

**True Potential Unit Trust Annual Report**  
for the year ended 07 March 2026

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

True Potential Administration (trading name of True Potential Administration LLP), as AFM, presents herewith the True Potential Unit Trust Annual Report for the year ended 07 March 2026.

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

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

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

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

The base currency of the Unit Trust is UK sterling.

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

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

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

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

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

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

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

### **Sub-Funds**

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

True Potential Threadneedle Monthly Income

## Changes affecting the Unit Trust during the year

As of 16 February 2026, the Sub-Fund's dilution methodology changed. Previously, a uniform threshold of  $\pm 1\%$  net subscriptions or redemptions was applied across all sub-funds of the Scheme in order to determine when a dilution adjustment may be triggered. Under the revised approach, the AFM has adopted Sub-Fund specific thresholds that more accurately reflect the characteristics of each Sub-Fund.

Details can be found in the Fund Changes Circular at <http://www.truepotential.co.uk/fund-administration/#fund-documents>

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




Henrietta Jowitt

Chief Executive Officer

True Potential Administration LLP

18 June 2026



Helen Webster

Head of Product

True Potential Administration LLP

18 June 2026

## Statement of the Authorised Fund Manager's Responsibilities

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

In preparing the financial statements the AFM is responsible for:

- selecting suitable accounting policies and then applying them consistently;
- making judgements and estimates that are reasonable and prudent;
- following UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland;
- complying with the disclosure requirements of the Statement of Recommended Practice for UK Authorised Funds published by The Investment Association in May 2014, as amended in 2017;
- keeping proper accounting records which enable it to demonstrate that the financial statements as prepared comply with the above requirements;
- assessing the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern;
- using the going concern basis of accounting unless they either intend to liquidate the Trust or to cease operations, or have no realistic alternative but to do so;
- such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error;
- taking reasonable steps for the prevention and detection of fraud and irregularities; and
- the maintenance and integrity of the Trust's information on the AFM's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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

## **Statement of the Trustee's Responsibilities in Respect of the Scheme and Report of the Trustee to the Unitholders of True Potential Unit Trust ("the Trust") for the year ended 07 March 2026**

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

The Trustee must in the context of its role act honestly, fairly, professionally, independently and in the interests of the Trust and its investors. The Trustee is responsible for the safekeeping of all custodial assets and maintaining a record of all other assets of the Trust in accordance with the Regulations.

The Trustee must ensure that:

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

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

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

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

Northern Trust Investor Services Limited

UK Trustee and Depositary Services

18 June 2026

## Independent Auditor's report to the unitholders of True Potential Unit Trust

### Opinion

We have audited the financial statements of True Potential Unit Trust ('the Trust') for the year ended 07 March 2026, which comprise the Statement of Total Return, Statement of Changes in Net Assets Attributable to Unitholders, Balance Sheet, the related Notes to the Financial Statements, including significant accounting policies and the Distribution Tables. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the financial position of the Trust as at 07 March 2026 and of the net revenue and the net capital gains on the scheme property of the Trust for the year then ended;
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- Have been prepared in accordance with the Investment Association Statement of Recommended Practice for Authorised Funds, the rules of the Collective Investment Schemes Sourcebook (COLL Rules) of the Financial Conduct Authority and the Trust Deed.

### Basis for opinion

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

### Conclusions relating to going concern

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

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

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

### Other information

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

We have nothing to report in this regard.

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

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

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

## Independent Auditor's report to the unitholders of True Potential Unit Trust (continued)

### Responsibilities of Manager

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

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

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

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

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

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

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

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

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

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

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

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

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

We identified a heightened fraud risk in relation to:

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

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

- Reviewing the level of and reasoning behind the Trust's procurement of legal and professional services;
- Performing audit 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 assessing judgements made by the Manager in its calculation of accounting estimates for potential management bias;
- Using a third-party independent data source to assess the completeness of the special dividend population and determining whether special dividends recognised were revenue or capital in nature with reference to the underlying circumstances of the investee companies' dividend payments;

## Independent Auditor's report to the unitholders of True Potential Unit Trust (continued)


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

- Assessing the Trust's compliance with the key requirements of the Collective Investment Schemes Sourcebook, and its Prospectus;
- Completion of appropriate checklists and use of our experience to assess the Trust's compliance with the IA Statement of Recommended Practice for Authorised Funds; and
- Agreement of the financial statement disclosures to supporting documentation.

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

### *Use of this report*

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



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

18 June 2026

## Accounting policies of True Potential Unit Trust

for the year ended 07 March 2026

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

### A Basis of accounting

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

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

### B Valuation of investments

The purchase and sale of investments are included up to close of business on 07 March 2026, 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 3pm on 07 March 2026 with reference to quoted bid prices or other observable market inputs obtained from reliable external sources.

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

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

### C Foreign exchange

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

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

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

### D Revenue

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

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

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

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

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

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

### E Expenses

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

Bank interest paid is charged to revenue.

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

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

## Accounting policies of True Potential Unit Trust (continued)

for the year ended 07 March 2026

### G Taxation

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

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

Deferred taxation is provided in full on timing differences that result in an obligation at 07 March 2026 to pay more or less tax, at a future date, at rates expected to apply when they crystallise based on current rates and tax laws. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax assets and liabilities are not discounted.

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

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

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

### H Efficient portfolio management

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

### I Dilution adjustment

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

### J Distribution policies

#### i Basis of distribution

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

#### ii Unclaimed distributions

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

#### iii Revenue

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

#### iv Expenses

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

#### v Equalisation

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

## True Potential Investments – Head of Investments' Foreword and Commentary

The Sub-Investment Manager report that follows is provided by True Potential Investments LLP's ("the Investment Manager") appointed Sub-Investment Manager Threadneedle Asset Management Limited. Threadneedle is responsible for managing the True Potential Threadneedle Monthly Income Sub-Fund, which seeks to achieve regular income growth with prospects of capital growth.

The Sub-Fund is managed against a reference allocation of 80% UK equities and 20% fixed income, with discretion to deviate by  $\pm 5\%$ . Asset exposure is achieved through direct investment in UK equities and corporate bonds, with the flexibility to allocate to overseas sterling denominated debt within the fixed income component. Portfolio yield is managed holistically, allowing a blend of traditional income generating companies and earlier stage businesses with stronger long term growth potential.

During the reporting year, the Sub-Fund delivered eleven equal, smoothed monthly income payments, followed by a final balancing distribution at year end. The smoothing payments only applied to the Income Unit class.

Within equities, the portfolio underwent targeted repositioning. The Sub-Fund exited its position in Direct Line prior to its takeover and reallocated capital into Aviva, where integration synergies, the potential for earnings upgrades, and the prospect of capital returns in 2026 support a more constructive outlook. New positions in Diageo, Croda, and Schroders were initiated to capture opportunities stemming from stabilising earnings, improving free cash flow profiles, and attractive valuation levels. Positions in Babcock International and Reckitt Benckiser were fully exited during the year.

Within fixed income, the Sub-Investment Manager reduced the Sub-Fund's overweight exposure to credit risk from 35% to 32% over the year. Retail and financial services remained the largest sector underweights, while utilities continued to represent a key overweight position. Exposure to telecoms, previously the largest overweight, was reduced as part of ongoing risk management.

Despite macroeconomic headwinds, including the energy price shock early in 2026 linked to geopolitical tensions in the Middle East, strong overseas earnings exposure, resilient corporate profitability, and sustained interest from overseas acquirers and private equity firms underpins the Sub-Investment Manager's constructive medium term outlook.

Finally, during the year, there was a change in leadership within the fixed income team. With effect from 2 March 2026, Andrew Dewar assumed the role of Lead Portfolio Manager for the fixed income component of the Monthly Income Sub-Fund, with his predecessor, Alasdair Ross, transitioning to the role of Deputy Portfolio Manager.

Kevin Kidney  
Head of Investments  
True Potential Investments LLP  
27 March 2026

**True Potential Threadneedle Monthly Income****Sub-Investment Manager's report**

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

**Performance**

	Reporting Period (%)	1-year (%)	3-year (%)	5-year (%)	Since Launch (%)
True Potential Threadneedle Monthly Income (Acc)	12.87	12.87	10.15	7.89	6.91
Morningstar UK Moderately Adventurous Target Allocation Index	14.10	14.10	10.70	8.03	8.45

Source: Morningstar, 07 March 2026, net of fees (annualised). Sub-Fund Launch: 08 January 2016

Over the year to 7 March 2026, the fund underperformed the Morningstar UK Moderately Adventurous Target Allocation Index - Net Return.

**Sub-Investment Activities**

Within equities, we sold Direct Line ahead of its takeover by Aviva and used the proceeds to open a position in the latter. Aviva is discounted to European peers but should benefit from synergies from the integration of Direct Line. We see potential for earnings upgrades and a resumption in capital returns in 2026.

Other new positions included Diageo, Croda International and Schroders.

While alcoholic beverage maker Diageo has underperformed amid post-Covid destocking, earnings now seem to have stabilised, and the balance sheet looks reasonable. Meanwhile, the company has built a great franchise, and its competitive moats remain intact.

Croda produces ingredients for use in the industrials, life sciences and consumer care sectors. Increased focus on cost controls along with lower capital expenditure should help improve free cash flow in 2026.

Global asset manager Schroders is a high-quality franchise that was trading at an attractive valuation. Shares surged after the company agreed to a takeover by US rival Nuveen in February 2026 at a considerable premium.

We exited Babcock International and Reckitt Benckiser.

Within fixed income, we trimmed our overweight in credit risk over the year. Spread duration remained below the benchmark. We remained most underweight in retail and financial services. The utilities sector remained a key overweight but we reduced exposure to telecoms, which had been the biggest overweight at the start of the year.

**Market View and Outlook**

The US exceptionalism trade was challenged in 2025, while the UK market outperformed. However, UK stocks remain undervalued and should be attractive for asset allocators looking to diversify from the US.

Concerns about the UK's elevated government borrowing and inflation have been recently compounded by the Iran conflict and the resulting surge in oil and gas prices. Consequently, markets have scaled back forecasts for further UK interest-rate cuts. Despite this, households' Covid-era "piggy banks" are still largely intact, and, given the rise in house prices, there is potential to draw on home equity.

Additionally, with 75% of the UK market's revenues coming from overseas, UK businesses are generally resilient to any potential domestic economic headwinds. Moreover, corporate earnings are robust, and we expect UK companies to remain attractive targets for overseas takeover and private-equity bids.

Our focus remains on long-term ownership, quality stewardship and company fundamentals to target strong risk-adjusted returns.

In credit, valuations are rich, but technicals remain supportive: Investment grade credit (IG) still offers an attractive yield premium over equities, while strong demand from long-horizon investors should continue to anchor spreads.

**Sub-Investment Manager's report (continued)**

**Market View and Outlook (continued)**

However, the upsides from further spread tightening are now asymmetric.

The IG market looks poised for solid, carry-driven total returns, but with greater differentiation under the surface. Market leadership should rotate towards issuers with resilient balance sheets, which operate in regulated or infrastructure-linked sectors, and are positioned to navigate a new, more selective credit regime.

Threadneedle Asset Management Limited  
23 March 2026

**Portfolio changes***for the year ended 07 March 2026*

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

	Cost £000s
Purchases:	
UK Treasury Gilt 4.125% 22/07/2029	9,561
Diageo	7,302
Aviva	4,887
Croda International	4,175
UK Treasury Gilt 4.25% 07/06/2032	3,898
UK Treasury Gilt 3.50% 22/01/2045	3,850
UK Treasury Gilt 4.375% 31/07/2054	3,782
Schroders	3,348
WPP	3,223
UK Treasury Gilt 4.375% 07/03/2030	2,709
Subtotal	<u>46,735</u>
Total cost of purchases, including the above, for the year	<u><u>98,001</u></u>

	Proceeds £000s
Sales:	
UK Treasury Gilt 4.125% 22/07/2029	9,832
Babcock International Group	8,633
Reckitt Benckiser Group	5,926
Direct Line Insurance Group	4,596
UK Treasury Gilt 3.50% 22/01/2045	4,265
UK Treasury Gilt 4.25% 07/06/2032	3,902
UK Treasury Gilt 4.375% 31/07/2054	2,969
Imperial Brands	2,864
UK Treasury Gilt 4.5% 07/06/2028	2,059
Kreditanstalt fuer Wiederaufbau 0.75% 07/12/2027	1,956
Subtotal	<u>47,002</u>
Total proceeds from sales, including the above, for the year	<u><u>70,376</u></u>

**Portfolio statement**

as at 07 March 2026

Investment	Nominal value or holding	Market value £000s	% of total net assets
Debt Securities - 22.20% (24.66%)			
Corporate Bonds - 21.02% (23.01%)			
ABP Finance 5.625% 14/04/2035	£159,000	159	0.05
ABP Finance 5.875% 19/06/2037	£100,000	100	0.03
Accent Capital 2.625% 18/07/2049	£100,000	57	0.02
Allianz 6.55% Perpetual	\$200,000	154	0.05
Alphabet 5.5% 13/11/2041	£868,000	848	0.26
Amgen 5.65% 02/03/2053	\$261,000	192	0.06
Amplus Living 3.25% 15/05/2043	£200,000	138	0.04
Anglian Water Osprey Financing 2% 31/07/2028	£200,000	185	0.06
Anglian Water Osprey Financing 6.75% 27/08/2031	£275,000	282	0.09
Anglian Water Services Financing 2.625% 15/06/2027	£100,000	97	0.03
Anglian Water Services Financing 6% 20/06/2039	£320,000	304	0.09
APA 6.1% 15/02/2035	\$290,000	225	0.07
APA Infrastructure 2.5% 15/03/2036	£500,000	372	0.11
APA Infrastructure 3.125% 18/07/2031	£400,000	361	0.11
Aroundtown 3% 16/10/2029	£877,000	801	0.25
Aroundtown 3.625% 10/04/2031	£310,000	281	0.09
Aroundtown 5.25% 11/12/2032	£200,000	191	0.06
Arqiva Financing 7.21% 30/06/2045	£323,000	331	0.10
AT&T 4.25% 01/06/2043	£1,439,000	1,119	0.34
AT&T 7% 30/04/2040	£250,000	268	0.08
Aviva 4% 03/06/2055	£200,000	170	0.05
Aviva 4.375% VRN 12/09/2049*	£172,000	167	0.05
Aviva 5.125% VRN 04/06/2050*	£100,000	99	0.03
Aviva 6.875% 27/11/2053	£626,000	660	0.20
Bacardi-Martini 6% 01/02/2035	\$850,000	654	0.20
Banco Santander 4.75% VRN 30/08/2028*	£300,000	301	0.09
Banco Santander 5.375% 17/01/2031	£300,000	307	0.09
Bank of America 1.667% VRN 02/06/2029*	£643,000	603	0.18
Bank of Ireland Group 7.594% 06/12/2032	£200,000	207	0.06
Banque Federative du Credit Mutuel 5% 22/10/2029	£100,000	101	0.03
Barclays 5.746% VRN 31/07/2032*	£247,000	251	0.08
Barclays 5.851% VRN 21/03/2035*	£1,001,000	1,004	0.31
Barclays 6.692% VRN 13/09/2034*	\$490,000	402	0.12
Barclays 8.407% 14/11/2032	£306,000	322	0.10
BAT International Finance 2.25% 26/06/2028	£532,000	504	0.15
BAT International Finance 6% 24/11/2034	£152,000	156	0.05
Blend Funding 2.922% 05/04/2056	£426,000	243	0.07

**Portfolio statement (continued)**

as at 07 March 2026

Investment	Nominal value or holding	Market value £000s	% of total net assets
Debt Securities - 22.20% (24.66%) (continued)			
Corporate Bonds - 21.02% (23.01%) (continued)			
Blend Funding 3.459% 21/09/2049	£170,000	115	0.04
BNP Paribas 5.75% 13/06/2032	£100,000	102	0.03
BNP Paribas 6% 18/08/2029	£700,000	721	0.22
Boeing 3.75% 01/02/2050	\$225,000	123	0.04
Boeing 6.858% 01/05/2054	\$223,000	188	0.06
BP Capital Markets 5.773% 25/05/2038	£462,000	466	0.14
BPCE 2.5% 30/11/2032	£300,000	288	0.09
BPCE 5.125% 23/12/2033	£300,000	293	0.09
British Telecommunications 5.75% 13/02/2041	£100,000	95	0.03
Broadgate Financing 4.821% 05/07/2036	£115,000	112	0.03
Broadgate Financing 5.098% 05/04/2035	£126,500	123	0.04
Bromford Flagship Livewest 3.125% 03/05/2048	£200,000	129	0.04
Bromford Flagship Livewest 6.072% 14/07/2050	£100,000	99	0.03
Bunzl Finance 1.5% 30/10/2030	£146,000	126	0.04
Bunzl Finance 5.75% 18/03/2036	£432,000	433	0.13
BUPA Finance 4% VRN Perpetual*	£300,000	255	0.08
Cadent Finance 2.25% 10/10/2035	£400,000	297	0.09
Cadent Finance 2.625% 22/09/2038	£730,000	507	0.16
Cadent Finance 2.75% 22/09/2046	£583,000	340	0.10
Carnival 4.125% 15/07/2031	€235,000	206	0.06
Church Commissioners for England 3.625% 14/07/2052	£100,000	70	0.02
Comcast 5.25% 26/09/2040	£230,000	211	0.06
Commerzbank 4.125% 30/06/2037	€200,000	173	0.05
Commerzbank 5% VRN 15/10/2031*	£400,000	397	0.12
Commerzbank 8.625% 28/02/2033	£300,000	318	0.10
Cooperatieve Rabobank UA 4.625% 23/05/2029	£306,000	304	0.09
Co-Operative Bank Holdings 6% 06/04/2027	£100,000	100	0.03
CPI Property Group 1.5% 27/01/2031	€185,000	133	0.04
CPI Property Group 4.75% 22/07/2030	€131,000	111	0.03
Credit Agricole 1.874% 09/12/2031	£100,000	98	0.03
Credit Agricole 4.875% 23/10/2029	£900,000	902	0.28
Danske Bank 4.625% 13/04/2027	£258,000	258	0.08
Danske Bank 6.5% 23/08/2028	£355,000	365	0.11
Deutsche Bank 1.875% VRN 22/12/2028*	£400,000	381	0.12
Deutsche Bank 6.125% VRN 12/12/2030*	£800,000	828	0.25
Digital Stout Holding 3.75% 17/10/2030	£540,000	510	0.16
E.ON International Finance 4.75% 31/01/2034	£400,000	384	0.12

**Portfolio statement (continued)**

as at 07 March 2026

Investment	Nominal value or holding	Market value £000s	% of total net assets
Debt Securities - 22.20% (24.66%) (continued)			
Corporate Bonds - 21.02% (23.01%) (continued)			
E.ON International Finance 6.25% 03/06/2030	£631,000	667	0.20
E.ON International Finance 6.375% 07/06/2032	£696,000	741	0.23
Eastern Power Networks 1.875% 01/06/2035	£100,000	74	0.02
Eastern Power Networks 5.375% 02/10/2039	£254,000	241	0.07
Electricite de France 4.75% 17/06/2044	€400,000	351	0.11
Electricite de France 5.125% 22/09/2050	£450,000	361	0.11
Electricite de France 5.5% 17/10/2041	£500,000	451	0.14
Electricite de France 5.625% 25/01/2053	£100,000	85	0.03
Electricite de France 6% 23/01/2114	£200,000	170	0.05
ENW Finance 4.893% 24/11/2032	£116,000	115	0.04
European Investment Bank 0.875% 15/05/2026	£830,000	826	0.25
Eversholt Funding 2.742% 30/06/2040	£227,540	196	0.06
Eversholt Funding 3.529% 07/08/2042	£100,000	80	0.02
Experian Finance 3.51% 15/12/2033	€561,000	480	0.15
Fiserv 3% 01/07/2031	£496,000	439	0.13
Gatwick Funding 5.5% 04/04/2042	£100,000	94	0.03
GE Capital UK Funding Unlimited 5.875% 18/01/2033	£561,000	587	0.18
Glencore Finance Europe 3.125% 26/03/2026	£100,000	100	0.03
Goldman Sachs Group 1.875% 16/12/2030	£297,000	260	0.08
Haleon UK Capital 3.375% 29/03/2038	£100,000	80	0.02
Hammerson 5.875% 08/10/2036	£100,000	99	0.03
Heathrow Funding 2.75% 09/08/2051	£570,000	318	0.10
Heathrow Funding 4.625% 31/10/2048	£250,000	198	0.06
Heathrow Funding 5.875% 13/05/2043	£225,000	217	0.07
Heathrow Funding 6.75% 03/12/2028	£529,000	537	0.16
Home Group 3.125% 27/03/2043	£306,000	209	0.06
HSBC Holdings 5.813% VRN 22/05/2033*	£740,000	754	0.23
HSBC Holdings 6.8% VRN 14/09/2031*	£1,400,000	1,494	0.46
iliad 4.25% 15/12/2029	€200,000	177	0.05
ING Groep 6.25% 20/05/2033	£400,000	408	0.13
International Business Machines 4.875% 06/02/2038	£577,000	524	0.16
Intesa Sanpaolo 2.625% 11/03/2036	£300,000	230	0.07
Intesa Sanpaolo 6.625% 31/05/2033	£100,000	108	0.03
Jigsaw Funding 3.375% 05/05/2052	£306,000	194	0.06
Karbon Homes 3.375% 15/11/2047	£200,000	134	0.04
KBC Group 5.5% 20/09/2028	£100,000	101	0.03
Kraft Heinz Foods 4.125% 01/07/2027	£380,000	377	0.12

**Portfolio statement (continued)**

as at 07 March 2026

Investment	Nominal value or holding	Market value £000s	% of total net assets
Debt Securities - 22.20% (24.66%) (continued)			
Corporate Bonds - 21.02% (23.01%) (continued)			
Kreditanstalt fuer Wiederaufbau 0.75% 07/12/2027	£536,000	507	0.16
La Banque Postale 5.625% VRN 21/09/2028*	£100,000	101	0.03
Land Securities Capital Markets 2.375% 29/03/2029	£502,000	490	0.15
Land Securities Capital Markets 2.75% 22/09/2059	£100,000	53	0.02
Land Securities Capital Markets 4.75% 18/09/2033	£112,000	111	0.03
Legal & General Finance 5.875% 05/04/2033	£100,000	104	0.03
Legal & General Group 3.75% 26/11/2049	£408,000	386	0.12
Lloyds Bank 6.5% 17/09/2040	£120,000	129	0.04
Lloyds Banking Group 2.707% 03/12/2035	£306,000	272	0.08
Lloyds Banking Group 5.25% 04/10/2030	£169,000	171	0.05
London Power Networks 5.875% 15/11/2040	£100,000	99	0.03
Lottomatica Group 4.875% 31/01/2031	€200,000	178	0.05
M&G 5.625% 20/10/2051	£570,000	566	0.17
Marston's Issuer FRN 5.183% VRN 15/10/2027*	£16,993	17	0.01
MassMutual Global Funding II 5% 29/09/2032	£400,000	396	0.12
Metropolitan Funding 4.125% 05/04/2048	£100,000	75	0.02
Metropolitan Life Global 5% 10/01/2030	£776,000	782	0.24
Mitchells & Butlers Finance 5.574% 15/12/2030	£89,951	91	0.03
Mitchells & Butlers Finance 6.013% 15/12/2028	£76,705	77	0.02
Morgan Stanley 5.789% VRN 18/11/2033*	£259,000	266	0.08
Motability Operations Group 1.5% 20/01/2041	£458,000	254	0.08
Motability Operations Group 2.125% 18/01/2042	£450,000	267	0.08
Motability Operations Group 5.625% 11/09/2035	£100,000	101	0.03
Motability Operations Group 5.625% 24/01/2054	£131,000	117	0.04
National Gas Transmission 1.125% 14/01/2033	£306,000	234	0.07
National Gas Transmission 5.75% 05/04/2035	£200,000	201	0.06
National Grid Electricity Distribution 3.5% 16/10/2026	£200,000	199	0.06
National Grid Electricity Distribution South Wales 1.625% 07/10/2035	£1,529,000	1,079	0.33
National Grid Electricity Transmission 2% 16/09/2038	£200,000	131	0.04
National Grid Electricity Transmission 2% 17/04/2040	£500,000	309	0.09
Nationwide Building Society 2.625% 19/08/2031	£613,000	610	0.19
Nationwide Building Society 5.5% 14/07/2036	£290,000	291	0.09
Nationwide Building Society 5.532% VRN 13/01/2033*	£414,000	419	0.13
Nationwide Building Society 6.125% 21/08/2028	£116,000	120	0.04
Nationwide Building Society 6.178% VRN 07/12/2027*	£100,000	101	0.03
Nats En Route 1.375% 31/03/2031	£96,000	88	0.03
Nats En Route 1.75% 30/09/2033	£106,000	84	0.03

**Portfolio statement (continued)**

as at 07 March 2026

Investment	Nominal value or holding	Market value £000s	% of total net assets
Debt Securities - 22.20% (24.66%) (continued)			
Corporate Bonds - 21.02% (23.01%) (continued)			
NatWest Group 2.105% 28/11/2031	£318,000	314	0.10
NatWest Group 3.619% VRN 29/03/2029*	£412,000	403	0.12
NatWest Markets 6.375% 08/11/2027	£310,000	319	0.10
New York Life Global Funding 1.5% 15/07/2027	£383,000	369	0.11
New York Life Global Funding 4.75% 15/12/2032	£287,000	282	0.09
NewRiver REIT 3.5% 07/03/2028	£606,000	586	0.18
NIE Finance 5.75% 07/12/2035	£294,000	296	0.09
NIE Finance 5.875% 03/09/2041	£236,000	232	0.07
Northern Powergrid Northeast 1.875% 16/06/2062	£100,000	39	0.01
Northern Powergrid Northeast 5.375% 04/11/2037	£148,000	143	0.04
Northern Powergrid Yorkshire 6.125% 01/04/2050	£100,000	99	0.03
Northumbrian Water Finance 2.375% 05/10/2027	£511,000	492	0.15
Northumbrian Water Finance 5.125% 23/01/2042	£140,000	120	0.04
Northumbrian Water Finance 5.375% 22/07/2032	£157,000	155	0.05
Northumbrian Water Finance 6.375% 28/10/2034	£135,000	140	0.04
Northwestern Mutual Global Funding 4.7% 28/10/2030	£336,000	335	0.10
Occidental Petroleum 5.55% 01/10/2034	\$361,000	278	0.09
Orange 3.25% 15/01/2032	£400,000	364	0.11
Orange 8.125% 20/11/2028	£90,000	98	0.03
Orbit Capital 2% 24/11/2038	£350,000	231	0.07
Orbit Capital 3.375% 14/06/2048	£100,000	65	0.02
Orbit Capital 3.5% 24/03/2045	£200,000	141	0.04
Pacific Gas and Electric 4.95% 01/07/2050	\$330,000	209	0.06
Paragon Treasury 2% 07/05/2036	£460,000	327	0.10
Peabody Capital 2.75% 02/03/2034	£100,000	82	0.03
Pearson Funding 5.375% 12/09/2034	£454,000	437	0.13
Pension Insurance 5.625% 20/09/2030	£306,000	305	0.09
Pension Insurance 6.875% 15/11/2034	£111,000	114	0.04
Pension Insurance 8% 13/11/2033	£135,000	148	0.05
Permanent TSB Group Holdings 6.625% VRN 25/04/2028*	€114,000	103	0.03
Phoenix Group Holdings 5.625% 28/04/2031	£200,000	199	0.06
Places For People Treasury 2.5% 26/01/2036	£200,000	149	0.05
Platform HG Financing 1.625% 10/08/2055	£200,000	78	0.02
Platform HG Financing 1.926% 15/09/2041	£190,000	114	0.04
Porterbrook Rail Finance 4.625% 04/04/2029	£320,000	317	0.10
Prologis 5.625% 04/05/2040	£100,000	97	0.03
Reckitt Benckiser Treasury Services 4.875% 10/09/2031	£605,000	603	0.18

**Portfolio statement (continued)**

as at 07 March 2026

Investment	Nominal value or holding	Market value £000s	% of total net assets
Debt Securities - 22.20% (24.66%) (continued)			
Corporate Bonds - 21.02% (23.01%) (continued)			
RHP Finance 3.25% 05/02/2048	£100,000	67	0.02
RL Finance Bonds No. 4 4.875% 07/10/2049	£330,000	273	0.08
RL Finance Bonds No. 6 10.125% Perpetual	£300,000	354	0.11
Roche Holdings 4.592% 09/09/2034	\$706,000	527	0.16
Saltaire Finance 4.809% 14/03/2055	£100,000	88	0.03
Santander UK 10.063% Perpetual	£125,000	196	0.06
Santander UK Group Holdings 7.482% VRN 29/08/2029*	£150,000	159	0.05
Scottish Hydro Electric Transmission 2.25% 27/09/2035	£200,000	153	0.05
Scottish Hydro Electric Transmission 5.5% 15/01/2044	£100,000	92	0.03
Severn Trent Utilities Finance 2% 02/06/2040	£300,000	184	0.06
Severn Trent Utilities Finance 2.625% 22/02/2033	£200,000	169	0.05
Severn Trent Utilities Finance 4.625% 30/11/2034	£200,000	188	0.06
Snam 5.75% 26/11/2036	£412,000	410	0.13
Southern Gas Networks 1.25% 02/12/2031	£266,000	215	0.07
Southern Gas Networks 3.1% 15/09/2036	£610,000	476	0.15
Suez SACA 6.625% 05/10/2043	£300,000	307	0.09
Supernova Invest 5% 24/06/2030	€104,000	92	0.03
SW Finance I 2.375% 28/05/2028	£399,000	373	0.11
SW Finance I 3% 28/05/2037	£306,000	220	0.07
SW Finance I 6.875% 07/08/2032	£215,000	222	0.07
SW Finance I 7% 16/04/2040	£204,000	202	0.06
SW Finance I 7.375% 12/12/2041	£153,000	154	0.05
Telereal Securitisation 1.963% VRN 10/12/2033*	£300,000	297	0.09
Telereal Securitisation 4.389% 10/12/2033	£348,000	345	0.11
Telereal Securitisation 4.974% 10/12/2033	£30,600	31	0.01
Telereal Securitisation 5.634% 10/12/2031	£200,000	202	0.06
Telereal Securitisation 5.634% 10/12/2036	£207,000	209	0.06
Tesco Property Finance 5.744% 13/04/2040	£92,674	93	0.03
Tesco Property Finance 6.052% 13/10/2039	£524,659	539	0.17
Tesco Property Finance 7.623% 13/07/2039	£530,373	593	0.18
Thames Water Kemble Finance 4.625% 31/12/2040**	£100,000	–	–
Thames Water Utilities 0% 22/03/2027	£4,688	4	0.00
Thames Water Utilities Finance 5.125% 28/09/2039	£188,000	131	0.04
Thames Water Utilities Finance 7.75% 30/04/2046	£200,000	143	0.04
Time Warner Cable 5.25% 15/07/2042	£464,000	382	0.12
Triodos Bank 2.25% 05/02/2032	€300,000	256	0.08
Triodos Bank 4.875% VRN 12/09/2029*	€100,000	89	0.03

**Portfolio statement (continued)**

as at 07 March 2026

Investment	Nominal value or holding	Market value £000s	% of total net assets
Debt Securities - 22.20% (24.66%) (continued)			
Corporate Bonds - 21.02% (23.01%) (continued)			
UBS Group 2.25% 09/06/2028	£100,000	97	0.03
UBS Group 7.375% VRN 07/09/2033*	£200,000	221	0.07
Unite Group 5.625% 25/06/2032	£192,000	193	0.06
United Utilities Water Finance 1.75% 10/02/2038	£190,000	122	0.04
University College London 1.625% 04/06/2061	£304,000	112	0.03
University of Oxford 2.544% 08/12/2117	£300,000	132	0.04
Verizon Communications 1.875% 03/11/2038	£411,000	263	0.08
Verizon Communications 1.875% 03/11/2038	£351,000	225	0.07
Volkswagen Financial Services 2.125% 18/01/2028	£900,000	857	0.26
Vonovia 5.5% 18/01/2036	£300,000	290	0.09
Wellcome Trust Finance 4.625% 25/07/2036	£248,000	238	0.07
Wells Fargo 2.125% 24/09/2031	£306,000	264	0.08
Welltower OP 4.8% 20/11/2028	£485,000	484	0.15
Wessex Water Services Finance 5.125% 31/10/2032	£813,000	790	0.24
Wessex Water Services Finance 6.125% 19/09/2034	£340,000	344	0.11
WHG Treasury 4.25% 06/10/2045	£200,000	159	0.05
WPP Finance 2013 2.875% 14/09/2046	£100,000	65	0.02
WPP Finance 2017 3.75% 19/05/2032	£100,000	90	0.03
Yorkshire Water Finance 2.75% 18/04/2041	£730,000	464	0.14
Yorkshire Water Finance 5.5% 28/04/2035	£100,000	95	0.03
Yorkshire Water Finance 6.375% 18/11/2034	£230,000	235	0.07
Zurich Finance Ireland 5.125% 23/11/2052	£569,000	555	0.17
<b>Total Corporate Bonds</b>		<b>68,643</b>	<b>21.02</b>
Government Bonds - 0.84% (0.88%)			
Jersey International Bond 2.875% 06/05/2052	£100,000	61	0.02
UK Treasury Gilt 4.125% 22/07/2029	£131,000	131	0.04
UK Treasury Gilt 4.375% 07/03/2030	£1,160,000	1,171	0.36
UK Treasury Gilt 4.375% 31/07/2054	£934,000	799	0.24
UK Treasury Gilt 4.5% 07/06/2028	£566,000	573	0.18
<b>Total Government Bonds</b>		<b>2,735</b>	<b>0.84</b>
Government Sponsored Agency Bonds - 0.26% (0.00%)			
NBN 3.75% 22/03/2034	€200,000	175	0.05
NBN 4.15% 16/09/2030	\$200,000	149	0.05
Orsted 5.75% 09/04/2040	£328,000	306	0.10
Permanent TSB Group 4.25% VRN 10/07/2030*	€120,000	107	0.03

**Portfolio statement (continued)**

as at 07 March 2026

Investment	Nominal value or holding	Market value £000s	% of total net assets
Debt Securities - 22.20% (24.66%) (continued)			
Government Sponsored Agency Bonds - 0.26% (0.00%) (continued)			
Transport for London 5.75% 01/10/2041	£100,000	100	0.03
Total Government Sponsored Agency Bonds		837	0.26
Mortgage Bonds - 0.08% (0.77%)			
Longstone Finance 4.896% 19/04/2036	£165,000	163	0.05
Trafford Centre Finance FRN 4.586% VRN 28/07/2038*	£100,000	96	0.03
Total Mortgage Bonds		259	0.08
Total Debt Securities		72,474	22.20
Equities - 77.26% (75.05%)			
United Kingdom - 74.34% (72.68%)			
Advertising - 0.00% (1.07%)			
Aerospace, Defence and Nuclear Engineering - 0.00% (2.12%)			
Basic Materials - 0.00% (2.59%)			
Beverages - 1.90% (0.00%)			
Diageo	402,827	6,214	1.90
Chemicals - 3.78% (0.00%)			
Croda International	159,133	4,426	1.36
Johnson Matthey	258,902	5,030	1.54
Victrex	458,071	2,877	0.88
Total Chemicals		12,333	3.78
Construction - 0.00% (0.80%)			
Construction and Materials - 1.63% (0.00%)			
Morgan Sindall Group	119,204	5,334	1.63
Consumer Goods - 0.00% (19.73%)			
Consumer Services - 0.00% (11.36%)			
Electricity - 2.50% (0.00%)			
SSE	313,470	8,175	2.50
Electronic and Electrical Equipment - 1.98% (0.00%)			
IMI	229,370	6,464	1.98

**Portfolio statement (continued)**

as at 07 March 2026

Investment	Nominal value or holding	Market value £000s	% of total net assets
Equities - 77.26% (75.05%) (continued)			
United Kingdom - 74.34% (72.68%) (continued)			
Equity Investment Instruments - 0.00% (0.00%)			
Unbound Group**	22,464	–	–
Fashion - 0.00% (1.94%)			
Financials - 0.00% (7.17%)			
Food Producers - 1.07% (0.00%)			
Tate & Lyle	962,347	3,493	1.07
Gas, Water and Multi-utilities - 2.79% (0.00%)			
Centrica	2,742,760	5,281	1.62
Pennon Group	689,743	3,835	1.17
Total Gas, Water and Multi-utilities		9,116	2.79
General Industrials - 1.77% (0.00%)			
Smiths Group	221,723	5,774	1.77
Health Care - 0.00% (6.82%)			
Household Goods and Home Construction - 0.73% (0.00%)			
Crest Nicholson Holdings	1,857,455	2,392	0.73
Industrial Engineering - 0.71% (0.00%)			
Morgan Advanced Materials	1,127,771	2,318	0.71
Industrial Support Services - 5.87% (0.00%)			
Hays	4,616,824	1,773	0.54
Rentokil Initial	1,599,673	7,394	2.26
RS Group	849,482	5,543	1.70
Travis Perkins	729,035	4,458	1.37
Total Industrial Support Services		19,168	5.87
Industrial Transportation - 1.50% (0.00%)			
Firstgroup	2,783,013	4,881	1.50
Industrials - 0.00% (9.92%)			
Investment Banking and Brokerage Services - 3.28% (0.00%)			
Quilter	3,048,682	5,539	1.70

True Potential Threadneedle Monthly Income

**Portfolio statement (continued)**

as at 07 March 2026

Investment	Nominal value or holding	Market value £000s	% of total net assets
Equities - 77.26% (75.05%) (continued)			
United Kingdom - 74.34% (72.68%) (continued)			
Investment Banking and Brokerage Services - 3.28% (0.00%) (continued)			
Schroders	883,136	5,171	1.58
Total Investment Banking and Brokerage Services		10,710	3.28
Life Insurance - 5.81% (0.00%)			
Aviva	778,101	4,882	1.50
Chesnara	1,364,119	4,160	1.27
Legal & General Group	2,905,341	7,316	2.24
Phoenix Group Holdings	366,991	2,593	0.80
Total Life Insurance		18,951	5.81
Media - 5.13% (0.00%)			
ITV	9,156,580	7,559	2.32
Pearson	948,021	9,186	2.81
Total Media		16,745	5.13
Medical Equipment and Services - 1.94% (0.00%)			
Smith & Nephew	492,756	6,329	1.94
Personal Care, Drug and Grocery Stores - 7.88% (0.00%)			
Marks & Spencer Group	1,718,994	6,240	1.91
Tesco	1,290,378	5,987	1.83
Unilever	273,983	13,505	4.14
Total Personal Care, Drug and Grocery Stores		25,732	7.88
Personal Goods - 1.90% (0.00%)			
Burberry Group	569,428	6,204	1.90
Pharmaceuticals and Biotechnology - 9.13% (0.00%)			
AstraZeneca	61,055	8,873	2.72
GSK	885,314	18,034	5.52
Hikma Pharmaceuticals	237,836	2,913	0.89
Total Pharmaceuticals and Biotechnology		29,820	9.13
Real Estate Investment Trusts - 3.39% (2.86%)			
LondonMetric Property	2,890,507	5,856	1.79

True Potential Threadneedle Monthly Income

**Portfolio statement (continued)**

as at 07 March 2026

Investment	Nominal value or holding	Market value £000s	% of total net assets
Equities - 77.26% (75.05%) (continued)			
United Kingdom - 74.34% (72.68%) (continued)			
Real Estate Investment Trusts - 3.39% (2.86%) (continued)			
Shaftesbury Capital	3,699,856	5,221	1.60
Total Real Estate Investment Trusts		11,077	3.39
Telecommunications - 0.00% (2.36%)			
Telecommunications Service Providers - 2.71% (0.00%)			
BT Group	4,319,680	8,842	2.71
Tobacco - 5.75% (0.00%)			
Imperial Brands	599,528	18,783	5.75
Travel and Leisure - 1.19% (0.00%)			
SSP Group	2,056,098	3,880	1.19
Utilities - 0.00% (3.94%)			
Total United Kingdom		242,735	74.34
Bermuda - 1.08% (0.98%)			
Hiscox	244,659	3,530	1.08
Jersey - 1.09% (0.00%)			
WPP	1,359,690	3,546	1.09
United States - 0.75% (1.39%)			
International Paper	83,976	2,452	0.75
Total Equities		252,263	77.26
Forward Currency Contracts - 0.01% (0.01%)			
Sell Euro	(€3,115,253)	(2,703)	
Buy UK sterling	£2,734,516	2,735	
Expiry date 07 April 2026		32	0.01
Sell UK sterling	(£15,302)	(15)	
Buy Euro	€17,577	15	
Expiry date 07 April 2026		-	-

**Portfolio statement (continued)**

as at 07 March 2026

Investment	Nominal value or holding	Market value £000s	% of total net assets
Forward Currency Contracts - 0.01% (0.01%) (continued)			
Sell UK sterling	(£17,111)	(17)	
Buy US dollar	\$22,868	17	
Expiry date 07 April 2026		—	—
Sell US dollar	(\$4,678,985)	(3,502)	
Buy UK sterling	£3,499,778	3,500	
Expiry date 07 April 2026		(2)	(0.00)
Total Forward Currency Contracts		30	0.01
<hr/>			
Portfolio of investments		324,767	99.47
Other net assets		1,735	0.53
Total net assets		326,502	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 ("OTC") instruments.

The comparative figures in brackets are as at 07 March 2025.

\*Floating interest security.

\*\*Trading of investment has been suspended and valued nil as at 07 March 2026.

**Summary of portfolio investments**

as at 07 March 2026

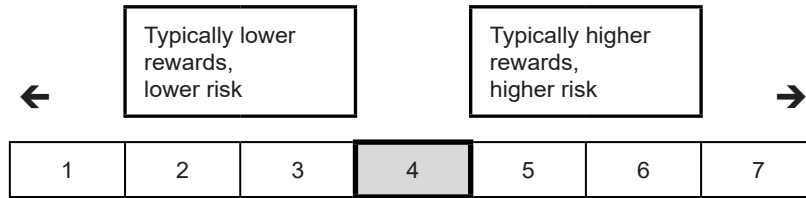
	07 March 2026		07 March 2025	
	Bid-Market value £000s	Total net assets %	Bid-Market value £000s	Total net assets %
Credit breakdown*				
Investments of investment grade	69,443	21.28	64,081	23.47
Investments of below investment grade	1,707	0.51	1,752	0.64
Unrated bonds	1,324	0.41	1,508	0.55
Total bonds	72,474	22.20	67,341	24.66
Equities	252,263	77.26	204,933	75.05
Forward Currency Contracts – assets	32	0.01	72	0.03
Investments as shown in the balance sheet	324,769	99.47	272,346	99.74
Forward Currency Contracts – liabilities	(2)	–	(43)	(0.02)
Total value of investments	324,767	99.47	272,303	99.72

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

**Risk and reward profile**

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

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



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

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

Investment objectives express an intended result but there is no guarantee that such a result will be achieved. Depending on market conditions and the macro-economic environment, certain investment types and styles may perform better than others and investment objectives may become more difficult to achieve.

There may be cases where the organisation from which we buy a derivative, or an asset, fails to meet its obligations. The Sub-Fund's cash deposits are also subject to counterparty risk.

The Sub-Fund is entitled to use derivatives. 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.

The Sub-Fund faces non-market risk, relating to purchasing, holding and servicing the Sub-Fund's assets.

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. This risk is particularly relevant where the fund invests in bonds with a lower credit rating.

Certain market conditions could make sufficiently liquid assets difficult to sell quickly at a fair price. This could result in an unpredictable fall in the value, and overall liquidity of the Sub-Fund.

The above risks may cause losses in the Sub-Fund.

For further information please refer to the KIID.

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

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

**Task Force on Climate-Related Financial Disclosures – TCFD Product Report (unaudited)**

The ACD has produced a supplemental TCFD Product Report in accordance of the Task Force on Climate-Related Financial Disclosures (TCFD) and FCA requirements for TCFD reporting. These disclosures describe how the ACD incorporates climate-related risks and opportunities into governance, strategy, risk management, metrics and targets. The latest report was published prior to 30 June 2025 and is available at <https://www.truepotential.co.uk/fund-administration/#fund-documents>.

## Comparative tables

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

	<b>A Income</b>		
	<b>2026</b>	<b>2025</b>	<b>2024</b>
	<b>p</b>	<b>p</b>	<b>p</b>
Change in net assets per unit			
Opening net asset value per unit	124.32	117.16	113.76
Return before operating charges*	15.91	12.84	8.90
Operating charges	(0.84)	(0.78)	(0.82)
Return after operating charges*	15.07	12.06	8.08
Distributions+	(5.08)	(4.90)	(4.68)
Closing net asset value per unit	134.31	124.32	117.16
* after direct transaction costs of:++	0.10	0.25	0.11
Performance			
Return after charges	12.12%	10.29%	7.10%
Other information			
Closing net asset value (£000s)	158,128	128,900	116,440
Closing number of units	117,734,486	103,682,363	99,381,553
Operating charges+++	0.64%	0.63%	0.72%
Direct transaction costs	0.08%	0.20%	0.09%
Prices			
Highest unit price (p)	143.65	128.45	118.47
Lowest unit price (p)	114.62	116.69	108.20

+Rounded to 2 decimal places.

++Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution levies that relate to direct transaction costs. A negative transaction cost figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

+++The operating charges are represented by the Ongoing Charges Figure (OCF). The OCF consists principally of the AFM'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 unit class may incur in a year as it is calculated on historical data.

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

## Comparative tables (continued)

	A Accumulation		2024 p
	2026 p	2025 p	
Change in net assets per unit			
Opening net asset value per unit	174.41	157.99	147.21
Return before operating charges*	22.63	17.48	11.85
Operating charges	(1.20)	(1.06)	(1.07)
Return after operating charges*	21.43	16.42	10.78
Distributions+	(7.22)	(6.70)	(6.17)
Retained distribution on accumulation units+	7.22	6.70	6.17
Closing net asset value per unit	195.84	174.41	157.99
* after direct transaction costs of:++	0.14	0.34	0.14
Performance			
Return after charges	12.29%	10.39%	7.32%
Other information			
Closing net asset value (£000s)	168,374	144,169	135,201
Closing number of units	85,973,163	82,661,977	85,577,993
Operating charges+++	0.64%	0.63%	0.72%
Direct transaction costs	0.08%	0.20%	0.09%
Prices			
Highest unit price (p)	207.46	177.97	158.14
Lowest unit price (p)	161.27	157.37	141.20

+Rounded to 2 decimal places.

++Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution levies that relate to direct transaction costs. A negative transaction cost figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

+++The operating charges are represented by the Ongoing Charges Figure (OCF). The OCF consists principally of the AFM'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 unit class may incur in a year as it is calculated on historical data.

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

**Distribution tables**

for the year ended 07 March 2026

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

Allocation date	Unit type	Distribution type	Net revenue	Equalisation	Distribution current year	Distribution prior year
02.05.2025	group 1	month 1	0.344	-	0.344	0.334
02.05.2025	group 2	month 1	0.116	0.228	0.344	0.334
04.06.2025	group 1	month 2	0.344	-	0.344	0.334
04.06.2025	group 2	month 2	-	0.344	0.344	0.334
04.07.2025	group 1	month 3	0.344	-	0.344	0.334
04.07.2025	group 2	month 3	-	0.344	0.344	0.334
04.08.2025	group 1	month 4	0.344	-	0.344	0.334
04.08.2025	group 2	month 4	-	0.344	0.344	0.334
04.09.2025	group 1	month 5	0.344	-	0.344	0.334
04.09.2025	group 2	month 5	-	0.344	0.344	0.334
03.10.2025	group 1	interim	0.344	-	0.344	0.334
03.10.2025	group 2	interim	-	0.344	0.344	0.334
04.11.2025	group 1	month 7	0.344	-	0.344	0.334
04.11.2025	group 2	month 7	-	0.344	0.344	0.334
04.12.2025	group 1	month 8	0.344	-	0.344	0.334
04.12.2025	group 2	month 8	-	0.344	0.344	0.334
02.01.2026	group 1	month 9	0.344	-	0.344	0.334
02.01.2026	group 2	month 9	-	0.344	0.344	0.334
04.02.2026	group 1	month 10	0.344	-	0.344	0.334
04.02.2026	group 2	month 10	-	0.344	0.344	0.334
04.03.2026	group 1	month 11	0.344	-	0.344	0.334
04.03.2026	group 2	month 11	-	0.344	0.344	0.334
02.04.2026	group 1	final	1.299	-	1.299	1.227
02.04.2026	group 2	final	0.138	1.161	1.299	1.227

**Equalisation**

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

**Month 1 distributions:**

Group 1 Units purchased before 08 March 2025  
Group 2 Units purchased 08 March 2025 to 07 April 2025

**Month 2 distributions:**

Group 1 Units purchased before 08 April 2025  
Group 2 Units purchased 08 April 2025 to 07 May 2025

**Month 3 distributions:**

Group 1 Units purchased before 08 May 2025  
Group 2 Units purchased 08 May 2025 to 07 June 2025

**Month 4 distributions:**

Group 1 Units purchased before 08 June 2025  
Group 2 Units purchased 08 June 2025 to 07 July 2025

**Month 5 distributions:**

Group 1 Units purchased before 08 July 2025  
Group 2 Units purchased 08 July 2025 to 07 August 2025

**Distribution tables (continued)**

*for the year ended 07 March 2026*

**Interim distributions:**

Group 1 Units purchased before 08 August 2025  
 Group 2 Units purchased 08 August 2025 to 07 September 2025

**Month 7 distributions:**

Group 1 Units purchased before 08 September 2025  
 Group 2 Units purchased 08 September 2025 to 07 October 2025

**Month 8 distributions:**

Group 1 Units purchased before 08 October 2025  
 Group 2 Units purchased 08 October 2025 to 07 November 2025

**Month 9 distributions:**

Group 1 Units purchased before 08 November 2025  
 Group 2 Units purchased 08 November 2025 to 07 December 2025

**Month 10 distributions:**

Group 1 Units purchased before 08 December 2025  
 Group 2 Units purchased 08 December 2025 to 07 January 2026

**Month 11 distributions:**

Group 1 Units purchased before 08 January 2026  
 Group 2 Units purchased 08 January 2026 to 07 February 2026

**Final distributions:**

Group 1 Units purchased before 08 February 2026  
 Group 2 Units purchased 08 February 2026 to 07 March 2026

**Distribution tables (continued)**

for the year ended 07 March 2026

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

Allocation date	Unit type	Distribution type	Net revenue	Equalisation	Distribution current year	Distribution prior year
02.05.2025	group 1	month 1	0.614	-	0.614	0.535
02.05.2025	group 2	month 1	0.415	0.199	0.614	0.535
04.06.2025	group 1	month 2	1.021	-	1.021	0.815
04.06.2025	group 2	month 2	0.373	0.648	1.021	0.815
04.07.2025	group 1	month 3	0.876	-	0.876	0.631
04.07.2025	group 2	month 3	0.469	0.407	0.876	0.631
04.08.2025	group 1	month 4	0.393	-	0.393	0.359
04.08.2025	group 2	month 4	0.220	0.173	0.393	0.359
04.09.2025	group 1	month 5	0.574	-	0.574	0.483
04.09.2025	group 2	month 5	0.425	0.149	0.574	0.483
03.10.2025	group 1	interim	0.989	-	0.989	1.095
03.10.2025	group 2	interim	0.307	0.682	0.989	1.095
04.11.2025	group 1	month 7	0.369	-	0.369	0.379
04.11.2025	group 2	month 7	0.180	0.189	0.369	0.379
04.12.2025	group 1	month 8	0.559	-	0.559	0.472
04.12.2025	group 2	month 8	0.215	0.344	0.559	0.472
02.01.2026	group 1	month 9	0.659	-	0.659	0.627
02.01.2026	group 2	month 9	0.351	0.308	0.659	0.627
04.02.2026	group 1	month 10	0.252	-	0.252	0.310
04.02.2026	group 2	month 10	0.156	0.096	0.252	0.310
04.03.2026	group 1	month 11	0.377	-	0.377	0.340
04.03.2026	group 2	month 11	0.204	0.173	0.377	0.340
02.04.2026	group 1	final	0.535	-	0.535	0.656
02.04.2026	group 2	final	0.241	0.294	0.535	0.656

**Accumulation distributions**

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

**Month 1 distributions:**

Group 1 Units purchased before 08 March 2025  
Group 2 Units purchased 08 March 2025 to 07 April 2025

**Month 2 distributions:**

Group 1 Units purchased before 08 April 2025  
Group 2 Units purchased 08 April 2025 to 07 May 2025

**Month 3 distributions:**

Group 1 Units purchased before 08 May 2025  
Group 2 Units purchased 08 May 2025 to 07 June 2025

**Month 4 distributions:**

Group 1 Units purchased before 08 June 2025  
Group 2 Units purchased 08 June 2025 to 07 July 2025

**Month 5 distributions:**

Group 1 Units purchased before 08 July 2025  
Group 2 Units purchased 08 July 2025 to 07 August 2025

**Interim distributions:**

Group 1 Units purchased before 08 August 2025  
Group 2 Units purchased 08 August 2025 to 07 September 2025

**Distribution tables (continued)**

*for the year ended 07 March 2026*

**Month 7 distributions:**

Group 1 Units purchased before 08 September 2025  
 Group 2 Units purchased 08 September 2025 to 07 October 2025

**Month 8 distributions:**

Group 1 Units purchased before 08 October 2025  
 Group 2 Units purchased 08 October 2025 to 07 November 2025

**Month 9 distributions:**

Group 1 Units purchased before 08 November 2025  
 Group 2 Units purchased 08 November 2025 to 07 December 2025

**Month 10 distributions:**

Group 1 Units purchased before 08 December 2025  
 Group 2 Units purchased 08 December 2025 to 07 January 2026

**Month 11 distributions:**

Group 1 Units purchased before 08 January 2026  
 Group 2 Units purchased 08 January 2026 to 07 February 2026

**Final distributions:**

Group 1 Units purchased before 08 February 2026  
 Group 2 Units purchased 08 February 2026 to 07 March 2026

**Financial statements – True Potential Threadneedle Monthly Income****Statement of total return***for the year ended 07 March 2026*

	Notes	2026		2025	
		£000s	£000s	£000s	£000s
Income:					
Net capital gains	2		25,489		17,065
Revenue	3	12,142		10,943	
Expenses	4	(1,962)		(1,683)	
Interest payable and similar charges		<u>(1)</u>		<u>(7)</u>	
Net revenue before taxation		10,179		9,253	
Taxation	5	<u>(423)</u>		<u>(394)</u>	
Net revenue after taxation for the year			<u>9,756</u>		<u>8,859</u>
Total return before distributions			35,245		25,924
Distributions	6		<u>(11,718)</u>		<u>(10,542)</u>
Change in net assets attributable to unitholders from investment activities			<u>23,527</u>		<u>15,382</u>

**Statement of change in net assets attributable to unitholders***for the year ended 07 March 2026*

	Notes	2026		2025	
		£000s	£000s	£000s	£000s
Opening net assets attributable to unitholders			273,069		251,641
Amounts received on issue of units		57,174		33,011	
Amounts paid on cancellation of units		<u>(33,397)</u>		<u>(32,613)</u>	
			23,777		398
Dilution levy			32		37
Change in net assets attributable to unitholders from investment activities			23,527		15,382
Retained distributions on accumulation units	6		<u>6,097</u>		<u>5,611</u>
Closing net assets attributable to unitholders			<u>326,502</u>		<u>273,069</u>

**Financial statements – True Potential Threadneedle Monthly Income****Balance Sheet***as at 07 March 2026*

	Notes	07 March 2026 £000s	07 March 2025 £000s
<b>Assets:</b>			
<b>Fixed assets:</b>			
Investments		324,769	272,346
<b>Current assets:</b>			
Debtors	7	4,506	4,912
Cash and bank balances	8	420	268
<b>Total assets</b>		<u>329,695</u>	<u>277,526</u>
<b>Liabilities:</b>			
Investment liabilities		(2)	(43)
<b>Creditors:</b>			
Distributions payable	6	(1,530)	(1,272)
Other creditors	9	(1,661)	(3,142)
<b>Total liabilities</b>		<u>(3,193)</u>	<u>(4,457)</u>
<b>Net assets attributable to unitholders</b>		<u><u>326,502</u></u>	<u><u>273,069</u></u>

**Notes to the financial statements**

for the year ended 07 March 2026

## 1. Accounting Policies

The accounting policies are disclosed on pages 10 to 11.

## 2. Net capital gains

	2026	2025
	£000s	£000s
Non-derivative securities - net gains	25,380	17,009
Forward currency contracts	142	91
Currency losses	(33)	(35)
Net capital gains	<u>25,489</u>	<u>17,065</u>

## 3. Revenue

	2026	2025
	£000s	£000s
UK revenue	7,704	7,144
Overseas revenue	388	147
Interest on debt securities	3,640	3,150
Bank interest	41	94
Franked property income distribution (PID) revenue	59	51
Unfranked PID revenue	310	357
Total revenue	<u>12,142</u>	<u>10,943</u>

## 4. Expenses

	2026	2025
	£000s	£000s
Payable to the AFM and associates		
Annual management charge	1,962	1,683
Total expenses	<u>1,962</u>	<u>1,683</u>

The annual management charge includes the Manager'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 £13,229 inclusive of VAT (2025: £12,720 inclusive of VAT).

## 5. Taxation

	2026	2025
	£000s	£000s
a) Analysis of charge for the year		
Corporation tax	421	373
Overseas tax withheld	17	6
Total current tax	<u>438</u>	<u>379</u>
Deferred tax (note 5c)	(15)	15
Total taxation (note 5b)	<u>423</u>	<u>394</u>

## b) Factors affecting taxation charge for the year

The tax assessed for the year is lower (2025: lower) than the standard rate of UK corporation tax for an authorised collective investment scheme of 20% (2025: 20%).

**Notes to the financial statements (continued)***for the year ended 07 March 2026*

## 5. Taxation (continued)

## b) Factors affecting taxation charge for the year (continued)

The differences are explained below:

	2026	2025
	£000s	£000s
Net revenue before taxation	10,179	9,253
Corporation tax @ 20%	<u>2,036</u>	<u>1,851</u>
Effects of:		
UK revenue	(1,541)	(1,429)
Overseas tax withheld	17	6
Taxation due to timing differences	16	(10)
Franked REIT income	(12)	(10)
Non-taxable overseas dividends	(78)	(29)
Deferred taxation on PID	(15)	15
Total tax charge for the year (note 5a)	<u>423</u>	<u>394</u>

## c) Provision for deferred tax

	2026	2025
	£000s	£000s
Deferred taxation on PID	(15)	15
Provision at start of year – deferred taxation on PID	15	–
Provision at end of the year – deferred taxation on PID	<u>–</u>	<u>15</u>

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

for the year ended 07 March 2026

## 6. Distributions

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

	2026	2025
	£000s	£000s
1st Monthly income distribution	364	333
1st Monthly accumulation distribution	507	455
2nd Monthly income distribution	368	326
2nd Monthly accumulation distribution	840	678
3rd Monthly income distribution	372	324
3rd Monthly accumulation distribution	722	523
4th Monthly income distribution	368	329
4th Monthly accumulation distribution	323	297
5th Monthly income distribution	377	331
5th Monthly accumulation distribution	480	404
Interim income distribution	382	331
Interim accumulation distribution	831	913
7th Monthly income distribution	391	338
7th Monthly accumulation distribution	317	323
8th Monthly income distribution	394	344
8th Monthly accumulation distribution	489	401
9th Monthly income distribution	399	348
9th Monthly accumulation distribution	577	532
10th Monthly income distribution	408	350
10th Monthly accumulation distribution	221	261
11th Monthly income distribution	413	346
11th Monthly accumulation distribution	330	281
Final income distribution	1,530	1,272
Final accumulation distribution	460	543
	<u>11,863</u>	<u>10,583</u>
Equalisation:		
Amounts deducted on cancellation of units	138	114
Amounts added on issue of units	(283)	(155)
Total net distributions	<u>11,718</u>	<u>10,542</u>

## Reconciliation between net revenue and distributions:

	2026	2025
	£000s	£000s
Net revenue after taxation per Statement of total return	9,756	8,859
Expenses paid from capital	1,962	1,683
Distributions	<u>11,718</u>	<u>10,542</u>

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

## 7. Debtors

	2026	2025
	£000s	£000s
Accrued revenue	2,182	2,121
Amounts receivable on issue of units	971	618
Sales awaiting settlement	1,353	2,173
Total debtors	<u>4,506</u>	<u>4,912</u>

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

for the year ended 07 March 2026

## 8. Cash and bank balances

	2026	2025
	£000s	£000s
Cash and bank balances	420	268
Total cash and bank balances	<u>420</u>	<u>268</u>

## 9. Other creditors

	2026	2025
	£000s	£000s
Amounts payable on cancellation of units	–	359
Purchases awaiting settlement	1,226	2,364
Currency trades outstanding	–	1
Accrued expenses:		
Payable to the AFM and associates		
Annual management charge	238	191
Total accrued expenses	<u>238</u>	<u>191</u>
Corporation tax payable	197	212
Deferred tax liability	–	15
Total other creditors	<u>1,661</u>	<u>3,142</u>

## 10. Commitment and contingent liabilities

At the balance sheet date, there are no commitments or contingent liabilities (2025: same).

## 11. Units in issue

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

	A Accumulation
Opening units in issue	82,661,977
Total units issued in the year	13,416,949
Total units cancelled in the year	<u>(10,105,763)</u>
Closing units in issue	<u>85,973,163</u>

	A Income
Opening units in issue	103,682,363
Total units issued in the year	24,748,099
Total units cancelled in the year	<u>(10,695,976)</u>
Closing units in issue	<u>117,734,486</u>

For the year ended 07 March 2026, the annual management charge is 0.72%. The annual management charge includes the AFM's periodic charge, Investment Manager's fee and other permitted charges to the operation of the Trust.

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

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

## 12. Related party transactions

True Potential Administration LLP, as AFM, is a related party due to its ability to act in respect of the operations of the Trust.

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

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

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

for the year ended 07 March 2026

## 13. Events after the balance sheet date

Subsequent to the year end, the net asset value per A Income unit has decreased from 134.31p to 133.93p and the A Accumulation unit has increased from 195.84p to 196.89p as at 12 June 2026. 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
2026	£000s	£000s	%	£000s	%	£000s	%	£000s
Equities	51,242	14	0.03	236	0.46	–	–	51,492
Bonds*	46,509	–	–	–	–	–	–	46,509
<b>Total</b>	<b>97,751</b>	<b>14</b>		<b>236</b>		<b>–</b>		<b>98,001</b>

	Purchases before transaction costs	Commission		Taxes		Other Expenses		Purchases after transaction costs
2025	£000s	£000s	%	£000s	%	£000s	%	£000s
Equities	101,718	43	0.04	486	0.48	–	–	102,247
Bonds*	40,807	–	–	–	–	–	–	40,807
<b>Total</b>	<b>142,525</b>	<b>43</b>		<b>486</b>		<b>–</b>		<b>143,054</b>

Capital events amount of £757,000 (2025: £nil) is excluded from the total purchases as there were no direct transaction costs charged in these transactions.

	Sales before transaction costs	Commission		Taxes		Other Expenses		Sales after transaction costs
2026	£000s	£000s	%	£000s	%	£000s	%	£000s
Equities	29,078	(13)	(0.04)	(1)	(0.00)	–	–	29,064
Bonds*	41,312	–	–	–	–	–	–	41,312
<b>Total</b>	<b>70,390</b>	<b>(13)</b>		<b>(1)</b>		<b>–</b>		<b>70,376</b>

	Sales before transaction costs	Commission		Taxes		Other Expenses		Sales after transaction costs
2025	£000s	£000s	%	£000s	%	£000s	%	£000s
Equities	40,226	(6)	(0.01)	(5)	(0.01)	–	–	40,215
Bonds*	5,732	–	–	–	–	–	–	5,732
<b>Total</b>	<b>45,958</b>	<b>(6)</b>		<b>(5)</b>		<b>–</b>		<b>45,947</b>

Capital events amount of £1,303,000 (2025: £114,000) 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 07 March 2026

## 14. Transaction costs (continued)

## a Direct transaction costs (continued)

\*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:

2026	£000s	% of average net asset value
Commissions	27	0.01
Taxes	237	0.07
2025	£000s	% of average net asset value
Commissions	83	0.03
Taxes	489	0.18

## 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% (2025: 0.16%).

## 15. Risk management policies

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

## a Market risk

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

The method used to calculate the global exposure is Absolute Value at risk (VaR), in which two models were applied consecutively over the financial year. The calculation of the Absolute VaR using the old model 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 Sub-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 using the old model during the financial year, 8 March 2025 – 2 September 2025. Sub-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 Gross Leverage %	Typical Expected Leverage %
True Potential Threadneedle Monthly Income	5.78	12.50	8.72	17.50	100.56	102.00

The calculation of the Absolute VaR using the new model is carried out in accordance with the following parameters: 99% one-sided (fat-tail) model, 1 month (20 business day) holding period, 250–300 business days historical lookback period, Monte Carlo simulation (10,000 iterations), 1-year (250 day) history with an exponential time-decay factor of 0.98, placing greater weight on more recent market conditions.

A given fund's limit is based on its Risk profile. All of the positions within the Sub-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 07 March 2026

## 15. Risk management policies (continued)

## a Market risk (continued)

The below table shows the lowest, the highest and the average utilisation of the VaR limit calculated using the new model during the financial year, 3 September 2025 – 7 March 2026. Sub-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 Gross Leverage %	Typical Expected Leverage %
True Potential Threadneedle Monthly Income	4.86	8.24	7.08	17.50	100.93	102.00

## (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 AFM 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 07 March 2026, 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 unitholders of the Sub-Fund would increase or decrease by approximately £16,238,000 (2025: £13,615,000).

## (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 currency denominated 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 AFM 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* £000s
2026	
Euro	2,684
US dollar	3,456
Total foreign currency exposure	<u>6,140</u>

	Total net foreign currency exposure* £000s
2025	
Euro	2,128
US dollar	3,311
Total foreign currency exposure	<u>5,439</u>

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

for the year ended 07 March 2026

## 15. Risk management policies (continued)

## a Market risk (continued)

## (ii) Currency risk (continued)

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

At 07 March 2026, if the value of sterling increased or decreased by 5% against all other currencies, with all other variables remaining constant, then the net assets attributable to unitholders of the Sub-Fund would increase or decrease by approximately £307,000 (2025: £5,000).

## (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 will be affected by fluctuations in interest rates.

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

At 07 March 2026, if interest rates increased or decreased by 25 points, with all other variables remaining constant, then the net assets attributable to unitholders of the Sub-Fund would increase or decrease by approximately £198,000 (2025: £40,000).

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 £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
2026						
Euro	727	–	1,902	55	–	2,684
UK sterling	16,911	–	50,222	255,941	(2,712)	320,362
US dollar	586	–	2,546	805	(481)	3,456
	18,224	–	54,670	256,801	(3,193)	326,502

	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
2025						
Euro	644	–	1,527	–	(43)	2,128
UK sterling	15,098	–	47,029	209,917	(4,414)	267,630
US dollar	167	–	3,144	–	–	3,311
	15,909	–	51,700	209,917	(4,457)	273,069

## b Credit risk

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

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

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

for the year ended 07 March 2026

## 15. Risk management policies (continued)

## b Credit risk (continued)

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

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

## c Liquidity Risk

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

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

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

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

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

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

## d Fair value of financial assets and financial liabilities

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

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

	Investment assets	Investment liabilities
Basis of valuation	2026	2026
	£000s	£000s
Quoted prices	254,937	–
Observable market data	69,832	(2)
Unobservable data*	–	–
	<u>324,769</u>	<u>(2)</u>

\*Unbound Group and Thames Water Kemble Finance have been suspended and valued using valuation techniques as at 07 March 2026.

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

for the year ended 07 March 2026

## 15. Risk management policies (continued)

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

	Investment assets	Investment liabilities
Basis of valuation	2025	2025
	£000s	£000s
Quoted prices	207,335	–
Observable market data	65,011	(43)
Unobservable data*	–	–
	<u>272,346</u>	<u>(43)</u>

\*Unbound Group has been suspended and valued using valuation techniques as at 07 March 2025.

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

## e Assets subject to special arrangements arising from their illiquid nature

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

## f Derivatives

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

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

In the year, there was direct exposure to derivatives. On a daily basis, exposure is calculated in UK sterling using the 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 Trustee.

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

## (ii) Leverage

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

There have been no leveraging arrangements in the year (2025: same).

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

for the year ended 07 March 2026

## 15. Risk management policies (continued)

## f Derivatives (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 total net asset value
2026	£000s	
Investment		
Forward Currency Contracts		
Value of short position - Euro	2,688	0.82
Value of short position – US dollar	3,485	1.06
	Gross exposure value	% of total net asset value
2025	£000s	
Investment		
Forward Currency Contracts		
Value of short position - Euro	2,200	0.81
Value of short position – US dollar	3,390	1.24

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 at the balance sheet date is detailed in the table below.

Counterparty	Collateral classification	Collateral value	
		2026 £000s	2025 £000s
Morgan Stanley Capital Services	Cash	10	–
UBS Warburg LLC	Cash	–	110

## 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 practices 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 latest Remuneration Policy Summary was reviewed in December 2025 and is available at <https://www.truepotential.co.uk/fund-administration/#fund-documents>. No irregularities or issues were identified in the review and no material changes have been made since the previous Policy Summary was published.

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 Material Risk Takers (MRTs) and Administrative staff for TPA	Financial Year ending 31 December 2025			
	Fixed	Variable	Total	Number
	£000	£000	£000	
Senior Management	424	160	584	6
Other MRTs	549	156	705	6
Administrative staff	592	84	676	24
<b>Total</b>	<b>1,565</b>	<b>400</b>	<b>1,965</b>	<b>36</b>

## Further Information

### Distributions and reporting dates

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

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

Reporting dates	7 March	Annual
	7 September	Interim

### Buying and selling units

The property of the Sub-Fund was valued at 3pm on each business day, and the prices of units were calculated as at that time. Unit dealing is on a forward basis i.e. investors can buy and sell units at the next valuation point following receipt of the order.

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

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

\*Unit class not currently available for investment.

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

### Benchmark

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

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

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

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

## **Appointments**

### **AFM and Registered Office**

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

### **Registrar and Administrator**

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

### **Members of the AFM**

Henrietta Jowitt  
Helen Webster (appointed 18 February 2026)  
Iain Wallace (resigned 31 December 2025)  
True Potential LLP

### **Independent Non-Executive Members of the AFM**

Michael Martin  
Simon White  
Fiona Laver

### **Non-Executive Members of the AFM**

Peter Coward (resigned 1 August 2025)

### **Investment Manager**

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

### **Trustee**

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

### **Auditors**

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