THE SCOTTISH FRIENDLY INVESTMENT FUNDS ICVC

Interim Report & Financial Statements
For the six months ended 31 May 2026 (unaudited)

THE SCOTTISH FRIENDLY INVESTMENT FUNDS ICVC

Contents

*These items, the Statement of Crossholding and fund’s Investment Report and Portfolio Statement collectively comprise the Authorised Corporate Director's ("ACD") Report.

Company Information

Authorised Corporate Director (ACD)
Scottish Friendly Asset Managers Limited

Head Office
Galbraith House
16 Blythswood Square
Glasgow
G2 4HJ

Telephone: 0141 275 5000
Fax: 0141 221 4864

The ACD is a member of the Investment Management Association and is authorised and regulated by the Financial Conduct Authority.

Authorised Corporate Director (ACD) Directors

A Balfour
S Beckett
S McGee
J McGuigan
A Rankine
M Fenton
O Gaughan
M Laidlaw

Investment Manager
River Global
7 Castle Street
Edinburgh
EH2 3AH

Authorised and regulated by the Financial Conduct Authority.

Depositary
J.P. Morgan Europe Limited
25 Bank Street
Canary Wharf
London
E14 5JP

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

Custodian
J.P. Morgan Chase Bank, NA, London Branch
25 Bank Street
Canary Wharf
London
E14 5JP

Authorised and regulated by the Financial Conduct Authority.

Registrar
Scottish Friendly Asset Managers Limited

Head office
Galbraith House
16 Blythswood Square
Glasgow
G2 4HJ

Telephone: 0141 275 5000
Fax: 0141 221 4864

Authorised and regulated by the Financial Conduct Authority.

Administrator
J.P. Morgan Chase Bank
3 Lochside View
Edinburgh Park
Edinburgh
EH12 9DH

Authorised and regulated by the Financial Conduct Authority.

Independent Auditors
PricewaterhouseCoopers LLP
120 Bothwell Street
Glasgow
G2 7JS

Report of the Authorised Corporate Director

The Company

The Scottish Friendly Investment Funds ICVC is an open-ended investment company with variable capital ("OEIC") under regulation 12 of the OEIC Regulations 2001 and authorised by the Financial Conduct Authority ("FCA"). The Company is incorporated in Scotland under registered number S1-11. Individual shareholders will not be held liable for the debts of the Company.

The Company is structured as an “umbrella” company for the purposes of the Financial Conduct Authority Regulations. The purpose of this structure is to give investors access to a series of funds with differing objectives, within the flexibility of one single corporate structure. Different funds may be established from time to time by the Authorised Corporate Director ("ACD") with the approval of the Financial Conduct Authority and the agreement of the Depositary. The Company currently has one ‘securities’ fund, the Scottish Friendly Managed Growth Fund (“the Fund”).

Authorised Status

From 1999 the Company has been authorised as an Open-Ended Investment Company under Regulation 7 of the Open-Ended Investment Companies Regulations 1996 (superseded by Regulation 12 of the Open-Ended Investment Companies Regulations 2001). The Company is authorised to operate as a "UCITS Scheme" for the purposes of the Collective Investment Schemes Sourcebook ("COLL") and as an "umbrella" company for the purposes of the OEIC Regulations.

The Financial Statements

We are pleased to present the Interim Financial Statements of the Company for the period ended 31 May 2026. As required by the Regulations, information for the fund has also been included in these financial statements. On the following pages we review the performance of the fund during the period.

The ACD is of the opinion that it is appropriate to continue to adopt the going concern basis in the preparation of the financial statements of the Scottish Friendly Managed Growth Fund (“the Fund”) as the assets of the Fund consist predominately of securities that are readily realisable and, accordingly, the Fund has adequate resources to continue in operational existence for at least the next twelve months from the approval of the financial statements.

Annual General Meetings

The Company will not be holding Annual General Meetings.

Statement of the Authorised Corporate Director's Responsibilities

The Authorised Corporate Director ("ACD") of Scottish Friendly Investment Funds is responsible for preparing the Interim Report and the financial statements in accordance with the Open-Ended Investment Companies Regulations 2001 ("the OEIC Regulations"), the Financial Conduct Authority's Collective Investment Schemes' Sourcebook ("COLL") and the Company's Instrument of Incorporation.

The OEIC Regulations and COLL require the ACD to prepare financial statements for each interim accounting period which:

- are in accordance with United Kingdom Generally Accepted Accounting Practice ("United Kingdom Accounting Standards and applicable law"), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Statement of Recommended Practice: "Financial Statements of Authorised Funds" issued by the Investment Management Association ("IMA SORP") in May 2014 (and amended in 2017); and

- give a true and fair view of the financial position of the Company and for the fund as at the end of that period and the net revenue and the net capital gains on the property of the Company and for the fund for that period.

In preparing the financial statements, the ACD is required to:

- select suitable accounting policies and then apply them consistently;

- make judgments and estimates that are reasonable and prudent;

- state whether applicable UK Accounting Standards and the IMA SORP have been followed, subject to any material departures disclosed and explained in the financial statements; and

- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in operation.

The ACD is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the applicable IMA SORP and United Kingdom Accounting Standards and applicable law. The ACD is also responsible for the system of internal controls, for safeguarding the assets of the Company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In accordance with COLL 4.5.8BR, the Interim Report and the financial statements were approved by the board of directors of the ACD of the Company and authorised for issue on 29 July 2026.

Authorised Corporate Director's Statement

We hereby approve the Interim Report and Financial Statements of Scottish Friendly Investment Funds for the half year ended 31 May 2026 on behalf of Scottish Friendly Asset Managers Limited in accordance with the requirements of the FCA's COLL.

A Rankine
Director

J McGuigan
Director

Scottish Friendly Asset Managers Limited
29 July 2026

Investment Report

Fund Objective

The aim of the Fund is to achieve medium to long term capital growth.

Investment Policy

The investment policy is to invest in equities and fixed interest securities both in the UK and in other international stock markets. Fixed interest securities will comprise UK gilts or fixed interest securities denominated in sterling or foreign currencies issued by sovereign governments, supranational bodies, or local authorities. The Fund may also invest in corporate bonds denominated in sterling and other foreign currencies. The use of derivatives, stock lending or borrowing as permitted by the regulations for efficient portfolio management purposes may also take place when deemed appropriate for the achievement of the objectives of the Fund.

Market Background

At the end of January, it appeared our view that 2026 would witness accelerating global economic activity alongside reducing price pressures was set to play out. The global economy had entered the year with signs of increasing momentum and economic indicators had surprised to the upside. Inflation expectations were well contained and financial markets were pricing in interest rate cuts. The fund is well-positioned for such an outcome as it is overweight cyclicals and underweight defensives. The fund remains underweight in the US where we believe valuations are largely unattractive.

Markets, however, possess a tendency to anticipate both positive and negative developments. Despite a consistently favourable macroeconomic backdrop, February witnessed a significant outperformance by defensive sectors. The decision by the US and Israel to attack Iran in early March upended the economic backdrop overnight. Financial markets moved from pricing in disinflationary growth to stagflation. Global bonds and equities sold off, and the US dollar strengthened. The UK was caught in the crosshairs as investors' muscle memory reverted to the inflationary period in the immediate aftermath of the Ukraine war. UK domestic stocks significantly underperformed.

Portfolio Review

During the six-month period to 31 May 2026, the Managed Growth Fund delivered a return of 3.6%, underperforming the IMA Mixed Investment 40–85% Shares sector average of 7.6%. Over the three-year period, the Fund returned 41.8%, compared to 37.8% for the sector.

The fund's largest weighting is financials — specifically banks — and by virtue of that concentration, these were some of the largest underperformers in the quarter. The fund's biggest exposures, NatWest, Standard Chartered, and Lloyds, each reported robust results, albeit with some of the minor wrinkles, none of which were sufficient to dent our conviction. UK banks trade on single-digit price-to-earnings ratios with robust balance sheets, high returns, and strong capital generation. They are compounders in the classic sense, yet current ratings fail to reflect their reduced operational volatility and cash-generative qualities. Valuations remain at a significant discount to global peers, and the scope for faster loan growth and lower costs — including through AI adoption — is underappreciated.

The fund's gaming holdings, Entain and Flutter, also underperformed. Both stocks have navigated a difficult period shaped by competitive concerns in North America and a tax increase in the UK market. The fund's managers are more sceptical than the market about the long-run threat from prediction markets, and the companies themselves have reported limited impact to date. The tax changes, while unwelcome, should now at least deliver a period of regulatory stability and are likely to squeeze the long-tail of smaller operators, benefiting the larger players. Both stocks trade at substantial discounts to long-run average multiples. Demonstrating continued revenue growth at high-single to low-double digit rates over the medium term should, in our view, lead to a meaningful re-rating.

Persimmon was also detrimental to returns. The early months of 2026 had brought genuine grounds for optimism: mortgage rates had been steadily declining, affordability had improved as earnings outpaced nominal house price growth, and the government appeared close to introducing a successor to Help-to-Buy. The US-Iran conflict disrupted market significantly. Mortgage rates rose as lenders repriced in response to changes in swap rates, and consumer sentiment deteriorated sharply. The sector is highly sensitive to such shifts. Valuations, however, are at multi-year lows, and if the positive trends from early in the year can be re-established, we believe there is significant upside.

Energy holdings BP and Shell performed well. However, the significant appreciation in both shares left the risk-reward unattractive and we exited our positions. Glencore was the second largest contributor to performance and, as the shares approached our price target, we reduced our position.

Market weakness was used to add new positions in ArcelorMittal and Saint-Gobain. The GSK holding was topped up. AstraZeneca, Shell, and BP were exited. The position in Glencore was reduced.

Investment Report (continued)

Investment Outlook

Professional investing requires pragmatism and an ability to ‘get right’ as opposed to ‘be right’. Our conviction, supported by underlying economic momentum, is that the Iran conflict will deliver a short-term hit to growth but leave the medium-term trajectory intact. By the end of March there were tentative signs that both sides were willing to compromise. We are retaining our cyclical positioning accordingly, and as stewards of your capital we will remain vigilant and adapt as circumstances evolve.

Synthetic Risk and Reward Indicator (SRRI)

The SRRI is a numerical indicator of the risk and return profile of the Fund. This indicator is disclosed in the Key Investor Information Document (KIID) for each share class which can be found on the website www.scottishfriendly.co.uk. The values range from 1 through to 7 in a non-linear manner, where 1 denotes the lowest risk and therefore typically the lower rewards, while a 7 denotes the highest risk and therefore typically higher rewards. The SRRI is based on return volatility over the last five years. Historical data may not be a reliable indication for the future. The risk category shown is not guaranteed and may vary over time. The lowest category does not mean ‘risk free’. The current SRRI for Scottish Friendly Managed Growth Fund is 5.

Scottish Friendly Managed Growth Fund

Fund Information

Net Asset Value

Share Class	As at	Net asset value (£)	Number of shares in issue	Net asset value per shares (p)
A Accumulation				
	30 November 2023	151,972,119	43,007,676	353.4
	30 November 2024	153,064,230	36,830,710	415.6
	30 November 2025	135,885,355	28,993,388	468.7
	31 May 2026	127,852,732	26,297,124	486.2

Performance Record

Share Class	Financial year	Highest price (p)	Lowest price (p)
A Accumulation			
	2023	363.9	335.8
	2024	418.6	352.6
	2025	474.3	382.2
	2026*	494.2	453.4

* 1 December 2025 to 31 May 2026

Revenue Record

The revenue record table below shows the net accumulation rates per financial year on xd date basis

Share Class	Financial year	31.05 Interim (p)	30.11 Final (p)	Total (p)
A Accumulation				
	2023	3.8897	1.9134	5.8031
	2024	2.9936	0.6714	3.6650
	2025	3.2949	2.4832	5.7781
	2026	4.3126	n/a	4.3126

Scottish Friendly Managed Growth Fund

Portfolio Statement
As at 31 May 2026

Investment	Currency	Holding	Market Value £000's	% of Net Assets
Equities 77.79% (75.03%)				
Communication Services 3.87% (0.00%)				
Interactive Media & Services 3.87% (0.00%)				
Alphabet, Inc. 'A'	USD	17,000	4,943	3.87
			4,943	**3.87**
Communication Services total			**4,943**	**3.87**
Consumer Discretionary 4.80% (7.21%)				
Hotels, Restaurants & Leisure 2.62% (4.29%)				
Entain plc	GBP	354,429	1,896	1.48
Flutter Entertainment plc	GBP	20,196	1,451	1.14
			3,347	**2.62**
Household Durables 2.18% (2.47%)				
Persimmon plc	GBP	250,000	2,795	2.18
			2,795	**2.18**
Textiles, Apparel & Luxury Goods 0.00% (0.45%)				
Consumer Discretionary total			**6,142**	**4.80**
Consumer Staples 5.71% (5.60%)				
Consumer Staples Distribution & Retail 5.22% (4.77%)				
Marks & Spencer Group plc	GBP	1,850,000	6,667	5.22
			6,667	**5.22**
Food Products 0.49% (0.83%)				
Tate & Lyle plc	GBP	125,000	630	0.49
			630	**0.49**
Consumer Staples total			**7,297**	**5.71**
Energy 0.00% (2.67%)				
Oil, Gas & Consumable Fuels 0.00% (2.67%)				
Financials 30.51% (27.97%)				
Banks 19.87% (16.94%)				
Barclays plc	GBP	440,000	2,015	1.58
Lloyds Banking Group plc	GBP	5,515,000	5,617	4.39
NatWest Group plc	GBP	1,335,000	7,935	6.21
Standard Chartered plc	GBP	497,500	9,838	7.69
			25,405	**19.87**
Financial Services 0.98% (1.02%)				
Fiserv, Inc.	USD	30,000	1,248	0.98
			1,248	**0.98**
Insurance 9.66% (10.01%)				
AXA SA	EUR	90,000	3,110	2.43
Muenchener Rueckversicherungs-Gesellschaft AG	EUR	7,500	2,977	2.33
Prudential plc	GBP	581,250	6,263	4.90
			12,350	**9.66**
Financials total			**39,003**	**30.51**
Health Care 5.03% (7.82%)				
Health Care Equipment & Supplies 1.71% (1.86%)				
ConvaTec Group plc	GBP	1,075,000	2,184	1.71
			2,184	**1.71**

Portfolio Statement (continued)
As at 31 May 2026

Investment	Currency	Holding	Market Value £000's	% of Net Assets
Pharmaceuticals 3.32% (5.96%)				
GSK plc	GBP	223,250	4,249	3.32
			4,249	**3.32**
Health Care total			**6,433**	**5.03**
Industrials 7.84% (6.83%)				
Building Products 3.89% (2.44%)				
Cie de Saint-Gobain SA	EUR	72,000	4,973	3.89
			4,973	**3.89**
Commercial Services & Supplies 1.23% (2.17%)				
Rentokil Initial plc	GBP	348,750	1,577	1.23
			1,577	**1.23**
Trading Companies & Distributors 2.72% (2.22%)				
RS Group plc	GBP	521,000	3,478	2.72
			3,478	**2.72**
Industrials total			**10,028**	**7.84**
Investment Funds 3.20% (2.95%)				
Investment Companies 3.20% (2.95%)				
International Oil and Gas Technology Ltd.^	USD	170,000	–	–
Oryx International Growth Fund Ltd.	GBP	330,000	4,092	3.20
			4,092	**3.20**
Investment Funds total			**4,092**	**3.20**
Materials 14.72% (11.46%)				
Construction Materials 5.18% (5.51%)				
CRH plc	USD	83,250	6,624	5.18
			6,624	**5.18**
Containers & Packaging 3.77% (3.11%)				
Smurfit WestRock plc	GBP	157,000	4,815	3.77
			4,815	**3.77**
Metals & Mining 5.77% (2.84%)				
ArcelorMittal SA	EUR	91,224	4,724	3.70
Glencore plc	GBP	462,500	2,651	2.07
			7,375	**5.77**
Materials total			**18,814**	**14.72**
Real Estate 2.11% (2.52%)				
Diversified REITs 2.11% (2.52%)				
British Land Co. plc (The)	GBP	663,750	2,702	2.11
			2,702	**2.11**
Real Estate total			**2,702**	**2.11**
Equities total			**99,454**	**77.79**
Government Bonds 18.41% (21.57%)				
UK Treasury 3.75% 07/03/2027	GBP	1,000,000	997	0.78
UK Treasury 4.50% 07/03/2035	GBP	12,500,000	12,277	9.60
US Treasury 3.50% 15/02/2033	USD	10,500,000	7,472	5.84
US Treasury 3.88% 15/08/2033	USD	3,850,000	2,792	2.19
Government Bonds total			**23,538**	**18.41**

Portfolio Statement (continued)
As at 31 May 2026

Investment	Currency	Holding	Market Value £000's	% of Net Assets
Investment assets			122,992	96.20
Net other assets			4,861	3.80
Net assets			**127,853**	**100.00**

All holdings are ordinary shares or stock units and admitted to official stock exchange listings unless otherwise stated.
The comparative percentage figures in brackets are as at 30 November 2025.

^ Unlisted, suspended or delisted security.

Statement of Total Return
For the six months ended 31 May 2026

	31.05.2026		31.05.2025	
	£000's	**£000's**	**£000's**	**£000's**
Income				
Net capital gains		3,666		473
Revenue	2,232		2,128	
Expenses	(949)		(1,077)	
Net revenue before taxation	1,283		1,051	
Taxation	(111)		106	
Net revenue after taxation		1,172		1,157
Total return before distributions		**4,838**		**1,630**
Distributions		(1,172)		(1,157)
Change in net assets attributable to shareholders from investment activities		**3,666**		**473**

Statement of Change in Net Assets Attributable to shareholders
For the six months ended 31 May 2026

	31.05.2026		31.05.2025	
	£000's	**£000's**	**£000's**	**£000's**
Opening net assets attributable to shareholders		135,885^		153,064
Amounts payable on cancellation of shares	(12,832)		(9,892)	
		(12,832)		**(9,892)**
Change in net assets attributable to shareholders from investment activities		3,666		473
Retained distribution on accumulation shares		1,134		1,135
Closing net assets attributable to shareholders		**127,853**		**144,780^**

^The Statement of Recommended Practice (2014) requires that comparatives are shown for the above report. As the comparative should be for the comparable interim period, the closing net assets of that period will not agree to the opening net assets of the current period. The published net assets as at 30 November 2025 was £135,885,355.

Balance Sheet
As at 31 May 2026

	31.05.2026 £000's	30.11.2025 £000's
Assets		
Fixed assets		
Investments	122,992	131,270
Current assets		
Debtors	5,852	1,009
Cash and bank balances	1,710	4,905
Total assets	**130,554**	**137,184**
Liabilities		
Creditors		
Other creditors	(2,701)	(1,299)
Total liabilities	**(2,701)**	**(1,299)**
Net assets attributable to shareholders	**127,853**	**135,885**

Notes to the Financial Statements

Accounting Basis and Policies

The interim financial statements have been prepared in accordance with the Prospectus and the Statement of Recommended Practice for UK Authorised Funds issued by the Investment Association (SORP 2014), and in accordance with United Kingdom Generally Accepted Accounting Practice as defined within Financial Reporting Standard 102 ('FRS 102') the Financial Reporting Standard applicable in the UK and Republic of Ireland.

The accounting policies applied are consistent with those of the financial statements for the year ended 30 November 2025 and are described in those annual financial statements.

GENERAL INFORMATION

Subscription Days
Shares may be purchased or sold on any dealing day. The price of shares and the estimated yield are calculated daily. A forward pricing basis is used. Prices are listed in the Financial Times and the Herald.

Redemption of Shares
Shares in the fund may be redeemed on any dealing day. All sale instructions must be made to the ACD in writing. The shares will be purchased from the shareholder at the next valuation point and a contract note confirming the sale will be sent.

Dilution
The actual cost to the Company of purchasing or selling the fund's investments may be higher or lower than the mid-market value used in calculating the share price, e.g., due to dealing charges or through dealing at prices other than the mid-market price. Under certain circumstances (e.g., large volumes of deals) this may have an adverse effect on the interests of shareholders generally. In order to prevent this effect, called 'dilution', Scottish Friendly Asset Managers Limited has the power to charge a dilution levy on the sale and/or redemption of shares. The dilution levy will be applied at outset and will be paid into the fund and become part of the fund. The dilution levy for the fund will be calculated by reference to the costs of dealing in the underlying investments of the fund, including any dealing spreads, commission and transfer taxes.

Charges
Certain charges are levied to cover the operating costs of the ACD. An initial charge of 4% of the price paid to the depositary is levied when shares are created, however from March 2026 onwards, this charge has been removed. A management fee of 1.35% per annum of the net asset value of the fund is levied. This was reduced from 1.4% per annum in August 2019. In addition a number of other fees are payable out of the fund. These include audit, custody, regulatory and depositary fees. The current estimated effect of these fees is 0.50% per annum and is levied on the net asset value of the fund. The charges are deducted daily from the revenue of the fund.

In addition shareholders are permitted to make six free switches in each tax period, however, an administration charge of up to 3% may be levied on additional switches.

Taxation
The fund is exempt from UK tax on capital gains realised on the disposal of investments held within it. Dividends from UK companies are received by the Fund with the tax already deducted and no further tax is payable by the fund on that revenue. Other types of revenue (after deducting allowable expenses) are subject to corporation tax of 20%.

The revenue accumulated by the fund has an attaching tax credit of 10% of the accumulation plus the tax credit.

Lower and basic rate taxpayers do not have any further tax to pay, although higher rate taxpayers are liable to tax on the net revenue accumulated at the difference between higher rate tax and the tax already deducted (currently 40% and 30%).

Details of the tax paid on behalf of shareholders is sent in the form of a tax voucher at each accumulation date.

Shareholders may be liable to capital gains tax when they sell their investments if the gains exceed the exempt amount in that year. For the tax year 2024/2025 the exempt amount was £3,000 and for the tax year 2025/2026 the exempt amount is £3,000.

Stamp Duty Reserve Tax
This is disclosed on the face of the Statements of Change in Net Assets Attributable to Shareholders in accordance with the Statement of Recommended Practice for Authorised Funds issued by the Financial Conduct Authority. Stamp Duty was abolished on 30 March 2014.

Prospectus
Further details concerning the Fund are contained in the Prospectus, which is available on application from the ACD.

Publication of Prices
The most recent prices are published daily in the Financial Times and the Herald. Prices are also published on the Scottish Friendly web site at www.scottishfriendly.co.uk.

Application for Shares
All applications should be made by post to the ACD at Scottish Friendly Asset Managers Limited, 16 Blythswood Square, Glasgow G2 4HJ or by fax on 0141 221 4864. Shares will be purchased at the next valuation point following receipt of a valid application form and cheque. A contract note will be sent to the purchaser.

GENERAL INFORMATION (continued)

Prospective shareholders should note that the price of shares can fluctuate and the revenue from them can go down as well as up and is not guaranteed. On redemption investors may receive less than the original amount invested. Past performance is not necessarily a guide to future performance.