	10,250	2.60
Candriam Absolute Return Equity Market Neutral Fund	5,569	8,470	2.15

Portfolio statement (continued)

as at 31 May 2023

Investment	Nominal value or holding	Market value £000s	% of total net assets
Offshore Collective Investment Schemes 57.08% (65.42%) (continued)			
Fulcrum UCITS SICAV - Fulcrum Equity Dispersion Fund	35,877	4,338	1.10
HSBC Global Funds ICAV - Global Government Bond Index Fund	1,593,123	12,042	3.05
Invesco AT1 Capital Bond UCITS ETF	475,383	14,706	3.73
JPMorgan Liquidity Funds - GBP Liquidity LVNAV Fund	48,688,555	48,687	12.34
Legal & General Emerging Markets - Government Bond Index Fund	13,310,167	12,106	3.07
Lyxor FTSE Actuaries UK Gilts DR UCITS ETF	41,548	4,197	1.06
Morgan Stanley Liquidity Funds - Sterling Liquidity Fund	51,057,825	51,058	12.94
Northern Trust Global Funds - Sterling Fund	50,000,000	50,000	12.67
VanEck Global Mining UCITS ETF	255,054	5,935	1.50
WisdomTree AT1 CoCo Bond UCITS ETF	43,876	3,441	0.87
Total Offshore Collective Investment Schemes		225,230	57.08
Total Collective Investment Schemes		301,559	76.43
Warrants 2.65% (3.55%)			
JPMorgan FX Value Warrants 10/09/2024	12,360,000	10,465	2.65
Total Warrants		10,465	2.65
Structured Products 2.04% (0.00%)			
JPMorgan Structured Products 0% 08/07/2025	10,440,000	8,062	2.04
Total Structured Products		8,062	2.04
Futures 0.16% (0.00%)			
CBT - US 10 year Note September 2023	132	67	0.02
CBT - US Ultra Bond September 2023	56	65	0.02
EUX - EURO Bund June 2023	38	78	0.02
EUX - MSCI Europe ex UK June 2023	544	466	0.12
EUX - USA ESG Scr NTR June 2023	487	710	0.18
ICF - FTSE 100 Index June 2023	870	(1,450)	(0.37)
ICF - Long Gilt September 2023	66	112	0.03
ICF - MSCI Health Care December 2023	490	(769)	(0.19)
NYF - MSCI Emerging Market June 2023	231	68	0.02
OSE - Topix Index June 2023	145	1,287	0.33
Total Futures		634	0.16

Portfolio statement (continued)
as at 31 May 2023

Investment	Nominal value or holding	Market value £000s	% of total net assets
Forward Currency Contracts (0.07%) ((0.24)%)			
Sell US dollar	-$56,300,000	(45,383)	
Buy UK sterling	£45,863,016	45,863	
Expiry date 14 July 2023		480	0.12
Sell UK sterling	-£7,614,993	(7,615)	
Buy US dollar	$9,300,000	7,497	
Expiry date 14 July 2023		(118)	(0.03)
Sell UK sterling	-£16,420,600	(16,421)	
Buy Euro	€ 18,500,000	16,012	
Expiry date 20 October 2023		(409)	(0.10)
Sell Japanese yen	-¥700,000,000	(4,145)	
Buy UK sterling	£4,164,968	4,165	
Expiry date 17 November 2023		20	0.01
Sell UK sterling	-£55,179,882	(55,180)	
Buy Japanese yen	¥9,274,000,000	54,914	
Expiry date 17 November 2023		(266)	(0.07)
Total Forward Currency Contracts		(293)	(0.07)
Portfolio of investments		373,871	94.75
Other net assets		20,698	5.25
Total net assets		394,569	100.00

All investments are listed on recognised stock exchanges or are approved securities or regulated collective investment schemes within the meaning of the FCA rules unless otherwise stated. Forward contracts are not listed on stock exchanges and are considered over-the-counter instruments.

The comparative figures in brackets are as at 31 May 2022.

**Variable interest security

SUMMARY OF PORTFOLIO INVESTMENTS

as at 31 May 2023

	31 May 2023		31 May 2022	
Credit breakdown*	Bid-Market value £000s	Total net assets %	Bid-Market value £000s	Total net assets %
Investments of investment grade	9,463	2.39	29,651	6.84
Unrated bonds	31,349	7.95	25,714	5.95
Total bonds	40,812	10.34	55,365	12.79
Structured Products	8,062	2.04	-	-
Forward currency contracts – assets	500	0.13	1,748	0.41
Collective Investment Schemes	301,559	76.43	321,867	74.38
Warrants	10,465	2.65	-	-
Futures - assets	2,853	0.72	2,446	0.57
Equities	12,632	3.20	23,717	5.48
Investments as shown in the balance sheet	376,883	95.51	405,143	93.63
Forward currency contracts – liabilities	(793)	(0.20)	(2,805)	(0.65)
Futures – liabilities	(2,219)	(0.56)	(2,457)	(0.57)
Total value of investments	373,871	94.75	399,881	92.41

* Ratings supplied by S&P, followed by Moody's.

Risk and reward profile

The risk and reward profile relates to both share classes in the Sub-Fund.

The risk and reward indicator table demonstrates where the Sub-Fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the future risk profile of the Sub-Fund. The shaded area in the table below shows the Sub-Fund's ranking on the risk and reward indicator.

Typically lower rewards, lower risk

Typically higher rewards, higher risk

1	2	3	4	5	6	7

The Sub-Fund is in a medium category because the price of its investments have risen or fallen to some extent. The category shown is not guaranteed to remain unchanged and may shift over time. Even the lowest category does not mean a risk-free investment.

The price of the Sub-Fund and any income from it can go down as well as up and is not guaranteed. Investors may not get back the amount invested. Past performance is not a guide to future performance.

Where the Sub-Fund invests in bonds, there is a risk the bond issuer may fail to meet its repayments. Changes in interest rates, inflation and the creditworthiness of the bond issuer may also affect the bond's market value.

Where the Sub-Fund invests into other investment funds, they may invest in different assets, countries or economic sectors and therefore have different risk profiles not in line with those of the Sub-Fund.

Investment trusts and closed ended funds may borrow to purchase additional investments. This can increase returns when stock markets rise but will magnify losses when markets fall. The value of an investment trust or a closed-ended fund moves in line with stock market demand and its share price may be less than or more than the net value of the investments it holds.

Where the Sub-Fund invests in structured products, there may be cases where the organisation from which we buy an asset (usually a financial institution such as a bank) fails to carry out its obligations, which could cause losses to the Sub-Fund. The Sub-Fund is entitled to use derivative instruments for Efficient Portfolio Management and investment purposes. Derivatives may not achieve their intended purpose. Their prices may move up or down significantly over relatively short periods of time which may result in losses greater than the amount paid. This could adversely impact the value of the Sub-Fund. The organisation from which the Sub-Fund buys a derivative may fail to carry out its obligations, which could also cause losses to the Sub-Fund.

Zeros and synthetic zeros may not deliver their specified capital return if the assets fail to grow sufficiently during their lifetime and may be unable to pay the amount promised at the maturity date. Zeros and synthetic zeros may leverage their assets, which may lead to more volatile results than assets that do not use leverage. The share prices of zeros and synthetic zeros may stand at a discount to their net asset value per share for prolonged periods.

The Sub-Fund may invest in securities not denominated in sterling, the value of your investments may be affected by changes in currency exchange rates.

For further information please refer to the KIID.

For full details on risk factors for the Sub-Fund, please refer to the Prospectus.

There have been no changes to the risk and reward indicator in the year.

Comparative tables

The following disclosures give a shareholder an indication of the performance of a share in the Sub-Fund. It also discloses the operating charges and direct transaction costs applied to each share. Operating charges are those charges incurred in operating the Sub-Fund and direct transaction costs are costs incurred when purchasing or selling securities in the portfolio of investments.

	A Income		
	2023	2022	2021
	p	p	p
Change in net assets per share			
Opening net asset value per share	124.56	129.43	115.36
Return before operating charges*	(2.20)	(2.83)	16.13
Operating charges	(0.84)	(0.98)	(0.90)
Return after operating charges*	(3.04)	(3.81)	15.23
Distributions+	(2.03)	(1.06)	(1.16)
Closing net asset value per share	119.49	124.56	129.43
*after direct transaction costs of:	0.04	0.04	-
Performance			
Return after charges	(2.44%)	(2.94%)	13.20%
Other information			
Closing net asset value (£000s)	2,335	2,995	3,228
Closing number of shares	1,954,298	2,404,388	2,493,888
Operating charges++	0.69%	0.75%	0.73%
Direct transaction costs	0.03%	0.03%	-
Prices			
Highest share price (p)	127.5	133.8	130.6
Lowest share price (p)	117.4	122.8	115.7

+Rounded to 2 decimal places.

++The operating charges are represented by the Ongoing Charges Figure (OCF). The OCF consists principally of the ACD's periodic charge and the Investment Manager's fee which are included in the annual management charge, but also includes the costs for other services paid. It is indicative of the charges which the share class may incur in a year as it is calculated on historical data. The operating charge includes charges for the underlying funds held.

Investments carry risk. Past performance is not a guide to future performance. Investors may not get back the amount invested.

Comparative tables (continued)

	A Accumulation		
	2023	2022	2021
	p	p	p
Change in net assets per share			
Opening net asset value per share	134.26	138.34	122.17
Return before operating charges*	(2.38)	(3.04)	17.13
Operating charges	(0.91)	(1.04)	(0.96)
Return after operating charges*	(3.29)	(4.08)	16.17
Distributions+	(2.20)	(1.14)	(1.24)
Retained distribution on accumulation shares+	2.20	1.14	1.24
Closing net asset value per share	130.97	134.26	138.34
*after direct transaction costs of:	0.04	0.04	-
Performance			
Return after charges	(2.45%)	(2.95%)	13.24%
Other information			
Closing net asset value (£000s)	392,234	429,746	622,132
Closing number of shares	299,481,375	320,077,636	449,721,626
Operating charges++	0.69%	0.75%	0.73%
Direct transaction costs	0.03%	0.03%	-
Prices			
Highest share price (p)	138.4	142.8	139.1
Lowest share price (p)	126.5	131.6	122.4

+Rounded to 2 decimal places.

++The operating charges are represented by the Ongoing Charges Figure (OCF). The OCF consists principally of the ACD's periodic charge and the Investment Manager's fee which are included in the annual management charge, but also includes the costs for other services paid. It is indicative of the charges which the share class may incur in a year as it is calculated on historical data. The operating charge includes charges for the underlying funds held.

Investments carry risk. Past performance is not a guide to future performance. Investors may not get back the amount invested.

Distribution tables

for the year ended 31 May 2023

Distributions on A Income shares in pence per share

Payment date	Share type	Distribution type	Net revenue	Equalisation	Distribution current year	Distribution prior year
31.01.23	group 1	interim	0.879	-	0.879	0.321
31.01.23	group 2	interim	0.526	0.353	0.879	0.321
31.07.23	group 1	final	1.151	-	1.151	0.742
31.07.23	group 2	final	0.568	0.583	1.151	0.742

Equalisation

Equalisation applies only to group 2 shares. It is the average amount of revenue included in the purchase price of 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 in the hands of the shareholder but must be deducted from the cost of shares for capital gains tax purposes.

Interim distributions:

Group 1 Shares purchased before 1 June 2022

Group 2 Shares purchased 1 June 2022 to 30 November 2022

Final distributions:

Group 1 Shares purchased before 1 December 2022

Group 2 Shares purchased 1 December 2022 to 31 May 2023

Distributions on A Accumulation shares in pence per share

Allocation date	Share type	Distribution type	Net revenue	Equalisation	Distribution current year	Distribution prior year
31.01.23	group 1	interim	0.942	-	0.942	0.342
31.01.23	group 2	interim	0.519	0.423	0.942	0.342
31.07.23	group 1	final	1.257	-	1.257	0.796
31.07.23	group 2	final	0.545	0.712	1.257	0.796

Equalisation

Equalisation applies only to group 2 shares. It is the average amount of revenue included in the purchase price of 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 in the hands of the shareholder but must be deducted from the cost of shares for capital gains tax purposes.

Accumulation distributions

Holders of accumulation shares should add the distributions received thereon to the cost of the shares for capital gains tax purposes.

Interim distributions:

Group 1 Shares purchased before 1 June 2022

Group 2 Shares purchased 1 June 2022 to 30 November 2022

Final distributions:

Group 1 Shares purchased before 1 December 2022

Group 2 Shares purchased 1 December 2022 to 31 May 2023

Financial statements - True Potential 7IM Balanced

Statement of total return
for the year ended 31 May 2023

	Notes	2023		2022	
		£000s	£000s	£000s	£000s
Income:					
Net capital losses	2		(16,749)		(17,817)
Revenue	3	10,530		7,011	
Expenses	4	(2,457)		(3,176)	
Interest payable and similar charges		(1)		(20)	
Net revenue before taxation		8,072		3,815	
Taxation	5	(1,467)		(750)	
Net revenue after taxation			6,605		3,065
Total deficit before distributions			(10,144)		(14,752)
Distributions	6		(7,613)		(4,404)
Change in net assets attributable to shareholders from investment activities			(17,757)		(19,156)

Statement of change in net assets attributable to shareholders
for the year ended 31 May 2023

	2023		2022	
	£000s	£000s	£000s	£000s
Opening net assets attributable to shareholders		432,741		625,360
Amounts receivable on issue of shares	131,147		217,304	
Amounts payable on cancellation of shares	(158,604)		(394,721)	
		(27,457)		(177,417)
Change in net assets attributable to shareholders from investment activities		(17,757)		(19,156)
Retained distribution on accumulation shares		7,042		3,954
Closing net assets attributable to shareholders		394,569		432,741

Balance Sheet

as at 31 May 2023

	Notes	2023	2022
		£000s	£000s
Assets:			
Fixed assets:			
Investments		376,883	405,143
Current assets:			
Debtors	7	11,953	3,119
Cash and bank balances and amounts held at futures clearing houses and brokers	8	15,552	32,481
Total assets		404,388	440,743
Liabilities:			
Investment liabilities		(3,012)	(5,262)
Creditors:			
Bank overdrafts (including futures overdrafts)	8	-	(1,429)
Distribution payable	6	(22)	(18)
Other creditors	9	(6,785)	(1,293)
Total liabilities		(9,819)	(8,002)
Net assets attributable to shareholders		394,569	432,741

Notes to the financial statements

for the year ended 31 May 2023

1. Accounting policies

The accounting policies are disclosed on pages 12 to 14.

2. Net capital losses	2023	2022
	£000s	£000s
Non-derivative securities – losses	(8,716)	(7,846)
Derivative contracts – losses	(2,334)	(5,426)
Currency (losses)/gains	(1,368)	472
Forward currency contracts	(4,315)	(5,195)
Rebates from collective investment schemes	115	354
Commission on futures	(131)	(178)
Transaction charges	-	2
Net capital losses	(16,749)	(17,817)

3. Revenue	2023	2022
	£000s	£000s
Non-interest distributions from overseas funds	527	336
Distributions from UK regulated collective investment schemes:		
Franked investment income	324	89
Unfranked investment income	152	325
Interest distributions	1,324	1,211
Interest on debt securities from overseas collective investment schemes	6,777	4,648
Interest on debt securities	657	324
Bank interest	580	14
Deposit interest	88	-
Rebates from collective investment schemes	101	64
Total revenue	10,530	7,011

4. Expenses	2023	2022
	£000s	£000s
Payable to the ACD and associates		
Annual management charge	2,457	3,176
Total expenses	2,457	3,176

The annual management charge includes the ACD's periodic charge, investment management fees and other permitted charges relating to the operation of the Sub-Fund.

The annual management charge included an audit fee of £8,952 inclusive of VAT (2022: £6,426 inclusive of VAT).

5. Taxation	2023	2022
	£000s	£000s
a) Analysis of charge for the year		
Corporation tax	1,467	749
Irrecoverable overseas tax	-	1
Total taxation (note 5b)	1,467	750

Notes to the financial statements (continued)
for the year ended 31 May 2023

5. Taxation (continued)

b) Factors affecting the current tax charge for the year

The tax assessed for the year is lower (2022: lower) than the standard rate of UK corporation tax for an authorised collective investment scheme of 20% (2022: 20%).

The differences are explained below:

	2023	2022
	£000s	£000s
Net revenue before taxation	8,072	3,815
Corporation tax @ 20%	1,614	763
Effects of:		
UK revenue	(65)	(18)
Overseas revenue	(105)	(67)
Capital rebates from collective investment schemes	23	71
Irrecoverable overseas tax	-	1
Total taxation (note 5a)	1,467	750

6. Distributions

The distributions take account of revenue added on the issue of shares and revenue deducted on the cancellation of shares and comprise:

	2023	2022
	£000s	£000s
Interim income distribution	19	8
Interim accumulation distribution	3,278	1,406
Final income distribution	22	18
Final accumulation distribution	3,764	2,548
	7,083	3,980
Equalisation:		
Amounts deducted on cancellation of shares	1,078	738
Amounts added on issue of shares	(548)	(314)
Total net distributions	7,613	4,404

Reconciliation between net revenue and distributions:	2023	2022
	£000s	£000s
Net revenue after taxation per Statement of total return	6,605	3,065
Undistributed revenue brought forward	3	-
Expenses paid from capital	1,229	1,588
Marginal tax relief	(223)	(246)
Undistributed revenue carried forward	(1)	(3)
Distributions	7,613	4,404

Details of the distribution per share are disclosed in the Distribution tables.

Notes to the financial statements (continued)
for the year ended 31 May 2023

7. Debtors

	2023 £000s	2022 £000s
Amounts receivable on issue of shares	1,511	2,837
Sales awaiting settlement	5,083	-
Currency trades outstanding	5,077	-
Accrued revenue	101	79
Accrued rebates from collective investment schemes	181	203
Total debtors	11,953	3,119

8. Cash and bank balances

	2023 £000s	2022 £000s
Cash and bank balances and amounts held at futures clearing houses and brokers	15,552	32,481
Bank overdraft (including futures overdraft)	-	(1,429)
Total cash and bank balances	15,552	31,052

9. Other creditors

	2023 £000s	2022 £000s
Amounts payable on cancellation of shares	716	574
Currency trades outstanding	5,083	-
Accrued expenses:		
Payable to the ACD and associates		
Annual management charge	204	201
Total accrued expenses	204	201
Corporation tax payable	782	518
Total other creditors	6,785	1,293

10. Commitments and contingent liabilities

At the balance sheet date there are no commitments or contingent liabilities (2022: same).

11. Share classes

The following reflects the change in shares in issue for each share class in the year:

	A Income
Opening shares in issue	2,404,388
Total shares issued in the year	51,906
Total shares cancelled in the year	(501,996)
Closing shares in issue	1,954,298

	A Accumulation
Opening shares in issue	320,077,636
Total shares issued in the year	99,392,450
Total shares cancelled in the year	(119,988,711)
Closing shares in issue	299,481,375

For the year ended 31 May 2023, the annual management charge is 0.54%. The annual management charge includes the ACD's periodic charge, Investment Manager's fee and other permitted charges to the operation of the Sub-Fund.

Further information in respect of the return per share is disclosed in the Comparative tables.

Notes to the financial statements (continued)
for the year ended 31 May 2023

11. Share classes (continued)

On the winding up of a Sub-Fund all the assets of the Sub-Fund will be realised and apportioned to the share classes in relation to the net asset value on the closure date. Shareholders will receive their respective share of the proceeds, net of liabilities and the expenses incurred in the termination in accordance with the FCA regulations. Each share class has the same rights on winding up.

12. Related party transactions

True Potential Administration LLP, as ACD, is a related party due to its ability to act in respect of the operations of the Sub-Fund.

The ACD acts as principal in respect of all transactions of shares in the Sub-Fund. The aggregate monies received and paid through the creation and cancellation of shares are disclosed in the Statement of change in net assets attributable to shareholders of the Sub-Fund.

Amounts payable to the ACD and its associates are disclosed in note 4. The amount due to the ACD and its associates at the balance sheet date is disclosed in note 9.

13. Events after the balance sheet date

Subsequent to the year end, the net asset value per A Income share has increased from 119.5p to 119.6p and the A Accumulation share has increased from 131.0p to 131.1p as at 27 September 2023. This movement takes into account routine transactions but also reflects the market movements of recent months.

14. Transaction costs

a Direct transaction costs

Direct transaction costs include fees and commissions paid to advisers, brokers and dealers; levies by regulatory agencies and security exchanges; and transfer taxes and duties.

Commission is a charge which is deducted from the proceeds of the sale of securities and added to the cost of the purchase of securities. This charge is a payment to advisers, brokers and dealers in respect of their services in executing the trades.

Tax is payable on the purchase of securities in the United Kingdom. It may be the case that 'other taxes' will be charged on the purchase of securities in countries other than the United Kingdom.

The total purchases and sales and the related direct transaction costs incurred in these transactions are as follows:

	Purchases before transaction costs	Commissions		Taxes		Other Expenses		Purchases after transaction costs
2023	£000s	£000s	%	£000s	%	£000s	%	£000s
Equities	9,597	1	0.01	-	-	-	-	9,598
Bonds*	47,640	-	-	-	-	-	-	47,640
Collective Investment Schemes*	139,307	-	-	-	-	-	-	139,307
Total	196,544	1		-		-		196,545

Capital events amount of £67,000 (2022: £137,000) is excluded from the total purchases as there were no direct transaction costs charged in these transactions.

Notes to the financial statements (continued)

for the year ended 31 May 2023

14. Transaction costs (continued)

2022	Purchases before transaction costs £000s	Commissions £000s	%	Taxes £000s	%	Other Expenses £000s	%	Purchases after transaction costs £000s
Equities	23,250	-	-	-	-	-	-	23,250
Bonds*	58,587	-	-	-	-	-	-	58,587
Collective Investment Schemes	279,986	-	-	-	-	-	-	279,986
Total	361,823	-		-		-		361,823

2023	Sales before transaction costs £000s	Commissions £000s	%	Taxes £000s	%	Other Expenses £000s	%	Sales after transaction costs £000s
Equities	11,323	-	-	-	-	-	-	11,323
Bonds*	59,797	-	-	-	-	-	-	59,797
Collective Investment Schemes	147,017	-	-	-	-	-	-	147,017
Total	218,137	-		-		-		218,137

2022	Sales before transaction costs £000s	Commissions £000s	%	Taxes £000s	%	Other Expenses £000s	%	Sales after transaction costs £000s
Equities	43,262	(2)	-	-	-	-	-	43,260
Bonds*	100,923	-	-	-	-	-	-	100,923
Collective Investment Schemes	328,583	-	-	-	-	-	-	328,583
Total	472,768	(2)		-		-		472,766

*No direct transaction costs were incurred in these transactions

Summary of direct transaction costs

The following represents the total of each type of transaction cost, expressed as a percentage of the Sub-Fund's average net asset value in the year :

2023	£000s	% of average net asset value
Commission	1	0.00%
Taxes	-	0.00%
Other Expenses	-	0.00%

2022	£000s	% of average net asset value
Commission	2	0.00%
Taxes	-	0.00%
Other Expenses	-	0.00%

*No direct transaction costs were incurred in the purchase and sale of investments during the year (2022: same).

Notes to the financial statements (continued)
for the year ended 31 May 2023

14. Transaction costs (continued)

The following represents the total of each type of transaction cost, expressed as a percentage of the Sub-Fund's average net asset value in the year :

	2023		2022	
Summary of direct transaction costs	£000s	% of average net asset value	£000s	% of average net asset value
Derivatives	131	0.03	178	0.03

b Average portfolio dealing spread

The average portfolio dealing spread is calculated as the difference between the bid and offer value of the portfolio as a percentage of the offer value.

The average portfolio dealing spread of the investments at the balance sheet date was 0.05% (2022: 0.11%).

15 Risk management policies

In pursuing the Sub-Fund's investment objective, as set out in the Prospectus, the following are accepted by the ACD as being the main risks from the Sub-Fund's holding of financial instruments, either directly or indirectly through its underlying holdings. These are presented with the ACD's policy for managing these risks. To ensure these risks are consistently and effectively managed these are continually reviewed by the risk committee, a body appointed by the ACD, which sets the risk appetite and ensures continued compliance with the management of all known risks.

a Market risk

Market risk is the risk that the value of the Sub-Fund's financial instruments will fluctuate as a result of changes in market prices and comprise three elements: other price risk, currency risk, and interest rate risk.

The method used to calculate the global exposure is absolute Value at risk (VaR). The calculation of the Absolute VaR is carried out in accordance with the following parameters: 99% one-sided confidence interval, 1 month (20 day) holding period, Monte Carlo simulation (10,000 simulations) ,1-year (250 day) history with time decay factor (weighting recent events).

A given fund’s limit is based on its Risk profile. All of the positions within the fund (direct investments and derivatives) are taken into account for the VaR calculation, not just derivatives.

The below table shows the lowest, the highest and the average utilisation of the VaR limit calculated during the financial year, 01 June 2022 - 31 May 2023. Funds using the VaR approach disclose the level of leverage employed during the relevant period, using the gross method (sum of the notionals of the derivatives used).

	Lowest VaR %	Highest VaR %	Average VaR %	VaR Limit %	Average Level of leverage %	Typical expected Leverage %
True Potential 7IM Balanced	4.62	7.81	6.38	14.20	145.00	205

(i) Other price risk

The Sub-Fund's exposure to price risk comprises mainly of movements in the value of investment positions in the face of price movements.

The main elements of the portfolio of investments exposed to this risk are debt securities and collective investment schemes.

This risk is generally regarded as consisting of two elements: stock specific risk and market risk. Through these two factors, the Sub-Fund is exposed to price fluctuations, which are monitored by the ACD in pursuance of the investment objective and policy.

Notes to the financial statements (continued)

for the year ended 31 May 2023

15 Risk management policies (continued)

Adhering to investment guidelines and avoiding excessive exposure to one particular issuer can limit stock specific risk. Subject to compliance with the investment objective of the Sub-Fund, spreading exposure in the portfolio of investments both globally and across sectors or geography can mitigate market risk.

At 31 May 2023, if the price of the investments held by the Sub-Fund increased or decreased by 5%, with all other variables remaining constant, then the net assets attributable to shareholders of the Sub-Fund would increase or decrease by approximately £18,662,000 (2022: £19,994,000).

(ii) Currency risk

Currency risk is the risk that the value of investments or future cash flows will fluctuate as a result of exchange rate movements. Investment in overseas securities or holdings of foreign currency cash will provide direct exposure to currency risk as a consequence of the movement in foreign exchange rates against sterling. Investments in UK securities investing in overseas securities will give rise to indirect exposure to currency risk. These fluctuations can also affect the profitability of some UK companies, and thus their market prices, as sterling's relative strength or weakness can affect export prospects, the value of overseas earnings in sterling terms, and the prices of imports sold in the UK.

Forward currency contracts are used to help the Sub-Fund achieve its investment objective as stated in the Prospectus. The ACD monitors the exposure to these contracts to ensure they are in keeping with the investment objective.

The foreign currency risk profile of the Sub-Fund's financial instruments and cash holdings at the balance sheet date is as follows:

2023	Total net foreign currency exposure* £000s
Euro	577
Japanese yen	1,420
US dollar	75,289
Total net foreign currency exposure	77,286

2022	Total net foreign currency exposure* £000s
Euro	317
Japanese yen	446
US dollar	58,384
Total net foreign currency exposure	59,147

At 31 May 2023, if the value of sterling increased or decreased by 5% against all other currencies, with all other variables remaining constant, then the net assets attributable to shareholders of the Sub-Fund would increase or decrease by approximately £3,800,000 (2022: £5,104,000). Forward currency contracts are used to manage the portfolio exposure to currency movements.

* Please note the financial instruments and cash holdings and net debtors and creditors has been merged with total net foreign currency exposure.

(iii) Interest rate risk

Interest rate risk is the risk that the value of the Sub-Fund's investments will fluctuate as a result of interest rate changes.

During the year the Sub-Fund's direct exposure to interest rates consisted of cash and bank balances and interest bearing securities.

The amount of revenue receivable from bank balances or payable on bank overdrafts will be affected by fluctuations in interest rates.

Notes to the financial statements (continued)

for the year ended 31 May 2023

15 Risk management policies (continued)

The Sub-Fund has indirect exposure to interest rate risk as it invests in bond funds.

The value of interest bearing securities may be affected by changes in the interest rate environment, either globally or locally.

At 31 May 2023, if interest rates increased or decreased by 25 points, with all other variables remaining constant, then the net assets attributable to shareholders of the Sub-Fund would increase or decrease by approximately £63,000 (2022: £143,000).

The Sub-Fund would not in normal market conditions hold significant cash balances and would have limited borrowing capabilities as stipulated in the COLL rules.

The interest rate risk profile of financial assets and liabilities at the balance sheet date is as follows:

	Variable rate financial assets	Variable rate financial liabilities	Fixed rate financial assets	Non-interest bearing financial assets	Non-interest bearing financial liabilities	Total
2023	£000s	£000s	£000s	£000s	£000s	£000s
Euro	33	-	-	544	-	577
Japanese yen	113	-	-	1,307	-	1,420
UK sterling	24,749	-	-	296,501	(3,967)	317,283
US dollar	119	-	31,349	49,673	(5,852)	75,289
	25,014	-	31,349	348,025	(9,819)	394,569

	Variable rate financial assets	Variable rate financial liabilities	Fixed rate financial assets	Non-interest bearing financial assets	Non-interest bearing financial liabilities	Total
2022	£000s	£000s	£000s	£000s	£000s	£000s
Euro	-	(5)	-	322	-	317
Japanese yen	434	-	-	86	(74)	446
UK sterling	56,091	-	5,606	313,634	(1,737)	373,594
US dollar	-	(1,424)	25,714	38,856	(4,762)	58,384
	56,525	(1,429)	31,320	352,898	(6,573)	432,741

b Credit risk

This is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. This includes counterparty risk and issuer risk.

The Depositary has appointed the custodian to provide custody services for the assets of the Sub-Fund. There is a counterparty risk that the custodian could cease to be in a position to provide custody services to the Sub-Fund. The Sub-Fund's investments (excluding cash) are ring fenced hence the risk is considered to be negligible.

In addition to the interest rate risk, bond investments are exposed to issuer risk which reflects the ability for the bond issuer to meet its obligations to pay interest and return the capital on the redemption date. Change in issuer risk will change the value of the investments and is dealt with further in note 15a. The majority of debt securities held within the portfolio are unrated bonds. These are made across a variety of industry sectors and geographical markets, so as to avoid concentrations of credit risk. A breakdown is provided in the Portfolio statement. The credit quality of the debt securities is disclosed in the Summary of Portfolio Investments.

Notes to the financial statements (continued)

for the year ended 31 May 2023

15 Risk management policies (continued)

The Sub-Fund holds cash and cash deposits with financial institutions which potentially exposes the Sub-Fund to counterparty risk. The credit rating of the financial institution is taken into account so as to minimise the risk to the Sub-Fund of default.

Holdings in collective investment schemes are subject to direct credit risk. The exposure to pooled investment vehicles is unrated.

c Liquidity risk

A significant risk is the cancellation of shares which investors may wish to sell and that securities may have to be sold in order to fund such cancellations if insufficient cash is held at the bank to meet this obligation. If there were significant requests for the redemption of shares at a time when a large proportion of the portfolio of investments were not easily tradable due to market volumes or market conditions, the ability to fund those redemptions would be impaired and it might be necessary to suspend dealings in shares in the Sub-Fund.

Investments in smaller companies at times may prove illiquid, as by their nature they tend to have relatively modest traded share capital. Shifts in investor sentiment, or the announcement of new price sensitive information, can provoke significant movement in share prices, and make dealing in any quantity difficult.

The Sub-Fund may also invest in securities that are not listed or traded on any stock exchange. In such situations the Sub-Fund may not be able to immediately sell such securities.

To reduce liquidity risk the ACD will ensure, in line with the limits stipulated within the COLL rules, a substantial portion of the Sub-Fund's assets consist of readily realisable securities. This is monitored on a monthly basis and reported to the Risk Committee together with historical outflows of the Sub-Fund.

In addition liquidity is subject to stress testing on an annual basis to assess the ability of the Sub-Fund to meet large redemptions (50% of the net asset value and 80% of the net asset value), while still being able to adhere to its objective guidelines and the FCA investment borrowing regulations.

All of the financial liabilities are payable on demand. In the case of forward foreign currency contracts these are payable in less than one year.

d Fair value of financial assets and financial liabilities

There is no material difference between the value of the financial assets and liabilities, as shown in the balance sheet, and their fair value.

To ensure this, the fair value pricing committee is a body appointed by the ACD to analyse, review and vote on price adjustments/maintenance where no current secondary market exists and/or where there are potential liquidity issues that would affect the disposal of an asset. In addition, the committee may also consider adjustments to the Sub-Fund's price should the constituent investments be exposed to closed markets during general market volatility or instability.

	Investment assets	Investment liabilities
Basis of valuation	2023	2023
	£000s	£000s
Quoted prices	54,229	(2,219)
Observable market data	314,592	(793)
Unobservable data	8,062	-
	376,883	(3,012)

Notes to the financial statements (continued)

for the year ended 31 May 2023

15 Risk management policies (continued)

Basis of valuation	Investment assets 2022 £000s	Investment liabilities 2022 £000s
Quoted prices	85,810	(2,457)
Observable market data	319,333	(2,805)
Unobservable data	-	-
	405,143	(5,262)

No securities in the portfolio of investments are valued using valuation techniques.

e Assets subject to special arrangements arising from their illiquid nature

There are no assets held in the portfolio of investments which are subject to special arrangements arising from their illiquid nature.

f Derivatives

The Sub-Fund may employ derivatives with the aim of reducing the Sub-Fund's risk profile, reducing costs or generating additional capital or revenue, in accordance with Efficient Portfolio Management.

The ACD monitors that any exposure is covered globally to ensure adequate cover is available to meet the Sub-Fund's total exposure, taking into account the value of the underlying investments, any reasonably foreseeable market movement, counterparty risk, and the time available to liquidate any positions.

In the year there was direct exposure to derivatives. On a daily basis, exposure is calculated in UK sterling using the Absolute Value at Risk (VaR) approach with netting applied where appropriate. The total global exposure figure is divided by the net asset value of the Sub-Fund to calculate the percentage global exposure. Global exposure is a risk mitigation technique that monitors the overall commitment to derivatives in the Sub-Fund at any given time and may not exceed 100% of the net asset value of the property of the Sub-Fund.

For certain derivative transactions cash margins may be required to be paid to the brokers with whom the trades were executed and settled. These balances are subject to daily reconciliations and are held by the broker in segregated cash accounts that are afforded client money protection.

Derivatives may be used for investment purposes and as a result could potentially impact upon the risk factors outlined above.

(i) Counterparties

Transactions in securities give rise to exposure to the risk that the counterparties may not be able to fulfil their responsibility by completing their side of the transaction. This risk is mitigated by the Sub-Fund using a range of brokers for security transactions, thereby diversifying the risk of exposure to any one broker. In addition the Sub-Fund will only transact with brokers who are subject to frequent reviews with whom transaction limits are set.

The Sub-Fund may transact in derivative contracts which potentially exposes the Sub-Fund to counterparty risk from the counterparty not settling their side of the contract. Transactions involving derivatives are entered into only with investment banks and brokers with appropriate and approved credit rating, which are regularly monitored. Forward currency transactions are only undertaken with the custodians appointed by the Depositary.

At the balance sheet date, there are no securities in the portfolio of investments subject to a repurchase agreement.

(ii) Leverage

The leverage is calculated as the sum of the net asset value and the incremental exposure generated through the use of derivatives (calculated in accordance with the Absolute Value at Risk (VaR) approach) divided by the net asset value.

As at the balance sheet date, the leverage was 162.54% (2022: 152.56%).

Notes to the financial statements (continued)

for the year ended 31 May 2023

15 Risk management policies (continued)

(iii) Global exposure

Global exposure is a measure designed to limit the leverage generated by a fund through the use of financial derivative instruments, including derivatives with embedded assets.

At the balance sheet date the global exposure is as follows:

	Gross exposure value £000s	% of the total net asset value
Investment		
Structured Products		
JPMorgan Structured Products 0% 08/07/2025	8,062	2.63
Futures		
CBT - US 10 year Note September 2023	12,191	3.09
CBT - US Ultra Bond September 2023	6,184	1.57
EUX - EURO Bund June 2023	4,447	1.13
EUX - MSCI Europe ex UK June 2023	14,436	3.66
EUX - USA ESG Scr NTR June 2023	14,996	3.80
ICF - FTSE 100 Index June 2023	64,832	16.43
ICF - Long Gilt Future September 2023	6,388	1.62
ICF - MSCI Health Care December 2023	19,385	4.91
NYF - MSCI Emerging Market June 2023	8,916	2.26
OSE - Topix Index June 2023	17,802	4.51
Forward Currency Contracts		
Value of long position - Euro	16,011	4.06
Value of long position - Japanese yen	50,769	12.87
Value of short position - US dollar	37,886	9.60

The Sub-Fund holds ‘Over the Counter’ (OTC) derivatives. This type of transaction gives rise to counterparty risk whereby the other party to the transaction may fail to fulfil their contractual obligations. Effective monitoring of counterparty credit risk is an important element of the management of the Sub-Fund.

Collateral arrangements are actively managed, ensuring cash or securities are pledged against the performance of a contract where necessary. This mitigates any potential negative impact on the Sub-Fund in the unlikely event of a counterparty default. Whether or not each position is collateralised depends on whether a net liability is held with each counterparty, the specific agreements with individual counterparties and de minimis thresholds. As such there will be instances where the Sub-Fund is not required to hold collateral.

The counterparty, collateral amount and type held by the Sub-Fund as at the 31 May 2023 is detailed in the table below.

Counterparty	Collateral classification	Collateral value
Citigroup Global Markets Limited	Cash	£7,521,175

True Potential 7IM Growth
Sub-investment Manager's report

This supplemental reporting is intended to provide you with an overview of portfolio activity during the period and should not be relied upon to make investment decisions or otherwise.

Investment Objective and Policy

The investment objective of the Sub-Fund is to provide a total return of capital and income with a focus on capital growth. The majority of the portfolio of the Sub-Fund will be invested in equity instruments using predominantly actively allocated, but, passively implemented strategies (that is, strategies designed to track the performance of particular indices, market sectors or asset classes). The Sub-Fund may also be invested in other asset classes such as fixed income (directly and indirectly), property (indirectly), commodities (indirectly), hedge funds (indirectly, for example via listed securities) and private equities (indirectly, for example via listed securities). Exposure to the above asset classes will be gained through direct holdings of securities, collective investment schemes, exchange traded funds or derivatives with the objective of improving returns and controlling risk by increasing diversification within the portfolio. The Sub-Fund may also be invested in deposits, cash and near cash and money market instruments.

There are no geographic restrictions on the investments of the Sub-Fund.

Derivatives may be used for investment purposes and Efficient Portfolio Management. The use of derivatives for investment purposes may increase the volatility and risk profile of the Sub-Fund.

Please be aware that there is no guarantee that capital will be preserved.

Sub-Investment Activities

The fund returned -0.8% during the reporting period. Over the same period, the IA Mixed Investment 40-85% shares returned -1.7% (Source: FEfundinfo).

Global equities had a very tough month in June 2022. Investors grew increasingly concerned about rising rates and inflation data showed no sign of slowing down. Rising food and energy prices were a key cause as crude retreated slightly after peaking in early June. China was a slight exception as lockdowns seemed to temporarily ease resulting in a slight positive upturn. In June 2022, we tilted our UK allocation away from the FTSE 250 and towards the FTSE 100. This change tilted our portfolios towards an inexpensive market, with sector exposures which aligned with a number of our other views: growth to value rotation, inflation-driven market volatility, healthcare, and a potential commodity super-cycle.

In July 2022, developed markets turned around. Investors began to focus on the potential of interest rate cuts in 2023 as there were very slight signs that the global economy, and hence inflation, could be slowing. Themes that were seen earlier in the year reversed as growth stocks rallied the most. Contrary to what we saw in June, China lagged developed markets, and bond yields fell across the developed world.

In August 2022, markets returned to the trends that were seen before July as markets realised that rate hikes were required to bring inflation down in a meaningful way. Developed markets sold off. In contrast to July, bond yields fell, and emerging markets help up well. The UK was another market that underperformed as investors were gripped by the resignation of Boris Johnson, the energy crisis, and weakening economic data. In August 2022, we refreshed our SAA (Strategic Asset allocation) in line with its annual schedule. This is led by an optimisation process that maps asset classes onto risk factors in order to create optimal portfolios for each risk profile. This years process resulted in increase in equity exposure as well as reductions in duration and credit exposure.

Going into 2022 August, our worldview was turning more negative. Our belief was that economic data was likely to weaken and equity markets would respond by moving sideways with some volatility. In order to position portfolios for this market outcome, we moved our portfolios underweight equity relative to our SAA.

September 2022 rounded off yet another tough quarter for markets with the trends that were seen in August continuing. Yet again, a lot of the drama came from the UK as Kwasi Kwarteng presented the mini budget. Unfunded tax cuts and proposed spending on a large scale elicited a dramatic response from markets. Gilts and UK equities sold off heavily as investors lost confidence in the UK economy going forward. During September 2022, we further reduced the headline equity beta of our portfolios to an even more underweight position relative to our SAA. This was in line with our core view that a global manufacturing downturn is unavoidable and economic fundamentals are set to decline.

During September 2022, we also removed the remaining part of our value allocation. This position was in place to benefit from a cyclical upturn, something we no longer believe will happen soon. This position went into a combination of cash and our Berkshire Hathaway allocation which is better placed to benefit from the economic conditions we see going forward.

In yet another mini reversal, developed markets posted strong gains as emerging markets fell in October 2022. Despite the Federal reserve signalling that tighter monetary policy is still required to keep inflation in check, markets found something to be positive about. It is possible that investors were focussed on earnings season where in previous reports data had been better than expectations. In China, equities performed badly as covid restrictions did not let up. And in the UK, the appointment of Rishi Sunak was well received by gilt markets. During October 2022, we unwound our tactical emerging market overweight. Our original case for the emerging market overweight was that the global economy would rebound after COVID-19. This has happened and it now looks as though the global economy is headed for/already in recession mode.

Lastly, in October, we increased our allocation to AT1s with the outlook for equity uncertain, we see AT1s as a very attractive asset to own. They were yielding well over 10%, and we still do not see significant default or extension risk in the bonds.

Equity markets were positive in November 2022 with emerging markets outperforming their developed counterparts. In the developed world, there was hope that US inflation may have peaked, and rates might turn around. The driver of emerging market outperformance, yet again, was China’s covid policy. In November, China loosened rules and markets responded very positively.

In December 2022, investors faced challenges as the Chinese economy reopened faster than expected, central banks continued to tighten monetary policy, and the Bank of Japan surprised the market. Developed market equities declined. The hawkishness of the US Federal Reserve set the tone for the month, despite easing inflation in many developed countries. Major central banks showed no signs of changing their accommodative monetary policies. Government bond yields rose due to central bank actions. China's swift policy changes towards reopening and downgrading COVID restrictions caused market concerns. In December, we further reduced our headline equity beta. Our base case view of the world for 2023 was that a recession was more likely than not. In this environment, we would not expect equities to perform well.

January 2023 witnessed a strong beginning for equity markets, both in developed and emerging markets. Bond prices rallied as yields decreased, reflecting positive market sentiment. Factors such as improving inflation outlook, Europe's resilient economic growth, and the expected recovery of the Chinese economy contributed to the market rally. The decline in inflation influenced expectations that central banks may end rate hikes earlier. Overall, January showed promising signs for the economy and markets, despite lingering risks. In January 2023, we introduced a metals and mining trade. We have a lot of conviction in this trade as a long-term theme. The amount of metal needed to get to net zero is vast, and the nature of mining means that supply cannot increase in line with this. Mining companies are likely to benefit. Furthermore, the companies are cheap and produce very healthy dividends.

February 2023 saw releases of tight job market data. This led to expectations of rates being higher for longer. Global equities fell slightly led by declines in the US market off the back of increased rate expectations. European equities gained slightly as forward looking data looked relatively better than it had done at the start of the year. Emerging markets struggled over the month as the US-China tensions escalated slightly.

March 2023 was a very eventful month for markets. Silicon Valley Bank was unable to meet deposits and went under. Later in the month Credit Suisse experienced extreme deposit flight and was eventually purchased by UBS in a government brokered deal. Establishing whether or not this was related to Silicon Valley Bank is very hard, but Credit Suisse’s troubled reputation no doubt contributed to the speed of deposit flight when concerns around the banking sector emerged. During March, we began reducing AT1 bonds to their new target weight. The asset class has struggled on account of the stress in the European Banking sector. We believe that it is prudent risk management to downsize the positions and have been carefully reducing the allocation in tranches.

During March, we also added to our climate change position. The trade had underperformed over the past few months, we still have a lot of conviction in the long term case for the position and since it had sold off, the valuations looked more attractive than they had in the past. In April, we trimmed our put selling position. The position had performed well versus the S&P - the allocation it is funded from - and a general fall in volatility means that the base level of returns from the strategy that are available are lower.

Global shares rose in April, supported by resilient economic data. Developed markets outperformed emerging markets. US equities made limited gains as the Fed signaled a potential slowdown. Eurozone shares rose, except for the IT sector. UK equities rose, driven by financials and energy. Japan maintained positive momentum. Asia ex Japan and emerging market equities declined.

Global shares declined in May, but technology stocks saw gains driven by enthusiasm over artificial intelligence. Economic data showed weakness in manufacturing sectors, while services remained strong. Concerns over the US debt ceiling were resolved with a deal reached at the end of the month. Government bond yields increased, and the Bank of England raised interest rates. Japanese stocks continued their strong performance, while Asia ex Japan and emerging markets underperformed. During May, we split our intraday trend strategy such that it now uses both the S&P and Nasdaq 100 index. This further diversifies our alternatives basket.

Investment Strategy and Outlook

Over the next twelve months, we think that the global economy will slide into a recession. In this environment, it is important to rely on a stable identity. Economic uncertainty creates fear and investor sentiment tends to overreact to economic turning points. Going forward, we believe that:

- Inflation will come down. Goods inflation is slowly normalizing, and supply chain pressures are going.
- Central banks are getting close to the end of their hiking cycles, but there is still a bit more work to do.
- A US recession is highly likely. Most leading indicators are pointing towards a recession, but the recession shouldn't be too long or deep.

And so, investors are starting to worry about what's next for financial markets. Economic data isn't likely to stabilise until next year. Equity markets are unlikely to perform well.

We know our investment identity helps us to deliver in just these kinds of environments. We have positions that can generate returns despite this volatile backdrop.

Seven Investment Management LLP- a sub-delegate of True Potential Investments LLP

16 June 2023

Portfolio changes

for the year ended 31 May 2023

The following represents the top ten purchases and sales in the year to reflect a clearer picture of the investment activities.

	Cost
Purchases:	£000s
Deutsche Global Liquidity Series - Deutsche Managed Sterling Fund Platinum	40,002
Invesco AT1 Capital Bond UCITS ETF	15,262
JPMorgan Structured Products 0% 08/07/2025	12,911
UBS AG London 0% 20/10/2027	11,608
Goldman Sachs International 0% Perpetual	10,829
VanEck Global Mining UCITS ETF	9,943
WisdomTree AT1 CoCo Bond UCITS ETF	9,845
Ninety One Funds Series iii - Global Environment Fund	9,290
UBS AG London 0% 29/03/2024	8,993
Berkshire Hathaway 'B'	8,973
Subtotal	137,656
Total cost of purchases, including the above, for the year	173,268

	Proceeds
Sales:	£000s
BNP Paribas Issuance 0% 08/07/2024	14,659
Xtrackers MSCI World Value UCITS ETF	14,056
JPMorgan Liquidity Funds - GBP Liquidity LVNAV Fund	10,000
Morgan Stanley Liquidity Funds - Sterling Liquidity Fund	10,000
UBS AG London 0% 29/03/2024	9,144
BlackRock Strategic Funds - Global Event Driven Fund	8,884
SG Issuer 0% 22/12/2023	8,162
Invesco AT1 Capital Bond UCITS ETF	8,007
Legal & General Emerging Markets - Government Bond Local Currency Index Fund	3,688
Legal & General Emerging Markets - Government Bond Index Fund	3,486
Subtotal	90,086
Total proceeds from sales, including the above, for the year	124,884

Portfolio statement

as at 31 May 2023

Investment	Nominal value or holding	Market value £000s	% of total net assets
Debt Securities - 10.12% (9.65%)			
Corporate Bonds - 9.89% (7.97%)			
Commonwealth Bank of Australia FRN 16/01/2025**	£580,000	581	0.13
Goldman Sachs International 0% Perpetual	24,453	18,356	4.16
Leeds Building Society FRN 15/01/2025**	£1,200,000	1,202	0.27
Lloyds Bank FRN 16/05/2024**	£2,500,000	2,506	0.57
Royal Bank of Canada FRN 30/01/2025**	£1,500,000	1,500	0.34
Santander UK FRN 12/02/2024**	£600,000	602	0.14
SG Issuer 0% 22/12/2023	$6,751,000	5,519	1.25
TSB Bank United Kingdom FRN 15/02/2024**	£700,000	703	0.16
UBS AG London 0% 20/10/2027	120,148	11,131	2.53
Yorkshire Building Society FRN 19/11/2023**	£1,480,000	1,482	0.34
Total Corporate Bonds		43,582	9.89
Government Bonds - 0.00% (0.14%)			
Public Authorities - 0.23% (1.54%)			
NRW Bank FRN 09/10/2024**	£1,000,000	1,002	0.23
Total Debt Securities		44,584	10.12
Equities - 3.95% (4.92%)			
Netherlands – 0.00% (2.41%)			
United States - 3.95% (2.51%)			
Berkshire Hathaway 'B'	67,133	17,398	3.95
Total Equities		17,398	3.95.
Collective Investment Schemes - 65.45% (71.48%)			
UK Authorised Collective Investment Schemes - 10.85% (11.18%)			
iShares Environment & Low Carbon Tilt Real Estate Index	5,951,266	12,611	2.86
Legal & General Emerging Markets - Government Bond Local Currency Index Fund	17,729,965	11,439	2.60
Ninety One Funds Series iii - Global Environment Fund	15,570,015	23,775	5.39
Total UK Authorised Collective Investment Schemes		47,825	10.85

Portfolio statement (continued)

as at 31 May 2023

Investment	Nominal value or holding	Market value £000s	% of total net assets
Offshore Collective Investment Schemes 54.60% (65.42%)			
Baillie Gifford WW Health Innovation Fund	1,056,611	8,865	2.01
BlackRock Strategic Funds - Global Event Driven Fund	94,372	10,728	2.43
Candriam Absolute Return Equity Market Neutral Fund	5,752	8,749	1.99
Deutsche Global Liquidity Series - Deutsche Managed Sterling Fund Platinum	40,001,869	40,002	9.08
HSBC Global Funds ICAV - Global Government Bond Index Fund	1	-	-
Invesco AT1 Capital Bond UCITS ETF	499,571	15,454	3.51
JPMorgan Liquidity Funds - GBP Liquidity LVNAV Fund	40,078,528	40,079	9.09
Legal & General Emerging Markets - Government Bond Index Fund	12,040,008	10,950	2.48
Morgan Stanley Liquidity Funds - Sterling Liquidity Fund	40,806,151	40,806	9.26
Northern Trust Global Funds - Sterling Fund	50,000,000	50,000	11.35
VanEck Global Mining UCITS ETF	355,406	8,270	1.88
WisdomTree AT1 CoCo Bond UCITS ETF	85,391	6,697	1.52
Total Offshore Collective Investment Schemes		240,600	54.60
Total Collective Investment Schemes		288,425	65.45
Warrants – 3.03% (0.00%)			
JPMorgan FX Value Warrants 10/09/2024	15,770,000	13,352	3.03
		13,352	3.03
Structured Products - 2.18% (3.62%)			
JPMorgan Structured Products 0% 08/07/2025	12,440,000	9,607	2.18
		9,607	2.18
Futures - 0.31% (0.29%)			
EUX - MSCI Europe Ex UK June 2023	936	980	0.22
EUX - USA ESG Scr NTR June 2023	511	772	0.17
ICF - FTSE 100 Index June 2023	1,149	(1,824)	(0.41)
ICF - MSCI Health Care December 2023	523	(860)	(0.20)
NYF - MSCI Emerging Market June 2023	540	158	0.04
OSE - Topix Index June 2023	243	2,157	0.49
Total Futures		1,383	0.31
Forward Currency Contracts - (0.22)% (0.88%)			
Sell US dollar	-$29,900,000	(24,102)	
Buy UK sterling	£24,482,610	24,482	
Expiry date 14 July 2023		380	0.09
Sell UK sterling	-£22,271,806	(22,272)	
Buy US dollar	$27,200,000	21,926	
Expiry date 14 July 2023		(346)	(0.08)

Portfolio statement (continued)

as at 31 May 2023

Investment	Nominal value or holding	Market value £000s	% of total net assets
Forward Currency Contracts - (0.22)% (0.88%) (continued)			
Sell UK sterling	-£29,516,250	(29,516)	
Buy Euro	€ 33,254,000	28,781	
Expiry date 20 October 2023		(735)	(0.17)
Sell UK sterling	-£57,833,562	(57,833)	
Buy Japanese yen	¥9,720,000,000	57,555	
Expiry date 17 November 2023		(278)	(0.06)
Total Forward Currency Contracts		(979)	(0.22)
Portfolio of investments		373,770	84.82
Other net assets		66,877	15.18
Total net assets		440,647	100.00

All investments are listed on recognised stock exchanges or are approved securities or regulated collective investment schemes within the meaning of the FCA rules unless otherwise stated. Forward contracts are not listed on stock exchanges and are considered over-the-counter instruments.

The comparative figures in brackets are as at 31 May 2022.

**Variable interest security

SUMMARY OF PORTFOLIO INVESTMENTS

as at 31 May 2023

	31 May 2023		31 May 2022	
Credit breakdown*	Bid-Market value £000s	Total net assets %	Bid-Market value £000s	Total net assets %
Investments of investment grade	9,578	2.18	27,977	7.66
Unrated bonds	35,006	7.94	7,249	1.99
Total bonds	44,584	10.12	35,226	9.65
Collective Investment Schemes	288,425	65.45	261,001	71.48
Forward currency contracts – assets	380	0.09	3,780	1.04
Futures - assets	4,067	0.92	3,125	0.86
Equities	17,398	3.95	17,962	4.92
Warrants	13,352	3.03	-	-
Structured Products	9,607	2.18	13,224	3.62
Investments as shown in the balance sheet	377,813	85.74	334,318	91.57
Forward currency contracts – liabilities	(1,359)	(0.31)	(575)	(0.16)
Futures – liabilities	(2,684)	(0.61)	(2,072)	(0.57)
Total value of investments	373,770	84.82	331,671	90.84

* Ratings supplied by S&P, followed by Moody's.

Risk and reward profile

The risk and reward profile relates to both share classes in the Sub-Fund.

The risk and reward indicator table demonstrates where the Sub-Fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the future risk profile of the Sub-Fund. The shaded area in the table below shows the Sub-Fund's ranking on the risk and reward indicator.

Typically lower rewards, lower risk						Typically higher rewards, higher risk
1	2	3	**4**	5	6	7

The Sub-Fund is in a medium category because the price of its investments have risen or fallen to some extent. The category shown is not guaranteed to remain unchanged and may shift over time. Even the lowest category does not mean a risk-free investment.

The price of the Sub-Fund and any income from it can go down as well as up and is not guaranteed. Investors may not get back the amount invested. Past performance is not a guide to future performance.

Where the Sub-Fund invests in bonds, there is a risk the bond issuer may fail to meet its repayments. This is usually a greater risk for bonds that produce a higher level of income. Changes in interest rates, inflation and the creditworthiness of the bond issuer may also affect the bond's market value.

Investments in emerging markets may involve greater risks due to political and economic instability and underdeveloped markets and systems. This means your money may be at greater risk of loss. Where this Sub-Fund invests into other investment funds, they may invest in different assets, countries or economic sectors and therefore have different risk profiles not in line with those of this Sub-Fund.

The Sub-Fund is entitled to use derivative instruments for Efficient Portfolio Management and investment purposes. Derivatives may not achieve their intended purpose. Their prices may move up or down significantly over relatively short periods of time which may result in losses greater than the amount paid. This could adversely impact the value of the Sub-Fund.

The organisation from which the Sub-Fund buys a derivative may fail to carry out its obligations, which could also cause losses to the Sub-Fund.

The Sub-Fund may invest in securities not denominated in sterling, the value of your investments may be affected by changes in currency exchange rates.

For further information please refer to the KIID.

For full details on risk factors for the Sub-Fund, please refer to the Prospectus.

There have been no changes to the risk and reward indicator in the year.

Comparative tables

The following disclosures give a shareholder an indication of the performance of a share in the Sub-Fund. It also discloses the operating charges and direct transaction costs applied to each share. Operating charges are those charges incurred in operating the Sub-Fund and direct transaction costs are costs incurred when purchasing or selling securities in the portfolio of investments.

	A Income		
	2023	2022	2021
	p	p	p
Change in net assets per share			
Opening net asset value per share	146.90	148.25	127.19
Return before operating charges*	0.33	(0.03)	22.64
Operating charges	(1.06)	(1.08)	(0.92)
Return after operating charges*	(0.73)	(1.11)	21.72
Distributions+	(1.73)	(0.24)	(0.66)
Closing net asset value per share	144.44	146.90	148.25
*after direct transaction costs of:	0.05	0.06	-
Performance			
Return after charges	(0.50%)	(0.75%)	17.08%
Other information			
Closing net asset value (£000s)	528	589	580
Closing number of shares	365,643	400,486	390,955
Operating charges++	0.72%	0.72%	0.67%
Direct transaction costs	0.03%	0.04%	-
Prices			
Highest share price (p)	153.4	155.9	149.6
Lowest share price (p)	139.0	142.7	126.9

+Rounded to 2 decimal places.

++The operating charges are represented by the Ongoing Charges Figure (OCF). The OCF consists principally of the ACD's periodic charge and the Investment Manager's fee which are included in the annual management charge, but also includes the costs for other services paid. It is indicative of the charges which the share class may incur in a year as it is calculated on historical data. The operating charge includes charges for the underlying funds held.

Investments carry risk. Past performance is not a guide to future performance. Investors may not get back the amount invested.

Comparative tables (continued)

	A Accumulation		
	2023	2022	2021
	p	p	p
Change in net assets per share			
Opening net asset value per share	154.78	155.94	133.17
Return before operating charges*	0.33	(0.02)	23.75
Operating charges	(1.12)	(1.14)	(0.98)
Return after operating charges*	(0.79)	(1.16)	22.77
Distributions+	(1.82)	(0.26)	(0.69)
	1.82	0.26	0.69
Closing net asset value per share	153.99	154.78	155.94
*after direct transaction costs of:	0.05	0.07	-
Performance			
Return after charges	(0.51%)	(0.74%)	17.10%
Other information			
Closing net asset value (£000s)	440,119	364,527	302,412
Closing number of shares	285,811,284	235,519,752	193,927,884
Operating charges++	0.72%	0.72%	0.67%
Direct transaction costs	0.03%	0.04%	-
Prices			
Highest share price (p)	162.3	163.7	157.1
Lowest share price (p)	146.2	150.2	132.9

+Rounded to 2 decimal places.

++The operating charges are represented by the Ongoing Charges Figure (OCF). The OCF consists principally of the ACD's periodic charge and the Investment Manager's fee which are included in the annual management charge, but also includes the costs for other services paid. It is indicative of the charges which the share class may incur in a year as it is calculated on historical data. The operating charge includes charges for the underlying funds held.

Investments carry risk. Past performance is not a guide to future performance. Investors may not get back the amount invested.

Distribution tables

for the year ended 31 May 2023

Distributions on A Income shares in pence per share

Payment date	Share type	Distribution type	Net revenue	Equalisation	Distribution current year	Distribution prior year
31.01.23	group 1	interim	0.572	-	0.572	-^
31.01.23	group 2	interim	0.432	0.140	0.572	-^
31.07.23	group 1	final	1.156	-	1.156	0.235
31.07.23	group 2	final	0.366	0.790	1.156	0.235

Equalisation

Equalisation applies only to group 2 shares. It is the average amount of revenue included in the purchase price of 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 in the hands of the shareholder but must be deducted from the cost of shares for capital gains tax purposes.

Interim distributions:

Group 1 Shares purchased before 1 June 2022

Group 2 Shares purchased 1 June 2022 to 30 November 2022

Final distributions:

Group 1 Shares purchased before 1 December 2022

Group 2 Shares purchased 1 December 2022 to 31 May 2023

Distributions on A Accumulation shares in pence per share

Allocation date	Share type	Distribution type	Net revenue	Equalisation	Distribution current year	Distribution prior year
31.01.23	group 1	interim	0.597	-	0.597	-^
31.01.23	group 2	interim	0.376	0.221	0.597	-^
31.07.23	group 1	final	1.225	-	1.225	0.260
31.07.23	group 2	final	0.577	0.648	1.225	0.260

^ As expenses exceeded the revenue of the Sub-Fund at the period end no distribution was made and the revenue deficit was brought forward to reduce the final distribution.

Equalisation

Equalisation applies only to group 2 shares. It is the average amount of revenue included in the purchase price of 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 in the hands of the shareholder but must be deducted from the cost of shares for capital gains tax purposes.

Accumulation distributions

Holders of accumulation shares should add the distributions received thereon to the cost of the shares for capital gains tax purposes.

Interim distributions:

Group 1 Shares purchased before 1 June 2022

Group 2 Shares purchased 1 June 2022 to 30 November 2022

Final distributions:

Group 1 Shares purchased before 1 December 2022

Group 2 Shares purchased 1 December 2022 to 31 May 2023

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Statement of total return
for the year ended 31 May 2023

	Notes	2023		2022	
		£000s	£000s	£000s	£000s
Income:					
Net capital losses	2		(7,199)		(5,353)
Revenue	3	8,446		2,779	
Expenses	4	(2,365)		(2,082)	
Interest payable and similar charges		-		(17)	
Net revenue before taxation		6,081		680	
Taxation	5	(1,077)		(86)	
Net revenue after taxation			5,004		594
Total deficit before distributions			(2,195)		(4,759)
Distributions	6		(5,015)		(601)
Change in net assets attributable to shareholders from investment activities			(7,210)		(5,360)

Statement of change in net assets attributable to shareholders
for the year ended 31 May 2023

	2023		2022	
	£000s	£000s	£000s	£000s
Opening net assets attributable to shareholders		365,116		302,992
Amounts receivable on issue of shares	169,484		195,286	
Amounts payable on cancellation of shares	(91,854)		(128,414)	
		77,630		66,872
Change in net assets attributable to shareholders from investment activities		(7,210)		(5,360)
Retained distribution on accumulation shares		5,111		612
Closing net assets attributable to shareholders		440,647		365,116

Balance Sheet

as at 31 May 2023

	Notes	2023	2022
		£000s	£000s
Assets:			
Fixed assets:			
Investments		377,813	334,318
Current assets:			
Debtors	7	13,320	2,788
Cash and bank balances and amounts held at futures clearing houses and brokers	8	60,822	31,444
Total assets		451,955	368,550
Liabilities:			
Investment liabilities		(4,043)	(2,647)
Creditors:			
Bank overdrafts (including futures overdrafts)	8	(1)	(194)
Distribution payable	6	(4)	(1)
Other creditors	9	(7,260)	(592)
Total liabilities		(11,308)	(3,434)
Net assets attributable to shareholders		440,647	365,116

Notes to the financial statements

for the year ended 31 May 2023

1. Accounting policies

The accounting policies are disclosed on pages 12 to 14.

2. Net capital losses	2023	2022
	£000s	£000s
Non-derivative securities – (losses)	(4,086)	(1,131)
Derivative contracts – gains/(losses)	1,203	(6,207)
Currency (losses)/gains	(913)	317
Forward currency contracts	(3,310)	1,772
Rebates from collective investment schemes	45	43
Commission on futures	(138)	(148)
Transaction charges	-	1
Net capital losses	(7,199)	(5,353)

3. Revenue	2023	2022
	£000s	£000s
Non-interest distributions from overseas funds	441	211
Distributions from UK regulated collective investment schemes:		
Franked investment income	298	82
Unfranked investment income	186	270
Interest distributions	539	461
Interest on debt securities from overseas collective investment schemes	5,470	1,405
Interest on debt securities	672	288
Bank interest	636	15
Deposit interest	105	-
Rebates from collective investment schemes	99	47
Total revenue	8,446	2,779

4. Expenses	2023	2022
	£000s	£000s
Payable to the ACD and associates		
Annual management charge	2,365	2,082
Total expenses	2,365	2,082

The annual management charge includes the ACD's periodic charge, investment management fees and other permitted charges relating to the operation of the Sub-Fund.

The annual management charge included an audit fee of £8,952 inclusive of VAT (2022: £6,426 inclusive of VAT).

5. Taxation	2023	2022
	£000s	£000s
a) Analysis of charge for the year		
Corporation tax	1,077	86
Total taxation (note 5b)	1,077	86

Notes to the financial statements (continued)
for the year ended 31 May 2023

5. Taxation (continued)

b) Factors affecting the current tax charge for the year

The tax assessed for the year is lower (2022: lower) than the standard rate of UK corporation tax for an authorised collective investment scheme of 20% (2022: 20%).

The differences are explained below:

	2023	2022
	£000s	£000s
Net revenue before taxation	6,081	680
Corporation tax @ 20%	1,216	136
Effects of:		
UK revenue	(60)	(16)
Overseas revenue	(88)	(43)
Capital rebates from collective investment schemes	9	9
Total taxation (note 5a)	1,077	86

6. Distributions
The distributions take account of revenue added on the issue of shares and revenue deducted on the cancellation of shares and comprise:

	2023	2022
	£000s	£000s
Interim income distribution	2	-
Interim accumulation distribution	1,609	-
Final income distribution	4	1
Final accumulation distribution	3,502	612
	5,117	613
Equalisation:		
Amounts deducted on cancellation of shares	367	14
Amounts added on issue of shares	(469)	(26)
Total net distributions	5,015	601

Reconciliation between net revenue and distributions:	2023	2022
	£000s	£000s
Net revenue after taxation per Statement of total return	5,004	594
Undistributed revenue brought forward	2	-
Tax effect of Capital rebates from collective investment schemes	9	9
Undistributed revenue carried forward	-	(2)
Distributions	5,015	601

Details of the distribution per share are disclosed in the Distribution tables.

Notes to the financial statements (continued)
for the year ended 31 May 2023

7. Debtors

	2023	2022
	£000s	£000s
Amounts receivable on issue of shares	1,940	2,590
Sales awaiting settlement	5,569	-
Currency trades outstanding	5,562	-
Accrued revenue	149	123
Accrued rebates from collective investment schemes	100	75
Total debtors	13,320	2,788

8. Cash and bank balances

	2023	2022
	£000s	£000s
Cash and bank balances and amounts held at futures clearing houses and brokers	60,822	31,444
Bank overdraft (including futures overdraft)	(1)	(194)
Total cash and bank balances	60,821	31,250

9. Other creditors

	2023	2022
	£000s	£000s
Amounts payable on cancellation of shares	423	381
Currency trades outstanding	5,569	-
Accrued expenses:		
Payable to the ACD and associates		
Annual management charge	228	187
Total accrued expenses	228	187
Corporation tax payable	1,040	24
Total other creditors	7,260	592

10. Commitments and contingent liabilities

At the balance sheet date there are no commitments or contingent liabilities (2022: same).

11. Share classes

The following reflects the change in shares in issue for each share class in the year:

	A Income
Opening shares in issue	400,486
Total shares issued in the year	16,787
Total shares cancelled in the year	(51,630)
Closing shares in issue	365,643

	A Accumulation
Opening shares in issue	235,519,752
Total shares issued in the year	109,888,171
Total shares cancelled in the year	(59,596,639)
Closing shares in issue	285,811,284

For the year ended 31 May 2023, the annual management charge is 0.57%. The annual management charge includes the ACD's periodic charge, Investment Manager's fee and other permitted charges to the operation of the Sub-Fund.

Further information in respect of the return per share is disclosed in the Comparative tables.

Notes to the financial statements (continued)
for the year ended 31 May 2023

11. Share classes (continued)

On the winding up of a Sub-Fund all the assets of the Sub-Fund will be realised and apportioned to the share classes in relation to the net asset value on the closure date. Shareholders will receive their respective share of the proceeds, net of liabilities and the expenses incurred in the termination in accordance with the FCA regulations. Each share class has the same rights on winding up.

12. Related party transactions

True Potential Administration LLP, as ACD, is a related party due to its ability to act in respect of the operations of the Sub-Fund.

The ACD acts as principal in respect of all transactions of shares in the Sub-Fund. The aggregate monies received and paid through the creation and cancellation of shares are disclosed in the Statement of change in net assets attributable to shareholders of the Sub-Fund.

Amounts payable to the ACD and its associates are disclosed in note 4. The amount due to the ACD and its associates at the balance sheet date is disclosed in note 9.

13. Events after the balance sheet date

Subsequent to the year end, the net asset value per A Income share has increased from 144.4p to 144.7p and the A Accumulation share has increased from 154.0p to 154.3p as at 27 September 2023. This movement takes into account routine transactions but also reflects the market movements of recent months.

14. Transaction costs

a Direct transaction costs

Direct transaction costs include fees and commissions paid to advisers, brokers and dealers; levies by regulatory agencies and security exchanges; and transfer taxes and duties.

Commission is a charge which is deducted from the proceeds of the sale of securities and added to the cost of the purchase of securities. This charge is a payment to advisers, brokers and dealers in respect of their services in executing the trades.

Tax is payable on the purchase of securities in the United Kingdom. It may be the case that 'other taxes' will be charged on the purchase of securities in countries other than the United Kingdom.

The total purchases and sales and the related direct transaction costs incurred in these transactions are as follows:

	Purchases before transaction costs		Commissions	Purchases before transaction costs
2023	£000s	£000s	%	£000s
Equities	14,947	1	0.01	14,948
Bonds*	56,456	-	-	56,456
Collective Investment Schemes	101,825	-	-	101,825
Total	173,228	1		173,229

Capital events amount of £39,000 (2022: £11,000) is excluded from the total purchases as there were no direct transaction costs charged in these transactions.

Notes to the financial statements (continued)

for the year ended 31 May 2023

14. Transaction costs (continued)

2022	Purchases before transaction costs £000s	Commissions £000s	%	Purchases before transaction costs £000s
Equities	18,577	1	0.01	18,578
Bonds*	45,115	-	-	45,115
Collective Investment Schemes	190,153	-	-	190,153
Total	253,845	1		253,846

2023	Sales before transaction costs £000s	Commissions £000s	%	Sales before transaction costs £000s
Equities	3,401	-	-	3,401
Bonds*	55,629	-	-	55,629
Collective Investment Schemes	65,854	-	-	65,854
Total	124,884	-		124,884

2022	Sales before transaction costs £000s	Commissions £000s	%	Sales before transaction costs £000s
Equities	16,681	(1)	0.01	16,680
Bonds*	58,534	-	-	58,534
Collective Investment Schemes	88,193	-	-	88,193
Total	163,408	(1)		163,407

The following represents the total of each type of transaction cost, expressed as a percentage of the Sub-Fund's average net asset value in the year :

2023	£000s	% of average net asset value
Commission	1	0.00%
Taxes	-	0.00%
Other Expenses	-	0.00%

2022	£000s	% of average net asset value
Commission	2	0.00%
Taxes	-	0.00%
Other Expenses	-	0.00%

*No direct transaction costs were incurred in the purchase and sale of investments during the year (2022: same).

Notes to the financial statements (continued)
for the year ended 31 May 2023

14. Transaction costs (continued)

The following represents the total of each type of transaction cost, expressed as a percentage of the Sub-Fund's average net asset value in the year :

	2023		2022	
Summary of direct transaction costs	£000s	% of average net asset value	£000s	% of average net asset value
Derivatives	138	0.03	148	0.04

b Average portfolio dealing spread

The average portfolio dealing spread is calculated as the difference between the bid and offer value of the portfolio as a percentage of the offer value.

The average portfolio dealing spread of the investments at the balance sheet date was 0.06% (2022: 0.06%).

15 Risk management policies

In pursuing the Sub-Fund's investment objective, as set out in the Prospectus, the following are accepted by the ACD as being the main risks from the Sub-Fund's holding of financial instruments, either directly or indirectly through its underlying holdings. These are presented with the ACD's policy for managing these risks. To ensure these risks are consistently and effectively managed these are continually reviewed by the risk committee, a body appointed by the ACD, which sets the risk appetite and ensures continued compliance with the management of all known risks.

a Market risk

Market risk is the risk that the value of the Sub-Fund's financial instruments will fluctuate as a result of changes in market prices and comprise three elements: other price risk, currency risk, and interest rate risk.

The method used to calculate the global exposure is absolute Value at risk (VaR). The calculation of the Absolute VaR is carried out in accordance with the following parameters: 99% one-sided confidence interval, 1 month (20 day) holding period, Monte Carlo simulation (10,000 simulations) ,1-year (250 day) history with time decay factor (weighting recent events).

A given fund’s limit is based on its Risk profile. All of the positions within the fund (direct investments and derivatives) are taken into account for the VaR calculation, not just derivatives.

The below table shows the lowest, the highest and the average utilisation of the VaR limit calculated during the financial year, 01 June 2022 - 31 May 2023. Funds using the VaR approach disclose the level of leverage employed during the relevant period, using the gross method (sum of the notionals of the derivatives used).

	Lowest VaR %	Highest VaR %	Average VaR %	VaR Limit %	Average Level of leverage %	Typical expected Leverage %
True Potential 7IM Growth	5.73	9.36	7.80	17.50	157.68	217.50

(i) Other price risk

The Sub-Fund's exposure to price risk comprises mainly of movements in the value of investment positions in the face of price movements.

The main elements of the portfolio of investments exposed to this risk are debt securities and collective investment schemes.

This risk is generally regarded as consisting of two elements: stock specific risk and market risk. Through these two factors, the Sub-Fund is exposed to price fluctuations, which are monitored by the ACD in pursuance of the investment objective and policy.

Adhering to investment guidelines and avoiding excessive exposure to one particular issuer can limit stock specific risk. Subject to compliance with the investment objective of the Sub-Fund, spreading exposure in the portfolio of investments both globally and across sectors or geography can mitigate market risk.

Notes to the financial statements (continued)

for the year ended 31 May 2023

15 Risk management policies (continued)

At 31 May 2023, if the price of the investments held by the Sub-Fund increased or decreased by 5%, with all other variables remaining constant, then the net assets attributable to shareholders of the Sub-Fund would increase or decrease by approximately £18,688,000 (2022: £16,584,000).

(ii) Currency risk

Currency risk is the risk that the value of investments or future cash flows will fluctuate as a result of exchange rate movements. Investment in overseas securities or holdings of foreign currency cash will provide direct exposure to currency risk as a consequence of the movement in foreign exchange rates against sterling. Investments in UK securities investing in overseas securities will give rise to indirect exposure to currency risk. These fluctuations can also affect the profitability of some UK companies, and thus their market prices, as sterling's relative strength or weakness can affect export prospects, the value of overseas earnings in sterling terms, and the prices of imports sold in the UK.

Forward currency contracts are used to help the Sub-Fund achieve its investment objective as stated in the Prospectus. The ACD monitors the exposure to these contracts to ensure they are in keeping with the investment objective.

The foreign currency risk profile of the Sub-Fund's financial instruments and cash holdings at the balance sheet date is as follows:

2023	Total net foreign currency exposure* £000s
Euro	984
Japanese yen	2,156
US dollar	75,824
Total net foreign currency exposure	78,964

2022	Total net foreign currency exposure* £000s
Euro	773
Japanese yen	791
US dollar	36,733
Total net foreign currency exposure	38,297

At 31 May 2023, if the value of sterling increased or decreased by 5% against all other currencies, with all other variables remaining constant, then the net assets attributable to shareholders of the Sub-Fund would increase or decrease by approximately £8,137,000 (2022: £6,456,000). Forward currency contracts are used to manage the portfolio exposure to currency movements.

* Please note the financial instruments and cash holdings and net debtors and creditors has been merged with total net foreign currency exposure.

(iii) Interest rate risk

Interest rate risk is the risk that the value of the Sub-Fund's investments will fluctuate as a result of interest rate changes.

During the year the Sub-Fund's direct exposure to interest rates consisted of cash and bank balances and interest bearing securities.

The amount of revenue receivable from bank balances or payable on bank overdrafts will be affected by fluctuations in interest rates.

The Sub-Fund has indirect exposure to interest rate risk as it invests in bond funds.

The value of interest bearing securities may be affected by changes in the interest rate environment, either globally or locally.

Notes to the financial statements (continued)
for the year ended 31 May 2023

15 Risk management policies (continued)

At 31 May 2023, if interest rates increased or decreased by 25 points, with all other variables remaining constant, then the net assets attributable to shareholders of the Sub-Fund would increase or decrease by approximately £176,000 (2022: £80,000).

The Sub-Fund would not in normal market conditions hold significant cash balances and would have limited borrowing capabilities as stipulated in the COLL rules.

Derivative contracts are not used to hedge against the exposure to interest rate risk.

The interest rate risk profile of financial assets and liabilities at the balance sheet date is as follows:

	Variable rate financial assets	Variable rate financial liabilities	Fixed rate financial assets	Non-interest bearing financial assets	Non-interest bearing financial liabilities	Total
2023	£000s	£000s	£000s	£000s	£000s	£000s
Euro	4	-		980	-	984
Japanese yen	-	(1)	-	2,157	-	2,156
UK sterling	70,384	-	-	296,178	(4,879)	361,683
US dollar	10	-	18,356	63,886	(6,428)	75,824
	70,398	(1)	18,356	363,201	(11,307)	440,647

	Variable rate financial assets	Variable rate financial liabilities	Fixed rate financial assets	Non-interest bearing financial assets	Non-interest bearing financial liabilities	Total
2022	£000s	£000s	£000s	£000s	£000s	£000s
Euro	7	-	-	766	-	773
Japanese yen	935	-	-	-	(144)	791
UK sterling	50,605	-	7,876	269,529	(1,191)	326,819
US dollar	-	(194)	7,248	31,584	(1,905)	36,733
	51,547	(194)	15,124	301,879	(3,240)	365,116

b Credit risk

This is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. This includes counterparty risk and issuer risk.

The Depositary has appointed the custodian to provide custody services for the assets of the Sub-Fund. There is a counterparty risk that the custodian could cease to be in a position to provide custody services to the Sub-Fund. The Sub-Fund's investments (excluding cash) are ring fenced hence the risk is considered to be negligible.

In addition to the interest rate risk, bond investments are exposed to issuer risk which reflects the ability for the bond issuer to meet its obligations to pay interest and return the capital on the redemption date. Change in issuer risk will change the value of the investments and is dealt with further in note 15a. The majority of debt securities held within the portfolio are unrated bonds. These are made across a variety of industry sectors and geographical markets, so as to avoid concentrations of credit risk. A breakdown is provided in the Portfolio statement. The credit quality of the debt securities is disclosed in the Summary of Portfolio Investments.

The Sub-Fund holds cash and cash deposits with financial institutions which potentially exposes the Sub-Fund to counterparty risk. The credit rating of the financial institution is taken into account so as to minimise the risk to the Sub-Fund of default.

Holdings in collective investment schemes are subject to direct credit risk. The exposure to pooled investment vehicles is unrated.

Notes to the financial statements (continued)
for the year ended 31 May 2023

15 Risk management policies (continued)

c Liquidity risk

A significant risk is the cancellation of shares which investors may wish to sell and that securities may have to be sold in order to fund such cancellations if insufficient cash is held at the bank to meet this obligation. If there were significant requests for the redemption of shares at a time when a large proportion of the portfolio of investments were not easily tradable due to market volumes or market conditions, the ability to fund those redemptions would be impaired and it might be necessary to suspend dealings in shares in the Sub-Fund.

Investments in smaller companies at times may prove illiquid, as by their nature they tend to have relatively modest traded share capital. Shifts in investor sentiment, or the announcement of new price sensitive information, can provoke significant movement in share prices, and make dealing in any quantity difficult.

The Sub-Fund may also invest in securities that are not listed or traded on any stock exchange. In such situations the Sub-Fund may not be able to immediately sell such securities.

To reduce liquidity risk the ACD will ensure, in line with the limits stipulated within the COLL rules, a substantial portion of the Sub-Fund's assets consist of readily realisable securities. This is monitored on a monthly basis and reported to the Risk Committee together with historical outflows of the Sub-Fund.

In addition liquidity is subject to stress testing on an annual basis to assess the ability of the Sub-Fund to meet large redemptions (50% of the net asset value and 80% of the net asset value), while still being able to adhere to its objective guidelines and the FCA investment borrowing regulations.

All of the financial liabilities are payable on demand. In the case of forward foreign currency contracts these are payable in less than one year.

d Fair value of financial assets and financial liabilities

There is no material difference between the value of the financial assets and liabilities, as shown in the balance sheet, and their fair value.

To ensure this, the fair value pricing committee is a body appointed by the ACD to analyse, review and vote on price adjustments/maintenance where no current secondary market exists and/or where there are potential liquidity issues that would affect the disposal of an asset. In addition, the committee may also consider adjustments to the Sub-Fund's price should the constituent investments be exposed to closed markets during general market volatility or instability.

Basis of valuation	Investment assets 2023 £000s	Investment liabilities 2023 £000s
Quoted prices	65,238	(2,684)
Observable market data	302,968	(1,359)
Unobservable data*	9,607	-
	377,813	(4,043)

Basis of valuation	Investment assets 2022 £000s	Investment liabilities 2022 £000s
Quoted prices	48,103	(2,072)
Observable market data	272,991	(575)
Unobservable data*	13,224	-
	334,318	(2,647)

*Structured product holdings in the Portfolio statement are valued using valuation models where the inputs are unobservable.
No securities in the portfolio of investments are valued using valuation techniques.

Notes to the financial statements (continued)
for the year ended 31 May 2023

15 Risk management policies (continued)

e Assets subject to special arrangements arising from their illiquid nature

There are no assets held in the portfolio of investments which are subject to special arrangements arising from their illiquid nature.

f Derivatives

The Sub-Fund may employ derivatives with the aim of reducing the Sub-Fund's risk profile, reducing costs or generating additional capital or revenue, in accordance with Efficient Portfolio Management.

The ACD monitors that any exposure is covered globally to ensure adequate cover is available to meet the Sub-Fund's total exposure, taking into account the value of the underlying investments, any reasonably foreseeable market movement, counterparty risk, and the time available to liquidate any positions.

In the year there was direct exposure to derivatives. On a daily basis, exposure is calculated in UK sterling using the Absolute Value at Risk (VaR) approach with netting applied where appropriate. The total global exposure figure is divided by the net asset value of the Sub-Fund to calculate the percentage global exposure. Global exposure is a risk mitigation technique that monitors the overall commitment to derivatives in the Sub-Fund at any given time and may not exceed 100% of the net asset value of the property of the Sub-Fund.

For certain derivative transactions cash margins may be required to be paid to the brokers with whom the trades were executed and settled. These balances are subject to daily reconciliations and are held by the broker in segregated cash accounts that are afforded client money protection.

Derivatives may be used for investment purposes and as a result could potentially impact upon the risk factors outlined above.

(i) Counterparties

Transactions in securities give rise to exposure to the risk that the counterparties may not be able to fulfil their responsibility by completing their side of the transaction. This risk is mitigated by the Sub-Fund using a range of brokers for security transactions, thereby diversifying the risk of exposure to any one broker. In addition the Sub-Fund will only transact with brokers who are subject to frequent reviews with whom transaction limits are set.

The Sub-Fund may transact in derivative contracts which potentially exposes the Sub-Fund to counterparty risk from the counterparty not settling their side of the contract. Transactions involving derivatives are entered into only with investment banks and brokers with appropriate and approved credit rating, which are regularly monitored. Forward currency transactions are only undertaken with the custodians appointed by the Depositary.

At the balance sheet date, there are no securities in the portfolio of investments subject to a repurchase agreement.

(ii) Leverage

The leverage is calculated as the sum of the net asset value and the incremental exposure generated through the use of derivatives (calculated in accordance with the Absolute Value at Risk (VaR) approach) divided by the net asset value.

As at the balance sheet date, the leverage was 166.68% (2022: 183.72%).

(iii) Global exposure

Global exposure is a measure designed to limit the leverage generated by a fund through the use of financial derivative instruments, including derivatives with embedded assets.

At the balance sheet date the global exposure is as follows:

	Gross exposure value £000s	% of the total net asset value
Investment		
Structured Products		
JPMorgan Structured Products 0% 08/07/2025	9,901	2.25

Notes to the financial statements (continued)
for the year ended 31 May 2023

15 Risk management policies (continued)

Futures		
EUX - MSCI Europe Ex UK June 2023	24,838	5.64
EUX - USA ESG Scr NTR June 2023	15,735	3.57
ICF - FTSE 100 Index June 2023	85,624	19.43
ICF - MSCI Health Care December 2023	20,691	4.70
NYF - MSCI Emerging Market June 2023	20,844	4.73
OSE - Topix Index June 2023	29,834	6.77
Forward Currency Contracts		
Value of long position - Euro	28,781	6.53
Value of long position -Japanese yen	57,555	13.06
Value of short position - US dollar	2,176	0.49

The Sub-Fund holds 'Over the Counter' (OTC) derivatives. This type of transaction gives rise to counterparty risk whereby the other party to the transaction may fail to fulfil their contractual obligations. Effective monitoring of counterparty credit risk is an important element of the management of the Sub-Fund.

Collateral arrangements are actively managed, ensuring cash or securities are pledged against the performance of a contract where necessary. This mitigates any potential negative impact on the Sub-Fund in the unlikely event of a counterparty default. Whether or not each position is collateralised depends on whether a net liability is held with each counterparty, the specific agreements with individual counterparties and de minimis thresholds. As such there will be instances where the Sub-Fund is not required to hold collateral.

The counterparty, collateral amount and type held by the Sub-Fund as at the 31 May 2023 is detailed in the table below.

Counterparty	Collateral classification	Collateral value
Citigroup Global Markets Limited	Cash	£8,435,320

True Potential 7IM Aggressive
Sub-investment Manager's report

This supplemental reporting is intended to provide you with an overview of portfolio activity during the period and should not be relied upon to make investment decisions or otherwise.

Investment Objective and Policy

The investment objective of the Sub-Fund is to provide capital growth. The majority of the portfolio of the Sub-Fund will be invested in equity instruments using predominantly actively allocated, but, passively implemented strategies (that is, strategies designed to track the performance of particular indices, market sectors or asset classes). The Sub-Fund may also be invested in other asset classes such as fixed income (directly and indirectly), property (indirectly), commodities (indirectly), hedge funds (indirectly, for example via listed securities) and private equities (indirectly, for example via listed securities). Exposure to the above asset classes will be gained through direct holdings of securities, collective investment schemes, exchange traded funds or derivatives with the objective of improving returns and controlling risk by increasing diversification within the portfolio. The Sub-Fund may be also invested in deposits, cash and near cash and money market instruments.

There are no geographic restrictions on the investments of the Sub-Fund.

Derivatives may be used for investment purposes and Efficient Portfolio Management. The use of derivatives for investment purposes may increase the volatility and risk profile of the Sub-Fund.

Please be aware that there is no guarantee that capital will be preserved.

Sub-Investment Activities

The fund returned 0.4% during the reporting period. Over the same period, the IA Flexible investment returned -1.3% (Source: FEfundinfo).

Global equities had a very tough month in June 2022. Investors grew increasingly concerned about rising rates and inflation data showed no sign of slowing down. Rising food and energy prices were a key cause as crude retreated slightly after peaking in early June. China was a slight exception as lockdowns seemed to temporarily ease resulting in a slight positive upturn. In June 2022, we tilted our UK allocation away from the FTSE 250 and towards the FTSE 100. This change tilted our portfolios towards an inexpensive market, with sector exposures which aligned with a number of our other views: growth to value rotation, inflation-driven market volatility, healthcare, and a potential commodity super-cycle.

In July 2022, developed markets turned around. Investors began to focus on the potential of interest rate cuts in 2023 as there were very slight signs that the global economy, and hence inflation, could be slowing. Themes that were seen earlier in the year reversed as growth stocks rallied the most. Contrary to what we saw in June, China lagged developed markets, and bond yields fell across the developed world.

In August 2022, markets returned to the trends that were seen before July as markets realised that rate hikes were required to bring inflation down in a meaningful way. Developed markets sold off. In contrast to July, bond yields fell, and emerging markets help up well. The UK was another market that underperformed as investors were gripped by the resignation of Boris Johnson, the energy crisis, and weakening economic data. In August 2022, we refreshed our SAA (Strategic Asset allocation) in line with its annual schedule. This is led by an optimisation process that maps asset classes onto risk factors in order to create optimal portfolios for each risk profile. This year’s process resulted in an increase in equity exposure as well as reductions in duration and credit exposure.

Going into 2022 August, our worldview was turning more negative. Our belief was that economic data was likely to weaken and equity markets would respond by moving sideways with some volatility. In order to position portfolios for this market outcome, we moved our portfolios underweight equity relative to our SAA.

September 2022 rounded off yet another tough quarter for markets with the trends that were seen in August continuing. Yet again, a lot of the drama came from the UK as Kwasi Kwarteng presented the mini budget. Unfunded tax cuts and proposed spending on a large scale elicited a dramatic response from markets. Gilts and UK equities sold off heavily as investors lost confidence in the UK economy going forward. During September 2022, we further reduced the headline equity beta of our portfolios to an even more underweight position relative to our SAA. This was in line with our core view that a global manufacturing downturn is unavoidable and economic fundamentals are set to decline.

During September 2022, we also removed the remaining part of our value allocation. This position was in place to benefit from a cyclical upturn, something we no longer believe will happen soon. This position went into a combination of cash and our Berkshire Hathaway allocation which is better placed to benefit from the economic conditions we see going forward.

In yet another mini reversal, developed markets posted strong gains as emerging markets fell in October 2022. Despite the Federal reserve signalling that tighter monetary policy is still required to keep inflation in check, markets found something to be positive about. It is possible that investors were focussed on earnings season where in previous reports data had been better than expectations. In China, equities performed badly as covid restrictions did not let up. And in the UK, the appointment of Rishi Sunak was well received by gilt markets. During October 2022, we unwound our tactical emerging market overweight. Our original case for the emerging market overweight was that the global economy would rebound after COVID-19. This has happened and it now looks as though the global economy is headed for/already in recession mode.

Lastly, in October, we increased our allocation to AT1s with the outlook for equity uncertain, we see AT1s as a very attractive asset to own. They were yielding well over 10%, and we still do not see significant default or extension risk in the bonds.

Equity markets were positive in November 2022 with emerging markets outperforming their developed counterparts. In the developed world, there was hope that US inflation may have peaked, and rates might turn around. The driver of emerging market outperformance, yet again, was China’s covid policy. In November, China loosened rules and markets responded very positively.

In December 2022, investors faced challenges as the Chinese economy reopened faster than expected, central banks continued to tighten monetary policy, and the Bank of Japan surprised the market. Developed market equities declined. The hawkishness of the US Federal Reserve set the tone for the month, despite easing inflation in many developed countries. Major central banks showed no signs of changing their accommodative monetary policies. Government bond yields rose due to central bank actions. China's swift policy changes towards reopening and downgrading COVID restrictions caused market concerns. In December, we further reduced our headline equity beta. Our base case view of the world for 2023 was that a recession was more likely than not. In this environment, we would not expect equities to perform well.

January 2023 witnessed a strong beginning for equity markets, both in developed and emerging markets. Bond prices rallied as yields decreased, reflecting positive market sentiment. Factors such as improving inflation outlook, Europe's resilient economic growth, and the expected recovery of the Chinese economy contributed to the market rally. The decline in inflation influenced expectations that central banks may end rate hikes earlier. Overall, January showed promising signs for the economy and markets, despite lingering risks. In January 2023, we introduced a metals and mining trade. We have a lot of conviction in this trade as a long-term theme. The amount of metal needed to get to net zero is vast, and the nature of mining means that supply cannot increase in line with this. Mining companies are likely to benefit. Furthermore, the companies are cheap and produce very healthy dividends.

February 2023 saw releases of tight job market data. This led to expectations of rates being higher for longer. Global equities fell slightly led by declines in the US market off the back of increased rate expectations. European equities gained slightly as forward looking data looked relatively better than it had done at the start of the year. Emerging markets struggled over the month as the US-China tensions escalated slightly.

March 2023 was a very eventful month for markets. Silicon Valley Bank was unable to meet deposits and went under. Later in the month Credit Suisse experienced extreme deposit flight and was eventually purchased by UBS in a government brokered deal. Establishing whether or not this was related to Silicon Valley Bank is very hard, but Credit Suisse’s troubled reputation no doubt contributed to the speed of deposit flight when concerns around the banking sector emerged. During March, we also added to our climate change position. The trade had underperformed over the past few months, we still have a lot of conviction in the long term case for the position and since it had sold off, the valuations looked more attractive than they had in the past. In April, we trimmed our put selling position. The position had performed well versus the S&P - the allocation it is funded from - and a general fall in volatility means that the base level of returns from the strategy that are available are lower.

Global shares rose in April, supported by resilient economic data. Developed markets outperformed emerging markets. US equities made limited gains as the Fed signaled a potential slowdown. Eurozone shares rose, except for the IT sector. UK equities rose, driven by financials and energy. Japan maintained positive momentum. Asia ex Japan and emerging market equities declined.

Global shares declined in May, but technology stocks saw gains driven by enthusiasm over artificial intelligence. Economic data showed weakness in manufacturing sectors, while services remained strong. Concerns over the US debt ceiling were resolved with a deal reached at the end of the month. Government bond yields increased, and the Bank of England raised interest rates. Japanese stocks continued their strong performance, while Asia ex Japan and emerging markets underperformed. During May, we split our intraday trend strategy such that it now uses both the S&P and Nasdaq 100 index. This further diversifies our alternatives basket.

Investment Strategy and Outlook

Over the next twelve months, we think that the global economy will slide into a recession. In this environment, it is important to rely on a stable identity. Economic uncertainty creates fear and investor sentiment tends to overreact to economic turning points. Going forward, we believe that:

- Inflation will come down. Goods inflation is slowly normalizing, and supply chain pressures are going.
- Central banks are getting close to the end of their hiking cycles, but there is still a bit more work to do.
- A US recession is highly likely. Most leading indicators are pointing towards a recession, but the recession shouldn't be too long or deep.

And so, investors are starting to worry about what's next for financial markets. Economic data isn't likely to stabilise until next year. Equity markets are unlikely to perform well.

We know our investment identity helps us to deliver in just these kinds of environments. We have positions that can generate returns despite this volatile backdrop.

Seven Investment Management LLP- a sub-delegate of True Potential Investments LLP

16 June 2023

Portfolio changes

for the year ended 31 May 2023

The following represents the top ten purchases and sales in the year to reflect a clearer picture of the investment activities.

	Cost
Purchases:	£000s
Deutsche Global Liquidity Series - Deutsche Managed Sterling Fund Platinum	15,001
Invesco AT1 Capital Bond UCITS ETF	9,095
Ninety One Funds Series iii - Global Environment Fund	7,218
Berkshire Hathaway 'B'	6,603
VanEck Global Mining UCITS ETF	6,119
iShares Environment & Low Carbon Tilt Real Estate Index	5,959
UBS AG London 0% 20/10/2027	5,547
SG Issuer 0% 22/12/2023	5,194
JPMorgan Structured Products 0% 08/07/2025	5,191
JPMorgan FX Value Warrants 10/09/2024	4,853
Subtotal	70,780
Total cost of purchases, including the above, for the year	87,095

	Proceeds
Sales:	£000s
Xtrackers MSCI World Value UCITS ETF	8,339
BNP Paribas DR Alpha ex-Agriculture and Livestock Index 08/07/2024	4,995
Fidelity Index Europe ex UK Fund	4,746
UBS AG London 0% 29/03/2024	4,378
SG Issuer 0% 22/12/2023	3,028
JPMorgan Structured Products 0% 08/07/2025	1,840
Toronto Dominion Bank FRN 30/01/2023	1,700
Westpac Banking FRN 18/01/2023	1,400
TSB Bank FRN 07/12/2022	1,147
Barclays Bank FRN 09/01/2023	1,100
Subtotal	32,673
Total proceeds from sales, including the above, for the year	46,878

Portfolio statement

as at 31 May 2023

Investment	Nominal value or holding	Market value £000s	% of total net assets
Debt Securities - 9.51% (14.26%)			
Corporate Bonds - 9.06% (11.93%)			
Commonwealth Bank of Australia FRN 16/01/2025**	£400,000	400	0.18
Goldman Sachs International 0% Perpetual	12,440	9,338	4.16
Lloyds Bank FRN 16/05/2024**	£1,500,000	1,503	0.67
Royal Bank of Canada FRN 03/10/2024**	£500,000	501	0.22
SG Issuer 0% 22/12/2023	$2,742,000	2,242	1.00
UBS AG London 0% 20/10/2027	62,488	5,789	2.58
Yorkshire Building Society FRN 19/11/2023**	£570,000	571	0.25
Total Corporate Bonds		20,344	9.06
Government Bonds - 0.00% (0.57%)			
Public Authorities - 0.45% (1.76%)			
NRW Bank FRN 09/10/2024**	£1,000,000	1,002	0.45
Total Debt Securities		21,346	9.51
Equities - 5.09% (2.81%)			
United States - 5.09% (2.81%)			
Berkshire Hathaway 'B'	44,079	11,423	5.09
Total Equities		11,423	5.09
Collective Investment Schemes - 66.20% (67.17%)			
UK Authorised Collective Investment Schemes - 11.34% (10.57%)			
iShares Environment & Low Carbon Tilt Real Estate Index	4,671,066	9,898	4.41
Ninety One Funds Series iii - Global Environment Fund	10,194,037	15,566	6.93
Total UK Authorised Collective Investment Schemes		25,464	11.34
Offshore Collective Investment Schemes - 54.86% (56.60%)			
Baillie Gifford WW Health Innovation Fund	1,152,894	9,673	4.31
BlackRock Strategic Funds - Global Event Driven Fund	48,678	5,534	2.46
Candriam Absolute Return Equity Market Neutral Fund	2,139	3,254	1.45
Deutsche Global Liquidity Series - Deutsche Managed Sterling Fund Platinum	25,001,477	25,002	11.13
Invesco AT1 Capital Bond UCITS ETF	275,030	8,508	3.79
JPMorgan Liquidity Funds - GBP Liquidity LVNAV Fund	25,262,475	25,263	11.25
Morgan Stanley Liquidity Funds - Sterling Liquidity Fund	20,155,837	20,156	8.98
Northern Trust Global Funds - Sterling Liquidity Fund	20,000,000	20,000	8.91

Portfolio statement (continued)

as at 31 May 2023

Investment	Nominal value or holding	Market value £000s	% of total net assets
Offshore Collective Investment Schemes - 54.86% (56.60%) (continued)			
VanEck Global Mining UCITS ETF	220,154	5,123	2.28
WisdomTree AT1 CoCo Bond UCITS ETF	8,533	669	0.30
Total Offshore Collective Investment Schemes		123,182	54.86
Total Collective Investment Schemes		148,646	66.20
Warrants - 2.03% (0.00%)			
JPMorgan FX Value Warrants 10/09/2024	5,380,000	4,555	2.03
Structured Products - 1.50% (1.42%)			
JPMorgan Structured Products 0% 08/07/2025	4,370,000	3,375	1.50
Futures - 0.37% (0.21%)			
EUX - MSCI Europe Ex UK June 2023	535	499	0.22
EUX - USA ESG SCR June 2023	220	240	0.10
ICF - FTSE 100 Index June 2023	665	(1,015)	(0.45)
ICF - MSCI Health Care December 2023	245	(362)	(0.16)
NYF - MSCI Emerging Market June 2023	453	67	0.03
OSE - Topix Index June 2023	163	1,413	0.63
Total Futures		842	0.37
Forward Currency Contracts – (0.35%) (1.51%)			
Sell UK sterling	-£17,437,688	(17,438)	
Buy Euro	€19,700,000	17,050	
Expiry date 20 October 2023		(388)	(0.17)
Sell UK sterling	-£37,246,718	(37,247)	
Buy Japanese yen	¥6,260,000,000	37,068	
Expiry date 17 November 2023		(179)	(0.08)
Sell UK sterling	-£33,407,709	(33,408)	
Buy US dollar	$40,800,000	32,889	
Expiry date 14 July 2023		(519)	(0.23)
Sell US dollar	-$22,900,000	(18,460)	
Buy UK sterling	£18,750,896	18,751	
Expiry date 14 July 2023		291	0.13
Total Forward Currency Contracts		(795)	(0.35)

Portfolio statement (continued)

as at 31 May 2023

Investment	Nominal value or holding	Market value £000s	% of total net assets
Portfolio of investments		189,392	84.35
Other net assets		35,144	15.65
Total net assets		224,536	100.00

All investments are listed on recognised stock exchanges and are approved securities or regulated collective investment schemes within the meaning of the FCA rules unless otherwise stated. Forward contracts are not listed on stock exchanges and are considered over-the-counter instruments.

The comparative figures in brackets are as at 31 May 2022.

**Variable interest security

SUMMARY OF PORTFOLIO INVESTMENTS

as at 31 May 2023

	31 May 2023		31 May 2022	
Credit breakdown*	Bid-Market value £000s	Total net assets %	Bid-Market value £000s	Total net assets %
Investments of investment grade	3,977	1.77	20,773	11.94
Unrated bonds	17,369	7.74	4,030	2.32
Total bonds	21,346	9.51	24,803	14.26
Structured products	3,375	1.50	2,474	1.42
Warrants	4,555	2.03	-	-
Collective Investment Schemes	148,646	66.20	116,871	67.17
Equities	11,423	5.09	4,886	2.81
Futures – assets	2,219	0.98	1,501	0.86
Forward currency contracts – assets	291	0.13	3,347	1.92
Investments as shown in the balance sheet	191,855	85.44	153,882	88.44
Futures – liabilities	(1,377)	(0.61)	(1,127)	(0.65)
Forward currency contracts – liabilities	(1,086)	(0.48)	(721)	(0.41)
Total value of investments	189,392	84.35	152,034	87.38

* Ratings supplied by S&P, followed by Moody's.

Risk and reward profile

The risk and reward profile relates to both share classes in the Sub-Fund.

The risk and reward indicator table demonstrates where the Sub-Fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the future risk profile of the Sub-Fund. The shaded area in the table below shows the Sub-Fund's ranking on the risk and reward indicator.

Typically lower rewards, lower risk				Typically higher rewards, higher risk		
1	2	3	4	**5**	6	7

The Sub-Fund is in a higher category because the price of its investments have risen or fallen frequently and more dramatically than some other types of investments. The category shown is not guaranteed to remain unchanged and may shift over time. Even the lowest category does not mean a risk-free investment.

Investments in emerging markets may involve greater risks due to political and economic instability and underdeveloped markets and systems. This means your money may be at greater risk of loss.

The price of the Sub-Fund and any income from it can go down as well as up and is not guaranteed. Investors may not get back the amount invested. Past performance is not a guide to future performance.

Where the Sub-Fund invests in bonds, there is a risk the bond issuer may fail to meet its repayments. This is usually a greater risk for bonds that produce a higher level of income. Changes in interest rates, inflation and the creditworthiness of the bond issuer may also affect the bond's market value.

The Sub-Fund is entitled to use derivative instruments for Efficient Portfolio Management and investment purposes. Derivatives may not achieve their intended purpose. Their prices may move up or down significantly over relatively short periods of time which may result in losses greater than the amount paid. This could adversely impact the value of the Sub-Fund.

The organisation from which the Sub-Fund buys a derivative may fail to carry out its obligations, which could also cause losses to the Sub-Fund.

The Sub-Fund may invest in securities not denominated in sterling, the value of your investments may be affected by changes in currency exchange rates.

For further information please refer to the KIID.

For full details on risk factors for the Sub-Fund, please refer to the Prospectus.

There have been no changes to the risk and reward indicator in the year.

Comparative tables

The following disclosures give a shareholder an indication of the performance of a share in the Sub-Fund. It also discloses the operating charges and direct transaction costs applied to each share. Operating charges are those charges incurred in operating the Sub-Fund and direct transaction costs are costs incurred when purchasing or selling securities in the portfolio of investments.

	A Income		
	2023	2022	2021
	p	p	p
Change in net assets per share			
Opening net asset value per share	156.66	156.87	131.43
Return before operating charges*	2.51	0.95	27.08
Operating charges	(1.12)	(1.13)	(0.86)
Return after operating charges*	1.39	(0.18)	26.22
Distributions+	(2.22)	(0.03)	(0.78)
Closing net asset value per share	155.83	156.66	156.87
*after direct transaction costs of:	0.06	0.07	-
Performance			
Return after charges	0.89%	(0.11%)	19.95%
Other information			
Closing net asset value (£000s)	62	144	283
Closing number of shares	40,067	92,196	180,582
Operating charges++	0.71%	0.70%	0.60%
Direct transaction costs	0.04%	0.04%	0.00%
Prices			
Highest share price (p)	166.6	167.0	158.8
Lowest share price (p)	147.3	151.2	131.1

+Rounded to 2 decimal places.

++The operating charges are represented by the Ongoing Charges Figure (OCF). The OCF consists principally of the ACD's periodic charge and the Investment Manager's fee which are included in the annual management charge, but also includes the costs for other services paid. It is indicative of the charges which the share class may incur in a year as it is calculated on historical data. The operating charge includes charges for the underlying funds held.

Investments carry risk. Past performance is not a guide to future performance. Investors may not get back the amount invested.

Comparative tables (continued)

	A Accumulation		
	2023	2022	2021
	p	p	p
Change in net assets per share			
Opening net asset value per share	164.10	164.24	136.89
Return before operating charges*	2.32	1.04	28.26
Operating charges	(1.18)	(1.18)	(0.91)
Return after operating charges*	1.14	(0.14)	27.35
Distributions+	(2.02)	(0.03)	(0.82)
Retained distribution on accumulation shares+	2.02	0.03	0.82
Closing net asset value per share	165.24	164.10	164.24
*after direct transaction costs of:	0.07	0.07	-
Performance			
Return after charges	0.69%	(0.09%)	19.98%
Other information			
Closing net asset value (£000s)	224,474	173,838	172,801
Closing number of shares	135,844,624	105,935,845	105,212,124
Operating charges++	0.71%	0.70%	0.60%
Direct transaction costs	0.04%	0.04%	0.00%
Prices			
Highest share price (p)	175.0	174.5	166.0
Lowest share price (p)	154.3	158.4	136.5

+Rounded to 2 decimal places.

++The operating charges are represented by the Ongoing Charges Figure (OCF). The OCF consists principally of the ACD's periodic charge and the Investment Manager's fee which are included in the annual management charge, but also includes the costs for other services paid. It is indicative of the charges which the share class may incur in a year as it is calculated on historical data. The operating charge includes charges for the underlying funds held.

Investments carry risk. Past performance is not a guide to future performance. Investors may not get back the amount invested.

Distribution tables

for the year ended 31 May 2023

Distributions on A Income shares in pence per share

Payment date	Share type	Distribution type	Net revenue	Equalisation	Distribution current year	Distribution prior year
31.01.23	group 1	interim	0.683	-	0.683	0.027
31.01.23	group 2	interim	0.265	0.418	0.683	0.027
31.07.23	group 1	final	1.535	-	1.535	-^
31.07.23	group 2	final	0.942	0.593	1.535	-^

Equalisation

Equalisation applies only to group 2 shares. It is the average amount of revenue included in the purchase price of 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 in the hands of the shareholder but must be deducted from the cost of shares for capital gains tax purposes.

Interim distributions:

Group 1 Shares purchased before 1 June 2022

Group 2 Shares purchased 1 June 2022 to 30 November 2022

Final distributions:

Group 1 Shares purchased before 1 December 2022

Group 2 Shares purchased 1 December 2022 to 31 May 2023

Distributions on A Accumulation shares in pence per share

Allocation date	Share type	Distribution type	Net revenue	Equalisation	Distribution current year	Distribution prior year
31.01.23	group 1	interim	0.718	-	0.718	0.028
31.01.23	group 2	interim	0.235	0.483	0.718	0.028
31.07.23	group 1	final	1.305	-	1.305	-^
31.07.23	group 2	final	0.662	0.643	1.305	-^

^ As expenses exceeded the revenue of the Sub-Fund at the period end no distribution was made and the revenue deficit was brought forward to reduce the final distribution.

Equalisation

Equalisation applies only to group 2 shares. It is the average amount of revenue included in the purchase price of 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 in the hands of the shareholder but must be deducted from the cost of shares for capital gains tax purposes.

Accumulation distributions

Holders of accumulation shares should add the distributions received thereon to the cost of the shares for capital gains tax purposes.

Interim distributions:

Group 1 Shares purchased before 1 June 2022

Group 2 Shares purchased 1 June 2022 to 30 November 2022

Final distributions:

Group 1 Shares purchased before 1 December 2022

Group 2 Shares purchased 1 December 2022 to 31 May 2023

Financial statements - True Potential 7IM Aggressive

Statement of total return

for the year ended 31 May 2023

	Notes	2023		2022	
		£000s	£000s	£000s	£000s
Income:					
Net capital (losses)/gains	2		(1,483)		297
Revenue	3	3,920		870	
Expenses	4	(1,107)		(1,042)	
Interest payable and similar charges		-		(9)	
Net revenue/(expenses) before taxation		2,813		(181)	
Taxation	5	(321)		-	
Net revenue/(expenses) after taxation			2,492		(181)
Total return before distributions			1,009		116
Distributions	6		(2,494)		12
Change in net assets attributable to shareholders from investment activities			(1,485)		128

Statement of change in net assets attributable to shareholders

for the year ended 31 May 2023

	2023		2022	
	£000s	£000s	£000s	£000s
Opening net assets attributable to shareholders		173,982		173,084
Amounts receivable on issue of shares	85,610		90,384	
Amounts payable on cancellation of shares	(36,213)		(89,645)	
		49,397		739
Change in net assets attributable to shareholders from investment activities		(1,485)		128
Retained distribution on accumulation shares		2,642		31
Closing net assets attributable to shareholders		224,536		173,982

Balance Sheet

as at 31 May 2023

	Notes	2023	2022
		£000s	£000s
Assets:			
Fixed assets:			
Investments		191,855	153,882
Current assets:			
Debtors	7	6,446	2,120
Cash and bank balances and amounts held at futures clearing houses and brokers	8	31,980	20,084
Total assets		230,281	176,086
Liabilities:			
Investment liabilities		(2,463)	(1,848)
Creditors:			
Bank overdraft (including futures overdraft)	8	-	(48)
Distribution payable	6	(1)	-
Other creditors	9	(3,281)	(208)
Total liabilities		(5,745)	(2,104)
Net assets attributable to shareholders		224,536	173,982

Notes to the financial statements

for the year ended 31 May 2023

1. Accounting policies

The accounting policies are disclosed on pages 12 to 14.

2. Net capital (losses)/gains	2023	2022
	£000s	£000s
Non-derivative securities – (losses)/gains	(547)	1,073
Derivative contracts – gains/(losses)	463	(4,379)
Currency (losses)/gains	(456)	157
Forward currency contracts	(869)	3,521
Rebates from collective investment schemes	5	4
Commission on futures	(79)	(79)
Net capital (losses)/gains	(1,483)	297

3. Revenue	2023	2022
	£000s	£000s
Non-interest distributions from overseas funds	283	185
Distributions from UK regulated collective investment schemes:		
Franked investment income	309	246
Unfranked investment income	90	141
Interest on debt securities from overseas collective investment schemes	2,412	91
Interest on debt securities	420	177
Bank interest	297	8
Deposit interest	54	-
Rebates from collective investment schemes	55	22
Total revenue	3,920	870

4. Expenses	2023	2022
	£000s	£000s
Payable to the ACD and associates		
Annual management charge	1,107	1,042
Total expenses	1,107	1,042

The annual management charge includes the ACD's periodic charge, investment management fees and other permitted charges relating to the operation of the Sub-Fund.

The annual management charge included an audit fee of £8,952 inclusive of VAT (2022: £6,426 inclusive of VAT).

5. Taxation	2023	2022
	£000s	£000s
a) Analysis of charge for the year		
Corporation tax	321	-
Total taxation (note 5b)	321	-

Notes to the financial statements (continued)
for the year ended 31 May 2023

5. Taxation (continued)

b) Factors affecting the current tax charge for the year

The tax assessed for the year is lower (2022: lower) than the standard rate of UK corporation tax for an authorised collective investment scheme of 20% (2022: 20%).

The differences are explained below:

	2023 £000s	2022 £000s
Net revenue/(expenses) before taxation	2,813	(181)
Corporation tax @ 20%	563	(36)
Effects of:		
UK revenue	(62)	(50)
Overseas revenue	(57)	(37)
Capital rebates from collective investment schemes	1	1
Excess management expenses (utilised)	(124)	122
Total taxation (note 5a)	321	-

c) Provision for deferred tax
At 31 May 2023, there is no potential deferred tax asset (2022: £124,493) in relation to surplus management expenses.

6. Distributions
The distributions take account of revenue added on the issue of shares and revenue deducted on the cancellation of shares and comprise:

	2023 £000s	2022 £000s
Interim income distribution	-	-
Interim accumulation distribution	869	31
Final income distribution	1	-
Final accumulation distribution	1,773	-
	2,643	31
Equalisation:		
Amounts deducted on cancellation of shares	144	(23)
Amounts added on issue of shares	(293)	(20)
Total net distributions	2,494	(12)

Reconciliation between net revenue and distributions:	2023 £000s	2022 £000s
Net revenue/(expenses) after taxation per Statement of total return	2,492	(181)
Tax effect of Capital rebates from collective investment schemes	2	1
Income deficit transfer	-	168
Distributions	2,494	(12)

Details of the distribution per share are disclosed in the Distribution table.

Notes to the financial statements (continued)
for the year ended 31 May 2023

7. Debtors

	2023 £000s	2022 £000s
Amounts receivable on issue of shares	1,479	1,923
Sales awaiting settlement	2,415	-
Currency trades outstanding	2,412	-
Accrued revenue	74	98
Accrued rebates from collective investment schemes	37	22
Recoverable overseas withholding tax	1	1
Recoverable income tax	28	66
Corporation tax recoverable	-	10
Total debtors	6,446	2,120

8. Cash and bank balances

	2023 £000s	2022 £000s
Cash and bank balances and amounts held at futures clearing houses and brokers	31,980	20,084
Bank overdraft (including futures overdraft)	-	(48)
Total cash and bank balances	31,980	20,036

9. Other creditors

	2023 £000s	2022 £000s
Amounts payable on cancellation of shares	511	127
Currency trades outstanding	2,415	-
Accrued expenses:		
Payable to the ACD and associates		
Annual management charge	112	81
Total accrued expenses	112	81
Corporation tax payable	243	-
Total other creditors	3,281	208

10. Commitments and contingent liabilities

At the balance sheet date there are no commitments or contingent liabilities (2022: same).

11. Share classes

The following reflects the change in shares in issue for each share class in the year:

	A Income
Opening shares in issue	92,196
Total shares issued in the year	567
Total shares cancelled in the year	(52,696)
Closing shares in issue	40,067

	A Accumulation
Opening shares in issue	105,935,845
Total shares issued in the year	51,736,227
Total shares cancelled in the year	(21,827,448)
Closing shares in issue	135,844,624

Notes to the financial statements (continued)

for the year ended 31 May 2023

11. Share classes (continued)

For the year ended 31 May 2023, the annual management charge is 0.55%. The annual management charge includes the ACD's periodic charge, Investment Manager's fee and other permitted charges to the operation of the Sub-Fund.

Further information in respect of the return per share is disclosed in the Comparative table.

On the winding up of a Sub-Fund all the assets of the Sub-Fund will be realised and apportioned to the share classes in relation to the net asset value on the closure date. Shareholders will receive their respective share of the proceeds, net of liabilities and the expenses incurred in the termination in accordance with the FCA regulations. Each share class has the same rights on winding up.

12. Related party transactions

True Potential Administration LLP, as ACD, is a related party due to its ability to act in respect of the operations of the Sub-Fund.

The ACD acts as principal in respect of all transactions of shares in the Sub-Fund. The aggregate monies received and paid through the creation and cancellation of shares are disclosed in the Statement of change in net assets attributable to shareholders of the Sub-Fund.

Amounts payable to the ACD and its associates are disclosed in note 4. The amount due to the ACD and its associates at the balance sheet date is disclosed in note 9.

13. Events after the balance sheet date

Subsequent to the year end, the net asset value per A Income share has decreased from 155.8p to 155.4p and the A Accumulation share has decreased from 165.2p to 164.8p as at 27 September 2023. This movement takes into account routine transactions but also reflects the market movements of recent months.

14. Transaction costs

a Direct transaction costs

Direct transaction costs include fees and commissions paid to advisers, brokers and dealers; levies by regulatory agencies and security exchanges; and transfer taxes and duties.

Commission is a charge which is deducted from the proceeds of the sale of securities and added to the cost of the purchase of securities. This charge is a payment to advisers, brokers and dealers in respect of their services in executing the trades.

Tax is payable on the purchase of securities in the United Kingdom. It may be the case that 'other taxes' will be charged on the purchase of securities in countries other than the United Kingdom.

The total purchases and sales and the related direct transaction costs incurred in these transactions are as follows:

	Purchases before transaction costs	Commission		Taxes		Other Expenses		Purchases after transaction costs
2023	£000s	£000s	%	£000s	%	£000s	%	£000s
Equities	11,454	1	0.01	-	-	-	-	11,455
Bonds*	26,569	-	-	-	-	-	-	26,569
Collective Investment Schemes	49,052	-	-	-	-	-	-	49,052
Total	87,075	1		-		-		87,076

*No direct transaction costs were incurred in these transactions.

Capital events amount of £19,000 (2022: £5,000) is excluded from the total purchases as there were no direct transaction costs charged in these transactions.

Notes to the financial statements (continued)

for the year ended 31 May 2023

14. Transaction costs (continued)

	Purchases before transaction costs	Commission		Taxes		Other Expenses		Purchases after transaction costs
2022	£000s	£000s	%	£000s	%	£000s	%	£000s
Equities	1,406	-	-	-	-	-	-	1,406
Bonds*	23,048	-	-	-	-	-	-	23,048
Collective Investment Schemes	101,466	-	-	-	-	-	-	101,466
Total	125,920	-		-		-		125,920

	Sales before transaction costs	Commission		Taxes		Other Expenses		Sales after transaction costs
2023	£000s	£000s	%	£000s	%	£000s	£000s	%
Equities	1,014	-	-	-	-	-	-	1,014
Bonds*	31,019	-	-	-	-	-	-	31,019
Collective Investment Schemes	14,845	-	-	-	-	-	-	14,845
Total	46,878	-		-		-		46,878

	Sales before transaction costs	Commission		Taxes		Other Expenses		Sales after transaction costs
2022	£000s	£000s	%	£000s	%	£000s	£000s	%
Equities	7,395	(1)	0.01	-	-	-	-	7,394
Bonds*	34,010	-	-	-	-	-	-	34,010
Collective Investment Schemes	75,248	-	-	-	-	-	-	75,248
Total	116,653	(1)		-		-		116,652

* No direct transaction costs were incurred in these transactions.

Summary of direct transaction costs

The following represents the total of each type of transaction cost, expressed as a percentage of the Sub-Fund's average net asset value in the year:

2023	£000s	% of average net asset value
Commission	1	0.00

2022	£000s	% of average net asset value
Commission	1	0.00

*No direct transaction costs were incurred in the purchase and sale of investments during the year (2022: same).

14. Transaction costs (continued)

The following represents the total of each type of transaction cost, expressed as a percentage of the Sub-Fund's average net asset value in the year :

	2023		2022	
Summary of direct transaction costs	£000s	% of average net asset value	£000s	% of average net asset value
Derivatives	79	0.04	79	0.04

b Average portfolio dealing spread

The average portfolio dealing spread is calculated as the difference between the bid and offer value of the portfolio as a percentage of the offer value.

The average portfolio dealing spread of the investments at the balance sheet date was 0.06% (2022: 0.03%).

15 Risk management policies

In pursuing the Sub-Fund's investment objective, as set out in the Prospectus, the following are accepted by the ACD as being the main risks from the Sub-Fund's holding of financial instruments, either directly or indirectly through its underlying holdings. These are presented with the ACD's policy for managing these risks. To ensure these risks are consistently and effectively managed these are continually reviewed by the risk committee, a body appointed by the ACD, which sets the risk appetite and ensures continued compliance with the management of all known risks.

a Market risk

Market risk is the risk that the value of the Sub-Fund's financial instruments will fluctuate as a result of changes in market prices and comprise three elements: other price risk, currency risk, and interest rate risk.

The method used to calculate the global exposure is absolute Value at risk (VaR). The calculation of the Absolute VaR is carried out in accordance with the following parameters: 99% one-sided confidence interval, 1 month (20 day) holding period, Monte Carlo simulation (10,000 simulations) ,1-year (250 day) history with time decay factor (weighting recent events).

A given fund’s limit is based on its Risk profile. All of the positions within the fund (direct investments and derivatives) are taken into account for the VaR calculation, not just derivatives.

The below table shows the lowest, the highest and the average utilisation of the VaR limit calculated during the financial year, 01 June 2022 - 31 May 2023. Funds using the VaR approach disclose the level of leverage employed during the relevant period, using the gross method (sum of the notionals of the derivatives used).

	Lowest VaR %	Highest VaR %	Average VaR %	VaR Limit %	Average Level of leverage %	Typical expected Leverage %
True Potential 7IM Aggressive	6.96	11.38	9.23	20.00	174.14	200

(i) Other price risk

The Sub-Fund's exposure to price risk comprises mainly of movements in the value of investment positions in the face of price movements.

The main elements of the portfolio of investments exposed to this risk are debt securities and collective investment schemes.

This risk is generally regarded as consisting of two elements: stock specific risk and market risk. Through these two factors, the Sub-Fund is exposed to price fluctuations, which are monitored by the ACD in pursuance of the investment objective and policy.

Notes to the financial statements (continued)

for the year ended 31 May 2023

15 Risk management policies (continued)

Adhering to investment guidelines and avoiding excessive exposure to one particular issuer can limit stock specific risk. Subject to compliance with the investment objective of the Sub-Fund, spreading exposure in the portfolio of investments both globally and across sectors or geography can mitigate market risk.

At 31 May 2023, if the price of the investments held by the Sub-Fund increased or decreased by 5%, with all other variables remaining constant, then the net assets attributable to shareholders of the Sub-Fund would increase or decrease by approximately £9,470,000 (2022: £7,602,000).

(ii) Currency risk

Currency risk is the risk that the value of investments or future cash flows will fluctuate as a result of exchange rate movements. Investment in overseas securities or holdings of foreign currency cash will provide direct exposure to currency risk as a consequence of the movement in foreign exchange rates against sterling. Investments in UK securities investing in overseas securities will give rise to indirect exposure to currency risk. These fluctuations can also affect the profitability of some UK companies, and thus their market prices, as sterling's relative strength or weakness can affect export prospects, the value of overseas earnings in sterling terms, and the prices of imports sold in the UK.

Forward currency contracts are used to help the Sub-Fund achieve its investment objective as stated in the Prospectus. The ACD monitors the exposure to these contracts to ensure they are in keeping with the investment objective.

The foreign currency risk profile of the Sub-Fund's financial instruments and cash holdings at the balance sheet date is as follows:

2023	Total net foreign currency exposure* £000s
Euro	501
Japanese yen	1,412
US dollar	36,964
Total net foreign currency exposure	38,877

2022	Total net foreign currency exposure* £000s
Euro	250
Japanese yen	366
US dollar	9,857
Total net foreign currency exposure	10,473

At 31 May 2023, if the value of sterling increased or decreased by 5% against all other currencies, with all other variables remaining constant, then the net assets attributable to shareholders of the Sub-Fund would increase or decrease by approximately £5,357,000 (2022: £3,893,000). Forward currency contracts are used to manage the portfolio exposure to currency movements.

* Please note the financial instruments and cash holdings and net debtors and creditors has been merged with total net foreign currency exposure.

(iii) Interest rate risk

Interest rate risk is the risk that the value of the Sub-Fund's investments will fluctuate as a result of interest rate changes.

During the year the Sub-Fund's direct exposure to interest rates consisted of cash and bank balances and interest bearing securities.

The amount of revenue receivable from floating rate securities and bank balances or payable on bank overdrafts will be affected by fluctuations in interest rates.

15 Risk management policies (continued)

The Sub-Fund has indirect exposure to interest rate risk as it invests in bond funds.

The value of interest bearing securities may be affected by changes in the interest rate environment, either globally or locally.

At 31 May 2023, if interest rates increased or decreased by 25 points, with all other variables remaining constant, then the net assets attributable to shareholders of the Sub-Fund would increase or decrease by approximately £90,000 (2022: £46,000).

The Sub-Fund would not in normal market conditions hold significant cash balances and would have limited borrowing capabilities as stipulated in the COLL rules.

Derivative contracts are not used to hedge against the exposure to interest rate risk.

The interest rate risk profile of financial assets and liabilities at the balance sheet date is as follows:

	Variable rate financial assets	Variable rate financial liabilities	Fixed rate financial assets	Non-interest bearing financial assets	Non-interest bearing financial liabilities	Total
2023	£000s	£000s	£000s	£000s	£000s	£000s
Euro	1	-	-	500	-	501
Japanese yen	-	-	-	1,412	-	1,412
UK sterling	35,951	-	-	152,676	(2,968)	185,659
US dollar	5	-	17,369	22,367	(2,777)	36,964
	35,957	-	17,369	176,955	(5,745)	224,536

	Variable rate financial assets	Variable rate financial liabilities	Fixed rate financial assets	Non-interest bearing financial assets	Non-interest bearing financial liabilities	Total
2022	£000s	£000s	£000s	£000s	£000s	£000s
Euro	23	-	-	227	-	250
Japanese yen	436	-	-	-	(70)	366
UK sterling	34,318	-	6,080	123,613	(502)	163,509
US dollar	-	(48)	6,503	4,886	(1,484)	9,857
	34,777	(48)	12,583	128,726	(2,056)	173,982

b Credit risk

This is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. This includes counterparty risk and issuer risk.

The Depositary has appointed the custodian to provide custody services for the assets of the Sub-Fund. There is a counterparty risk that the custodian could cease to be in a position to provide custody services to the Sub-Fund. The Sub-Fund's investments (excluding cash) are ring fenced hence the risk is considered to be negligible.

In addition to the interest rate risk, bond investments are exposed to issuer risk which reflects the ability for the bond issuer to meet its obligations to pay interest and return the capital on the redemption date. Change in issuer risk will change the value of the investments and is dealt with further in note 15a. The majority of debt securities held within the portfolio are unrated bonds. These are made across a variety of industry sectors and geographical markets, so as to avoid concentrations of credit risk. A breakdown is provided in the Portfolio statement. The credit quality of the debt securities is disclosed in the Summary of Portfolio Investments.

Notes to the financial statements (continued)

for the year ended 31 May 2023

15 Risk management policies (continued)

The Sub-Fund holds cash and cash deposits with financial institutions which potentially exposes the Sub-Fund to counterparty risk. The credit rating of the financial institution is taken into account so as to minimise the risk to the Sub-Fund of default.

Holdings in collective investment schemes are subject to direct credit risk. The exposure to pooled investment vehicles is unrated.

c Liquidity risk

A significant risk is the cancellation of shares which investors may wish to sell and that securities may have to be sold in order to fund such cancellations if insufficient cash is held at the bank to meet this obligation. If there were significant requests for the redemption of shares at a time when a large proportion of the portfolio of investments were not easily tradable due to market volumes or market conditions, the ability to fund those redemptions would be impaired and it might be necessary to suspend dealings in shares in the Sub-Fund.

Investments in smaller companies at times may prove illiquid, as by their nature they tend to have relatively modest traded share capital. Shifts in investor sentiment, or the announcement of new price sensitive information, can provoke significant movement in share prices, and make dealing in any quantity difficult.

The Sub-Fund may also invest in securities that are not listed or traded on any stock exchange. In such situations the Sub-Fund may not be able to immediately sell such securities.

To reduce liquidity risk the ACD will ensure, in line with the limits stipulated within the COLL rules, a substantial portion of the Sub-Fund's assets consist of readily realisable securities. This is monitored on a monthly basis and reported to the Risk Committee together with historical outflows of the Sub-Fund.

In addition liquidity is subject to stress testing on an annual basis to assess the ability of the Sub-Fund to meet large redemptions (50% of the net asset value and 80% of the net asset value), while still being able to adhere to its objective guidelines and the FCA investment borrowing regulations.

All of the financial liabilities are payable on demand. In the case of forward foreign currency contracts these are payable in less than one year.

d Fair value of financial assets and financial liabilities

There is no material difference between the value of the financial assets and liabilities, as shown in the balance sheet, and their fair value.

To ensure this, the fair value pricing committee is a body appointed by the ACD to analyse, review and vote on price adjustments/maintenance where no current secondary market exists and/or where there are potential liquidity issues that would affect the disposal of an asset. In addition, the committee may also consider adjustments to the Sub-Fund's price should the constituent investments be exposed to closed markets during general market volatility or instability.

	Investment assets	Investment liabilities
Basis of valuation	2023	2023
	£000s	£000s
Quoted prices	32,497	(1,377)
Observable market data	155,983	(1,086)
Unobservable data	3,375	-
	191,855	(2,463)

Notes to the financial statements (continued)

for the year ended 31 May 2023

15 Risk management policies (continued)

Basis of valuation	Investment assets 2022 £000s	Investment liabilities 2022 £000s
Quoted prices	15,041	(1,127)
Observable market data	136,367	(721)
Unobservable data*	2,474	-
	153,882	(1,848)

No securities in the portfolio of investments are valued using valuation techniques.

* Structured product holdings in the Portfolio statement are valued using valuation models where the inputs are unobservable. The ACD engages a third party to provide valuations for these investments.

e Assets subject to special arrangements arising from their illiquid nature

There are no assets held in the portfolio of investments which are subject to special arrangements arising from their illiquid nature.

f Derivatives

The Sub-Fund may employ derivatives with the aim of reducing the Sub-Fund's risk profile, reducing costs or generating additional capital or revenue, in accordance with Efficient Portfolio Management.

The ACD monitors that any exposure is covered globally to ensure adequate cover is available to meet the Sub-Fund's total exposure, taking into account the value of the underlying investments, any reasonably foreseeable market movement, counterparty risk, and the time available to liquidate any positions.

In the year there was direct exposure to derivatives. On a daily basis, exposure is calculated in UK sterling using the Absolute Value at Risk (VaR) approach with netting applied where appropriate. The total global exposure figure is divided by the net asset value of the Sub-Fund to calculate the percentage global exposure. Global exposure is a risk mitigation technique that monitors the overall commitment to derivatives in the Sub-Fund at any given time and may not exceed 100% of the net asset value of the property of the Sub-Fund.

For certain derivative transactions cash margins may be required to be paid to the brokers with whom the trades were executed and settled. These balances are subject to daily reconciliations and are held by the broker in segregated cash accounts that are afforded client money protection.

Derivatives may be used for investment purposes and as a result could potentially impact upon the risk factors outlined above.

(i) Counterparties

Transactions in securities give rise to exposure to the risk that the counterparties may not be able to fulfil their responsibility by completing their side of the transaction. This risk is mitigated by the Sub-Fund using a range of brokers for security transactions, thereby diversifying the risk of exposure to any one broker. In addition the Sub-Fund will only transact with brokers who are subject to frequent reviews with whom transaction limits are set.

The Sub-Fund may transact in derivative contracts which potentially exposes the Sub-Fund to counterparty risk from the counterparty not settling their side of the contract. Transactions involving derivatives are entered into only with investment banks and brokers with appropriate and approved credit rating, which are regularly monitored. Forward currency transactions are only undertaken with the custodians appointed by the Depositary.

At the balance sheet date, there are no securities in the portfolio of investments subject to a repurchase agreement.

Notes to the financial statements (continued)

for the year ended 31 May 2023

15 Risk management policies (continued)

(ii) Leverage

The leverage is calculated as the sum of the net asset value and the incremental exposure generated through the use of derivatives (calculated in accordance with the Absolute Value at Risk (VaR) approach) divided by the net asset value.

As at the balance sheet date, the leverage was 184.50%.

(iii) Global exposure

Global exposure is a measure designed to limit the leverage generated by a fund through the use of financial derivative instruments, including derivatives with embedded assets.

At the balance sheet date the global exposure is as follows:

	Gross exposure value £000s	% of the total net asset value
Investment		
Structured Products		
JPMorgan Structured Products 0% 08/07/2025	3,459	1.54
Futures		
EUX - MSCI Europe Ex UK June 2023	14,197	6.32
EUX - USA ESG SCR NTR June 2023	6,774	3.02
ICF - FTSE 100 Index June 2023	49,556	22.07
ICF - MSCI Health Care December 2023	9,693	4.32
NYF - MSCI Emerging Market June 2023	17,485	7.79
OSE - Topix Index June 2023	20,012	8.91
Forward Currency Contracts		
Value of long position - Euro	17,050	7.59
Value of long position -Japanese yen	37,068	16.51
Value of long position - US dollar	14,429	6.43

The Sub-Fund holds 'Over the Counter' (OTC) derivatives. This type of transaction gives rise to counterparty risk whereby the other party to the transaction may fail to fulfil their contractual obligations. Effective monitoring of counterparty credit risk is an important element of the management of the Sub-Fund.

Collateral arrangements are actively managed, ensuring cash or securities are pledged against the performance of a contract where necessary. This mitigates any potential negative impact on the Sub-Fund in the unlikely event of a counterparty default. Whether or not each position is collateralised depends on whether a net liability is held with each counterparty, the specific agreements with individual counterparties and de minimis thresholds. As such there will be instances where the Sub-Fund is not required to hold collateral.

The counterparty, collateral amount and type held by the Sub-Fund as at the 31 May 2023 is detailed in the table below.

Counterparty	Collateral classification	Collateral value
Citigroup Global Markets Limited	Cash	£4,774,030

True Potential Goldman Sachs Income Builder
Sub-investment Manager's report

This supplemental reporting is intended to provide you with an overview of portfolio activity during the period and should not be relied upon to make investment decisions or otherwise.

Investment Objective and Policy

The investment objective of the Sub-Fund is to provide a regular income (paid monthly), some capital appreciation and lower volatility than the MSCI World Index by investing globally, either directly or indirectly (for example, via collective investment schemes or derivatives), in equity and fixed income securities. The Sub-Fund can invest in money market instruments, warrants and transferable securities. Derivatives and forward transactions can be used for investment purposes.

Derivatives and forward transactions may be used for investment purposes and Efficient Portfolio Management. The use of derivatives for investment purposes may increase the volatility and risk profile of the Sub-Fund.

Please be aware that there is no guarantee that capital will be preserved.

Sub-Investment Activities

The True Potential Goldman Sachs Income Builder Portfolio returned -3.08% (net) in the twelve-month period ending May 31, 2023, bringing total since inception performance to 2.48% (net, p.a.). The twelve-month distribution yield was 3.83% as of May 31, 2023 (Source: Morningstar)

The twelve-month reporting timeframe covered the period in which economies and markets moved past the pandemic. The macro backdrop was challenging as growth was weaker than expected as economies around the world reopened post-COVID and inflationary pressures ran high which prompted major central banks to tighten policy. Supply-chain bottlenecks got resolved at a slower pace than anticipated and the weakness in Chinese economy – from the property-sector crisis to the Zero-COVID regime – were persistent headwinds to global growth.

From a tactical perspective, within Equities, we closed the Long US Energy Infrastructure position in August 2022 as prudent risk management favoured closing the position as the sector saw strong performance in light of increasing commodity prices. We closed the Long 30Y Treasury futures position in November 2022 which was initiated amidst a slowdown in cyclical momentum in July 2022 following a rapid tightening in financial conditions. In February 2023, we closed our position in Eurozone banks as the tailwind from a strong earnings season drove significant outperformance, just before the US regional banking crisis spilled across the Atlantic.

Within the direct equity investments, we increased exposure to the Industrials and Information Technology sectors and decreased our exposure to the Real Estate and Materials sectors. From a regional perspective, we increased our exposure to Japanese equities at the expense of European equities. We initiated a position in Koninklijke Ahold Delhaize, an established grocery retailer in Europe with strong competitive positioning, ~65% exposure to the US east coast and ~30% in Netherlands and Belgium. We like the company's strong balance sheet and cash generation and believe it could benefit from some consolidation opportunities in the US, where the industry is still fragmented. Additionally, Ahold has an established productivity program and we believe it is well placed to perform strongly in this high inflation environment, as it is able to raise its prices faster than it must raise its costs. We eliminated our position in Ecolab, an American corporation that develops and offers services, technology and systems that specialize in treatment, purification, cleaning, and hygiene of water in a wide variety of applications as a range of strategic investors decreased their stake in the company and its growth prospects, in our view.

Within fixed income, we have reduced our exposure to high yield over the period by decreasing our exposure to B and CCC rated securities over the period and rotating into investment grade corporates. We have reduced our overall risk exposure as we remain mindful of the impact of softening demand and tighter lending conditions on company earnings. However, a combination of strong balance sheets with ample cash balances should limit default risk for most issuers we and we seek to express this through a higher quality tilt within asset class.

Investment Attribution

Contributors

Over the investment period, allocations to equity contributed positively to performance. Within equities, our positioning in Health Care and Consumer Staples were most additive. At the stock level, AstraZeneca, a British-Swedish multinational pharmaceutical and biotechnology company, contributed the most over the period. Despite still grappling with higher costs linked to the war in Ukraine, AstraZeneca has continued to experience increasing operating profit margins. Moving forward, we remain confident in AstraZeneca and their extensive pipeline of cancer, metabolic and rare disease drugs.

Within fixed income, our credit beta to high yield corporates contributed the most to returns during the period given better than expected earnings, robust technicals, and anticipation of a slower pace of Fed tightening through the period. On an individual name basis, Cinemark, was one of the top performing names as a result of strong consecutive quarterly earnings results. Cinemark Holdings, Inc. is an American movie theater chain with hundreds of locations throughout the Americas and in Central America. We look favourably on Cinemark's credit profile as we believe box office trends will improve, ticket prices will drift higher, and elevated concession spend is sustainable.

Detractors

Over the investment period, listed infrastructure and real estate detracted from relative performance. Within Fixed Income, allocations to Treasury futures and Investment Grade Credit dragged down overall returns as yields for US Government bonds rose over the period to stubbornly high inflationary prints.

Within equities, Chevron Corporation, an American multinational energy corporation, detracted the most over the period. Initially during the period, shares suffered as the broader energy sector experienced a sharp sell-off due to Russia headlines and recession concerns. However, the ladder portion of the period was characterised by the company reaping the benefits of rising oil and natural gas prices driven by the Russia-Ukraine conflict, supply shortages, limited production, and the continuing expectations of demand recovery as the COVID crisis eases. We view Chevron as being among one of the best capitalised and best positioned players within energy, with opportunities to improve its ESG profile through carbon capture and renewable energy projects. We are positive on Chevron's restructuring efforts and believe the company has a better mix of assets, including a richer mix of oil, than many of its peers, a strong balance sheet and pays an above market dividend. In our view, Chevron is well-positioned to generate best in class growth over the longer-term, driven primarily by its dominant position in the Permian basin and its vast array of Natural Gas Liquids projects in its pipeline.

Within fixed income, our industry exposure to Telecommunications detracted from returns during the period. Telecommunications is facing secular declines as the sector has ceded broadband share to cable.

Investment Strategy and Outlook

The strategy looks to generate attractive total returns predominately from income by investing globally across a range of asset classes.

Macro and Policy Outlook:

- US: Activity data are holding up but marginally weakening. Leading indicators suggest weaker growth ahead. Inflation slowing down gradually. Although the Fed nears the end of the hiking cycle we don't expect rate cuts in 2023 due to sticky labour market inflation, which we only see easing gradually in 2024.
- Europe: Further economic weakening ahead. Inflation and hiking cycles lag the US; ECB set to reach hiking peak in H2 and pause thereafter. BoE feeling more pressure from higher inflation and will keep policy tight.
- China: Post-reopening recovery losing steam. Regulatory uncertainty. Modest policy easing bias maintained.

Market Drivers:

- Equities: Markets price in optimism relative to an uncertain economic outlook and high rates. Analysts upgrade the 2023 earnings outlook after a better-than-expected Q1 earnings season.
- Rates: Mix of sticky inflation, high rates, and soft economic outlook warrant a wide trading range for rates.
- Credit: US corporate bonds are richly priced and vulnerable once a downturn occurs. Defaults are set to rise at least to long-term averages.
- Commodities: Mixed demand signals with limited supply and low investor positioning.

Risks:

- Excess monetary tightening: Continued tightening of global monetary policy could lead to a recession in several developed economies.
- Banking sector: The FDIC and the Fed contained the initial turmoil in March, but US regional banks remained vulnerable thereafter. Further tightening of credit conditions could have a negative impact on the economy.
- Commercial real estate: Broad sector is vulnerable in a recession. Structural issues in the office space may mean markdowns are looming.
- Debt ceiling: Resolution until January 2025 with limited growth impact.
- Chinese economy: Concern over the property sector is contained for the time being but structural risks remain.

Goldman Sachs Asset Management International - a sub-delegate of True Potential Investments LLP

6 July 2023

Portfolio changes

for the year ended 31 May 2023

The following represents the top ten purchases and sales in the year to reflect a clearer picture of the investment activities.

	Cost
Purchases:	£000s
Goldman Sachs - Sterling Liquid Reserves Fund	447,725
US Treasury Bill 0% 20/04/2023	40,688
Goldman Sachs - SICAV I - GS Emerging Markets Debt	20,131
Microsoft	12,380
Koninklijke Ahold Delhaize	8,165
Waste Man	7,623
Northern Trust	6,045
Tokyo Electron	5,346
Goldman Sachs - SICAV I - GS Emerging Markets Debt Local	5,243
Gilead Sciences	5,028
Subtotal	558,374
Total cost of purchases, including the above, for the year	783,873

	Proceeds
Sales:	£000s
Goldman Sachs - Sterling Liquid Reserves Fund	422,929
US Treasury Bill 0% 20/04/2023	41,280
Goldman Sachs - SICAV I - GS Emerging Markets Debt	13,524
Ecolab	7,786
Invesco Markets - Invesco Morningstar US Energy Infrastructure MLP UCITS ETF	7,631
iShares EURO STOXX Banks 30-15 UCITS ETF	7,330
M&T Bank	5,601
Compass Group	4,639
Reckitt Benckiser	4,536
Vonovia	4,351
Subtotal	519,607
Total proceeds from sales, including the above, for the year	630,251

Portfolio statement

as at 31 May 2023

Investment	Nominal value or holding	Market value £000s	% total net assets
Debt Securities 41.21% (39.98%)			
Corporate Bonds 41.15% (39.92%)			
AbbVie 3.2% 21/11/2029	$1,950,000	1,428	0.17
Acrisure Finance 4.25% 15/02/2029	$2,083,000	1,414	0.17
Acrisure Finance 6% 01/08/2029	$835,000	564	0.07
AdaptHealth 4.625% 01/08/2029	$210,000	131	0.02
AdaptHealth 5.125% 01/03/2030	$340,000	213	0.02
AdaptHealth 6.125% 01/08/2028	$425,000	288	0.03
Adient Global Holdings 7% 15/04/2028	$700,000	571	0.07
ADT Security 4.125% 01/08/2029	$1,460,000	1,028	0.12
AerCap Holdings 5.875% VRN 10/10/2079**	$825,000	619	0.07
AerCap Ireland Capital DAC 3% 29/10/2028	$1,250,000	873	0.10
AerCap Ireland Capital DAC 4.625% 15/10/2027	$600,000	460	0.05
AG TTMT Escrow Issuer LLC 8.625% 30/09/2027	$1,951,000	1,594	0.19
Air Lease 3.75% 01/06/2026	$850,000	649	0.07
Air Lease Corporation 2.875% 15/01/2026	$2,150,000	1,612	0.19
Albertsons 4.625% 15/01/2027	$865,000	664	0.08
Albertsons 4.875% 15/02/2030	$961,000	709	0.08
Albertsons 5.875% 15/02/2028	$220,000	173	0.02
Albertsons 7.5% 15/03/2026	$360,000	299	0.03
Allegiant Travel 7.25% 15/08/2027	$295,000	236	0.03
Allen Media 10.5% 15/02/2028	$505,000	224	0.03
Alliant Holdings 6.75% 15/10/2027	$495,000	372	0.04
Alliant Holdings Intermediate LL 6.75% 15/04/2028	$1,910,000	1,512	0.18
Allied Universal Finance 6% 01/06/2029	$575,000	343	0.04
Allied Universal Finance 9.75% 15/07/2027	$499,000	353	0.04
Ally Financial 4.7% VRN Perpetual**	$1,256,000	661	0.08
Ally Financial 8% 01/11/2031	$1,000,000	841	0.10
Altice Financing 5% 15/01/2028	$2,122,000	1,338	0.16
Altice France 5.5% 15/10/2029	$2,470,000	1,446	0.17
American Airlines 5.5% 20/04/2026	$173,000	137	0.02
American Airlines 5.75% 20/04/2029	$870,000	673	0.08
American Builders & Contractors Supply 3.875% 15/11/2029	$1,400,000	961	0.11
American International Group 3.4% 30/06/2030	$650,000	467	0.05
American Tower 3.95% 15/03/2029	$625,000	470	0.05
Amgen 4.2% 01/03/2033	$2,425,000	1,835	0.21
Amkor Technology 6.625% 15/09/2027	$250,000	201	0.02
Anglo American Capital 4.75% 10/04/2027	$1,000,000	787	0.09
Anheuser-Busch InBev Worldwide 3.5% 01/06/2030	$475,000	360	0.04
Anheuser-Busch InBev Worldwide 4.7% 01/02/2036	$2,121,000	1,676	0.20
APi Escrow 4.75% 15/10/2029	$190,000	138	0.02
APi Group DE 4.125% 15/07/2029	$1,756,000	1,230	0.14
APX Group 5.75% 15/07/2029	$1,505,000	1,037	0.12
ARD Finance 5% 30/06/2027	€ 861,027	561	0.07

Portfolio statement (continued)

as at 31 May 2023

Investment	Nominal value or holding	Market value £000s	% total net assets
Debt Securities 41.18% (39.98%) (continued)			
Corporate Bonds 41.13% (39.92%) (continued)			
Ardagh Metal Packaging 6% 15/06/2027	$565,000	448	0.05
Ardagh Metal Packaging Finance 3% 01/09/2029	€ 780,000	492	0.06
Ardagh Metal Packaging Finance 4% 01/09/2029	$395,000	250	0.03
Ardagh Packaging Finance 4.75% 15/07/2027	£1,200,000	970	0.11
Ardagh Packaging Finance 5.25% 15/08/2027	$1,145,000	776	0.09
Aretec Escrow Issuer 7.5% 01/04/2029	$560,000	386	0.05
Asbury Automotive Group 4.625% 15/11/2029	$1,133,000	806	0.09
Asbury Automotive Group 5% 15/02/2032	$272,000	188	0.02
Ashland 3.375% 01/09/2031	$1,080,000	697	0.08
Ashland Services 2% 30/01/2028	€ 250,000	186	0.02
AssuredPartners 5.625% 15/01/2029	$215,000	150	0.02
AT&T 2.75% 01/06/2031	$2,325,000	1,585	0.19
AT&T 4.35% 01/03/2029	$325,000	254	0.03
Austin BidCo 7.125% 15/12/2028	$871,000	560	0.07
Avantor Funding 3.875% 01/11/2029	$3,030,000	2,133	0.25
Aviation Capital Group 1.95% 30/01/2026	$250,000	180	0.02
Avient 7.125% 01/08/2030	$665,000	542	0.06
Avis Budget Car Rental 5.375% 01/03/2029	$550,000	400	0.05
Avolon Holdings Funding 2.528% 18/11/2027	$480,000	320	0.04
Avolon Holdings Funding 3.25% 15/02/2027	$525,000	372	0.04
Avolon Holdings Funding 5.25% 15/05/2024	$1,525,000	1,211	0.14
Axalta Coating Systems 3.375% 15/02/2029	$1,636,000	1,131	0.13
Ball 6% 15/06/2029	$1,500,000	1,212	0.14
Banijay Entertainment 5.375% 01/03/2025	$400,000	316	0.04
Bank of America 5.202% VRN 25/04/2029**	$955,000	768	0.09
Bank of America 6.1% VRN Perpetual**	$375,000	295	0.03
Bank of America 6.25% VRN Perpetual**	$775,000	614	0.07
Barclays 4.836% 09/05/2028	$400,000	299	0.03
Barclays 8% VRN Perpetual**	$700,000	490	0.06
BAT Capital 4.39% 15/08/2037	$1,100,000	702	0.08
BCPE Empire Holdings 7.625% 01/05/2027	$1,141,000	843	0.10
Beacon Roofing Supply 4.125% 15/05/2029	$870,000	605	0.07
Becton Dickinson 2.823% 20/05/2030	$525,000	371	0.04
Bellis Acquisition 3.25% 16/02/2026	£175,000	149	0.02
Benteler International AG 9.375% 15/05/2028	€ 435,000	379	0.04
Berry Global 5.625% 15/07/2027	$1,245,000	991	0.12
Blackstone Private Credit Fund 2.7% 15/01/2025	$1,675,000	1,261	0.15
BNP Paribas 4.375% 12/05/2026	$825,000	638	0.07
Boeing 3.45% 01/11/2028	$1,325,000	970	0.11
Boeing 5.15% 01/05/2030	$1,312,000	1,051	0.12
Boeing 5.805% 01/05/2050	$486,000	384	0.04
Bonanza Creek Energy 5% 15/10/2026	$440,000	334	0.04

Portfolio statement (continued)

as at 31 May 2023

Investment	Nominal value or holding	Market value £000s	% total net assets
Debt Securities 41.18% (39.98%) (continued)			
Corporate Bonds 41.13% (39.92%) (continued)			
Booking Holdings 4.625% 13/04/2030	$700,000	562	0.07
Booz Allen Hamilton 3.875% 01/09/2028	$1,500,000	1,085	0.13
Boyne USA 4.75% 15/05/2029	$1,803,000	1,299	0.15
BPCE 4.625% 11/07/2024	$500,000	393	0.05
Broadcom 3.137% 15/11/2035	$473,000	291	0.03
Broadcom 3.187% 15/11/2036	$2,277,000	1,375	0.16
Broadcom 3.469% 15/04/2034	$527,000	347	0.04
Broadcom 4.15% 15/04/2032	$1,550,000	1,126	0.13
BroadStreet Partners 5.875% 15/04/2029	$960,000	670	0.08
Brookfield Property 5.75% 15/05/2026	$950,000	681	0.08
Brookfield Residential Properties 4.875% 15/02/2030	$554,000	337	0.04
Brunello Bidco 3.5% 15/02/2028	€ 1,025,000	771	0.09
Buckeye Partners 3.95% 01/12/2026	$1,101,000	792	0.09
Buckeye Partners 4.125% 01/12/2027	$732,000	517	0.06
Buckeye Partners 4.5% 01/03/2028	$1,685,000	1,196	0.14
Builders FirstSource 5% 01/03/2030	$2,015,000	1,506	0.18
BWX Technologies 4.125% 30/06/2028	$305,000	222	0.03
CAB SELAS 3.375% 01/02/2028	€ 450,000	308	0.04
Cablevision Lightpath 5.625% 15/09/2028	$405,000	237	0.03
Caesars Entertainment 7% 15/02/2030	$1,430,000	1,159	0.14
California Resources 7.125% 01/02/2026	$695,000	569	0.07
Calpine 3.75% 01/03/2031	$1,750,000	1,151	0.13
Cargo Aircraft Management 4.75% 01/02/2028	$260,000	182	0.02
Castle US Holding 9.5% 15/02/2028	$1,226,000	539	0.06
Castlelake Aviation Finance DAC 5% 15/04/2027	$800,000	571	0.07
Catalent Pharma Solutions 3.125% 15/02/2029	$340,000	223	0.03
Catalent Pharma Solutions 3.5% 01/04/2030	$935,000	608	0.07
CCO Holdings 4.25% 15/01/2034	$3,300,000	1,970	0.23
CCO Holdings Capital 4.75% 01/03/2030	$2,233,000	1,519	0.18
CCO Holdings LLC CCO Holdings C 4.75% 01/02/2032	$1,710,000	1,105	0.13
CD&R Smokey Buyer 6.75% 15/07/2025	$531,000	378	0.04
Central Garden & Pet 4.125% 15/10/2030	$600,000	406	0.05
Charles Schwab 4% VRN Perpetual**	$950,000	626	0.07
Chart Industries 7.5% 01/01/2030	$590,000	481	0.06
Charter Communications Operating Capital 6.384% 23/10/2035	$3,500,000	2,732	0.32
Chemours 4% 15/05/2026	€ 1,250,000	995	0.12
Chemours 4.625% 15/11/2029	$833,000	544	0.06
Cheniere Energy Partners 4.5% 01/10/2029	$550,000	408	0.05
Cheplapharm Arzneimittel 5.5% 15/01/2028	$848,000	612	0.07
Chesapeake Energy 5.5% 15/09/2026	$500,000	7	0.00
Chrome Holdco 5% 31/05/2029	€ 1,100,000	672	0.08
Cigna 2.375% 15/03/2031	$2,375,000	1,602	0.19

Portfolio statement (continued)

as at 31 May 2023

Investment	Nominal value or holding	Market value £000s	% total net assets
Debt Securities 41.18% (39.98%) (continued)			
Corporate Bonds 41.13% (39.92%) (continued)			
Cigna 2.4% 15/03/2030	$675,000	464	0.05
Cinemark USA 5.875% 15/03/2026	$1,260,000	966	0.11
Citigroup 3.057% VRN 25/01/2033**	$1,650,000	1,118	0.13
Citigroup 6.25% VRN Perpetual**	$619,000	483	0.06
Clarios Global 6.75% 15/05/2025	$219,000	177	0.02
Clarios US Finance 8.5% 15/05/2027	$837,000	677	0.08
Clarivate Science Holdings Corp 3.875% 01/07/2028	$3,293,000	2,348	0.27
Clarivate Science Holdings Corp 4.875% 01/07/2029	$826,000	572	0.07
Cleveland-Cliffs 4.875% 01/03/2031	$550,000	379	0.04
Cleveland-Cliffs 5.875% 01/06/2027	$750,000	584	0.07
CNX Midstream Partners 4.75% 15/04/2030	$410,000	274	0.03
Comcast 2.8% 15/01/2051	$412,000	218	0.03
Community Health Systems 4.75% 15/02/2031	$695,000	403	0.05
Community Health Systems 6.125% 01/04/2030	$530,000	231	0.03
Constellation Brands 2.875% 01/05/2030	$675,000	475	0.06
Constellium 3.75% 15/04/2029	$865,000	601	0.07
Constellium 5.875% 15/02/2026	$714,000	568	0.07
Continental Resources 5.75% 15/01/2031	$815,000	626	0.07
Cornerstone Building Brands 6.125% 15/01/2029	$613,000	366	0.04
CP Atlas Buyer 7% 01/12/2028	$690,000	408	0.05
CQP Holdco LP BIPV Chinook Holdco 5.5% 15/06/2031	$2,446,000	1,759	0.21
Credit Suisse Group AG 9.016% VRN 15/11/2033**	$900,000	861	0.10
CSX 4.1% 15/11/2032	$2,400,000	1,840	0.22
Cumulus Media New Holdings 6.75% 01/07/2026	$633,000	373	0.04
CVS Health 2.125% 15/09/2031	$2,425,000	1,574	0.18
CVS Health 3.75% 01/04/2030	$675,000	501	0.06
CVS Health 4.78% 25/03/2038	$525,000	392	0.05
Dana 4.25% 01/09/2030	$935,000	604	0.07
DaVita 3.75% 15/02/2031	$1,585,000	1,015	0.12
DCP Midstream Operating 6.75% 15/09/2037	$1,500,000	1,271	0.15
Dell International 6.02% 15/06/2026	$894,000	738	0.09
Dell International 6.1% 15/07/2027	$275,000	231	0.03
Dell International 8.1% 15/07/2036	$810,000	757	0.09
Delta Air Lines 7.375% 15/01/2026	$1,265,000	1,071	0.13
Deutsche Bank 3.729% VRN 14/01/2032**	$705,000	429	0.05
Diamond Sports Finance 6.625% 15/08/2027	$1,220,000	22	0.00
Diamond Sports Group LLC 5.375% 15/08/2026	$209,000	7	0.00
DIRECTV Holdings 5.875% 15/08/2027	$2,325,000	1,652	0.19
DISH 5.125% 01/06/2029	$1,405,000	514	0.06
DISH DBS 5.25% 01/12/2026	$575,000	366	0.04
DISH DBS 7.75% 01/07/2026	$440,000	204	0.02
DT Issuer 8% 01/02/2028	$1,157,000	855	0.10

Portfolio statement (continued)

as at 31 May 2023

Investment	Nominal value or holding	Market value £000s	% total net assets
Debt Securities 41.18% (39.98%) (continued)			
Corporate Bonds 41.13% (39.92%) (continued)			
DT Midstream 4.375% 15/06/2031	$1,670,000	1,133	0.13
Dycom Industries 4.5% 15/04/2029	$1,588,000	1,157	0.14
eG Global Finance 6.75% 07/02/2025	$1,215,000	942	0.11
Elastic 4.125% 15/07/2029	$625,000	436	0.05
Electricite de France 5% VRN Perpetual**	€ 300,000	240	0.03
Endure Digital 6% 15/02/2029	$1,249,000	732	0.09
Energy Transfer Partners 6.625% 15/10/2036	$1,376,000	1,137	0.13
EQM Midstream Partners LP 7.5% 01/06/2027	$1,345,000	1,092	0.13
Expedia Group 3.25% 15/02/2030	$1,750,000	1,220	0.14
Expedia Group 4.625% 01/08/2027	$404,000	317	0.04
FAGE International 5.625% 15/08/2026	$275,000	210	0.02
Fidelity & Guaranty Life Holdings 5.5% 01/05/2025	$1,000,000	794	0.09
FMG Resources August 2006 Pty 5.875% 15/04/2030	$1,625,000	1,237	0.14
Ford Motor 3.25% 12/02/2032	$3,372,000	2,067	0.24
Ford Motor Credit 3.375% 13/11/2025	$1,440,000	1,072	0.13
Ford Motor Credit 3.815% 02/11/2027	$611,000	437	0.05
Ford Motor Credit 4.125% 17/08/2027	$1,075,000	784	0.09
Ford Motor Credit 4.687% 09/06/2025	$200,000	155	0.02
Ford Motor Credit Co LLC 4.95% 28/05/2027	$442,000	334	0.04
Fortress Transportation and Infrastructure 5.5% 01/05/2028	$1,460,000	1,058	0.12
Foundation Building Materials 6% 01/03/2029	$275,000	178	0.02
Freedom Mortgage 6.625% 15/01/2027	$905,000	606	0.07
Freedom Mortgage 7.625% 01/05/2026	$527,000	372	0.04
Garda World Security 7.75% 15/02/2028	$1,792,000	1,450	0.17
Gartner 3.75% 01/10/2030	$740,000	524	0.06
GD Finance 5.25% 01/12/2027	$500,000	385	0.05
Gen Digital 5% 15/04/2025	$350,000	276	0.03
General Electric 5% VRN Perpetual**	$1,027,000	825	0.10
General Electric 6.75% 15/03/2032	$1,150,000	1,047	0.12
General Motors 5% 01/10/2028	$1,175,000	933	0.11
General Motors 6.6% 01/04/2036	$1,000,000	819	0.10
General Motors Financial 2.35% 08/01/2031	$2,275,000	1,434	0.17
Genesis Energy LP 7.75% 01/02/2028	$971,000	753	0.09
Getty Images 9.75% 01/03/2027	$780,000	627	0.07
GFL Environmental 3.75% 01/08/2025	$1,000,000	764	0.09
GFL Environmental 4% 01/08/2028	$2,468,000	1,778	0.21
GFL Environmental 5.125% 15/12/2026	$270,000	210	0.02
Glencore Finance Canada 6.9% 15/11/2037	$500,000	436	0.05
Glencore Funding 4.875% 12/03/2029	$1,575,000	1,233	0.14
Global Aircraft Leasing 6.5% 15/09/2024	$1,062,665	765	0.09
Global Infrastructure Solutions 5.625% 01/06/2029	$935,000	622	0.07
Global Infrastructure Solutions I 7.5% 15/04/2032	$435,000	296	0.03

Portfolio statement (continued)

as at 31 May 2023

Investment	Nominal value or holding	Market value £000s	% total net assets
Debt Securities 41.18% (39.98%) (continued)			
Corporate Bonds 41.13% (39.92%) (continued)			
Global Partners 7% 01/08/2027	$1,085,000	840	0.10
GLP Finance 6.875% 15/01/2029	$600,000	445	0.05
Go Daddy Operating Co LLC 3.5% 01/03/2029	$1,151,000	803	0.09
GrubHub Holdings 5.5% 01/07/2027	$951,000	512	0.06
GYP Holdings III 4.625% 01/05/2029	$375,000	262	0.03
H&E Equipment Services 3.875% 15/12/2028	$1,725,000	1,195	0.14
Hawaiian Brand Intellectual Property 5.75% 20/01/2026	$716,000	537	0.06
HCA 5.875% 15/02/2026	$2,000,000	1,622	0.19
HealthEquity Inc 4.5% 01/10/2029	$353,000	253	0.03
Herens Holdco 4.75% 15/05/2028	$605,000	388	0.05
Hess Midstream Operations LP 5.5% 15/10/2030	$1,052,000	769	0.09
Hewlett Packard Enterprise 6.2% 15/10/2035	$324,000	276	0.03
Hillenbrand 3.75% 01/03/2031	$468,000	313	0.04
Hilton Grand Vacations Borrower 5% 01/06/2029	$1,280,000	919	0.11
Howard Hughes 4.125% 01/02/2029	$240,000	158	0.02
Howard Midstream Energy Partners 6.75% 15/01/2027	$525,000	392	0.05
Howmet Aerospace 5.125% 01/10/2024	$858,000	687	0.08
Icahn Enterprises Finance 4.375% 01/02/2029	$1,590,000	982	0.11
Icahn Enterprises Finance 4.75% 15/09/2024	$450,000	340	0.04
iHeartCommunications 8.375% 01/05/2027	$1,545,000	703	0.08
IIVI Inc 5% 15/12/2029	$410,000	294	0.03
Imola Merger 4.75% 15/05/2029	$2,500,000	1,735	0.20
Indigo 2.875% 15/07/2026	$305,000	224	0.03
INEOS Quattro Finance 2 2.5% 15/01/2026	€ 250,000	194	0.02
INEOS Quattro Finance 2 3.375% 15/01/2026	$215,000	159	0.02
ING Groep 6.5% Perpetual	$1,000,000	747	0.09
Ingevity 3.875% 01/11/2028	$1,370,000	912	0.11
Installed Building Products 5.75% 01/02/2028	$250,000	189	0.02
Intelligent Packaging 6% 15/09/2028	$1,121,000	755	0.09
Intelsat Ja Escrow 5.5% 08/01/2023	$1,300,000	-	0.00
Intesa Sanpaolo 5.017% 26/06/2024	$760,000	596	0.07
ION Trading Technologies 5.75% 15/05/2028	$507,000	340	0.04
Iron Mountain Information Managemen 5% 15/07/2032	$1,465,000	1,008	0.12
ITT Holdings 6.5% 01/08/2029	$1,184,000	762	0.09
J2 Global 4.625% 15/10/2030	$870,000	598	0.07
Jazz Securities DAC 4.375% 15/01/2029	$1,958,000	1,415	0.17
JBS USA Finance 5.5% 15/01/2030	$600,000	460	0.05
Jefferies Finance 5% 15/08/2028	$1,287,000	845	0.10
JPMorgan Chase & Co 6.1% VRN Perpetual**	$375,000	298	0.03
JPMorgan Chase & Co 6.125% VRN Perpetual**	$275,000	219	0.03
JPMorgan Chase 2.956% VRN 13/05/2031**	$3,875,000	2,674	0.31
KB Home 4% 15/06/2031	$835,000	572	0.07

Portfolio statement (continued)

as at 31 May 2023

Investment	Nominal value or holding	Market value £000s	% total net assets
Debt Securities 41.18% (39.98%) (continued)			
Corporate Bonds 41.13% (39.92%) (continued)			
KB Home 7.25% 15/07/2030	$540,000	440	0.05
KBR 4.75% 30/09/2028	$344,000	254	0.03
Ken Garff Automotive LLC 4.875% 15/09/2028	$2,500,000	1,756	0.21
Keurig Dr Pepper 3.2% 01/05/2030	$2,013,000	1,462	0.17
Keurig Dr Pepper 3.8% 01/05/2050	$91,000	56	0.01
Keurig Dr Pepper 4.05% 15/04/2032	$2,150,000	1,616	0.19
Kinder Morgan Energy Partners 7.3% 15/08/2033	$1,102,000	972	0.11
Kinetik Holdings 5.875% 15/06/2030	$1,345,000	1,028	0.12
Kraft Heinz 4.375% 01/06/2046	$840,000	571	0.07
Kraft Heinz Foods 5.5% 01/06/2050	$345,000	274	0.03
LABL Escrow Issuer 6.75% 15/07/2026	$550,000	427	0.05
Laboratoire Eimer Selas 5% 01/02/2029	€ 175,000	105	0.01
Laredo Petroleum 9.5% 15/01/2025	$389,000	310	0.04
LCM Investments Holdings II 4.875% 01/05/2029	$2,220,000	1,494	0.17
Level 3 Financing 10.5% 15/05/2030	$438,000	336	0.04
Leviathan Bond 5.75% 30/06/2023	$404,800	325	0.04
LGI Homes 4% 15/07/2029	$1,273,000	838	0.10
Lifepoint Health I 5.375% 15/01/2029	$810,000	325	0.04
Lions Gate Capital Holdings 5.5% 15/04/2029	$851,000	488	0.06
Live Nation Entertainment 3.75% 15/01/2028	$310,000	225	0.03
Live Nation Entertainment 6.5% 15/05/2027	$400,000	323	0.04
Lorca Telecom Bondco 4% 18/09/2027	€ 510,000	399	0.05
Lowes 3.75% 01/04/2032	$2,175,000	1,592	0.19
Lowes 5% 15/04/2033	$1,375,000	1,100	0.13
Loxam 3.25% 14/01/2025	€ 975,000	818	0.10
Loxam 3.75% 15/07/2026	€ 125,000	102	0.01
LPL Holdings 4% 15/03/2029	$1,095,000	776	0.09
LPL Holdings 4.625% 15/11/2027	$450,000	337	0.04
M/I Homes 4.95% 01/02/2028	$487,000	368	0.04
Madison IAQ 4.125% 30/06/2028	$1,476,000	1,029	0.12
Madison IAQ 5.875% 30/06/2029	$167,000	103	0.01
Major Drive Holdings IV LLC 6.375% 01/06/2029	$1,510,000	931	0.11
Marriott International 4.9% 15/04/2029	$625,000	494	0.06
Marriott Ownership Resorts 4.5% 15/06/2029	$245,000	169	0.02
Masonite International 3.5% 15/02/2030	$1,885,000	1,278	0.15
Matador Resources 6.875% 15/04/2028	$1,035,000	828	0.10
Match Group Holdings II 3.625% 01/10/2031	$360,000	237	0.03
Match Group Holdings II 4.125% 01/08/2030	$968,000	663	0.08
Match Group Holdings II 4.625% 01/06/2028	$689,000	507	0.06
Mattel 3.375% 01/04/2026	$300,000	222	0.03
Mattel 3.75% 01/04/2029	$1,332,000	937	0.11
Matterhorn Finance 8.5% 01/06/2026	$951,000	303	0.04

Portfolio statement (continued)

as at 31 May 2023

Investment	Nominal value or holding	Market value £000s	% total net assets
Debt Securities 41.18% (39.98%) (continued)			
Corporate Bonds 41.13% (39.92%) (continued)			
MEG Energy 5.875% 01/02/2029	$600,000	457	0.05
MEG Energy 7.125% 01/02/2027	$845,000	694	0.08
Metis Merger 6.5% 15/05/2029	$247,000	168	0.02
MGM Resorts International 4.75% 15/10/2028	$2,054,000	1,510	0.18
Midcap Financial Issuer Trust 5.625% 15/01/2030	$275,000	174	0.02
Midcap Financial Issuer Trust 6.5% 01/05/2028	$1,258,000	892	0.10
Minerals Technologies 5% 01/07/2028	$496,000	368	0.04
Minerva Merger Sub Inc 6.5% 15/02/2030	$1,670,000	1,110	0.13
Molina Healthcare 3.875% 15/05/2032	$639,000	430	0.05
Molina Healthcare 3.875% 15/11/2030	$265,000	183	0.02
Mooney Group 3.875% FRN 17/12/2026**	€ 225,000	191	0.02
Morgan Stanley 2.943% VRN 21/01/2033**	$2,175,000	1,465	0.17
Motion Bondco 6.625% 15/11/2027	$1,250,000	918	0.11
Mozart Debt 3.875% 01/04/2029	$2,431,000	1,692	0.20
Mozart Debt 5.25% 01/10/2029	$1,085,000	749	0.09
MPLX LP 2.65% 15/08/2030	$2,333,000	1,576	0.18
MPT Finance 3.375% 24/04/2030	£625,000	397	0.05
MPT Finance 3.5% 15/03/2031	$825,000	449	0.05
MPT Finance 4.625% 01/08/2029	$1,190,000	717	0.08
MSCI 3.625% 01/11/2031	$1,123,000	756	0.09
MSCI Inc 3.625% 01/09/2030	$1,150,000	796	0.09
Murphy Oil USA 3.75% 15/02/2031	$1,397,000	952	0.11
Nabors Industries 7.375% 15/05/2027	$2,545,000	1,929	0.23
Nationstar Mortgage Holdings 5.5% 15/08/2028	$802,000	560	0.07
Navient 5.5% 15/03/2029	$1,705,000	1,138	0.13
Navient 9.375% 25/07/2030	$790,000	612	0.07
NESCO Holdings II 5.5% 15/04/2029	$1,036,000	739	0.09
New Red Finance 4% 15/10/2030	$3,382,000	2,343	0.27
Newell Brands 5.5% 01/04/2046	$477,000	280	0.03
News 3.875% 15/05/2029	$1,567,000	1,110	0.13
NFP Corp 6.875% 15/08/2028	$1,525,000	1,020	0.12
Noble Finance II LLC 8% 15/04/2030	$580,000	474	0.06
Nokia 6.625% 15/05/2039	$1,000,000	777	0.09
Nokia of America 6.45% 15/03/2029	$1,000,000	771	0.09
Northern Oil and Gas 8.75% 15/06/2031	$390,000	308	0.03
Novelis 4.75% 30/01/2030	$2,180,000	1,561	0.18
NRG Energy 3.375% 15/02/2029	$136,000	90	0.01
NRG Energy 3.625% 15/02/2031	$362,000	230	0.03
NRG Energy 3.75% 15/06/2024	$850,000	664	0.08
NuStar Logistics 6.375% 01/10/2030	$2,555,000	1,984	0.23
Occidental Petroleum 6.625% 01/09/2030	$775,000	652	0.08
Olympus Water US Holding 9.75% 15/11/2028	$940,000	753	0.09

Portfolio statement (continued)

as at 31 May 2023

Investment	Nominal value or holding	Market value £000s	% total net assets
Debt Securities 41.18% (39.98%) (continued)			
Corporate Bonds 41.13% (39.92%) (continued)			
OneMain Finance 4% 15/09/2030	$517,000	308	0.03
OneMain Finance 5.375% 15/11/2029	$825,000	544	0.06
OneMain Finance 7.125% 15/03/2026	$550,000	424	0.05
Oracle 3.6% 01/04/2050	$196,000	109	0.01
Oracle 6.25% 09/11/2032	$3,600,000	3,071	0.36
Organon Finance 1 4.125% 30/04/2028	$240,000	172	0.02
Organon Finance 1 5.125% 30/04/2031	$670,000	459	0.05
Outfront Media Capital 4.25% 15/01/2029	$250,000	165	0.02
Outfront Media Capital 5% 15/08/2027	$412,000	298	0.03
Oxford Finance LLC Oxford Fina 6.375% 01/02/2027	$480,000	355	0.04
Pacific Gas and Electric 3.5% 01/08/2050	$431,000	217	0.02
Penn National Gaming 4.125% 01/07/2029	$2,224,000	1,447	0.17
Penske Automotive Group 3.75% 15/06/2029	$754,000	521	0.06
Performance Food Group 5.5% 15/10/2027	$400,000	310	0.04
Pike 5.5% 01/09/2028	$1,610,000	1,159	0.14
Playtika Holding 4.25% 15/03/2029	$1,075,000	735	0.08
PNC Financial Services Group 6.2% VRN Perpetual**	$1,350,000	1,007	0.12
Popular 7.25% 13/03/2028	$1,120,000	895	0.10
Post Holdings 4.625% 15/04/2030	$1,030,000	728	0.09
Post Holdings 5.625% 15/01/2028	$750,000	583	0.07
Presidio Holdings 8.25% 01/02/2028	$145,000	108	0.01
Prestige Brands 3.75% 01/04/2031	$540,000	359	0.04
Prime Security Services Borrower 3.375% 31/08/2027	$450,000	319	0.04
Prime Security Services Borrower 5.25% 15/04/2024	$880,000	703	0.08
Prudential Financial 5.625% VRN 15/06/2043**	$1,300,000	1,048	0.12
Pulte Homes 7.875% 15/06/2032	$1,000,000	922	0.11
Quicken Loans Co-Issuer 3.875% 01/03/2031	$737,000	468	0.05
Rand Parent LLC 8.5% 15/02/2030	$1,030,000	717	0.08
Range Resources Corp 4.75% 15/02/2030	$1,076,000	784	0.09
Regal Rexnord 6.3% 15/02/2030	$680,000	547	0.06
Rent-A-Center 6.375% 15/02/2029	$285,000	202	0.02
Republic Services 4.875% 01/04/2029	$2,300,000	1,860	0.22
Reynolds Group Issuer 4% 15/10/2027	$423,000	301	0.03
Roblox 3.875% 01/05/2030	$2,250,000	1,555	0.18
Rocket Mortgage 2.875% 15/10/2026	$770,000	543	0.06
Rocket Mortgage 4% 15/10/2033	$800,000	486	0.06
Rockies Express Pipeline LLC 4.8% 15/05/2030	$1,500,000	1,045	0.12
Sabine Pass Liquefaction 4.2% 15/03/2028	$675,000	518	0.06
SBA Communications 3.875% 15/02/2027	$899,000	669	0.08
SBP Finance 6.375% 30/09/2026	$1,025,000	746	0.09
Scotts MiracleGro CoThe 4% 01/04/2031	$1,273,000	815	0.10
Scripps Escrow 5.875% 15/07/2027	$405,000	252	0.03

Portfolio statement (continued)

as at 31 May 2023

Investment	Nominal value or holding	Market value £000s	% total net assets
Debt Securities 41.18% (39.98%) (continued)			
Corporate Bonds 41.13% (39.92%) (continued)			
Sealed Air 4% 01/12/2027	$450,000	331	0.04
Sealed Air 6.125% 01/02/2028	$1,855,000	1,483	0.17
SeaWorld Parks & Entertainment 5.25% 15/08/2029	$2,156,000	1,559	0.18
Select Medical 6.25% 15/08/2026	$650,000	510	0.06
Sensata Technologies 3.75% 15/02/2031	$1,628,000	1,114	0.13
Sinclair Television Group Inc 5.125% 15/02/2027	$378,000	250	0.03
Sirius XM Radio 3.125% 01/09/2026	$590,000	420	0.05
Sirius XM Radio 3.875% 01/09/2031	$2,095,000	1,247	0.14
Sirius XM Radio 4% 15/07/2028	$1,105,000	747	0.09
Six Flags Entertainment 5.5% 15/04/2027	$1,100,000	839	0.10
Sonic Automotive 4.625% 15/11/2029	$729,000	487	0.06
Sonic Automotive 4.875% 15/11/2031	$839,000	539	0.06
Southwestern Energy 5.375% 15/03/2030	$1,665,000	1,235	0.14
SPCM SA 3.125% 15/03/2027	$200,000	148	0.02
SPCM SA 3.375% 15/03/2030	$290,000	194	0.02
Spectrum Brands 4% 01/10/2026	€ 250,000	209	0.02
Spectrum Brands 5.75% 15/07/2025	$36,000	29	0.00
Spirit AeroSystems 4.6% 15/06/2028	$2,040,000	1,354	0.16
Spirit AeroSystems 9.375% 30/11/2029	$745,000	640	0.07
Sprint 7.125% 15/06/2024	$500,000	408	0.05
Sprint Capital 8.75% 15/03/2032	$770,000	754	0.09
SRS Distribution 4.625% 01/07/2028	$641,000	456	0.05
SRS Distribution 6.125% 01/07/2029	$1,142,000	763	0.09
Standard Chartered 4.75% VRN Perpetual**	$1,375,000	782	0.09
Standard Industries 3.375% 15/01/2031	$1,363,000	859	0.10
Standard Industries IncNJ 4.375% 15/07/2030	$1,165,000	794	0.09
Starwood Property Trust 4.75% 15/03/2025	$1,000,000	757	0.09
Suburban Energy Finance 5% 01/06/2031	$750,000	516	0.06
Summit Midstream Finance 5.75% 15/04/2025	$784,000	519	0.06
Summit Midstream Finance 8.5% 15/10/2026	$1,551,000	1,192	0.14
Sunoco Finance 4.5% 15/05/2029	$2,735,000	1,964	0.23
Sysco 5.95% 01/04/2030	$2,175,000	1,848	0.22
Tallgrass Energy Finance 6% 31/12/2030	$165,000	116	0.01
Tallgrass Energy Partners 6% 01/09/2031	$1,900,000	1,304	0.15
Targa Resources Partners 4.875% 01/02/2031	$575,000	428	0.05
Targa Resources Partners LP Targa 4% 15/01/2032	$1,220,000	844	0.10
Taylor Morrison Communities 5.125% 01/08/2030	$632,000	474	0.06
Techem Verwaltungsgesellschaft 675 2% 15/07/2025	€ 775,000	632	0.07
TechnipFMC 6.5% 01/02/2026	$1,040,000	833	0.10
Teck Resources 6% 15/08/2040	$575,000	449	0.05
Tegna 4.625% 15/03/2028	$800,000	562	0.07
Telecom Italia 5.303% 30/05/2024	$1,000,000	786	0.09

Portfolio statement (continued)

as at 31 May 2023

Investment	Nominal value or holding	Market value £000s	% total net assets
Debt Securities 41.18% (39.98%) (continued)			
Corporate Bonds 41.13% (39.92%) (continued)			
Tempur Sealy International 3.875% 15/10/2031	$1,010,000	652	0.08
Tenet Healthcare 6.125% 15/06/2030	$1,410,000	1,100	0.13
TMobile 3.5% 15/04/2031	$2,250,000	1,622	0.19
T-Mobile USA 2.875% 15/02/2031	$485,000	335	0.04
T-Mobile USA 3.875% 15/04/2030	$1,100,000	823	0.10
T-Mobile USA 4.5% 15/04/2050	$570,000	392	0.04
TransDigm 4.625% 15/01/2029	$95,000	68	0.01
TransDigm 4.875% 01/05/2029	$3,431,000	2,460	0.29
Transdigm 6.375% 15/06/2026	$820,000	654	0.08
Transocean 11.5% 30/01/2027	$1,455,000	1,201	0.14
Transocean 8.75% 15/02/2030	$125,000	101	0.01
Transocean Poseidon 6.875% 01/02/2027	$309,000	198	0.02
Transocean Titan Financing 8.375% 01/02/2028	$275,000	225	0.03
Tri Pointe Homes 5.25% 01/06/2027	$1,000,000	764	0.09
Tri Pointe Homes 5.7% 15/06/2028	$121,000	95	0.01
Triumph Group 7.75% 15/08/2025	$975,000	753	0.09
Triumph Group 9% 15/03/2028	$710,000	580	0.07
TTM Technologies 4% 01/03/2029	$276,000	189	0.02
TUI Cruises 6.5% 15/05/2026	€ 375,000	295	0.03
Uber Technologies 4.5% 15/08/2029	$1,902,000	1,400	0.16
Uber Technologies 6.25% 15/01/2028	$530,000	425	0.05
Uber Technologies 7.5% 15/05/2025	$960,000	784	0.09
Unifrax Escrow Issuer 5.25% 30/09/2028	$265,000	161	0.02
Unisys 6.875% 01/11/2027	$325,000	199	0.02
United Airlines 4.375% 15/04/2026	$530,000	405	0.05
United Airlines 4.625% 15/04/2029	$680,000	497	0.06
United Group 3.125% 15/02/2026	€ 725,000	546	0.06
United Group 4.875% 01/07/2024	€ 425,000	363	0.04
United Rentals North America 6% 15/12/2029	$1,580,000	1,275	0.15
United Wholesale Mortgage 5.5% 15/04/2029	$1,045,000	704	0.08
Urban One 7.375% 01/02/2028	$2,164,000	1,571	0.18
US Foods 4.625% 01/06/2030	$1,130,000	821	0.10
US Foods 4.75% 15/02/2029	$889,000	654	0.08
USA Compression Finance 6.875% 01/04/2026	$1,743,000	1,337	0.16
USI 6.875% 01/05/2025	$839,000	666	0.08
Valvoline 3.625% 15/06/2031	$1,795,000	1,188	0.14
Venture Global Calcasieu Pass 4.125% 15/08/2031	$1,592,000	1,107	0.13
Venture Global LNG 8.125% 01/06/2028	$1,515,000	1,228	0.14
Verisure Midholding 5.25% 15/02/2029	€ 525,000	384	0.04
Verizon Communications 3.15% 22/03/2030	$1,075,000	775	0.09
Vertical Holdco 7.625% 15/07/2028	$1,556,000	1,097	0.13
Vertiv Group 4.125% 15/11/2028	$999,000	721	0.08

Portfolio statement (continued)
as at 31 May 2023

Investment	Nominal value or holding	Market value £000s	% total net assets
Debt Securities 41.18% (39.98%) (continued)			
Corporate Bonds 41.13% (39.92%) (continued)			
VICI Properties LP 4.75% 15/02/2028	$770,000	591	0.07
VICI Properties LP VICI Note 4.625% 15/06/2025	$378,000	294	0.03
Videotron 5.375% 15/06/2024	$1,500,000	1,198	0.14
Virgin Media Secured Finance 5.5% 15/05/2029	$200,000	145	0.02
Virgin Media Vendor Financing Notes III 4.875% 15/07/2028	£475,000	372	0.04
VistaJet Malta Finance 6.375% 01/02/2030	$1,245,000	799	0.09
VistaJet Malta Finance 9.5% 01/06/2028	$785,000	580	0.07
VistaJet Malta Finance XO 7.875% 01/05/2027	$255,000	186	0.02
Vistra Operations 4.375% 01/05/2029	$1,890,000	1,329	0.16
Vistra Operations 5% 31/07/2027	$850,000	645	0.07
Vmed O2 UK Financing I 4.25% 31/01/2031	$1,544,000	1,003	0.12
VOC Escrow 5% 15/02/2028	$914,000	664	0.08
VZ Secured Financing BV 5% 15/01/2032	$2,415,000	1,550	0.18
W.P. Carey 2.4% 01/02/2031	$2,300,000	1,487	0.17
Warnermedia Holdings 4.054% 15/03/2029	$350,000	258	0.03
Warnermedia Holdings 4.279% 15/03/2032	$1,425,000	1,004	0.12
Warnermedia Holdings 5.05% 15/03/2042	$2,000,000	1,306	0.15
Waste Pro USA 5.5% 15/02/2026	$542,000	402	0.05
WESCO Distribution 7.25% 15/06/2028	$425,000	350	0.04
Williams 7.5% 15/01/2031	$1,500,000	1,333	0.16
WR Grace Holdings 4.875% 15/06/2027	$1,197,000	896	0.10
WR Grace Holdings 5.625% 15/08/2029	$615,000	412	0.05
Xerox Holdings 5% 15/08/2025	$623,000	473	0.05
XPO Escrow Sub LLC 7.5% 15/11/2027	$1,148,000	951	0.11
Yum Brands 3.625% 15/03/2031	$401,000	277	0.03
Yum Brands 4.75% 15/01/2030	$1,200,000	909	0.11
Ziggo 4.875% 15/01/2030	$621,000	417	0.05
ZoomInfo Finance 3.875% 01/02/2029	$480,000	336	0.04
Total Corporate Bonds		352,172	41.15
Corporate Convertibles 0.04% (0.04%)			
Alarm.com Holdings 0% 15/01/2026	$455,000	313	0.04
Total Corporate Convertibles		313	0.04
Public Authorities 0.02% (0.02%)			
CoBank 6.25% VRN Perpetual**	$225,000	170	0.02
Total Public Authorities		170	0.02
Total Debt Securities		352,655	41.21
Corporate Preference 0.05% (0.06%)			
Delphi Financial Group 5.34813% 01/05/2067	$13,300	247	0.03

Portfolio statement (continued)
as at 31 May 2023

Investment	Nominal value or holding	Market value £000s	% total net assets
Corporate Preference 0.05% (0.06%) (continued)			
Morgan Stanley 7.125% Perpetual	$5,550	113	0.01
Qwest 6.5% 01/09/2056	$2,888	30	0.01
Total Corporate Preference		390	0.05
Equities 43.77% (44.30%)			
United Kingdom 5.05% (6.20%)			
Basic Materials 0.58% (0.70%)			
Rio Tinto	104,643	5,003	0.58
Consumer Goods 0.00% (0.57%)		-	-
Consumer Services 0.00% (0.47%)		-	-
Financials 1.12% (0.98%)			
HSBC Holdings	1,615,101	9,537	1.12
Healthcare 1.10% (0.97%)			
AstraZeneca	80,767	9,416	1.10
Oil & Gas 1.51% (1.74%)			
BP	1,337,262	6,062	0.71
Shell	310,503	6,895	0.80
		12,957	1.51
Utilities 0.75% (0.77%)			
National Grid	576,858	6,377	0.75
Total United Kingdom		43,290	5.06
Australia 0.83% (0.51%)			
Transurban	933,234	7,129	0.83
Finland 0.46% (0.57%)			
Nordea Bank	495,202	3,916	0.46
France 3.73% (4.04%)			
BNP Paribas	137,667	6,396	0.75
Gecina	41,436	3,411	0.40
Klepierre	152,539	2,778	0.32
Sanofi	73,310	5,982	0.70
Schneider Electric	33,327	4,624	0.54
Vinci	95,098	8,697	1.02
Total France		31,888	3.73

Portfolio statement (continued)

as at 31 May 2023

Investment	Nominal value or holding	Market value £000s	% total net assets
Equities 43.74% (44.30%) (continued)			
Germany 0.00% (0.74%)		-	-
Ireland 2.53% (2.57%)			
Accenture	40,712	10,060	1.18
Eaton	42,882	6,086	0.71
New Linde	19,263	5,500	0.64
Total Ireland		21,646	2.53
Italy 0.92% (0.86%)			
Enel	598,115	3,000	0.35
UniCredit	315,910	4,867	0.57
Total Italy		7,867	0.92
Japan 1.41% (0.58%)			
Takeda Pharmaceutical	219,900	5,608	0.65
Tokyo Electron	58,100	6,479	0.76
		12,087	1.41
Jersey 0.50% (0.41%)			
Ferguson	37,029	4,321	0.50
Luxembourg 0.03% (0.00%)			
Intelsat Emergence	12,156	245	0.03
Intelsat Jackson Holdings A Rights	1,273	5	0.00
Intelsat Jackson Holdings B Rights	1,273	4	0.00
		254	0.03
Netherlands 1.70% (0.52%)			
Koninklijke Ahold Delhaize	321,370	8,198	0.96
Koninklijke KPN	2,294,381	6,335	0.74
Total Netherlands		14,533	1.70
Singapore 0.49% (0.49%)			
Singapore Exchange	754,340	4,160	0.49
Spain 0.85% (0.81%)			
Iberdrola	740,526	7,262	0.85
Switzerland 3.02% (3.34%)			
Nestlé	60,399	5,752	0.67
Roche Holding	21,222	5,398	0.63
Swiss Re	85,204	6,860	0.80
Zurich Insurance Group	20,867	7,846	0.92
Total Switzerland		25,856	3.02

Portfolio statement (continued)

as at 31 May 2023

Investment	Nominal value or holding	Market value £000s	% total net assets
Equities 43.74% (44.30%) (continued)			
Taiwan 0.77% (0.72%)			
Taiwan Semiconductor Manufacturing ADR	82,754	6,588	0.77
United States 21.47% (21.94%)			
Ameren	97,921	6,406	0.75
American Tower	42,448	6,315	0.74
AT&T	528,019	6,706	0.78
AvalonBay Communities	20,833	2,924	0.34
BlackStone Group	55,958	3,867	0.45
Bristol-Myers Squibb	172,515	8,975	1.05
Chesapeake Energy	622	38	0.00
Chevron	57,611	6,999	0.82
Cisco Systems	205,915	8,254	0.96
Coca-Cola	123,819	5,964	0.70
CVS Health	90,761	4,987	0.58
Fidelity National Information Services	72,705	3,201	0.37
Gilead Sciences	70,508	4,378	0.51
Home Depot	15,991	3,658	0.43
Honeywell International	32,315	4,996	0.58
Illinois Tool Works	31,128	5,492	0.64
International Paper	115,976	2,754	0.32
Johnson & Johnson	64,083	8,023	0.94
JPMorgan Chase	79,044	8,656	1.01
KLA	9,349	3,341	0.39
McDonald's	31,457	7,236	0.85
Microsoft	86,089	22,831	2.67
Northern Trust	77,041	4,471	0.52
Procter & Gamble	70,417	8,109	0.95
Prologis	32,275	3,242	0.38
Regency Centers Corp	77,008	3,497	0.41
Texas Instruments	42,513	5,963	0.70
Ventas	97,798	3,407	0.40
Walmart	39,002	4,622	0.54
Waste Man	59,584	7,784	0.91
Xcel Energy	126,622	6,670	0.78
Total United States		183,766	21.47
Total Equities		374,563	43.77
Collective Investment Schemes 9.06% (7.97%)			
Offshore Collective Investment Schemes 9.06% (7.97%)			
Goldman Sachs - SICAV I - GS Emerging Markets Debt	4,376,652	25,778	3.01
Goldman Sachs - SICAV I - GS Emerging Markets Debt Local	4,208,178	25,974	3.04

Portfolio statement (continued)

as at 31 May 2023

Investment	Nominal value or holding	Market value £000s	% total net assets
Collective Investment Schemes 9.06% (7.97%) (continued)			
Goldman Sachs - Sterling Liquid Reserves Fund	2,497	25,791	3.01
Total Offshore Collective Investment Schemes		77,543	9.06
Total Collective Investment Schemes		77,543	9.06
Futures 0.02% (0.04%)			
CBT - 2 year US Treasury Note September 2023	218	(52)	(0.01)
CBT - 5 year US Treasury Note September 2023	8	4	-
CBT - 10 year US Treasury Note September 2023	(374)	(122)	(0.01)
CBT - Long US Treasury Bond September 2023	(14)	(18)	-
CBT - Ultra 10 year Treasury Note September 2023	(177)	(145)	(0.02)
CBT - Ultra US Treasury Bond September 2023	86	187	0.02
EUREX - 30 year Euro Buxl June 2023	2	13	0.00
EUREX - Euro Bobl June 2023	47	123	0.01
EUREX - Euro Bund June 2023	45	140	0.02
EUREX - Euro Schatz June 2023	57	48	0.01
ICF- Long Gilt September 2023	13	22	-
Total Futures		200	0.02
Forward Currency Contracts (0.19)% ((-3.02%))			
Sell Australian dollar	-AUD23,475,325	(12,259)	
Buy UK sterling	£12,938,946	12,939	
Expiry date 06 June 2023		680	0.08
Sell Swiss franc	-CHF10,911,976	(9,646)	
Buy UK sterling	£9,767,776	9,768	
Expiry date 16 June 2023		122	0.01
Sell US dollar	-$28,980,000	(23,371)	
Buy UK sterling	£24,228,241	24,228	
Expiry date 21 June 2023		857	0.10
Sell Euro	-€86,343,551	(74,344)	
Buy UK sterling	£76,176,498	76,176	
Expiry date 26 June 2023		1,832	0.21
Sell UK sterling	-£2,026,083	(2,026)	
Buy Euro	€2,307,598	1,987	
Expiry date 26 June 2023		(39)	0.00
Sell UK sterling	-£9,003,530	(9,004)	
Buy US dollar	$11,175,330	9,005	
Expiry date 08 August 2023		1	0.00

Portfolio statement (continued)

as at 31 May 2023

Investment	Nominal value or holding	Market value £000s	% total net assets
Forward Currency Contracts (0.19)% ((-3.02%)) (continued)			
Sell Japanese yen	-¥2,181,590,866	(12,611)	
Buy UK sterling	£13,387,896	13,388	
Expiry date 07 June 2023		777	0.09
Sell Singapore dollar	-SGD7,201,829	(4,292)	
Buy UK sterling	£4,361,124	4,361	
Expiry date 20 Junly 2023		69	0.01
Sell Taiwan dollar	-TWD209,275,000	(5,518)	
Buy US dollar	$6,880,963	5,545	
Expiry date 07 August 2023		27	0.00
Sell US dollar	-$745,249,001	(600,522)	
Buy UK sterling	£594,580,903	594,581	
Expiry date 08 August 2023		(5,941)	(0.69)
Total Forward Currency Contracts		(1,615)	(0.19)
Portfolio of investments		803,736	93.92
Other net assets		52,054	6.08
Total net assets		855,790	100.00

All investments are listed on recognised stock exchanges and are approved securities or regulated collective investment schemes within the meaning of the FCA rules unless otherwise stated. Forward contracts are not listed on stock exchanges and are considered over-the-counter instruments.

The comparative figures in brackets are as at 31 May 2022.

**Variable interest security.

SUMMARY OF PORTFOLIO INVESTMENTS

as at 31 May 2023

Credit breakdown*	31 May 2023 Bid-Market value £000s	31 May 2023 Total net assets %	31 May 2022 Bid-Market value £000s	31 May 2022 Total net assets %
Investments of investment grade	94,388	11.03	56,367	7.74
Investment of below investment grade*	245,879	28.73	223,560	30.73
Unrated bonds	12,388	1.45	11,093	1.51
Total bonds	352,655	41.21	291,020	39.98
Forward currency contracts – assets	4,365	0.50	110	0.01
Collective Investment Schemes	77,543	9.06	57,962	7.97
Corporate preference shares	390	0.05	397	0.06
Futures – assets	537	0.06	1,043	0.14
Equities	374,563	43.77	321,929	44.30
Warrants	-	-	26	-
Investments as shown in the balance sheet	810,053	94.65	672,487	92.46
Forward currency contracts – liabilities	(5,980)	(0.69)	(22,051)	(3.03)
Futures – liabilities	(337)	(0.04)	(751)	(0.10)
Total value of investments	803,736	93.92	649,685	89.33

* Ratings supplied by S&P, followed by Moody's.

Risk and reward profile

The risk and reward profile relates to both share classes in the Sub-Fund.

The risk and reward indicator table demonstrates where the Sub-Fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the future risk profile of the Sub-Fund. The shaded area in the table below shows the Sub-Fund's ranking on the risk and reward indicator.

← Typically lower rewards, lower risk | Typically higher rewards, higher risk →

1	2	3	4	5	6	7

The Sub-Fund is in a medium category because the price of its investments have risen or fallen to some extent. The category shown is not guaranteed to remain unchanged and may shift over time. Even the lowest category does not mean a risk-free investment.

The price of the Sub-Fund and any income from it can go down as well as up and is not guaranteed. Investors may not get back the amount invested. Past performance is not a guide to future performance.

Where the Sub-Fund invests in bonds, there is a risk the bond issuer may fail to meet its repayments. This is usually a greater risk for bonds that produce a higher level of income. Changes in interest rates, inflation and the creditworthiness of the bond issuer may also affect the bond's market value.

The Sub-Fund is entitled to use derivative instruments for Efficient Portfolio Management and investment purposes. Derivatives may not achieve their intended purpose. Their prices may move up or down significantly over relatively short periods of time which may result in losses greater than the amount paid. This could adversely impact the value of the Sub-Fund.

The price of the Sub-Fund and any income from it can go down as well as up and is not guaranteed. Investors may not get back the amount invested. Past performance is not a guide to future performance.

The organisation from which the Sub-Fund buys a derivative may fail to carry out its obligations, which could also cause losses to the Sub-Fund.

The Sub-Fund may invest in securities not denominated in sterling, the value of your investments may be affected by changes in currency exchange rates.

For further information please refer to the KIID.

For full details on risk factors for the Sub-Fund, please refer to the Prospectus.

There have been no changes to the risk and reward indicator in the year.

Comparative tables

The following disclosures give a shareholder an indication of the performance of a share in the Sub-Fund. It also discloses the operating charges and direct transaction costs applied to each share. Operating charges are those charges incurred in operating the Sub-Fund and direct transaction costs are costs incurred when purchasing or selling securities in the portfolio of investments.

	A Income		
	2023	2022	2021
	p	p	p
Change in net assets per share			
Opening net asset value per share	101.06	107.67	93.76
Return before operating charges*	(2.37)	(1.93)	17.99
Operating charges	(0.85)	(0.97)	(0.92)
Return after operating charges*	(3.22)	(2.90)	17.07
Distributions+	(3.37)	(3.71)	(3.16)
Closing net asset value per share	94.47	101.06	107.67
*after direct transaction costs of:	0.03	0.04	0.05
Performance			
Return after charges	(3.19%)	(2.69%)	18.21%
Other information			
Closing net asset value (£000s)	136,717	104,995	122,853
Closing number of shares	144,721,099	103,891,413	114,102,330
Operating charges++	0.90%	0.91%	0.90%
Direct transaction costs	0.03%	0.03%	0.05%
Prices			
Highest share price (p)	100.9	111.0	108.3
Lowest share price (p)	88.72	98.43	94.28

+Rounded to 2 decimal places.

++The operating charges are represented by the Ongoing Charges Figure (OCF). The OCF consists principally of the ACD's periodic charge and the Investment Manager's fee which are included in the annual management charge, but also includes the costs for other services paid. It is indicative of the charges which the share class may incur in a year as it is calculated on historical data. The operating charge includes charges for the underlying funds held.

Investments carry risk. Past performance is not a guide to future performance. Investors may not get back the amount invested.

Comparative tables (continued)

	A Accumulation		
	2023	2022	2021
	p	p	p
Change in net assets per share			
Opening net asset value per share	121.98	125.49	105.94
Return before operating charges*	(2.79)	(2.36)	20.60
Operating charges	(1.05)	(1.15)	(1.05)
Return after operating charges*	(3.84)	(3.51)	19.55
Distributions+	(4.16)	(4.39)	(3.62)
Retained distribution on accumulation shares+	4.16	4.39	3.62
Closing net asset value per share	118.14	121.98	125.49
*after direct transaction costs of:	0.03	0.04	0.05
Performance			
Return after charges	(3.15%)	(2.80%)	18.45%
Other information			
Closing net asset value (£000s)	719,073	622,292	538,736
Closing number of shares	608,652,214	510,177,460	429,315,336
Operating charges++	0.90%	0.91%	0.90%
Direct transaction costs	0.03%	0.03%	0.05%
Prices			
Highest share price (p)	121.7	131.6	125.9
Lowest share price (p)	108.4	118.3	106.5

+Rounded to 2 decimal places.

++The operating charges are represented by the Ongoing Charges Figure (OCF). The OCF consists principally of the ACD's periodic charge and the Investment Manager's fee which are included in the annual management charge, but also includes the costs for other services paid. It is indicative of the charges which the share class may incur in a year as it is calculated on historical data. The operating charge includes charges for the underlying funds held.

Investments carry risk. Past performance is not a guide to future performance. Investors may not get back the amount invested.

Distribution tables

for the year ended 31 May 2023

Distributions on A Income shares in pence per share

Payment date	Share type	Distribution type	Net revenue	Equalisation	Distribution current year	Distribution prior year
29.07.22	group 1	month 1	0.343	-	0.343	0.245
29.07.22	group 2	month 1	0.093	0.250	0.343	0.245
31.08.22	group 1	month 2	0.287	-	0.287	0.267
31.08.22	group 2	month 2	0.131	0.156	0.287	0.267
30.09.22	group 1	month 3	0.306	-	0.306	0.352
30.09.22	group 2	month 3	0.134	0.172	0.306	0.352
31.10.22	group 1	month 4	0.242	-	0.242	0.276
31.10.22	group 2	month 4	0.109	0.133	0.242	0.276
30.11.22	group 1	month 5	0.206	-	0.206	0.280
30.11.22	group 2	month 5	0.085	0.121	0.206	0.280
30.12.22	group 1	interim	0.190	-	0.190	0.273
30.12.22	group 2	interim	0.087	0.103	0.190	0.273
31.01.23	group 1	month 7	0.247		0.247	0.216
31.01.23	group 2	month 7	0.126	0.121	0.247	0.216
28.02.23	group 1	month 8	0.223		0.223	0.268
28.02.23	group 2	month 8	0.094	0.129	0.223	0.268
31.03.23	group 1	month 9	0.273		0.273	0.253
31.03.23	group 2	month 9	0.128	0.145	0.273	0.253
28.04.23	group 1	month 10	0.368		0.368	0.429
28.04.23	group 2	month 10	0.368	0.000	0.368	0.429
31.05.23	group 1	month 11	0.379		0.379	0.401
31.05.23	group 2	month 11	0.103	0.276	0.379	0.401
30.06.23	group 1	final	0.310		0.310	0.446
30.06.23	group 2	final	0.145	0.165	0.310	0.446

Equalisation

Equalisation applies only to group 2 shares. It is the average amount of revenue included in the purchase price of 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 in the hands of the shareholder but must be deducted from the cost of shares for capital gains tax purposes.

Month 1 distribution:

Group 1	Shares purchased before 1 June 2022
Group 2	Shares purchased 1 June 2022 to 30 June 2022

Month 2 distribution:

Group 1	Shares purchased before 1 July 2022
Group 2	Shares purchased 1 July 2022 to 31 July 2022

Month 3 distribution:

Group 1	Shares purchased before 1 August 2022
Group 2	Shares purchased 1 August 2022 to 31 August 2022

Distribution tables (continued)
for the year ended 31 May 2023

Month 4 distribution:

Group 1	Shares purchased before 1 September 2022
Group 2	Shares purchased 1 September 2022 to 30 September 2022

Month 5 distribution:

Group 1	Shares purchased before 1 October 2022
Group 2	Shares purchased 1 October 2022 to 31 October 2022

Interim distribution:

Group 1	Shares purchased before 1 November 2022
Group 2	Shares purchased 1 November 2022 to 30 November 2022

Month 7 distribution:

Group 1	Shares purchased before 1 December 2022
Group 2	Shares purchased 1 December 2022 to 31 December 2022

Month 8 distribution:

Group 1	Shares purchased before 1 January 2023
Group 2	Shares purchased 1 January 2023 to 31 January 2023

Month 9 distribution:

Group 1	Shares purchased before 1 February 2023
Group 2	Shares purchased 1 February 2023 to 28 February 2023

Month 10 distribution:

Group 1	Shares purchased before 1 March 2023
Group 2	Shares purchased 1 March 2023 to 31 March 2023

Month 11 distribution:

Group 1	Shares purchased before 1 April 2023
Group 2	Shares purchased 1 April 2023 to 30 April 2023

Final distribution:

Group 1	Shares purchased before 1 May 2023
Group 2	Shares purchased 1 May 2023 to 31 May 2023

Distribution tables (continued)

for the year ended 31 May 2023

Distributions on A Accumulation shares in pence per share

Allocation date	Share type	Distribution type	Net revenue	Equalisation	Distribution current year	Distribution prior year
29.07.22	group 1	month 1	0.415	-	0.415	0.284
29.07.22	group 2	month 1	0.102	0.313	0.415	0.284
31.08.22	group 1	month 2	0.347	-	0.347	0.312
31.08.22	group 2	month 2	0.170	0.177	0.347	0.312
30.09.22	group 1	month 3	0.371	-	0.371	0.412
30.09.22	group 2	month 3	0.183	0.188	0.371	0.412
31.10.22	group 1	month 4	0.295	-	0.295	0.323
31.10.22	group 2	month 4	0.100	0.195	0.295	0.323
30.11.22	group 1	month 5	0.253	-	0.253	0.331
30.11.22	group 2	month 5	0.109	0.144	0.253	0.331
30.12.22	group 1	interim	0.233	-	0.233	0.324
30.12.22	group 2	interim	0.111	0.122	0.233	0.324
31.01.23	group 1	month 7	0.303		0.303	0.256
31.01.23	group 2	month 7	0.192	0.111	0.303	0.256
28.02.23	group 1	month 8	0.274		0.274	0.318
28.02.23	group 2	month 8	0.134	0.140	0.274	0.318
31.03.23	group 1	month 9	0.337		0.337	0.301
31.03.23	group 2	month 9	0.180	0.157	0.337	0.301
28.04.23	group 1	month 10	0.469		0.469	0.511
28.04.23	group 2	month 10	0.060	0.409	0.469	0.511
31.05.23	group 1	month 11	0.470		0.470	0.480
31.05.23	group 2	month 11	0.194	0.276	0.470	0.480
30.06.23	group 1	final	0.388		0.388	0.535
30.06.23	group 2	final	0.202	0.186	0.388	0.535

Equalisation

Equalisation applies only to group 2 shares. It is the average amount of revenue included in the purchase price of 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 in the hands of the shareholder but must be deducted from the cost of shares for capital gains tax purposes.

Accumulation distributions

Holders of accumulation shares should add the distributions received thereon to the cost of the shares for capital gains tax purposes.

Month 1 distribution:

Group 1	Shares purchased before 1 June 2022
Group 2	Shares purchased 1 June 2022 to 30 June 2022

Month 2 distribution:

Group 1	Shares purchased before 1 July 2022
Group 2	Shares purchased 1 July 2022 to 31 July 2022

Distribution tables (continued)

for the year ended 31 May 2023

Month 3 distribution:

Group 1	Shares purchased before 1 August 2022
Group 2	Shares purchased 1 August 2022 to 31 August 2022

Month 4 distribution:

Group 1	Shares purchased before 1 September 2022
Group 2	Shares purchased 1 September 2022 to 30 September 2022

Month 5 distribution:

Group 1	Shares purchased before 1 October 2022
Group 2	Shares purchased 1 October 2022 to 31 October 2022

Interim distribution:

Group 1	Shares purchased before 1 November 2022
Group 2	Shares purchased 1 November 2022 to 30 November 2022

Month 7 distribution:

Group 1	Shares purchased before 1 December 2022
Group 2	Shares purchased 1 December 2022 to 31 December 2022

Month 8 distribution:

Group 1	Shares purchased before 1 January 2023
Group 2	Shares purchased 1 January 2023 to 31 January 2023

Month 9 distribution:

Group 1	Shares purchased before 1 February 2023
Group 2	Shares purchased 1 February 2023 to 28 February 2023

Month 10 distribution:

Group 1	Shares purchased before 1 March 2023
Group 2	Shares purchased 1 March 2023 to 31 March 2023

Month 11 distribution:

Group 1	Shares purchased before 1 April 2023
Group 2	Shares purchased 1 April 2023 to 30 April 2023

Final distribution:

Group 1	Shares purchased before 1 May 2023
Group 2	Shares purchased 1 May 2023 to 31 May 2023

Financial statements - True Potential Goldman Sachs Income Builder

Statement of total return
for the year ended 31 May 2023

	Notes	2023		2022	
		£000s	£000s	£000s	£000s
Income:					
Net capital losses	2		(44,132)		(43,659)
Revenue	3	36,663		31,027	
Expenses	4	(6,993)		(6,608)	
Interest payable and similar charges		(421)		(58)	
Net revenue before taxation		29,249		24,361	
Taxation	5	(4,867)		(3,977)	
Net revenue after taxation			24,382		20,384
Total deficit before distributions			(19,750)		(23,275)
Distributions	6		(27,981)		(25,709)
Change in net assets attributable to shareholders from investment activities			(47,731)		(48,984)

Statement of change in net assets attributable to shareholders
for the year ended 31 May 2023

	2023		2022	
	£000s	£000s	£000s	£000s
Opening net assets attributable to shareholders		727,287		661,589
Amounts receivable on issue of shares	267,860		283,813	
Amounts payable on cancellation of shares	(115,568)		(190,757)	
		152,292		93,056
Change in net assets attributable to shareholders from investment activities		(47,731)		(48,984)
Retained distribution on accumulation shares		23,942		21,626
Closing net assets attributable to shareholders		855,790		727,287

Balance Sheet

as at 31 May 2023

	Notes	2023	2022
		£000s	£000s
Assets:			
Fixed assets:			
Investments		810,053	672,487
Current assets:			
Debtors	7	13,051	11,773
Cash and bank balances and amounts held at futures clearing houses and brokers	8	44,688	77,613
Total assets		867,792	761,873
Liabilities:			
Investment liabilities		(6,317)	(22,802)
Creditors:			
Bank overdrafts (including futures overdrafts)	8	(1,524)	(7,505)
Distribution payable	6	(449)	(463)
Other creditors	9	(3,712)	(3,816)
Total liabilities		(12,002)	(34,586)
Net assets attributable to shareholders		855,790	727,287

Notes to the financial statements
for the year ended 31 May 2023

1. Accounting policies

The accounting policies are disclosed on pages 12 to 14.

2. Net capital losses	2023	2022
	£000s	£000s
Non-derivative securities – (losses)/gains	(22,574)	22,944
Derivative contracts – losses	(7,165)	(8,996)
Currency gains/(losses)	4,252	(16)
Forward currency contracts	(18,603)	(57,684)
Commission on futures	(42)	(24)
Capital special dividend	-	117
Net capital losses	(44,132)	(43,659)

3. Revenue	2023	2022
	£000s	£000s
Non-interest distributions from overseas funds	513	208
Interest on debt securities from overseas collective investment schemes	2,582	2,969
UK revenue	1,900	1,851
Overseas revenue	9,859	9,813
Interest on debt securities	20,950	16,148
Bank interest	787	22
Interest received on amounts held with brokers	72	16
Total revenue	36,663	31,027

4. Expenses	2023	2022
	£000s	£000s
Payable to the ACD and associates		
Annual management charge	6,993	6,608
Total expenses	6,993	6,608

The annual management charge includes the ACD's periodic charge, investment management fees and other permitted charges relating to the operation of the Sub-Fund.

The annual management charge included an audit fee of £8,952 inclusive of VAT (2022: £6,426 inclusive of VAT).

5. Taxation	2023	2022
	£000s	£000s
a) Analysis of charge for the year		
Corporation tax	3,557	2,617
Corporation tax adjustment in respect of prior year	-	(56)
Double tax relief	(105)	(69)
Overseas tax withheld	1,261	1,270
Reclaimable tax written off	154	215
Total taxation (note 5b)	4,867	3,977

Notes to the financial statements (continued)
for the year ended 31 May 2023

5. Taxation (continued)

b) Factors affecting the current tax charge for the year

The tax assessed for the year is lower (2022: lower) than the standard rate of UK corporation tax for an authorised collective investment scheme of 20% (2022: 20%).

The differences are explained below:

	2023 £000s	2022 £000s
Net revenue before taxation	29,249	24,361
Corporation tax @ 20%	5,850	4,872
Effects of:		
UK revenue	(380)	(370)
Overseas revenue	(1,913)	(1,909)
Overseas tax withheld	1,261	1,252
Irrecoverable Overseas tax on capital special dividends	-	18
Reclaimable tax written off	154	215
Double taxation relief	(105)	(69)
Realised gains on non-qualifying offshore fund	-	24
Corporation tax adjustment in respect of prior year	-	(56)
Total taxation (note 5a)	4,867	3,977

6. Distributions

The distributions take account of revenue added on the issue of shares and revenue deducted on the cancellation of shares and comprise:

	2023 £000s	2022 £000s
Month 1 income distribution	371	280
Month 1 accumulation distribution	2,184	1,259
Month 2 income distribution	322	307
Month 2 accumulation distribution	1,858	1,421
Month 3 income distribution	358	409
Month 3 accumulation distribution	2,040	1,927
Month 4 income distribution	291	322
Month 4 accumulation distribution	1,672	1,552
Month 5 income distribution	257	328
Month 5 accumulation distribution	1,449	1,626
Interim income distribution	243	324
Interim accumulation distribution	1,348	1,637
Month 7 income distribution	321	258
Month 7 accumulation distribution	1,757	1,318
Month 8 income distribution	293	322
Month 8 accumulation distribution	1,605	1,655
Month 9 income distribution	368	285
Month 9 accumulation distribution	1,997	1,531
Month 10 income distribution	511	445
Month 10 accumulation distribution	2,832	2,553

Notes to the financial statements (continued)
for the year ended 31 May 2023

		2023	2022
6.	Distributions (continued)	£000s	£000s
	Month 11 income distribution	531	412
	Month 11 accumulation distribution	2,838	2,418
	Final income distribution	449	463
	Final accumulation distribution	2,362	2,729
		28,257	25,781
	Equalisation:		
	Amounts deducted on cancellation of shares	180	360
	Amounts added on issue of shares	(456)	(432)
	Total net distributions	27,981	25,709

Reconciliation between net revenue and distributions:	2023	2022
	£000s	£000s
Net revenue after taxation per Statement of total return	24,382	20,384
Undistributed revenue brought forward	4	2
Expenses paid from capital	6,993	6,608
Marginal tax relief	(1,398)	(1,281)
Undistributed revenue carried forward	(2,000)	(4)
Distributions	27,981	25,709

Details of the distribution per share are disclosed in the Distribution tables.

		2023	2022
7.	Debtors	£000s	£000s
	Amounts receivable on issue of shares	4,604	5,402
	Sales awaiting settlement	572	-
	Currency trades outstanding	386	1,012
	Accrued revenue	6,892	4,864
	Recoverable overseas withholding tax	597	495
	Total debtors	13,051	11,773

		2023	2022
8.	Cash and bank balances	£000s	£000s
	Cash and bank balances and amounts held at futures clearing houses and brokers	44,688	77,613
	Bank overdraft (including futures overdraft)	(1,524)	(7,505)
	Total cash and bank balances	43,164	70,108

		2023	2022
9.	Other creditors	£000s	£000s
	Amounts payable on cancellation of shares	1,336	910
	Purchases awaiting settlement	758	-
	Currency trades outstanding	386	1,016
	Accrued expenses:		
	Payable to the ACD and associates		
	Annual management charge	690	558

Notes to the financial statements (continued)

for the year ended 31 May 2023

9. Other creditors (continued)

Other expenses:		
Accrued overdraft interest	4	6
Total accrued expenses	694	564
Corporation tax payable	538	1,326
Total other creditors	3,712	3,816

10. Commitments and contingent liabilities

At the balance sheet date there are no commitments or contingent liabilities (2022: same).

11. Share classes

The following reflects the change in shares in issue for each share class in the year:

	A Income
Opening shares in issue	103,891,413
Total shares issued in the year	61,702,389
Total shares cancelled in the year	(20,872,703)
Closing shares in issue	144,721,099

	A Accumulation
Opening shares in issue	510,177,460
Total shares issued in the year	180,427,660
Total shares cancelled in the year	(81,952,906)
Closing shares in issue	608,652,214

For the year ended 31 May 2023, the annual management charge is 0.89%. The annual management charge includes the ACD's periodic charge, Investment Manager's fee and other permitted charges to the operation of the Sub-Fund.

Further information in respect of the return per share is disclosed in the Comparative tables.

On the winding up of a Sub-Fund all the assets of the Sub-Fund will be realised and apportioned to the share classes in relation to the net asset value on the closure date. Shareholders will receive their respective share of the proceeds, net of liabilities and the expenses incurred in the termination in accordance with the FCA regulations. Each share class has the same rights on winding up.

12. Related party transactions

True Potential Administration LLP, as ACD, is a related party due to its ability to act in respect of the operations of the Sub-Fund.

The ACD acts as principal in respect of all transactions of shares in the Sub-Fund. The aggregate monies received and paid through the creation and cancellation of shares are disclosed in the Statement of change in net assets attributable to shareholders of the Sub-Fund.

Amounts payable to the ACD and its associates are disclosed in note 4. The amount due to the ACD and its associates at the balance sheet date is disclosed in note 9.

13. Events after the balance sheet date

Subsequent to the year end, the net asset value per A Income share has decreased from 94.47p to 93.18p and the A Accumulation share has decreased from 118.14p to 117.9p as at 27 September 2023. This movement takes into account routine transactions but also reflects the market movements of recent months.

Notes to the financial statements (continued)

for the year ended 31 May 2023

14. Transaction costs

a Direct transaction costs

Direct transaction costs include fees and commissions paid to advisers, brokers and dealers; levies by regulatory agencies and security exchanges; and transfer taxes and duties.

Commission is a charge which is deducted from the proceeds of the sale of securities and added to the cost of the purchase of securities. This charge is a payment to advisers, brokers and dealers in respect of their services in executing the trades.

Tax is payable on the purchase of securities in the United Kingdom. It may be the case that 'other taxes' will be charged on the purchase of securities in countries other than the United Kingdom.

The total purchases and sales and the related direct transaction costs incurred in these transactions are as follows:

	Purchases before transaction costs	Commission		Taxes		Other Expenses		Purchases after transaction costs
2023	£000s	£000s	%	£000s	%	£000s	%	£000s
Equities	153,352	45	0.03	97	0.06	-	-	153,494
Bonds*	157,243	-	-	-	-	-	-	157,243
Collective Investment Schemes	470,835	-	-	-	-	-	-	470,835
Total	781,430	45		97		-	-	781,572

Capital events amount of £2,301,000 (2022: £4,059,000) is excluded from the total purchases as there were no direct transaction costs charged in these transactions.

	Purchases before transaction costs	Commission		Taxes		Other Expenses		Purchases after transaction costs
2022	£000s	£000s	%	£000s	%	£000s	%	£000s
Equities	101,810	49	0.05	116	0.11	-	-	101,975
Bonds*	125,189	-	-	-	-	-	-	125,189
Collective Investment Schemes	31,341	4	0.01	-	-	-	-	31,345
Total	258,340	53		116		-		258,509

	Sales before transaction costs	Commission		Taxes		Other Expenses		Sales after transaction costs
2023	£000s	£000s	%	£000s	%	£000s	£000s	%
Equities	96,590	(46)	(0.05)	-	-	(1)	-	96,543
Bonds*	82,193	-	-	-	-	-	-	82,193
Collective Investment Schemes	451,416	(3)	-	-	-	-	-	451,413
Total	630,199	(49)		-		(1)		630,149

Capital events amount of £102,000 (2022: £359,000) is excluded from the total sales as there were no direct transaction costs charged in these transactions.

Notes to the financial statements (continued)

for the year ended 31 May 2023

14. Transaction costs (continued)

	Sales before transaction costs	Commission		Taxes		Other Expenses		Sales after transaction costs
2022	£000s	£000s	%	£000s	%	£000s	£000s	%
Equities	113,854	(47)	(0.04)	-	-	(1)	-	113,806
Bonds*	97,884	-	-	-	-	-	-	97,884
Collective Investment Schemes	17,688	(2)	(0.01)	-	-	-	-	17,686
Total	229,426	(49)		-		(1)		229,376

* No direct transaction costs were incurred in these transactions.

Summary of direct transaction costs

The following represents the total of each type of transaction cost, expressed as a percentage of the Sub-Fund's average net asset value in the year :

2023	£000s	% of average net asset value
Commission	94	0.01
Taxes	97	0.01
Other expenses	1	-

2022	£000s	% of average net asset value
Commission	102	0.02
Taxes	116	0.01
Other expenses	1	-

	2023		2022	
Summary of direct transaction costs	£000s	% of average net asset value	£000s	% of average net asset value
Derivatives	42	0.01	24	-

b Average portfolio dealing spread

The average portfolio dealing spread is calculated as the difference between the bid and offer value of the portfolio as a percentage of the offer value.

The average portfolio dealing spread of the investments at the balance sheet date was 0.19% (2022: 0.25%).

15 Risk management policies

In pursuing the Sub-Fund's investment objective, as set out in the Prospectus, the following are accepted by the ACD as being the main risks from the Sub-Fund's holding of financial instruments, either directly or indirectly through its underlying holdings. These are presented with the ACD's policy for managing these risks. To ensure these risks are consistently and effectively managed these are continually reviewed by the risk committee, a body appointed by the ACD, which sets the risk appetite and ensures continued compliance with the management of all known risks.

Notes to the financial statements (continued)
for the year ended 31 May 2023

15 Risk management policies (continued)

a Market risk

Market risk is the risk that the value of the Sub-Fund's financial instruments will fluctuate as a result of changes in market prices and comprise three elements: other price risk, currency risk, and interest rate risk.

The method used to calculate the global exposure is absolute Value at risk (VaR). The calculation of the Absolute VaR is carried out in accordance with the following parameters: 99% one-sided confidence interval, 1 month (20 day) holding period, Monte Carlo simulation (10,000 simulations) ,1-year (250 day) history with time decay factor (weighting recent events).

A given fund’s limit is based on its Risk profile. All of the positions within the fund (direct investments and derivatives) are taken into account for the VaR calculation, not just derivatives.

The below table shows the lowest, the highest and the average utilisation of the VaR limit calculated during the financial year, 01 June 2022 - 31 May 2023. Funds using the VaR approach disclose the level of leverage employed during the relevant period, using the gross method (sum of the notionals of the derivatives used).

	Lowest VaR %	Highest VaR %	Average VaR %	VaR Limit %	Average Level of leverage %	Typical expected Leverage %
True Potential Goldman Sachs Income Builder	4.61	13.10	6.63	14.20	198.74	200

(i) Other price risk

The Sub-Fund's exposure to price risk comprises mainly of movements in the value of investment positions in the face of price movements.

The main elements of the portfolio of investments exposed to this risk are equities and collective investment schemes.

This risk is generally regarded as consisting of two elements: stock specific risk and market risk. Through these two factors, the Sub-Fund is exposed to price fluctuations, which are monitored by the ACD in pursuance of the investment objective and policy.

Adhering to investment guidelines and avoiding excessive exposure to one particular issuer can limit stock specific risk. Subject to compliance with the investment objective of the Sub-Fund, spreading exposure in the portfolio of investments both globally and across sectors or geography can mitigate market risk.

At 31 May 2023, if the price of the investments held by the Sub-Fund increased or decreased by 5%, with all other variables remaining constant, then the net assets attributable to shareholders of the Sub-Fund would increase or decrease by approximately £40,186,000 (2022: £32,484,000).

(ii) Currency risk

Currency risk is the risk that the value of investments or future cash flows will fluctuate as a result of exchange rate movements. Investment in overseas securities or holdings of foreign currency cash will provide direct exposure to currency risk as a consequence of the movement in foreign exchange rates against sterling. Investments in UK securities investing in overseas securities will give rise to indirect exposure to currency risk. These fluctuations can also affect the profitability of some UK companies, and thus their market prices, as sterling's relative strength or weakness can affect export prospects, the value of overseas earnings in sterling terms, and the prices of imports sold in the UK.

Forward currency contracts are used to help the Sub-Fund achieve its investment objective as stated in the Prospectus. The ACD monitors the exposure to these contracts to ensure they are in keeping with the investment objective.

The foreign currency risk profile of the Sub-Fund's financial instruments and cash holdings at the balance sheet date is as follows:

Notes to the financial statements (continued)
for the year ended 31 May 2023

15 Risk management policies (continued)

2023	Total net foreign currency exposure* £000s
Australian dollar	8,020
Canadian dollar	36
Czech krona	41
Euro	75,671
Japanese yen	13,492
New Taiwanese dollar	26
Norwegian krone	2
Singapore dollar	4,529
Swedish krona	4,738
Swiss franc	29,025
US dollar	616,947
Total net foreign currency exposure	752,527

2022	Total net foreign currency exposure* £000s
Australian dollar	3,783
Canadian dollar	44
Czech krona	39
Euro	69,602
Japanese yen	4,426
New Taiwanese dollar	48
Norwegian krone	2
Singapore dollar	3,720
Swedish krona	4,706
Swiss franc	24,324
US dollar	498,947
Total net foreign currency exposure	609,641

At 31 May 2023, if the value of sterling increased or decreased by 5% against all other currencies, with all other variables remaining constant, then the net assets attributable to shareholders of the Sub-Fund would increase or decrease by approximately £1,404,000 (2022: £1,155,000). Forward currency contracts are used to manage the portfolio exposure to currency movements.

* Please note the financial instruments and cash holdings and net debtors and creditors has been merged with total net foreign currency exposure.

(iii) Interest rate risk

Interest rate risk is the risk that the value of the Sub-Fund's investments will fluctuate as a result of interest rate changes.

During the year the Sub-Fund's direct exposure to interest rates consisted of cash and bank balances and interest bearing securities.

The amount of revenue receivable from bank balances or payable on bank overdrafts will be affected by fluctuations in interest rates.

The Sub-Fund has indirect exposure to interest rate risk as it invests in bond funds.

Notes to the financial statements (continued)

for the year ended 31 May 2023

15 Risk management policies (continued)

The value of interest bearing securities may be affected by changes in the interest rate environment, either globally or locally.

At 31 May 2023, if interest rates increased or decreased by 25 points, with all other variables remaining constant, then the net assets attributable to shareholders of the Sub-Fund would increase or decrease by approximately £148,000 (2022: £5,156,540).

The Sub-Fund would not in normal market conditions hold significant cash balances and would have limited borrowing capabilities as stipulated in the COLL rules.

Derivative contracts are not used to hedge against the exposure to interest rate risk.

The interest rate risk profile of financial assets and liabilities at the balance sheet date is as follows:

	Variable rate financial assets	Variable rate financial liabilities	Fixed rate financial assets	Non-interest bearing financial assets	Non-interest bearing financial liabilities	Total
2023	£000s	£000s	£000s	£000s	£000s	£000s
Australian dollar	211	-	-	7,809	-	8,020
Canadian dollar	36	-	-	-	-	36
Czech krona	41	-	-	-	-	41
Euro	2,572	(408)	8,409	65,098	-	75,671
Japanese yen	527	-	-	12,965	-	13,492
New Taiwanese dollar	-	-	-	26	-	26
Norwegian krone	2	-	-	-	-	2
Singapore dollar	300	-	-	4,229	-	4,529
Swedish krona	822	-	-	3,916	-	4,738
Swiss franc	3,047	-	-	25,978	-	29,025
UK sterling	25,563	-	1,888	79,005	(3,193)	103,263
US dollar	27,450	(1,116)	326,474	271,424	(7,285)	616,947
	60,571	(1,524)	336,771	470,450	(10,478)	855,790

Notes to the financial statements (continued)

for the year ended 31 May 2023

15 Risk management policies (continued)

2022	Variable rate financial assets £000s	Variable rate financial liabilities £000s	Fixed rate financial assets £000s	Non-interest bearing financial assets £000s	Non-interest bearing financial liabilities £000s	Total £000s
Australian dollar	116	-	-	3,710	(43)	3,783
Canadian dollar	44	-	-	-	-	44
Czech krona	39	-	-	-	-	39
Euro	3,611	(361)	9,368	57,948	(964)	69,602
Japanese yen	267	-	-	4,280	(121)	4,426
New Taiwanese dollar	-	-	-	48	-	48
Norwegian krone	2	-	-	-	-	2
Singapore dollar	206	-	-	3,528	(14)	3,720
Swedish krona	580	-	-	4,131	(5)	4,706
Swiss franc	732	-	-	24,233	(641)	24,324
UK sterling	63,888	-	2,488	54,735	(3,465)	117,646
US dollar	20,928	(7,144)	266,358	240,633	(21,828)	498,947
	90,413	(7,505)	278,214	393,246	(27,081)	727,287

b Credit risk

This is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. This includes counterparty risk and issuer risk.

The Depositary has appointed the custodian to provide custody services for the assets of the Sub-Fund. There is a counterparty risk that the custodian could cease to be in a position to provide custody services to the Sub-Fund. The Sub-Fund's investments (excluding cash) are ring fenced hence the risk is considered to be negligible.

In addition to the interest rate risk, bond investments are exposed to issuer risk which reflects the ability for the bond issuer to meet its obligations to pay interest and return the capital on the redemption date. Change in issuer risk will change the value of the investments and is dealt with further in note 15a. The majority of debt securities held within the portfolio are below investment grade bonds. These are made across a variety of industry sectors and geographical markets, so as to avoid concentrations of credit risk. A breakdown is provided in the Portfolio statement. The credit quality of the debt securities is disclosed in the Summary of Portfolio Investments.

The Sub-Fund holds cash and cash deposits with financial institutions which potentially exposes the Sub-Fund to counterparty risk. The credit rating of the financial institution is taken into account so as to minimise the risk to the Sub-Fund of default.

Holdings in collective investment schemes are subject to direct credit risk. The exposure to pooled investment vehicles is unrated.

c Liquidity risk

A significant risk is the cancellation of shares which investors may wish to sell and that securities may have to be sold in order to fund such cancellations if insufficient cash is held at the bank to meet this obligation. If there were significant requests for the redemption of shares at a time when a large proportion of the portfolio of investments were not easily tradable due to market volumes or market conditions, the ability to fund those redemptions would be impaired and it might be necessary to suspend dealings in shares in the Sub-Fund.

Investments in smaller companies at times may prove illiquid, as by their nature they tend to have relatively modest traded share capital. Shifts in investor sentiment, or the announcement of new price sensitive information, can provoke significant movement in share prices, and make dealing in any quantity difficult.

Notes to the financial statements (continued)

for the year ended 31 May 2023

15 Risk management policies (continued)

The Sub-Fund may also invest in securities that are not listed or traded on any stock exchange. In such situations the Sub-Fund may not be able to immediately sell such securities.

To reduce liquidity risk the ACD will ensure, in line with the limits stipulated within the COLL rules, a substantial portion of the Sub-Fund's assets consist of readily realisable securities. This is monitored on a monthly basis and reported to the Risk Committee together with historical outflows of the Sub-Fund.

In addition liquidity is subject to stress testing on an annual basis to assess the ability of the Sub-Fund to meet large redemptions (50% of the net asset value and 80% of the net asset value), while still being able to adhere to its objective guidelines and the FCA investment borrowing regulations.

All of the financial liabilities are payable on demand. In the case of forward foreign currency contracts these are payable in less than one year.

d Fair value of financial assets and financial liabilities

There is no material difference between the value of the financial assets and liabilities, as shown in the balance sheet, and their fair value.

To ensure this, the fair value pricing committee is a body appointed by the ACD to analyse, review and vote on price adjustments/maintenance where no current secondary market exists and/or where there are potential liquidity issues that would affect the disposal of an asset. In addition, the committee may also consider adjustments to the Sub-Fund's price should the constituent investments be exposed to closed markets during general market volatility or instability.

	Investment assets	Investment liabilities
Basis of valuation	2023	2023
	£000s	£000s
Quoted prices	375,490	(337)
Observable market data	434,563	(5,980)
Unobservable data	-	-
	810,053	(6,317)

	Investment assets	Investment liabilities
Basis of valuation	2022	2022
	£000s	£000s
Quoted prices	330,160	(751)
Observable market data	342,327	(22,051)
Unobservable data	-	-
	672,487	(22,802)

No securities in the portfolio of investments are valued using valuation techniques.

e Assets subject to special arrangements arising from their illiquid nature

There are no assets held in the portfolio of investments which are subject to special arrangements arising from their illiquid nature.

f Derivatives

The Sub-Fund may employ derivatives with the aim of reducing the Sub-Fund's risk profile, reducing costs or generating additional capital or revenue, in accordance with Efficient Portfolio Management.

The ACD monitors that any exposure is covered globally to ensure adequate cover is available to meet the Sub-Fund's total exposure, taking into account the value of the underlying investments, any reasonably foreseeable market movement, counterparty risk, and the time available to liquidate any positions.

Notes to the financial statements (continued)

for the year ended 31 May 2023

15 Risk management policies (continued)

In the year there was direct exposure to derivatives. On a daily basis, exposure is calculated in UK sterling using the Absolute Value at Risk (VaR) approach with netting applied where appropriate. The total global exposure figure is divided by the net asset value of the Sub-Fund to calculate the percentage global exposure. Global exposure is a risk mitigation technique that monitors the overall commitment to derivatives in the Sub-Fund at any given time and may not exceed 100% of the net asset value of the property of the Sub-Fund.

For certain derivative transactions cash margins may be required to be paid to the brokers with whom the trades were executed and settled. These balances are subject to daily reconciliations and are held by the broker in segregated cash accounts that are afforded client money protection.

Derivatives may be used for investment purposes and as a result could potentially impact upon the risk factors outlined above.

(i) Counterparties

Transactions in securities give rise to exposure to the risk that the counterparties may not be able to fulfil their responsibility by completing their side of the transaction. This risk is mitigated by the Sub-Fund using a range of brokers for security transactions, thereby diversifying the risk of exposure to any one broker. In addition the Sub-Fund will only transact with brokers who are subject to frequent reviews with whom transaction limits are set.

The Sub-Fund may transact in derivative contracts which potentially exposes the Sub-Fund to counterparty risk from the counterparty not settling their side of the contract. Transactions involving derivatives are entered into only with investment banks and brokers with appropriate and approved credit rating, which are regularly monitored. Forward currency transactions are only undertaken with the custodians appointed by the Depositary.

At the balance sheet date, there are no securities in the portfolio of investments subject to a repurchase agreement.

(ii) Leverage

The leverage is calculated as the sum of the net asset value and the incremental exposure generated through the use of derivatives (calculated in accordance with the Absolute Value at Risk (VaR) approach) divided by the net asset value.

As at the balance sheet date, the leverage was 107.37%.

(iii) Global exposure

Global exposure is a measure designed to limit the leverage generated by a fund through the use of financial derivative instruments, including derivatives with embedded assets.

At the balance sheet date the global exposure is as follows:

Investment	Gross exposure value £000s	% of the total net asset value
Futures		
CBT - 2 year US Treasury Note September 2023	36,203	4.23
CBT - 5 year US Treasury Note September 2023	704	0.08
CBT - Ultra US Treasury Bond September 2023	9,498	1.11
EUREX - 30 year Euro Buxl June 2023	239	0.03
EUREX - Euro Bobl June 2023	4,776	0.56
EUREX - Euro Bund June 2023	5,266	0.61
EUREX - Euro Schatz June 2023	5,179	0.60
ICF- Long Gilt September 2023	1,258	0.15

Notes to the financial statements (continued)

for the year ended 31 May 2023

15 Risk management policies (continued)

Forward Currency Contracts		
Value of short position - Australian dollar	12,259	1.43
Value of short position - Euro	72,357	8.45
Value of short position - Japanese yen	12,611	1.47
Value of short position - New Taiwanese dollar	5,518	0.64
Value of short position - Singapore dollar	4,292	0.50
Value of short position - Swiss franc	9,646	1.13
Value of short position - US dollar	614,888	71.81

The Sub-Fund holds 'Over the Counter' (OTC) derivatives. This type of transaction gives rise to counterparty risk whereby the other party to the transaction may fail to fulfil their contractual obligations. Effective monitoring of counterparty credit risk is an important element of the management of the Sub-Fund.

Collateral arrangements are actively managed, ensuring cash or securities are pledged against the performance of a contract where necessary. This mitigates any potential negative impact on the Sub-Fund in the unlikely event of a counterparty default. Whether or not each position is collateralised depends on whether a net liability is held with each counterparty, the specific agreements with individual counterparties and de minimis thresholds. As such there will be instances where the Sub-Fund is not required to hold collateral.

The counterparty, collateral amount and type held by the Sub-Fund as at the 31 May 2023 is detailed in the table below.

Counterparty	Collateral classification	Collateral value
ROYAL BANK OF SCOTLAND	Cash	£1,452,256
STANDARD CHARTERED BANK	Cash	£40,290
JPMORGAN CHASE BANK, NATIONAL ASSOCIATION	Cash	£784,624
MERRILL LYNCH INTERNATIONAL	Cash	£2,025,815
UBS AG	Cash	£568,139
ROYAL BANK OF CANADA	Cash	£1,469,570
HSBC BANK PLC	Cash	£1,362,974
MORGAN STANLEY & CO. LLC	Cash	£822,793

True Potential Goldman Sachs Balanced
Sub-investment Manager's report

This supplemental reporting is intended to provide you with an overview of portfolio activity during the period and should not be relied upon to make investment decisions or otherwise.

Investment Objective and Policy

The investment objective of the Sub-Fund is to deliver capital growth to investors while at the same time managing portfolio risks.

The aim is to implement a dynamic and diversified multi asset class investment strategy through investment mainly via permitted collective investment schemes (which themselves gain exposure to equities, bonds, currencies and commodities indirectly via derivatives or where permitted invest directly in these asset classes). The Sub-Fund may also invest in a range of asset classes including global developed market equities, emerging market equities, global fixed income and cash, both directly and indirectly through the use of derivatives to provide broad exposure for investment purposes.

The collective investment schemes invested in may be collective investment schemes managed by the sub-investment manager or an associate of the sub-investment manager.

Derivatives and forward transactions may be used for investment purposes and Efficient Portfolio Management. The use of derivatives for investment purposes may increase the volatility and risk profile of the Sub-Fund.

Sub-Investment Activities

The True Potential Goldman Sachs Balanced Portfolio returned -1.35% (net) in the twelve-month period from June 1, 2022 to May 31, 2023, bringing total since inception performance to 1.69% (net annualised)(Source: Morningstar).

The twelve-month reporting timeframe covered a period of uncertainty around growth and central bank policy, as the global landscape shifted past the pandemic. The macro backdrop was challenging as growth was weaker than expected as economies around the world reopened post-COVID and inflationary pressures ran high which prompted major central banks to tighten policy. Supply-chain bottlenecks got resolved at a slower pace than anticipated and the weakness in Chinese economy – from the property-sector crisis to the Zero-COVID regime – were persistent headwinds to global growth. Notable investment activity included a series of new dynamic views. Within Equities, we downsized the Long US Energy Infrastructure position in August 2022 as prudent risk management favoured closing portion of the position as the sector saw strong performance against a backdrop of slowing economic growth. We closed our overweight position in the US Large-Cap Energy sector at a gain in October 2022 as the sector displayed extraordinary performance. In December 2022, we closed at a gain, our position in the US Large-Cap Healthcare sector, which we had initiated in October 2021 on the back of attractive valuations relative to the broader market and scope for lower policy risk. In February 2023, we closed our position in Eurozone banks as the tailwind from a strong earnings season was likely to fade. A new tactical position in the Europe Energy sector was initiated in February 2023 which was predicated on underperformance relative to their US counterparts since the start of 2020; and expected elevated cash return to shareholders through dividends.

Within Fixed Income, in June 2022, we downsized allocations to High Yield and Emerging Markets Debt to reduce potential downside risk as inflation data at the time has surprised to the upside, bringing forward the pace of hikes and increasing likelihood that financial conditions may lead to growth slowing more quickly, weighing on sentiment, and proving to be a catalyst for spread widening. We further curtailed our Emerging Markets Debt exposure in July 2022. We started to buy back Emerging Markets Debt as the diverse set of countries saw positive growth momentum as result of various macro tailwinds, including China’s reopening.

Investment Attribution

Contributors

The Alternative Trend portfolio, which has the ability to take both long and short positions according to market movement, contributed the most to overall performance as it benefitted from higher bond yields and effectively shortened total portfolio duration by up to 0.3 years over the time frame. The Equity Volatility Selling strategy added to overall returns as the implied volatility fell over the 12-month time frame, while prices for options that were sold embedded high premiums due to significant economic uncertainty. The quantitatively driven Developed Markets strategy bolstered returns further along with the tactical position in US Equities.

Detractors

10-year UK Gilts detracted from overall performance as yields rose by a significant margin over the 12-month horizon amidst uncertainty due to inflationary pressures, policy path, fiscal policy, and leadership changes. 10-year and 30-year Treasury exposures dragged performance down further as aggressive rate hikes and concerns around inflation led to bond yields rising over the period. The quantitatively driven Emerging Markets strategy detracted from performance as Emerging Markets Equities broadly underperformed Developed Markets Equities due to headwinds from China.

Investment Strategy and Outlook

The strategy looks to generate strong risk-adjusted returns by investing globally across a broad range of asset classes. With this objective in mind, we look beyond Equities to generate returns and incorporate a range of risk-mitigating assets alongside Government Bonds.

Macro and Policy Outlook:

- US: Activity data are holding up but marginally weakening. Leading indicators suggest weaker growth ahead. Inflation slowing down gradually. Although the Fed nears the end of the hiking cycle we don't expect rate cuts in 2023 due to sticky labour market inflation, which we only see easing gradually in 2024.
- Europe: Further economic weakening ahead. Inflation and hiking cycles lag the US; ECB set to reach hiking peak in H2 and pause thereafter. BoE feeling more pressure from higher inflation.
- China: Post-reopening recovery losing steam. Regulatory uncertainty. Modest policy easing bias maintained.

Market Drivers:

- Equities: Markets price in optimism relative to an uncertain economic outlook and high rates. Analysts upgrade the 2023 earnings outlook after a better-than-expected Q1 earnings season.
- Rates: Mix of sticky inflation, high rates, and soft economic outlook warrant a wide trading range for rates.
- Credit: US corporate bonds are richly priced and vulnerable once a downturn occurs. Defaults are set to rise at least to long-term averages.
- Commodities: Mixed demand signals with limited supply and low investor positioning.

Risks:

- Excess monetary tightening: Continued tightening of global monetary policy could lead to a recession in several developed economies.
- Banking sector: The FDIC and the Fed contained the initial turmoil in March, but US regional banks remained vulnerable thereafter. Further tightening of credit conditions could have a negative impact on the economy.
- Commercial real estate: Broad sector is vulnerable in a recession. Structural issues in the office space may mean markdowns are looming.
- Debt ceiling: Resolution until January 2025 with limited growth impact.
- Chinese economy: Concern over the property sector is contained for the time being but structural risks remain.

Goldman Sachs Asset Management International - a sub-delegate of True Potential Investments LLP

6 July 2023

Portfolio changes

for the year ended 31 May 2023

The following represents the top ten purchases and sales in the year to reflect a clearer picture of the investment activities.

Purchases:	Cost £000s
Goldman Sachs - Sterling Liquid Reserves Fund	627,103
Goldman Sachs - Sterling Government Liquid Reserves Fund	58,600
Goldman Sachs Funds SICAV - Global CORE Equity Portfolio	55,258
Goldman Sachs - SICAV I - GS Emerging Markets Debt Portfolio	30,018
Goldman Sachs Funds SICAV - Global Credit Portfolio Hedged	16,525
Goldman Sachs Funds SICAV - Global Small Cap CORE Equity Portfolio	11,810
iShares Global Infrastructure UCITS ETF	10,892
Goldman Sachs Funds SICAV - Alternative Trend Portfolio	9,983
Goldman Sachs Global Absolute Return Portfolio	8,700
Goldman Sachs Funds SICAV - Global Strategic Macro Bond Portfolio	6,335
Subtotal	835,224
Total cost of purchases, including the above, for the year	860,550

Sales:	Proceeds £000s
Goldman Sachs - Sterling Liquid Reserves Fund	660,303
Goldman Sachs Funds SICAV - Global CORE Equity Portfolio	36,163
Goldman Sachs Funds SICAV - Global Small Cap CORE Equity Portfolio	28,944
Goldman Sachs - SICAV I - GS Emerging Markets Debt Portfolio	25,282
Goldman Sachs Funds SICAV - Global High Yield Portfolio	25,200
Goldman Sachs Funds SICAV - Alternative Trend Portfolio	25,104
Goldman Sachs Funds SICAV - Emerging Markets CORE Equity Portfolio	16,923
Goldman Sachs Funds SICAV - Global Credit Portfolio Hedged	14,550
Invesco Markets - Invesco Morningstar US Energy Infrastructure MLP UCITS ETF	14,389
Goldman Sachs Funds SICAV - Global Strategic Macro Bond Portfolio	9,113
Subtotal	855,971
Total proceeds from sales, including the above, for the year	909,367

Portfolio statement

as at 31 May 2023

Investment	Nominal value or holding	Market value £000s	% of total net assets
Collective Investment Schemes - 95.28% (96.96%)			
Offshore Collective Investment Schemes - 95.28% (96.96%)			
Goldman Sachs - SICAV I - GS Emerging Markets Debt Portfolio	1,639,827	29,566	3.03
Goldman Sachs - Sterling Government Liquid Reserves Fund	7,865	80,974	8.30
Goldman Sachs - Sterling Liquid Reserves Fund	5,127	52,951	5.43
Goldman Sachs Funds SICAV - Alternative Trend Portfolio	5,770,201	62,665	6.42
Goldman Sachs Funds SICAV - Emerging Markets CORE Equity Portfolio	2,220,795	17,488	1.79
Goldman Sachs Funds SICAV - Emerging Markets Debt Local Portfolio	4,384,788	18,609	1.91
Goldman Sachs Funds SICAV - Emerging Markets Equity Portfolio	582,014	16,168	1.66
Goldman Sachs Funds SICAV - Global CORE Equity Portfolio	10,635,490	150,943	15.47
Goldman Sachs Funds SICAV - Global Credit Portfolio Hedged	8,648,705	69,572	7.13
Goldman Sachs Funds SICAV - Global Equity Partners Portfolio	2,314,700	67,566	6.92
Goldman Sachs Funds SICAV - Global High Yield Portfolio	137,187	2,845	0.29
Goldman Sachs Funds SICAV - Global Small Cap CORE Equity Portfolio	3,000,256	38,708	3.97
Goldman Sachs Funds SICAV - Global Strategic Macro Bond Portfolio	538,958	39,572	4.06
Goldman Sachs Funds SICAV - Goldman Sachs Global Millennials Equity Portfolio	3,122,890	24,340	2.49
Goldman Sachs Global Absolute Return Portfolio	1,965,062	178,329	18.28
Goldman Sachs Institutional Funds - Global Equity Volatility Fund	3,853,657	48,633	4.98
Invesco Markets - Invesco Morningstar US Energy Infrastructure MLP UCITS ETF	39,375	1,337	0.14
iShares Developed Markets Property Yield UCITS ETF	559,213	9,577	0.98
iShares Global Infrastructure UCITS ETF	803,977	18,829	1.93
IShares STOXX Europe 600 Oil And Gas UCITS ETF	34,500	972	0.10
Total Offshore Collective Investment Schemes		929,644	95.28
Total Collective Investment Schemes		929,644	95.28
Futures - 0.44% ((0.22)%)			
CBT - US 2 Year Note September 2023	189	(27)	-
CBT - US 10 Year Note September 2023	1,333	357	0.04
CBT - US Ultra Bond September 2023	288	533	0.05
CME - E Mini S&P 500 Index June 2023	329	3,317	0.34
EOP - CAC 40 Index June 2023	75	(183)	(0.02)
EUREX - DAX Index June 2023	4	46	-
HKG - Hang Seng Index June 2023	7	(50)	(0.01)
ICF - FTSE 100 Index June 2023	68	(122)	(0.01)
ICF - Long Gilt September 2023	328	89	0.01
MFM - IBEX 35 Index June 2023	2	(3)	-
MSE - S&P 60 Index June 2023	21	(35)	-
OSE- Topix Index June 2023	47	350	0.04

Portfolio statement (continued)

as at 31 May 2023

Investment	Nominal value or holding	Market value £000s	% of total net assets
Futures - 0.44% ((0.22)%) (continued)			
SGX - MSCI Singapore Index June 2023	34	(15)	-
SSE - OMX Index June 2023	130	(8)	-
Total Futures		4,249	0.44
Forward Currency Contracts - 1.01% ((1.66)%)			
Sell Euro	-€ 1,210,000	(1,042)	
Buy UK sterling	£1,078,195	1,078	
Expiry date 21 June 2023		36	0.00
Sell US dollar	-$348,680,000	(281,192)	
Buy UK sterling	£291,035,838	291,036	
Expiry date 21 June 2023		9,844	1.01
Sell US dollar	-$4,300,000	(3,469)	
Buy UK sterling	£3,457,804	3,458	
Expiry date 05 June 2023		(11)	0.00
Sell UK sterling	-£4,148,800	(4,149)	
Buy US dollar	$5,160,000	4,161	
Expiry date 21 June 2023		12	0.00
Total Forward Currency Contracts		9,881	1.01
Portfolio of investments		943,774	96.73
Other net assets		31,878	3.27
Total net assets		975,652	100.00

All investments are listed on recognised stock exchanges or are approved securities or regulated collective investment schemes within the meaning of the FCA rules unless otherwise stated. Forward contracts are not listed on stock exchanges and are considered over-the-counter instruments.

The comparative figures in brackets are as at 31 May 2022.

Risk and reward profile

The risk and reward indicator table demonstrates where the Sub-Fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the future risk profile of the Sub-Fund. The shaded area in the table below shows the Sub-Fund's ranking on the risk and reward indicator.

Typically lower rewards, lower risk

Typically higher rewards, higher risk

1	2	3	**4**	5	6	7

The Sub-Fund is in a medium category because the price of its investments have risen or fallen to some extent. The category shown is not guaranteed to remain unchanged and may shift over time. Even the lowest category does not mean a risk-free investment.

The price of the Sub-Fund and any income from it can go down as well as up and is not guaranteed. Investors may not get back the amount invested. Past performance is not a guide to future performance.

Where the Sub-Fund invests into other investment funds, they may invest in different assets, countries or economic sectors and therefore have different risk profiles not in line with those of the Sub-Fund.

Investments in emerging markets may involve greater risks due to political and economic instability and underdeveloped markets and systems. This means your money may be at greater risk of loss.

The Sub-Fund is entitled to use derivative instruments for Efficient Portfolio Management and investment purposes. Derivatives may not achieve their intended purpose. Their prices may move up or down significantly over relatively short periods of time which may result in losses greater than the amount paid. This could adversely impact the value of the Sub-Fund.

The organisation from which the Sub-Fund buys a derivative may fail to carry out its obligations, which could also cause losses to the Sub-Fund.

The Sub-Fund may invest in securities not denominated in sterling, the value of your investments may be affected by changes in currency exchange rates.

For further information please refer to the KIID.

For full details on risk factors for the Sub-Fund, please refer to the Prospectus.

There have been no changes to the risk and reward indicator in the year.

Comparative table

The following disclosures give a shareholder an indication of the performance of a share in the Sub-Fund. It also discloses the operating charges and direct transaction costs applied to each share. Operating charges are those charges incurred in operating the Sub-Fund and direct transaction costs are costs incurred when purchasing or selling securities in the portfolio of investments.

	A Accumulation		
	2023	2022	2021
	p	p	p
Change in net assets per share			
Opening net asset value per share	111.03	116.96	98.52
Return before operating charges*	(1.02)	(4.77)	19.51
Operating charges	(1.06)	(1.16)	(1.07)
Return after operating charges*	(2.08)	(5.93)	18.44
Distributions+	(1.73)	(1.67)	(1.24)
	1.73	1.67	1.24
Closing net asset value per share	108.95	111.03	116.96
*after direct transaction costs of:	0.01	0.01	-
Performance			
Return after charges	(1.87%)	(5.07%)	18.72%
Other information			
Closing net asset value (£000s)	975,652	1,002,313	513,033
Closing number of shares	895,543,488	902,754,757	438,644,240
Operating charges++	0.98%	0.99%	0.98%
Direct transaction costs	0.01%	0.01%	-
Prices			
Highest share price (p)	112.1	123.6	117.1
Lowest share price (p)	102.0	108.2	98.27

+Rounded to 2 decimal places.

++The operating charges are represented by the Ongoing Charges Figure (OCF). The OCF consists principally of the ACD's periodic charge and the Investment Manager's fee which are included in the annual management charge, but also includes the costs for other services paid. It is indicative of the charges which the share class may incur in a year as it is calculated on historical data. The operating charge includes charges for the underlying funds held.

Investments carry risk. Past performance is not a guide to future performance. Investors may not get back the amount invested.

Distribution table

for the year ended 31 May 2023

Distributions on A Accumulation shares in pence per share

Allocation date	Share type	Distribution type	Net revenue	Equalisation	Distribution current year	Distribution prior year
31.07.23	group 1	final	1.733	-	1.733	1.668
31.07.23	group 2	final	1.225	0.508	1.733	1.668

Equalisation

Equalisation applies only to group 2 shares. It is the average amount of revenue included in the purchase price of 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 in the hands of the shareholder but must be deducted from the cost of shares for capital gains tax purposes.

Accumulation distributions:

Holders of accumulation shares should add the distributions received thereon to the cost of the shares for capital gains tax purposes.

Final distributions:

Group 1	Shares purchased before 1 June 2022
Group 2	Shares purchased 1 June 2022 to 31 May 2023

Financial statements - True Potential Goldman Sachs Balanced

Statement of total return
for the year ended 31 May 2023

	Notes	2023		2022	
		£000s	£000s	£000s	£000s
Income:					
Net capital losses	2		(26,035)		(71,530)
Revenue	3	18,571		15,386	
Expenses	4	(8,304)		(6,606)	
Interest payable and similar charges		(49)		(49)	
Net revenue before taxation		10,218		8,731	
Taxation	5	(1,360)		(810)	
Net revenue after taxation			8,858		7,921
Total deficit before distributions			(17,177)		(63,609)
Distributions	6		(16,130)		(13,251)
Change in net assets attributable to shareholders from investment activities			(33,307)		(76,860)

Statement of change in net assets attributable to shareholders
for the year ended 31 May 2023

	2023		2022	
	£000s	£000s	£000s	£000s
Opening net assets attributable to shareholders		1,002,313		513,033
Amounts receivable on issue of shares	289,120		636,630	
Amounts payable on cancellation of shares	(297,994)		(85,548)	
		(8,874)		551,082
Change in net assets attributable to shareholders from investment activities		(33,307)		(76,860)
Retained distribution on accumulation shares		15,520		15,058
Closing net assets attributable to shareholders		975,652		1,002,313

Balance Sheet

as at 31 May 2023

	Notes	2023	2022
		£000s	£000s
Assets:			
Fixed assets:			
Investments		944,228	972,552
Current assets:			
Debtors	7	25,800	42,974
Cash and bank balances and amounts held at futures clearing houses and brokers	8	22,243	32,699
Total assets		992,271	1,048,225
Liabilities:			
Investment liabilities		(454)	(19,530)
Creditors:			
Bank overdrafts (including futures overdrafts)	8	(12,170)	(238)
Other creditors	9	(3,995)	(26,144)
Total liabilities		(16,619)	(45,912)
Net assets attributable to shareholders		975,652	1,002,313

Notes to the financial statements

for the year ended 31 May 2023

1. Accounting policies

The accounting policies are disclosed on pages 12 to 14.

2. Net capital losses

	2023	2022
	£000s	£000s
Non-derivative securities – losses	(1,563)	(23,940)
Derivative contracts – losses	(12,828)	(16,173)
Currency losses	(1,010)	(555)
Forward currency contracts	(10,571)	(30,828)
Commission on futures	(59)	(34)
Transaction charges	(4)	-
Net capital losses	(26,035)	(71,530)

3. Revenue

	2023	2022
	£000s	£000s
Non-interest distributions from overseas funds	6,531	4,925
Interest on debt securities from overseas collective investment schemes	11,436	10,433
Bank interest	451	28
Deposit interest	153	-
Total revenue	18,571	15,386

4. Expenses

	2023	2022
	£000s	£000s
Payable to the ACD and associates		
Annual management charge	8,304	6,606
Total expenses	8,304	6,606

The annual management charge includes the ACD's periodic charge, investment management fees and other permitted charges relating to the operation of the Sub-Fund.

The annual management charge included an audit fee of £8,082 inclusive of VAT (2022: £6,426 inclusive of VAT).

5. Taxation

	2023	2022
	£000s	£000s
a) Analysis of charge for the year		
UK Corporation tax	765	761
Deferred taxation	595	49
Total taxation (note 5b)	1,360	810

b) Factors affecting the current tax charge for the year

The tax assessed for the year is lower (2022: lower) than the standard rate of UK corporation tax for an authorised collective investment scheme of 20% (2022: 20%).

Notes to the financial statements (continued)
for the year ended 31 May 2023

5. Taxation (continued)

The differences are explained below:

	2023	2022
	£000s	£000s
Net revenue before taxation	10,218	8,731
Corporation tax @ 20%	2,044	1,746
Effects of:		
Overseas revenue	(1,306)	(985)
Realised/Unrealised gains on non-qualifying offshore fund	622	49
Total taxation (note 5a)	1,360	810

c) Provision for deferred tax

	2023	2022
	£000s	£000s
Opening provision	589	540
Deferred tax charge (note 5a)	595	49
Closing provision	1,184	589

6. Distributions
The distributions take account of revenue added on the issue of shares and revenue deducted on the cancellation of shares and comprise:

	2023	2022
	£000s	£000s
Final accumulation distribution	15,520	15,058
	15,520	15,058
Equalisation:		
Amounts deducted on cancellation of shares	1,976	371
Amounts added on issue of shares	(1,366)	(2,178)
Total net distributions	16,130	13,251

Reconciliation between net revenue and distributions:	2023	2022
	£000s	£000s
Net revenue after taxation per Statement of total return	8,858	7,921
Undistributed revenue brought forward	7	3
Expenses paid from capital	8,304	6,606
Marginal tax relief	(1,634)	(1,321)
Deferred taxation	595	49
Undistributed revenue carried forward	-	(7)
Distributions	16,130	13,251

Details of the distribution per share are disclosed in the Distribution table.

Notes to the financial statements (continued)
for the year ended 31 May 2023

7. Debtors

	2023	2022
	£000s	£000s
Amounts receivable on issue of shares	3,649	25,782
Sales awaiting settlement	22,116	17,189
Accrued revenue	35	3
Total debtors	25,800	42,974

8. Cash and bank balances

	2023	2022
	£000s	£000s
Cash and bank balances and amounts held at futures clearing houses and brokers	22,243	32,699
Bank overdraft (including futures overdraft)	(12,170)	(238)
Total cash and bank balances	10,073	32,461

9. Other creditors

	2023	2022
	£000s	£000s
Amounts payable on cancellation of shares	1,476	1,161
Purchases awaiting settlement	-	22,922
Accrued expenses:		
Payable to the ACD and associates		
Annual management charge	760	718
Other expenses:		
Overdraft interest	1	-
Total accrued expenses	761	718
Corporation tax payable	574	754
Deferred tax	1,184	589
Total other creditors	3,995	26,144

10. Commitments and contingent liabilities

At the balance sheet date there are no commitments or contingent liabilities (2022: same).

11. Share classes

The following reflects the change in shares in issue for each share class in the year:

	A Accumulation
Opening shares in issue	902,754,757
Total shares issued in the year	268,990,170
Total shares cancelled in the year	(276,201,439)
Closing shares in issue	895,543,488

For the year ended 31 May 2023, the annual management charge is 0.85%. The annual management charge includes the ACD's periodic charge, Investment Manager's fee and other permitted charges to the operation of the Sub-Fund.

Further information in respect of the return per share is disclosed in the Comparative table.

On the winding up of a Sub-Fund all the assets of the Sub-Fund will be realised and apportioned to the share classes in relation to the net asset value on the closure date. Shareholders will receive their respective share of the proceeds, net of liabilities and the expenses incurred in the termination in accordance with the FCA regulations. Each share class has the same rights on winding up.

Notes to the financial statements (continued)

for the year ended 31 May 2023

12. Related party transactions

True Potential Administration LLP, as ACD, is a related party due to its ability to act in respect of the operations of the Sub-Fund.

The ACD acts as principal in respect of all transactions of shares in the Sub-Fund. The aggregate monies received and paid through the creation and cancellation of shares are disclosed in the Statement of change in net assets attributable to shareholders of the Sub-Fund.

Amounts payable to the ACD and its associates are disclosed in note 4. The amount due to the ACD and its associates at the balance sheet date is disclosed in note 9.

13. Events after the balance sheet date

Subsequent to the year end, the net asset value per A Accumulation share has decreased from 108.95p to 108.8p as at 27 September 2023. This movement takes into account routine transactions but also reflects the market movements of recent months.

14. Transaction costs

a Direct transaction costs

Direct transaction costs include fees and commissions paid to advisers, brokers and dealers; levies by regulatory agencies and security exchanges; and transfer taxes and duties.

Commission is a charge which is deducted from the proceeds of the sale of securities and added to the cost of the purchase of securities. This charge is a payment to advisers, brokers and dealers in respect of their services in executing the trades.

Tax is payable on the purchase of securities in the United Kingdom. It may be the case that 'other taxes' will be charged on the purchase of securities in countries other than the United Kingdom.

The total purchases and sales and the related direct transaction costs incurred in these transactions are as follows:

	Purchases before transaction costs	Commission		Taxes		Other Expenses		Purchases after transaction costs
2023	£000s	£000s	%	£000s	%	£000s	%	£000s
Collective Investment Schemes	852,067	2	-	-	-	-	-	852,069
Total	852,067	2		-		-		852,069

Capital events amount of £8,480,000 (2022: £7,114,000) is excluded from the total purchases as there were no direct transaction costs charged in these transactions.

	Purchases before transaction costs	Commission		Taxes		Other Expenses		Purchases after transaction costs
2022	£000s	£000s	%	£000s	%	£000s	%	£000s
Collective Investment Schemes	827,470	6	-	-	-	-	-	827,476
Total	827,470	6		-		-		827,476

	Sales before transaction costs	Commissions		Taxes		Other Expenses		Sales after transaction costs
2023	£000s	£000s	%	£000s	%	£000s	%	£000s
Collective Investment Schemes	909,374	7	-	-	-	-	-	909,367
Total	909,374	7		-		-		909,367

Notes to the financial statements (continued)
for the year ended 31 May 2023

14. Transaction costs (continued)

2022	Sales before transaction costs £000s	Commissions £000s	%	Taxes £000s	%	Other Expenses £000s	%	Sales after transaction costs £000s
Collective Investment Schemes	313,452	1	-	-	-	-	-	313,451
Total	313,452	1		-		-		313,451

Summary of direct transaction costs

The following represents the total of each type of transaction cost, expressed as a percentage of the Sub-Fund's average net asset value in the year:

2023	£000s	% of average net asset value
Commission	9	0.00

2022	£000s	% of average net asset value
Commission	7	0.00

*No direct transaction costs were incurred in the purchase and sale of investments during the year (2022: same).

	2023		2022	
Summary of direct transaction costs	£000s	% of average net asset value	£000s	% of average net asset value
Derivatives	59	0.01	34	0.01

b Average portfolio dealing spread

The average portfolio dealing spread is calculated as the difference between the bid and offer value of the portfolio as a percentage of the offer value.

The average portfolio dealing spread of the investments at the balance sheet date was 0.01% (2022: 0.02%).

In pursuing the Sub-Fund's investment objective, as set out in the Prospectus, the following are accepted by the ACD as being the main risks from the Sub-Fund's holding of financial instruments, either directly or indirectly through its underlying holdings. These are presented with the ACD's policy for managing these risks. To ensure these risks are consistently and effectively managed these are continually reviewed by the risk committee, a body appointed by the ACD, which sets the risk appetite and ensures continued compliance with the management of all known risks.

a Market risk

Market risk is the risk that the value of the Sub-Fund's financial instruments will fluctuate as a result of changes in market prices and comprise three elements: other price risk, currency risk, and interest rate risk.

The method used to calculate the global exposure is absolute Value at risk (VaR). The calculation of the Absolute VaR is carried out in accordance with the following parameters: 99% one-sided confidence interval, 1 month (20 day) holding period, Monte Carlo simulation (10,000 simulations) ,1-year (250 day) history with time decay factor (weighting recent events).

A given fund's limit is based on its Risk profile. All of the positions within the fund (direct investments and derivatives) are taken into account for the VaR calculation, not just derivatives.

The below table shows the lowest, the highest and the average utilisation of the VaR limit calculated during the financial year, 01 June 2022 - 31 May 2023. Funds using the VaR approach disclose the level of leverage employed during the relevant period, using the gross method (sum of the notionals of the derivatives used).

Notes to the financial statements (continued)

for the year ended 31 May 2023

15 Risk management policies (continued)

	Lowest VaR %	Highest VaR %	Average VaR %	VaR Limit %	Average Level of leverage %	Typical expected Leverage %
True Potential Goldman Sachs Balanced	5.43	9.95	7.64	14.20	151.40	175

(i) Other price risk

The Sub-Fund's exposure to price risk comprises mainly of movements in the value of investment positions in the face of price movements.

The main elements of the portfolio of investments exposed to this risk are collective investment schemes.

This risk is generally regarded as consisting of two elements: stock specific risk and market risk. Through these two factors, the Sub-Fund is exposed to price fluctuations, which are monitored by the ACD in pursuance of the investment objective and policy.

Adhering to investment guidelines and avoiding excessive exposure to one particular issuer can limit stock specific risk. Subject to compliance with the investment objective of the Sub-Fund, spreading exposure in the portfolio of investments both globally and across sectors or geography can mitigate market risk.

At 31 May 2023, if the price of the investments held by the Sub-Fund increased or decreased by 5%, with all other variables remaining constant, then the net assets attributable to shareholders of the Sub-Fund would increase or decrease by approximately £47,188,000 (2022: £47,651,000).

(ii) Currency risk

Currency risk is the risk that the value of investments or future cash flows will fluctuate as a result of exchange rate movements. Investment in overseas securities or holdings of foreign currency cash will provide direct exposure to currency risk as a consequence of the movement in foreign exchange rates against sterling. Investments in UK securities investing in overseas securities will give rise to indirect exposure to currency risk. These fluctuations can also affect the profitability of some UK companies, and thus their market prices, as sterling's relative strength or weakness can affect export prospects, the value of overseas earnings in sterling terms, and the prices of imports sold in the UK.

Forward currency contracts are used to help the Sub-Fund achieve its investment objective as stated in the Prospectus. The ACD monitors the exposure to these contracts to ensure they are in keeping with the investment objective.

The foreign currency risk profile of the Sub-Fund's financial instruments and cash holdings at the balance sheet date is as follows:

2023	Total net foreign currency exposure* £000s
Australian dollar	(52)
Canadian dollar	(123)
Euro	836
Hong Kong dollar	(65)
Japanese yen	135
Singapore dollar	(13)
Swedish krona	(8)
Swiss franc	49
US dollar	435,929
Total net foreign currency exposure	436,688

Notes to the financial statements (continued)

for the year ended 31 May 2023

15 Risk management policies (continued)

2022	Total net foreign currency exposure* £000s
Australian dollar	(55)
Canadian dollar	26
Euro	644
Hong Kong dollar	36
Japanese yen	(21)
Singapore dollar	(37)
Swedish krona	34
Swiss franc	(29)
US dollar	439,473
Total net foreign currency exposure	440,071

At 31 May 2023, if the value of sterling increased or decreased by 5% against all other currencies, with all other variables remaining constant, then the net assets attributable to shareholders of the Sub-Fund would increase or decrease by approximately £7,264,000 (2022: £8,394,000). Forward currency contracts are used to manage the portfolio exposure to currency movements.

* Please note the financial instruments and cash holdings and net debtors and creditors has been merged with total net foreign currency exposure.

(iii) Interest rate risk

Interest rate risk is the risk that the value of the Sub-Fund's investments will fluctuate as a result of interest rate changes.

During the year the Sub-Fund's direct exposure to interest rates consisted of cash and bank balances.

The amount of revenue receivable from floating rate securities and bank balances or payable on bank overdrafts will be affected by fluctuations in interest rates.

The Sub-Fund has indirect exposure to interest rate risk as it invests in bond funds.

In the event of a change in interest rates, there would be no material impact upon the net assets of the Sub-Fund.

The Sub-Fund would not in normal market conditions hold significant cash balances and would have limited borrowing capabilities as stipulated in the COLL rules.

Derivative contracts are not used to hedge against the exposure to interest rate risk.

There is no significant exposure to interest bearing securities at the balance sheet date.

b Credit risk

This is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. This includes counterparty risk and issuer risk.

The Depositary has appointed the custodian to provide custody services for the assets of the Sub-Fund. There is a counterparty risk that the custodian could cease to be in a position to provide custody services to the Sub-Fund. The Sub-Fund's investments (excluding cash) are ring fenced hence the risk is considered to be negligible.

Notes to the financial statements (continued)
for the year ended 31 May 2023

15 Risk management policies (continued)

The Sub-Fund holds cash and cash deposits with financial institutions which potentially exposes the Sub-Fund to counterparty risk. The credit rating of the financial institution is taken into account so as to minimise the risk to the Sub-Fund of default.

Holdings in collective investment schemes are subject to direct credit risk. The exposure to pooled investment vehicles is unrated.

c Liquidity risk

A significant risk is the cancellation of shares which investors may wish to sell and that securities may have to be sold in order to fund such cancellations if insufficient cash is held at the bank to meet this obligation. If there were significant requests for the redemption of shares at a time when a large proportion of the portfolio of investments were not easily tradable due to market volumes or market conditions, the ability to fund those redemptions would be impaired and it might be necessary to suspend dealings in shares in the Sub-Fund.

Investments in smaller companies at times may prove illiquid, as by their nature they tend to have relatively modest traded share capital. Shifts in investor sentiment, or the announcement of new price sensitive information, can provoke significant movement in share prices, and make dealing in any quantity difficult.

The Sub-Fund may also invest in securities that are not listed or traded on any stock exchange. In such situations the Sub-Fund may not be able to immediately sell such securities.

To reduce liquidity risk the ACD will ensure, in line with the limits stipulated within the COLL rules, a substantial portion of the Sub-Fund's assets consist of readily realisable securities. This is monitored on a monthly basis and reported to the Risk Committee together with historical outflows of the Sub-Fund.

In addition liquidity is subject to stress testing on an annual basis to assess the ability of the Sub-Fund to meet large redemptions (50% of the net asset value and 80% of the net asset value), while still being able to adhere to its objective guidelines and the FCA investment borrowing regulations.

All of the financial liabilities are payable on demand. In the case of forward foreign currency contracts these are payable in less than one year.

d Fair value of financial assets and financial liabilities

There is no material difference between the value of the financial assets and liabilities, as shown in the balance sheet, and their fair value.

To ensure this, the fair value pricing committee is a body appointed by the ACD to analyse, review and vote on price adjustments/maintenance where no current secondary market exists and/or where there are potential liquidity issues that would affect the disposal of an asset. In addition, the committee may also consider adjustments to the Sub-Fund's price should the constituent investments be exposed to closed markets during general market volatility or instability.

	Investment assets	Investment liabilities
Basis of valuation	2023	2023
	£000s	£000s
Quoted prices	35,407	(443)
Observable market data	908,821	(11)
Unobservable data	-	-
	944,228	(454)

Notes to the financial statements (continued)

for the year ended 31 May 2023

15 Risk management policies (continued)

Basis of valuation	Investment assets 2022 £000s	Investment liabilities 2022 £000s
Quoted prices	62,891	(2,896)
Observable market data	909,661	(16,634)
Unobservable data	-	-
	972,552	(19,530)

No securities in the portfolio of investments are valued using valuation techniques.

e Assets subject to special arrangements arising from their illiquid nature

There are no assets held in the portfolio of investments which are subject to special arrangements arising from their illiquid nature.

f Derivatives

The Sub-Fund may employ derivatives with the aim of reducing the Sub-Fund's risk profile, reducing costs or generating additional capital or revenue, in accordance with Efficient Portfolio Management.

The ACD monitors that any exposure is covered globally to ensure adequate cover is available to meet the Sub-Fund's total exposure, taking into account the value of the underlying investments, any reasonably foreseeable market movement, counterparty risk, and the time available to liquidate any positions.

In the year there was direct exposure to derivatives. On a daily basis, exposure is calculated in UK sterling using the Absolute Value at Risk (VaR) approach with netting applied where appropriate. The total global exposure figure is divided by the net asset value of the Sub-Fund to calculate the percentage global exposure. Global exposure is a risk mitigation technique that monitors the overall commitment to derivatives in the Sub-Fund at any given time and may not exceed 100% of the net asset value of the property of the Sub-Fund.

For certain derivative transactions cash margins may be required to be paid to the brokers with whom the trades were executed and settled. These balances are subject to daily reconciliations and are held by the broker in segregated cash accounts that are afforded client money protection.

Derivatives may be used for investment purposes and as a result could potentially impact upon the risk factors outlined above.

(i) Counterparties

Transactions in securities give rise to exposure to the risk that the counterparties may not be able to fulfil their responsibility by completing their side of the transaction. This risk is mitigated by the Sub-Fund using a range of brokers for security transactions, thereby diversifying the risk of exposure to any one broker. In addition the Sub-Fund will only transact with brokers who are subject to frequent reviews with whom transaction limits are set.

The Sub-Fund may transact in derivative contracts which potentially exposes the Sub-Fund to counterparty risk from the counterparty not settling their side of the contract. Transactions involving derivatives are entered into only with investment banks and brokers with appropriate and approved credit rating, which are regularly monitored. Forward currency transactions are only undertaken with the custodians appointed by the Depositary.

At the balance sheet date, there are no securities in the portfolio of investments subject to a repurchase agreement.

(ii) Leverage

The leverage is calculated as the sum of the net asset value and the incremental exposure generated through the use of derivatives (calculated in accordance with the Absolute Value at Risk (VaR) approach) divided by the net asset value.

As at the balance sheet date, the leverage was 159.29%.

Notes to the financial statements (continued)

for the year ended 31 May 2023

15 Risk management policies (continued)

(iii) Global exposure

Global exposure is a measure designed to limit the leverage generated by a fund through the use of financial derivative instruments, including derivatives with embedded assets.

At the balance sheet date the global exposure is as follows:

	Gross exposure value £000s	% of the total net asset value
Futures		
ICF - FTSE 100 Index June 2023	5,067	0.52
ICF - Long Gilt September 2023	31,747	3.25
EOP - CAC 40 Index June 2023	4,580	0.47
CME - E Mini S&P 500 Index June 2023	55,619	5.70
EUREX - DAX Index June 2023	1,347	0.14
MFM - IBEX 35 Index June 2023	155	0.01
MSE - S&P 60 Index June 2023	2,933	0.30
SSE - OMX Index June 2023	2,158	0.22
SGX - MSCI Singapore Index June 2023	576	0.06
OSE- Topix Index June 2023	5,770	0.59
HKG - Hang Seng Index June 2023	657	0.07
CBT - US 10 Year Note September 2023	123,113	12.62
CBT - US Ultra Bond September 2023	31,806	3.26
CBT - US 2 Year Note September 2023	31,387	3.22
Forward currency contracts		
Value of short position – Euro	1,042	0.11
Value of short position – US dollar	280,500	28.75

The Sub-Fund holds 'Over the Counter' (OTC) derivatives. This type of transaction gives rise to counterparty risk whereby the other party to the transaction may fail to fulfil their contractual obligations. Effective monitoring of counterparty credit risk is an important element of the management of the Sub-Fund.

Collateral arrangements are actively managed, ensuring cash or securities are pledged against the performance of a contract where necessary. This mitigates any potential negative impact on the Sub-Fund in the unlikely event of a counterparty default. Whether or not each position is collateralised depends on whether a net liability is held with each counterparty, the specific agreements with individual counterparties and de minimis thresholds. As such there will be instances where the Sub-Fund is not required to hold collateral.

Notes to the financial statements (continued)

for the year ended 31 May 2023

15 Risk management policies (continued)

The counterparty, collateral amount and type held by the Sub-Fund as at the 31 May 2023 is detailed in the table below.

Counterparty	Collateral classification	Collateral value
MORGAN STANLEY & CO. LLC	GSAM HOLD	£3,865,724

Remuneration

True Potential Administration LLP (TPA) has established a Remuneration Policy in accordance with the SYSC 19E (UCITS Remuneration code) FCA rules. The policy is designed to ensure that TPA's remuneration practises are consistent and promote sound and effective risk management, do not encourage risk taking which is inconsistent with the risk profiles of the funds that TPA manages and do not impair TPA's duties to act in accordance with the interests of the funds.

The TPA board of directors is responsible for the exercise of competent and independent judgement on the remuneration policies and practices and the incentives created for managing risk.

The remuneration policy is intended to ensure the continued ability to attract and retain the most qualified employees and to provide a solid basis for succession planning, in connection with the annual assessment of the remuneration of the code staff, developments in market practice are assessed systematically.

Pay is designed to reflect success or failure against a range of competencies which are assessed annually. These competencies for staff covering both financial and non- financial metrics include specific behavioural competencies and compliance matters. When determining compensation, including variable compensation, managers and the Board will consider:

- Overall firm performance
- Collective performance of the relevant team; and,
- Individual performance relative to role requirements (including performance against agreed financial and non-financial objectives where relevant) and with specific attention to stand out performance.

Board considerations may also include, but are not limited to:

- The appropriate balance between fixed and variable components of remuneration.
- Restrictions on guaranteed remuneration and early termination payments
- Payment of variable remuneration in the form of units/shares in the funds managed by TPA;
- Deferral periods; and
- Performance adjustments.

Table to show the aggregate remuneration split by senior Management, other MRTs and Administrative staff for TPA	Financial Year ending 31 December 2022			
	Fixed £000	Variable £000	Total £000	Number
Senior Management	401	9	410	3
Other MRTs	0	0	0	0
Administrative staff	512	61	573	14
Total	913	70	983	17

Further Information

Distributions and reporting dates

Where net revenue is available it is distributed/allocated from the Sub-Funds as below. In the event of a distribution, shareholders will receive a tax voucher.

XD dates	1 June	Final	payment/ allocation dates	31 July	True Potential Close Brothers Balanced
					True Potential Close Brothers Growth
					True Potential Goldman Sachs Balanced

XD dates	1 June	Final	payment/ allocation dates	31 July	True Potential Close Brothers Cautious
	1 December	Interim		31 Jan	True Potential 7IM Defensive
					True Potential 7IM Cautious
					True Potential 7IM Balanced
					True Potential 7IM Growth
					True Potential 7IM Aggressive
					True Potential UBS Defensive
					True Potential UBS Cautious
					True Potential UBS Balanced
					True Potential UBS Growth
					True Potential UBS Aggressive

XD dates	1 March	Quarter 1	payment/ allocation dates	28 April	True Potential Close Brothers Cautious Income
	1 June	Interim		31 July	True Potential SEI Defensive
	1 September	Quarter 3		31 October	True Potential SEI Cautious
	3 December	Final		31 January	True Potential SEI Balanced
					True Potential SEI Growth
					True Potential SEI Aggressive

XD dates	3 July	Month 1	payment/ allocation dates	31 July	True Potential Goldman Sachs Income Builder
	1 August	Month 2		31 August	
	1 September	Month 3		29 September	
	2 October	Month 4		31 October	
	1 November	Month 5		30 November	
	1 December	Month 6		29 December	
	3 January	Month 7		31 January	
	1 February	Month 8		28 February	
	1 March	Month 9		31 March	
	3 April	Month 10		28 April	
	2 May	Month 11		31 May	
	3 June	Final		30 June	

Reporting dates	31 May	Annual	All Sub-Funds
	30 November	Interim	All Sub-Funds

Buying and selling shares

The property of the Sub-Funds is valued at 5pm on each business day, and the prices of shares are calculated as at that time. Share dealing is on a forward basis i.e. investors can buy and sell shares at the next valuation point following receipt of the order.

The minimum initial investment and holding apply to the Sub-Funds as follows:

	Minimum initial Investment and holding
A Income shares	£1
A Accumulation shares	£1
B Income shares*	£100,000
B Accumulation shares*	£100,000

* Share class not currently available for investment.

The minimum initial and subsequent investment amounts, minimum holding requirements and the preliminary and redemption charges may be waived by the ACD at its discretion. Further details of this can be found within the prospectus.

Benchmark

True Potential SEI Defensive, True Potential UBS Defensive, True Potential 7IM Defensive

The Sub-Fund's performance can be assessed by comparison to the Investment Association's Mixed Investment 0-35% Shares Sector Average (as a comparator benchmark). The benchmark may be used as a guide to compare and assess the performance of the Sub-Fund. Our aim is to help you monitor how your investment is performing. The ACD believes this is an appropriate comparator benchmark, given the multi-asset nature and relative risk profile of the Sub-Fund. The Sub-Fund does not use the benchmark as a target, nor is the Sub-Fund constrained by it. The mix of assets in the Sub-Fund may vary from those of the benchmark (and its constituents). Accordingly, it should be used for reference purposes only

True Potential SEI Cautious, True Potential Close Brothers Cautious Income, True Potential Close Brothers Cautious, True Potential UBS Cautious, True Potential 7IM Cautious

The Sub-Fund's performance can be assessed by comparison to the Investment Association's Mixed Investment 20-60% Shares Sector Average (as a comparator benchmark). The benchmark may be used as a guide to compare and assess the performance of the Sub-Fund. Our aim is to help you monitor how your investment is performing. The ACD believes this is an appropriate comparator benchmark, given the multi-asset nature and relative risk profile of the Sub-Fund. The Sub-Fund does not use the benchmark as a target, nor is the Sub-Fund constrained by it. The mix of assets in the Sub-Fund may vary from those of the benchmark (and its constituents). Accordingly, it should be used for reference purposes only.

True Potential Close Brothers Balanced, True Potential SEI Balanced, True Potential Goldman Sachs Balanced, True Potential UBS Balanced, True Potential 7IM Balanced, True Potential Goldman Sachs Income Builder

The Sub-Fund's performance can be assessed by comparison to the Investment Association's Mixed Investment 40-85% Shares Sector Average (as a comparator benchmark). The benchmark may be used as a guide to compare and assess the performance of the Sub-Fund. Our aim is to help you monitor how your investment is performing. The ACD believes this is an appropriate comparator benchmark, given the multi-asset nature and relative risk profile of the Sub-Fund. The Sub-Fund does not use the benchmark as a target, nor is the Sub-Fund constrained by it. The mix of assets in the Sub-Fund may vary from those of the benchmark (and its constituents). Accordingly, it should be used for reference purposes only.

True Potential SEI Growth, True Potential UBS Growth, True Potential 7IM Aggressive, True Potential Close Brothers Growth , True Potential SEI Aggressive, True Potential UBS Aggressive, True Potential 7IM Growth

The Sub-Fund's performance can be assessed by comparison to the Investment Association's Flexible Investment Shares Sector Average (as a comparator benchmark). The benchmark may be used as a guide to compare and assess the performance of the Sub-Fund. Our aim is to help you monitor how your investment is performing. The ACD believes this is an appropriate comparator benchmark, given the multi-asset nature and relative risk profile of the Sub-Fund. The Sub-Fund does not use the benchmark as a target, nor is the Sub-Fund constrained by it. The mix of assets in the Sub-Fund may vary from those of the benchmark (and its constituents). Accordingly, it should be used for reference purposes only.

Appointments

ACD and Registered Office
True Potential Administration LLP
Newburn House
Gateway West
Newcastle Upon Tyne NE15 8NX
Telephone: 0191 500 8807
Authorised and regulated by the Financial Conduct Authority

Administrator and Registrar
True Potential Administration LLP
Newburn House
Gateway West
Newcastle Upon Tyne NE15 8NX
Telephone: 0191 500 8807
Authorised and regulated by the Financial Conduct Authority

Partners of the ACD
Peter Coward
Thomas Finch (appointed 28 November 2022)
Neil Johnson (resigned 28 February 2023)
Keith McDonald
Michael Martin
Brian Shearing
Christine Montgomery (resigned 21 December 2022)
Fiona Laver (appointed 04 May 2023)
Simon White
True Potential LLP

Independent Non-Executive Partners of the ACD
Michael Martin
Christine Montgomery (resigned 21 December 2022)
Fiona Laver (appointed 04 May 2023)
Simon White

Non-Executive Partners of the ACD
Peter Coward

Investment Manager
True Potential Investments LLP
Newburn House
Gateway West
Newcastle Upon Tyne NE15 8NX
Authorised and regulated by the Financial Conduct Authority

Depositary
HSBC Bank plc
8 Canada Square
London E14 5HQ
Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority

Auditor
Johnston Carmichael LLP
Bishop’s Court
29 Albyn Place
Aberdeen AB10 1YL