Embark Investment Funds ICVC

Interim Report & Accounts (unaudited)
for the period ended 30 November 2023

Contents

[1] These collectively comprise the Authorised Corporate Director's Report.

Contents (continued)

[1] These collectively comprise the Authorised Corporate Director's Report.

Directory

Authorised Corporate Director (ACD)
Embark Investments
100 Cannon Street
London EC4N 6EU

Authorised and regulated by the Financial Conduct Authority

Directors of the ACD
Fraser Blain (resigned 27 July 2023)
Gillian Hutchison
Jacqueline Lowe*
Barry MacLennan
Mark Skinner*
Craig Wood

**Independent non-executive director*

Investment Manager
Threadneedle Asset Management Limited (Columbia Threadneedle Investments)
Cannon Place
78 Cannon Street
London EC4N 6AG

Authorised and regulated by the Financial Conduct Authority

Registrar & Administrator
Northern Trust Global Services SE UK Branch
50 Bank Street
Canary Wharf
London E14 5NT

Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority

Depositary
Northern Trust Investor Services Limited
50 Bank Street
Canary Wharf
London E14 5NT

Authorised and regulated by the Financial Conduct Authority

Independent Auditor
Deloitte LLP
Statutory Auditor
110 Queen Street
Glasgow G1 3BX

Authorised Status

Embark Investment Funds ICVC (the "Company") is an investment company with variable capital incorporated in England and Wales under registered number IC1030 and authorised by the FCA with effect from 18 March 2015 and is a Non-UCITS type scheme as defined in rule 1.2.1 of the Collective Investment Schemes Sourcebook (COLL Sourcebook), as amended. The Company has an unlimited duration. Shareholders are not liable for the debts of the Company. A Shareholder is not liable to make any further payment to the Company after he has paid the price on purchase of the Shares.

The Company is structured as an umbrella company, in that different Sub-funds may be established from time to time by the ACD with the approval of the FCA. Currently, the Company has five active Sub-funds, the Embark Horizon Multi-Asset Sub-funds of the Embark Investment Funds ICVC, which are collectively referred to as the "Funds".

Sub-Fund Cross-Holdings

No Sub-fund held shares in any other Sub-fund within the ICVC during the period.

Securities Financing Transactions Regulations

Additional disclosures are required when a Fund invests in Securities Financing Transactions (SFTs). However as none of the Funds are invested in SFTs in the period ended 30 November 2023, no additional disclosures have been provided.

Environmental, Social and Governance Statement

Embark Investments Limited (Embark Investments), as the Authorised Corporate Director (ACD) of the Funds, is a signatory of the United Nations supported Principles for Responsible Investment (UN PRI), a globally recognised benchmark for the consideration of Environmental, Social and Governance (ESG) issues. Embark Investments is committed to the integration of fundamental ESG principles within the Funds, with changing regulatory requirements and evolving client needs taken into account as part of the ACD's ongoing oversight and governance. The integrated approach to ESG adopted by the Investment Manager lends itself to being an influencer, rather than excluder, looking to change corporate behaviour through active analysis and engagement. The Investment Manager also does not invest in securities of companies that undertake activities or have corporate involvement in controversial weapons (for example anti-personnel mines or biochemical weapons).

The framework that Embark Investments employs to oversee the Funds is aligned to the UN PRI's six principles, ensuring that international standards are embraced. The ACD monitors the Funds through a number of ESG-related indicators on a monthly basis and engages proactively with the appointed Investment Manager, Columbia Threadneedle Investments.

Environmental, Social and Governance Statement (continued)

The day to day fund Management is outsourced by Embark Investments to Columbia Threadneedle Investments. Their proprietary Responsible Investment ratings tool provides insights into a company's leadership, governance, culture and operational standards of practice, with a focus on issues that are material to its long-term performance. Their approach includes understanding linkages between sustainability opportunities on the one hand, and growth and competitive advantage on the other.

Columbia Threadneedle Investments was a founding signatory of the United Nations Principles for Responsible Investment (UNPRI) in 2006 and is a signatory to the UK Stewardship code 2010.

Significant Change

There has been no significant change for the period ended 30 November 2023.

Regulatory Disclosure

This document has been issued by Embark Investments (authorised and regulated by the Financial Conduct Authority).

Past performance is not a reliable indicator of future results and the value of investments (and any income from them) can go down, so an investor may get back less than the amount invested. No guarantee is given for the performance of the Funds.

Barry Maclennan

(Director)
25 January 2024

Jacqueline Lowe

(Director)
25 January 2024

Investment Objective and Policy

The Fund aims to grow investment through a combination of income and capital growth over the medium to long-term (5 or more years).

The Fund will aim to achieve this objective, whilst remaining within Risk Profile 1, which is the lowest risk profile in this range.

The Fund will be invested in collective investment schemes. Investments in collective investment schemes may also include those managed, operated or advised by the ACD's associates.

Through the investment in collective investment schemes, the Fund will be indirectly invested in a range of different asset classes. The weighting of the asset classes to which the Fund is exposed may be varied depending on the Investment Manager's views in the context of achieving the investment objective. Under normal market circumstances, between 15% and 50% of the value of the Fund will be invested in global equities, including emerging market equities. The Fund will have a greater emphasis on global fixed income securities (such as government, corporate, high yield and emerging market bonds) and there may be some indirect exposure (typically, no more than 15% in aggregate) to any one or more of: real estate and commodities. To the extent not fully invested in collective investment schemes, in normal market conditions, up to 10% may be invested directly in cash, near cash and money market instruments.

The Investment Manager may need to adjust the stated exposure level to global equities during periods of unusual instability in the markets.

The Fund's risk level is managed by varying the weighting of the asset classes to which the Fund is exposed.

The Fund may use derivatives to reduce risk or cost or to generate additional capital or income at proportionate risk (known as "Efficient Portfolio Management").

Strategy

The Fund is managed with reference to strategic asset allocations which are provided to the Investment Manager on at least a quarterly basis; these may change as a result of changing market conditions and assumptions in the Risk Profile Service Provider's asset allocation models which aim to achieve an optimal level of growth in income and capital for the expected risk level assuming a medium to long-term investment horizon (5 or more years).

The Fund is actively managed by the Investment Manager. The Investment Manager may take tactical decisions away from the strategic asset allocation to seek to meet the Fund's investment objectives and improve returns. There is no guarantee that the Fund's investment objective will be met.

The Investment Manager also has the potential to increase performance through its choice of collective investment schemes in which it invests: for example actively managed funds typically aim to increase performance through superior stock or sector selection skills (although there is no certainty of this and the opposite could occur).

Risk Profile 1

EValue Limited (EV) is a financial solutions company with expertise in risk profiling and forward-looking, global asset allocation research. The Fund aligns to Risk Profile 1 of the EV five-point scale for long-term risk profiling and strategic asset allocation. The Fund's aim is to deliver income and capital growth through assets that demonstrate moderate price fluctuations, with greater emphasis placed on exposure to fixed income securities and a lower relative emphasis placed on exposure to equities, whilst remaining within its risk profile.

Investment Report

Embark Investments, as ACD of Embark Investment Funds ICVC, oversees the asset allocation on a quarterly basis with EV (see page 71 for information on EV) for Fund I and then supervises the active management of the underlying portfolios by Columbia Threadneedle Investments against these strategic asset allocations. The following Fund Performance Report is written in conjunction with Columbia Threadneedle Investments:

Fund Performance

For the period ending 30 November 2023, the Embark Horizon Multi-Asset Fund I (Class Z Accumulation Shares[1]) generated a positive return of 1.76%. Investors may wish to consider the performance of the Fund with reference to the median performance reported for the IA Mixed Investment 20-60% Shares Sector.

Market Overview

The six months under review constituted an eventful and occasionally volatile period for financial markets. Global equities recorded solid gains in aggregate, thanks mostly to strong performance from the large US market. Credit spreads also tightened, while core bonds had mixed fortunes. Yields on US Treasuries rose while their German Bund counterparts were little changed, and gilt yields declined.

Treasuries, Bunds and gilts were all pressurised by worries about increased issuance of government debt to pay for the expensive fiscal policies of recent years, but the outlook for interest rates remained the primary driver of bond market direction. As rates neared their expected terminal levels in the US, eurozone and UK, the question preoccupying investors appeared to shift from ‘how high will rates go?’ to ‘how long will they take to come back down?’.

Having kept rates unchanged in June to assess the impact of prior hikes, the Federal Reserve (“Fed”) added another 25 basis points (bps) to the federal funds rate in July. This came amid mixed signals from the US economy; headline inflation had fallen to a two-year low but second-quarter (Q2) GDP had easily beaten expectations, and the labour market remained tight. And although Fed policymakers kept rates on hold at the two remaining meetings of the period in September and November, they caused some alarm at the first of these by projecting smaller rate cuts next year alongside bullish revisions to US unemployment and growth forecasts.

At its last meeting in early November, the Fed hinted that rates could still rise in coming months. Nevertheless, markets appeared to sense a dovish tone in commentary from Fed Chair Jerome Powell, who highlighted the tightening effect on the economy of higher Treasury yields and mortgage payments. Later that month, the idea that the Fed had finished raising rates was reinforced as several inflation-related datapoints came in lower than forecast. Treasury yields fell sharply in response, which helped to fuel a late, powerful rally in equities.

The European Central Bank and Bank of England also paused their hiking programmes. Both central banks had raised their key rates by a total of 75 bps earlier in the period – more than the Fed’s 25 bps – and both echoed their US counterpart in signalling a ‘higher for longer’ outlook. Despite this, German Bunds and UK gilts significantly outperformed Treasuries. The 10-year Treasury yield rose by 68 bps over the six months to the end of November. The German equivalent rose more modestly, by 17 bps, while the 10-year gilt yield ended the period little changed despite sizeable swings along the way.

The disparity in the performance of core bonds was due in part to the comparative weakness of the eurozone and UK economies. Preliminary data from Eurostat pointed to a 0.1% contraction in eurozone GDP over Q3, while the Office for National Statistics reported zero growth in UK GDP. This compared to growth of 1.2% in the US for the same period, according to the US Bureau of Economic Analysis.

The MSCI AC World index (ACWI) of global equities posted a total return of 7.5% in local currencies and, as the pound strengthened, 5.4% in sterling. Of the major regions, Japan was the strongest in local-currency terms. The Bank of Japan’s loose monetary policy resulted in a weaker yen, which helped the export-heavy market in local terms though eroded most of that return in sterling. The US did best in sterling, bolstered by its large exposure to high-growth tech stocks, which benefited from stellar earnings updates and optimism around AI.

UK and continental European equities were laggards amid worries about their economic outlooks. Emerging markets (EMs) also rose but trailed the global average. China was weak, given concerns about its faltering post-COVID recovery, the ongoing property crisis, and tensions with the West.

Investment Report (continued)

Meanwhile, sterling investment-grade (IG) credit spreads tightened alongside rising global equity prices, with 'risk-on' sentiment chiefly boosted by events in the US. As mentioned, inflation came down sharply and GDP growth surprised on the upside. Furthermore, corporate results continued to beat estimates in aggregate. Volatility was subdued for much of the period but spiked in October in response to the terrible events in Israel and Gaza, before subsiding as the threat of a wider regional conflict appeared to ease.

At the end of November, the main asset classes in Fund I were developed-market equities, EM equities, gilts, global government bonds and sterling IG credit.

Within equities, all regions posted positive returns at the index level over the six months to 30 November 2023. The US was the top-performing region, returning 7.9%. Japan and Europe ex UK respectively returned 4.1% and 4.0%, while EMs returned 2.7% and the UK posted a more modest return of 1.6%. Fixed income markets also rose, with sterling IG credit returning 4.1% and gilts returning 1.5%[2].

The strategic asset allocation was rebalanced in August and again at the start of November. At the end of November, the Fund's strategic asset allocation was broken down as follows: 31% in developed-market equities; 5% in EM equities; 37% in UK gilts; 26% in sterling IG credit; and 1% in cash.

At the end of the period, the fund was overweight in equities and underweight in fixed income relative to the rebalanced strategic asset allocation.

Within equities, we were overweight in the UK, Japan and the US. UK and Japanese equities are attractively valued relative to global averages. In the UK, inflation is slowing and we expect wage prices to follow, and believe that interest rates have likely peaked. Meanwhile, UK households are now much less indebted than at the start of COVID, with higher aggregate savings. While we are mindful of the impact of a fall in housing prices, we still feel that much of the gloom overhanging the UK economy is overdone. Meanwhile, we are encouraged by Japanese firms' recent efforts to improve capital efficiency and generate higher returns for investors. Japanese equities have been beneficiaries of the country's ongoing reform programme, which – together with the weak yen – remains a source of much of the earnings growth being achieved there. We have become more constructive on US equities in recent months, given more encouraging inflation data and the higher probability of a 'soft landing' for the economy. That said, we are mindful that valuations are elevated.

We were underweight in EMs and Europe ex UK equities. While EMs are trading at attractive valuations, many economies are likely to feel the impact of a sustained slowdown in China's economic growth. Commodity-price volatility and the prospect of tighter financial conditions present additional challenges. Many EMs also face challenging fiscal and financing outlooks, owing to high interest costs. We have become more cautious about the outlook for Europe ex UK due to weakening macroeconomic indicators. The German manufacturing sector has been especially hard hit by the closure or relocation of businesses that were reliant on cheap Russian natural gas. European equities have relatively cyclical earnings when compared to other regions, such as the US, and are therefore vulnerable to slowing economic growth.

In fixed income, we were underweight in sterling IG credit and, to a lesser extent, gilts, but we were overweight in global government bonds. We believe current market pricing is too pessimistic on the outlook for interest rates. Additionally, at current yield levels, government bonds offer an attractive level of income and increased diversification benefits.

Outlook

Expectations of a decline in earnings per share next year seem misplaced. Despite the rate hikes, there is little evidence of a serious economic slowdown in the developed world. This may be due to longer-than-expected lags between the recent round of monetary tightening and the corresponding impact on the economy. Even if this is the case, however, we suspect that any resulting belt-tightening by consumers would be more likely to hit smaller businesses and unlisted sectors, and it would not massively impact large companies that continue to maintain pricing power and whose debt profiles have 'locked in' the low rates of 2021 and before.

Investment Report (continued)

Nevertheless, we maintain a degree of caution about the outlook for equities. As mentioned, this is not due to risks around earnings; rather, it is because global equity valuations (on a price-to-earnings basis) look historically high, both in absolute terms and relative to other asset classes. Specifically, elevated bond yields present a challenging backdrop for the current valuation picture.

Meanwhile, in fixed income, we remain positive on both duration and credit, which we expect to benefit from rate cuts next year and beyond

[1] The Class Z Accumulation Shares were selected to illustrate the performance of the Fund as they are the largest share class and Accumulation shares show the total return of the Fund, as all income is reinvested.

[2] Representative indices:

US Equities: S&P 500 – Total Return Gross Income Reinvested

European Equities: MSCI EMU – Total Return Gross Income Reinvested

Japanese Equities: MSCI Japan – Total Return Gross Income Reinvested

UK Equities: FTSE All-Share – Total Return Gross Income Reinvested

Emerging Market Equities: MSCI Emerging Markets – Gross Return

Sterling IG Credit: iBoxx Sterling Corporates AA Rated

UK Corporate Bonds: FTSE Actuaries UK Conventional Gilts All Stocks

Global Government Bonds: JP Morgan GBI Global (Traded) (GBP Unhedged)

Cumulative Performance Data to 30 November 2023 (net of fees)

Fund I	Launch 12 December 2013	5 Years	3 Years	1 Year
Embark Horizon Multi-Asset I	33.25%	2.41%	-15.72%	-0.29%

Source: FE Fundinfo, in GBP, as at 30/11/2023

Past performance is not a reliable indicator of future results and the value of investments (and any income from them) can go down, so an investor may get back less than the amount invested. No guarantee is given for the performance of the Funds.

Columbia Threadneedle Investments
Investment Manager
21 December 2023

Portfolio Statement

as at 30 November 2023 (unaudited)

Holding	Investment	Market value £'000	Percentage of total net assets %
	United Kingdom Collective Investment Schemes 99.35% (98.14%)		
396,740	CT American	2,636	12.87
149,611	CT American Select	420	2.05
283,231	CT Asia	506	2.47
220,747	CT European	1,827	8.92
207,384	CT Global Bond	209	1.02
446,592	CT Global Emerging Markets Equity	512	2.50
183,307	CT Japan	688	3.36
4,311,206	CT Sterling Bond	3,803	18.57
2,455,735	CT Sterling Corporate Bond	2,884	14.09
1,104,239	CT Sterling Medium and Long-Dated Corporate Bond	1,031	5.04
904,124	CT Sterling Short-Dated Corporate Bond	1,029	5.03
163,152	CT UK	235	1.15
4,785,822	CT UK Fixed Interest	3,803	18.58
204,548	CT UK Institutional	246	1.20
0	CT UK Smaller Companies^*	—	—
476,962	CT US Equity Income	511	2.50
		20,340	99.35
	Net Investments 99.35% (98.14%)	**20,340**	**99.35**
	Net other assets	133	0.65
	Total net assets	**20,473**	**100.00**

Comparative figures shown in brackets relate to 31 May 2023.

All assets are accumulation shares unless otherwise stated.

^ Investments which are less than £500 are rounded to zero.

* Investments which have shares less than 0 due to fractional shares.

Total purchases for the period: £3,143,489

Total sales for the period: £7,482,770

Fund Information

The Comparative Tables on pages 12 to 14 give the performance of each active share class in the Fund.

The 'Return after charges' disclosed in the Comparative Tables is calculated as the return after operating charges per share divided by the opening net asset value per share. It may differ from the Fund's performance disclosed in the Investment Report, which is calculated based on the latest published price.

Portfolio transaction costs are incurred when investments are bought or sold by a fund in order to achieve the investment objective. These transaction costs affect investors in different ways depending on whether they are joining, leaving or continuing with their investment in the fund.

Direct transaction costs include broker commission and taxes. Broker commission includes the fee paid to a broker to execute the trades and research costs.

In addition, there are indirect portfolio transaction costs arising from the 'dealing spread' – the difference between the buying and selling prices of underlying investments in the portfolio. Unlike shares whereby broker commissions and stamp duty are paid by the fund on each transaction, other types of investments (such as bonds, money instruments, derivatives) do not have separately identifiable transaction costs; these costs form part of the dealing spread. Dealing spreads vary considerably depending on the transaction value and market sentiment.

Fund Information (continued)

Comparative Tables

Class Z Income Shares	For the period to 30.11.23 pence per share	For the year to 31.05.23 pence per share	For the year to 31.05.22 pence per share
Change in Net Asset Value per share			
Opening net asset value per share	53.51	58.96	62.98
Return before operating charges*	1.16	(4.29)	(3.21)
Operating charges	(0.22)	(0.45)	(0.51)
Return after operating charges	0.94	(4.74)	(3.72)
Distributions on income shares	(0.39)	(0.71)	(0.30)
Closing net asset value per share	54.06	53.51	58.96
* After direct transaction costs of:	–	–	–
	30.11.23	**31.05.23**	**31.05.22**
Performance			
Return after charges[1]	1.76%	(8.04)%	(5.91)%
Other Information			
Closing net asset value (£'000)	276	388	668
Closing number of shares	510,707	725,701	1,133,127
Operating charges[2]	0.81%	0.81%	0.81%
Direct transaction costs	–%	–%	–%
	30.11.23 pence per share	**31.05.23 pence per share**	**31.05.22 pence per share**
Prices			
Highest share price	54.63	59.19	66.95
Lowest share price	51.99	50.48	58.23

[1] This represents return after charges for the current interim period.

[2] Operating charges, otherwise known as the OCF (Ongoing Charges Figure), is the ratio of the Fund's total disclosable costs (excluding overdraft interest) to the average net assets of the Fund. The OCF represents annualised operating charges for the current period and is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a Fund and is calculated based on the last year's figures. Included within the OCF are synthetic costs which include the OCF of the underlying funds weighted on the basis of their investment proportion.

Fund Information (continued)

Comparative Tables (continued)

Class Z Accumulation Shares	For the period to 30.11.23 pence per share	For the year to 31.05.23 pence per share	For the year to 31.05.22 pence per share
Change in Net Asset Value per share			
Opening net asset value per share	57.26	62.26	66.19
Return before operating charges*	1.23	(4.53)	(3.39)
Operating charges	(0.23)	(0.47)	(0.54)
Return after operating charges	1.00	(5.00)	(3.93)
Distributions	(0.42)	(0.76)	(0.31)
Retained distributions on accumulation shares	0.42	0.76	0.31
Closing net asset value per share	58.26	57.26	62.26
* After direct transaction costs of:	–	–	–

	30.11.23	31.05.23	31.05.22
Performance			
Return after charges[1]	1.75%	(8.03)%	(5.94)%
Other Information			
Closing net asset value (£'000)	18,839	22,848	30,066
Closing number of shares	32,335,220	39,903,847	48,290,438
Operating charges[2]	0.81%	0.81%	0.81%
Direct transaction costs	–%	–%	–%

	30.11.23 pence per share	31.05.23 pence per share	31.05.22 pence per share
Prices			
Highest share price	58.45	62.50	70.48
Lowest share price	55.63	53.31	61.30

[1] This represents return after charges for the current interim period.

[2] Operating charges, otherwise known as the OCF (Ongoing Charges Figure), is the ratio of the Fund's total disclosable costs (excluding overdraft interest) to the average net assets of the Fund. The OCF represents annualised operating charges for the current period and is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a Fund and is calculated based on the last year's figures. Included within the OCF are synthetic costs which include the OCF of the underlying funds weighted on the basis of their investment proportion.

Fund Information (continued)

Comparative Tables (continued)

Class I Accumulation Shares	For the period to 30.11.23 pence per share	For the year to 31.05.23 pence per share	For the year to 31.05.22 pence per share
Change in Net Asset Value per share			
Opening net asset value per share	57.53	62.51	66.40
Return before operating charges*	1.24	(4.56)	(3.42)
Operating charges	(0.20)	(0.42)	(0.47)
Return after operating charges	1.04	(4.98)	(3.89)
Distributions	(0.45)	(0.81)	(0.37)
Retained distributions on accumulation shares	0.45	0.81	0.37
Closing net asset value per share	58.57	57.53	62.51
* After direct transaction costs of:	–	–	–

	30.11.23	31.05.23	31.05.22
Performance			
Return after charges[1]	1.81%	(7.97)%	(5.86)%
Other Information			
Closing net asset value (£'000)	1,358	1,426	1,860
Closing number of shares	2,317,872	2,477,705	2,975,190
Operating charges[2]	0.71%	0.71%	0.71%
Direct transaction costs	–%	–%	–%

	30.11.23 pence per share	31.05.23 pence per share	31.05.22 pence per share
Prices			
Highest share price	58.76	62.77	70.73
Lowest share price	55.92	53.54	61.55

[1] This represents return after charges for the current interim period.

[2] Operating charges, otherwise known as the OCF (Ongoing Charges Figure), is the ratio of the Fund's total disclosable costs (excluding overdraft interest) to the average net assets of the Fund. The OCF represents annualised operating charges for the current period and is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a Fund and is calculated based on the last year's figures. Included within the OCF are synthetic costs which include the OCF of the underlying funds weighted on the basis of their investment proportion.

Statement of Total Return

for the period ended 30 November 2023 (unaudited)

	£'000	01.06.23 to 30.11.23 £'000	£'000	01.06.22 to 30.11.22 £'000
Income				
Net capital gains/(losses)		195		(2,120)
Revenue	289		251	
Expenses	(84)		(108)	
Interest payable and similar charges	–		–	
Net revenue before taxation	205		143	
Taxation	(37)		(10)	
Net revenue after taxation		168		133
Total return before distributions		363		(1,987)
Distributions		(168)		(133)
Change in net assets attributable to shareholders from investment activities		195		(2,120)

Statement of Change in Net Assets Attributable to Shareholders

for the period ended 30 November 2023 (unaudited)

	£'000	01.06.23 to 30.11.23 £'000	£'000	01.06.22 to 30.11.22 £'000
Opening net assets attributable to shareholders		24,662		32,594
Amounts receivable on creation of shares	326		1,166	
Amounts payable on cancellation of shares	(4,858)		(4,332)	
		(4,532)		(3,166)
Change in net assets attributable to shareholders from investment activities (see above)		195		(2,120)
Retained distribution on accumulation shares		148		124
Closing net assets attributable to shareholders		20,473		27,432

The difference between the opening net assets and the comparative closing net assets is the movement in the second half of the year.

Balance Sheet

as at 30 November 2023 (unaudited)

	30.11.23 £'000	31.05.23 £'000
Assets:		
Fixed assets:		
Investments	20,340	24,204
Current assets:		
Debtors	280	148
Cash and bank balances	183	476
Total assets	20,803	24,828
Liabilities:		
Creditors:		
Distribution payable on income shares	(2)	(3)
Other creditors	(328)	(163)
Total liabilities	(330)	(166)
Net assets attributable to shareholders	20,473	24,662

Notes to the Financial Statements

for the period ended 30 November 2023 (unaudited)

1. Accounting Policies

(a) Basis of accounting

The financial statements have been prepared on a going concern basis under the historical cost convention, as modified by the revaluation of investments and in accordance with Financial Reporting Standard (FRS) 102 and the Statement of Recommended Practice for UK Authorised Funds issued by the IA in May 2014 and amended in June 2017.

Distribution Tables

for the period ended 30 November 2023

Class Z Income Shares

Interim Distribution (in pence per share)

Group 1: Shares purchased prior to 1 June 2023
Group 2: Shares purchased from 1 June 2023 to 30 November 2023

Group	Net Income	Equalisation	2023 Net Distribution Paid	2022 Net Distribution Paid
1	0.3943	–	0.3943	0.2508
2	0.3593	0.0350	0.3943	0.2508

Class Z Accumulation Shares

Interim Accumulation (in pence per share)

Group 1: Shares purchased prior to 1 June 2023
Group 2: Shares purchased from 1 June 2023 to 30 November 2023

Group	Net Accumulation	Equalisation	2023 Net Accumulation	2022 Net Accumulation
1	0.4246	–	0.4246	0.2672
2	0.1935	0.2311	0.4246	0.2672

Class I Accumulation Shares

Interim Accumulation (in pence per share)

Group 1: Shares purchased prior to 1 June 2023
Group 2: Shares purchased from 1 June 2023 to 30 November 2023

Group	Net Accumulation	Equalisation	2023 Net Accumulation	2022 Net Accumulation
1	0.4504	–	0.4504	0.2914
2	–	0.4504	0.4504	0.2914

Investment Objective and Policy

The Fund aims to grow investment through a combination of income and capital growth over the medium to long-term (5 or more years).

The Fund will aim to achieve this objective, whilst remaining within Risk Profile 2, which is the second lowest risk profile in this range.

The Fund will be invested in collective investment schemes. Investments in collective investment schemes may also include those managed, operated or advised by the ACD's associates.

Through the investment in collective investment schemes, the Fund will be indirectly invested in a range of different asset classes. The weighting of the asset classes to which the Fund is exposed may be varied depending on the Investment Manager's views in the context of achieving the investment objective. Under normal market circumstances, between 20% and 55% of the value of the Fund will be invested in global equities, including emerging market equities. The Fund will have exposure to global fixed income securities (such as government, corporate, high yield and emerging market bonds) and there may be some indirect exposure (typically, no more than 15% in aggregate) to any one or more of: real estate and commodities. To the extent not fully invested in collective investment schemes, in normal market conditions, up to 10% may be invested directly in cash, near cash and money market instruments.

The Investment Manager may need to adjust the stated exposure level to global equities during periods of unusual instability in the markets.

The Fund's risk level is managed by varying the weighting of the asset classes to which the Fund is exposed.

The Fund may use derivatives to reduce risk or cost or to generate additional capital or income at proportionate risk (known as "Efficient Portfolio Management").

Strategy

The Fund is managed with reference to strategic asset allocations which are provided to the Investment Manager on at least a quarterly basis; these may change as a result of changing market conditions and assumptions in the Risk Profile Service Provider's asset allocation models which aim to achieve an optimal level of growth in income and capital for the expected risk level assuming a medium to long-term investment horizon (5 years or more).

The Fund is actively managed by the Investment Manager. The Investment Manager may take tactical decisions away from the strategic asset allocation to seek to meet the Fund's investment objectives and improve returns. There is no guarantee that the Fund's investment objective will be met.

The Investment Manager also has the potential to increase performance through its choice of collective investment schemes in which it invests: for example actively managed funds typically aim to increase performance through superior stock or sector selection skills (although there is no certainty of this and the opposite could occur).

Risk Profile 2

EValue Limited (EV) is a financial solutions company with expertise in risk profiling and forward-looking, global asset allocation research. The Fund aligns to Risk Profile 2 of the EV five-point scale for long-term risk profiling and strategic asset allocation. The Fund's aim is to deliver income and capital growth through assets that demonstrate moderate price fluctuations, with emphasis placed on exposure to fixed income securities and equities, whilst remaining within its risk profile.

Investment Report

Embark Investments, as ACD of Embark Investment Funds ICVC, oversees the asset allocation on a quarterly basis with EV (see page 71 for information on EV) for Fund II and then supervises the active management of the underlying portfolios by Columbia Threadneedle Investments against these strategic asset allocations. The following Fund Performance Report is written in conjunction with Columbia Threadneedle Investments:

Fund Performance

For the period ending 30 November 2023, the Embark Horizon Multi-Asset Fund II (Class Z Accumulation Shares[1]) generated a positive return of 2.03%. Investors may wish to consider the performance of the Fund with reference to the median performance reported for the IA Mixed Investment 20-60% Shares Sector.

Market Overview

The six months under review constituted an eventful and occasionally volatile period for financial markets. Global equities recorded solid gains in aggregate, thanks mostly to strong performance from the large US market. Credit spreads also tightened, while core bonds had mixed fortunes. Yields on US Treasuries rose while their German Bund counterparts were little changed, and gilt yields declined.

Treasuries, Bunds and gilts were all pressurised by worries about increased issuance of government debt to pay for the expensive fiscal policies of recent years, but the outlook for interest rates remained the primary driver of bond market direction. As rates neared their expected terminal levels in the US, eurozone and UK, the question preoccupying investors appeared to shift from 'how high will rates go?' to 'how long will they take to come back down?'.

Having kept rates unchanged in June to assess the impact of prior hikes, the Federal Reserve ("Fed") added another 25 basis points (bps) to the federal funds rate in July. This came amid mixed signals from the US economy; headline inflation had fallen to a two-year low but second-quarter (Q2) GDP had easily beaten expectations, and the labour market remained tight. And although Fed policymakers kept rates on hold at the two remaining meetings of the period in September and November, they caused some alarm at the first of these by projecting smaller rate cuts next year alongside bullish revisions to US unemployment and growth forecasts.

At its last meeting in early November, the Fed hinted that rates could still rise in coming months. Nevertheless, markets appeared to sense a dovish tone in commentary from Fed Chair Jerome Powell, who highlighted the tightening effect on the economy of higher Treasury yields and mortgage payments. Later that month, the idea that the Fed had finished raising rates was reinforced as several inflation-related datapoints came in lower than forecast. Treasury yields fell sharply in response, which helped to fuel a late, powerful rally in equities.

The European Central Bank and Bank of England also paused their hiking programmes. Both central banks had raised their key rates by a total of 75 bps earlier in the period – more than the Fed's 25 bps – and both echoed their US counterpart in signalling a 'higher for longer' outlook. Despite this, German Bunds and UK gilts significantly outperformed Treasuries. The 10-year Treasury yield rose by 68 bps over the six months to the end of November. The German equivalent rose more modestly, by 17 bps, while the 10-year gilt yield ended the period little changed despite sizeable swings along the way.

The disparity in the performance of core bonds was due in part to the comparative weakness of the eurozone and UK economies. Preliminary data from Eurostat pointed to a 0.1% contraction in eurozone GDP over Q3, while the Office for National Statistics reported zero growth in UK GDP. This compared to growth of 1.2% in the US for the same period, according to the US Bureau of Economic Analysis.

The MSCI AC World index (ACWI) of global equities posted a total return of 7.5% in local currencies and, as the pound strengthened, 5.4% in sterling. Of the major regions, Japan was the strongest in local-currency terms. The Bank of Japan's loose monetary policy resulted in a weaker yen, which helped the export-heavy market in local terms though eroded most of that return in sterling. The US did best in sterling, bolstered by its large exposure to high-growth tech stocks, which benefited from stellar earnings updates and optimism around AI.

UK and continental European equities were laggards amid worries about their economic outlooks. Emerging markets (EMs) also rose but trailed the global average. China was weak, given concerns about its faltering post-COVID recovery, the ongoing property crisis, and tensions with the West.

Investment Report (continued)

Meanwhile, sterling investment-grade (IG) credit spreads tightened alongside rising global equity prices, with 'risk-on' sentiment chiefly boosted by events in the US. As mentioned, inflation came down sharply and GDP growth surprised on the upside. Furthermore, corporate results continued to beat estimates in aggregate. Volatility was subdued for much of the period but spiked in October in response to the terrible events in Israel and Gaza, before subsiding as the threat of a wider regional conflict appeared to ease.

At the end of November, the main asset classes in Fund II were developed-market equities, EM equities, gilts and sterling IG credit.

Within equities, all regions posted positive returns at the index level over the six months to 30 November 2023. The US was the top-performing region, returning 7.9%. Japan and Europe ex UK respectively returned 4.1% and 4.0%, while EMs returned 2.7% and the UK posted a more modest return of 1.6%. Fixed income markets also rose, with sterling IG credit returning 4.1% and gilts returning 1.5%[2].

The strategic asset allocation was rebalanced in August and again at the start of November. At the end of November, the Fund's strategic asset allocation was broken down as follows: 37% in developed-market equities; 8% in EM equities; 19% in UK gilts; 35% in sterling IG credit; 1% in cash.

At the end of the period, the fund was overweight in equities and underweight in fixed income.

Within equities, we were overweight in Japan, the US and the UK. UK and Japanese equities are attractively valued relative to global averages. In the UK, inflation is slowing and we expect wage prices to follow, and believe that interest rates have likely peaked. Meanwhile, UK households are now much less indebted than at the start of COVID, with higher aggregate savings. While we are mindful of the impact of a fall in housing prices, we still feel that much of the gloom overhanging the UK economy is overdone. Meanwhile, we are encouraged by Japanese firms' recent efforts to improve capital efficiency and generate higher returns for investors. Japanese equities have been beneficiaries of the country's ongoing reform programme, which – together with the weak yen – remains a source of much of the earnings growth being achieved there. We have become more constructive on US equities in recent months, given more encouraging inflation data and the higher probability of a 'soft landing' for the economy. That said, we are mindful that valuations are elevated.

We were underweight in the Europe ex UK and EM equity segments. While EMs are trading at attractive valuations, many economies are likely to feel the impact of a sustained slowdown in China's economic growth. Commodity-price volatility and the prospect of tighter financial conditions present additional challenges. Many EMs also face challenging fiscal and financing outlooks, owing to high interest costs. We have become more cautious about the outlook for Europe ex UK due to weakening macroeconomic indicators. The German manufacturing sector has been especially hard hit by the closure or relocation of businesses that were reliant on cheap Russian natural gas. European equities have relatively cyclical earnings when compared to other regions, such as the US, and are therefore vulnerable to slowing economic growth.

Within fixed income, we were overweight in gilts and underweight in sterling IG credit. We believe current market pricing is too pessimistic on the outlook for interest rates. Additionally, at current yield levels, government bonds offer an attractive level of income and increased diversification benefits.

Outlook

Expectations of a decline in earnings per share next year seem misplaced. Despite the rate hikes, there is little evidence of a serious economic slowdown in the developed world. This may be due to longer-than-expected lags between the recent round of monetary tightening and the corresponding impact on the economy. Even if this is the case, however, we suspect that any resulting belt-tightening by consumers would be more likely to hit smaller businesses and unlisted sectors, and it would not massively impact large companies that continue to maintain pricing power and whose debt profiles have 'locked in' the low rates of 2021 and before.

Nevertheless, we maintain a degree of caution about the outlook for equities. As mentioned, this is not due to risks around earnings; rather, it is because global equity valuations (on a price-to-earnings basis) look historically high, both in absolute terms and relative to other asset classes. Specifically, elevated bond yields present a challenging backdrop for the current valuation picture.

Investment Report (continued)

Meanwhile, in fixed income, we remain positive on both duration and credit, which we expect to benefit from rate cuts next year and beyond.

[1] The Class Z Accumulation Shares were selected to illustrate the performance of the Fund as they are the largest share class and Accumulation shares show the total return of the Fund, as all income is reinvested.

[2] Representative indices:

US Equities: S&P 500 – Total Return Gross Income Reinvested

European Equities: MSCI EMU – Total Return Gross Income Reinvested

Japanese Equities: MSCI Japan – Total Return Gross Income Reinvested

UK Equities: FTSE All-Share – Total Return Gross Income Reinvested

Emerging Market Equities: MSCI Emerging Markets – Gross Return

Sterling IG Credit: iBoxx Sterling Corporates AA Rated

Gilts: FTSE Actuaries UK Conventional Gilts All Stocks)

Cumulative Performance Data to 30 November 2023 (net of fees)

Fund II	Launch 12 December 2013	5 Years	3 Years	1 Year
Embark Horizon Multi-Asset II	51.33%	8.20%	-12.08%	1.59%

Source: FE Fundinfo, in GBP, as at 30/11/2023

Past performance is not a reliable indicator of future results and the value of investments (and any income from them) can go down, so an investor may get back less than the amount invested. No guarantee is given for the performance of the Funds.

Columbia Threadneedle Investments
Investment Manager
21 December 2023

Portfolio Statement

as at 30 November 2023 (unaudited)

Holding	Investment	Market value £'000	Percentage of total net assets %
	United Kingdom Collective Investment Schemes 99.14% (99.08%)		
2,760,107	CT American	18,338	13.34
1,738,854	CT American Select	4,886	3.55
2,890,559	CT Asia	5,162	3.76
1,632,708	CT European	13,515	9.83
0	CT Global Bond^*	—	—
4,908,807	CT Global Emerging Markets Equity	5,632	4.10
1,622,183	CT Japan	6,088	4.43
16,014,211	CT Sterling Bond	14,126	10.28
22,314,614	CT Sterling Corporate Bond	26,208	19.06
10,427,537	CT Sterling Medium and Long-Dated Corporate Bond	9,736	7.08
7,985,822	CT Sterling Short-Dated Corporate Bond	9,089	6.61
2,582,409	CT UK	3,725	2.71
17,778,823	CT UK Fixed Interest	14,127	10.28
1,260,200	CT UK Institutional	1,512	1.10
689,378	CT UK Smaller Companies	721	0.52
3,197,087	CT US Equity Income	3,423	2.49
		136,288	99.14
	Net Investments 99.14% (99.08%)	**136,288**	**99.14**
	Net other assets	1,183	0.86
	Total net assets	**137,471**	**100.00**

Comparative figures shown in brackets relate to 31 May 2023.

All assets are accumulation shares unless otherwise stated.

^ Investments which are less than £500 are rounded to zero.

* Investments which have shares less than 0 due to fractional shares.

Total purchases for the period: £19,806,533

Total sales for the period: £40,494,214

Fund Information

The Comparative Tables on pages 25 to 27 give the performance of each active share class in the Fund.

The 'Return after charges' disclosed in the Comparative Tables is calculated as the return after operating charges per share divided by the opening net asset value per share. It may differ from the Fund's performance disclosed in the Investment Report, which is calculated based on the latest published price.

Portfolio transaction costs are incurred when investments are bought or sold by a fund in order to achieve the investment objective. These transaction costs affect investors in different ways depending on whether they are joining, leaving or continuing with their investment in the fund.

Direct transaction costs include broker commission and taxes. Broker commission includes the fee paid to a broker to execute the trades and research costs.

In addition, there are indirect portfolio transaction costs arising from the 'dealing spread' – the difference between the buying and selling prices of underlying investments in the portfolio. Unlike shares whereby broker commissions and stamp duty are paid by the fund on each transaction, other types of investments (such as bonds, money instruments, derivatives) do not have separately identifiable transaction costs; these costs form part of the dealing spread. Dealing spreads vary considerably depending on the transaction value and market sentiment.

Fund Information (continued)

Comparative Tables

Class Z Income Shares	For the period to 30.11.23 pence per share	For the year to 31.05.23 pence per share	For the year to 31.05.22 pence per share
Change in Net Asset Value per share			
Opening net asset value per share	59.47	63.54	67.29
Return before operating charges*	1.45	(2.79)	(2.76)
Operating charges	(0.24)	(0.49)	(0.55)
Return after operating charges	1.21	(3.28)	(3.31)
Distributions on income shares	(0.38)	(0.79)	(0.44)
Closing net asset value per share	60.30	59.47	63.54
* After direct transaction costs of:	–	–	–

	30.11.23	31.05.23	31.05.22
Performance			
Return after charges[1]	2.03%	(5.16)%	(4.92)%
Other Information			
Closing net asset value (£'000)	2,780	3,164	4,350
Closing number of shares	4,610,681	5,321,039	6,846,406
Operating charges[2]	0.81%	0.81%	0.81%
Direct transaction costs	–%	–%	–%

	30.11.23 pence per share	31.05.23 pence per share	31.05.22 pence per share
Prices			
Highest share price	60.80	64.04	71.68
Lowest share price	57.95	55.70	62.53

[1] This represents return after charges for the current interim period.

[2] Operating charges, otherwise known as the OCF (Ongoing Charges Figure), is the ratio of the Fund's total disclosable costs (excluding overdraft interest) to the average net assets of the Fund. The OCF represents annualised operating charges for the current period and is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a Fund and is calculated based on the last year's figures. Included within the OCF are synthetic costs which include the OCF of the underlying funds weighted on the basis of their investment proportion.

Fund Information (continued)

Comparative Tables (continued)

Class Z Accumulation Shares	For the period to 30.11.23 pence per share	For the year to 31.05.23 pence per share	For the year to 31.05.22 pence per share
Change in Net Asset Value per share			
Opening net asset value per share	64.56	68.07	71.62
Return before operating charges*	1.57	(2.98)	(2.96)
Operating charges	(0.26)	(0.53)	(0.59)
Return after operating charges	1.31	(3.51)	(3.55)
Distributions	(0.41)	(0.85)	(0.46)
Retained distributions on accumulation shares	0.41	0.85	0.46
Closing net asset value per share	65.87	64.56	68.07
* After direct transaction costs of:	–	–	–
	30.11.23	**31.05.23**	**31.05.22**
Performance			
Return after charges[1]	2.03%	(5.16)%	(4.96)%
Other Information			
Closing net asset value (£'000)	106,777	121,100	154,047
Closing number of shares	162,104,309	187,588,721	226,292,681
Operating charges[2]	0.81%	0.81%	0.81%
Direct transaction costs	–%	–%	–%
	30.11.23 pence per share	**31.05.23 pence per share**	**31.05.22 pence per share**
Prices			
Highest share price	66.00	68.61	76.48
Lowest share price	62.91	59.68	66.72

[1] This represents return after charges for the current interim period.

[2] Operating charges, otherwise known as the OCF (Ongoing Charges Figure), is the ratio of the Fund's total disclosable costs (excluding overdraft interest) to the average net assets of the Fund. The OCF represents annualised operating charges for the current period and is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a Fund and is calculated based on the last year's figures. Included within the OCF are synthetic costs which include the OCF of the underlying funds weighted on the basis of their investment proportion.

Fund Information (continued)

Comparative Tables (continued)

Class I Accumulation Shares	For the period to 30.11.23 pence per share	For the year to 31.05.23 pence per share	For the year to 31.05.22 pence per share
Change in Net Asset Value per share			
Opening net asset value per share	64.89	68.37	71.86
Return before operating charges*	1.57	(3.02)	(2.97)
Operating charges	(0.23)	(0.46)	(0.52)
Return after operating charges	1.34	(3.48)	(3.49)
Distributions	(0.44)	(0.90)	(0.53)
Retained distributions on accumulation shares	0.44	0.90	0.53
Closing net asset value per share	66.23	64.89	68.37
* After direct transaction costs of:	–	–	–

	30.11.23	31.05.23	31.05.22
Performance			
Return after charges[1]	2.07%	(5.09)%	(4.86)%
Other Information			
Closing net asset value (£'000)	27,914	30,672	34,045
Closing number of shares	42,146,029	47,271,507	49,797,101
Operating charges[2]	0.71%	0.71%	0.71%
Direct transaction costs	–%	–%	–%

	30.11.23 pence per share	31.05.23 pence per share	31.05.22 pence per share
Prices			
Highest share price	66.36	68.91	76.78
Lowest share price	63.25	59.95	67.00

[1] This represents return after charges for the current interim period.

[2] Operating charges, otherwise known as the OCF (Ongoing Charges Figure), is the ratio of the Fund's total disclosable costs (excluding overdraft interest) to the average net assets of the Fund. The OCF represents annualised operating charges for the current period and is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a Fund and is calculated based on the last year's figures. Included within the OCF are synthetic costs which include the OCF of the underlying funds weighted on the basis of their investment proportion.

Statement of Total Return

for the period ended 30 November 2023 (unaudited)

	£'000	01.06.23 to 30.11.23 £'000	£'000	01.06.22 to 30.11.22 £'000
Income				
Net capital gains/(losses)		1,864		(9,937)
Revenue	1,638		1,528	
Expenses	(528)		(641)	
Interest payable and similar charges	–		–	
Net revenue before taxation	1,110		887	
Taxation	(184)		(72)	
Net revenue after taxation		926		815
Total return before distributions		2,790		(9,122)
Distributions		(926)		(815)
Change in net assets attributable to shareholders from investment activities		1,864		(9,937)

Statement of Change in Net Assets Attributable to Shareholders

for the period ended 30 November 2023 (unaudited)

	£'000	01.06.23 to 30.11.23 £'000	£'000	01.06.22 to 30.11.22 £'000
Opening net assets attributable to shareholders		154,936		192,442
Amounts receivable on creation of shares	1,730		6,230	
Amounts payable on cancellation of shares	(21,906)		(19,629)	
		(20,176)		(13,399)
Change in net assets attributable to shareholders from investment activities (see above)		1,864		(9,937)
Retained distribution on accumulation shares		847		768
Closing net assets attributable to shareholders		137,471		169,874

The difference between the opening net assets and the comparative closing net assets is the movement during the second half of the year.

Balance Sheet

as at 30 November 2023 (unaudited)

	30.11.23 £'000	31.05.23 £'000
Assets:		
Fixed assets:		
Investments	136,288	153,510
Current assets:		
Debtors	568	1,266
Cash and bank balances	1,503	1,417
Total assets	138,359	156,193
Liabilities:		
Creditors:		
Distribution payable on income shares	(17)	(27)
Other creditors	(871)	(1,230)
Total liabilities	(888)	(1,257)
Net assets attributable to shareholders	137,471	154,936

Notes to the Financial Statements

for the period ended 30 November 2023 (unaudited)

1. Accounting Policies

(a) Basis of accounting

The financial statements have been prepared on a going concern basis under the historical cost convention, as modified by the revaluation of investments and in accordance with Financial Reporting Standard (FRS) 102 and the Statement of Recommended Practice for UK Authorised Funds issued by the IA in May 2014 and amended in June 2017.

Distribution Tables

for the period ended 30 November 2023

Class Z Income Shares

Interim Distribution (in pence per share)

Group 1: Shares purchased prior to 1 June 2023
Group 2: Shares purchased from 1 June 2023 to 30 November 2023

Group	Net Income	Equalisation	2023 Net Distribution Paid	2022 Net Distribution Paid
1	0.3766	–	0.3766	0.2750
2	–	0.3766	0.3766	0.2750

Class Z Accumulation Shares

Interim Accumulation (in pence per share)

Group 1: Shares purchased prior to 1 June 2023
Group 2: Shares purchased from 1 June 2023 to 30 November 2023

Group	Net Accumulation	Equalisation	2023 Net Accumulation	2022 Net Accumulation
1	0.4089	–	0.4089	0.2945
2	0.1007	0.3082	0.4089	0.2945

Class I Accumulation Shares

Interim Accumulation (in pence per share)

Group 1: Shares purchased prior to 1 June 2023
Group 2: Shares purchased from 1 June 2023 to 30 November 2023

Group	Net Accumulation	Equalisation	2023 Net Accumulation	2022 Net Accumulation
1	0.4372	–	0.4372	0.3221
2	–	0.4372	0.4372	0.3221

Investment Objective and Policy

The Fund aims to grow investment through a combination of income and capital growth over the medium to long-term (5 or more years).

The Fund will aim to achieve this objective, whilst remaining within Risk Profile 3, which is the middle risk profile in this range.

The Fund will be invested in collective investment schemes. Investments in collective investment schemes may also include those managed, operated or advised by the ACD's associates.

Through the investment in collective investment schemes, the Fund will be indirectly invested in a range of different asset classes. The weighting of the asset classes to which the Fund is exposed may be varied depending on the Investment Manager's views in the context of achieving the investment objective. Under normal market circumstances, between 50% and 75% of the value of the Fund will be invested in global equities, including emerging market equities. The Fund will generally have a lower exposure to global fixed income securities (such as government, corporate, high yield and emerging market bonds) and there may be some indirect exposure (typically, no more than 15% in aggregate) to any one or more of: real estate and commodities. To the extent not fully invested in collective investment schemes, in normal market conditions, up to 10% may be invested directly in cash, near cash and money market instruments.

The Investment Manager may need to adjust the stated exposure level to global equities during periods of unusual instability in the markets.

The Fund's risk level is managed by varying the weighting of the asset classes to which the Fund is exposed.

The Fund may use derivatives to reduce risk or cost or to generate additional capital or income at proportionate risk (known as "Efficient Portfolio Management").

Strategy

The Fund is managed with reference to strategic asset allocations which are provided to the Investment Manager on at least a quarterly basis; these may change as a result of changing market conditions and assumptions in the Risk Profile Service Provider's asset allocation models which aim to achieve an optimal level of growth in income and capital for the expected risk level assuming a long-term investment horizon (10 or more years).

The Fund is actively managed by the Investment Manager. The Investment Manager may take tactical decisions away from the strategic asset allocation to seek to meet the Fund's investment objectives and improve returns. There is no guarantee that the Fund's investment objective will be met.

The Investment Manager also has the potential to increase performance through its choice of collective investment schemes in which it invests: for example actively managed funds typically aim to increase performance through superior stock or sector selection skills (although there is no certainty of this and the opposite could occur).

Risk Profile 3

EValue Limited (EV) is a financial solutions company with expertise in risk profiling and forward-looking, global asset allocation research. The Fund aligns to Risk Profile 3 of the EV five-point scale for long-term risk profiling and strategic asset allocation. The Fund's aim is to deliver income and capital growth through assets that demonstrate moderate to large price fluctuations, with greater emphasis placed on exposure to equities and a lower relative emphasis placed on exposure to fixed income securities, whilst remaining within its risk profile.

Investment Report

Embark Investments, as ACD of Embark Investment Funds ICVC, oversees the asset allocation on a quarterly basis with EV (see page 71 for information on EV) for Fund III and then supervises the active management of the underlying portfolios by Columbia Threadneedle Investments against these strategic asset allocations. The following Fund Performance Report is written in conjunction with Columbia Threadneedle Investments:

Fund Performance

For the period ending 30 November 2023, the Embark Horizon Multi-Asset Fund III (Class Z Accumulation Shares[1]) generated a positive return of 2.31%. Investors may wish to consider the performance of the Fund with reference to the median performance reported for the IA Mixed Investment 40-85% Shares Sector.

Market Overview

The six months under review constituted an eventful and occasionally volatile period for financial markets. Global equities recorded solid gains in aggregate, thanks mostly to strong performance from the large US market. Credit spreads also tightened, while core bonds had mixed fortunes. Yields on US Treasuries rose while their German Bund counterparts were little changed, and gilt yields declined.

Treasuries, Bunds and gilts were all pressurised by worries about increased issuance of government debt to pay for the expensive fiscal policies of recent years, but the outlook for interest rates remained the primary driver of bond market direction. As rates neared their expected terminal levels in the US, eurozone and UK, the question preoccupying investors appeared to shift from 'how high will rates go?' to 'how long will they take to come back down?'.

Having kept rates unchanged in June to assess the impact of prior hikes, the Federal Reserve ("Fed") added another 25 basis points (bps) to the federal funds rate in July. This came amid mixed signals from the US economy; headline inflation had fallen to a two-year low but second-quarter (Q2) GDP had easily beaten expectations, and the labour market remained tight. And although Fed policymakers kept rates on hold at the two remaining meetings of the period in September and November, they caused some alarm at the first of these by projecting smaller rate cuts next year alongside bullish revisions to US unemployment and growth forecasts.

At its last meeting in early November, the Fed hinted that rates could still rise in coming months. Nevertheless, markets appeared to sense a dovish tone in commentary from Fed Chair Jerome Powell, who highlighted the tightening effect on the economy of higher Treasury yields and mortgage payments. Later that month, the idea that the Fed had finished raising rates was reinforced as several inflation-related datapoints came in lower than forecast. Treasury yields fell sharply in response, which helped to fuel a late, powerful rally in equities.

The European Central Bank and Bank of England also paused their hiking programmes. Both central banks had raised their key rates by a total of 75 bps earlier in the period – more than the Fed's 25 bps – and both echoed their US counterpart in signalling a 'higher for longer' outlook. Despite this, German Bunds and UK gilts significantly outperformed Treasuries. The 10-year Treasury yield rose by 68 bps over the six months to the end of November. The German equivalent rose more modestly, by 17 bps, while the 10-year gilt yield ended the period little changed despite sizeable swings along the way.

The disparity in the performance of core bonds was due in part to the comparative weakness of the eurozone and UK economies. Preliminary data from Eurostat pointed to a 0.1% contraction in eurozone GDP over Q3, while the Office for National Statistics reported zero growth in UK GDP. This compared to growth of 1.2% in the US for the same period, according to the US Bureau of Economic Analysis.

The MSCI AC World index (ACWI) of global equities posted a total return of 7.5% in local currencies and, as the pound strengthened, 5.4% in sterling. Of the major regions, Japan was the strongest in local-currency terms. The Bank of Japan's loose monetary policy resulted in a weaker yen, which helped the export-heavy market in local terms though eroded most of that return in sterling. The US did best in sterling, bolstered by its large exposure to high-growth tech stocks, which benefited from stellar earnings updates and optimism around AI.

UK and continental European equities were laggards amid worries about their economic outlooks. Emerging markets (EMs) also rose but trailed the global average. China was weak, given concerns about its faltering post-COVID recovery, the ongoing property crisis, and tensions with the West.

Investment Report (continued)

Meanwhile, sterling investment-grade (IG) credit spreads tightened alongside rising global equity prices, with 'risk-on' sentiment chiefly boosted by events in the US. As mentioned, inflation came down sharply and GDP growth surprised on the upside. Furthermore, corporate results continued to beat estimates in aggregate. Volatility was subdued for much of the period but spiked in October in response to the terrible events in Israel and Gaza, before subsiding as the threat of a wider regional conflict appeared to ease.

At the end of November, the main asset classes in Fund III were developed-market equities, EM equities, gilts and sterling IG credit.

Within equities, all regions posted positive returns at the index level over the six months to 30 November 2023. The US was the top-performing region, returning 7.9%. Japan and Europe ex UK respectively returned 4.1% and 4.0%, while EMs returned 2.7% and the UK posted a more modest return of 1.6%. In fixed income, sterling IG credit rose, returning 4.1%, but gilts declined by 1.4%.[2] (Please note that the gilt return only references the period in which they were held in the strategic asset allocation)[2].

The strategic asset allocation was rebalanced in August and again at the start of November. At the end of November, the Fund's strategic asset allocation was broken down as follows: 45% in developed-market equities; 10% in EM equities; 44% in sterling IG credit; 1% in cash.

At the end of the period, we were overweight in equities and underweight in fixed income.

Within equities, we were overweight in the US, Japan and the UK. UK and Japanese equities are attractively valued relative to global averages. In the UK, inflation is slowing and we expect wage prices to follow, and believe that interest rates have likely peaked. Meanwhile, UK households are now much less indebted than at the start of COVID, with higher aggregate savings. While we are mindful of the impact of a fall in housing prices, we still feel that much of the gloom overhanging the UK economy is overdone. Meanwhile, we are encouraged by Japanese firms' recent efforts to improve capital efficiency and generate higher returns for investors. Japanese equities have been beneficiaries of the country's ongoing reform programme, which – together with the weak yen – remains a source of much of the earnings growth being achieved there. We have become more constructive on US equities in recent months, given more encouraging inflation data and the higher probability of a 'soft landing' for the economy. That said, we are mindful that valuations are elevated.

We were underweight in the EM and Europe ex UK equity segments. While EMs are trading at attractive valuations, many economies are likely to feel the impact of a sustained slowdown in China's economic growth. Commodity-price volatility and the prospect of tighter financial conditions present additional challenges. Many EMs also face challenging fiscal and financing outlooks, owing to high interest costs. We have become more cautious about the outlook for Europe ex UK due to weakening macroeconomic indicators. The German manufacturing sector has been especially hard hit by the closure or relocation of businesses that were reliant on cheap Russian natural gas. European equities have relatively cyclical earnings when compared to other regions, such as the US, and are therefore vulnerable to slowing economic growth.

In fixed income, we were overweight in gilts and underweight in sterling IG credit. We believe current market pricing is too pessimistic on the outlook for interest rates. Additionally, at current yield levels, government bonds offer an attractive level of income and increased diversification benefits.

Outlook

Expectations of a decline in earnings per share next year seem misplaced. Despite the rate hikes, there is little evidence of a serious economic slowdown in the developed world. This may be due to longer-than-expected lags between the recent round of monetary tightening and the corresponding impact on the economy. Even if this is the case, however, we suspect that any resulting belt-tightening by consumers would be more likely to hit smaller businesses and unlisted sectors, and it would not massively impact large companies that continue to maintain pricing power and whose debt profiles have 'locked in' the low rates of 2021 and before.

Nevertheless, we maintain a degree of caution about the outlook for equities. As mentioned, this is not due to risks around earnings; rather, it is because global equity valuations (on a price-to-earnings basis) look historically high, both in absolute terms and relative to other asset classes. Specifically, elevated bond yields present a challenging backdrop for the current valuation picture.

Investment Report (continued)

Meanwhile, in fixed income, we remain positive on both duration and credit, which we expect to benefit from rate cuts next year and beyond.

[1] The Class Z Accumulation Shares were selected to illustrate the performance of the Fund as they are the largest share class and Accumulation shares show the total return of the Fund, as all income is reinvested

[2] Representative indices:

US Equities: S&P 500 – Total Return Gross Income Reinvested

European Equities: MSCI EMU – Total Return Gross Income Reinvested

Japanese Equities: MSCI Japan – Total Return Gross Income Reinvested

UK Equities: FTSE All-Share – Total Return Gross Income Reinvested

Emerging Market Equities: MSCI Emerging Markets – Gross Return

Sterling IG credit: iBoxx Sterling Corporates AA Rated

UK Government Bonds: FTSE Actuaries UK Conventional Gilts All Stocks

Global Government Bonds: JPMorgan GBI Global (GBP Unhedged)

Cumulative Performance Data to 30 November 2023 (net of fees)

Fund III	Launch 12 December 2013	5 Years	3 Years	1 Year
Embark Horizon Multi-Asset III	71.85.%	16.45%	-8.57%	3.68%

Source: FE Fundinfo, in GBP, as at 30/11/2023

Past performance is not a reliable indicator of future results and the value of investments (and any income from them) can go down, so an investor may get back less than the amount invested. No guarantee is given for the performance of the Funds.

Columbia Threadneedle Investments
Investment Manager
21 December 2023

Portfolio Statement

as at 30 November 2023 (unaudited)

Holding	Investment	Market value £'000	Percentage of total net assets %
	United Kingdom Collective Investment Schemes 99.15% (99.06%)		
5,230,594	CT American	34,751	13.90
4,479,131	CT American Select	12,587	5.03
898,583	CT American Smaller Companies	5,094	2.04
6,663,652	CT Asia	11,900	4.76
2,873,544	CT European	23,786	9.51
1,172,170	CT European Select	2,529	1.01
2,742,507	CT European Smaller Companies	3,404	1.36
11,124,893	CT Global Emerging Markets Equity	12,764	5.10
3,642,708	CT Japan	13,670	5.47
7,826,672	CT Sterling Bond	6,904	2.76
41,092,847	CT Sterling Corporate Bond	48,263	19.30
17,691,951	CT Sterling Medium and Long-Dated Corporate Bond	16,519	6.61
31,828,560	CT Sterling Short-Dated Corporate Bond	36,224	14.49
5,637,343	CT UK	8,131	3.25
2,756,114	CT UK Institutional	3,308	1.32
1,771,454	CT UK Smaller Companies	1,852	0.74
5,851,139	CT US Equity Income	6,265	2.50
		247,951	99.15
	Net Investments 99.15% (99.06%)	**247,951**	**99.15**
	Net other assets	2,119	0.85
	Total net assets	**250,070**	**100.00**

Comparative figures shown in brackets relate to 31 May 2023.

All assets are accumulation shares unless otherwise stated.

Total purchases for the period: £41,065,585

Total sales for the period: £76,009,530

Fund Information

The Comparative Tables on pages 38 to 40 give the performance of each active share class in the Fund.

The 'Return after charges' disclosed in the Comparative Tables is calculated as the return after operating charges per share divided by the opening net asset value per share. It may differ from the Fund's performance disclosed in the Investment Report, which is calculated based on the latest published price.

Portfolio transaction costs are incurred when investments are bought or sold by a fund in order to achieve the investment objective. These transaction costs affect investors in different ways depending on whether they are joining, leaving or continuing with their investment in the fund.

Direct transaction costs include broker commission and taxes. Broker commission includes the fee paid to a broker to execute the trades and research costs.

In addition, there are indirect portfolio transaction costs arising from the 'dealing spread' – the difference between the buying and selling prices of underlying investments in the portfolio. Unlike shares whereby broker commissions and stamp duty are paid by the fund on each transaction, other types of investments (such as bonds, money instruments, derivatives) do not have separately identifiable transaction costs; these costs form part of the dealing spread. Dealing spreads vary considerably depending on the transaction value and market sentiment.

Fund Information (continued)

Comparative Tables

Class Z Income Shares	For the period to 30.11.23 pence per share	For the year to 31.05.23 pence per share	For the year to 31.05.22 pence per share
Change in Net Asset Value per share			
Opening net asset value per share	65.82	68.13	71.65
Return before operating charges*	1.79	(0.96)	(2.36)
Operating charges	(0.27)	(0.53)	(0.59)
Return after operating charges	1.52	(1.49)	(2.95)
Distributions on income shares	(0.35)	(0.82)	(0.57)
Closing net asset value per share	66.99	65.82	68.13
* After direct transaction costs of:	–	–	–

	30.11.23	31.05.23	31.05.22
Performance			
Return after charges[1]	2.31%	(2.19)%	(4.12)%
Other Information			
Closing net asset value (£'000)	3,549	3,827	5,529
Closing number of shares	5,298,175	5,815,120	8,115,303
Operating charges[2]	0.81%	0.81%	0.81%
Direct transaction costs	–%	–%	–%

	30.11.23 pence per share	31.05.23 pence per share	31.05.22 pence per share
Prices			
Highest share price	67.63	69.16	77.04
Lowest share price	64.27	61.00	66.73

[1] This represents return after charges for the current interim period.

[2] Operating charges, otherwise known as the OCF (Ongoing Charges Figure), is the ratio of the Fund's total disclosable costs (excluding overdraft interest) to the average net assets of the Fund. The OCF represents annualised operating charges for the current period and is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a Fund and is calculated based on the last year's figures. Included within the OCF are synthetic costs which include the OCF of the underlying funds weighted on the basis of their investment proportion.

Fund Information (continued)

Comparative Tables (continued)

Class Z Accumulation Shares	For the period to 30.11.23 pence per share	For the year to 31.05.23 pence per share	For the year to 31.05.22 pence per share
Change in Net Asset Value per share			
Opening net asset value per share	72.37	73.99	77.19
Return before operating charges*	1.97	(1.04)	(2.56)
Operating charges	(0.30)	(0.58)	(0.64)
Return after operating charges	1.67	(1.62)	(3.20)
Distributions	(0.38)	(0.90)	(0.62)
Retained distributions on accumulation shares	0.38	0.90	0.62
Closing net asset value per share	74.04	72.37	73.99
* After direct transaction costs of:	–	–	–
	30.11.23	**31.05.23**	**31.05.22**
Performance			
Return after charges[1]	2.31%	(2.19)%	(4.15)%
Other Information			
Closing net asset value (£'000)	191,391	214,111	268,352
Closing number of shares	258,490,437	295,837,613	362,689,741
Operating charges[2]	0.81%	0.81%	0.81%
Direct transaction costs	–%	–%	–%
	30.11.23 pence per share	**31.05.23 pence per share**	**31.05.22 pence per share**
Prices			
Highest share price	74.37	75.42	82.98
Lowest share price	70.67	66.24	72.11

[1] This represents return after charges for the current interim period.

[2] Operating charges, otherwise known as the OCF (Ongoing Charges Figure), is the ratio of the Fund's total disclosable costs (excluding overdraft interest) to the average net assets of the Fund. The OCF represents annualised operating charges for the current period and is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a Fund and is calculated based on the last year's figures. Included within the OCF are synthetic costs which include the OCF of the underlying funds weighted on the basis of their investment proportion.

Fund Information (continued)

Comparative Tables (continued)

Class I Accumulation Shares	For the period to 30.11.23 pence per share	For the year to 31.05.23 pence per share	For the year to 31.05.22 pence per share
Change in Net Asset Value per share			
Opening net asset value per share	72.78	74.34	77.49
Return before operating charges*	1.96	(1.05)	(2.59)
Operating charges	(0.26)	(0.51)	(0.56)
Return after operating charges	1.70	(1.56)	(3.15)
Distributions	(0.41)	(0.96)	(0.68)
Retained distributions on accumulation shares	0.41	0.96	0.68
Closing net asset value per share	74.48	72.78	74.34
* After direct transaction costs of:	–	–	–

	30.11.23	31.05.23	31.05.22
Performance			
Return after charges[1]	2.34%	(2.10)%	(4.07)%
Other Information			
Closing net asset value (£'000)	55,130	60,579	70,177
Closing number of shares	74,014,987	83,237,632	94,396,726
Operating charges[2]	0.71%	0.71%	0.71%
Direct transaction costs	–%	–%	–%

	30.11.23 pence per share	31.05.23 pence per share	31.05.22 pence per share
Prices			
Highest share price	74.79	75.82	83.34
Lowest share price	71.09	66.58	72.45

[1] This represents return after charges for the current interim period.

[2] Operating charges, otherwise known as the OCF (Ongoing Charges Figure), is the ratio of the Fund's total disclosable costs (excluding overdraft interest) to the average net assets of the Fund. The OCF represents annualised operating charges for the current period and is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a Fund and is calculated based on the last year's figures. Included within the OCF are synthetic costs which include the OCF of the underlying funds weighted on the basis of their investment proportion.

Statement of Total Return

for the period ended 30 November 2023 (unaudited)

	£'000	01.06.23 to 30.11.23 £'000	£'000	01.06.22 to 30.11.22 £'000
Income				
Net capital gains/(losses)		4,442		(13,568)
Revenue	2,625		2,580	
Expenses	(956)		(1,137)	
Interest payable and similar charges	–		–	
Net revenue before taxation	1,669		1,443	
Taxation	(242)		(77)	
Net revenue after taxation		1,427		1,366
Total return before distributions		5,869		(12,202)
Distributions		(1,427)		(1,366)
Change in net assets attributable to shareholders from investment activities		4,442		(13,568)

Statement of Change in Net Assets Attributable to Shareholders

for the period ended 30 November 2023 (unaudited)

	£'000	01.06.23 to 30.11.23 £'000	£'000	01.06.22 to 30.11.22 £'000
Opening net assets attributable to shareholders		278,517		344,058
Amounts receivable on creation of shares	7,324		12,152	
Amounts payable on cancellation of shares	(41,507)		(42,336)	
		(34,183)		(30,184)
Change in net assets attributable to shareholders from investment activities (see above)		4,442		(13,568)
Retained distribution on accumulation shares		1,294		1,276
Closing net assets attributable to shareholders		250,070		301,582

The difference between the opening net assets and the comparative closing net assets is the movement during the second half of the year.

Balance Sheet

as at 30 November 2023 (unaudited)

	30.11.23 £'000	31.05.23 £'000
Assets:		
Fixed assets:		
Investments	247,951	275,894
Current assets:		
Debtors	1,701	1,372
Cash and bank balances	2,212	2,337
Total assets	251,864	279,603
Liabilities:		
Creditors:		
Distribution payable on income shares	(18)	(32)
Other creditors	(1,776)	(1,054)
Total liabilities	(1,794)	(1,086)
Net assets attributable to shareholders	250,070	278,517

Notes to the Financial Statements

for the period ended 30 November 2023 (unaudited)

1. Accounting Policies

(a) Basis of accounting

The financial statements have been prepared on a going concern basis under the historical cost convention, as modified by the revaluation of investments and in accordance with Financial Reporting Standard (FRS) 102 and the Statement of Recommended Practice for UK Authorised Funds issued by the IA in May 2014 and amended in June 2017.

Distribution Tables

for the period ended 30 November 2023

Class Z Income Shares

Interim Distribution (in pence per share)

Group 1: Shares purchased prior to 1 June 2023
Group 2: Shares purchased from 1 June 2023 to 30 November 2023

Group	Net Income	Equalisation	2023 Net Distribution Paid	2022 Net Distribution Paid
1	0.3476	–	0.3476	0.2743
2	0.0444	0.3032	0.3476	0.2743

Class Z Accumulation Shares

Interim Accumulation (in pence per share)

Group 1: Shares purchased prior to 1 June 2023
Group 2: Shares purchased from 1 June 2023 to 30 November 2023

Group	Net Accumulation	Equalisation	2023 Net Accumulation	2022 Net Accumulation
1	0.3822	–	0.3822	0.3004
2	0.0626	0.3196	0.3822	0.3004

Class I Accumulation Shares

Interim Accumulation (in pence per share)

Group 1: Shares purchased prior to 1 June 2023
Group 2: Shares purchased from 1 June 2023 to 30 November 2023

Group	Net Accumulation	Equalisation	2023 Net Accumulation	2022 Net Accumulation
1	0.4137	–	0.4137	0.3302
2	–	0.4137	0.4137	0.3302

Investment Objective and Policy

The Fund aims to grow investment through a combination of income and capital growth over the medium to long-term (5 or more years).

The Fund will aim to achieve this objective, whilst remaining within Risk Profile 4, which is the second highest risk profile in this range.

The Fund will be invested in collective investment schemes. Investments in collective investment schemes may also include those managed, operated or advised by the ACD's associates.

Through the investment in collective investment schemes, the Fund will be indirectly invested in a range of different asset classes. The weighting of the asset classes to which the Fund is exposed may be varied depending on the Investment Manager's views in the context of achieving the investment objective. Under normal market circumstances, between 50% and 95% of the value of the Fund will be invested in global equities, including emerging market equities. The Fund will have some exposure to global fixed income securities (such as government, corporate, high yield and emerging market bonds) and there may be some indirect exposure (typically, no more than 15% in aggregate) to any one or more of: real estate and commodities. To the extent not fully invested in collective investment schemes, in normal market conditions, up to 10% may be invested directly in cash, near cash and money market instruments.

The Investment Manager may need to adjust the stated exposure level to global equities during periods of unusual instability in the markets.

The Fund's risk level is managed by varying the weighting of the asset classes to which the Fund is exposed.

The Fund may use derivatives to reduce risk or cost or to generate additional capital or income at proportionate risk (known as "Efficient Portfolio Management").

Strategy

The Fund is managed with reference to strategic asset allocations which are provided to the Investment Manager on at least a quarterly basis; these may change as a result of changing market conditions and assumptions in the Risk Profile Service Provider's asset allocation models which aim to achieve an optimal level of growth in income and capital for the expected risk level assuming a long-term investment horizon (10 or more years).

The Fund is actively managed by the Investment Manager. The Investment Manager may take tactical decisions away from the strategic asset allocation to seek to meet the Fund's investment objectives and improve returns. There is no guarantee that the Fund's investment objective will be met.

The Investment Manager also has the potential to increase performance through its choice of collective investment schemes in which it invests: for example actively managed funds typically aim to increase performance through superior stock or sector selection skills (although there is no certainty of this and the opposite could occur).

Risk Profile 4

EValue Limited (EV) is a financial solutions company with expertise in risk profiling and forward-looking, global asset allocation research. The Fund aligns to Risk Profile 4 of the EV five-point scale for long-term risk profiling and strategic asset allocation. The Fund's aim is to deliver income and capital growth through assets that demonstrate moderate to large price fluctuations, with greater emphasis placed on exposure to equities and some fixed income securities, whilst remaining within its risk profile.

Investment Report

Embark Investments, as ACD of Embark Investment Funds ICVC, oversees the asset allocation on a quarterly basis with EV (see page 71 for information on EV) for Fund IV and then supervises the active management of the underlying portfolios by Columbia Threadneedle Investments against these strategic asset allocations. The following Fund Performance Report is written in conjunction with Columbia Threadneedle Investments:

Fund Performance

For the period ending 30 November 2023, the Embark Horizon Multi-Asset Fund IV (Class Z Accumulation Shares[1]) generated a positive return of 1.96%. Investors may wish to consider the performance of the Fund with reference to the median performance reported for the IA Mixed Investment 40-85% Shares Sector.

Market Overview

The six months under review constituted an eventful and occasionally volatile period for financial markets. Global equities recorded solid gains in aggregate, thanks mostly to strong performance from the large US market. Credit spreads also tightened, while core bonds had mixed fortunes. Yields on US Treasuries rose while their German Bund counterparts were little changed, and gilt yields declined.

Treasuries, Bunds and gilts were all pressurised by worries about increased issuance of government debt to pay for the expensive fiscal policies of recent years, but the outlook for interest rates remained the primary driver of bond market direction. As rates neared their expected terminal levels in the US, eurozone and UK, the question preoccupying investors appeared to shift from ‘how high will rates go?’ to ‘how long will they take to come back down?’.

Having kept rates unchanged in June to assess the impact of prior hikes, the Federal Reserve (“Fed”) added another 25 basis points (bps) to the federal funds rate in July. This came amid mixed signals from the US economy; headline inflation had fallen to a two-year low but second-quarter (Q2) GDP had easily beaten expectations, and the labour market remained tight. And although Fed policymakers kept rates on hold at the two remaining meetings of the period in September and November, they caused some alarm at the first of these by projecting smaller rate cuts next year alongside bullish revisions to US unemployment and growth forecasts.

At its last meeting in early November, the Fed hinted that rates could still rise in coming months. Nevertheless, markets appeared to sense a dovish tone in commentary from Fed Chair Jerome Powell, who highlighted the tightening effect on the economy of higher Treasury yields and mortgage payments. Later that month, the idea that the Fed had finished raising rates was reinforced as several inflation-related datapoints came in lower than forecast. Treasury yields fell sharply in response, which helped to fuel a late, powerful rally in equities.

The European Central Bank and Bank of England also paused their hiking programmes. Both central banks had raised their key rates by a total of 75 bps earlier in the period – more than the Fed’s 25 bps – and both echoed their US counterpart in signalling a ‘higher for longer’ outlook. Despite this, German Bunds and UK gilts significantly outperformed Treasuries. The 10-year Treasury yield rose by 68 bps over the six months to the end of November. The German equivalent rose more modestly, by 17 bps, while the 10-year gilt yield ended the period little changed despite sizeable swings along the way.

The disparity in the performance of core bonds was due in part to the comparative weakness of the eurozone and UK economies. Preliminary data from Eurostat pointed to a 0.1% contraction in eurozone GDP over Q3, while the Office for National Statistics reported zero growth in UK GDP. This compared to growth of 1.2% in the US for the same period, according to the US Bureau of Economic Analysis.

The MSCI AC World index (ACWI) of global equities posted a total return of 7.5% in local currencies and, as the pound strengthened, 5.4% in sterling. Of the major regions, Japan was the strongest in local-currency terms. The Bank of Japan’s loose monetary policy resulted in a weaker yen, which helped the export-heavy market in local terms though eroded most of that return in sterling. The US did best in sterling, bolstered by its large exposure to high-growth tech stocks, which benefited from stellar earnings updates and optimism around AI.

UK and continental European equities were laggards amid worries about their economic outlooks. Emerging markets (EMs) also rose but trailed the global average. China was weak, given concerns about its faltering post-COVID recovery, the ongoing property crisis, and tensions with the West.

Investment Report (continued)

Meanwhile, sterling investment-grade (IG) credit spreads tightened alongside rising global equity prices, with 'risk-on' sentiment chiefly boosted by events in the US. As mentioned, inflation came down sharply and GDP growth surprised on the upside. Furthermore, corporate results continued to beat estimates in aggregate. Volatility was subdued for much of the period but spiked in October in response to the terrible events in Israel and Gaza, before subsiding as the threat of a wider regional conflict appeared to ease.

At the end of November, the main asset classes in Fund IV were developed-market equities, EM equities, gilts and sterling IG credit.

Within equities, all regions posted positive returns at the index level over the six months to 30 November 2023. The US was the top-performing region, returning 7.9%. Japan and Europe ex UK respectively returned 4.1% and 4.0%, while EMs returned 2.7% and the UK posted a more modest return of 1.6%. Meanwhile, sterling IG credit rose, returning 4.1% over the period[2].

The strategic asset allocation was rebalanced in August and again at the start of November. At the end of November, the Fund's strategic asset allocation was broken down as follows: 59% in developed-market equities; 15% in EM equities; 25% in sterling IG credit; 1% in cash.

At the end of November, we were overweight in equities and underweight in fixed income.

Within equities, we were overweight in the US, Japan and the UK. UK and Japanese equities are attractively valued relative to global averages. In the UK, inflation is slowing and we expect wage prices to follow, and believe that interest rates have likely peaked. Meanwhile, UK households are now much less indebted than at the start of COVID, with higher aggregate savings. While we are mindful of the impact of a fall in housing prices, we still feel that much of the gloom overhanging the UK economy is overdone. Meanwhile, we are encouraged by Japanese firms' recent efforts to improve capital efficiency and generate higher returns for investors. Japanese equities have been beneficiaries of the country's ongoing reform programme, which – together with the weak yen – remains a source of much of the earnings growth being achieved there. We have become more constructive on US equities in recent months, given more encouraging inflation data and the higher probability of a 'soft landing' for the economy. That said, we are mindful that valuations are elevated.

We were underweight in the EM and Europe ex UK equity segments. While EMs are trading at attractive valuations, many economies are likely to feel the impact of a sustained slowdown in China's economic growth. Commodity-price volatility and the prospect of tighter financial conditions present additional challenges. Many EMs also face challenging fiscal and financing outlooks, owing to high interest costs. We have become more cautious about the outlook for Europe ex UK due to weakening macroeconomic indicators. The German manufacturing sector has been especially hard hit by the closure or relocation of businesses that were reliant on cheap Russian natural gas. European equities have relatively cyclical earnings when compared to other regions, such as the US, and are therefore vulnerable to slowing economic growth.

In fixed income, we were underweight in sterling IG credit and overweight in gilts. We believe current market pricing is too pessimistic on the outlook for interest rates. Additionally, at current yield levels, government bonds offer an attractive level of income and increased diversification benefits.

Outlook

Expectations of a decline in earnings per share next year seem misplaced. Despite the rate hikes, there is little evidence of a serious economic slowdown in the developed world. This may be due to longer-than-expected lags between the recent round of monetary tightening and the corresponding impact on the economy. Even if this is the case, however, we suspect that any resulting belt-tightening by consumers would be more likely to hit smaller businesses and unlisted sectors, and it would not massively impact large companies that continue to maintain pricing power and whose debt profiles have 'locked in' the low rates of 2021 and before.

Nevertheless, we maintain a degree of caution about the outlook for equities. As mentioned, this is not due to risks around earnings; rather, it is because global equity valuations (on a price-to-earnings basis) look historically high, both in absolute terms and relative to other asset classes. Specifically, elevated bond yields present a challenging backdrop for the current valuation picture.

Investment Report (continued)

Meanwhile, in fixed income, we remain positive on both duration and credit, which we expect to benefit from rate cuts next year and beyond.

[1] The Class Z Accumulation Shares were selected to illustrate the performance of the Fund as they are the largest share class and Accumulation shares show the total return of the Fund, as all income is reinvested.

[1] Representative indices:

US Equities: S&P 500 – Total Return Gross Income Reinvested

European Equities: MSCI EMU – Total Return Gross Income Reinvested

Japanese Equities: MSCI Japan – Total Return Gross Income Reinvested

UK Equities: FTSE All-Share – Total Return Gross Income Reinvested

Emerging Market Equities: MSCI Emerging Markets – Gross Return

Sterling IG credit: iBoxx Sterling Corporates AA Rated

Cumulative Performance Data to 30 November 2023 (net of fees)

Fund IV	Launch 12 December 2013	5 Years	3 Years	1 Year
Embark Horizon Multi-Asset IV	90.49%	23.24%	-7.75%	4.11%

Source: FE Fundinfo, in GBP, as at 30/11/2023

Past performance is not a reliable indicator of future results and the value of investments (and any income from them) can go down, so an investor may get back less than the amount invested. No guarantee is given for the performance of the Funds.

Columbia Threadneedle Investments
Investment Manager
21 December 2023

Portfolio Statement

as at 30 November 2023 (unaudited)

Holding	Investment	Market value £'000	Percentage of total net assets %
	United Kingdom Collective Investment Schemes 99.01% (98.96%)		
2,343,029	CT American	15,567	14.49
3,271,346	CT American Select	9,193	8.56
480,280	CT American Smaller Companies	2,723	2.54
4,289,529	CT Asia	7,660	7.13
1,612,201	CT European	13,345	12.42
996,298	CT European Select	2,150	2.00
1,318,273	CT European Smaller Companies	1,636	1.52
7,259,692	CT Global Emerging Markets Equity	8,329	7.76
1,572,580	CT Japan	5,902	5.50
2,427,765	CT Sterling Bond	2,141	1.99
16,836,361	CT Sterling Corporate Bond	19,774	18.41
3,717,495	CT Sterling Medium and Long-Dated Corporate Bond	3,471	3.23
3,580,773	CT UK	5,165	4.81
644,222	CT UK Equity Income	2,625	2.44
1,014,666	CT UK Institutional	1,218	1.13
1,075,881	CT UK Smaller Companies	1,125	1.05
4,039,394	CT US Equity Income	4,325	4.03
		106,349	99.01
	Net Investments 99.01% (98.96%)	**106,349**	**99.01**
	Net other assets	1,065	0.99
	Total net assets	**107,414**	**100.00**

Comparative figures shown in brackets relate to 31 May 2023.

All assets are accumulation shares unless otherwise stated.

Total purchases for the period: £16,548,956

Total sales for the period: £31,416,045

Fund Information

The Comparative Tables on pages 51 to 53 give the performance of each active share class in the Fund.

The 'Return after charges' disclosed in the Comparative Tables is calculated as the return after operating charges per share divided by the opening net asset value per share. It may differ from the Fund's performance disclosed in the Investment Report, which is calculated based on the latest published price.

Portfolio transaction costs are incurred when investments are bought or sold by a fund in order to achieve the investment objective. These transaction costs affect investors in different ways depending on whether they are joining, leaving or continuing with their investment in the fund.

Direct transaction costs include broker commission and taxes. Broker commission includes the fee paid to a broker to execute the trades and research costs.

In addition, there are indirect portfolio transaction costs arising from the 'dealing spread' – the difference between the buying and selling prices of underlying investments in the portfolio. Unlike shares whereby broker commissions and stamp duty are paid by the fund on each transaction, other types of investments (such as bonds, money instruments, derivatives) do not have separately identifiable transaction costs; these costs form part of the dealing spread. Dealing spreads vary considerably depending on the transaction value and market sentiment.

Fund Information (continued)

Comparative Tables

Class Z Income Shares	For the period to 30.11.23 pence per share	For the year to 31.05.23 pence per share	For the year to 31.05.22 pence per share
Change in Net Asset Value per share			
Opening net asset value per share	72.36	73.77	78.06
Return before operating charges*	1.72	0.03	(3.06)
Operating charges	(0.30)	(0.58)	(0.64)
Return after operating charges	1.42	(0.55)	(3.70)
Distributions on income shares	(0.24)	(0.86)	(0.59)
Closing net asset value per share	73.54	72.36	73.77
* After direct transaction costs of:	–	–	–

	30.11.23	31.05.23	31.05.22
Performance			
Return after charges[1]	1.96%	(0.75)%	(4.74)%
Other Information			
Closing net asset value (£'000)	2,319	2,398	2,847
Closing number of shares	3,153,813	3,313,291	3,858,811
Operating charges[2]	0.81%	0.81%	0.81%
Direct transaction costs	–%	–%	–%

	30.11.23 pence per share	31.05.23 pence per share	31.05.22 pence per share
Prices			
Highest share price	74.78	76.08	84.58
Lowest share price	70.15	66.21	71.44

[1] This represents return after charges for the current interim period.

[2] Operating charges, otherwise known as the OCF (Ongoing Charges Figure), is the ratio of the Fund's total disclosable costs (excluding overdraft interest) to the average net assets of the Fund. The OCF represents annualised operating charges for the current period and is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a Fund and is calculated based on the last year's figures. Included within the OCF are synthetic costs which include the OCF of the underlying funds weighted on the basis of their investment proportion.

Fund Information (continued)

Comparative Tables (continued)

Class Z Accumulation Shares	For the period to 30.11.23 pence per share	For the year to 31.05.23 pence per share	For the year to 31.05.22 pence per share
Change in Net Asset Value per share			
Opening net asset value per share	79.18	79.77	83.76
Return before operating charges*	1.88	0.04	(3.30)
Operating charges	(0.32)	(0.63)	(0.69)
Return after operating charges	1.56	(0.59)	(3.99)
Distributions	(0.26)	(0.93)	(0.63)
Retained distributions on accumulation shares	0.26	0.93	0.63
Closing net asset value per share	80.74	79.18	79.77
* After direct transaction costs of:	–	–	–

	30.11.23	31.05.23	31.05.22
Performance			
Return after charges[1]	1.97%	(0.74)%	(4.76)%
Other Information			
Closing net asset value (£'000)	85,167	95,667	119,761
Closing number of shares	105,483,066	120,817,894	150,126,378
Operating charges[2]	0.81%	0.81%	0.81%
Direct transaction costs	–%	–%	–%

	30.11.23 pence per share	31.05.23 pence per share	31.05.22 pence per share
Prices			
Highest share price	81.83	82.53	90.75
Lowest share price	76.76	71.59	76.85

[1] This represents return after charges for the current interim period.

[2] Operating charges, otherwise known as the OCF (Ongoing Charges Figure), is the ratio of the Fund's total disclosable costs (excluding overdraft interest) to the average net assets of the Fund. The OCF represents annualised operating charges for the current period and is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a Fund and is calculated based on the last year's figures. Included within the OCF are synthetic costs which include the OCF of the underlying funds weighted on the basis of their investment proportion.

Fund Information (continued)

Comparative Tables (continued)

Class I Accumulation Shares	For the period to 30.11.23 pence per share	For the year to 31.05.23 pence per share	For the year to 31.05.22 pence per share
Change in Net Asset Value per share			
Opening net asset value per share	79.64	80.15	84.07
Return before operating charges*	1.90	0.04	(3.31)
Operating charges	(0.29)	(0.55)	(0.61)
Return after operating charges	1.61	(0.51)	(3.92)
Distributions	(0.31)	(1.02)	(0.72)
Retained distributions on accumulation shares	0.31	1.02	0.72
Closing net asset value per share	81.25	79.64	80.15
* After direct transaction costs of:	–	–	–

	30.11.23	31.05.23	31.05.22
Performance			
Return after charges[1]	2.02%	(0.64)%	(4.66)%
Other Information			
Closing net asset value (£'000)	19,928	21,802	24,893
Closing number of shares	24,528,456	27,376,080	31,056,383
Operating charges[2]	0.71%	0.71%	0.71%
Direct transaction costs	–%	–%	–%

	30.11.23 pence per share	31.05.23 pence per share	31.05.22 pence per share
Prices			
Highest share price	82.31	82.98	91.13
Lowest share price	77.24	71.96	77.21

[1] This represents return after charges for the current interim period.

[2] Operating charges, otherwise known as the OCF (Ongoing Charges Figure), is the ratio of the Fund's total disclosable costs (excluding overdraft interest) to the average net assets of the Fund. The OCF represents annualised operating charges for the current period and is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a Fund and is calculated based on the last year's figures. Included within the OCF are synthetic costs which include the OCF of the underlying funds weighted on the basis of their investment proportion.

Statement of Total Return

for the period ended 30 November 2023 (unaudited)

	£'000	01.06.23 to 30.11.23 £'000	£'000	01.06.22 to 30.11.22 £'000
Income				
Net capital gains/(losses)		1,822		(4,903)
Revenue	800		946	
Expenses	(411)		(492)	
Interest payable and similar charges	–		–	
Net revenue before taxation	389		454	
Taxation	–		–	
Net revenue after taxation		389		454
Total return before distributions		2,211		(4,449)
Distributions		(389)		(454)
Change in net assets attributable to shareholders from investment activities		1,822		(4,903)

Statement of Change in Net Assets Attributable to Shareholders

for the period ended 30 November 2023 (unaudited)

	£'000	01.06.23 to 30.11.23 £'000	£'000	01.06.22 to 30.11.22 £'000
Opening net assets attributable to shareholders		119,867		147,501
Amounts receivable on creation of shares	3,760		6,748	
Amounts payable on cancellation of shares	(18,387)		(19,619)	
		(14,627)		(12,871)
Change in net assets attributable to shareholders from investment activities (see above)		1,822		(4,903)
Retained distribution on accumulation shares		352		413
Closing net assets attributable to shareholders		107,414		130,140

The difference between the opening net assets and the comparative closing net assets is the movement during the second half of the year.

Balance Sheet

as at 30 November 2023 (unaudited)

	30.11.23 £'000	31.05.23 £'000
Assets:		
Fixed assets:		
Investments	106,349	118,623
Current assets:		
Debtors	841	632
Cash and bank balances	1,041	1,291
Total assets	108,231	120,546
Liabilities:		
Creditors:		
Distribution payable on income shares	(8)	(21)
Other creditors	(809)	(658)
Total liabilities	(817)	(679)
Net assets attributable to shareholders	107,414	119,867

Notes to the Financial Statements

for the period ended 30 November 2023 (unaudited)

1. Accounting Policies

(a) Basis of accounting

The financial statements have been prepared on a going concern basis under the historical cost convention, as modified by the revaluation of investments and in accordance with Financial Reporting Standard (FRS) 102 and the Statement of Recommended Practice for UK Authorised Funds issued by the IA in May 2014 and amended in June 2017.

Distribution Tables

for the period ended 30 November 2023

Class Z Income Shares

Interim Distribution (in pence per share)

Group 1: Shares purchased prior to 1 June 2023
Group 2: Shares purchased from 1 June 2023 to 30 November 2023

Group	Net Income	Equalisation	2023 Net Distribution Paid	2022 Net Distribution Paid
1	0.2407	–	0.2407	0.2264
2	0.0249	0.2158	0.2407	0.2264

Class Z Accumulation Shares

Interim Accumulation (in pence per share)

Group 1: Shares purchased prior to 1 June 2023
Group 2: Shares purchased from 1 June 2023 to 30 November 2023

Group	Net Accumulation	Equalisation	2023 Net Accumulation	2022 Net Accumulation
1	0.2632	–	0.2632	0.2445
2	–	0.2632	0.2632	0.2445

Class I Accumulation Shares

Interim Accumulation (in pence per share)

Group 1: Shares purchased prior to 1 June 2023
Group 2: Shares purchased from 1 June 2023 to 30 November 2023

Group	Net Accumulation	Equalisation	2023 Net Accumulation	2022 Net Accumulation
1	0.3050	–	0.3050	0.2847
2	–	0.3050	0.3050	0.2847

Investment Objective and Policy

The Fund aims to grow investment through a combination of income and capital growth over the medium to long-term (5 or more years).

The Fund will aim to achieve this objective, whilst remaining within Risk Profile 5, which is the highest risk profile in this range.

The Fund will be invested in collective investment schemes. Investments in collective investment schemes may also include those managed, operated or advised by the ACD's associates.

Through the investment in collective investment schemes, the Fund will be indirectly invested in a range of different asset classes. The weighting of the asset classes to which the Fund is exposed may be varied depending on the Investment Manager's views in the context of achieving the investment objective. Under normal market circumstances, between 60% and 100% of the value of the Fund will be invested in global equities, including emerging market equities. The Fund may have some indirect exposure (typically, no more than 15% in aggregate) to any one or more of: real estate and commodities. To the extent not fully invested in collective investment schemes, in normal market conditions, up to 10% may be invested directly in cash, near cash and money market instruments.

The Investment Manager may need to adjust the stated exposure level to global equities during periods of unusual instability in the markets.

The Fund's risk level is managed by varying the weighting of the asset classes to which the Fund is exposed.

The Fund may use derivatives to reduce risk or cost or to generate additional capital or income at proportionate risk (known as "Efficient Portfolio Management").

Strategy

The Fund is managed with reference to strategic asset allocations which are provided to the Investment Manager on at least a quarterly basis; these may change as a result of changing market conditions and assumptions in the Risk Profile Service Provider's asset allocation models which aim to achieve an optimal level of growth in income and capital for the expected risk level assuming a long-term investment horizon (10 or more years).

The Fund is actively managed by the Investment Manager. The Investment Manager may take tactical decisions away from the strategic asset allocation to seek to meet the Fund's investment objectives and improve returns. There is no guarantee that the Fund's investment objective will be met.

The Investment Manager also has the potential to increase performance through its choice of collective investment schemes in which it invests: for example actively managed funds typically aim to increase performance through superior stock or sector selection skills (although there is no certainty of this and the opposite could occur).

Risk Profile 5

EValue Limited (EV) is a financial solutions company with expertise in risk profiling and forward-looking, global asset allocation research. The Fund aligns to Risk Profile 5 of the EV five-point scale for long-term risk profiling and strategic asset allocation. The Fund's aim is to deliver income and capital growth through assets that may demonstrate large price fluctuations, with greatest exposure to equities, whilst remaining within its risk profile.

Investment Report

Embark Investments, as ACD of Embark Investment Funds ICVC, oversees the asset allocation on a quarterly basis with EV (see page 71 for information on EV) for Fund V and then supervises the active management of the underlying portfolios by Columbia Threadneedle Investments against these strategic asset allocations. The following Fund Performance Report is written in conjunction with Columbia Threadneedle Investments:

Fund Performance

For the period ending 30 November 2023, the Embark Horizon Multi-Asset Fund V (Class Z Accumulation Shares[1]) generated a positive return of 1.33%. Investors may wish to consider the performance of the Fund with reference to the median performance reported for the IA Flexible Investment Shares Sector.

Market Overview

The six months under review constituted an eventful and occasionally volatile period for financial markets. Global equities recorded solid gains in aggregate, thanks mostly to strong performance from the large US market. Credit spreads also tightened, while core bonds had mixed fortunes. Yields on US Treasuries rose while their German Bund counterparts were little changed, and gilt yields declined.

Treasuries, Bunds and gilts were all pressurised by worries about increased issuance of government debt to pay for the expensive fiscal policies of recent years, but the outlook for interest rates remained the primary driver of bond market direction. As rates neared their expected terminal levels in the US, eurozone and UK, the question preoccupying investors appeared to shift from ‘how high will rates go?’ to ‘how long will they take to come back down?’.

Having kept rates unchanged in June to assess the impact of prior hikes, the Federal Reserve (“Fed”) added another 25 basis points (bps) to the federal funds rate in July. This came amid mixed signals from the US economy; headline inflation had fallen to a two-year low but second-quarter (Q2) GDP had easily beaten expectations, and the labour market remained tight. And although Fed policymakers kept rates on hold at the two remaining meetings of the period in September and November, they caused some alarm at the first of these by projecting smaller rate cuts next year alongside bullish revisions to US unemployment and growth forecasts.

At its last meeting in early November, the Fed hinted that rates could still rise in coming months. Nevertheless, markets appeared to sense a dovish tone in commentary from Fed Chair Jerome Powell, who highlighted the tightening effect on the economy of higher Treasury yields and mortgage payments. Later that month, the idea that the Fed had finished raising rates was reinforced as several inflation-related datapoints came in lower than forecast. Treasury yields fell sharply in response, which helped to fuel a late, powerful rally in equities.

The European Central Bank and Bank of England also paused their hiking programmes. Both central banks had raised their key rates by a total of 75 bps earlier in the period – more than the Fed’s 25 bps – and both echoed their US counterpart in signalling a ‘higher for longer’ outlook. Despite this, German Bunds and UK gilts significantly outperformed Treasuries. The 10-year Treasury yield rose by 68 bps over the six months to the end of November. The German equivalent rose more modestly, by 17 bps, while the 10-year gilt yield ended the period little changed despite sizeable swings along the way.

The disparity in the performance of core bonds was due in part to the comparative weakness of the eurozone and UK economies. Preliminary data from Eurostat pointed to a 0.1% contraction in eurozone GDP over Q3, while the Office for National Statistics reported zero growth in UK GDP. This compared to growth of 1.2% in the US for the same period, according to the US Bureau of Economic Analysis.

The MSCI AC World index (ACWI) of global equities posted a total return of 7.5% in local currencies and, as the pound strengthened, 5.4% in sterling. Of the major regions, Japan was the strongest in local-currency terms. The Bank of Japan’s loose monetary policy resulted in a weaker yen, which helped the export-heavy market in local terms though eroded most of that return in sterling. The US did best in sterling, bolstered by its large exposure to high-growth tech stocks, which benefited from stellar earnings updates and optimism around AI.

UK and continental European equities were laggards amid worries about their economic outlooks. Emerging markets (EMs) also rose but trailed the global average. China was weak, given concerns about its faltering post-COVID recovery, the ongoing property crisis, and tensions with the West.

Investment Report (continued)

Meanwhile, sterling investment-grade (IG) credit spreads tightened alongside rising global equity prices, with 'risk-on' sentiment chiefly boosted by events in the US. As mentioned, inflation came down sharply and GDP growth surprised on the upside. Furthermore, corporate results continued to beat estimates in aggregate. Volatility was subdued for much of the period but spiked in October in response to the terrible events in Israel and Gaza, before subsiding as the threat of a wider regional conflict appeared to ease.

At the end of November, the main asset classes in Fund V were developed-market equities, EM equities and sterling IG credit.

Within equities, all regions posted positive returns at the index level over the six months to 30 November 2023. The US was the top-performing region, returning 7.9%. Japan and Europe ex UK respectively returned 4.1% and 4.0%, respectively, while EMs returned 2.7% and the UK posted a more modest return of 1.6%. Meanwhile, sterling IG credit rose, returning 4.1% over the period[2].

The strategic asset allocation was rebalanced in August and again at the start of November. At the end of November, the Fund's strategic asset allocation was broken down as follows: 74% in developed-market equities; 20% in EM equities; 5% in sterling IG credit; 1% in cash.

At the end of November, we were overweight in equities and underweight in fixed income (which only comprises sterling IG credit).

Within equities, we were overweight in the US, Japan and the UK. UK and Japanese equities are attractively valued relative to global averages. In the UK, inflation is slowing and we expect wage prices to follow, and believe that interest rates have likely peaked. Meanwhile, UK households are now much less indebted than at the start of COVID, with higher aggregate savings. While we are mindful of the impact of a fall in housing prices, we still feel that much of the gloom overhanging the UK economy is overdone. Meanwhile, we are encouraged by Japanese firms' recent efforts to improve capital efficiency and generate higher returns for investors. Japanese equities have been beneficiaries of the country's ongoing reform programme, which – together with the weak yen – remains a source of much of the earnings growth being achieved there. We have become more constructive on US equities in recent months, given more encouraging inflation data and the higher probability of a 'soft landing' for the economy. That said, we are mindful that valuations are elevated.

We were underweight in the EM and Europe ex UK equity segments. While EMs are trading at attractive valuations, many economies are likely to feel the impact of a sustained slowdown in China's economic growth. Commodity-price volatility and the prospect of tighter financial conditions present additional challenges. Many EMs also face challenging fiscal and financing outlooks, owing to high interest costs. We have become more cautious about the outlook for Europe ex UK due to weakening macroeconomic indicators. The German manufacturing sector has been especially hard hit by the closure or relocation of businesses that were reliant on cheap Russian natural gas. European equities have relatively cyclical earnings when compared to other regions, such as the US, and are therefore vulnerable to slowing economic growth.

Outlook

Expectations of a decline in earnings per share next year seem misplaced. Despite the rate hikes, there is little evidence of a serious economic slowdown in the developed world. This may be due to longer-than-expected lags between the recent round of monetary tightening and the corresponding impact on the economy. Even if this is the case, however, we suspect that any resulting belt-tightening by consumers would be more likely to hit smaller businesses and unlisted sectors, and it would not massively impact large companies that continue to maintain pricing power and whose debt profiles have 'locked in' the low rates of 2021 and before.

Nevertheless, we maintain a degree of caution about the outlook for equities. As mentioned, this is not due to risks around earnings; rather, it is because global equity valuations (on a price-to-earnings basis) look historically high, both in absolute terms and relative to other asset classes. Specifically, elevated bond yields present a challenging backdrop for the current valuation picture.

Investment Report (continued)

Meanwhile, in fixed income, we remain positive on both duration and credit, which we expect to benefit from rate cuts next year and beyond.

[1] The Class Z Accumulation Shares were selected to illustrate the performance of the Fund as they are the largest share class and Accumulation shares show the total return of the Fund, as all income is reinvested.

[2] Representative indices:

US Equities: S&P 500 – Total Return Gross Income Reinvested

European Equities: MSCI EMU – Total Return Gross Income Reinvested

Japanese Equities: MSCI Japan – Total Return Gross Income Reinvested

UK Equities: FTSE All-Share – Total Return Gross Income Reinvested

Emerging Market Equities: MSCI Emerging Markets – Gross Return

Sterling IG credit: iBoxx Sterling Corporates AA Rated

Cumulative Performance Data to 30 November 2023 (net of fees)

Fund V	Launch 12 December 2013	5 Years	3 Years	1 Year
Embark Horizon Multi-Asset V	123.37%	35.72%	-6.80%	4.39%

Source: FE Fundinfo in GBP as at 30/11/2023

Past performance is not a reliable indicator of future results and the value of investments (and any income from them) can go down, so an investor may get back less than the amount invested. No guarantee is given for the performance of the Funds.

Columbia Threadneedle Investments
Investment Manager
21 December 2023

Portfolio Statement

as at 30 November 2023 (unaudited)

Holding	Investment	Market value £'000	Percentage of total net assets %
	United Kingdom Collective Investment Schemes 99.07% (98.98%)		
1,473,370	CT American	9,789	16.31
2,627,960	CT American Select	7,385	12.30
267,153	CT American Smaller Companies	1,514	2.52
3,239,201	CT Asia	5,785	9.64
1,062,300	CT European	8,793	14.65
833,939	CT European Select	1,799	3.00
639,373	CT European Smaller Companies	794	1.32
5,375,359	CT Global Emerging Markets Equity	6,167	10.28
875,480	CT Japan	3,285	5.47
0	CT Sterling Bond^*	—	—
1,896,582	CT Sterling Corporate Bond	2,227	3.71
3,849,231	CT UK	5,552	9.25
342,194	CT UK Equity Income	1,395	2.32
1,150,616	CT UK Institutional	1,381	2.30
891,910	CT UK Smaller Companies	933	1.56
2,487,739	CT US Equity Income	2,664	4.44
		59,463	99.07
	Net Investments 99.07% (98.98%)	**59,463**	**99.07**
	Net other assets	558	0.93
	Total net assets	**60,021**	**100.00**

Comparative figures shown in brackets relate to 31 May 2023.

All assets are accumulation shares unless otherwise stated.

^ Investments which are less than £500 are rounded to zero.

* Investments which have shares less than 0 due to fractional shares.

Total purchases for the period: £12,073,986

Total sales for the period: £19,016,375

Fund Information

The Comparative Tables on pages 64 to 66 give the performance of each active share class in the Fund.

The 'Return after charges' disclosed in the Comparative Tables is calculated as the return after operating charges per share divided by the opening net asset value per share. It may differ from the Fund's performance disclosed in the Investment Report, which is calculated based on the latest published price.

Portfolio transaction costs are incurred when investments are bought or sold by a fund in order to achieve the investment objective. These transaction costs affect investors in different ways depending on whether they are joining, leaving or continuing with their investment in the fund.

Direct transaction costs include broker commission and taxes. Broker commission includes the fee paid to a broker to execute the trades and research costs.

In addition, there are indirect portfolio transaction costs arising from the 'dealing spread' – the difference between the buying and selling prices of underlying investments in the portfolio. Unlike shares whereby broker commissions and stamp duty are paid by the fund on each transaction, other types of investments (such as bonds, money instruments, derivatives) do not have separately identifiable transaction costs; these costs form part of the dealing spread. Dealing spreads vary considerably depending on the transaction value and market sentiment.

Fund Information (continued)

Comparative Tables

Class Z Income Shares	For the period to 30.11.23 pence per share	For the year to 31.05.23 pence per share	For the year to 31.05.22 pence per share
Change in Net Asset Value per share			
Opening net asset value per share	86.62	86.40	90.14
Return before operating charges*	1.51	1.72	(2.62)
Operating charges	(0.35)	(0.69)	(0.75)
Return after operating charges	1.16	1.03	(3.37)
Distributions on income shares	(0.04)	(0.81)	(0.37)
Closing net asset value per share	87.74	86.62	86.40
* After direct transaction costs of:	–	–	–

	30.11.23	31.05.23	31.05.22
Performance			
Return after charges[1]	1.34%	1.19%	(3.74)%
Other Information			
Closing net asset value (£'000)	642	650	686
Closing number of shares	731,609	749,893	793,817
Operating charges[2]	0.81%	0.81%	0.81%
Direct transaction costs	–%	–%	–%

	30.11.23 pence per share	31.05.23 pence per share	31.05.22 pence per share
Prices			
Highest share price	90.03	90.83	99.99
Lowest share price	83.35	79.11	82.66

[1] This represents return after charges for the current interim period.

[2] Operating charges, otherwise known as the OCF (Ongoing Charges Figure), is the ratio of the Fund's total disclosable costs (excluding overdraft interest) to the average net assets of the Fund. The OCF represents annualised operating charges for the current period and is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a Fund and is calculated based on the last year's figures. Included within the OCF are synthetic costs which include the OCF of the underlying funds weighted on the basis of their investment proportion.

Fund Information (continued)

Comparative Tables (continued)

Class Z Accumulation Shares	For the period to 30.11.23 pence per share	For the year to 31.05.23 pence per share	For the year to 31.05.22 pence per share
Change in Net Asset Value per share			
Opening net asset value per share	92.38	91.29	94.83
Return before operating charges*	1.62	1.82	(2.75)
Operating charges	(0.38)	(0.73)	(0.79)
Return after operating charges	1.24	1.09	(3.54)
Distributions	(0.03)	(0.85)	(0.38)
Retained distributions on accumulation shares	0.03	0.85	0.38
Closing net asset value per share	93.62	92.38	91.29
* After direct transaction costs of:	–	–	–

	30.11.23	31.05.23	31.05.22
Performance			
Return after charges[1]	1.34%	1.19%	(3.73)%
Other Information			
Closing net asset value (£'000)	40,805	48,069	53,533
Closing number of shares	43,587,947	52,032,990	58,640,672
Operating charges[2]	0.81%	0.81%	0.81%
Direct transaction costs	–%	–%	–%

	30.11.23 pence per share	31.05.23 pence per share	31.05.22 pence per share
Prices			
Highest share price	96.01	96.11	105.20
Lowest share price	88.89	83.59	86.96

[1] This represents return after charges for the current interim period.

[2] Operating charges, otherwise known as the OCF (Ongoing Charges Figure), is the ratio of the Fund's total disclosable costs (excluding overdraft interest) to the average net assets of the Fund. The OCF represents annualised operating charges for the current period and is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a Fund and is calculated based on the last year's figures. Included within the OCF are synthetic costs which include the OCF of the underlying funds weighted on the basis of their investment proportion.

Fund Information (continued)

Comparative Tables (continued)

Class I Accumulation Shares	For the period to 30.11.23 pence per share	For the year to 31.05.23 pence per share	For the year to 31.05.22 pence per share
Change in Net Asset Value per share			
Opening net asset value per share	92.93	91.74	95.20
Return before operating charges*	1.62	1.83	(2.77)
Operating charges	(0.33)	(0.64)	(0.69)
Return after operating charges	1.29	1.19	(3.46)
Distributions	(0.09)	(0.95)	(0.48)
Retained distributions on accumulation shares	0.09	0.95	0.48
Closing net asset value per share	94.22	92.93	91.74
* After direct transaction costs of:	–	–	–

	30.11.23	31.05.23	31.05.22
Performance			
Return after charges[1]	1.39%	1.30%	(3.63)%
Other Information			
Closing net asset value (£'000)	18,574	17,336	18,395
Closing number of shares	19,713,538	18,654,913	20,051,195
Operating charges[2]	0.71%	0.71%	0.71%
Direct transaction costs	–%	–%	–%

	30.11.23 pence per share	31.05.23 pence per share	31.05.22 pence per share
Prices			
Highest share price	96.60	96.65	105.65
Lowest share price	89.45	84.03	87.39

[1] This represents return after charges for the current interim period.

[2] Operating charges, otherwise known as the OCF (Ongoing Charges Figure), is the ratio of the Fund's total disclosable costs (excluding overdraft interest) to the average net assets of the Fund. The OCF represents annualised operating charges for the current period and is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a Fund and is calculated based on the last year's figures. Included within the OCF are synthetic costs which include the OCF of the underlying funds weighted on the basis of their investment proportion.

Statement of Total Return

for the period ended 30 November 2023 (unaudited)

	£'000	01.06.23 to 30.11.23 £'000	£'000	01.06.22 to 30.11.22 £'000
Income				
Net capital gains/(losses)		781		(1,380)
Revenue	258		356	
Expenses	(225)		(248)	
Interest payable and similar charges	–		–	
Net revenue before taxation	33		108	
Taxation	–		–	
Net revenue after taxation		33		108
Total return before distributions		814		(1,272)
Distributions		(33)		(108)
Change in net assets attributable to shareholders from investment activities		781		(1,380)

Statement of Change in Net Assets Attributable to Shareholders

for the period ended 30 November 2023 (unaudited)

	£'000	01.06.23 to 30.11.23 £'000	£'000	01.06.22 to 30.11.22 £'000
Opening net assets attributable to shareholders		66,055		72,614
Amounts receivable on creation of shares	3,911		3,903	
Amounts payable on cancellation of shares	(10,758)		(6,722)	
		(6,847)		(2,819)
Change in net assets attributable to shareholders from investment activities (see above)		781		(1,380)
Retained distribution on accumulation shares		32		102
Closing net assets attributable to shareholders		60,021		68,517

The difference between the opening net assets and the comparative closing net assets is the movement during the second half of the year.

Balance Sheet

as at 30 November 2023 (unaudited)

	30.11.23 £'000	31.05.23 £'000
Assets:		
Fixed assets:		
Investments	59,463	65,383
Current assets:		
Debtors	380	297
Cash and bank balances	715	597
Total assets	60,558	66,277
Liabilities:		
Creditors:		
Distribution payable on income shares	–	(5)
Other creditors	(537)	(217)
Total liabilities	(537)	(222)
Net assets attributable to shareholders	60,021	66,055

Notes to the Financial Statements

for the period ended 30 November 2023 (unaudited)

1. Accounting Policies

(a) Basis of accounting

The financial statements have been prepared on a going concern basis under the historical cost convention, as modified by the revaluation of investments and in accordance with Financial Reporting Standard (FRS) 102 and the Statement of Recommended Practice for UK Authorised Funds issued by the IA in May 2014 and amended in June 2017.

Distribution Tables

for the period ended 30 November 2023

Class Z Income Shares

Interim Distribution (in pence per share)

Group 1: Shares purchased prior to 1 June 2023
Group 2: Shares purchased from 1 June 2023 to 30 November 2023

Group	Net Income	Equalisation	2023 Net Distribution Paid	2022 Net Distribution Paid
1	0.0412	–	0.0412	0.1207
2	–	0.0412	0.0412	0.1207

Class Z Accumulation Shares

Interim Accumulation (in pence per share)

Group 1: Shares purchased prior to 1 June 2023
Group 2: Shares purchased from 1 June 2023 to 30 November 2023

Group	Net Accumulation	Equalisation	2023 Net Accumulation	2022 Net Accumulation
1	0.0327	–	0.0327	0.1225
2	–	0.0327	0.0327	0.1225

Class I Accumulation Shares

Interim Accumulation (in pence per share)

Group 1: Shares purchased prior to 1 June 2023
Group 2: Shares purchased from 1 June 2023 to 30 November 2023

Group	Net Accumulation	Equalisation	2023 Net Accumulation	2022 Net Accumulation
1	0.0904	–	0.0904	0.1705
2	–	0.0904	0.0904	0.1705

General Information

Launch date:	27 March 2015
Period end date for distributions:	31 May and 30 November
Distribution dates:	31 July and 31 January

Funds Available:
Embark Horizon Multi-Asset Fund I
Embark Horizon Multi-Asset Fund II
Embark Horizon Multi-Asset Fund III
Embark Horizon Multi-Asset Fund IV
Embark Horizon Multi-Asset Fund V

Minimum initial lump sum investment:

Z-Class	£500
I-Class	£10,000,000

Minimum additional contribution:

Z-Class	£50,000
I-Class	£1,000,000

Valuation point:	12:00 noon (London time)

Management charges:

Z-Class	0.75%
I-Class	0.65%

The ACD may refuse subscriptions at its discretion.

Access to the I Share Class is restricted to intermediaries (investing on behalf of underlying investors) that have entered into arrangements for this Share Class with the ACD and which the ACD expects to invest, including investments made by any other members of the intermediary's group, at least £10,000,000 into the Fund. Any such concession must be duly considered and approved by the ACD, prior to investing in the I Share Class.

The ACD may waive the investment minima at its discretion.

Applications for Z-Class or I-Class may only be made by persons who have terms of business or arrangements with the Investment Manager or their duly appointed representative.

The Risk Profile Service Provider

The Risk Profile Service Provider role is currently (and has been since the inception of the Embark Horizon Multi-Asset range of funds) fulfilled by EV (EValue Limited), an independent risk profile service provider. Using the output from its investment research tools, EV produces the risk profile framework for the range of funds. This takes the form of five strategic asset allocations, formulated using a long-term time horizon and aligned to five risk profiles. EV updates these asset allocation weightings on at least a quarterly basis. The Investment Manager – currently and since the inception of the fund, Columbia Threadneedle Investments - will consider these weightings when deciding on the construction of the portfolios within the Embark Horizon Multi-Asset range of funds.

General Information (continued)

Investor Contact Details

The information in this report is designed to enable shareholders to make an informed judgment on the activities of the Company during the year it covers and the result of those activities at the end of the year. The full Report and Accounts are available on request from the ACD. For more information about the activities and performance of the Company during the year and previous years, please contact the ACD at the address noted below.

Embark Investments
100 Cannon Street
London EC4N 6EU
Phone no. 0333 300 0382

You can obtain further information about the Company, copies of its prospectus and its latest Annual Report and any subsequent half-yearly report, in English, free of charge from the Management Company or at www.embarkinvestments.co.uk.

You can obtain other practical information and the latest prices of shares at www.embarkinvestments.co.uk.

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