

# Embark Investment Funds ICVC

Interim Report & Accounts (unaudited)  
for the period ended 30 November 2020





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<sup>1</sup> These collectively comprise the Authorised Corporate Director's Report.

Embark Investment Funds ICVC

## Directory

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### **Authorised Corporate Director (ACD)**

Embark Investments Limited (formerly known as Zurich Investment Services (UK) Limited)  
7th Floor  
100 Cannon Street  
London EC4N 6EU

*Authorised and regulated by the Financial Conduct Authority*

### **Directors of the ACD**

Thomas Rostron  
Vincent Cambonie  
Gillian Hutchison  
Fraser Blain  
David Downie  
Jacqueline Lowe\*  
Monika Machon\*

*\*Independent non-executive director*

### **Investment Manager**

Threadneedle Asset Management Limited  
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 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*

### **Independent Auditors**

PricewaterhouseCoopers LLP  
2 Glass Wharf  
Bristol, BS2 0FR

## Authorised Status

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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.

## Sub-Fund Cross-Holdings

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

## Securities Financing Transactions Regulations

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Additional disclosures are required when a Fund invests in Securities Financing Transactions (SFTs). However as none of the Sub-funds invested in SFTs in the period ended 30 November 2020, no additional disclosures have been provided.

## Impact of COVID-19 Outbreak

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The outbreak of the novel coronavirus (COVID-19), declared by the World Health Organisation as a “Global Pandemic” on 11 March 2020, has significantly disrupted global financial markets. Market activity is being impacted in many sectors, including property. In recognition of this, guidance was issued by the Royal Institution of Chartered Surveyors (the professional body responsible for promoting and enforcing the standards for property valuations) for the inclusion of ‘material valuation uncertainty’ clauses in valuing properties. As a result, whilst managers continued to provide valuations for property Sub-funds, these had been provided with the material valuation uncertainty clauses and this includes the Threadneedle UK Property AIF held in Sub-funds II, III, IV and V. This material valuation uncertainty had also resulted in the suspension of trading of these Sub-funds (trading reopened from 12 noon on 17 September 2020). This however did not have any impact on the trading or liquidity of the Sub-funds as a whole. ‘Material valuation uncertainty’ in this context is as set out in VPS 3 and VPGA 10 of the Royal Institution of Chartered Surveyors (RICS) Valuation – Global Standards. Consequently, less certainty – and a higher degree of caution – should be attached to the valuation than would normally be the case. The RICS guidance is clear that the inclusion of a ‘material valuation uncertainty’ declaration does not mean that a valuation cannot be relied upon. Rather, they are included to ensure transparency of the fact that – in the current extraordinary circumstances – less certainty can be attached to the valuation than would otherwise be the case. The material uncertainty clause is to serve as a precaution and did not invalidate the valuation.

On 18 September 2020, all Horizon Sub-funds disinvested in the Threadneedle UK Property AIF.

## Significant Changes

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As of 1 May 2020, Zurich has sold part of its UK wealth and investment businesses to the Embark Group. This includes Zurich Investment Services (UK) Limited. As a result, the Zurich Investment Funds ICVC has changed its name to the Embark Investment Funds ICVC.

E Accumulation and I Income share classes were closed, to existing customers and new business, on 21 September 2020 across all Sub-funds. This was due to the fact that the size of these share classes continues to be small and were not expected to grow significantly in the near future.

## Regulatory Disclosure

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

Past performance is not necessarily a guide to future performance. The value of shares can go down as well as up and is not guaranteed. Changes in rates of exchange may also cause the value of shares to fluctuate. Any references in this report to other investments held within each Sub-fund should not be read as a recommendation to the investor to buy and sell the same, but are included as illustration only.

*Thomas Rostron*

(Director)  
27 January 2021

*Fraser Blain*

(Director)  
27 January 2021

## Investment Objective and Policy

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

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

At least two-thirds of the value of the Sub-fund will be invested in actively managed collective investment schemes managed or operated by companies within the Investment Manager's group of companies. Investments in collective investment schemes may also include those managed, operated or advised by the ACD, or its associates.

Through these investments, at all times at least 50% of the value of the Sub-fund will be indirectly exposed to fixed income securities, such as corporate bonds and government bonds. The Sub-fund will also have indirect exposure to UK equities and may have indirect exposure to equities in other developed markets (including US, Japan and Europe). The Sub-fund may also gain exposure (directly and indirectly) to money market instruments, cash and near cash. There will be no exposure to property.

Save in exceptional circumstances, the actual asset class exposures will be in the following ranges: fixed income 50-80%; equities 20-50%; and money market instruments, cash and near cash 0-10%.

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

The Sub-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 Sub-fund is managed with reference to strategic asset allocations which are provided to the Investment Manager on 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 return for the expected risk level assuming an 18 year investment horizon.

The Sub-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 Sub-fund's investment objectives and improve returns. There is no guarantee that the Sub-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

This Sub-fund is aligned to Risk Profile 1, which means that it aims to deliver growth through assets that demonstrate moderate price fluctuations, with greater emphasis placed on fixed income securities and lower exposure to equities.



## Investment Report

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Embark Investment Funds ICVC agrees the asset allocation on a quarterly basis with EValue (see page 86 for information on EValue) for Fund I and then supervises the active management of the underlying portfolios by Columbia Threadneedle Investments (CTI) against these strategic asset allocations. The following Fund Performance Report is written in conjunction with CTI:

### Fund Performance

For the six months to 30 November 2020, the Embark Horizon Multi-Asset Fund I (Class Z Accumulation Shares<sup>1</sup>) generated a gain of 2.87%. Over the period, the Sub-fund underperformed the IA Mixed Investment 20-60% Shares sector average, as shown on the graph overleaf.

The six months to 30 November 2020 constituted a volatile but ultimately very strong period for risk assets in aggregate – though for sterling-based investors, returns from overseas assets were softened by a stronger pound, notably against the US dollar. Equities, corporate bonds and commodities extended their rally through the summer, outperforming safer havens like core government bonds. During these months, markets were characterised by optimism that the worst economic impacts of the pandemic had already been absorbed, and that a coronavirus vaccine would soon be available. Investors appeared confident that the flood of fiscal and monetary stimulus would not only help drive a swift economic recovery, but also propel asset prices even higher. Economic data tended to bolster this sentiment, as did corporate results, being generally weak in absolute terms but improving more quickly than expected. Despite this, core bond yields (which move inversely to price) stayed low relative to historical levels, anchored by central-bank purchase programmes and low interest rates.

In September, profit-taking in US tech stocks heralded a change of mood, as investors refocused on the more worrying elements of the backdrop. Equities and commodities pulled back, while credit spreads (the yield premiums over “safe-haven” government bonds) edged wider. Rising Covid-19 infection rates had prompted localised lockdowns in many parts of the world, including the UK, and the economic recovery was starting to lose momentum. Political uncertainty was also mounting as President Trump continued to question the integrity of the upcoming US presidential election, and the UK government proposed legislation that would override parts of its withdrawal agreement with the EU.

October was another volatile month, as markets tried to gauge the economic impact of the resurgent pandemic and the likely outcome of the US election. Meanwhile in Europe, tough new virus restrictions were announced, including national lockdowns in Germany, France and the UK.

Despite lockdowns and rising Covid-19 case numbers, risk appetite returned to the market in the final weeks of the period. Investors welcomed Joe Biden’s clear victory in the US election, apparently unfazed by Trump’s attempts to overturn the result. And on 9 November, the first of three landmark announcements on the efficacy of coronavirus vaccine candidates triggered a surge in oil prices, a tightening in credit spreads and a rotation in equity markets, as investors switched out of year-to-date winners into beaten-down stocks that have most to gain from a resumption of normal economic activity.

While the immediate economic outlook remains uncertain, three factors in our opinion have set the foundations for a more sustainable cyclical recovery.

First, a relatively favourable US election outcome has removed some large tail risks and brought with it some (unanticipated) fiscal reprieve. Second, the number of vaccines with greater-than-expected efficacy create investment opportunities in more cyclical areas of the world. And lastly, economic contractions in 2020 have been shallower than previously feared. In certain regions, our forecasts are for almost V-shaped recoveries.

While valuations are full, low discount rates remains a powerful support to risk asset prices, which we do not anticipate reversing in the medium term. This should create fertile conditions for more persistent risk rallies.

The main asset classes in Fund I are developed-market equities, UK and global government bonds, and UK corporate bonds. All the equity markets posted positive returns, as did corporate bonds. Gains were led by Europe ex UK equities, which were up 15.96%, followed by US stocks (up 11.10%). Only UK and global government bonds posted negative returns, declining 2.74% and 0.98% respectively. <sup>2</sup>

The Sub-fund implemented two strategic asset-allocation rebalances during the period, in July and October.

## Investment Report (continued)

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Near the end of the period, the Sub-fund's strategic asset allocation was 33% in developed-market equities; 4% in UK corporate bonds; 52% in UK government bonds, 9% in global ex UK government bonds and 2% in cash.

Against this backdrop, the Sub-fund was overweight in equities and underweight in bonds.

Within equities, the Sub-fund was underweight in the UK. While valuations in the UK equity market appear cheap, we see better opportunities for growth in Asia, Japan and the US. The UK market's high weights in finance and oil/miners are sectors we currently do not favour, and the ongoing Brexit saga poses another risk. The Sub-fund was overweight in all other regions, with the biggest relative exposure to the US. This market is home to many of the high-quality winners to emerge from the current crisis, and our allocation here provides the portfolio with a relatively defensive counterbalance to our select cyclical exposure elsewhere.

Within fixed income, the Sub-fund was underweight in UK and overseas government bonds, but overweight in UK corporate bonds; while spreads have normalised, the latter market should benefit from the improved cyclical picture and central banks' continued "easy money" policies.

The Sub-fund outperformed the strategic asset allocation over the period, largely due to favourable allocation effects, as the Sub-fund was overweight equities amid the "risk on" backdrop over the review period. Within equities, the Sub-fund was underweight in the UK, which proved particularly beneficial as these stocks underperformed. Security selection in the underlying portfolios also proved beneficial.

<sup>1</sup> The Class Z Accumulation Shares were selected to illustrate the performance of the Sub-fund as they are the largest share

class and Accumulation shares show the total return of the Sub-fund, as all income is reinvested.

<sup>2</sup> Representative indices

Source: Factset. All returns are in GBP.

North American Equities: S&P 500 Index – 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

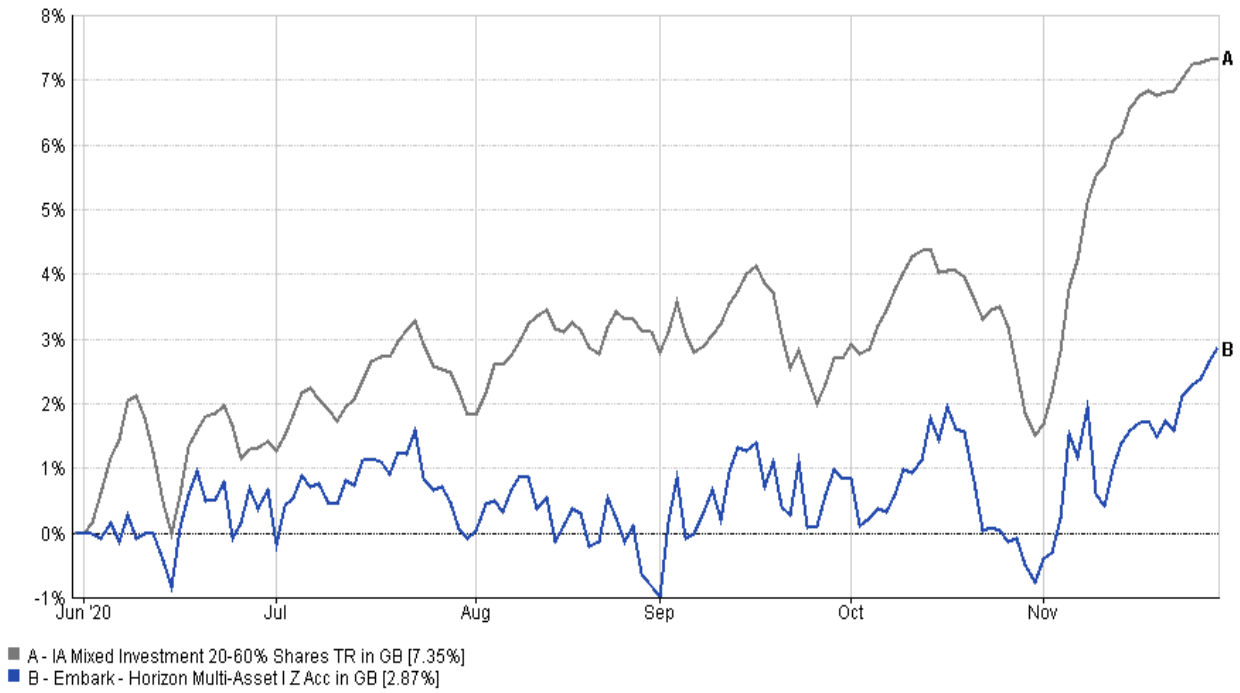
UK Government Bonds: FTSE Actuaries UK Conventional Gilts All Stocks Index

UK Corporate Bonds: iBoxx Sterling Corporates AA Rated

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

# Investment Report (continued)

## Comparative Performance: Fund compared to the Investment Association Sector Average



29/05/2020 - 30/11/2020 Data from FE fundinfo2020

Columbia Threadneedle Investments  
Investment Manager  
24 December 2020

## Portfolio Statement

as at 30 November 2020 (unaudited)

Holding	Investment	Market value £'000	Percentage of total net assets %
	United Kingdom Collective Investment Schemes 99.65% (99.70%)		
1,143,605	Threadneedle American*	5,438	14.70
176,659	Threadneedle American Select*	889	2.40
604,174	Threadneedle European*	1,969	5.32
2,134,630	Threadneedle Global Bond*	2,745	7.42
1,888,659	Threadneedle Japan*	1,793	4.85
7,313,315	Threadneedle Sterling Bond*	10,082	27.25
653,729	Threadneedle Sterling Medium and Long-Dated Corporate Bond*	789	2.13
27,085	Threadneedle Sterling Short-Term Money Market*	28	0.08
2,596,968	Threadneedle UK*	2,602	7.03
872,553	Threadneedle UK Corporate Bond*	1,212	3.28
4,504,337	Threadneedle UK Fixed Interest*	8,760	23.68
—	Threadneedle UK Smaller Companies	—	—
461,824	Threadneedle UK Smaller Companies X Acc*	557	1.51
		<b>36,864</b>	<b>99.65</b>
	<b>Net Investments 99.65% (99.70%)</b>	<b>36,864</b>	<b>99.65</b>
	Net other assets	130	0.35
	<b>Total net assets</b>	<b>36,994</b>	<b>100.00</b>

Comparative figures shown in brackets relate to 31 May 2020.

All assets are income shares unless otherwise stated.

\* Accumulation class

Total purchases for the period: £15,264,346

Total sales for the period: £10,947,435

## Fund Information

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The Comparative Tables on pages 12 to 16 give the performance of each active share class in the Sub-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 Sub-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.

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 money market sentiment.

## Fund Information (continued)

### Comparative Tables

#### Class Z Income Shares

	30.11.20	31.05.20	31.05.19
	pence per share	pence per share	pence per share
<b>Change in Net Asset Value per share</b>			
Opening net asset value per share	61.73	57.83	56.57
Return before operating charges*	2.03	4.87	2.13
Operating charges	(0.26)	(0.51)	(0.47)
Return after operating charges	1.77	4.36	1.66
Distributions on income shares	(0.09)	(0.46)	(0.40)
Closing net asset value per share	63.41	61.73	57.83
* After direct transaction costs of:	–	–	–
	<b>30.11.20</b>	<b>31.05.20</b>	<b>31.05.19</b>
<b>Performance</b>			
Return after charges <sup>1</sup>	2.87%	7.54%	2.93%
<b>Other Information</b>			
Closing net asset value (£'000)	827	753	484
Closing number of shares	1,305,045	1,219,406	836,594
Operating charges <sup>2</sup>	0.83%	0.84%	0.84%
Direct transaction costs	–%	–%	–%
	<b>30.11.20</b>	<b>31.05.20</b>	<b>31.05.19</b>
	pence per share	pence per share	pence per share
<b>Prices</b>			
Highest share price	63.50	62.65	58.30
Lowest share price	61.12	53.14	53.53

<sup>1</sup> This represents return after charges for the current interim period.

<sup>2</sup> Operating charges, otherwise known as the OCF (Ongoing Charges Figure), is the ratio of the Sub-fund's total disclosable costs (excluding overdraft interest) to the average net assets of the Sub-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 Sub-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

	30.11.20 pence per share	31.05.20 pence per share	31.05.19 pence per share
<b>Change in Net Asset Value per share</b>			
Opening net asset value per share	64.73	60.20	58.46
Return before operating charges*	2.12	5.06	2.23
Operating charges	(0.27)	(0.53)	(0.49)
Return after operating charges	1.85	4.53	1.74
Distributions	(0.09)	(0.47)	(0.42)
Retained distributions on accumulation shares	0.09	0.47	0.42
Closing net asset value per share	66.58	64.73	60.20
* After direct transaction costs of:	–	–	–
	<b>30.11.20</b>	<b>31.05.20</b>	<b>31.05.19</b>
<b>Performance</b>			
Return after charges <sup>1</sup>	2.86%	7.51%	2.98%
<b>Other Information</b>			
Closing net asset value (£'000)	34,275	29,631	25,057
Closing number of shares	51,475,295	45,776,594	41,623,229
Operating charges <sup>2</sup>	0.83%	0.84%	0.84%
Direct transaction costs	–%	–%	–%
	<b>30.11.20</b>	<b>31.05.20</b>	<b>31.05.19</b>
	<b>pence per share</b>	<b>pence per share</b>	<b>pence per share</b>
<b>Prices</b>			
Highest share price	66.59	65.50	60.43
Lowest share price	64.10	55.55	55.48

<sup>1</sup> This represents return after charges for the current interim period.

<sup>2</sup> Operating charges, otherwise known as the OCF (Ongoing Charges Figure), is the ratio of the Sub-fund's total disclosable costs (excluding overdraft interest) to the average net assets of the Sub-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 Sub-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 E Accumulation Shares	01.06.20 to 21.09.20 pence per share	31.05.20 pence per share	31.05.19 pence per share
<b>Change in Net Asset Value per share</b>			
Opening net asset value per share	65.28	60.59	58.71
Return before operating charges*	0.36	5.06	2.23
Operating charges	(0.07)	(0.37)	(0.35)
Return after operating charges	0.29	4.69	1.88
Distributions	–	(0.60)	(0.54)
Retained distributions on accumulation shares	–	0.60	0.54
Last quoted share price <sup>1</sup>	65.57	–	–
Closing net asset value per share	–	65.28	60.59
* After direct transaction costs of:	–	–	–
	<b>01.06.20 to 21.09.20</b>	<b>31.05.20</b>	<b>31.05.19</b>
<b>Performance</b>			
Return after charges <sup>2</sup>	0.44%	7.74%	3.20%
<b>Other Information</b>			
Closing net asset value (£'000)	–	7	5
Closing number of shares	–	11,134	7,993
Operating charges <sup>3</sup>	0.58%	0.59%	0.59%
Direct transaction costs	–%	–%	–%
	<b>01.06.20 to 21.09.20 pence per share</b>	<b>31.05.20 pence per share</b>	<b>31.05.19 pence per share</b>
<b>Prices</b>			
Highest share price	66.34	66.01	60.82
Lowest share price	64.66	56.00	55.78

<sup>1</sup> As at the period end date, there are no shares in issue. Share class performance provided is as at 21 September 2020 being the last quoted price date before shares were reduced to zero.

<sup>2</sup> This represents return after charges for the current interim period.

<sup>3</sup> Operating charges, otherwise known as the OCF (Ongoing Charges Figure), is the ratio of the Sub-fund's total disclosable costs (excluding overdraft interest) to the average net assets of the Sub-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 Sub-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 Income Shares	01.06.20 to 21.09.20 pence per share	31.05.20 pence per share	31.05.19 pence per share
<b>Change in Net Asset Value per share</b>			
Opening net asset value per share	61.90	58.04	56.75
Return before operating charges*	0.34	4.77	2.14
Operating charges	(0.09)	(0.45)	(0.42)
Return after operating charges	0.25	4.32	1.72
Distributions on income shares	–	(0.46)	(0.43)
Last quoted share price <sup>1</sup>	62.15	–	–
Closing net asset value per share	–	61.90	58.04
* After direct transaction costs of:	–	–	–
	<b>01.06.20 to 21.09.20</b>	<b>31.05.20</b>	<b>31.05.19</b>
<b>Performance</b>			
Return after charges <sup>2</sup>	0.40%	7.44%	3.03%
<b>Other Information</b>			
Closing net asset value (£'000)	–	1	1
Closing number of shares	–	1,787	1,787
Operating charges <sup>3</sup>	0.73%	0.74%	0.74%
Direct transaction costs	–%	–%	–%
	<b>01.06.20 to 21.09.20 pence per share</b>	<b>31.05.20 pence per share</b>	<b>31.05.19 pence per share</b>
<b>Prices</b>			
Highest share price	62.89	62.85	58.52
Lowest share price	61.30	53.31	53.71

<sup>1</sup> As at the period end date, there are no shares in issue. Share class performance provided is as at 21 September 2020 being the last quoted price date before shares were reduced to zero.

<sup>2</sup> This represents return after charges for the current interim period.

<sup>3</sup> Operating charges, otherwise known as the OCF (Ongoing Charges Figure), is the ratio of the Sub-fund's total disclosable costs (excluding overdraft interest) to the average net assets of the Sub-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 Sub-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

	30.11.20 pence per share	31.05.20 pence per share	31.05.19 pence per share
<b>Change in Net Asset Value per share</b>			
Opening net asset value per share	64.89	60.31	58.51
Return before operating charges*	2.12	5.05	2.24
Operating charges	(0.24)	(0.47)	(0.44)
Return after operating charges	1.88	4.58	1.80
Distributions	(0.12)	(0.52)	(0.47)
Retained distributions on accumulation shares	0.12	0.52	0.47
Closing net asset value per share	66.77	64.89	60.31
* After direct transaction costs of:	–	–	–
	<b>30.11.20</b>	<b>31.05.20</b>	<b>31.05.19</b>
<b>Performance</b>			
Return after charges <sup>1</sup>	2.90%	7.59%	3.08%
<b>Other Information</b>			
Closing net asset value (£'000)	1,892	1,237	2,320
Closing number of shares	2,833,419	1,906,845	3,846,635
Operating charges <sup>2</sup>	0.73%	0.74%	0.74%
Direct transaction costs	–%	–%	–%
	<b>30.11.20</b>	<b>31.05.20</b>	<b>31.05.19</b>
	<b>pence per share</b>	<b>pence per share</b>	<b>pence per share</b>
<b>Prices</b>			
Highest share price	66.78	65.64	60.53
Lowest share price	64.27	55.68	55.55

<sup>1</sup> This represents return after charges for the current interim period.

<sup>2</sup> Operating charges, otherwise known as the OCF (Ongoing Charges Figure), is the ratio of the Sub-fund's total disclosable costs (excluding overdraft interest) to the average net assets of the Sub-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 Sub-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 2020 (unaudited)

	01.06.20 to 30.11.20		01.06.19 to 30.11.19	
	£'000	£'000	£'000	£'000
Income				
Net capital gains		936		1,469
Revenue	173		249	
Expenses	(123)		(108)	
Interest payable and similar charges	–		–	
Net revenue before taxation	50		141	
Taxation	(8)		(18)	
Net revenue after taxation		42		123
Total return before distributions		978		1,592
Distributions		(45)		(125)
Change in net assets attributable to shareholders from investment activities		933		1,467

## Statement of Change in Net Assets Attributable to Shareholders

for the period ended 30 November 2020 (unaudited)

	01.06.20 to 30.11.20		01.06.19 to 30.11.19	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		31,629		27,867
Amounts receivable on creation of shares	7,681		4,293	
Amounts payable on cancellation of shares	(3,300)		(3,573)	
		4,381		720
Change in net assets attributable to shareholders from investment activities (see above)		933		1,467
Retained distribution on accumulation shares		51		126
Closing net assets attributable to shareholders		36,994		30,180

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

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as at 30 November 2020 (unaudited)

	30.11.20 £'000	31.05.20 £'000
<b>Assets:</b>		
Fixed assets:		
Investments	36,864	31,533
Current assets:		
Debtors	516	333
Cash and bank balances	119	133
<b>Total assets</b>	<b>37,499</b>	<b>31,999</b>
<b>Liabilities:</b>		
Creditors:		
Distribution payable on income shares	(1)	(2)
Other creditors	(504)	(368)
<b>Total liabilities</b>	<b>(505)</b>	<b>(370)</b>
<b>Net assets attributable to shareholders</b>	<b>36,994</b>	<b>31,629</b>

## Notes to the Financial Statements

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for the period ended 30 November 2020 (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.

## Distribution Tables

for the period ended 30 November 2020

### Class Z Income Shares

Interim Distribution (in pence per share)

Group 1: Shares purchased prior to 1 June 2020

Group 2: Shares purchased from 1 June 2020 to 30 November 2020

Group	Net Income	Equalisation	2020 Net Distribution Paid	2019 Net Distribution Paid
1	0.0887	–	0.0887	0.2606
2	0.0073	0.0814	0.0887	0.2606

### Class Z Accumulation Shares

Interim Accumulation (in pence per share)

Group 1: Shares purchased prior to 1 June 2020

Group 2: Shares purchased from 1 June 2020 to 30 November 2020

Group	Net Accumulation	Equalisation	2020 Net Accumulation	2019 Net Accumulation
1	0.0929	–	0.0929	0.2706
2	0.0151	0.0778	0.0929	0.2706

### Class E Accumulation Shares<sup>1</sup>

Interim Accumulation (in pence per share)

Group 1: Shares purchased prior to 1 June 2020

Group 2: Shares purchased from 1 June 2020 to 30 November 2020

Group	Net Accumulation	Equalisation	2020 Net Accumulation	2019 Net Accumulation
1	–	–	–	0.3360
2	–	–	–	0.3360

<sup>1</sup> No distribution charges for the period as the share class was closed 21 September 2020.

## Embark Horizon Multi-Asset Fund I

## Distribution Tables (continued)

for the period ended 30 November 2020

### Class I Income Shares<sup>1</sup>

Interim Distribution (in pence per share)

Group 1: Shares purchased prior to 1 June 2020

Group 2: Shares purchased from 1 June 2020 to 30 November 2020

Group	Net Income	Equalisation	2020 Net Distribution Paid	2019 Net Distribution Paid
1	–	–	–	0.2546
2	–	–	–	0.2546

### Class I Accumulation Shares

Interim Accumulation (in pence per share)

Group 1: Shares purchased prior to 1 June 2020

Group 2: Shares purchased from 1 June 2020 to 30 November 2020

Group	Net Accumulation	Equalisation	2020 Net Accumulation	2019 Net Accumulation
1	0.1196	–	0.1196	0.2928
2	0.0175	0.1021	0.1196	0.2928

<sup>1</sup> No distribution charges for the period as the share class was closed 21 September 2020.

## Investment Objective and Policy

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

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

At least two-thirds of the value of the Sub-fund will be invested in actively managed collective investment schemes managed or operated by companies within the Investment Manager's group of companies. Investments in collective investment schemes may also include those managed, operated or advised by the ACD, or its associates.

Through these investments, at all times at least 50% of the value of the Sub-fund will be indirectly exposed to fixed income securities (such as corporate and government bonds) and to the shares of companies constituted or operating within developed markets (for example, UK, US, Europe and Japan). The Sub-fund will also have some indirect exposure to UK property. The Sub-fund may also gain exposure (directly and indirectly) to money market instruments, cash and near cash.

Save in exceptional circumstances, the actual asset class exposures will be in the following ranges: fixed income 35-65%; equities 25-55%; UK property 0-15%; and money market instruments, cash and near cash 0-10%.

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

The Sub-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 Sub-fund is managed with reference to strategic asset allocations which are provided to the Investment Manager on 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 return for the expected risk level assuming an 18 year investment horizon.

The Sub-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 Sub-fund's investment objectives and improve returns. There is no guarantee that the Sub-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

This Sub-fund is aligned to Risk Profile 2, which means that it aims to deliver growth through assets that demonstrate moderate price fluctuations, with emphasis placed on fixed income securities and equities and some exposure to property.



## Investment Report

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Embark Investment Funds ICVC agrees asset allocation on a quarterly basis with EValue (see page 86 for information on EValue) for Fund II and then supervises the active management of the underlying portfolios by Columbia Threadneedle Investments (CTI) against these strategic asset allocations. The following Fund Performance Report is written in conjunction with CTI:

### Fund Performance

For the six months to 30 November 2020, the Embark Horizon Multi-Asset Fund II (Class Z Accumulation Shares<sup>1</sup>) generated a gain of 5.46%. Over the period, the Sub-fund underperformed the IA Mixed Investment 20-60% Shares sector average, as shown on the graph overleaf.

The six months to 30 November 2020 constituted a volatile but ultimately very strong period for risk assets in aggregate – though for sterling-based investors, returns from overseas assets were softened by a stronger pound, notably against the US dollar. Equities, corporate bonds and commodities extended their rally through the summer, outperforming safer havens like core government bonds. During these months, markets were characterised by optimism that the worst economic impacts of the pandemic had already been absorbed, and that a coronavirus vaccine would soon be available. Investors appeared confident that the flood of fiscal and monetary stimulus would not only help drive a swift economic recovery, but also propel asset prices even higher. Economic data tended to bolster this sentiment, as did corporate results, being generally weak in absolute terms but improving more quickly than expected. Despite this, core bond yields (which move inversely to price) stayed low relative to historical levels, anchored by central-bank purchase programmes and low interest rates.

In September, profit-taking in US tech stocks heralded a change of mood, as investors refocused on the more worrying elements of the backdrop. Equities and commodities pulled back, while credit spreads (the yield premiums over “safe-haven” government bonds) edged wider. Rising Covid-19 infection rates had prompted localised lockdowns in many parts of the world, including the UK, and the economic recovery was starting to lose momentum. Political uncertainty was also mounting as President Trump continued to question the integrity of the upcoming US presidential election, and the UK government proposed legislation that would override parts of its withdrawal agreement with the EU.

October was another volatile month, as markets tried to gauge the economic impact of the resurgent pandemic and the likely outcome of the US election. Meanwhile in Europe, tough new virus restrictions were announced, including national lockdowns in Germany, France and the UK.

Despite lockdowns and rising Covid-19 case numbers, risk appetite returned to the market in the final weeks of the period. Investors welcomed Joe Biden’s clear victory in the US election, apparently unfazed by Trump’s attempts to overturn the result. And on 9 November, the first of three landmark announcements on the efficacy of coronavirus vaccine candidates triggered a surge in oil prices, a tightening in credit spreads and a rotation in equity markets, as investors switched out of year-to-date winners into beaten-down stocks that have most to gain from a resumption of normal economic activity.

While the immediate economic outlook remains uncertain, three factors in our opinion have set the foundations for a more sustainable cyclical recovery.

First, a relatively favourable US election outcome has removed some large tail risks and brought with it some (unanticipated) fiscal reprieve. Second, the number of vaccines with greater-than-expected efficacy create investment opportunities in more cyclical areas of the world. And lastly, economic contractions in 2020 have been shallower than previously feared. In certain regions, our forecasts are for almost V-shaped recoveries.

While valuations are full, low discount rates remains a powerful support to risk asset prices, which we do not anticipate reversing in the medium term. This should create fertile conditions for more persistent risk rallies.

The main asset classes in Fund II are developed-market equities, UK and global government bonds, and UK corporate bonds. All the equity markets posted positive returns over the six months, as did corporate bonds. Gains were led by Europe ex UK equities, which were up 15.96%, followed by US stocks (up 11.10%). Only UK and global government bonds posted negative returns, declining 2.74% and 0.98% respectively<sup>2</sup>.

## Investment Report (continued)

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The Sub-fund implemented two strategic asset-allocation rebalances during the period, in July and October. Additionally, in September, the property holding was completely sold. The proceeds were reallocated to the other assets (excluding cash) proportionately.

Near the end of the period, the Sub-fund's strategic asset allocation was 43% in developed-market equities; 15% in UK corporate bonds; 30% in UK government bonds; 10% in global ex UK government bonds; and 2% in cash.

Against this backdrop, the Sub-fund is overweight in equities and underweight in bonds.

Within equities, the Sub-fund was underweight in the UK. While valuations in the UK equity market appear cheap, we see better opportunities for growth in Asia, Japan and the US. The UK market's high weights in finance and oil/miners are sectors we currently do not favour, and the ongoing Brexit saga poses another risk. The Sub-fund was overweight in all other regions, with the biggest relative exposure to the US. This market is home to many of the high-quality winners to emerge from the current crisis, and our allocation here provides the portfolio with a relatively defensive counterbalance to our select cyclical exposure elsewhere.

Within fixed income, the Sub-fund was underweight in UK and overseas government bonds, but overweight in UK corporate bonds; while spreads have normalised, the latter market should benefit from the improved cyclical picture and central banks' continued "easy money" policies.

The Sub-fund outperformed the strategic asset allocation over the period, largely due to favourable selection effects. Allocation effects also added value, as the Sub-fund was overweight equities amid the "risk on" backdrop over the review period. Within equities, the Sub-fund was underweight in the UK, which proved particularly beneficial as these stocks underperformed.

<sup>1</sup> The Class Z Accumulation Shares were selected to illustrate the performance of the Sub-fund as they are the largest share

class and Accumulation shares show the total return of the Sub-fund, as all income is reinvested.

<sup>2</sup> Representative indices

Source: Factset. All returns are in GBP.

North American Equities: S&P 500 Index – 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

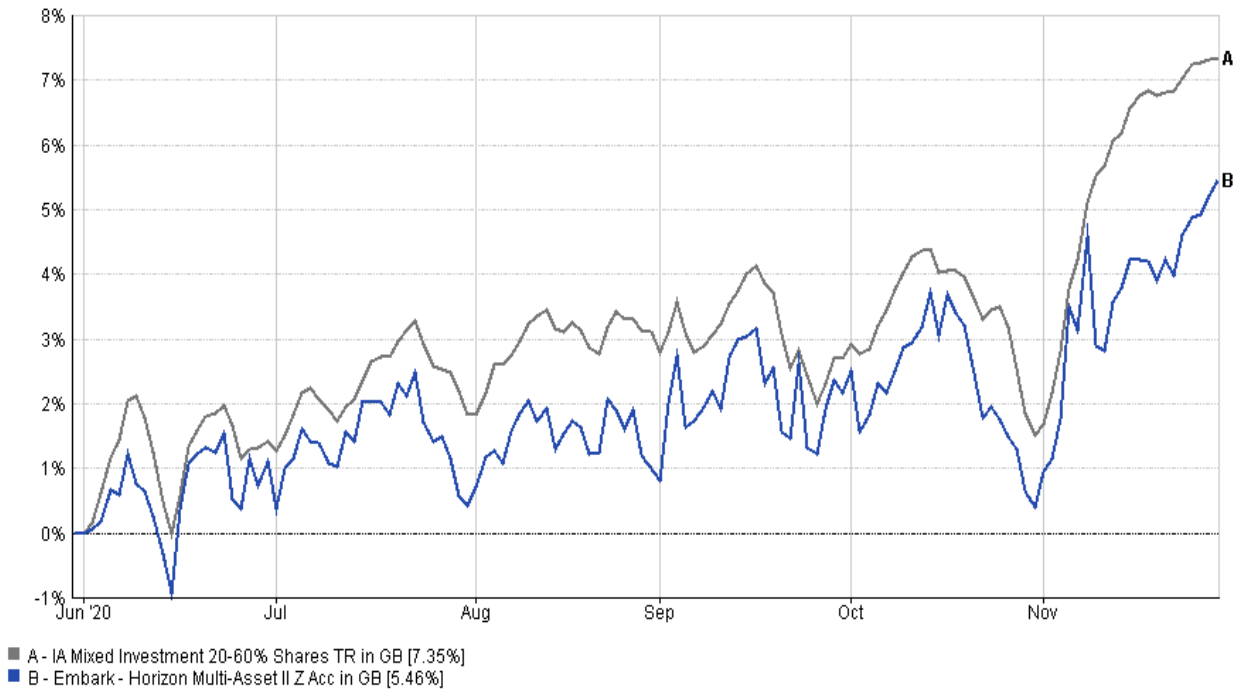
UK Government Bonds: FTSE Actuaries UK Conventional Gilts All Stocks Index

UK Corporate Bonds: iBoxx Sterling Corporates AA Rated

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

## Investment Report (continued)

### Comparative Performance: Fund compared to the Investment Association Sector Average



29/05/2020 - 30/11/2020 Data from FEfundinfo2020

Columbia Threadneedle Investments  
Investment Manager  
24 December 2020

## Portfolio Statement

as at 30 November 2020 (unaudited)

Holding	Investment	Market value £'000	Percentage of total net assets %
	United Kingdom Collective Investment Schemes 99.68% (100.16%)		
8,435,059	Threadneedle American*	40,109	19.40
1,795,389	Threadneedle American Select*	9,037	4.37
4,699,603	Threadneedle European*	15,316	7.41
13,573,332	Threadneedle Global Bond*	17,454	8.44
13,846,274	Threadneedle Japan*	13,147	6.36
28,798,051	Threadneedle Sterling Bond*	39,701	19.20
11,165,987	Threadneedle Sterling Medium and Long-Dated Corporate Bond*	13,475	6.52
14,292,961	Threadneedle UK*	14,317	6.92
14,804,670	Threadneedle UK Corporate Bond*	20,567	9.95
10,211,103	Threadneedle UK Fixed Interest*	19,859	9.60
—	Threadneedle UK Smaller Companies	—	—
2,590,700	Threadneedle UK Smaller Companies X Acc*	3,126	1.51
		<b>206,108</b>	<b>99.68</b>
	<b>Net Investments 99.68% (100.16%)</b>	<b>206,108</b>	<b>99.68</b>
	Net other assets	662	0.32
	<b>Total net assets</b>	<b>206,770</b>	<b>100.00</b>

Comparative figures shown in brackets relate to 31 May 2020.

All assets are income shares unless otherwise stated.

\* Accumulation class

Total purchases for the period: £89,037,533

Total sales for the period: £81,219,360

## Fund Information

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The Comparative Tables on pages 28 to 32 give the performance of each active share class in the Sub-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 Sub-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.

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 money market sentiment.

## Fund Information (continued)

### Comparative Tables

#### Class Z Income Shares

	30.11.20	31.05.20	31.05.19
	pence per share	pence per share	pence per share
<b>Change in Net Asset Value per share</b>			
Opening net asset value per share	63.34	60.97	59.90
Return before operating charges*	3.72	3.70	2.30
Operating charges	(0.27)	(0.52)	(0.49)
Return after operating charges	3.45	3.18	1.81
Distributions on income shares	(0.20)	(0.81)	(0.74)
Closing net asset value per share	66.59	63.34	60.97
* After direct transaction costs of:	–	–	–
	<b>30.11.20</b>	<b>31.05.20</b>	<b>31.05.19</b>
<b>Performance</b>			
Return after charges <sup>1</sup>	5.45%	5.22%	3.02%
<b>Other Information</b>			
Closing net asset value (£'000)	4,353	4,208	3,999
Closing number of shares	6,536,707	6,644,301	6,559,773
Operating charges <sup>2</sup>	0.82%	0.82%	0.82%
Direct transaction costs	–%	–%	–%
	<b>30.11.20</b>	<b>31.05.20</b>	<b>31.05.19</b>
	pence per share	pence per share	pence per share
<b>Prices</b>			
Highest share price	66.79	66.45	61.90
Lowest share price	62.76	54.40	56.03

<sup>1</sup> This represents return after charges for the current interim period.

<sup>2</sup> Operating charges, otherwise known as the OCF (Ongoing Charges Figure), is the ratio of the Sub-fund's total disclosable costs (excluding overdraft interest) to the average net assets of the Sub-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 Sub-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

	30.11.20 pence per share	31.05.20 pence per share	31.05.19 pence per share
<b>Change in Net Asset Value per share</b>			
Opening net asset value per share	67.08	63.75	61.87
Return before operating charges*	3.94	3.88	2.39
Operating charges	(0.28)	(0.55)	(0.51)
Return after operating charges	3.66	3.33	1.88
Distributions	(0.21)	(0.85)	(0.77)
Retained distributions on accumulation shares	0.21	0.85	0.77
Closing net asset value per share	70.74	67.08	63.75
* After direct transaction costs of:	–	–	–
	<b>30.11.20</b>	<b>31.05.20</b>	<b>31.05.19</b>
<b>Performance</b>			
Return after charges <sup>1</sup>	5.46%	5.22%	3.04%
<b>Other Information</b>			
Closing net asset value (£'000)	169,968	153,569	129,510
Closing number of shares	240,284,156	228,943,500	203,144,381
Operating charges <sup>2</sup>	0.82%	0.82%	0.82%
Direct transaction costs	–%	–%	–%
	<b>30.11.20</b>	<b>31.05.20</b>	<b>31.05.19</b>
	<b>pence per share</b>	<b>pence per share</b>	<b>pence per share</b>
<b>Prices</b>			
Highest share price	70.74	69.98	64.29
Lowest share price	66.46	57.29	58.19

<sup>1</sup> This represents return after charges for the current interim period.

<sup>2</sup> Operating charges, otherwise known as the OCF (Ongoing Charges Figure), is the ratio of the Sub-fund's total disclosable costs (excluding overdraft interest) to the average net assets of the Sub-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 Sub-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 E Accumulation Shares	01.06.2020 to 21.09.2020 pence per share	31.05.20 pence per share	31.05.19 pence per share
<b>Change in Net Asset Value per share</b>			
Opening net asset value per share	67.62	64.14	62.13
Return before operating charges*	1.17	3.86	2.36
Operating charges	(0.07)	(0.38)	(0.35)
Return after operating charges	1.10	3.48	2.01
Distributions	–	(0.96)	(0.90)
Retained distributions on accumulation shares	–	0.96	0.90
Last quoted share price <sup>1</sup>	68.72	–	–
Closing net asset value per share	–	67.62	64.14
* After direct transaction costs of:	–	–	–
	<b>01.06.2020 to 21.09.2020</b>	<b>31.05.20</b>	<b>31.05.19</b>
<b>Performance</b>			
Return after charges <sup>2</sup>	1.63%	5.43%	3.24%
<b>Other Information</b>			
Closing net asset value (£'000)	–	9	7
Closing number of shares	–	13,390	10,189
Operating charges <sup>3</sup>	0.57%	0.57%	0.57%
Direct transaction costs	–%	–%	–%
	<b>01.06.2020 to 21.09.2020 pence per share</b>	<b>31.05.20 pence per share</b>	<b>31.05.19 pence per share</b>
<b>Prices</b>			
Highest share price	69.79	70.50	64.68
Lowest share price	67.00	57.73	58.50

<sup>1</sup> As at the period end date, there are no shares in issue. Share class performance provided is as at 21 September 2020 being the last quoted price date before shares were reduced to zero.

<sup>2</sup> This represents return after charges for the current interim period.

<sup>3</sup> Operating charges, otherwise known as the OCF (Ongoing Charges Figure), is the ratio of the Sub-fund's total disclosable costs (excluding overdraft interest) to the average net assets of the Sub-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 Sub-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 Income Shares	01.06.2020 to 09.09.2020 pence per share	31.05.20 pence per share	31.05.19 pence per share
<b>Change in Net Asset Value per share</b>			
Opening net asset value per share	63.66	61.28	60.19
Return before operating charges*	1.47	3.71	2.32
Operating charges	(0.07)	(0.46)	(0.44)
Return after operating charges	1.40	3.25	1.88
Distributions on income shares	–	(0.87)	(0.79)
Last quoted share price <sup>1</sup>	65.06	–	–
Closing net asset value per share	–	63.66	61.28
* After direct transaction costs of:	–	–	–
	<b>01.06.2020 to 09.09.2020</b>	<b>31.05.20</b>	<b>31.05.19</b>
<b>Performance</b>			
Return after charges <sup>2</sup>	2.20%	5.30%	3.12%
<b>Other Information</b>			
Closing net asset value (£'000)	–	443	420
Closing number of shares	–	696,310	685,894
Operating charges <sup>3</sup>	0.72%	0.72%	0.72%
Direct transaction costs	–%	–%	–%
	<b>01.06.2020 to 09.09.2020 pence per share</b>	<b>31.05.20 pence per share</b>	<b>31.05.19 pence per share</b>
<b>Prices</b>			
Highest share price	65.42	66.80	62.24
Lowest share price	63.08	54.69	56.30

<sup>1</sup> As at the period end date, there are no shares in issue. Share class performance provided is as at 9 September 2020 being the last quoted price date before shares were reduced to zero.

<sup>2</sup> This represents return after charges for the current interim period.

<sup>3</sup> Operating charges, otherwise known as the OCF (Ongoing Charges Figure), is the ratio of the Sub-fund's total disclosable costs (excluding overdraft interest) to the average net assets of the Sub-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 Sub-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

	30.11.20 pence per share	31.05.20 pence per share	31.05.19 pence per share
Change in Net Asset Value per share			
Opening net asset value per share	67.26	63.87	61.93
Return before operating charges*	3.94	3.87	2.39
Operating charges	(0.25)	(0.48)	(0.45)
Return after operating charges	3.69	3.39	1.94
Distributions	(0.24)	(0.91)	(0.82)
Retained distributions on accumulation shares	0.24	0.91	0.82
Closing net asset value per share	70.95	67.26	63.87
* After direct transaction costs of:	–	–	–
	<b>30.11.20</b>	<b>31.05.20</b>	<b>31.05.19</b>
<b>Performance</b>			
Return after charges <sup>1</sup>	5.49%	5.31%	3.13%
<b>Other Information</b>			
Closing net asset value (£'000)	32,449	29,030	20,981
Closing number of shares	45,732,963	43,163,948	32,849,574
Operating charges <sup>2</sup>	0.72%	0.72%	0.72%
Direct transaction costs	–%	–%	–%
	<b>30.11.20</b>	<b>31.05.20</b>	<b>31.05.19</b>
	<b>pence per share</b>	<b>pence per share</b>	<b>pence per share</b>
<b>Prices</b>			
Highest share price	70.95	70.15	64.41
Lowest share price	66.64	57.43	58.28

<sup>1</sup> This represents return after charges for the current interim period.

<sup>2</sup> Operating charges, otherwise known as the OCF (Ongoing Charges Figure), is the ratio of the Sub-fund's total disclosable costs (excluding overdraft interest) to the average net assets of the Sub-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 Sub-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 2020 (unaudited)

	01.06.20 to 30.11.20		01.06.19 to 30.11.19	
	£'000	£'000	£'000	£'000
Income				
Net capital gains		9,959		8,678
Revenue	1,425		1,971	
Expenses	(718)		(611)	
Interest payable and similar charges	–		–	
Net revenue before taxation	707		1,360	
Taxation	(115)		(192)	
Net revenue after taxation		592		1,168
Total return before distributions		10,551		9,846
Distributions		(610)		(1,181)
Change in net assets attributable to shareholders from investment activities		9,941		8,665

## Statement of Change in Net Assets Attributable to Shareholders

for the period ended 30 November 2020 (unaudited)

	01.06.20 to 30.11.20		01.06.19 to 30.11.19	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		187,259		154,917
Amounts receivable on creation of shares	26,187		26,263	
Amounts payable on cancellation of shares	(17,231)		(10,607)	
		8,956		15,656
Change in net assets attributable to shareholders from investment activities (see above)		9,941		8,665
Retained distribution on accumulation shares		614		1,231
Closing net assets attributable to shareholders		206,770		180,469

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 2020 (unaudited)

	30.11.20 £'000	31.05.20 £'000
<b>Assets:</b>		
Fixed assets:		
Investments	206,108	187,567
Current assets:		
Debtors	926	2,827
Cash and bank balances	610	1,129
<b>Total assets</b>	<b>207,644</b>	<b>191,523</b>
<b>Liabilities:</b>		
Creditors:		
Bank overdrafts	(101)	–
Distribution payable on income shares	(13)	(27)
Other creditors	(760)	(4,237)
<b>Total liabilities</b>	<b>(874)</b>	<b>(4,264)</b>
<b>Net assets attributable to shareholders</b>	<b>206,770</b>	<b>187,259</b>

## Notes to the Financial Statements

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for the period ended 30 November 2020 (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.

## Embark Horizon Multi-Asset Fund II

## Distribution Tables

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for the period ended 30 November 2020

### Class Z Income Shares

Interim Distribution (in pence per share)

Group 1: Shares purchased prior to 1 June 2020

Group 2: Shares purchased from 1 June 2020 to 30 November 2020

Group	Net Income	Equalisation	2020 Net Distribution Paid	2019 Net Distribution Paid
1	0.1984	–	0.1984	0.4490
2	0.0274	0.1710	0.1984	0.4490

### Class Z Accumulation Shares

Interim Accumulation (in pence per share)

Group 1: Shares purchased prior to 1 June 2020

Group 2: Shares purchased from 1 June 2020 to 30 November 2020

Group	Net Accumulation	Equalisation	2020 Net Accumulation	2019 Net Accumulation
1	0.2103	–	0.2103	0.4697
2	0.0752	0.1351	0.2103	0.4697

### Class E Accumulation Shares<sup>1</sup>

Interim Accumulation (in pence per share)

Group 1: Shares purchased prior to 1 June 2020

Group 2: Shares purchased from 1 June 2020 to 30 November 2020

Group	Net Accumulation	Equalisation	2020 Net Accumulation	2019 Net Accumulation
1	–	–	–	0.5082
2	–	–	–	0.5082

<sup>1</sup> No distribution charges for the period as the share class was closed 21 September 2020.

## Distribution Tables (continued)

for the period ended 30 November 2020

### Class I Income Shares<sup>1</sup>

Interim Distribution (in pence per share)

Group 1: Shares purchased prior to 1 June 2020

Group 2: Shares purchased from 1 June 2020 to 30 November 2020

Group	Net Income	Equalisation	2020 Net Distribution Paid	2019 Net Distribution Paid
1	–	–	–	0.4770
2	–	–	–	0.4770

### Class I Accumulation Shares

Interim Accumulation (in pence per share)

Group 1: Shares purchased prior to 1 June 2020

Group 2: Shares purchased from 1 June 2020 to 30 November 2020

Group	Net Accumulation	Equalisation	2020 Net Accumulation	2019 Net Accumulation
1	0.2384	–	0.2384	0.4975
2	0.1170	0.1214	0.2384	0.4975

<sup>1</sup> No distribution charges for the period as the share class was closed 9 September 2020.

## Investment Objective and Policy

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

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

At least two-thirds of the value of the Sub-fund will be invested in actively managed collective investment schemes managed or operated by companies within the Investment Manager's group of companies. Investments in collective investment schemes may also include those managed, operated or advised by the ACD, or its associates.

Through these investments, at all times at least 50% of the value of the Sub-fund will be indirectly exposed to the shares of companies constituted or operating within developed markets (for example UK, US, Europe and Japan). The Sub-fund will typically have lower indirect exposure to fixed income securities, such as government bonds and corporate bonds. There will also be some indirect exposure to UK property. The Sub-fund may also gain exposure (directly and indirectly) to money market instruments, cash and near cash.

Save in exceptional circumstances, the actual asset class exposures will be in the following ranges: equities 50-75%; fixed income 20-50%; UK property 0-15%; and money market instruments, cash and near cash 0-10%.

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

The Sub-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 Sub-fund is managed with reference to strategic asset allocations which are provided to the Investment Manager on 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 return for the expected risk level assuming an 18 year investment horizon.

The Sub-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 Sub-fund's investment objectives and improve returns. There is no guarantee that the Sub-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

This Sub-fund is aligned to Risk Profile 3, which means that it aims to deliver growth through assets that may demonstrate moderate to large price fluctuations with greater emphasis placed on equity and lower exposure to fixed income securities and some exposure to property.



## Investment Report

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Embark Investment Funds ICVC agrees the asset allocation on a quarterly basis with EValue (see page 86 for information on EValue) for Fund III and then supervises the active management of the underlying portfolios by Columbia Threadneedle Investments (CTI) against these strategic asset allocations. The following Fund Performance Report is written in conjunction with CTI:

### Fund Performance

For the six months to 2020, the Embark Horizon Multi-Asset Fund III (Class Z Accumulation Shares<sup>1</sup>) generated a gain of 7.95%. Over the period, the Sub-fund underperformed the IA Mixed Investment 40-85% Shares sector average, as shown on the graph overleaf.

The six months to 30 November 2020 constituted a volatile but ultimately very strong period for risk assets in aggregate – though for sterling-based investors, returns from overseas assets were softened by a stronger pound, notably against the US dollar. Equities, corporate bonds and commodities extended their rally through the summer, outperforming safer havens like core government bonds. During these months, markets were characterised by optimism that the worst economic impacts of the pandemic had already been absorbed, and that a coronavirus vaccine would soon be available. Investors appeared confident that the flood of fiscal and monetary stimulus would not only help drive a swift economic recovery, but also propel asset prices even higher. Economic data tended to bolster this sentiment, as did corporate results, being generally weak in absolute terms but improving more quickly than expected. Despite this, core bond yields (which move inversely to price) stayed low relative to historical levels, anchored by central-bank purchase programmes and low interest rates.

In September, profit-taking in US tech stocks heralded a change of mood, as investors refocused on the more worrying elements of the backdrop. Equities and commodities pulled back, while credit spreads (the yield premiums over “safe-haven” government bonds) edged wider. Rising Covid-19 infection rates had prompted localised lockdowns in many parts of the world, including the UK, and the economic recovery was starting to lose momentum. Political uncertainty was also mounting as President Trump continued to question the integrity of the upcoming US presidential election, and the UK government proposed legislation that would override parts of its withdrawal agreement with the EU.

October was another volatile month, as markets tried to gauge the economic impact of the resurgent pandemic and the likely outcome of the US election. Meanwhile in Europe, tough new virus restrictions were announced, including national lockdowns in Germany, France and the UK.

Despite lockdowns and rising Covid-19 case numbers, risk appetite returned to the market in the final weeks of the period. Investors welcomed Joe Biden’s clear victory in the US election, apparently unfazed by Trump’s attempts to overturn the result. And on 9 November, the first of three landmark announcements on the efficacy of coronavirus vaccine candidates triggered a surge in oil prices, a tightening in credit spreads and a rotation in equity markets, as investors switched out of year-to-date winners into beaten-down stocks that have most to gain from a resumption of normal economic activity.

While the immediate economic outlook remains uncertain, three factors in our opinion have set the foundations for a more sustainable cyclical recovery.

First, a relatively favourable US election outcome has removed some large tail risks and brought with it some (unanticipated) fiscal reprieve. Second, the number of vaccines with greater-than-expected efficacy create investment opportunities in more cyclical areas of the world. And lastly, economic contractions in 2020 have been shallower than previously feared. In certain regions, our forecasts are for almost V-shaped recoveries.

While valuations are full, low discount rates remains a powerful support to risk asset prices, which we do not anticipate reversing in the medium term. This should create fertile conditions for more persistent risk rallies.

At the end of November, the main asset classes in Fund III were developed-market equities, UK and global government bonds, and UK corporate bonds. All the equity markets posted positive returns over the six months, as did corporate bonds. Gains were led by Europe ex UK equities, which were up 15.96%, followed by US stocks (up 11.10%). Only UK and global government bonds posted negative returns, declining 2.68% and 0.98% respectively<sup>2</sup>.

## Investment Report (continued)

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The Sub-fund implemented two strategic asset-allocation rebalances during the period, which occurred in July and October. July's rebalance resulted in UK government bonds being added to the portfolio. Additionally, in September, the property holding was completely sold. The proceeds were reallocated to the other assets (excluding cash) proportionately.

Near the end of the period, the Sub-fund's strategic asset allocation was 55% in developed-market equities; 24% in UK corporate bonds; 9% in UK government bonds; 10% in global ex UK government bonds; and 2% in cash.

Against this backdrop, the Sub-fund is overweight in equities and underweight in bonds. Within equities, the Sub-fund was underweight in the UK. While valuations in the UK equity market appear cheap, we see better opportunities for growth in Asia, Japan and the US. The UK market's high weights in finance and oil/miners are sectors we currently do not favour, and the ongoing Brexit saga poses another risk. The Sub-fund was overweight in all other regions, with the biggest relative exposure to the US. This market is home to many of the high-quality winners to emerge from the current crisis, and our allocation here provides the portfolio with a relatively defensive counterbalance to our select cyclical exposure elsewhere.

Within fixed income, the Sub-fund was underweight in UK and overseas government bonds, but overweight in UK corporate bonds; while spreads have normalised, the latter market should benefit from the improved cyclical picture and central banks' continued "easy money" policies.

The Sub-fund outperformed the strategic asset allocation over the period, largely due to favourable selection effects. Allocation effects also added value, as the Sub-fund was overweight equities amid the "risk on" backdrop over the review period. Within equities, the Sub-fund was underweight in the UK, which proved particularly beneficial as these stocks underperformed.

<sup>1</sup> The Class Z Accumulation Shares were selected to illustrate the performance of the Sub-fund as they are the largest share

class and Accumulation shares show the total return of the Sub-fund, as all income is reinvested.

<sup>2</sup> Representative indices

Source: Factset. All returns are in GBP.

North American Equities: S&P 500 Index – 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

UK Corporate Bonds: iBoxx Sterling Corporates AA Rated

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

UK Government Bonds: FTSE Actuaries UK Conventional Gilts All Stocks Index

# Investment Report (continued)

## Comparative Performance: Fund compared to the Investment Association Sector Average



29/05/2020 - 30/11/2020 Data from FE fundinfo2020

Columbia Threadneedle Investments  
Investment Manager  
24 December 2020

## Portfolio Statement

as at 30 November 2020 (unaudited)

Holding	Investment	Market value £'000	Percentage of total net assets %
	United Kingdom Collective Investment Schemes 99.81% (99.31%)		
16,476,039	Threadneedle American*	78,344	24.71
3,961,046	Threadneedle American Select*	19,938	6.29
6,457,190	Threadneedle European*	21,045	6.64
1,203,149	Threadneedle European Select*	5,330	1.68
333,194	Threadneedle European Smaller Companies*	4,217	1.33
20,725,871	Threadneedle Global Bond*	26,651	8.41
26,919,203	Threadneedle Japan*	25,560	8.06
18,086,000	Threadneedle Sterling Bond*	24,933	7.87
26,377,356	Threadneedle Sterling Medium and Long-Dated Corporate Bond*	31,832	10.04
25,490,178	Threadneedle UK*	25,533	8.05
34,935,411	Threadneedle UK Corporate Bond*	48,532	15.31
3,738,598	Threadneedle UK Smaller Companies*	4,511	1.42
		<b>316,426</b>	<b>99.81</b>
	<b>Net Investments 99.81% (99.31%)</b>	<b>316,426</b>	<b>99.81</b>
	Net other assets	600	0.19
	<b>Total net assets</b>	<b>317,026</b>	<b>100.00</b>

Comparative figures shown in brackets relate to 31 May 2020.

All assets are income shares unless otherwise stated.

\* Accumulation class

Total purchases for the period: £141,810,298

Total sales for the period: £114,767,853

## Fund Information

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The Comparative Tables on pages 44 to 48 give the performance of each active share class in the Sub-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 Sub-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.

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 money market sentiment.

## Fund Information (continued)

### Comparative Tables

#### Class Z Income Shares

	30.11.20	31.05.20	31.05.19
	pence per share	pence per share	pence per share
<b>Change in Net Asset Value per share</b>			
Opening net asset value per share	64.80	63.04	62.24
Return before operating charges*	5.43	3.27	2.18
Operating charges	(0.27)	(0.53)	(0.50)
Return after operating charges	5.16	2.74	1.68
Distributions on income shares	(0.27)	(0.98)	(0.88)
Closing net asset value per share	69.69	64.80	63.04
* After direct transaction costs of:	–	–	–
	<b>30.11.20</b>	<b>31.05.20</b>	<b>31.05.19</b>
<b>Performance</b>			
Return after charges <sup>1</sup>	7.96%	4.35%	2.70%
<b>Other Information</b>			
Closing net asset value (£'000)	5,429	4,635	3,553
Closing number of shares	7,789,730	7,152,443	5,636,059
Operating charges <sup>2</sup>	0.81%	0.81%	0.81%
Direct transaction costs	–%	–%	–%
	<b>30.11.20</b>	<b>31.05.20</b>	<b>31.05.19</b>
	pence per share	pence per share	pence per share
<b>Prices</b>			
Highest share price	69.96	69.66	64.65
Lowest share price	64.00	54.65	57.09

<sup>1</sup> This represents return after charges for the current interim period.

<sup>2</sup> Operating charges, otherwise known as the OCF (Ongoing Charges Figure), is the ratio of the Sub-fund's total disclosable costs (excluding overdraft interest) to the average net assets of the Sub-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 Sub-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

	30.11.20 pence per share	31.05.20 pence per share	31.05.19 pence per share
<b>Change in Net Asset Value per share</b>			
Opening net asset value per share	69.32	66.45	64.69
Return before operating charges*	5.81	3.43	2.28
Operating charges	(0.29)	(0.56)	(0.52)
Return after operating charges	5.52	2.87	1.76
Distributions	(0.28)	(1.04)	(0.92)
Retained distributions on accumulation shares	0.28	1.04	0.92
Closing net asset value per share	74.84	69.32	66.45
* After direct transaction costs of:	–	–	–
	<b>30.11.20</b>	<b>31.05.20</b>	<b>31.05.19</b>
<b>Performance</b>			
Return after charges <sup>1</sup>	7.96%	4.33%	2.72%
<b>Other Information</b>			
Closing net asset value (£'000)	254,334	214,485	185,068
Closing number of shares	339,831,859	309,398,826	278,525,651
Operating charges <sup>2</sup>	0.81%	0.81%	0.81%
Direct transaction costs	–%	–%	–%
	<b>30.11.20</b>	<b>31.05.20</b>	<b>31.05.19</b>
	<b>pence per share</b>	<b>pence per share</b>	<b>pence per share</b>
<b>Prices</b>			
Highest share price	74.84	74.01	67.43
Lowest share price	68.47	58.06	59.72

<sup>1</sup> This represents return after charges for the current interim period.

<sup>2</sup> Operating charges, otherwise known as the OCF (Ongoing Charges Figure), is the ratio of the Sub-fund's total disclosable costs (excluding overdraft interest) to the average net assets of the Sub-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 Sub-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 E Accumulation Shares	01.06.2020 to 21.09.2020 pence per share	31.05.20 pence per share	31.05.19 pence per share
<b>Change in Net Asset Value per share</b>			
Opening net asset value per share	69.90	66.88	64.98
Return before operating charges*	1.85	3.41	2.26
Operating charges	(0.08)	(0.39)	(0.36)
Return after operating charges	1.77	3.02	1.90
Distributions	–	(1.18)	(1.05)
Retained distributions on accumulation shares	–	1.18	1.05
Last quoted share price <sup>1</sup>	71.67	–	–
Closing net asset value per share	–	69.90	66.88
* After direct transaction costs of:	–	–	–
	<b>01.06.2020 to 21.09.2020</b>	<b>31.05.20</b>	<b>31.05.19</b>
<b>Performance</b>			
Return after charges <sup>2</sup>	2.53%	4.52%	2.92%
<b>Other Information</b>			
Closing net asset value (£'000)	–	65	48
Closing number of shares	–	93,134	71,994
Operating charges <sup>3</sup>	0.56%	0.56%	0.56%
Direct transaction costs	–%	–%	–%
	<b>01.06.2020 to 21.09.2020 pence per share</b>	<b>31.05.20 pence per share</b>	<b>31.05.19 pence per share</b>
<b>Prices</b>			
Highest share price	73.14	74.59	67.86
Lowest share price	69.05	58.52	60.06

<sup>1</sup> As at the period end date, there are no shares in issue. Share class performance provided is as at 21 September 2020 being the last quoted price date before shares were reduced to zero.

<sup>2</sup> This represents return after charges for the current interim period.

<sup>3</sup> Operating charges, otherwise known as the OCF (Ongoing Charges Figure), is the ratio of the Sub-fund's total disclosable costs (excluding overdraft interest) to the average net assets of the Sub-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 Sub-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 Income Shares	01.06.2020 to 21.09.2020 pence per share	31.05.20 pence per share	31.05.19 pence per share
<b>Change in Net Asset Value per share</b>			
Opening net asset value per share	65.16	63.40	62.60
Return before operating charges*	1.71	3.27	2.18
Operating charges	(0.09)	(0.47)	(0.44)
Return after operating charges	1.62	2.80	1.74
Distributions on income shares	–	(1.04)	(0.94)
Last quoted share price <sup>1</sup>	66.78	–	–
Closing net asset value per share	–	65.16	63.40
* After direct transaction costs of:	–	–	–
	<b>01.06.2020 to 21.09.2020</b>	<b>31.05.20</b>	<b>31.05.19</b>
<b>Performance</b>			
Return after charges <sup>2</sup>	2.49%	4.42%	2.78%
<b>Other Information</b>			
Closing net asset value (£'000)	–	307	290
Closing number of shares	–	470,396	456,844
Operating charges <sup>3</sup>	0.71%	0.71%	0.71%
Direct transaction costs	–%	–%	–%
	<b>01.06.2020 to 21.09.2020 pence per share</b>	<b>31.05.20 pence per share</b>	<b>31.05.19 pence per share</b>
<b>Prices</b>			
Highest share price	68.15	70.07	65.03
Lowest share price	64.36	54.97	57.42

<sup>1</sup> As at the period end date, there are no shares in issue. Share class performance provided is as at 21 September 2020 being the last quoted price date before shares were reduced to zero.

<sup>2</sup> This represents return after charges for the current interim period.

<sup>3</sup> Operating charges, otherwise known as the OCF (Ongoing Charges Figure), is the ratio of the Sub-fund's total disclosable costs (excluding overdraft interest) to the average net assets of the Sub-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 Sub-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

	30.11.20 pence per share	31.05.20 pence per share	31.05.19 pence per share
<b>Change in Net Asset Value per share</b>			
Opening net asset value per share	69.54	66.60	64.78
Return before operating charges*	5.83	3.43	2.28
Operating charges	(0.26)	(0.49)	(0.46)
Return after operating charges	5.57	2.94	1.82
Distributions	(0.31)	(1.10)	(0.97)
Retained distributions on accumulation shares	0.31	1.10	0.97
Closing net asset value per share	75.11	69.54	66.60
* After direct transaction costs of:	–	–	–
	<b>30.11.20</b>	<b>31.05.20</b>	<b>31.05.19</b>
<b>Performance</b>			
Return after charges <sup>1</sup>	8.01%	4.41%	2.81%
<b>Other Information</b>			
Closing net asset value (£'000)	57,263	48,921	24,914
Closing number of shares	76,241,952	70,348,359	37,409,090
Operating charges <sup>2</sup>	0.71%	0.71%	0.71%
Direct transaction costs	–%	–%	–%
	<b>30.11.20</b>	<b>31.05.20</b>	<b>31.05.19</b>
	<b>pence per share</b>	<b>pence per share</b>	<b>pence per share</b>
<b>Prices</b>			
Highest share price	75.11	74.23	67.58
Lowest share price	68.69	58.23	59.84

<sup>1</sup> This represents return after charges for the current interim period.

<sup>2</sup> Operating charges, otherwise known as the OCF (Ongoing Charges Figure), is the ratio of the Sub-fund's total disclosable costs (excluding overdraft interest) to the average net assets of the Sub-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 Sub-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 2020 (unaudited)

	01.06.20 to 30.11.20		01.06.19 to 30.11.19	
	£'000	£'000	£'000	£'000
Income				
Net capital gains		21,493		13,757
Revenue	2,430		3,006	
Expenses	(1,066)		(864)	
Interest payable and similar charges	–		(1)	
Net revenue before taxation	1,364		2,141	
Taxation	(214)		(255)	
Net revenue after taxation		1,150		1,886
Total return before distributions		22,643		15,643
Distributions		(1,160)		(1,897)
Change in net assets attributable to shareholders from investment activities		21,483		13,746

## Statement of Change in Net Assets Attributable to Shareholders

for the period ended 30 November 2020 (unaudited)

	01.06.20 to 30.11.20		01.06.19 to 30.11.19	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		268,413		213,873
Amounts receivable on creation of shares	49,258		41,711	
Amounts payable on cancellation of shares	(23,334)		(17,116)	
		25,924		24,595
Change in net assets attributable to shareholders from investment activities (see above)		21,483		13,746
Retained distribution on accumulation shares		1,206		1,979
Closing net assets attributable to shareholders		317,026		254,193

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

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as at 30 November 2020 (unaudited)

	30.11.20	31.05.20
	£'000	£'000
<hr/>		
<b>Assets:</b>		
Fixed assets:		
Investments	316,426	266,570
Current assets:		
Debtors	1,704	2,824
Cash and bank balances	1,233	1,908
<b>Total assets</b>	<hr/> 319,363	<hr/> 271,302
<b>Liabilities:</b>		
Creditors:		
Bank overdrafts	(558)	(29)
Distribution payable on income shares	(21)	(35)
Other creditors	(1,758)	(2,825)
<b>Total liabilities</b>	<hr/> (2,337)	<hr/> (2,889)
<b>Net assets attributable to shareholders</b>	<hr/> 317,026	<hr/> 268,413

## Notes to the Financial Statements

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for the period ended 30 November 2020 (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.

## Embark Horizon Multi-Asset Fund III

## Distribution Tables

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for the period ended 30 November 2020

### Class Z Income Shares

Interim Distribution (in pence per share)

Group 1: Shares purchased prior to 1 June 2020

Group 2: Shares purchased from 1 June 2020 to 30 November 2020

Group	Net Income	Equalisation	2020 Net Distribution Paid	2019 Net Distribution Paid
1	0.2658	–	0.2658	0.5313
2	0.0886	0.1772	0.2658	0.5313

### Class Z Accumulation Shares

Interim Accumulation (in pence per share)

Group 1: Shares purchased prior to 1 June 2020

Group 2: Shares purchased from 1 June 2020 to 30 November 2020

Group	Net Accumulation	Equalisation	2020 Net Accumulation	2019 Net Accumulation
1	0.2844	–	0.2844	0.5601
2	0.0938	0.1906	0.2844	0.5601

### Class E Accumulation Shares<sup>1</sup>

Interim Accumulation (in pence per share)

Group 1: Shares purchased prior to 1 June 2020

Group 2: Shares purchased from 1 June 2020 to 30 November 2020

Group	Net Accumulation	Equalisation	2020 Net Accumulation	2019 Net Accumulation
1	–	–	–	0.6324
2	–	–	–	0.6324

<sup>1</sup> No distribution charges for the period as the share class was closed 21 September 2020.

## Distribution Tables (continued)

for the period ended 30 November 2020

### Class I Income Shares<sup>1</sup>

Interim Distribution (in pence per share)

Group 1: Shares purchased prior to 1 June 2020

Group 2: Shares purchased from 1 June 2020 to 30 November 2020

Group	Net Income	Equalisation	2020 Net Distribution Paid	2019 Net Distribution Paid
1	–	–	–	0.5616
2	–	–	–	0.5616

### Class I Accumulation Shares

Interim Accumulation (in pence per share)

Group 1: Shares purchased prior to 1 June 2020

Group 2: Shares purchased from 1 June 2020 to 30 November 2020

Group	Net Accumulation	Equalisation	2020 Net Accumulation	2019 Net Accumulation
1	0.3141	–	0.3141	0.5897
2	0.1392	0.1749	0.3141	0.5897

<sup>1</sup> No distribution charges for the period as the share class was closed 21 September 2020.

## Investment Objective and Policy

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

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

At least two-thirds of the value of the Sub-fund will be invested in actively managed collective investment schemes managed or operated by companies within the Investment Manager's group of companies. Investments in collective investment schemes may also include those managed, operated or advised by the ACD, or its associates.

Through these investments, at all times at least 50% of the value of the Sub-fund will be indirectly exposed to the shares of companies constituted or operating in the developed markets (for example, UK, US, Europe and Japan).

There will also be indirect exposure to fixed income securities (such as government bonds and corporate bonds) and UK property. There may be some indirect exposure to emerging market equities. The Sub-fund may also gain exposure (directly and indirectly) to money market instruments, cash and near cash.

Save in exceptional circumstances, the actual asset class exposures will be in the following ranges: developed market equities 65-95%; fixed income 0-30%; UK property 0-15%; emerging market equities 0-15%; and money market instruments, cash and near cash 0-10%.

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

The Sub-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 Sub-fund is managed with reference to strategic asset allocations which are provided to the Investment Manager on 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 return for the expected risk level assuming an 18 year investment horizon.

The Sub-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 Sub-fund's investment objectives and improve returns. There is no guarantee that the Sub-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

This Sub-fund is aligned to Risk Profile 4, which means that it aims to deliver growth through assets that may demonstrate moderate to large price fluctuations, with greater exposure to equity and some fixed income securities and property.



## Investment Report

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Embark Investment Funds ICVC agrees the asset allocation on a quarterly basis with EValue (see page 86 for information on EValue) for Fund IV and then supervises the active management of the underlying portfolios by Columbia Threadneedle Investments (CTI) against these strategic asset allocations. The following Fund Performance Report is written in conjunction with CTI:

### Fund Performance

For the six months to 2020, the Embark Horizon Multi-Asset Fund IV (Class Z Accumulation Shares<sup>1</sup>) generated a gain of 11.62%. Over the period, the Sub-fund outperformed the IA Mixed Investment 40-85% Shares sector average, as shown on the graph overleaf.

The six months to 30 November 2020 constituted a volatile but ultimately very strong period for risk assets in aggregate – though for sterling-based investors, returns from overseas assets were softened by a stronger pound, notably against the US dollar. Equities, corporate bonds and commodities extended their rally through the summer, outperforming safer havens like core government bonds. During these months, markets were characterised by optimism that the worst economic impacts of the pandemic had already been absorbed, and that a coronavirus vaccine would soon be available. Investors appeared confident that the flood of fiscal and monetary stimulus would not only help drive a swift economic recovery, but also propel asset prices even higher. Economic data tended to bolster this sentiment, as did corporate results, being generally weak in absolute terms but improving more quickly than expected. Despite this, core bond yields (which move inversely to price) stayed low relative to historical levels, anchored by central-bank purchase programmes and low interest rates.

In September, profit-taking in US tech stocks heralded a change of mood, as investors refocused on the more worrying elements of the backdrop. Equities and commodities pulled back, while credit spreads (the yield premiums over “safe-haven” government bonds) edged wider. Rising Covid-19 infection rates had prompted localised lockdowns in many parts of the world, including the UK, and the economic recovery was starting to lose momentum. Political uncertainty was also mounting as President Trump continued to question the integrity of the upcoming US presidential election, and the UK government proposed legislation that would override parts of its withdrawal agreement with the EU.

October was another volatile month, as markets tried to gauge the economic impact of the resurgent pandemic and the likely outcome of the US election. Meanwhile in Europe, tough new virus restrictions were announced, including national lockdowns in Germany, France and the UK.

Despite lockdowns and rising Covid-19 case numbers, risk appetite returned to the market in the final weeks of the period. Investors welcomed Joe Biden’s clear victory in the US election, apparently unfazed by Trump’s attempts to overturn the result. And on 9 November, the first of three landmark announcements on the efficacy of coronavirus vaccine candidates triggered a surge in oil prices, a tightening in credit spreads and a rotation in equity markets, as investors switched out of year-to-date winners into beaten-down stocks that have most to gain from a resumption of normal economic activity.

While the immediate economic outlook remains uncertain, three factors in our opinion have set the foundations for a more sustainable cyclical recovery.

First, a relatively favourable US election outcome has removed some large tail risks and brought with it some (unanticipated) fiscal reprieve. Second, the number of vaccines with greater-than-expected efficacy create investment opportunities in more cyclical areas of the world. And lastly, economic contractions in 2020 have been shallower than previously feared. In certain regions, our forecasts are for almost V-shaped recoveries.

While valuations are full, low discount rates remains a powerful support to risk asset prices, which we do not anticipate reversing in the medium term. This should create fertile conditions for more persistent risk rallies.

At the end of November, the main asset classes in Fund IV were emerging-market equities, developed-market equities, global government bonds and UK corporate bonds. All the equity markets posted positive returns over the six months, as did corporate bonds. Gains were led by emerging-market equities, which rose 21.68%. These were followed by Europe ex UK (up 15.96%), and the US (up 11.10%). However, global government bonds declined 0.96%<sup>2</sup>.

## Investment Report (continued)

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The Sub-fund implemented two strategic asset-allocation rebalances during the period, in July and October. July's rebalance resulted in global ex UK government bonds being added to the portfolio. Additionally, in September, the property holding was completely sold. The proceeds were reallocated to the other assets (excluding cash) proportionately.

Near the end of the period, the Sub-fund's strategic asset allocation was 6% in emerging-market equities; 68% in developed-market equities; 18% in UK corporate bonds; 1% in UK government bonds; 5% in global ex UK government bonds; and 2% in cash.

Against this backdrop, the Sub-fund is overweight in equities and underweight in bonds. Within equities, the Sub-fund was underweight in the UK. While valuations in the UK equity market appear cheap, we see better opportunities for growth in Asia, Japan and the US. The UK market's high weights in finance and oil/miners are sectors we currently do not favour, and the ongoing Brexit saga poses another risk.

The Sub-fund was overweight in all other regions, with the biggest relative exposures to the US and emerging markets. The US is home to many of the high-quality winners to emerge from the current crisis, and our allocation here provides the portfolio with a relatively defensive counterbalance to our select cyclical exposure elsewhere. Within emerging markets, we are particularly positive on the prospects for Asia. Recurrences of the virus across the region have been far less disruptive than elsewhere, and domestic consumption has held firm. Asian economies are highly geared to the global industrial cycle, and our forecasts for both corporate earnings and economic growth are relatively constructive, with easy domestic monetary conditions providing additional support.

Within fixed income, the Sub-fund was underweight in government bonds, but overweight in UK corporate bonds; while spreads have normalised, the latter market should benefit from the improved cyclical picture and central banks' continued "easy money" policies.

The Sub-fund outperformed the strategic asset allocation over the period, largely due to favourable selection effects. Allocation effects also added value, as the Sub-fund was overweight equities amid the "risk on" backdrop over the review period. Within equities, the Sub-fund was underweight in the UK, which proved particularly beneficial as these stocks underperformed.

<sup>1</sup> The Class Z Accumulation Shares were selected to illustrate the performance of the Sub-fund as they are the largest share

class and Accumulation shares show the total return of the Sub-fund, as all income is reinvested.

<sup>2</sup> Representative indices

Source: Factset. All returns are in GBP.

North American Equities: S&P 500 Index – Total Return Gross Income Reinvested

European Equities: MSCI EMU - Total Return Gross Income Reinvested

Japanese Equities: MSCI Japan - Total Return Gross Income Reinvested

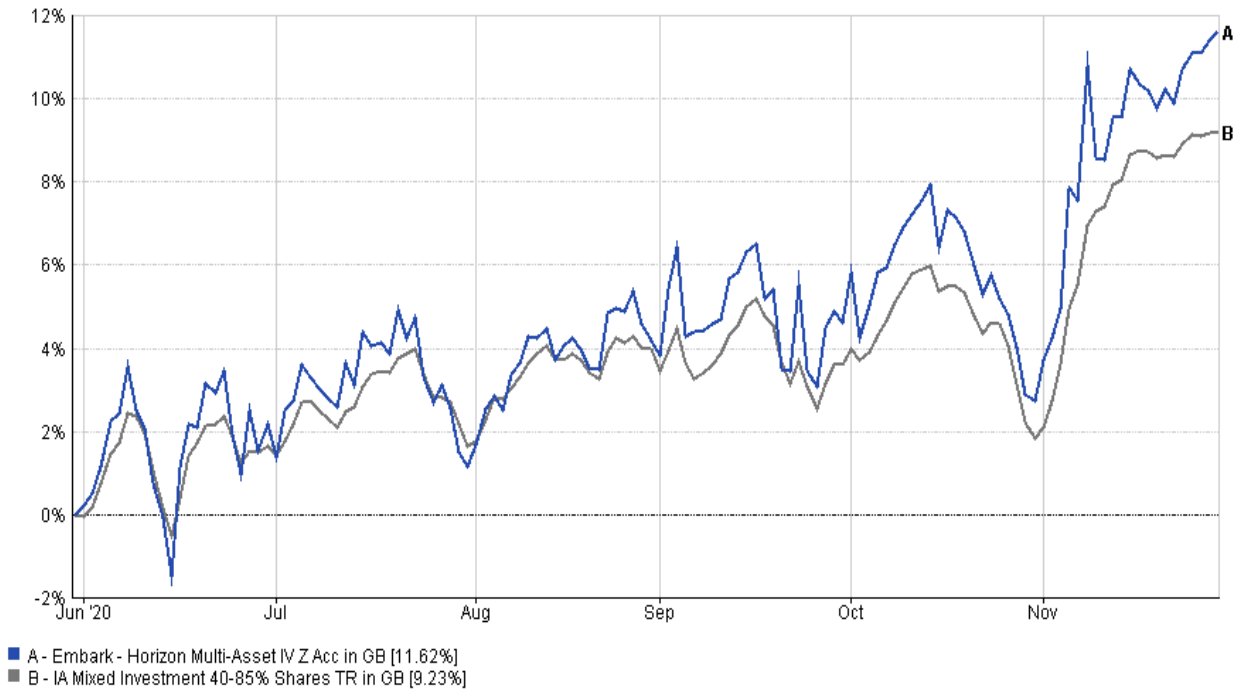
UK Equities: FTSE All-Share - Total Return Gross Income Reinvested

UK Corporate Bonds: iBoxx Sterling Corporates AA Rated

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

# Investment Report (continued)

## Comparative Performance: Fund compared to the Investment Association Sector Average



Columbia Threadneedle Investments  
Investment Manager  
24 December 2020

## Portfolio Statement

as at 30 November 2020 (unaudited)

Holding	Investment	Market value £'000	Percentage of total net assets %
	United Kingdom Collective Investment Schemes 99.74% (99.88%)		
6,199,056	Threadneedle American*	29,477	24.53
2,677,702	Threadneedle American Select*	13,478	11.22
2,758,880	Threadneedle European*	8,991	7.48
567,163	Threadneedle European Select*	2,512	2.09
142,594	Threadneedle European Smaller Companies*	1,805	1.50
2,990,999	Threadneedle Global Bond*	3,846	3.20
11,219,836	Threadneedle Japan*	10,653	8.87
5,154,256	Threadneedle Specialist Global Emerging Markets Equity*	8,688	7.23
7,588,007	Threadneedle Sterling Medium and Long-Dated Corporate Bond*	9,157	7.62
14,769,611	Threadneedle UK*	14,795	12.31
10,159,457	Threadneedle UK Corporate Bond*	14,114	11.75
1,927,811	Threadneedle UK Smaller Companies*	2,326	1.94
		<b>119,842</b>	<b>99.74</b>
	<b>Net Investments 99.74% (99.88%)</b>	<b>119,842</b>	<b>99.74</b>
	Net other assets	311	0.26
	<b>Total net assets</b>	<b>120,153</b>	<b>100.00</b>

Comparative figures shown in brackets relate to 31 May 2020.

All assets are income shares unless otherwise stated.

\* Accumulation class

Total purchases for the period: £53,818,391

Total sales for the period: £49,891,940

## Fund Information

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The Comparative Tables on pages 60 to 64 give the performance of each active share class in the Sub-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 Sub-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.

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 money market sentiment.

## Fund Information (continued)

### Comparative Tables

#### Class Z Income Shares

	30.11.20	31.05.20	31.05.19
	pence per share	pence per share	pence per share
<b>Change in Net Asset Value per share</b>			
Opening net asset value per share	66.32	65.42	65.54
Return before operating charges*	7.99	2.46	1.21
Operating charges	(0.28)	(0.56)	(0.52)
Return after operating charges	7.71	1.90	0.69
Distributions on income shares	(0.27)	(1.00)	(0.81)
Closing net asset value per share	73.76	66.32	65.42
* After direct transaction costs of:	–	–	–
	<b>30.11.20</b>	<b>31.05.20</b>	<b>31.05.19</b>
<b>Performance</b>			
Return after charges <sup>1</sup>	11.63%	2.90%	1.05%
<b>Other Information</b>			
Closing net asset value (£'000)	2,302	2,070	1,807
Closing number of shares	3,120,802	3,121,135	2,761,873
Operating charges <sup>2</sup>	0.81%	0.81%	0.81%
Direct transaction costs	–%	–%	–%
	<b>30.11.20</b>	<b>31.05.20</b>	<b>31.05.19</b>
	pence per share	pence per share	pence per share
<b>Prices</b>			
Highest share price	74.03	73.71	68.00
Lowest share price	65.36	54.54	58.36

<sup>1</sup> This represents return after charges for the current interim period.

<sup>2</sup> Operating charges, otherwise known as the OCF (Ongoing Charges Figure), is the ratio of the Sub-fund's total disclosable costs (excluding overdraft interest) to the average net assets of the Sub-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 Sub-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

	30.11.20	31.05.20	31.05.19
	pence per share	pence per share	pence per share
<b>Change in Net Asset Value per share</b>			
Opening net asset value per share	70.68	68.70	67.97
Return before operating charges*	8.51	2.57	1.27
Operating charges	(0.30)	(0.59)	(0.54)
Return after operating charges	8.21	1.98	0.73
Distributions	(0.29)	(1.06)	(0.84)
Retained distributions on accumulation shares	0.29	1.06	0.84
Closing net asset value per share	78.89	70.68	68.70
* After direct transaction costs of:	–	–	–
	<b>30.11.20</b>	<b>31.05.20</b>	<b>31.05.19</b>
<b>Performance</b>			
Return after charges <sup>1</sup>	11.62%	2.87%	1.07%
<b>Other Information</b>			
Closing net asset value (£'000)	103,058	88,751	85,298
Closing number of shares	130,642,107	125,568,606	124,159,592
Operating charges <sup>2</sup>	0.81%	0.81%	0.81%
Direct transaction costs	–%	–%	–%
	<b>30.11.20</b>	<b>31.05.20</b>	<b>31.05.19</b>
	pence per share	pence per share	pence per share
<b>Prices</b>			
Highest share price	78.89	78.02	70.52
Lowest share price	69.65	57.73	60.85

<sup>1</sup> This represents return after charges for the current interim period.

<sup>2</sup> Operating charges, otherwise known as the OCF (Ongoing Charges Figure), is the ratio of the Sub-fund's total disclosable costs (excluding overdraft interest) to the average net assets of the Sub-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 Sub-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.

## Embark Horizon Multi-Asset Fund IV

## Fund Information (continued)

## Comparative Tables (continued)

Class E Accumulation Shares	01.06.20 to 21.09.20 pence per share	31.05.20 pence per share	31.05.19 pence per share
<b>Change in Net Asset Value per share</b>			
Opening net asset value per share	71.26	69.12	68.25
Return before operating charges*	2.60	2.55	1.25
Operating charges	(0.08)	(0.41)	(0.38)
Return after operating charges	2.52	2.14	0.87
Distributions	–	(1.21)	(0.98)
Retained distributions on accumulation shares	–	1.21	0.98
Last quoted share price <sup>1</sup>	73.78	–	–
Closing net asset value per share	–	71.26	69.12
* After direct transaction costs of:	–	–	–
	<b>01.06.20 to 21.09.20</b>	<b>31.05.20</b>	<b>31.05.19</b>
<b>Performance</b>			
Return after charges <sup>2</sup>	3.54%	3.10%	1.27%
<b>Other Information</b>			
Closing net asset value (£'000)	–	32	14
Closing number of shares	–	44,388	19,927
Operating charges <sup>3</sup>	0.56%	0.56%	0.56%
Direct transaction costs	–%	–%	–%
	<b>01.06.20 to 21.09.20 pence per share</b>	<b>31.05.20 pence per share</b>	<b>31.05.19 pence per share</b>
<b>Prices</b>			
Highest share price	75.92	78.61	70.84
Lowest share price	70.23	58.18	61.17

<sup>1</sup> As at the period end date, there are no shares in issue. Share class performance provided is as at 21 September 2020 being the last quoted price date before shares were reduced to zero.

<sup>2</sup> This represents return after charges for the current interim period.

<sup>3</sup> Operating charges, otherwise known as the OCF (Ongoing Charges Figure), is the ratio of the Sub-fund's total disclosable costs (excluding overdraft interest) to the average net assets of the Sub-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 Sub-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 Income Shares	01.06.20 to 21.09.20 pence per share	31.05.20 pence per share	31.05.19 pence per share
Change in Net Asset Value per share			
Opening net asset value per share	66.74	65.83	65.95
Return before operating charges*	2.43	2.47	1.23
Operating charges	(0.09)	(0.49)	(0.46)
Return after operating charges	2.34	1.98	0.77
Distributions on income shares	–	(1.07)	(0.89)
Last quoted share price <sup>1</sup>	69.08	–	–
Closing net asset value per share	–	66.74	65.83
* After direct transaction costs of:	–	–	–
	01.06.20 to 21.09.20	31.05.20	31.05.19
Performance			
Return after charges <sup>2</sup>	3.51%	3.01%	1.17%
Other Information			
Closing net asset value (£'000)	–	113	125
Closing number of shares	–	169,534	189,795
Operating charges <sup>3</sup>	0.71%	0.71%	0.71%
Direct transaction costs	–%	–%	–%
	01.06.20 to 21.09.20 pence per share	31.05.20 pence per share	31.05.19 pence per share
Prices			
Highest share price	71.09	74.18	68.45
Lowest share price	65.76	54.89	58.72

<sup>1</sup> As at the period end date, there are no shares in issue. Share class performance provided is as at 21 September 2020 being the last quoted price date before shares were reduced to zero.

<sup>2</sup> This represents return after charges for the current interim period.

<sup>3</sup> Operating charges, otherwise known as the OCF (Ongoing Charges Figure), is the ratio of the Sub-fund's total disclosable costs (excluding overdraft interest) to the average net assets of the Sub-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 Sub-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

	30.11.20	31.05.20	31.05.19
	pence per share	pence per share	pence per share
<b>Change in Net Asset Value per share</b>			
Opening net asset value per share	70.89	68.84	68.05
Return before operating charges*	8.52	2.57	1.27
Operating charges	(0.26)	(0.52)	(0.48)
Return after operating charges	8.26	2.05	0.79
Distributions	(0.32)	(1.12)	(0.90)
Retained distributions on accumulation shares	0.32	1.12	0.90
Closing net asset value per share	79.15	70.89	68.84
* After direct transaction costs of:	–	–	–
	<b>30.11.20</b>	<b>31.05.20</b>	<b>31.05.19</b>
<b>Performance</b>			
Return after charges <sup>1</sup>	11.65%	2.98%	1.16%
<b>Other Information</b>			
Closing net asset value (£'000)	14,793	12,820	7,483
Closing number of shares	18,690,069	18,085,225	10,870,316
Operating charges <sup>2</sup>	0.71%	0.71%	0.71%
Direct transaction costs	–%	–%	–%
	<b>30.11.20</b>	<b>31.05.20</b>	<b>31.05.19</b>
	pence per share	pence per share	pence per share
<b>Prices</b>			
Highest share price	79.15	78.23	70.61
Lowest share price	69.85	57.88	60.95

<sup>1</sup> This represents return after charges for the current interim period.

<sup>2</sup> Operating charges, otherwise known as the OCF (Ongoing Charges Figure), is the ratio of the Sub-fund's total disclosable costs (excluding overdraft interest) to the average net assets of the Sub-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 Sub-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.

## Embark Horizon Multi-Asset Fund IV

## Statement of Total Return

for the period ended 30 November 2020 (unaudited)

	01.06.20 to 30.11.20	01.06.19 to 30.11.19
	£'000	£'000
Income		
Net capital gains	11,887	6,976
Revenue	890	1,246
Expenses	(408)	(375)
Interest payable and similar charges	–	–
Net revenue before taxation	<u>482</u>	<u>871</u>
Taxation	(54)	(63)
Net revenue after taxation	428	808
Total return before distributions	<u>12,315</u>	<u>7,784</u>
Distributions	(429)	(811)
Change in net assets attributable to shareholders from investment activities	<u>11,886</u>	<u>6,973</u>

## Statement of Change in Net Assets Attributable to Shareholders

for the period ended 30 November 2020 (unaudited)

	01.06.20 to 30.11.20	01.06.19 to 30.11.19
	£'000	£'000
Opening net assets attributable to shareholders	103,785	94,727
Amounts receivable on creation of shares	13,658	13,046
Amounts payable on cancellation of shares	(9,608)	(9,831)
	<u>4,050</u>	<u>3,215</u>
Change in net assets attributable to shareholders from investment activities (see above)	11,886	6,973
Retained distribution on accumulation shares	432	805
Closing net assets attributable to shareholders	<u>120,153</u>	<u>105,720</u>

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

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as at 30 November 2020 (unaudited)

	30.11.20 £'000	31.05.20 £'000
<b>Assets:</b>		
Fixed assets:		
Investments	119,842	103,659
Current assets:		
Debtors	794	1,357
Cash and bank balances	498	698
<b>Total assets</b>	<b>121,134</b>	<b>105,714</b>
<b>Liabilities:</b>		
Creditors:		
Bank overdrafts	(478)	(508)
Distribution payable on income shares	(8)	(15)
Other creditors	(495)	(1,406)
<b>Total liabilities</b>	<b>(981)</b>	<b>(1,929)</b>
<b>Net assets attributable to shareholders</b>	<b>120,153</b>	<b>103,785</b>

## Notes to the Financial Statements

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for the period ended 30 November 2020 (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.

## Embark Horizon Multi-Asset Fund IV

## Distribution Tables

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for the period ended 30 November 2020

### Class Z Income Shares

Interim Distribution (in pence per share)

Group 1: Shares purchased prior to 1 June 2020

Group 2: Shares purchased from 1 June 2020 to 30 November 2020

Group	Net Income	Equalisation	2020 Net Distribution Paid	2019 Net Distribution Paid
1	0.2678	–	0.2678	0.5475
2	0.0204	0.2474	0.2678	0.5475

### Class Z Accumulation Shares

Interim Accumulation (in pence per share)

Group 1: Shares purchased prior to 1 June 2020

Group 2: Shares purchased from 1 June 2020 to 30 November 2020

Group	Net Accumulation	Equalisation	2020 Net Accumulation	2019 Net Accumulation
1	0.2856	–	0.2856	0.5749
2	0.1176	0.1680	0.2856	0.5749

### Class E Accumulation Shares<sup>1</sup>

Interim Accumulation (in pence per share)

Group 1: Shares purchased prior to 1 June 2020

Group 2: Shares purchased from 1 June 2020 to 30 November 2020

Group	Net Accumulation	Equalisation	2020 Net Accumulation	2019 Net Accumulation
1	–	–	–	0.6515
2	–	–	–	0.6515

<sup>1</sup> No distribution charges for the period as the share class was closed 21 September 2020.

## Distribution Tables (continued)

for the period ended 30 November 2020

### Class I Income Shares<sup>1</sup>

Interim Distribution (in pence per share)

Group 1: Shares purchased prior to 1 June 2020

Group 2: Shares purchased from 1 June 2020 to 30 November 2020

Group	Net Income	Equalisation	2020 Net Distribution Paid	2019 Net Distribution Paid
1	–	–	–	0.5805
2	–	–	–	0.5805

### Class I Accumulation Shares

Interim Accumulation (in pence per share)

Group 1: Shares purchased prior to 1 June 2020

Group 2: Shares purchased from 1 June 2020 to 30 November 2020

Group	Net Accumulation	Equalisation	2020 Net Accumulation	2019 Net Accumulation
1	0.3163	–	0.3163	0.6058
2	0.1563	0.1600	0.3163	0.6058

<sup>1</sup> No distribution charges for the period as the share class was closed 21 September 2020.

## Investment Objective and Policy

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

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

At least two-thirds of the value of the Sub-fund will be invested in actively managed collective investment schemes managed or operated by companies within the Investment Manager's group of companies. Investments in collective investment schemes may also include those managed, operated or advised by the ACD, or its associates.

Through these investments, at all times at least 50% of the value of the Sub-fund will be indirectly exposed to shares of companies constituted or operating within developed markets (for example, UK, US, Europe and Japan). It will also have some indirect exposure to UK property and may have some indirect exposure to emerging market equities and fixed income securities. The Sub-fund may also gain exposure (directly and indirectly) to money market instruments, cash and near cash.

Save in exceptional circumstances, the actual asset class exposures will be in the following ranges: developed market equities 65-100%; emerging market equities 0-20%; UK property 0-15%; fixed income securities 0-15%; and money market instruments, cash and near cash 0-10%.

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

The Sub-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 Sub-fund is managed with reference to strategic asset allocations which are provided to the Investment Manager on 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 return for the expected risk level assuming an 18 year investment horizon.

The Sub-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 Sub-fund's investment objectives and improve returns. There is no guarantee that the Sub-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

This Sub-fund is aligned to Risk Profile 5, which means that it aims to deliver growth through assets that may demonstrate large price fluctuations, with greatest exposure to equity and some exposure to property. There may also be some exposure to emerging markets.



## Investment Report

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Embark Investment Funds ICVC agrees the asset allocation on a quarterly basis with EValue (see page 86 for information on EValue) for Fund V and then supervises the active management of the underlying portfolios by Columbia Threadneedle Investments (CTI) against these strategic asset allocations. The following Fund Performance Report is written in conjunction with CTI:

### Fund Performance

For the six months to 2020, the Embark Horizon Multi-Asset Fund V (Class Z Accumulation Shares<sup>1</sup>) generated a gain of 15.45%. Over the period, the Sub-fund outperformed the IA Flexible Investment sector average, as shown on the graph overleaf.

The six months to 30 November 2020 constituted a volatile but ultimately very strong period for risk assets in aggregate – though for sterling-based investors, returns from overseas assets were softened by a stronger pound, notably against the US dollar. Equities, corporate bonds and commodities extended their rally through the summer, outperforming safer havens like core government bonds. During these months, markets were characterised by optimism that the worst economic impacts of the pandemic had already been absorbed, and that a coronavirus vaccine would soon be available. Investors appeared confident that the flood of fiscal and monetary stimulus would not only help drive a swift economic recovery, but also propel asset prices even higher. Economic data tended to bolster this sentiment, as did corporate results, being generally weak in absolute terms but improving more quickly than expected. Despite this, core bond yields (which move inversely to price) stayed low relative to historical levels, anchored by central-bank purchase programmes and low interest rates.

In September, profit-taking in US tech stocks heralded a change of mood, as investors refocused on the more worrying elements of the backdrop. Equities and commodities pulled back, while credit spreads (the yield premiums over “safe-haven” government bonds) edged wider. Rising Covid-19 infection rates had prompted localised lockdowns in many parts of the world, including the UK, and the economic recovery was starting to lose momentum. Political uncertainty was also mounting as President Trump continued to question the integrity of the upcoming US presidential election, and the UK government proposed legislation that would override parts of its withdrawal agreement with the EU.

October was another volatile month, as markets tried to gauge the economic impact of the resurgent pandemic and the likely outcome of the US election. Meanwhile in Europe, tough new virus restrictions were announced, including national lockdowns in Germany, France and the UK.

Despite lockdowns and rising Covid-19 case numbers, risk appetite returned to the market in the final weeks of the period. Investors welcomed Joe Biden’s clear victory in the US election, apparently unfazed by Trump’s attempts to overturn the result. And on 9 November, the first of three landmark announcements on the efficacy of coronavirus vaccine candidates triggered a surge in oil prices, a tightening in credit spreads and a rotation in equity markets, as investors switched out of year-to-date winners into beaten-down stocks that have most to gain from a resumption of normal economic activity.

While the immediate economic outlook remains uncertain, three factors in our opinion have set the foundations for a more sustainable cyclical recovery.

First, a relatively favourable US election outcome has removed some large tail risks and brought with it some (unanticipated) fiscal reprieve. Second, the number of vaccines with greater-than-expected efficacy create investment opportunities in more cyclical areas of the world. And lastly, economic contractions in 2020 have been shallower than previously feared. In certain regions, our forecasts are for almost V-shaped recoveries.

While valuations are full, low discount rates remains a powerful support to risk asset prices, which we do not anticipate reversing in the medium term. This should create fertile conditions for more persistent risk rallies.

At the end of November, the main asset classes in Fund V were emerging- and developed-market equities. All the equity markets posted positive returns over the six months, led by emerging markets, which rose 21.68%. These were followed by Europe ex UK (up 15.96%), and the US (up 11.10%)<sup>2</sup>.

The Sub-fund implemented two strategic asset-allocation rebalances during the period, which occurred in July and October. Additionally, in September, the property holding was completely sold. The proceeds were reallocated to the other assets (excluding cash) proportionately.

## Investment Report (continued)

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Near the end of the period, the Sub-fund's strategic asset allocation was 13% in emerging-market equities; 84% in developed-market equities; 1% in UK corporate bonds; and 2% in cash.

Against this backdrop, the Sub-fund is overweight in equities, especially in the US, Japan and emerging markets. The US market is home to many of the high-quality winners to emerge from the current crisis, and our allocation here provides the portfolio with a relatively defensive counterbalance to our select cyclical exposure elsewhere.

Within emerging markets, we are particularly positive on the prospects for Asia. Recurrences of the virus across Asia and Japan have been far less disruptive than elsewhere, and domestic consumption has held firm. The Asian and Japanese economies are highly geared to the global industrial cycle, and our forecasts for both corporate earnings and economic growth are relatively constructive, with easy domestic monetary conditions providing additional support.

The only region the Sub-fund was underweight in is the UK. While valuations in the UK equity market appear cheap, we see better opportunities for growth in Asia, Japan and the US. The UK market's high weights in finance and oil/miners are sectors we currently do not favour, and the ongoing Brexit saga poses another risk.

The Sub-fund outperformed the strategic asset allocation over the period, largely due to favourable selection effects. Allocation effects also added value, as the Sub-fund was overweight equities amid the "risk on" backdrop over the review period. Within equities, the Sub-fund was underweight in the UK, which proved particularly beneficial as these stocks underperformed.

<sup>1</sup> The Class Z Accumulation Shares were selected to illustrate the performance of the Sub-fund as they are the largest share

class and Accumulation shares show the total return of the Sub-fund, as all income is reinvested.

<sup>2</sup> Representative indices

Source: Factset. All returns are in GBP.

North American Equities: S&P 500 Index – Total Return Gross Income Reinvested

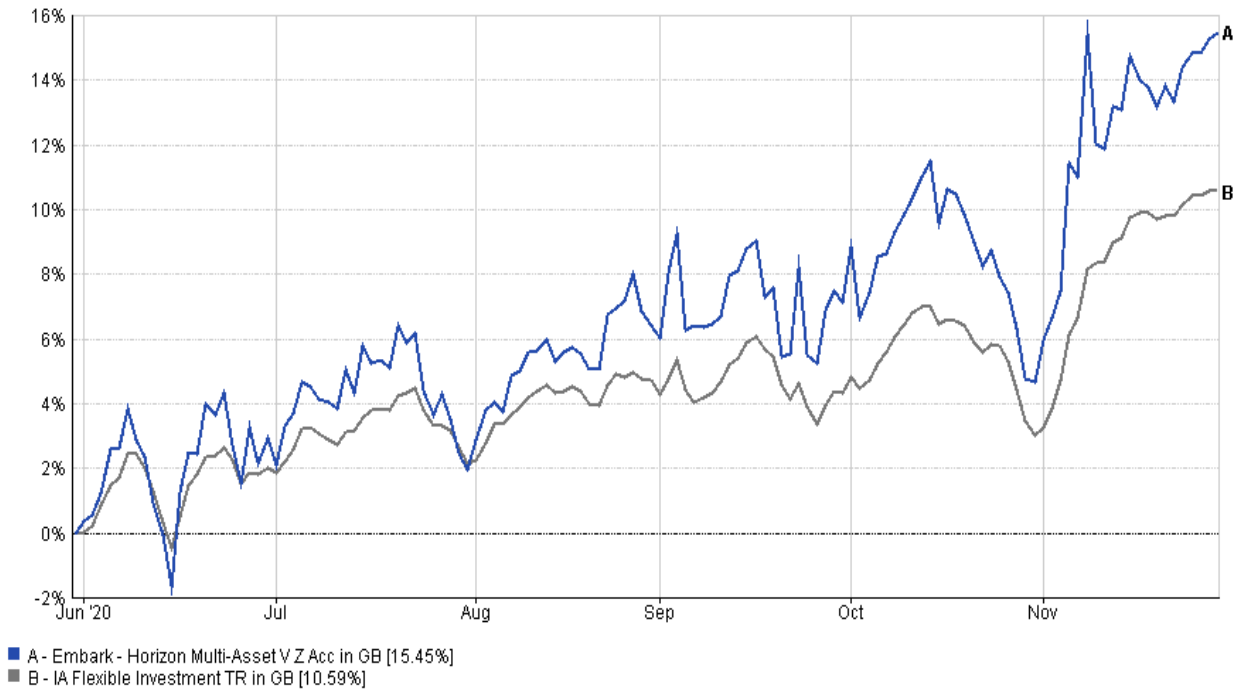
European Equities: MSCI EMU - Total Return Gross Income Reinvested

Japanese Equities: MSCI Japan - Total Return Gross Income Reinvested

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

## Investment Report (continued)

### Comparative Performance: Fund compared to the Investment Association Sector Average



29/05/2020 - 30/11/2020 Data from FE fundinfo2020

Columbia Threadneedle Investments  
Investment Manager  
24 December 2020

## Portfolio Statement

as at 30 November 2020 (unaudited)

Holding	Investment	Market value £'000	Percentage of total net assets %
	United Kingdom Collective Investment Schemes 99.80% (100.44%)		
3,398,558	Threadneedle American*	16,160	30.65
1,785,403	Threadneedle American Select*	8,987	17.05
1,592,560	Threadneedle European*	5,190	9.84
434,553	Threadneedle European Select*	1,925	3.65
54,111	Threadneedle European Smaller Companies*	685	1.30
6,536,734	Threadneedle Japan*	6,207	11.77
4,458,532	Threadneedle Specialist Global Emerging Markets Equity*	7,515	14.25
3,903,945	Threadneedle UK*	3,911	7.42
—	Threadneedle UK Select	—	—
882,290	Threadneedle UK Select X Acc*	1,009	1.92
—	Threadneedle UK Smaller Companies	—	—
853,876	Threadneedle UK Smaller Companies X Acc*	1,030	1.95
		<b>52,619</b>	<b>99.80</b>
	<b>Net Investments 99.80% (100.44%)</b>	<b>52,619</b>	<b>99.80</b>
	Net other assets	108	0.20
	<b>Total net assets</b>	<b>52,727</b>	<b>100.00</b>

Comparative figures shown in brackets relate to 31 May 2020.

All assets are income shares unless otherwise stated.

\* Accumulation class

Total purchases for the period: £24,025,561

Total sales for the period: £16,806,141

## Fund Information

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The Comparative Tables on pages 76 to 80 give the performance of each active share class in the Sub-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 Sub-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.

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 money market sentiment.

## Fund Information (continued)

### Comparative Tables

#### Class Z Income Shares

	30.11.20	31.05.20	31.05.19
	pence per share	pence per share	pence per share
<b>Change in Net Asset Value per share</b>			
Opening net asset value per share	72.43	69.85	69.18
Return before operating charges*	11.50	3.99	1.83
Operating charges	(0.32)	(0.60)	(0.56)
Return after operating charges	11.18	3.39	1.27
Distributions on income shares	(0.18)	(0.81)	(0.60)
Closing net asset value per share	83.43	72.43	69.85
* After direct transaction costs of:	–	–	–
	<b>30.11.20</b>	<b>31.05.20</b>	<b>31.05.19</b>
<b>Performance</b>			
Return after charges <sup>1</sup>	15.44%	4.85%	1.84%
<b>Other Information</b>			
Closing net asset value (£'000)	495	357	322
Closing number of shares	593,416	492,508	461,503
Operating charges <sup>2</sup>	0.82%	0.82%	0.82%
Direct transaction costs	–%	–%	–%
	<b>30.11.20</b>	<b>31.05.20</b>	<b>31.05.19</b>
	pence per share	pence per share	pence per share
<b>Prices</b>			
Highest share price	83.62	80.45	72.62
Lowest share price	71.22	58.70	61.27

<sup>1</sup> This represents return after charges for the current interim period.

<sup>2</sup> Operating charges, otherwise known as the OCF (Ongoing Charges Figure), is the ratio of the Sub-fund's total disclosable costs (excluding overdraft interest) to the average net assets of the Sub-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 Sub-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

	30.11.20	31.05.20	31.05.19
	pence per share	pence per share	pence per share
<b>Change in Net Asset Value per share</b>			
Opening net asset value per share	75.86	72.37	71.04
Return before operating charges*	12.05	4.11	1.91
Operating charges	(0.33)	(0.62)	(0.58)
Return after operating charges	11.72	3.49	1.33
Distributions	(0.19)	(0.84)	(0.62)
Retained distributions on accumulation shares	0.19	0.84	0.62
Closing net asset value per share	87.58	75.86	72.37
* After direct transaction costs of:	–	–	–
	<b>30.11.20</b>	<b>31.05.20</b>	<b>31.05.19</b>
<b>Performance</b>			
Return after charges <sup>1</sup>	15.45%	4.81%	1.87%
<b>Other Information</b>			
Closing net asset value (£'000)	37,394	26,165	23,207
Closing number of shares	42,698,316	34,493,454	32,068,575
Operating charges <sup>2</sup>	0.82%	0.82%	0.82%
Direct transaction costs	–%	–%	–%
	<b>30.11.20</b>	<b>31.05.20</b>	<b>31.05.19</b>
	pence per share	pence per share	pence per share
<b>Prices</b>			
Highest share price	87.58	83.79	74.58
Lowest share price	74.60	61.13	63.09

<sup>1</sup> This represents return after charges for the current interim period.

<sup>2</sup> Operating charges, otherwise known as the OCF (Ongoing Charges Figure), is the ratio of the Sub-fund's total disclosable costs (excluding overdraft interest) to the average net assets of the Sub-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 Sub-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 E Accumulation Shares	01.06.20 to 21.09.20 pence per share	31.05.20 pence per share	31.05.19 pence per share
<b>Change in Net Asset Value per share</b>			
Opening net asset value per share	76.50	72.83	71.36
Return before operating charges*	4.29	4.11	1.87
Operating charges	(0.09)	(0.44)	(0.40)
Return after operating charges	4.20	3.67	1.47
Distributions	–	(1.00)	(0.76)
Retained distributions on accumulation shares	–	1.00	0.76
Last quoted share price <sup>1</sup>	80.70	–	–
Closing net asset value per share	–	76.50	72.83
* After direct transaction costs of:	–	–	–
	<b>01.06.20 to 21.09.20</b>	<b>31.05.20</b>	<b>31.05.19</b>
<b>Performance</b>			
Return after charges <sup>2</sup>	5.49%	5.04%	2.06%
<b>Other Information</b>			
Closing net asset value (£'000)	–	42	34
Closing number of shares	–	55,386	46,374
Operating charges <sup>3</sup>	0.57%	0.57%	0.57%
Direct transaction costs	–%	–%	–%
	<b>01.06.20 to 21.09.20 pence per share</b>	<b>31.05.20 pence per share</b>	<b>31.05.19 pence per share</b>
<b>Prices</b>			
Highest share price	84.45	84.45	74.95
Lowest share price	61.63	61.63	63.44

<sup>1</sup> As at the period end date, there are no shares in issue. Share class performance provided is as at 21 September 2020 being the last quoted price date before shares were reduced to zero.

<sup>2</sup> This represents return after charges for the current interim period.

<sup>3</sup> Operating charges, otherwise known as the OCF (Ongoing Charges Figure), is the ratio of the Sub-fund's total disclosable costs (excluding overdraft interest) to the average net assets of the Sub-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 Sub-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 Income Shares	01.06.20 to 21.09.20 pence per share	31.05.20 pence per share	31.05.19 pence per share
<b>Change in Net Asset Value per share</b>			
Opening net asset value per share	72.70	70.13	69.43
Return before operating charges*	4.08	3.98	1.89
Operating charges	(0.10)	(0.53)	(0.50)
Return after operating charges	3.98	3.45	1.39
Distributions on income shares	–	(0.88)	(0.69)
Last quoted share price <sup>1</sup>	76.68	–	–
Closing net asset value per share	–	72.70	70.13
* After direct transaction costs of:	–	–	–
	<b>01.06.20 to 21.09.20</b>	<b>31.05.20</b>	<b>31.05.19</b>
<b>Performance</b>			
Return after charges <sup>2</sup>	5.47%	4.92%	2.00%
<b>Other Information</b>			
Closing net asset value (£'000)	–	21	18
Closing number of shares	–	28,812	26,353
Operating charges <sup>3</sup>	0.72%	0.72%	0.72%
Direct transaction costs	–%	–%	–%
	<b>01.06.20 to 21.09.20 pence per share</b>	<b>31.05.20 pence per share</b>	<b>31.05.19 pence per share</b>
<b>Prices</b>			
Highest share price	79.44	80.77	72.92
Lowest share price	71.49	58.93	61.50

<sup>1</sup> As at the period end date, there are no shares in issue. Share class performance provided is as at 21 September 2020 being the last quoted price date before shares were reduced to zero.

<sup>2</sup> This represents return after charges for the current interim period.

<sup>3</sup> Operating charges, otherwise known as the OCF (Ongoing Charges Figure), is the ratio of the Sub-fund's total disclosable costs (excluding overdraft interest) to the average net assets of the Sub-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 Sub-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

	30.11.20	31.05.20	31.05.19
	pence per share	pence per share	pence per share
<b>Change in Net Asset Value per share</b>			
Opening net asset value per share	76.09	72.54	71.13
Return before operating charges*	12.09	4.10	1.92
Operating charges	(0.29)	(0.55)	(0.51)
Return after operating charges	11.80	3.55	1.41
Distributions	(0.23)	(0.91)	(0.68)
Retained distributions on accumulation shares	0.23	0.91	0.68
Closing net asset value per share	87.89	76.09	72.54
* After direct transaction costs of:	–	–	–
	<b>30.11.20</b>	<b>31.05.20</b>	<b>31.05.19</b>
<b>Performance</b>			
Return after charges <sup>1</sup>	15.51%	4.89%	1.98%
<b>Other Information</b>			
Closing net asset value (£'000)	14,838	12,185	6,710
Closing number of shares	16,882,856	16,012,789	9,249,877
Operating charges <sup>2</sup>	0.72%	0.72%	0.72%
Direct transaction costs	–%	–%	–%
	<b>30.11.20</b>	<b>31.05.20</b>	<b>31.05.19</b>
	pence per share	pence per share	pence per share
<b>Prices</b>			
Highest share price	87.89	84.04	74.69
Lowest share price	74.83	61.31	63.20

<sup>1</sup> This represents return after charges for the current interim period.

<sup>2</sup> Operating charges, otherwise known as the OCF (Ongoing Charges Figure), is the ratio of the Sub-fund's total disclosable costs (excluding overdraft interest) to the average net assets of the Sub-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 Sub-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 2020 (unaudited)

	01.06.20 to 30.11.20		01.06.19 to 30.11.19	
	£'000	£'000	£'000	£'000
Income				
Net capital gains		6,440		2,626
Revenue	296		323	
Expenses	(162)		(121)	
Interest payable and similar charges	–		(1)	
Net revenue before taxation	134		201	
Taxation	(20)		(14)	
Net revenue after taxation		114		187
Total return before distributions		6,554		2,813
Distributions		(115)		(188)
Change in net assets attributable to shareholders from investment activities		6,439		2,625

## Statement of Change in Net Assets Attributable to Shareholders

for the period ended 30 November 2020 (unaudited)

	01.06.20 to 30.11.20		01.06.19 to 30.11.19	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		38,770		30,291
Amounts receivable on creation of shares	11,705		9,662	
Amounts payable on cancellation of shares	(4,308)		(6,118)	
		7,397		3,544
Change in net assets attributable to shareholders from investment activities (see above)		6,439		2,625
Retained distribution on accumulation shares		121		198
Closing net assets attributable to shareholders		52,727		36,658

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 2020 (unaudited)

	30.11.20 £'000	31.05.20 £'000
<b>Assets:</b>		
Fixed assets:		
Investments	52,619	38,941
Current assets:		
Debtors	444	344
Cash and bank balances	129	180
<b>Total assets</b>	<b>53,192</b>	<b>39,465</b>
<b>Liabilities:</b>		
Creditors:		
Bank overdrafts	–	(152)
Distribution payable on income shares	(1)	(2)
Other creditors	(464)	(541)
<b>Total liabilities</b>	<b>(465)</b>	<b>(695)</b>
<b>Net assets attributable to shareholders</b>	<b>52,727</b>	<b>38,770</b>

## Notes to the Financial Statements

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for the period ended 30 November 2020 (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.

## Distribution Tables

for the period ended 30 November 2020

### Class Z Income Shares

Interim Distribution (in pence per share)

Group 1: Shares purchased prior to 1 June 2020

Group 2: Shares purchased from 1 June 2020 to 30 November 2020

Group	Net Income	Equalisation	2020 Net Distribution Paid	2019 Net Distribution Paid
1	0.1842	–	0.1842	0.4062
2	0.0631	0.1211	0.1842	0.4062

### Class Z Accumulation Shares

Interim Accumulation (in pence per share)

Group 1: Shares purchased prior to 1 June 2020

Group 2: Shares purchased from 1 June 2020 to 30 November 2020

Group	Net Accumulation	Equalisation	2020 Net Accumulation	2019 Net Accumulation
1	0.1930	–	0.1930	0.4209
2	0.1023	0.0907	0.1930	0.4209

### Class E Accumulation Shares<sup>1</sup>

Interim Accumulation (in pence per share)

Group 1: Shares purchased prior to 1 June 2020

Group 2: Shares purchased from 1 June 2020 to 30 November 2020

Group	Net Accumulation	Equalisation	2020 Net Accumulation	2019 Net Accumulation
1	–	–	–	0.5010
2	–	–	–	0.5010

<sup>1</sup> No distribution charges for the period as the share class was closed 21 September 2020.

## Distribution Tables (continued)

for the period ended 30 November 2020

### Class I Income Shares<sup>1</sup>

Interim Distribution (in pence per share)

Group 1: Shares purchased prior to 1 June 2020

Group 2: Shares purchased from 1 June 2020 to 30 November 2020

Group	Net Income	Equalisation	2020 Net Distribution Paid	2019 Net Distribution Paid
1	–	–	–	0.4395
2	–	–	–	0.4395

### Class I Accumulation Shares

Interim Accumulation (in pence per share)

Group 1: Shares purchased prior to 1 June 2020

Group 2: Shares purchased from 1 June 2020 to 30 November 2020

Group	Net Accumulation	Equalisation	2020 Net Accumulation	2019 Net Accumulation
1	0.2259	–	0.2259	0.4542
2	0.1729	0.0530	0.2259	0.4542

<sup>1</sup> No distribution charges for the period as the share class was closed 21 September 2020.

## General Information

<b>Launch date:</b>	27 March 2015
<b>Period end date for distributions:</b>	31 May and 30 November
<b>Distribution dates:</b>	31 July and 31 January
<b>Funds Available:</b>	
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	
<b>Minimum initial lump sum investment:</b>	
Z-Class	£1,000,000
E-Class*	Nil
I-Class**	£10,000,000
<b>Minimum additional contribution:</b>	
Z-Class	£50,000
E-Class*	Nil
I-Class**	£1,000,000
<b>Valuation point:</b>	12:00 noon (London time)
<b>Management charges:</b>	
Z-Class	0.75%
E-Class*	0.50%
I-Class**	0.65%

\* Share class closed 21 September 2020.

\*\* I Inc share class closed 21 September 2020.

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.

### EValue Ltd

EValue Ltd, an independent risk profile service provider, using the output from its investment research tools, produces a range of five strategic weightings of asset classes aligned to five risk profiles based on a long term time horizon. EValue updates these weightings on a quarterly basis and Columbia Threadneedle will consider the weightings when deciding on the composition of the investment of the Embark Horizon Multi-Asset range of funds.

### 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 Limited  
7th Floor  
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.Embarkhorizon.co.uk](http://www.Embarkhorizon.co.uk).

You can obtain other practical information and the latest prices of shares at [www.Embarkhorizon.co.uk](http://www.Embarkhorizon.co.uk).



