

Interim Reports and Accounts

For the six months
ended 30th June 2016

■ *Allied Dunbar
International
Funds Limited*

International



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Directors, Management and Administration

Board of Directors:

Christopher James Tunley
Non Executive Director

Peter James Scott Hammonds
Non Executive Director

David Juan George Peach
Director of Allied Dunbar
International Fund Managers Limited

Clive Darren Baker
Director of Allied Dunbar
International Fund Managers Limited

Bruce Pearson
Director of Allied Dunbar
International Fund Managers Limited

Manager and Registrar:

Allied Dunbar International Fund Managers Limited
Registered Office:
43-51 Athol Street
Douglas
Isle of Man IM99 1ET
Registered in the Isle of Man No. 23846C
Telephone: +44 (0) 1624 661551

Company Secretary:

Edward Bradshaw Gillibrand

Investment Manager:

Columbia Threadneedle Investments
Cannon Place
78 Cannon Street
London EC4N 6AG

Fiduciary Custodian:

BNP Paribas Securities Services S.C.A.,
Jersey Branch
Liberté House
19-23 La Motte Street
St Helier
Jersey, JE2 4SY
Channel Islands

Auditor:

PricewaterhouseCoopers LLC
Sixty Circular Road
Douglas
Isle of Man IM1 1SA

Legal Advisers:

Cains
Fort Anne
South Quay
Douglas
Isle of Man IM1 5PD

Registered Office:

43-51 Athol Street
Douglas
Isle of Man IM99 1ET
Registered in the Isle of Man No. 24161C

Report of the Directors

Activity and Results

This Interim Report and Accounts contain the Financial Statements of Allied Dunbar International Funds Limited (“the Company”) for the six months ended 30th June 2016 and also an analysis of each Fund including a Portfolio Statement.

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A review of the period, together with an assessment of the investment outlook, is set out in the Investment Report by the Investment Manager, Columbia Threadneedle Investments.

The Directors would like to take this opportunity to advise Shareholders that they reserve the right to treat the working days immediately before and after the statutory Christmas and New Year holidays as dealing days or otherwise. Please note that Christmas Eve is a non-dealing day.

For full information about the Company’s Funds and Reporting Fund Status investors are advised to consult the Company’s current Scheme Particulars which are available from Allied Dunbar International Fund Managers Limited.

As can be seen from the following accounts, the Company, at 30th June 2016, had funds under management of approximately US\$ 570 million (December 2015: US\$ 577 million).

The Company is an Open-Ended Investment Company with variable capital.

The Shareholders are only liable for the debts of the Company to the extent of their investment. Where the assets of a constituent part of the Scheme are insufficient to meet that constituent part’s liabilities, then any liabilities that remain undischarged will revert to the Company as a whole and be allocated amongst the other constituents of the Scheme. At the period end the Directors were not aware of any existing or contingent liability which could not be discharged out of the assets of that constituent part of the Scheme.

16th August 2016

Investment Report

Market Review

Global equity markets delivered modest returns in US Dollar terms during the period under review.

While global equities made gains in both the first and second quarters, the period was marked by considerable market swings and political turbulence. The new year saw a major sell-off and dramatic falls in oil prices on concerns about Chinese markets and the world economy. However, many equity markets subsequently rallied as oil prices surged, worries eased over the pace of further interest-rate rises in the United States (US), and investors responded well to enhanced stimulus measures from the central banks of the Eurozone and Japan.

In late June, the United Kingdom's (UK) shock decision to leave the European Union (EU) prompted a steep fall in equity markets around the world, followed by a powerful relief rally in local currency terms as fears about the global impact of "Brexit" eased and investors anticipated countervailing action by central banks. Aside from Brexit-related concerns, other factors influencing markets included a rally in oil prices from low levels and ongoing accommodative monetary policy across much of the world.

The S&P 500 index gained during the period under review. Following a weak start to the year, fuelled by market turmoil in China, US equities were buoyed by the continued strength of domestic labour-market data, stronger-than-expected consumer spending and a rebound in manufacturing activity. A subsequent rally in the oil price supported the energy sector and also, initially, banks, which had previously suffered on worries about potential loan defaults by oil companies. Job-creation figures for April and May undershot expectations, but first-quarter Gross Domestic Product (GDP) data was twice revised upwards. In terms of policy, the Federal Reserve kept interest rates on hold and predicted a shallower trajectory for future rate hikes, citing sluggish jobs growth and Brexit concerns.

In Europe, annual consumer-price inflation moved into negative territory from February to May, before unexpectedly rising by 0.1% in June. In an attempt to boost inflation, the European Central Bank (ECB) announced in March that it was cutting interest rates, increasing its monthly bond purchases, and broadening its asset-purchase programme. Following the Brexit vote, the Irish market was especially weak as investors worried about Ireland's high exposure to the UK. Spain and Italy, already suffering from concerns over their banking systems, were also badly hit. Eurozone first-quarter GDP surprised on the upside, growing 0.6% quarter on quarter versus the 0.4% expected. In the wake of the UK referendum, there was increased anticipation that the ECB might relax the criteria for its bond-buying programme, but the central bank said it would hold fire on any policy changes until the economic impact of Brexit was better understood.

Japanese equities declined during the period, driven largely by a sharp rise in the Yen. As investors sought "safe haven" assets and the Bank of Japan decided against unleashing further stimulus, the currency rallied, with negative implications for exports and overseas earnings.

Emerging markets in aggregate outperformed their developed counterparts. China made modest gains later in the period, on hopes of further stimulus from the Chinese authorities, but was unable to claw back losses from earlier in the year. Latin America performed well, helped by firming prices for oil and other commodities as well as receding US rate-hike fears.

Outlook

As a result of the uncertainty generated by the UK referendum vote, equity markets are likely to remain volatile this year and appear unlikely to make significant gains from current levels this year. This is a less positive outcome than we had expected before the vote, but our portfolios have been broadly positioned for low economic growth and low interest rates for some time.

More broadly, our economic forecasts suggest that the US economy should continue to lead growth in the developed world, albeit at subdued levels. Whilst discussion now focuses on the timing of the next interest rate hike in the US, monetary policy elsewhere across developed markets is likely to remain accommodative. The outlook for emerging markets remains challenging, in particular for those commodity exporters reliant on Chinese fixed-asset investment.

In such an environment of heightened geopolitical risk and subdued growth, we continue to seek out high-quality franchises, typically ones with significant competitive advantages that can deliver company-led growth. Given the macroeconomic picture, we feel cyclical areas of the markets are less attractive.

Report of the Manager

Allied Dunbar International Funds Limited is an Authorised Scheme under Schedule 1 of the Collective Investment Schemes Act 2008 (of the Isle of Man) and is an Umbrella Fund, as defined in the Authorised Collective Investment Schemes Regulations 2010. The Company has elected to be a Type A Scheme for the purpose of the Authorised Collective Investment Schemes Regulations 2010. Each constituent part, as listed in the tables below, is an Authorised Securities Fund as defined in the Authorised Collective Investment Schemes Regulations 2010 (except the Managed Currency Fund which is a Money Market Fund).

The aim of the Company is to provide an attractive, tax-efficient, investment medium for investors worldwide. Resident for tax purposes in the Isle of Man the Company does not pay UK Corporation Tax on its income or capital gains. The Manager's policy for achieving the investment objective is described for each constituent part of the Company on pages 5, 11, 16, 20, 24, 29, 34 and 39.

The investment activities of the Company in the year to 30th June 2016 are described in the Fund Investment Report by the Investment Manager on pages 5, 11, 16, 20, 24, 29, 34 and 39.

The following amounts have been paid and/or accumulated for distribution to holders of Participating Redeemable Preference Shares in respect of the six months ended 30th June 2016. Where negative, the deficit has been transferred to the capital reserve.

Investment Class	XD Date	Amount	Payment Date
		Due/(Deficit) US\$	
Managed	1.7.2016	(109,326)	31.8.2016
Worldwide Equity*	1.1.2017	–	28.2.2017
Managed Currency	1.7.2016	(2,337)	31.8.2016
Gilt and Income	1.7.2016	38,139	31.8.2016
North American Growth*	1.1.2017	–	28.2.2017
Far East*	1.1.2017	–	28.2.2017
UK Capital Growth*	1.1.2017	–	28.2.2017
Europe*	1.1.2017	–	28.2.2017

*Distribute annually

The total number and mid market value of Participating Redeemable Preference Shares as at 1st January 2016 and 30th June 2016 were as follows:

Investment Class	Shares in Issue		Mid Market Value Per Share (US\$)	
	1.1.2016	30.6.2016	1.1.2016	30.6.2016
	Managed	62,852,734	62,473,964	1.9855
Worldwide Equity	15,838,668	14,816,178	2.2285	2.1885
Managed Currency	1,941,564	1,884,267	0.3449	0.3433
Gilt and Income	31,878,726	31,249,134	0.5569	0.5599
North American Growth	53,276,414	55,720,707	5.9385	5.7700
Far East	2,667,400	2,561,996	2.9185	2.7875
UK Capital Growth	35,476,811	35,417,728	1.6303	1.4803
Europe	5,917,171	5,584,194	5.6184	5.1044

The bid value of the Funds, cancellation prices and shares in issue at the end of the last 3 accounting periods are shown in the Comparative Tables on pages 6, 12, 17, 21, 25, 30, 35 and 40.

The names and addresses of the Registrar, the Investment Manager, the Fiduciary Custodian and the Auditor can be found on page 1.

Director
16th August 2016

Director
16th August 2016

Allied Dunbar International
Fund Managers Limited
43-51 Athol Street
Douglas
Isle of Man IM99 1ET

Managed Fund

Fund Investment Report

Investment Policy

To invest primarily for capital growth from a balanced and managed portfolio of asset types in various economies.

Types of Investment

Investments are held primarily in equity and fixed interest stock markets of the major economies, but may also be held indirectly through other permitted investments such as unit trusts, investment trusts and convertible securities as circumstances warrant and as permitted by the Regulations.

Exposure to individual regions or economies will generally reflect relative levels of market capitalisation. Consequently, a relatively large proportion of the Fund may consist of investments in the North American market.

Limited sales and purchases of investments may be made through options and financial futures, whilst bearing in mind the investment policy of the Fund and Regulations.

It must be remembered that the price of shares and the income from them can go down as well as up.

Fund Performance

Over the six months to 30th June 2016, the Fund achieved a total gross return of +2.8% compared with a return of +4.2% for the benchmark index, both in US Dollar terms. The benchmark comprises 65% MSCI AC World Index, 32% J.P. Morgan Global Government Traded Bond Index and 3% 7 Day LIBID.

Review

Global equity markets delivered modest returns in US Dollar terms during the period under review.

While both quarters saw global equities make gains, the period was marked by considerable swings and political turbulence. The new year saw a major sell-off and dramatic swings in oil prices on concerns about Chinese markets and the world economy. However, many equity markets subsequently rallied as oil prices surged, worries eased over the pace of further interest-rate rises in the United States (US), and investors responded well to enhanced stimulus measures from the central banks of the Eurozone and Japan.

Initially influenced largely by the course of oil prices and expectations around monetary policy in the US, global markets were latterly dominated by the United Kingdom's (UK) shock referendum vote to leave the European Union (EU). In the aftermath, global equities and bond yields fell sharply, while the US Dollar rallied strongly against Sterling. Once the initial shock had subsided somewhat, equity markets rebounded on the prospect of heightened central-bank stimulus.

In bond markets, risk aversion reigned in the opening weeks of 2016, driving core government-bond yields lower until mid-February. Markets were afflicted by volatility and there were concerns about global economic growth and fresh weakness in commodity prices. In turn, corporate-bond spreads widened appreciably. Moving into the second half of the period (April-June) the UK's Brexit vote drove gilts yields below 1%, and fuelled demand for higher-quality debt.

The Fund's bond portfolio maintained its characteristic exposure to high-quality government bonds, along with an allocation to riskier segments of the fixed-income market, via holdings such as corporate and emerging-market bonds. The Fund continued to be positioned for rising bond yields on a relative basis.

Among key activity over the year, we exited Chinese internet company Baidu, Inc., ADR (Cayman Islands) as we felt that there were more attractive stocks in the sector. We used the proceeds to fund a position in Medtronic plc (Ireland), a leading medical equipment company with sustainable revenue growth, growing market share and further synergies to be realised following 2015's Covidien plc deal. After exiting Imperial Tobacco Group plc (United Kingdom), we used the proceeds to open a holding in British American Tobacco plc (United Kingdom). The latter is trading on an attractive valuation and is one of the most globally diversified tobacco businesses, with good growth potential. We initiated a position in Activision Blizzard, Inc. (United States), a gaming company with a strong catalogue that is well-placed to capitalise on the move towards mobile devices. CRH plc (Ireland), one of the world's leading diversified building-materials businesses, was also added to the portfolio. A core holding across a number of European funds, CRH plc stands to benefit from cost synergies from the integration of some recent acquisitions as well as structural growth-drivers in the market. On the sales side, we sold out of a small remaining position in insurer American International Group, Inc. (United States) in order to fund better ideas elsewhere.

As a result of the uncertainty generated by the referendum vote, markets are likely to remain volatile this year and appear unlikely to make significant gains from current levels this year. Whilst this is clearly a less positive outcome than we had expected before the vote, our portfolios have been broadly positioned for low economic growth and low interest rates for some time. In such an environment of heightened geopolitical risk and subdued economic growth, we continue to seek out high-quality franchises, typically ones with significant competitive advantages that can deliver company-led growth. Given the macroeconomic picture, we feel cyclical areas of the markets are less attractive.

Managed Fund

Comparative Tables

for the accounting period 1st January 2016 to 30th June 2016

	Preference shares			
	2016	2015*	2014*	2013*
	US\$	US\$	US\$	US\$
Change in net assets per share				
Opening net asset value per share	1.9330	1.9530	1.9349	1.6899
Return before operating charges ¹	0.0387	0.0206	0.0585	0.2827
Operating charges	(0.0197)	(0.0406)	(0.0399)	(0.0368)
Return after operating charges	0.0190	(0.0200)	0.0186	0.2459
Distributions on preference shares	–	–	(0.0005)	(0.0009)
Closing net asset value per shares	1.9520	1.9330	1.9530	1.9349
¹ after direct transaction costs of	(0.0008)	(0.0012)	(0.0018)	(0.0018)
Performance				
Return after charges	0.98%	(1.02)%	0.96%	14.55%
Other information				
Closing net asset value (US\$)	121,948,144	121,494,521	123,733,721	122,320,237
Closing number of shares	62,473,964	62,852,734	63,352,994	63,218,580
Operating charges ²	2.07%	2.08%	2.04%	2.04%
Direct transaction costs	0.04%	0.06%	0.09%	0.10%
Prices				
Highest offer share price (US\$)	2.1010	2.1360	2.1360	2.0410
Lowest bid share price (US\$)	1.7700	1.8240	1.8550	1.6890

Additional comparative table disclosures to satisfy the requirements of the Authorised Collective Investment Schemes Regulations 2010:

	Net distribution per share US\$	Highest offer share price US\$	Lowest bid share price US\$
For the year ended:			
31st December 2011	0.0001	1.8210	1.1990
31st December 2012	–	1.8040	1.5350

Ongoing Charges Figure (“OCF”) For the period ended:

	OCF ₂ %
31st December 2015	2.08%
30th June 2016	2.07%

² Ongoing Charges Figure has replaced the Total Expense Ratio (“TER”) with effect from 30th June 2015. The OCF takes into account the annual management charge and any expenses incurred, expressed as a percentage of the average daily net asset values over the period. The main difference between the two calculations is the inclusion of custodian handling charges in the OCF. The comparative figures for the Operating charges and the OCF have not been restated, and the historic TER is disclosed. The OCF figure at 30th June 2016 is an annualised ratio.

The Operating charges are calculated on an ex-post basis and as such may differ from the OCF where:

- Changes to fee rates were made during the period and the OCF has been amended to be future proofed for this change.
- The OCF has been annualised for a share class that has not yet been open for a full year.

Please remember that past performance is not a guide to future performance and it might not be repeated. The value of investments and the revenue from them may go down as well as up and investors may not get back the amount originally invested. Because of this, you are not certain to make a profit on your investments and you may lose money.

* Based on amounts for 12 months to 31 December

Managed Fund

Statement of Total Return

for the accounting period 1st January 2016 to 30th June 2016

	June 2016	June 2015
	US\$	US\$
Income		
Net capital gains	1,289,961	1,089,575
Revenue	1,279,687	1,278,317
Expenses	(1,224,444)	(1,265,257)
Net revenue before taxation	55,243	13,060
Taxation	(165,478)	(153,454)
Net expense after taxation	(110,235)	(140,394)
Total return before distribution	1,179,726	949,181
Distributions	909	983
Change in Net Assets Attributable to Preference Shareholders from investment activities	1,180,635	950,164

Balance Sheet

as at 30th June 2016

	June 2016	December 2015
	US\$	US\$
Assets:		
Fixed assets:		
Investments	117,653,836	114,605,198
Current assets:		
Debtors	2,378,992	734,157
Cash and bank balances	4,218,789	6,865,139
Total assets	124,251,617	122,204,494
Liabilities:		
Creditors:		
Other creditors	(1,881,663)	(289,110)
Total liabilities	(1,881,663)	(289,110)
Equity:		
Management shares	(10)	(10)
Nominal shares	(421,800)	(420,853)
Total equity	(421,810)	(420,863)
Net Assets Attributable to Preference Shareholders	121,948,144	121,494,521

Statement of Change in Net Assets Attributable to Preference Shareholders

for the accounting period 1st January 2016 to 30th June 2016

	June 2016	June 2015
	US\$	US\$
Opening Net Assets Attributable to Preference Shareholders	121,494,521	123,733,721
Movement due to sales and repurchases of shares:		
Amounts receivable on issue of shares	554,006	644,541
Amounts payable on cancellation of shares	(1,281,018)	(1,330,354)
	(727,012)	(685,813)
Change in Net Assets Attributable to Preference Shareholders from investment activities (see above)	1,180,635	950,164
Unclaimed distributions	-	117
Closing Net Assets Attributable to Preference Shareholders	121,948,144	123,998,189

The comparatives used within the Statement of Change in Net Assets Attributable to Preference Shareholders are for the corresponding period of the previous year. Therefore the Opening Net Assets Attributable to Preference Shareholders for the current year are at 31st December 2015 whilst the figure disclosed in the comparatives' Closing Net Assets Attributable to Preference Shareholders is at 30th June 2015.

Distribution Table

There is no distribution for the accounting period 1st January 2016 to 30th June 2016, as expenses exceed revenue (June 2015: Nil).

Managed Fund

Portfolio Statement (continued)

as at 30th June 2016

Holding	Investment	Currency	Market Value US\$	% of Net Assets	Holding	Investment	Currency	Market Value US\$	% of Net Assets
United Kingdom 8.85% (7.41%)					11,398	DENTSPLY SIRONA, Inc.	USD	702,117	0.58
11,707	Aon plc	USD	1,265,761	1.04	9,185	Discover Financial Services	USD	482,855	0.40
119,787	BAE Systems plc	GBP	834,718	0.68	28,141	Enterprise Products Partners LP	USD	820,029	0.67
16,555	British American Tobacco plc	GBP	1,060,255	0.87	12,395	Estee Lauder Cos., Inc. (The 'A')	USD	1,123,607	0.92
160,442	BT Group plc	GBP	872,441	0.72	13,372	Facebook, Inc. 'A'	USD	1,523,071	1.25
27,748	Diageo plc	GBP	763,186	0.63	30,757	General Electric Co.	USD	953,159	0.78
101,509	HSBC Holdings plc	GBP	624,349	0.51	13,837	Gilead Sciences, Inc.	USD	1,130,206	0.93
14,260	Nielsen Holdings plc	USD	734,105	0.60	6,324	Graco, Inc.	USD	490,995	0.40
5,528	Reckitt Benckiser Group plc	GBP	549,463	0.45	18,993	JPMorgan Chase & Co.	USD	1,164,841	0.96
45,277	RELX plc	GBP	824,936	0.68	7,136	Las Vegas Sands Corp.	USD	305,992	0.25
17,205	Rio Tinto plc	GBP	523,337	0.43	11,370	MasterCard, Inc. 'A'	USD	1,031,373	0.85
46,046	Rolls-Royce Holdings plc	GBP	436,784	0.36	6,050	McDonald's Corp.	USD	724,790	0.59
3,269,266	Rolls-Royce Holdings plc preference 'C'	GBP	4,390	–	1,249	Mettler-Toledo International, Inc.	USD	448,803	0.37
35,772	Royal Dutch Shell plc 'A'	EUR	976,391	0.80	11,562	NIKE, Inc. 'B'	USD	634,291	0.52
27,873	Unilever plc	GBP	1,321,243	1.08	12,120	Occidental Petroleum Corp.	USD	914,454	0.75
			10,791,359	8.85	49,610	Pfizer, Inc.	USD	1,738,334	1.43
United States of America 33.12% (33.32%)					8,004	Philip Morris International, Inc.	USD	805,122	0.66
28,238	Activision Blizzard, Inc.	USD	1,111,448	0.91	7,343	PPG Industries, Inc.	USD	752,951	0.62
10,749	Align Technology, Inc.	USD	858,523	0.70	3,231	Praxair, Inc.	USD	359,481	0.29
1,804	Alphabet, Inc. 'A'	USD	1,257,983	1.03	524	Priceline Group, Inc. (The)	USD	659,533	0.54
1,082	Alphabet, Inc. 'C'	USD	742,393	0.61	20,875	Sabre Corp.	USD	554,649	0.45
2,350	Amazon.com, Inc.	USD	1,685,185	1.38	7,116	Six Flags Entertainment Corp.	USD	411,091	0.34
10,278	American Express Co.	USD	608,458	0.50	17,020	Spirit Airlines, Inc.	USD	750,922	0.62
7,689	Amphenol Corp. 'A'	USD	435,197	0.36	4,018	Thermo Fisher Scientific, Inc.	USD	583,815	0.48
12,490	Apple, Inc.	USD	1,186,300	0.97	9,386	TJX Cos., Inc. (The)	USD	721,033	0.59
25,073	BB&T Corp.	USD	877,304	0.72	14,176	Union Pacific Corp.	USD	1,223,531	1.00
18,401	Bristol-Myers Squibb Co.	USD	1,344,009	1.10	9,536	United Parcel Service, Inc. 'B'	USD	1,017,205	0.83
17,675	Cisco Systems, Inc.	USD	498,258	0.41	7,595	Vertex Pharmaceuticals, Inc.	USD	650,892	0.53
8,325	CME Group, Inc.	USD	806,859	0.66	16,896	Visa, Inc. 'A'	USD	1,274,634	1.05
21,503	Coca-Cola Co. (The)	USD	969,570	0.79	9,325	Zimmer Biomet Holdings, Inc.	USD	1,109,209	0.91
17,534	Comcast Corp. 'A'	USD	1,129,716	0.93				40,388,761	33.12
3,550	Cooper Cos., Inc. (The)	USD	609,358	0.50				80,696,258	66.17
11,991	Crown Castle International Corp., REIT	USD	1,205,215	0.99					
					Equities total				
					Total Value of Investments		117,653,836		96.48
					Net Other Assets (2015: – 5.67%)		4,294,308		3.52
					Net Assets attributable to Preference Shareholders		121,948,144		100.00

The comparative percentage figures in brackets are as at 31 December 2015.

Worldwide Equity Fund

Fund Investment Report

Investment Policy

To invest primarily for capital growth in a portfolio of international equities.

Types of Investment

Investments are made principally for prospects of capital growth in international stocks, generally in shares of leading companies, but also indirectly may be made through other types of permitted investment such as unit trusts, investment trusts, convertible securities, traded options, warrants, fixed interest securities and other media as circumstances warrant and as permitted by the Regulations.

Exposure to individual regions or economies will generally reflect relative levels of market capitalisation. Consequently, a relatively large proportion of the Fund may consist of investments in the North American market.

It must be remembered that the price of shares and the income from them can go down as well as up.

Fund Performance

On a total return basis, over the six months to 30th June 2016 the MSCI AC World Index produced a return of +1.6% in US Dollar terms. By comparison, the Fund achieved a total gross return of +0.2% over the same period.

Review

Global equity markets delivered modest returns in US Dollar terms during the period under review.

While both quarters saw global equities make gains, the period was marked by considerable swings and political turbulence. The new year saw a major sell-off and dramatic swings in oil prices on concerns about Chinese markets and the world economy. However, many equity markets subsequently rallied as oil prices surged, worries eased over the pace of further interest-rate rises in the United States (US), and investors responded well to enhanced stimulus measures from the central banks of the Eurozone and Japan.

Initially influenced largely by the course of oil prices and expectations around monetary policy in the US, global markets were latterly dominated by the United Kingdom's (UK) shock referendum vote to leave the European Union (EU). In the aftermath, global equities and bond yields fell sharply, while the US Dollar rallied strongly against Sterling. Once the initial shock had subsided somewhat, equity markets rebounded on the prospect of heightened central-bank stimulus.

Among key activity over the year, we exited Chinese internet company Baidu, Inc., ADR (Cayman Islands) as we felt that there were more attractive stocks in the sector. We used the proceeds to fund a position in Medtronic plc (Ireland), a leading medical equipment company with sustainable revenue growth, growing market share and further synergies to be realised following 2015's Covidien plc deal. After exiting Imperial Tobacco Group plc (United Kingdom), we used the proceeds to open a holding in British American Tobacco plc (United Kingdom). The latter is trading on an attractive valuation and is one of the most globally diversified tobacco businesses, with good growth potential. We initiated a position in Activision Blizzard, Inc. (United States), a gaming company with a strong catalogue that is well-placed to capitalise on the move towards mobile devices. CRH plc (Ireland), one of the world's leading diversified building-materials businesses, was also added to the portfolio. A core holding across a number of European funds, CRH plc stands to benefit from cost synergies from the integration of some recent acquisitions as well as structural growth-drivers in the market. On the sales side, we sold out of a small remaining position in insurer American International Group, Inc. (United States) in order to fund better ideas elsewhere.

As a result of the uncertainty generated by the referendum vote, markets are likely to remain volatile this year and appear unlikely to make significant gains from current levels this year. Whilst this is clearly a less positive outcome than we had expected before the vote, our portfolios have been broadly positioned for low economic growth and low interest rates for some time. In such an environment of heightened geopolitical risk and subdued economic growth, we continue to seek out high-quality franchises, typically ones with significant competitive advantages that can deliver company-led growth. Given the macroeconomic picture, we feel cyclical areas of the markets are less attractive.

Worldwide Equity Fund

Comparative Tables

for the accounting period 1st January 2016 to 30th June 2016

12

	Preference shares			
	2016	2015*	2014*	2013*
	US\$	US\$	US\$	US\$
Change in net assets per share				
Opening net asset value per share	2.1696	2.1549	2.0981	1.6730
Return before operating charges ¹	(0.0173)	0.0620	0.1009	0.4637
Operating charges	(0.0223)	(0.0473)	(0.0435)	(0.0386)
Return after operating charges	(0.0396)	0.0147	0.0574	0.4251
Distributions on preference shares	–	–	(0.0006)	–
Closing net asset value per shares	2.1300	2.1696	2.1549	2.0981
¹ after direct transaction costs of	(0.0013)	(0.0020)	(0.0028)	(0.0024)
Performance				
Return after charges	(1.83)%	0.68%	2.74%	25.41%
Other information				
Closing net asset value (US\$)	31,558,687	34,363,571	37,252,048	38,195,916
Closing number of shares	14,816,178	15,838,668	17,287,039	18,205,129
Operating charges ²	2.15%	2.17%	2.05%	2.05%
Direct transaction costs	0.06%	0.10%	0.14%	0.13%
Prices				
Highest offer share price (US\$)	2.3180	2.4260	2.3440	2.2150
Lowest bid share price (US\$)	1.8790	1.9750	1.9670	1.6720

Additional comparative table disclosures to satisfy the requirements of the Authorised Collective Investment Schemes Regulations 2010:

	Net distribution per share US\$	Highest offer share price US\$	Lowest bid share price US\$
For the year ended:			
31st December 2011	–	1.8350	1.3080
31st December 2012	–	1.7940	1.4500

Ongoing Charges Figure (“OCF”)

For the period ended:	OCF ₂ %
31st December 2015	2.17%
30th June 2016	2.15%

² Ongoing Charges Figure has replaced the Total Expense Ratio (“TER”) with effect from 30th June 2015. The OCF takes into account the annual management charge and any expenses incurred, expressed as a percentage of the average daily net asset values over the period. The main difference between the two calculations is the inclusion of custodian handling charges in the OCF. The comparative figures for the Operating charges and the OCF have not been restated, and the historic TER is disclosed. The OCF figure at 30th June 2016 is an annualised ratio.

The Operating charges are calculated on an ex-post basis and as such may differ from the OCF where:

- Changes to fee rates were made during the period and the OCF has been amended to be future proofed for this change.
- The OCF has been annualised for a share class that has not yet been open for a full year.

Please remember that past performance is not a guide to future performance and it might not be repeated. The value of investments and the revenue from them may go down as well as up and investors may not get back the amount originally invested. Because of this, you are not certain to make a profit on your investments and you may lose money.

* Based on amounts for 12 months to 31 December

Worldwide Equity Fund

Statement of Total Return

for the accounting period 1st January 2016 to 30th June 2016

	June 2016	June 2015
	US\$	US\$
Income		
Net capital (losses)/gains	(692,472)	985,443
Revenue	384,577	431,416
Expenses	(328,841)	(384,818)
Net revenue before taxation	55,736	46,598
Taxation	(63,585)	(66,020)
Net expense after taxation	(7,849)	(19,422)
Total return before distribution	(700,321)	966,021
Distributions	2,330	698
Change in Net Assets Attributable to Preference Shareholders from investment activities	(697,991)	966,719

Balance Sheet

as at 30th June 2016

	June 2016	December 2015
	US\$	US\$
Assets		
Fixed assets:		
Investments	31,019,677	33,722,301
Current assets:		
Debtors	941,776	243,483
Cash and bank balances	490,700	685,887
Total assets	32,452,153	34,651,671
Liabilities:		
Creditors:		
Other creditors	(688,512)	(85,702)
Total liabilities	(688,512)	(85,702)
Equity:		
Nominal shares	(204,954)	(202,398)
Total equity	(204,954)	(202,398)
Net Assets Attributable to Preference Shareholders	31,558,687	34,363,571

Statement of Change in Net Assets Attributable to Preference Shareholders

for the accounting period 1st January 2016 to 30th June 2016

	June 2016	June 2015
	US\$	US\$
Opening Net Assets Attributable to Preference Shareholders	34,363,571	37,252,048
Movement due to sales and repurchases of shares:		
Amounts receivable on issue of shares	99,731	559,562
Amounts payable on cancellation of shares	(2,206,624)	(1,715,430)
	(2,106,893)	(1,155,868)
Change in Net Assets Attributable to Preference Shareholders from investment activities (see above)	(697,991)	966,719
Closing Net Assets Attributable to Preference Shareholders	31,558,687	37,062,899

The comparatives used within the Statement of Change in Net Assets Attributable to Preference Shareholders are for the corresponding period of the previous year. Therefore the Opening Net Assets Attributable to Preference Shareholders for the current year are at 31st December 2015 whilst the figure disclosed in the comparatives' Closing Net Assets Attributable to Preference Shareholders is at 30th June 2015.

Worldwide Equity Fund

Portfolio Statement

as at 30th June 2016

Holding	Investment	Currency	Market Value US\$	% of Net Assets	Holding	Investment	Currency	Market Value US\$	% of Net Assets
	Equities 98.29% (98.13%)								
	Australia 1.54% (1.56%)				1,400	Nintendo Co. Ltd.	JPY	198,986	0.63
77,415	AMP Ltd.	AUD	297,042	0.94	25,800	Sekisui Chemical Co. Ltd.	JPY	315,395	1.00
2,281	CSL Ltd.	AUD	190,628	0.60	24,300	Yaskawa Electric Corp.	JPY	313,167	0.99
			487,670	1.54				1,146,021	3.63
	Belgium 1.67% (0.86%)					Jersey 0.94% (1.01%)			
4,053	Anheuser-Busch InBev SA	EUR	528,464	1.67	5,774	Wolseley plc	GBP	296,764	0.94
			528,464	1.67				296,764	0.94
	Bermuda 1.12% (1.39%)					Mexico 2.44% (2.40%)			
10,958	Markit Ltd.	USD	352,190	1.12	3,937	Fomento Economico Mexicano SAB de CV, ADR	USD	362,479	1.15
			352,190	1.12	74,700	Grupo Financiero Banorte SAB de CV 'O'	MXN	408,453	1.29
								770,932	2.44
	Brazil 0.65% (0.00%)					Netherlands 0.63% (1.11%)			
48,700	Kroton Educacional SA	BRL	204,912	0.65	2,024	ASML Holding NV	EUR	198,503	0.63
			204,912	0.65				198,503	0.63
	Canada 1.80% (2.10%)					Norway 0.00% (0.50%)			
2,729	Agrium, Inc.	USD	246,402	0.78					
11,700	Suncor Energy, Inc.	CAD	321,155	1.02		Singapore 0.00% (0.40%)			
			567,557	1.80					
	Cayman Islands 1.80% (3.01%)					South Korea 1.35% (1.91%)			
2,762	Alibaba Group Holding Ltd., ADR	USD	218,336	0.69	344	Samsung Electronics Co. Ltd.	KRW	425,170	1.35
15,400	Tencent Holdings Ltd.	HKD	349,963	1.11				425,170	1.35
			568,299	1.80		Spain 1.97% (1.77%)			
	China 1.15% (0.59%)				10,900	Cellnex Telecom SAU	EUR	169,627	0.54
36,000	Ping An Insurance Group Co. of China Ltd. 'H'	HKD	158,236	0.50	13,591	Industria de Diseno Textil SA	EUR	451,789	1.43
43,200	Sinopharm Group Co. Ltd. 'H'	HKD	204,918	0.65				621,416	1.97
			363,154	1.15		Supranational 1.00% (0.88%)			
	Denmark 1.01% (1.09%)				219,000	HKT Trust & HKT Ltd.	HKD	315,034	1.00
5,991	Novo Nordisk A/S 'B'	DKK	320,248	1.01				315,034	1.00
			320,248	1.01		Switzerland 2.26% (2.07%)			
	France 1.48% (1.67%)				3,006	Cie Financiere Richemont SA	CHF	174,193	0.55
4,278	Criteo SA, ADR Preference	USD	194,221	0.62	4,912	TE Connectivity Ltd.	USD	275,318	0.87
5,665	TOTAL SA	EUR	271,657	0.86	20,466	UBS Group AG	CHF	263,246	0.84
			465,878	1.48				712,757	2.26
	Germany 2.21% (3.18%)					United Kingdom 13.13% (10.88%)			
1,753	Bayer AG	EUR	174,029	0.55	4,451	Aon plc	USD	481,242	1.52
3,758	Brenntag AG	EUR	180,773	0.57	45,407	BAE Systems plc	GBP	316,412	1.00
99	Continental AG	EUR	18,532	0.06	6,476	British American Tobacco plc	GBP	414,752	1.31
19,283	Deutsche Telekom AG	EUR	325,163	1.03	61,799	BT Group plc	GBP	336,046	1.06
			698,497	2.21	10,859	Diageo plc	GBP	298,668	0.95
	Hong Kong 1.00% (0.61%)				40,890	HSBC Holdings plc	GBP	251,501	0.80
52,800	AIA Group Ltd.	HKD	314,771	1.00	5,236	Nielsen Holdings plc	USD	269,549	0.85
			314,771	1.00	2,149	Reckitt Benckiser Group plc	GBP	213,603	0.68
	India 0.64% (0.41%)				17,763	RELX plc	GBP	323,638	1.03
3,091	HDFC Bank Ltd., ADR	USD	202,121	0.64	6,656	Rio Tinto plc	GBP	202,460	0.64
			202,121	0.64	18,213	Rolls-Royce Holdings plc	GBP	172,765	0.55
	Indonesia 1.53% (0.91%)				1,293,123	Rolls-Royce Holdings plc Preference 'C'^	GBP	1,736	0.01
361,500	Bank Rakyat Indonesia Persero Tbk. PT	IDR	294,798	0.94	13,124	Royal Dutch Shell plc 'A'	EUR	358,218	1.14
1,619,300	Kalbe Farma Tbk. PT	IDR	186,894	0.59	10,614	Unilever plc	GBP	503,128	1.59
			481,692	1.53				4,143,718	13.13
	Ireland 4.18% (1.92%)					United States of America 49.16% (48.90%)			
5,409	Alkermes plc	USD	234,697	0.74	10,826	Activision Blizzard, Inc.	USD	426,111	1.35
685,400	Bank of Ireland	EUR	139,423	0.44	4,195	Align Technology, Inc.	USD	335,055	1.06
7,508	CRH plc	EUR	215,988	0.69	677	Alphabet, Inc. 'A'	USD	472,092	1.50
4,899	Medtronic plc	USD	422,049	1.34	423	Alphabet, Inc. 'C'	USD	290,233	0.92
2,497	Willis Towers Watson plc	USD	305,957	0.97	898	Amazon.com, Inc.	USD	643,956	2.04
			1,318,114	4.18	3,819	American Express Co.	USD	226,085	0.72
	Italy 0.00% (0.68%)				2,999	Amphenol Corp. 'A'	USD	169,743	0.54
	Japan 3.63% (6.32%)				4,874	Apple, Inc.	USD	462,933	1.47
14,000	Japan Exchange Group, Inc.	JPY	159,407	0.51	9,515	BB&T Corp.	USD	332,930	1.06
7,000	Mitsui Fudosan Co. Ltd.	JPY	159,066	0.50	6,949	Bristol-Myers Squibb Co.	USD	507,555	1.61
					6,365	Cisco Systems, Inc.	USD	179,429	0.57
					3,238	CME Group, Inc.	USD	313,827	0.99
					8,417	Coca-Cola Co. (The)	USD	379,523	1.20
					7,021	Comcast Corp. 'A'	USD	452,363	1.43
					1,387	Cooper Cos., Inc. (The)	USD	238,079	0.75
					4,646	Crown Castle International Corp., REIT	USD	466,969	1.48
					4,417	DENTSPLY SIRONA, Inc.	USD	272,087	0.86
					3,492	Discover Financial Services	USD	183,574	0.58
					10,701	Enterprise Products Partners LP	USD	311,827	0.99

Worldwide Equity Fund

Portfolio Statement (continued)

as at 30th June 2016

Holding	Investment	Currency	Market Value US\$	% of Net Assets
4,699	Estee Lauder Cos., Inc. (The 'A')	USD	425,964	1.35
5,148	Facebook, Inc. 'A'	USD	586,357	1.86
12,080	General Electric Co.	USD	374,359	1.19
5,036	Gilead Sciences, Inc.	USD	411,340	1.30
2,465	Graco, Inc.	USD	191,383	0.61
7,402	JPMorgan Chase & Co.	USD	453,965	1.44
2,857	Las Vegas Sands Corp.	USD	122,508	0.39
4,321	MasterCard, Inc. 'A'	USD	391,958	1.24
2,350	McDonald's Corp.	USD	281,530	0.89
468	Mettler-Toledo International, Inc.	USD	168,166	0.53
4,498	NIKE, Inc. 'B'	USD	246,760	0.78
4,681	Occidental Petroleum Corp.	USD	353,181	1.12
18,805	Pfizer, Inc.	USD	658,927	2.09
3,120	Philip Morris International, Inc.	USD	313,841	0.99
2,690	PPG Industries, Inc.	USD	275,833	0.87
1,269	Praxair, Inc.	USD	141,189	0.45
204	Priceline Group, Inc. (The)	USD	256,765	0.81
8,250	Sabre Corp.	USD	219,203	0.69
2,779	Six Flags Entertainment Corp.	USD	160,543	0.51
6,813	Spirit Airlines, Inc.	USD	300,590	0.95
1,560	Thermo Fisher Scientific, Inc.	USD	226,668	0.72
3,679	TJX Cos., Inc. (The)	USD	282,621	0.90
5,250	Union Pacific Corp.	USD	453,128	1.44
3,559	United Parcel Service, Inc. 'B'	USD	379,639	1.20
2,997	Vertex Pharmaceuticals, Inc.	USD	256,843	0.81
6,351	Visa, Inc. 'A'	USD	479,119	1.52
3,691	Zimmer Biomet Holdings, Inc.	USD	439,044	1.39
			15,515,795	49.16
	Equities total		31,019,677	98.29
	Total Value of Investments		31,019,677	98.29
	Net Other Assets (2015: – 1.87%)		539,010	1.71
	Net Assets attributable to Preference Shareholders		31,558,687	100.00

The comparative percentage figures in brackets are as at 31 December 2015.

^ Unlisted, suspended or delisted security.

Managed Currency Fund

Fund Investment Report

Investment Policy

To invest in a portfolio of short term fixed interest investments. The Managed Currency Fund invests principally in deposits.

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Types of Investment

The majority of the Fund is invested in short dated bonds and interest bearing time deposits, and is earning the higher rates of interest not normally available to the individual investor. Investments may be made in all forms of money market instrument which are normally held to maturity, and in any currency where the projected return over the life of the investment is attractive. The Fund will normally have a bias towards US Dollar denominated assets.

Limited sales and purchases of currencies may be made through options and the forward and financial futures markets whilst bearing in mind the investment policy of the Fund, the Fund size and the Regulations.

It must be remembered that the price of shares and the income from them can go down as well as up.

Fund Performance

On a total return basis, over the six months to 30th June 2016 the Fund posted a total gross return of +0.2% versus +0.2% for the US Certificate of Deposit One Month Index, in US Dollar terms.

Review

Throughout the six-month reporting period the Fund was invested entirely in US Dollar deposits. The Fund's strategy is to place all money-market funds in short-dated deposits only.

After a seven-year period of record-low interest rates, in December 2015 the Federal Reserve (Fed) took the decision to raise United States (US) rates by a quarter-point from 0-0.25% to 0.25-0.5%. By this stage, the central bank had sufficient confidence in the sustainability of the US economic recovery to begin the process of raising official rates.

Since then, there have been no further hikes in US rates. This was despite earlier speculation that a second rise could be announced at the time of June's Federal Open Market Committee (FOMC) meeting.

In deciding against a June rate hike, the Fed highlighted slower US jobs growth and ongoing concerns over the global impact of the economic slowdown in China. Another key factor was nervousness over the outcome of the June referendum on the United Kingdom's (UK) membership of the European Union (EU). The Fed felt that a vote to leave the EU could have "significant economic repercussions". Against market expectations, UK voters did choose to leave the EU, thereby triggering a period of greater economic and political uncertainty, and increasing the volatility in financial markets. In the immediate aftermath of the vote, Sterling fell by 10% against the US Dollar, reaching its lowest level since 1985, while the Euro initially weakened by around 3% against the US currency.

Back in March, the US central bank had already lowered expectations for future US rate rises, stating that it now expected to make just two rate hikes in 2016 instead of four. Fed Chair Janet Yellen stated that she would proceed cautiously with rate rises given the uncertainty over the global economy. More recently, US policymakers have also pared back their interest-rate forecasts for 2017 and 2018.

Managed Currency Fund

Comparative Tables

for the accounting period 1st January 2016 to 30th June 2016

	Preference shares			
	2016	2015*	2014*	2013*
	US\$	US\$	US\$	US\$
Change in net assets per share				
Opening net asset value per share	0.3360	0.3397	0.3434	0.3477
Return before operating charges ¹	0.0004	0.0001	0.0001	(0.0005)
Operating charges	(0.0019)	(0.0038)	(0.0038)	(0.0038)
Return after operating charges	(0.0015)	(0.0037)	(0.0037)	(0.0043)
Distributions on preference shares	–	–	–	–
Closing net asset value per shares	0.3345	0.3360	0.3397	0.3434
¹ after direct transaction costs of	–	–	–	–
Performance				
Return after charges	(0.45)%	(1.09)%	(1.08)%	(1.24)%
Other information				
Closing net asset value (US\$)	630,357	652,380	750,392	795,613
Closing number of shares	1,884,267	1,941,564	2,208,589	2,314,290
Operating charges ²	1.12%	1.12%	1.11%	1.10%
Direct transaction costs	0.00%	0.00%	0.00%	0.00%
Prices				
Highest offer share price (US\$)	0.3537	0.3576	0.3620	0.3660
Lowest bid share price (US\$)	0.3345	0.3360	0.3398	0.3438

Additional comparative table disclosures to satisfy the requirements of the Authorised Collective Investment Schemes Regulations 2010:

	Net distribution per share US\$	Highest offer share price US\$	Lowest bid share price US\$
For the year ended:			
31st December 2011	–	0.3767	0.3517
31st December 2012	–	0.3702	0.3477

Ongoing Charges Figure (“OCF”)	OCF ₂ %
For the period ended:	
31st December 2015	1.12%
30th June 2016	1.12%

² Ongoing Charges Figure has replaced the Total Expense Ratio (“TER”) with effect from 30th June 2015. The OCF takes into account the annual management charge and any expenses incurred, expressed as a percentage of the average daily net asset values over the period. The main difference between the two calculations is the inclusion of custodian handling charges in the OCF. The comparative figures for the Operating charges and the OCF have not been restated, and the historic TER is disclosed. The OCF figure at 30th June 2016 is an annualised ratio.

The Operating charges are calculated on an ex-post basis and as such may differ from the OCF where:

- Changes to fee rates were made during the period and the OCF has been amended to be future proofed for this change.
- The OCF has been annualised for a share class that has not yet been open for a full year.

Please remember that past performance is not a guide to future performance and it might not be repeated. The value of investments and the revenue from them may go down as well as up and investors may not get back the amount originally invested. Because of this, you are not certain to make a profit on your investments and you may lose money.

*Based on amounts for 12 months to 31 December

Managed Currency Fund

Statement of Total Return

for the accounting period 1st January 2016 to 30th June 2016

	June 2016	June 2015
	US\$	US\$
Income		
Net capital losses	(435)	(674)
Revenue	1,204	539
Expenses	(3,555)	(4,001)
Net expense before taxation	(2,351)	(3,462)
Taxation	—	—
Net expense after taxation	(2,351)	(3,462)
Total return before distribution	(2,786)	(4,136)
Distributions	14	189
Change in Net Assets Attributable to Preference Shareholders from investment activities	(2,772)	(3,947)

Balance Sheet

as at 30th June 2016

	June 2016	December 2015
	US\$	US\$
Assets:		
Current assets:		
Debtors	59,171	59,068
Cash and bank balances	631,390	653,378
Total assets	690,561	712,446
Liabilities:		
Creditors:		
Other creditors	(1,112)	(1,117)
Total liabilities	(1,112)	(1,117)
Equity:		
Nominal shares	(59,092)	(58,949)
Total equity	(59,092)	(58,949)
Net Assets Attributable to Preference Shareholders	630,357	652,380

Statement of Change in Net Assets Attributable to Preference Shareholders

for the accounting period 1st January 2016 to 30th June 2016

	June 2016	June 2015
	US\$	US\$
Opening Net Assets Attributable to Preference Shareholders	652,380	750,392
Movement due to sales and repurchases of shares:		
Amounts payable on cancellation of shares	(19,251)	(67,317)
	(19,251)	(67,317)
Change in Net Assets Attributable to Preference Shareholders from investment activities (see above)	(2,772)	(3,947)
Closing Net Assets Attributable to Preference Shareholders	630,357	679,128

The comparatives used within the Statement of Change in Net Assets Attributable to Preference Shareholders are for the corresponding period of the previous year. Therefore the Opening Net Assets Attributable to Preference Shareholders for the current year are at 31st December 2015 whilst the figure disclosed in the comparatives' Closing Net Assets Attributable to Preference Shareholders is at 30th June 2015.

Distribution Table

There is no distribution for the accounting period 1st January 2016 to 30th June 2016, as expenses exceed revenue (June 2015: Nil).

Managed Currency Fund

Portfolio Statement

as at 30th June 2016

Holding	Investment	Currency	Market Value USD	% of Net Assets
Time Deposits 97.84% (99.55%)				
United States of America 97.84% (99.55%)				
62,087	BNP Paribas SA 0.38% 06/07/2016	USD	62,087	9.85
40,158	Credit Agricole SA 0.59% 22/11/2016	USD	40,158	6.37
62,000	ING Bank NV 0.69% 12/09/2016	USD	62,000	9.83
62,076	Lloyds Bank plc 0.39% 13/07/2016	USD	62,076	9.85
34,034	Mitsubishi UFJ Financial Group, Inc. 0.00% Perpetual	USD	34,034	5.40
62,077	Rabobank NA 0.32% 05/07/2016	USD	62,077	9.85
55,037	Royal Bank of Canada 0.05% 14/07/2016	USD	55,037	8.73
50,120	Santander SA 0.36% 07/07/2016	USD	50,120	7.95
62,000	Standard Chartered plc 0.00% Perpetual	USD	62,000	9.84
62,000	Sumitomo Mitsui Banking Corp. 0.00% Perpetual	USD	62,000	9.84
65,139	UBS AG 0.00% Perpetual	USD	65,139	10.33
			616,728	97.84
	Time Deposits total		616,728	97.84
	Total Value of Investments		616,728	97.84
	Net Other Assets (2015: – 0.45%)		13,629	2.16
	Net Assets attributable to Preference Shareholders		630,357	100.00

The comparative percentage figures in brackets are as at 31st December 2015.

Gilt and Income Fund

Fund Investment Report

Investment Policy

To achieve a high total return with limited capital risk from a portfolio of Sterling-denominated fixed interest investments and money market assets.

20

Types of Investment

All assets are Sterling denominated. Investments are primarily in Eurosterling Bonds and those UK Government Securities (gilt edged stock) which can pay income free of UK withholding tax to the Fund, and in bank deposits. As market conditions justify, investments may be made in other appropriate assets as permitted by the Regulations.

Limited sales and purchases of fixed interest securities may be made through options and financial futures, whilst bearing in mind the investment policy of the Fund and the Regulations.

It must be remembered that the price of shares and the income from them can go down as well as up.

Fund Performance

Over the six months to 30th June 2016, the Fund produced a total gross return of +11.7% in Sterling terms, compared with a return of +11.4% for the FTSE Actuaries All Stocks Index.

Review

The six months under review saw an extremely strong performance from the United Kingdom (UK) gilt market. January was a particularly good month for the asset class as risk-averse investors sought out 'safe havens' amid the sharp falls in global equity markets and the slump in the oil price. June was another month of very strong returns as investors again embarked on a 'flight to safety' in the aftermath of the UK's vote to leave the European Union (EU).

The outcome of the UK's June referendum on EU membership was not what financial markets had expected and has resulted in a sharp increase in economic and political uncertainty. In response, core government bond markets have rallied strongly. The UK gilt market performed particularly well over the month, with long-dated issues posting a double-digit return for June. The yield on benchmark 10-year gilts fell below 1%, marking a new record low. On the currency front, Sterling weakened substantially, falling by 10% against the US Dollar in the immediate aftermath of the referendum result.

Given the difficulties facing the UK economy in the months ahead, the new Conservative administration will need to try and reassure both the electorate and financial markets. The governor of the Bank of England, Mark Carney, has recently announced further support in the wake of the weaker economic outlook. The Bank of England has enhanced its quantitative-easing measures, launched a £100bn programme to encourage bank lending, and cut interest rates to 0.25%, their lowest point since the central bank was founded more than 300 years ago.

During the review period, the main contribution to the Fund's performance was its duration positioning (sensitivity to interest rates). For example, the Fund began the year with a long duration position of 0.4 years versus the benchmark, which boosted returns as yields fell substantially in January and prices rose.

Portfolio activity included the addition of some off-benchmark exposure to high-quality Sovereign, Supranational and Agency (SSA) issues. These securities are slightly more liquid and provided an opportunity to add value. At the end of the first quarter, these securities represented 5% of the portfolio.

Gilt and Income Fund

Comparative Tables

for the accounting period 1st January 2016 to 30th June 2016

	Preference shares			
	2016	2015*	2014*	2013*
	£	£	£	£
Change in net assets per share				
Opening net asset value per share	0.3669	0.3719	0.3345	0.3551
Return before operating charges ¹	0.0418	0.0024	0.0449	(0.0140)
Operating charges	(0.0026)	(0.0051)	(0.0047)	(0.0046)
Return after operating charges	0.0392	(0.0027)	0.0402	(0.0186)
Distributions on preference shares	(0.0009)	(0.0023)	(0.0028)	(0.0020)
Closing net asset value per shares	0.4052	0.3669	0.3719	0.3345
¹ after direct transaction costs of	-	-	-	-
Performance				
Return after charges	10.68%	(0.73)%	12.02%	(5.24)%
Other information				
Closing net asset value (£)	12,662,875	11,696,579	12,953,044	13,433,168
Closing number of shares	31,249,134	31,878,726	34,820,066	40,164,559
Operating charges ²	1.38%	1.38%	1.34%	1.32%
Direct transaction costs	0.00%	0.00%	0.00%	0.00%
Prices				
Highest offer share price (£)	0.4279	0.4087	0.3934	0.3811
Lowest bid share price (£)	0.3696	0.3598	0.3342	0.3333

Additional comparative table disclosures to satisfy the requirements of the Authorised Collective Investment Schemes Regulations 2010:

	Net distribution per share	Highest offer share price	Lowest bid share price
	£	£	£
For the year ended:			
31st December 2011	0.0037	0.3696	0.2991
31st December 2012	0.0018	0.3809	0.3382

Ongoing Charges Figure ("OCF")

For the period ended:

	OCF ₂
	%
31st December 2015	1.38%
30th June 2016	1.38%

² Ongoing Charges Figure has replaced the Total Expense Ratio ("TER") with effect from 30th June 2015. The OCF takes into account the annual management charge and any expenses incurred, expressed as a percentage of the average daily net asset values over the period. The main difference between the two calculations is the inclusion of custodian handling charges in the OCF. The comparative figures for the Operating charges and the OCF have not been restated, and the historic TER is disclosed. The OCF figure at 30th June 2016 is an annualised ratio.

The Operating charges are calculated on an ex-post basis and as such may differ from the OCF where:

- Changes to fee rates were made during the period and the OCF has been amended to be future proofed for this change.
- The OCF has been annualised for a share class that has not yet been open for a full year.

Please remember that past performance is not a guide to future performance and it might not be repeated. The value of investments and the revenue from them may go down as well as up and investors may not get back the amount originally invested. Because of this, you are not certain to make a profit on your investments and you may lose money.

*Based on amounts for 12 months to 31 December

Gilt and Income Fund

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Statement of Total Return

for the accounting period 1st January 2016 to 30th June 2016

	June 2016 US\$	*Reanalysed June 2015 US\$
Income		
Net capital gains/(losses)	1,618,679	(451,335)
Revenue	148,052	202,025
Expenses	(109,625)	(136,643)
Net revenue before taxation	38,427	65,382
Taxation	–	–
Net revenue after taxation	38,427	65,382
Total return before distribution	1,657,106	(385,953)
Distributions	(38,427)	(65,382)
Change in Net Assets Attributable to Preference Shareholders from investment activities	1,618,679	(451,335)

Balance Sheet

as at 30th June 2016

	June 2016 US\$	December 2015 US\$
Assets:		
Fixed assets:		
Investments	16,823,442	17,097,543
Current assets:		
Debtors	650,174	669,304
Cash and bank balances	138,600	191,977
Total assets	17,612,216	17,958,824
Liabilities:		
Creditors:		
Bank overdrafts	–	(93,703)
Distribution payable	(38,139)	(50,996)
Other creditors	(31,338)	(33,426)
Total liabilities	(69,477)	(178,125)
Equity		
Nominal shares	(540,931)	(539,357)
Total equity	(540,931)	(539,357)
Net Assets Attributable to Preference Shareholders	17,001,808	17,241,342

Statement of Change in Net Assets Attributable to Preference Shareholders

for the accounting period 1st January 2016 to 30th June 2016

	June 2016 US\$	June 2015 US\$
Opening Net Assets Attributable to Preference Shareholders	17,241,342	20,217,751
Movement due to sales and repurchases of shares:		
Amounts receivable on issue of shares	158,930	100,900
Amounts payable on cancellation of shares	(480,212)	(1,388,897)
	(321,282)	(1,287,997)
Difference on currency conversion	(1,536,931)	154,792
Change in Net Assets Attributable to Preference Shareholders from investment activities (see above)	1,618,679	(451,335)
Unclaimed distributions	–	1,543
Closing Net Assets Attributable to Preference Shareholders	17,001,808	18,634,754

The comparatives used within the Statement of Change in Net Assets Attributable to Preference Shareholders are for the corresponding period of the previous year. Therefore the Opening Net Assets Attributable to Preference Shareholders for the current year are at 31st December 2015 whilst the figure disclosed in the comparatives' Closing Net Assets Attributable to Preference Shareholders is at 30th June 2015.

Distribution Table

for the accounting period 1st January 2016 to 30th June 2016

	Income £	Equalisation £	Distribution Payable June 2016 £	Distribution Paid June 2015 £
Group 1	0.0009	–	0.0009	0.0012
Group 2	0.0002	0.0007	0.0009	0.0012

Group 2 units are those purchased after 16:00 (UK time) on 31st December 2015.

* Please refer to the Accounting policies on page 43.

Gilt and Income Fund

Portfolio Statement

as at 30th June 2016

Holding	Investment	Currency	Market Value US\$	% of Net Assets
Corporate Bonds 4.20% (0.00%)				
Canada 1.46% (0.00%)				
180,000	Export Development Canada 1.38% 16/12/2019	GBP	247,714	1.46
			247,714	1.46
Germany 1.60% (0.00%)				
200,000	FMS Wertmanagement AoeR 1.25% 08/03/2019	GBP	272,657	1.60
			272,657	1.60
United Kingdom 1.14% (0.00%)				
125,000	Network Rail Infrastructure Finance plc 4.63% 21/07/2020	GBP	194,379	1.14
			194,379	1.14
Corporate Bonds total			714,750	4.20
Government Bonds 93.76% (99.17%)				
Finland 1.45% (0.00%)				
180,000	Municipality Finance plc 1.25% 07/03/2019	GBP	245,546	1.45
			245,546	1.45
United Kingdom 92.31% (99.17%)				
1,000,000	UK Treasury 1.75% 22/01/2017	GBP	1,353,727	7.96
637,500	UK Treasury 1.00% 07/09/2017	GBP	863,524	5.08
169,000	UK Treasury 1.25% 22/07/2018	GBP	231,755	1.36
195,000	UK Treasury 1.75% 22/07/2019	GBP	273,580	1.61
12,000	UK Treasury 2.00% 22/07/2020	GBP	17,159	0.10
679,000	UK Treasury 1.50% 22/01/2021	GBP	954,550	5.61
156,000	UK Treasury 3.75% 07/09/2021	GBP	244,819	1.44
89,000	UK Treasury 4.00% 07/03/2022	GBP	143,107	0.84
599,000	UK Treasury 1.75% 07/09/2022	GBP	860,201	5.06
35,000	UK Treasury 2.25% 07/09/2023	GBP	51,998	0.31
30,000	UK Treasury 5.00% 07/03/2025	GBP	54,277	0.32
176,000	UK Treasury 2.00% 07/09/2025	GBP	258,285	1.52
704,000	UK Treasury 1.50% 22/07/2026	GBP	983,256	5.78
271,000	UK Treasury 4.25% 07/12/2027	GBP	485,731	2.86
17,000	UK Treasury 6.00% 07/12/2028	GBP	35,640	0.21
685,500	UK Treasury 4.75% 07/12/2030	GBP	1,326,293	7.80
342,250	UK Treasury 4.25% 07/06/2032	GBP	640,071	3.76
107,500	UK Treasury 4.50% 07/09/2034	GBP	210,794	1.24
327,000	UK Treasury 4.25% 07/03/2036	GBP	631,535	3.71
234,000	UK Treasury 4.75% 07/12/2038	GBP	492,690	2.90
248,000	UK Treasury 4.25% 07/09/2039	GBP	493,395	2.90
219,000	UK Treasury 4.25% 07/12/2040	GBP	441,766	2.60
30,405	UK Treasury 4.50% 07/12/2042	GBP	64,769	0.38
565,000	UK Treasury 3.25% 22/01/2044	GBP	1,004,055	5.91
614,000	UK Treasury 3.50% 22/01/2045	GBP	1,145,842	6.74
100,000	UK Treasury 4.25% 07/12/2046	GBP	213,805	1.26
315,000	UK Treasury 3.75% 22/07/2052	GBP	669,246	3.94
92,000	UK Treasury 4.00% 22/01/2060	GBP	220,277	1.30
197,000	UK Treasury 2.50% 22/07/2065	GBP	351,483	2.07
171,500	UK Treasury 3.50% 22/07/2068	GBP	390,940	2.30
330,000	UK Treasury Inflation Linked 0.13% 22/11/2019	GBP	502,100	2.95
27,000	UK Treasury Inflation Linked 0.13% 22/03/2068	GBP	83,890	0.49
			15,694,560	92.31
Government Bonds total			15,940,106	93.76
Supranationals 0.99% (0.00%)				
Supranational 0.99% (0.00%)				
125,000	African Development Bank 0.88% 13/12/2018	GBP	168,586	0.99
			168,586	0.99
Supranationals total			168,586	0.99
Total Value of Investments			16,823,442	98.95
Net Other Assets (2015: – 0.83%)			178,366	1.05
Net Assets Attributable to Preference Shareholders			17,001,808	100.00

The comparative percentage figures in brackets are as at 31 December 2015.

North American Growth Fund

Fund Investment Report

Investment Policy

To invest primarily for capital growth in a portfolio of equities based in North America.

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Types of Investment

Investments are made for capital growth, primarily in shares of leading companies, but may also be held indirectly through other types of permitted investment such as unit trusts, investment trusts, convertible securities, traded options, warrants, fixed interest securities and other media as circumstances warrant and as permitted by the Regulations.

It must be remembered that the price of shares and the income from them can go down as well as up.

Fund Performance

Over the six months under review, the Fund produced a total gross return of -0.5%, while the S&P 500 Composite Index returned +3.8% in US Dollar terms.

Review

United States (US) equities rose during the period under review, with the S&P 500 index gaining 3.8%.

US equities endured a difficult start to the year as investors worried about the global growth outlook. Falling oil prices also weighed on sentiment in the first part of the period. Equities subsequently rebounded as rising oil prices, better US economic data and accommodative central-bank action bolstered investors' appetite for risk. In March, labour-market data showed continued strength, fourth-quarter Gross Domestic Product data indicated better-than-expected consumer spending, and even manufacturing activity, an area of prior weakness, rebounded.

In the second quarter, US equities made gains as broadly positive domestic economic markers contrasted sharply with turbulence in other developed markets. The pace of hiring showed some signs of slowing, though retail sales and industrial output beat expectations and energy stocks rallied on the back of a recovery in the oil price. Through May, markets increasingly priced in an imminent interest-rate hike, but these prospects receded sharply following the United Kingdom's (UK) vote on 23 June to leave the European Union (EU). Though US markets were less affected than some by the Brexit vote, it nonetheless prompted renewed US Dollar strength, higher gold prices, and lower US Treasury yields.

Over the review period we moved towards a more balanced style profile, increasing our exposure to more cyclical stocks in addition to our existing high-conviction secular growth holdings. Stock examples include Cisco Systems, Inc. (communications equipment) and Dow Chemical Co. (chemicals). However, following the UK's vote to leave the EU we judged it appropriate to move some of our cyclical exposures into more stable, cash-generative businesses that we believe can deliver outperformance over the coming quarters. Stock examples include Johnson & Johnson (pharmaceuticals) and Berkshire Hathaway (diversified financial services). During the period we exited positions including General Electric Co. (industrial conglomerates), NIKE, Inc. (textiles, apparel & luxury goods) and Bristol-Myers Squibb Co. (pharmaceuticals).

We believe the US is relatively better placed than many other markets to weather the turbulence created by Brexit. This is due to the liquidity and diversity of the market, which has historically shown more resilient earnings than other markets during global downturns. We expect macroeconomic impacts to include a stronger US Dollar and lower bond yields. A stronger US Dollar will favour the domestic economy relative to exporters, while lower bond yields suggest a continuation of the outperformance that income stocks have shown so far in 2016. We see greater probability of a shift in market leadership as secular growth companies should enjoy an advantage in earnings stability relative to more cyclically exposed areas of the market. A more volatile environment may also favour financially stable, quality businesses. We acknowledge the short-term headwinds that higher volatility brings, as stock correlations spike. However, we have been active in looking for the attractive long-term investment opportunities that occur when quality businesses are mispriced by the market.

North American Growth Fund

Comparative Tables

for the accounting period 1st January 2016 to 30th June 2016

	Preference shares			
	2016	2015*	2014*	2013*
	US\$	US\$	US\$	US\$
Change in net assets per share				
Opening net asset value per share	5.7835	5.7555	5.2330	3.8807
Return before operating charges ¹	(0.0815)	0.1456	0.6309	1.4440
Operating charges	(0.0821)	(0.1176)	(0.1084)	(0.0917)
Return after operating charges	(0.1636)	0.0280	0.5225	1.3523
Distributions on preference shares	–	–	–	–
Closing net asset value per share	5.6199	5.7835	5.7555	5.2330
¹ after direct transaction costs of	(0.0092)	(0.0167)	(0.0119)	(0.0032)
Performance				
Return after charges	(2.83)%	0.49%	9.98%	34.85%
Other information				
Closing net asset value (US\$)	313,143,878	308,124,965	286,696,410	256,762,546
Closing number of shares	55,720,707	53,276,414	49,812,215	49,066,318
Operating charges ²	2.04%	2.04%	2.01%	2.02%
Direct transaction costs	0.11%	0.29%	0.22%	0.07%
Prices				
Highest offer share price (US\$)	6.1330	6.3300	6.0840	5.5180
Lowest bid share price (US\$)	5.0120	5.2940	4.9240	3.8750

Additional comparative table disclosures to satisfy the requirements of the Authorised Collective Investment Schemes Regulations 2010:

	Net distribution per share US\$	Highest offer share price US\$	Lowest bid share price US\$
For the year ended:			
31st December 2011	–	3.9160	3.0740
31st December 2012	–	4.2370	3.4780

Ongoing Charges Figure (“OCF”)

For the period ended:	OCF ₂ %
31st December 2015	2.04%
30th June 2016	2.04%

² Ongoing Charges Figure has replaced the Total Expense Ratio (“TER”) with effect from 30th June 2015. The OCF takes into account the annual management charge and any expenses incurred, expressed as a percentage of the average daily net asset values over the period. The main difference between the two calculations is the inclusion of custodian handling charges in the OCF. The comparative figures for the Operating charges and the OCF have not been restated, and the historic TER is disclosed. The OCF figure at 30th June 2016 is an annualised ratio.

The Operating charges are calculated on an ex-post basis and as such may differ from the OCF where:

- Changes to fee rates were made during the period and the OCF has been amended to be future proofed for this change.
- The OCF has been annualised for a share class that has not yet been open for a full year.

Please remember that past performance is not a guide to future performance and it might not be repeated. The value of investments and the revenue from them may go down as well as up and investors may not get back the amount originally invested. Because of this, you are not certain to make a profit on your investments and you may lose money.

*Based on amounts for 12 months to 31 December

North American Growth Fund

Statement of Total Return

for the accounting period 1st January 2016 to 30th June 2016

	June 2016	*Reanalysed June 2015
	US\$	US\$
Income		
Net capital (losses)/gains	(7,025,546)	3,584,469
Revenue	3,125,243	2,367,737
Expenses	(3,082,641)	(2,925,047)
Net revenue/(expense) before taxation	42,602	(557,310)
Taxation	(1,021,175)	(656,314)
Net expense after taxation	(978,573)	(1,213,624)
Total return before distribution	(8,004,119)	2,370,845
Distributions	(13,861)	14,810
Change in Net Assets Attributable to Preference Shareholders from investment activities	(8,017,980)	2,385,655

Balance Sheet

as at 30th June 2016

	June 2016	December 2015
	US\$	US\$
Assets:		
Fixed assets:		
Investments	304,675,166	303,591,686
Current assets:		
Debtors	5,880,900	379,239
Cash and bank balances	4,365,552	4,946,730
Total assets	314,921,618	308,917,655
Liabilities:		
Creditors:		
Other creditors	(1,761,682)	(770,521)
Total liabilities	(1,761,682)	(770,521)
Equity:		
Nominal shares	(16,058)	(22,169)
Total equity	(16,058)	(22,169)
Net Assets Attributable to Preference Shareholders	313,143,878	308,124,965

Statement of Change in Net Assets Attributable to Preference Shareholders

for the accounting period 1st January 2016 to 30th June 2016

	June 2016	June 2015
	US\$	US\$
Opening Net Assets Attributable to Preference Shareholders	308,124,965	286,696,410
Movement due to sales and repurchases of shares:		
Amounts receivable on issue of shares	64,265,575	37,151,657
Amounts payable on cancellation of shares	(51,228,682)	(39,599,129)
	13,036,893	(2,447,472)
Change in Net Assets Attributable to Preference Shareholders from investment activities (see above)	(8,017,980)	2,385,655
Closing Net Assets Attributable to Preference Shareholders	313,143,878	286,634,593

The comparatives used within the Statement of Change in Net Assets Attributable to Preference Shareholders are for the corresponding period of the previous year. Therefore the Opening Net Assets Attributable to Preference Shareholders for the current year are at 31st December 2015 whilst the figure disclosed in the comparatives' Closing Net Assets Attributable to Preference Shareholders is at 30th June 2015.

* Please refer to the Accounting policies on page 43.

North American Growth Fund

Portfolio Statement

as at 30th June 2016

Holding	Investment	Currency	Market Value US\$	% of Net Assets	Holding	Investment	Currency	Market Value US\$	% of Net Assets
Equities 97.30% (98.53%)					Diversified Financial Services 3.79% (3.02%)				
Consumer Discretionary 12.17% (12.71%)					43,398 Berkshire Hathaway 'B'				
Auto Components 0.00% (0.64%)					58,701 CME Group, Inc.				
Hotels, Restaurants & Leisure 1.67% (0.00%)					11,877,856 3.79				
43,557	McDonald's Corp.	USD	5,218,129	1.67	Insurance 1.86% (2.32%)				
5,218,129 1.67					45,054 Chubb Ltd.				
Household Durables 0.57% (0.56%)					5,805,658 1.86				
38,745	Lennar Corp. 'A'	USD	1,769,871	0.57	5,805,658 1.86				
1,769,871 0.57					Real Estate Investment Trusts (REITs) 1.60% (0.99%)				
Internet & Catalog Retail 2.35% (2.55%)					19,725 Public Storage				
10,281	Amazon.com, Inc.	USD	7,372,505	2.35	5,008,967 1.60				
7,372,505 2.35					Thriffs & Mortgage Finance 0.00% (0.45%)				
Media 3.17% (2.41%)					Financials total 40,726,338 13.01				
111,769	Comcast Corp. 'A'	USD	7,201,276	2.30	Health Care 15.44% (16.61%)				
37,536	Time Warner, Inc.	USD	2,739,002	0.87	Biotechnology 4.29% (3.86%)				
9,940,278 3.17					40,306 AbbVie, Inc.				
Multiline Retail 1.14% (0.00%)					15,245 Biogen, Inc.				
38,015	Dollar General Corp.	USD	3,569,989	1.14	26,478 Celgene Corp.				
3,569,989 1.14					42,190 Gilead Sciences, Inc.				
Specialty Retail 3.27% (4.43%)					15,153 Vertex Pharmaceuticals, Inc.				
58,082	Home Depot, Inc. (The)	USD	7,393,258	2.36	13,439,527 4.29				
37,043	TJX Cos., Inc. (The)	USD	2,845,643	0.91	Health Care Equipment & Supplies 3.53% (2.83%)				
10,238,901 3.27					44,420 Align Technology, Inc.				
Textiles, Apparel & Luxury Goods 0.00% (2.12%)					87,109 Medtronic plc				
Consumer Discretionary total 38,109,673 12.17					3,547,826 1.13				
7,504,440 2.40					11,052,266 3.53				
Consumer Staples 9.85% (7.97%)					Health Care Providers & Services 0.70% (3.07%)				
Beverages 2.97% (3.01%)					17,282 Cigna Corp.				
61,608	Dr Pepper Snapple Group, Inc.	USD	5,892,189	1.88	2,192,913 0.70				
33,635	Molson Coors Brewing Co. 'B'	USD	3,410,925	1.09	2,192,913 0.70				
9,303,114 2.97					Life Sciences Tools & Services 2.06% (1.85%)				
Food & Staples Retailing 3.07% (1.75%)					44,314 Thermo Fisher Scientific, Inc.				
50,866	CVS Health Corp.	USD	4,830,744	1.54	6,438,824 2.06				
94,487	Sysco Corp.	USD	4,774,428	1.53	6,438,824 2.06				
9,605,172 3.07					Pharmaceuticals 4.86% (5.00%)				
Personal Products 1.51% (1.33%)					6,744 Allergan plc				
52,346	Estee Lauder Cos., Inc. (The) 'A'	USD	4,745,165	1.51	52,604 Johnson & Johnson				
4,745,165 1.51					210,782 Pfizer, Inc.				
Tobacco 2.30% (1.88%)					15,227,483 4.86				
105,146	Altria Group, Inc.	USD	7,193,038	2.30	Health Care total 48,351,013 15.44				
7,193,038 2.30					Industrials 9.67% (10.24%)				
Consumer Staples total 30,846,489 9.85					Aerospace & Defense 4.77% (4.19%)				
Energy 6.14% (4.55%)					28,660 General Dynamics Corp.				
Energy Equipment & Services 1.20% (0.99%)					33,054 Honeywell International, Inc.				
82,929	Halliburton Co.	USD	3,758,342	1.20	29,041 Lockheed Martin Corp.				
3,758,342 1.20					14,931,128 4.77				
Oil, Gas & Consumable Fuels 4.94% (3.56%)					Air Freight & Logistics 1.56% (0.93%)				
44,999	EOG Resources, Inc.	USD	3,763,717	1.20	45,739 United Parcel Service, Inc. 'B'				
86,275	Exxon Mobil Corp.	USD	8,033,065	2.57	4,878,979 1.56				
48,545	Occidental Petroleum Corp.	USD	3,662,720	1.17	Airlines 0.65% (0.69%)				
15,459,502 4.94					52,429 Southwest Airlines Co.				
Energy total 19,217,844 6.14					2,030,575 0.65				
2,030,575 0.65					Building Products 0.76% (0.64%)				
Financials 13.01% (16.96%)					77,729 Masco Corp.				
Banks 4.21% (5.87%)					2,376,953 0.76				
36,871	BankUnited, Inc.	USD	1,107,974	0.35	2,376,953 0.76				
71,253	Citigroup, Inc.	USD	2,992,626	0.96	Industrial Conglomerates 0.00% (2.38%)				
167,861	Hunting Bancshares, Inc.	USD	1,470,462	0.47	Machinery 0.97% (0.57%)				
124,171	JPMorgan Chase & Co.	USD	7,615,407	2.43	48,377 Ingersoll-Rand plc				
13,186,469 4.21					3,042,430 0.97				
Capital Markets 0.97% (1.84%)					3,042,430 0.97				
20,739	Goldman Sachs Group, Inc. (The)	USD	3,026,857	0.97	Professional Services 0.96% (0.84%)				
3,026,857 0.97					58,584 Nielsen Holdings plc				
Consumer Finance 0.58% (2.47%)					3,015,904 0.96				
73,055	Synchrony Financial	USD	1,820,531	0.58	3,015,904 0.96				
1,820,531 0.58					Industrials total 30,275,969 9.67				

North American Growth Fund
Portfolio Statement (continued)

as at 30th June 2016

Holding	Investment	Currency	Market Value US\$	% of Net Assets	Holding	Investment	Currency	Market Value US\$	% of Net Assets
Information Technology 21.17% (25.13%)					Telecommunication Services 2.70% (2.02%)				
Communications Equipment 2.05% (0.00%)					Diversified Telecommunication Services 2.70% (2.02%)				
227,694	Cisco Systems, Inc.	USD	6,418,694	2.05	196,717	AT&T, Inc.	USD	8,441,126	2.70
			6,418,694	2.05				8,441,126	2.70
Internet Software & Services 4.52% (8.22%)					Telecommunication Services total				
20,313	Alphabet, Inc. 'A'	USD	14,164,864	4.52				8,441,126	2.70
			14,164,864	4.52				8,441,126	2.70
IT Services 2.16% (3.79%)					Utilities 3.32% (0.75%)				
89,710	Visa, Inc. 'A'	USD	6,767,722	2.16	55,668	Edison International	USD	4,257,489	1.36
			6,767,722	2.16	97,139	PG&E Corp.	USD	6,149,870	1.96
Semiconductors & Semiconductor Equipment					Utilities total				
2.93% (3.28%)					10,407,359				
34,995	Broadcom Ltd.	USD	5,427,375	1.73	Equities total				
45,369	Lam Research Corp.	USD	3,737,044	1.20	304,675,166				
			9,164,419	2.93	97.30				
Software 6.17% (7.01%)					Total Value of Investments				
29,389	Adobe Systems, Inc.	USD	2,788,722	0.89	304,675,166				
73,486	Electronic Arts, Inc.	USD	5,534,966	1.77	Net Other Assets (2015: - 1.47%)				
216,310	Microsoft Corp.	USD	11,012,342	3.51	8,468,712				
			19,336,030	6.17	Net Assets attributable to Preference Shareholders				
Technology Hardware, Storage & Peripherals					313,143,878				
3.34% (2.83%)					100.00				
110,078	Apple, Inc.	USD	10,455,209	3.34	The comparative percentage figures in brackets are as at 31 December 2015.				
			10,455,209	3.34					
Information Technology total									
			66,306,938	21.17					
Materials 3.83% (1.59%)									
Chemicals 3.25% (1.59%)									
27,752	Albemarle Corp.	USD	2,205,174	0.70					
90,229	Dow Chemical Co. (The)	USD	4,473,554	1.43					
34,066	PPG Industries, Inc.	USD	3,493,128	1.12					
			10,171,856	3.25					
Metals & Mining 0.58% (0.00%)									
37,437	Nucor Corp.	USD	1,820,561	0.58					
			1,820,561	0.58					
Materials total									
			11,992,417	3.83					

Far East Fund

Fund Investment Report

Investment Policy

To invest primarily for capital growth from a portfolio of equities in the principal Far Eastern and Asian markets.

Types of Investment

Investments are made for capital growth, primarily in shares of leading companies, but also may be held indirectly through other types of permitted investment such as unit trusts, investment trusts, convertible securities, traded options, warrants, fixed interest securities and other media as circumstances warrant and as permitted by the Regulations. Investments may be held in any approved Far Eastern market.

Exposure to individual economies will generally reflect relative level of market capitalisation. Consequently, a relatively large proportion of the Fund may consist of investments in the Japanese market.

It must be remembered that the price of shares and the income from them can go down as well as up.

Fund Performance

Over the six months to 30th June 2016, the Fund produced a total gross return of -3.0% in US Dollar terms, compared with a total return of -0.8% for the MSCI AC Asia Pacific Free Index.

Review

Following a strong performance in 2015, the last six months have witnessed a sharp setback in the Japanese equity market, with the TOPIX index posting a double-digit decline in local currency terms. The market has been buffeted by gyrations in the Yen, which has risen strongly against the US Dollar. The strength of the Yen has negative connotations for the country's export-oriented economy, with major exporters facing increasing competitive pressures. However for the Fund, the stronger Yen has benefited investment returns for US Dollar based investors.

During the six-month period, global equity markets experienced two notable bouts of volatility. Initially markets fell sharply in January amid growing concerns over the Chinese economic slowdown and the slump in the oil price. After rallying from mid-February, the decision by United Kingdom (UK) voters to leave the European Union (EU) following the June referendum caused further market volatility. On both occasions investors viewed the Yen as a 'safe haven', causing it to strengthen against other major currencies.

In January, the Bank of Japan surprised financial markets with its decision to adopt negative interest rates. The central bank lowered the base rate to -0.1%, in an attempt to promote economic activity and stimulate inflation. This announcement only weakened the Yen temporarily, and it is hard to gauge the extent to which negative interest rates will help support the Japanese economy. Following the global economic uncertainty triggered by the UK's vote to leave the European Union, the Bank of Japan may well embark on further monetary easing.

Overall, the Fund's exposure to Japan has been reduced over the reporting period. For example, the holding in Shimano, Inc. (Japan) was sold on concerns over the near-term risks to earnings following a cautious meeting with the management. Additionally, the Fund's positions in Yaskawa Electric Corp. (Japan), NEC Corp. (Japan) and Nissan Chemical Industries Ltd. (Japan) were sold during the first quarter, while subsequent sales included Tohoku Electric Power Co., Inc. (Japan) and ABC-Mart, Inc. (Japan). Some of the proceeds have been reinvested in companies such as FUJIFILM Holdings Corp. (Japan) and Soho Security Services Co. Ltd. (Japan).

Elsewhere in Asia, equity markets fared better, with the MSCI Asia Pacific ex Japan index posting a small positive return over the period in local-currency terms. This was despite a sharp fall in the Chinese market at the start of the year following renewed concerns over China's economic slowdown and the weakness of the Yuan. Gross Domestic Product data revealed that in 2015 the Chinese economy grew at its slowest pace for 25 years. In mid-February, Chinese equities, along with other Asian markets, benefited from an improvement in global risk appetite and a rally in commodity prices.

Across the Asian portion of the portfolio, we continued to favour companies with strong franchises and business models. New purchases included Reliance Industries Ltd., GDR (India), which soft-launched its telecommunications business in January. The company is well placed to become a strong player in this industry, having invested heavily in this area over the past few years. Other new purchases included Singapore Telecommunications Ltd. (Singapore) and Tenaga Nasional Bhd. (Malaysia).

The UK's decision to leave the EU was clearly unexpected by the markets and is likely to lead to a downward revision to global growth forecasts. China also continues to be a source of nervousness, however, following the recent global sell-off, Asian equity valuations have fallen to even more attractive levels. The region seems better positioned to ride out further volatility, supported by relatively stable currencies and improving earnings revisions. We are also encouraged by the continued trend towards higher dividend pay-outs across the region.

Far East Fund

Comparative Tables

for the accounting period 1st January 2016 to 30th June 2016

	Preference shares			
	2016	2015*	2014*	2013*
	US\$	US\$	US\$	US\$
Change in net assets per share				
Opening net asset value per share	2.8402	2.8965	2.9447	2.6120
Return before operating charges ¹	(0.0917)	0.0204	0.0175	0.3947
Operating charges	(0.0359)	(0.0767)	(0.0648)	(0.0603)
Return after operating charges	(0.1276)	(0.0563)	(0.0473)	0.3344
Distributions on preference shares	–	–	(0.0009)	(0.0017)
Closing net asset value per shares	2.7126	2.8402	2.8965	2.9447
¹ after direct transaction costs of	(0.0014)	(0.0063)	(0.0096)	(0.0110)
Performance				
Return after charges	(4.49)%	(1.94)%	(1.61)%	12.80%
Other information				
Closing net asset value (US\$)	6,949,707	7,575,989	8,287,068	9,433,056
Closing number of shares	2,561,996	2,667,400	2,860,982	3,203,359
Operating charges ²	2.70%	2.56%	2.23%	2.14%
Direct transaction costs	0.05%	0.21%	0.33%	0.39%
Prices				
Highest offer share price (US\$)	2.9920	3.4510	3.2890	3.1550
Lowest bid share price (US\$)	2.3760	2.6120	2.6900	2.6090

Additional comparative table disclosures to satisfy the requirements of the Authorised Collective Investment Schemes Regulations 2010:

	Net distribution per share US\$	Highest offer share price US\$	Lowest bid share price US\$
For the year ended:			
31st December 2011	–	3.1290	2.2050
31st December 2012	0.0106	2.7840	2.2750

Ongoing Charges Figure (“OCF”) For the period ended:

	OCF ₂ %
31st December 2015	2.56%
30th June 2016	2.70%

² Ongoing Charges Figure has replaced the Total Expense Ratio (“TER”) with effect from 30th June 2015. The OCF takes into account the annual management charge and any expenses incurred, expressed as a percentage of the average daily net asset values over the period. The main difference between the two calculations is the inclusion of custodian handling charges in the OCF. The comparative figures for the Operating charges and the OCF have not been restated, and the historic TER is disclosed. The OCF figure at 30th June 2016 is an annualised ratio.

The Operating charges are calculated on an ex-post basis and as such may differ from the OCF where:

- Changes to fee rates were made during the period and the OCF has been amended to be future proofed for this change.
- The OCF has been annualised for a share class that has not yet been open for a full year.

Please remember that past performance is not a guide to future performance and it might not be repeated. The value of investments and the revenue from them may go down as well as up and investors may not get back the amount originally invested. Because of this, you are not certain to make a profit on your investments and you may lose money.

*Based on amounts for 12 months to 31 December

Far East Fund

Statement of Total Return

for the accounting period 1st January 2016 to 30th June 2016

	June 2016	June 2015
	US\$	US\$
Income		
Net capital (losses)/gains	(353,544)	665,059
Revenue	97,148	95,775
Expenses	(76,507)	(92,694)
Net revenue before taxation	20,641	3,081
Taxation	(10,865)	(9,348)
Net revenue/(expense) after taxation	9,776	(6,267)
Total return before distribution	(343,768)	658,792
Distributions	200	419
Change in Net Assets Attributable to Preference Shareholders from investment activities	(343,568)	659,211

Balance Sheet

as at 30th June 2016

	June 2016	December 2015
	US\$	US\$
Assets:		
Fixed assets:		
Investments	6,888,666	7,551,968
Current assets:		
Debtors	126,021	101,792
Cash and bank balances	72,897	55,853
Total assets	7,087,584	7,709,613
Liabilities:		
Creditors:		
Bank overdrafts	–	(35,696)
Other creditors	(66,624)	(26,938)
Total liabilities	(66,624)	(62,634)
Equity		
Nominal shares	(71,253)	(70,990)
Total equity	(71,253)	(70,990)
Net Assets Attributable to Preference Shareholders	6,949,707	7,575,989

Statement of Change in Net Assets Attributable to Preference Shareholders

for the accounting period 1st January 2016 to 30th June 2016

	June 2016	June 2015
	US\$	US\$
Opening Net Assets Attributable to Preference Shareholders	7,575,989	8,287,068
Movement due to sales and repurchases of shares:		
Amounts receivable on issue of shares	73,055	6,605
Amounts payable on cancellation of shares	(355,769)	(345,534)
	(282,714)	(338,929)
Change in Net Assets Attributable to Preference Shareholders from investment activities (see above)	(343,568)	659,211
Closing Net Assets Attributable to Preference Shareholders	6,949,707	8,607,350

The comparatives used within the Statement of Change in Net Assets Attributable to Preference Shareholders are for the corresponding period of the previous year. Therefore the Opening Net Assets Attributable to Preference Shareholders for the current year are at 31st December 2015 whilst the figure disclosed in the comparatives' Closing Net Assets Attributable to Preference Shareholders is at 30th June 2015.

Far East Fund

Portfolio Statement

as at 30th June 2016

Holding	Investment	Currency	Market Value US\$	% of Net Assets	Holding	Investment	Currency	Market Value US\$	% of Net Assets
Collective Investment Schemes 1.19% (1.10%)					Indonesia 1.91% (1.96%)				
Mauritius 1.19% (1.10%)					56,200	Astra International Tbk. PT	IDR	31,369	0.45
1,340	Threadneedle India Fund Ltd.	USD	82,751	1.19	52,200	Bank Rakyat Indonesia Persero Tbk. PT	IDR	42,568	0.61
			82,751	1.19	31,200	Matahari Department Store Tbk. PT	IDR	47,108	0.68
Collective Investment Schemes total					57,900	Mitra Keluarga Karyasehat Tbk. PT	IDR	11,963	0.17
			82,751	1.19				133,008	1.91
Equities 97.93% (98.58%)					Ireland 0.00% (0.48%)				
Australia 11.03% (11.63%)					Japan 43.75% (46.15%)				
3,605	Amcor Ltd.	AUD	40,074	0.58	4,600	Alps Electric Co. Ltd.	JPY	85,605	1.23
3,881	BHP Billiton Ltd.	AUD	53,927	0.78	1,800	Astellas Pharma, Inc.	JPY	28,076	0.40
2,066	Brambles Ltd.	AUD	19,041	0.27	3,500	Capcom Co. Ltd.	JPY	80,352	1.16
1,752	Commonwealth Bank of Australia	AUD	97,064	1.40	10,000	Chiba Bank Ltd. (The)	JPY	46,793	0.67
1,261	CSL Ltd.	AUD	105,385	1.52	2,600	Dai-ichi Life Insurance Co. Ltd. (The)	JPY	28,552	0.41
1,324	LendLease Group	AUD	12,419	0.18	10,000	Daiwa Securities Group, Inc.	JPY	52,398	0.75
3,628	Link Administration Holdings Ltd.	AUD	22,057	0.32	1,300	Dentsu, Inc.	JPY	60,387	0.87
905	Macquarie Group Ltd.	AUD	46,457	0.67	2,000	Dexerials Corp.	JPY	13,921	0.20
3,893	QBE Insurance Group Ltd.	AUD	30,223	0.43	900	Don Quijote Holdings Co. Ltd.	JPY	33,121	0.48
1,073	Rio Tinto Ltd.	AUD	36,319	0.52	11,000	Ebara Corp.	JPY	60,051	0.86
18,367	Spotless Group Holdings Ltd.	AUD	15,258	0.22	1,400	Electric Power Development Co. Ltd.	JPY	32,455	0.47
13,331	Telstra Corp. Ltd.	AUD	55,124	0.79	300	FANUC Corp.	JPY	48,357	0.70
7,185	Transurban Group	AUD	64,185	0.92	900	FUJIFILM Holdings Corp.	JPY	34,594	0.50
18,099	Vicinity Centres, REIT	AUD	44,634	0.64	9,000	Fukuoka Financial Group, Inc.	JPY	29,304	0.42
5,151	Westpac Banking Corp.	AUD	112,753	1.62	12,000	Hanwa Co. Ltd.	JPY	61,883	0.89
764	Woolworths Ltd.	AUD	11,885	0.17	1,300	Hitachi High-Technologies Corp.	JPY	35,231	0.51
			766,805	11.03	9,000	Hitachi Ltd.	JPY	37,183	0.54
Cayman Islands 6.43% (5.54%)					7	Industrial & Infrastructure Fund Investment Corp., REIT	JPY	39,101	0.56
1,085	Alibaba Group Holding Ltd., ADR	USD	85,769	1.23	3,200	Itochu Techno-Solutions Corp.	JPY	68,473	0.99
288	Baidu, Inc., ADR	USD	47,062	0.68	800	Izumi Co. Ltd.	JPY	30,961	0.45
7,920	Cheung Kong Property Holdings Ltd.	HKD	49,360	0.71	2,700	J Front Retailing Co. Ltd.	JPY	27,742	0.40
6,920	CK Hutchison Holdings Ltd.	HKD	75,417	1.09	4,500	Japan Exchange Group, Inc.	JPY	51,238	0.74
17,046	Dali Foods Group Co. Ltd.	HKD	9,690	0.14	10	Japan Retail Fund Investment Corp., REIT	JPY	25,551	0.37
7,900	Tencent Holdings Ltd.	HKD	179,526	2.58	600	Kaken Pharmaceutical Co. Ltd.	JPY	39,072	0.56
			446,824	6.43	1,500	KDDI Corp.	JPY	45,506	0.66
China 4.26% (5.51%)					100	Keyence Corp.	JPY	67,401	0.97
107,000	China Construction Bank Corp. 'H'	HKD	70,616	1.02	1,400	Koito Manufacturing Co. Ltd.	JPY	63,804	0.92
76,000	China Petroleum & Chemical Corp. 'H'	HKD	54,761	0.79	800	Kose Corp.	JPY	66,914	0.96
20,000	PICC Property & Casualty Co. Ltd. 'H'	HKD	31,194	0.45	3,700	Kubota Corp.	JPY	49,307	0.71
16,000	Ping An Insurance Group Co. of China Ltd. 'H'	HKD	70,327	1.01	3,200	Kyowa Hakko Kirin Co. Ltd.	JPY	54,092	0.78
62,000	Sinopec Shanghai Petrochemical Co. Ltd. 'H'	HKD	28,211	0.40	10,000	Maeda Corp.	JPY	77,988	1.12
7,500	Zhuzhou CRRC Times Electric Co. Ltd. 'H'	HKD	41,086	0.59	3,500	Mazda Motor Corp.	JPY	46,352	0.67
			296,195	4.26	700	MEIJI Holdings Co. Ltd.	JPY	71,105	1.02
Hong Kong 6.36% (6.21%)					3,000	Mitsubishi Estate Co. Ltd.	JPY	54,762	0.79
24,200	AIA Group Ltd.	HKD	144,270	2.08	10,000	Mitsubishi Materials Corp.	JPY	23,591	0.34
10,500	BOC Hong Kong Holdings Ltd.	HKD	31,400	0.45	22,400	Mitsubishi UFJ Financial Group, Inc.	JPY	99,553	1.43
10,000	China Mobile Ltd.	HKD	114,333	1.64	500	Murata Manufacturing Co. Ltd.	JPY	55,445	0.80
8,000	China Overseas Land & Investment Ltd.	HKD	25,264	0.36	300	Nintendo Co. Ltd.	JPY	42,640	0.61
20,000	Guangdong Investment Ltd.	HKD	30,420	0.44	4,900	Nissan Motor Co. Ltd.	JPY	43,846	0.63
1,200	Hong Kong Exchanges and Clearing Ltd.	HKD	29,033	0.42	1,200	Nitto Denko Corp.	JPY	75,243	1.08
3,500	Power Assets Holdings Ltd.	HKD	32,031	0.46	2,100	Nomura Real Estate Holdings, Inc.	JPY	36,378	0.52
8,500	Techtronic Industries Co. Ltd.	HKD	35,170	0.51	1,700	OSG Corp.	JPY	28,090	0.40
			441,921	6.36	4,100	Panasonic Corp.	JPY	35,213	0.51
India 2.55% (1.91%)					8,200	Penta-Ocean Construction Co. Ltd.	JPY	43,006	0.62
660	HDFC Bank Ltd., ADR	USD	43,157	0.62	4,400	Rakuten, Inc.	JPY	47,247	0.68
2,665	Infosys Ltd., ADR	USD	47,837	0.69	1,800	Resorttrust, Inc.	JPY	38,604	0.56
550	Larsen & Toubro Ltd., GDR	USD	12,073	0.17	1,700	Sato Holdings Corp.	JPY	31,521	0.45
1,439	Reliance Industries Ltd., GDR	USD	41,083	0.59	1,800	SCSK Corp.	JPY	67,031	0.96
975	Tata Motors Ltd., ADR	USD	32,945	0.48	1,800	Seiko Epson Corp.	JPY	28,637	0.41
			177,095	2.55	3,600	Sekisui Chemical Co. Ltd.	JPY	44,009	0.63
					1,100	Shionogi & Co. Ltd.	JPY	59,697	0.86
					4,300	Skylark Co. Ltd.	JPY	54,243	0.78
					900	Sohgo Security Services Co. Ltd.	JPY	44,219	0.64
					2,900	Sony Corp.	JPY	84,473	1.22
					1,800	Suntory Beverage & Food Ltd.	JPY	81,068	1.17
					1,200	Suzuki Motor Corp.	JPY	32,205	0.46
					4,000	Tadano Ltd.	JPY	32,950	0.47
					600	Takeda Pharmaceutical Co. Ltd.	JPY	25,876	0.37

UK Capital Growth Fund

Fund Investment Report

Investment Policy

To invest primarily for capital growth from a portfolio of equities based in the United Kingdom.

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Types of Investment

Investments are made for capital growth, primarily in shares of leading companies, but also may be made indirectly through other types of permitted investment such as unit trusts, investment trusts, convertible securities, traded options, warrants and also through fixed interest securities and other media as circumstances warrant and as permitted by the Regulations.

It must be remembered that the price of shares and the income from them can go down as well as up.

Fund Performance

On a total return basis, over the six months to 30th June 2016 the FTSE All-Share Index produced a return of +4.3% in Sterling terms. By comparison, the Fund achieved a total gross return of +3.1% over the same period.

Review

United Kingdom (UK) equities rose 3.8% during the six-month period under review, but this figure masked some big swings, particularly following the turn of the year. Despite interest-rate “lift off” in the United States (US) early in the period, Bank of England Governor Mark Carney reiterated that UK rates were likely to remain low “for some time”. In January, equities at home and overseas were rattled by low and volatile oil prices, weakening Chinese economic growth, concerns over its global impact and the question of how central banks would respond to these issues.

The referendum on the UK’s membership of the European Union (EU), which took place on 23 June, was another source of instability, putting downward pressure on Sterling. When a Leave result was announced, markets took another sharp downward turn, although this seems to be reversing. Later in the period, a firming of commodity prices helped stabilise UK markets, despite data showing that growth in the UK had slowed in the first quarter.

Key activity during the period included opening and then building up a holding in building-materials business CRH plc (construction materials). The company provides good exposure to infrastructure construction, and we believe that it should be able to produce increasing returns. CRH plc also enjoys a strong standing in the US and recently carried out a positively viewed acquisition in Europe, which should further improve its market position. We took advantage of share-price weakness to open a position in broadcaster ITV plc (media). Though the company faces short-term weakness due to worries over advertising revenues in the first quarter, we are encouraged by management’s confidence in the company’s outlook. ITV plc continues to sell a significant amount of content and has an attractive free cashflow yield. We also used steady inflows to top up several of our favoured holdings, including Johnson Matthey plc (chemicals), Prudential plc (insurance) and Legal & General Group plc (insurance).

Among the main sales during the period, we sold our position in HSBC Holdings plc (banks). We feel that the bank faces relative diseconomies of scale, and we favour other companies in the sector. We took advantage of the oil-price bounce to exit our small, lower-conviction position in ITE Group plc (media) which has exposure to oil and gas.

The decision to leave the EU has created significant economic and political uncertainty. A mild UK recession is likely, but this prospect is likely to trigger a response from authorities. Authorities globally are using stimulus measures to try and deliver economic growth, leading to negative government bond yields. Therefore, equities that can deliver reliable, well-covered dividend streams should remain sought after.

We are still wary of other macroeconomic issues. At present, China is wrestling with its own banking crisis, policy fatigue is widespread, global growth is slowing and debt levels are heightened. The UK’s decision is also likely to cause further political and economic challenges for Europe.

Following the Leave vote, larger caps and defensive stocks have been far more resilient in these choppy markets. While investors may be tempted to sell down domestics and buy more US Dollar earners, we would argue it is probably now too late to make this adjustment given the scale of the outperformance of defensive large caps versus cyclical domestic stocks since the vote.

Mergers and acquisitions will continue to be a key theme, as overseas companies see the weaker pound as an opportunity to dust down UK bid targets. UK investors who can maintain a longer-term focus and withstand some turbulent times will likely be rewarded with exciting opportunities.

UK Capital Growth Fund

Comparative Tables

for the accounting period 1st January 2016 to 30th June 2016

	Preference shares			
	2016	2015*	2014*	2013*
	£	£	£	£
Change in net assets per share				
Opening net asset value per share	1.0615	1.0233	1.0076	0.8130
Return before operating charges ¹	0.0204	0.0729	0.0461	0.2259
Operating charges	(0.0109)	(0.0223)	(0.0209)	(0.0191)
Return after operating charges	0.0095	0.0506	0.0252	0.2068
Distributions on preference shares	–	(0.0124)	(0.0095)	(0.0122)
Closing net asset value per shares	1.0710	1.0615	1.0233	1.0076
¹ after direct transaction costs of	(0.0008)	(0.0009)	(0.0019)	(0.0018)
Performance				
Return after charges	0.89%	4.94%	2.50%	25.44%
Other information				
Closing net asset value (£)	37,933,798	37,658,730	39,812,017	43,142,475
Closing number of shares	35,417,728	35,476,811	38,903,428	42,816,297
Operating charges ²	2.08%	2.06%	2.05%	2.02%
Direct transaction costs	0.08%	0.09%	0.19%	0.19%
Prices				
Highest offer share price (£)	1.1640	1.2020	1.1140	1.0830
Lowest bid share price (£)	0.9444	0.9980	0.9423	0.8234

Additional comparative table disclosures to satisfy the requirements of the Authorised Collective Investment Schemes Regulations 2010:

	Net distribution per share	Highest offer share price	Lowest bid share price
	£	£	£
For the year ended:			
31st December 2011	0.0103	0.8385	0.6492
31st December 2012	0.0113	0.8830	0.7079

Ongoing Charges Figure (“OCF”)

For the period ended:	OCF ₂ %
31st December 2015	2.06%
30th June 2016	2.08%

² Ongoing Charges Figure has replaced the Total Expense Ratio (“TER”) with effect from 30th June 2015. The OCF takes into account the annual management charge and any expenses incurred, expressed as a percentage of the average daily net asset values over the period. The main difference between the two calculations is the inclusion of custodian handling charges in the OCF. The comparative figures for the Operating charges and the OCF have not been restated, and the historic TER is disclosed. The OCF figure at 30th June 2016 is an annualised ratio.

The Operating charges are calculated on an ex-post basis and as such may differ from the OCF where:

- Changes to fee rates were made during the period and the OCF has been amended to be future proofed for this change.
- The OCF has been annualised for a share class that has not yet been open for a full year.

Please remember that past performance is not a guide to future performance and it might not be repeated. The value of investments and the revenue from them may go down as well as up and investors may not get back the amount originally invested. Because of this, you are not certain to make a profit on your investments and you may lose money.

*Based on amounts for 12 months to 31 December

UK Capital Growth Fund

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Statement of Total Return

for the accounting period 1st January 2016 to 30th June 2016

	June 2016	*Reanalysed June 2015
	US\$	US\$
Income		
Net capital (losses)/gains	(42,514)	2,641,701
Revenue	986,573	1,125,216
Expenses	(513,995)	(662,050)
Net revenue before taxation	472,578	463,166
Taxation	(2,606)	(1,018)
Net revenue after taxation	469,972	462,148
Total return before distribution	427,458	3,103,849
Distributions	(1,044)	(17,783)
Change in Net Assets Attributable to Preference Shareholders from investment activities	426,414	3,086,066

Balance Sheet

as at 30th June 2016

	June 2016	December 2015
	US\$	US\$
Assets:		
Fixed assets:		
Investments	49,989,686	55,785,990
Current assets:		
Debtors	620,190	485,617
Cash and bank balances	1,206,923	404,385
Total assets	51,816,799	56,675,992
Liabilities		
Creditors:		
Distribution payable	–	(649,105)
Other creditors	(502,250)	(133,447)
Total liabilities	(502,250)	(782,552)
Equity		
Nominal shares	(382,737)	(382,589)
Total equity	(382,737)	(382,589)
Net Assets Attributable to Preference Shareholders	50,931,812	55,510,851

Statement of Change in Net Assets Attributable to Preference Shareholders

for the accounting period 1st January 2016 to 30th June 2016

	June 2016	June 2015
	US\$	US\$
Opening Net Assets Attributable to Preference Shareholders	55,510,851	62,076,873
Movement due to sales and repurchases of shares:		
Amounts receivable on issue of shares	2,275,141	101,332
Amounts payable on cancellation of shares	(2,332,336)	(4,178,744)
	(57,195)	(4,077,412)
Difference on currency conversion	(4,948,360)	539,452
Change in Net Assets Attributable to Preference Shareholders from investment activities (see above)	426,414	3,086,066
Unclaimed distributions	102	–
Closing Net Assets Attributable to Preference Shareholders	50,931,812	61,624,979

The comparatives used within the Statement of Change in Net Assets Attributable to Preference Shareholders are for the corresponding period of the previous year. Therefore the Opening Net Assets Attributable to Preference Shareholders for the current year are at 31st December 2015 whilst the figure disclosed in the comparatives' Closing Net Assets Attributable to Preference Shareholders is at 30th June 2015.

*Please refer to the Accounting policies on page 43.

UK Capital Growth Fund

Portfolio Statement

as at 30th June 2016

Holding	Investment	Currency	Market Value US\$	% of Net Assets	Holding	Investment	Currency	Market Value US\$	% of Net Assets
Equities 98.15% (100.50%)					Financials 15.10% (19.64%)				
Consumer Discretionary 19.76% (19.56%)					Banks 1.17% (4.08%)				
Auto Components 1.90% (2.23%)					146,737	Barclays plc	GBP	269,420	0.53
272,500	GKN plc	GBP	969,195	1.90	43,544	Standard Chartered plc	GBP	324,419	0.64
			969,195	1.90				593,839	1.17
Distributors 0.36% (0.00%)					Capital Markets 1.36% (1.53%)				
21,674	Inchcape plc	GBP	181,442	0.36	34,028	Intermediate Capital Group plc	GBP	223,687	0.44
			181,442	0.36	19,759	Schroders plc, (Non-Voting)	GBP	471,428	0.92
Hotels, Restaurants & Leisure 7.59% (8.01%)								695,115	1.36
16,485	Carnival plc	GBP	725,982	1.43	Diversified Financial Services 2.41% (2.69%)				
52,462	Compass Group plc	GBP	995,290	1.95	36,987	London Stock Exchange Group plc	GBP	1,227,113	2.41
27,765	Greene King plc	GBP	292,265	0.57				1,227,113	2.41
21,783	InterContinental Hotels Group plc	GBP	795,809	1.56	Insurance 8.35% (9.02%)				
34,473	J D Wetherspoon plc	GBP	324,228	0.64	456,735	Legal & General Group plc	GBP	1,157,175	2.27
124,741	Merlin Entertainments plc	GBP	733,075	1.44	94,819	Prudential plc	GBP	1,572,263	3.09
			3,866,649	7.59	108,948	RSA Insurance Group plc	GBP	723,350	1.42
Household Durables 1.96% (3.09%)					76,338	St James's Place plc	GBP	798,437	1.57
11,684	Bellway plc	GBP	292,259	0.57				4,251,225	8.35
150,247	Crest Nicholson Holdings plc	GBP	706,455	1.39	Real Estate Investment Trusts (REITs) 0.94% (1.35%)				
			998,714	1.96	13,803	Derwent London plc	GBP	481,477	0.94
Media 7.13% (5.38%)								481,477	0.94
97,514	Daily Mail & General Trust plc 'A'	GBP	771,816	1.51	Real Estate Management & Development 0.87% (0.97%)				
373,036	ITV plc	GBP	892,527	1.75	157,128	Grainger plc	GBP	444,298	0.87
49,964	Pearson plc	GBP	639,983	1.26				444,298	0.87
72,852	RELX plc	GBP	1,327,346	2.61	Financials total				
			3,631,672	7.13				7,693,067	15.10
Textiles, Apparel & Luxury Goods 0.82% (0.85%)					Health Care 9.08% (9.17%)				
26,758	Burberry Group plc	GBP	414,593	0.82	Health Care Equipment & Supplies 2.63% (2.20%)				
			414,593	0.82	79,840	Smith & Nephew plc	GBP	1,336,749	2.63
Consumer Discretionary total								1,336,749	2.63
			10,062,265	19.76	Pharmaceuticals 6.45% (6.97%)				
Consumer Staples 18.35% (16.36%)					27,787	AstraZeneca plc	GBP	1,637,271	3.21
Beverages 2.74% (2.50%)					77,792	GlaxoSmithKline plc	GBP	1,648,180	3.24
50,633	Diageo plc	GBP	1,392,619	2.74				3,285,451	6.45
			1,392,619	2.74	Health Care total				
Food & Staples Retailing 1.06% (1.49%)								4,622,200	9.08
232,576	Booker Group plc	GBP	540,536	1.06	Industrials 12.33% (13.33%)				
			540,536	1.06	Aerospace & Defense 3.13% (2.56%)				
Household Products 3.66% (3.14%)					110,544	BAE Systems plc	GBP	770,310	1.51
75,338	PZ Cussons plc	GBP	328,948	0.65	63,039	Rolls-Royce Holdings plc	GBP	597,977	1.18
15,414	Reckitt Benckiser Group plc	GBP	1,532,096	3.01	4,475,769	Rolls-Royce Holdings plc preference 'C'	GBP	6,009	0.01
			1,861,044	3.66	9,408	Ultra Electronics Holdings plc	GBP	218,401	0.43
Personal Products 3.16% (2.64%)								1,592,697	3.13
33,985	Unilever plc	GBP	1,610,966	3.16	Air Freight & Logistics 1.11% (1.01%)				
			1,610,966	3.16	85,537	Royal Mail plc	GBP	566,996	1.11
Tobacco 7.73% (6.59%)								566,996	1.11
26,059	British American Tobacco plc	GBP	1,668,933	3.28	Commercial Services & Supplies 3.58% (3.63%)				
41,911	Imperial Brands plc	GBP	2,269,442	4.45	12,569	Aggreko plc	GBP	214,154	0.42
			3,938,375	7.73	46,748	Berendsen plc	GBP	759,471	1.49
Consumer Staples total					14,197	De La Rue plc	GBP	95,975	0.19
			9,343,540	18.35	291,150	Rentokil Initial plc	GBP	752,116	1.48
Energy 7.29% (7.04%)								1,821,716	3.58
Energy Equipment & Services 2.39% (1.87%)					Industrial Conglomerates 1.18% (1.00%)				
34,514	Hunting plc	GBP	221,738	0.44	39,202	Smiths Group plc	GBP	600,560	1.18
109,307	John Wood Group plc	GBP	995,774	1.95				600,560	1.18
			1,217,512	2.39	Machinery 0.53% (1.98%)				
Oil, Gas & Consumable Fuels 4.90% (5.17%)					11,583	IMI plc	GBP	148,054	0.29
91,597	Royal Dutch Shell plc 'B'	GBP	2,494,089	4.90	21,865	Melrose Industries plc	GBP	123,667	0.24
			2,494,089	4.90				271,721	0.53
Energy total								3,711,601	7.29

UK Capital Growth Fund
Portfolio Statement (continued)
as at 30th June 2016

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Holding	Investment	Currency	Market Value US\$	% of Net Assets	Holding	Investment	Currency	Market Value US\$	% of Net Assets
Road & Rail 0.83% (0.98%)					Construction Materials 2.84% (0.98%)				
136,429	Stagecoach Group plc	GBP	423,687	0.83	572,632	Breedon Aggregates Ltd.#	GBP	472,839	0.93
			<u>423,687</u>	<u>0.83</u>	33,756	CRH plc	GBP	972,168	1.91
								<u>1,445,007</u>	<u>2.84</u>
Trading Companies & Distributors 1.97% (2.17%)					Containers & Packaging 1.51% (2.13%)				
19,554	Wolseley plc	GBP	1,005,010	1.97	102,430	DS Smith plc	GBP	525,493	1.03
			<u>1,005,010</u>	<u>1.97</u>	23,756	RPC Group plc	GBP	246,078	0.48
								<u>771,571</u>	<u>1.51</u>
Industrials total					Metals & Mining 2.21% (2.20%)				
			<u>6,282,387</u>	<u>12.33</u>	36,948	Rio Tinto plc	GBP	1,123,874	2.21
Information Technology 3.27% (3.84%)					Materials total				
IT Services 0.99% (1.18%)								<u>4,610,177</u>	<u>9.05</u>
85,993	FDM Group Holdings plc	GBP	502,244	0.99	Telecommunication Services 3.92% (4.30%)				
			<u>502,244</u>	<u>0.99</u>	Diversified Telecommunication Services 3.92% (4.30%)				
Semiconductors & Semiconductor Equipment 0.50% (0.47%)					367,562	BT Group plc	GBP	1,998,704	3.92
17,109	ARM Holdings plc	GBP	255,212	0.50				<u>1,998,704</u>	<u>3.92</u>
			<u>255,212</u>	<u>0.50</u>	Telecommunication Services total				
Software 1.78% (2.19%)								<u>1,998,704</u>	<u>3.92</u>
106,116	Sage Group plc (The)	GBP	908,289	1.78	Equities total				
			<u>908,289</u>	<u>1.78</u>				<u>49,989,686</u>	<u>98.15</u>
Information Technology total					Total Value of Investments				
			<u>1,665,745</u>	<u>3.27</u>	49,989,686 98.15				
Materials 9.05% (7.26%)					Net Other Assets (2015: – (0.50)%)				
Chemicals 2.49% (1.95%)					942,126 1.85				
45,627	Essentra plc	GBP	313,044	0.61	Net Assets attributable to Preference Shareholders				
25,603	Johnson Matthey plc	GBP	956,681	1.88	<u>50,931,812</u> <u>100.00</u>				
			<u>1,269,725</u>	<u>2.49</u>					

The comparative percentage figures in brackets are as at 31 December 2015.

Security traded on another regulated market.

Europe Fund

Fund Investment Report

Investment Policy

To invest primarily for capital growth from a portfolio of European equities.

Types of Investment

Investments are made principally for prospects of capital growth in Continental European stocks, generally in shares of leading European companies, but also may be made indirectly through other types of permitted investment such as unit trusts, investment trusts, convertible securities, traded options, warrants, fixed interest securities and other media as circumstances warrant and as permitted by the Regulations.

It must be remembered that the price of shares and the income from them can go down as well as up.

Fund Performance

Over the six months under review, the Fund produced a total gross return of -9.5%, which was behind the FTSE World Europe ex UK Index, which returned -7.1% in Euro terms.

Review

During the six-month review period, European markets endured volatile trading conditions. Markets were whipsawed as concerns regarding China's economy intensified before abating somewhat. The oil price was another source of concern, reaching multi-year lows before firming again. Geopolitical tensions escalated, and so-called Islamic State extremists launched attacks in Brussels. The prospect of a prolonged period of low interest rates, sub-optimal economic growth and an increasingly punitive regulatory environment also prompted speculation regarding the stability of some of Europe's financial institutions.

However, investors were heartened by news that the European Central Bank (ECB) had unleashed a further round of measures designed to stimulate the economy and drive inflation upwards. Economic data in the Eurozone was broadly encouraging, Gross Domestic Product growth for the first quarter of 2016 reached 0.6% and the region's composite purchasing managers' index remained in expansionary territory throughout the review period.

In the political arena, Spain and Ireland struggled to form new governments following inconclusive elections; Ireland eventually resolved the impasse in May, but Spain's second election yielded another inconclusive result. The influx of refugees into Europe was one of the key issues during the Austrian presidential election campaign – the right-wing, anti-European Union (EU) candidate was narrowly defeated, only for the result to be declared invalid. This rise to prominence of a right-wing, anti-immigration movement in Austria mirrors trends in some other European countries, such as France and Denmark.

European markets received a shock in June, when the United Kingdom (UK) voted to leave the EU, ushering in a period of economic uncertainty and boosting support for anti-EU and anti-European factions. Elsewhere, Sterling fell sharply, the UK prime minister resigned and the S&P ratings agency removed the UK's AAA credit rating. European equities reacted negatively, notably financial stocks and others exposed to 'Brexit' risks. However, central banks stood ready to provide support, encouraging a relief rally in equity markets towards the end of the review period.

New holdings included Nestlé SA (Switzerland), Deutsche Telekom AG (Germany) and Royal Dutch Shell plc (United Kingdom). Food group Nestlé SA has a powerful brand portfolio and an extensive global presence – the stock also has defensive merits. Deutsche Telekom AG has exciting expansion opportunities in the United States (US), and the stock was trading at an attractive valuation. We initiated a position in Anglo-Dutch oil major Royal Dutch Shell plc as the outlook for energy stocks improved. The UK-quoted stock is also likely to benefit from Sterling's weakness.

Mindful of the turbulence in financial markets, we trimmed several stocks in the sector, including ING Groep NV, CVA (Netherlands) and UBS Group AG (Switzerland). We sold a portion of our holdings in bank Intesa Sanpaolo SpA (Italy); the Italian banking system is under strain and is threatening to recapitalise, which would be detrimental for existing shareholders. We also reduced Bayer AG (Germany), after the chemicals company submitted an unsolicited and financially ambitious takeover bid for Monsanto Company.

Equity markets dislike uncertainty and may be fragile in the wake of the UK's vote to leave the EU. It will take time before the full political, financial and economic repercussions become clear. There is also the risk of anti-EU political contagion; Spain's general election yielded another inconclusive result, while France and Germany head to the polls next year. November's presidential election in the US will also command attention. We continue to monitor the oil price and China's economic outlook, both of which have affected equity markets in recent months. Global geopolitical tensions may create additional volatility.

However, market corrections also provide us with investment opportunities, and we may see a resurgence in mergers and acquisitions, particularly as interest rates are likely to remain low in the UK and Europe, as well as in the US. Quantitative easing, relatively low energy prices and loose credit conditions continue to help the trading environment for European companies. In the UK, exporters and global businesses will benefit from Sterling's weakness. We continue to favour companies with robust earnings prospects and pricing power.

Europe Fund

Comparative Tables

for the accounting period 1st January 2016 to 30th June 2016

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	Preference shares			
	2016	2015*	2014*	2013*
	EUR	EUR	EUR	EUR
Change in net assets per share				
Opening net asset value per share	5.0316	4.2771	4.0636	3.4198
Return before operating charges ¹	(0.5099)	0.8628	0.2978	0.7206
Operating charges	(0.0497)	(0.1083)	(0.0843)	(0.0768)
Return after operating charges	(0.5596)	0.7545	0.2135	0.6438
Distributions on preference shares	–	–	–	–
Closing net asset value per shares	4.4720	5.0316	4.2771	4.0636
¹ after direct transaction costs of	(0.0043)	(0.0120)	(0.0069)	(0.0063)
Performance				
Return after charges	(11.12)%	17.64%	5.25%	18.83%
Other information				
Closing net asset value (EUR)	24,972,403	29,773,058	27,796,255	29,509,186
Closing number of shares	5,584,194	5,917,171	6,498,822	7,261,877
Operating charges ²	2.17%	2.16%	2.06%	2.04%
Direct transaction costs	0.09%	0.24%	0.17%	0.17%
Prices				
Highest offer share price (EUR)	5.2170	5.7000	4.6250	4.2900
Lowest bid share price (EUR)	4.1560	4.1920	3.7360	3.4160

Additional comparative table disclosures to satisfy the requirements of the Authorised Collective Investment Schemes Regulations 2010:

	Net distribution per share EUR	Highest offer share price EUR	Lowest bid share price EUR
For the year ended:			
31st December 2011	0.0107	3.5240	2.4610
31st December 2012	0.0007	3.6480	2.7140

Ongoing Charges Figure (“OCF”)

For the period ended:	OCF ₂ %
31st December 2015	2.16%
30th June 2016	2.17%

² Ongoing Charges Figure has replaced the Total Expense Ratio (“TER”) with effect from 30th June 2015. The OCF takes into account the annual management charge and any expenses incurred, expressed as a percentage of the average daily net asset values over the period. The main difference between the two calculations is the inclusion of custodian handling charges in the OCF. The comparative figures for the Operating charges and the OCF have not been restated, and the historic TER is disclosed. The OCF figure at 30th June 2016 is an annualised ratio.

The Operating charges are calculated on an ex-post basis and as such may differ from the OCF where:

- (a) Changes to fee rates were made during the period and the OCF has been amended to be future proofed for this change.
- (b) The OCF has been annualised for a share class that has not yet been open for a full year.

Please remember that past performance is not a guide to future performance and it might not be repeated. The value of investments and the revenue from them may go down as well as up and investors may not get back the amount originally invested. Because of this, you are not certain to make a profit on your investments and you may lose money.

*Based on amounts for 12 months to 31 December

Europe Fund

Statement of Total Return

for the accounting period 1st January 2016 to 30th June 2016

	June 2016	June 2015
	US\$	US\$
Income		
Net capital (losses)/gains	(3,861,226)	5,209,105
Revenue	694,375	664,275
Expenses	(302,869)	(360,337)
Net revenue before taxation	391,506	303,938
Taxation	(166,692)	(179,693)
Net revenue after taxation	224,814	124,245
Total return before distribution	(3,636,412)	5,333,350
Distributions	(1,866)	(7,106)
Change in Net Assets Attributable to Preference Shareholders from investment activities	(3,638,278)	5,326,244

Balance Sheet

as at 30th June 2016

	June 2016	December 2015
	US\$	US\$
Assets:		
Fixed assets:		
Investments	27,369,202	32,277,358
Current assets:		
Debtors	257,092	98,161
Cash and bank balances	383,906	161,738
Total assets	28,010,200	32,537,257
Liabilities:		
Creditors:		
Bank overdrafts	–	(25,823)
Other creditors	(160,615)	(69,506)
Total liabilities	(160,615)	(95,329)
Equity:		
Nominal shares	(90,762)	(89,929)
Total equity	(90,762)	(89,929)
Net Assets Attributable to Preference Shareholders	27,758,823	32,351,999

Statement of Change in Net Assets Attributable to Preference Shareholders

for the accounting period 1st January 2016 to 30th June 2016

	June 2016	June 2015
	US\$	US\$
Opening Net Assets Attributable to Preference Shareholders	32,351,999	33,635,691
Movement due to sales and repurchases of shares:		
Amounts receivable on issue of shares	146,469	7,670
Amounts payable on cancellation of shares	(1,844,503)	(1,884,458)
	(1,698,034)	(1,876,788)
Difference on currency conversion	743,136	(2,641,481)
Change in Net Assets Attributable to Preference Shareholders from investment activities (see above)	(3,638,278)	5,326,244
Closing Net Assets Attributable to Preference Shareholders	27,758,823	34,443,666

The comparatives used within the Statement of Change in Net Assets Attributable to Preference Shareholders are for the corresponding period of the previous year. Therefore the Opening Net Assets Attributable to Preference Shareholders for the current year are at 31st December 2015 whilst the figure disclosed in the comparatives' Closing Net Assets Attributable to Preference Shareholders is at 30th June 2015.

Europe Fund
Portfolio Statement
as at 30th June 2016

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Holding	Investment	Currency	Market Value US\$	% of Net Assets	Holding	Investment	Currency	Market Value US\$	% of Net Assets
Equities 98.60% (99.77%)					Sweden 5.65% (6.25%)				
Belgium 3.33% (3.79%)					29,389	Assa Abloy AB 'B'	SEK	596,378	2.15
7,087	Anheuser-Busch InBev SA	EUR	924,062	3.33	8,431	Atlas Copco AB 'A'	SEK	215,973	0.77
			924,062	3.33	56,310	Nordea Bank AB	SEK	468,636	1.69
Denmark 5.40% (6.11%)					24,097	Svenska Handelsbanken AB 'A'	SEK	288,445	1.04
3,558	Chr Hansen Holding A/S	DKK	233,143	0.84				1,569,432	5.65
17,110	Novo Nordisk A/S 'B'	DKK	914,612	3.30	Switzerland 17.63% (14.21%)				
2,581	Pandora A/S	DKK	350,316	1.26	2,364	Cie Financiere Richemont SA	CHF	136,990	0.49
			1,498,071	5.40	16,704	Nestlé SA	CHF	1,292,059	4.66
Finland 2.35% (2.23%)					14,857	Novartis AG	CHF	1,217,062	4.38
6,560	Kone OYJ 'B'	EUR	299,554	1.08	5,752	Roche Holding AG	CHF	1,507,469	5.43
8,759	Sampo OYJ 'A'	EUR	353,721	1.27	120	Sika AG	CHF	501,735	1.81
			653,275	2.35	18,618	UBS Group AG	CHF	239,476	0.86
France 20.49% (19.05%)								4,894,791	17.63
7,203	Amundi SA	EUR	299,371	1.08	United Kingdom 2.09% (0.00%)				
21,635	AXA SA	EUR	424,105	1.53	21,202	Royal Dutch Shell plc 'A'	EUR	578,705	2.09
3,899	Essilor International SA	EUR	517,486	1.86				578,705	2.09
22,149	Groupe Eurotunnel SE	EUR	233,500	0.84	United States of America 0.76% (1.01%)				
51,670	Havas SA	EUR	398,773	1.44	1,981	Autoliv, Inc., SDR	SEK	211,638	0.76
1,933	Iliad SA	EUR	390,738	1.41				211,638	0.76
3,902	Ingenico Group SA	EUR	456,076	1.64	Equities total				
5,402	Legrand SA	EUR	277,180	1.00				27,369,202	98.60
2,589	L'Oreal SA	EUR	494,276	1.78	Total Value of Investments				
3,747	Pernod Ricard SA	EUR	416,717	1.50				27,369,202	98.60
4,739	Schneider Electric SE	EUR	278,033	1.00	Net Other Assets (2015: - 0.23%)				
18,977	TOTAL SA	EUR	910,015	3.28				389,621	1.40
8,342	Vinci SA	EUR	590,121	2.13	Net Assets attributable to Preference Shareholders				
			5,686,391	20.49				27,758,823	100.00
Germany 12.90% (16.09%)					The comparative percentage figures in brackets are as at 31st December 2015.				
2,413	Allianz SE	EUR	340,377	1.23					
4,405	Bayer AG	EUR	437,307	1.58					
8,195	Brenntag AG	EUR	394,209	1.42					
2,388	Continental AG	EUR	447,010	1.61					
1,645	Deutsche Boerse AG	EUR	133,502	0.48					
45,331	Deutsche Telekom AG	EUR	764,402	2.75					
8,192	Fresenius Medical Care AG & Co. KGaA	EUR	712,185	2.57					
2,535	Linde AG	EUR	351,105	1.26					
			3,580,097	12.90					
Ireland 4.97% (5.88%)									
26,161	CRH plc	EUR	752,592	2.71					
12,529	Kingspan Group plc	EUR	267,816	0.97					
3,415	Paddy Power Betfair plc	EUR	358,574	1.29					
			1,378,982	4.97					
Italy 3.53% (4.37%)									
15,104	Atlantia SpA	EUR	370,540	1.34					
3,547	Ei Towers SpA	EUR	180,106	0.65					
59,280	Infrastrutture Wireless Italiane SpA	EUR	261,469	0.94					
91,207	Intesa Sanpaolo SpA	EUR	167,588	0.60					
			979,703	3.53					
Netherlands 9.17% (12.13%)									
8,413	Akzo Nobel NV	EUR	524,538	1.89					
2,191	ASML Holding NV	EUR	214,882	0.77					
26,458	ING Groep NV, CVA	EUR	268,133	0.97					
31,570	RELX NV	EUR	546,742	1.97					
21,339	Unilever NV, CVA	EUR	991,852	3.57					
			2,546,147	9.17					
Norway 1.01% (0.00%)									
23,663	DNB ASA	NOK	281,164	1.01					
			281,164	1.01					
Spain 9.32% (8.65%)									
7,756	Amadeus IT Holding SA 'A'	EUR	338,520	1.22					
34,716	Cellnex Telecom SAU	EUR	540,254	1.95					
29,185	Ferrovial SA	EUR	563,995	2.03					
19,241	Grifols SA	EUR	431,394	1.55					
8,845	Industria de Diseno Textil SA	EUR	294,024	1.06					
85,345	International Consolidated Airlines Group SA	EUR	418,557	1.51					
			2,586,744	9.32					

Aggregated Financial Statements

for Allied Dunbar

International Funds Limited

Statement of Total Return

for the accounting period 1st January 2016 to 30th June 2016

	June 2016	*Reanalysed June 2015
	US\$	US\$
Income		
Net capital (losses)/gains	(9,067,097)	13,723,343
Revenue	6,716,859	6,164,761
Expenses	(5,642,477)	(5,830,308)
Net revenue before taxation	1,074,382	334,453
Taxation	(1,430,401)	(1,065,847)
Net expense after taxation	(356,019)	(731,394)
Total return before distributions	(9,423,116)	12,991,949
Distributions	(51,745)	(73,172)
Change in Net Assets attributable to Preference Shareholders from investment activities	(9,474,861)	12,918,777

Statement of Change in Net Assets Attributable to Preference Shareholders

for the accounting period 1st January 2016 to 30th June 2016

	June 2016	June 2015
	US\$	US\$
Opening Net Assets attributable to Preference Shareholders	577,315,618	572,649,954
Movement due to sales and repurchases of shares:		
Amounts receivable on issue of shares	67,572,907	38,572,267
Amounts payable on cancellation of shares	(59,748,395)	(50,509,863)
	7,824,512	(11,937,596)
Difference on currency conversion	(5,742,155)	(1,947,237)
Change in Net Assets attributable to Preference Shareholders from investment activities (see above)	(9,474,861)	12,918,777
Unclaimed distributions	102	1,660
Closing Net Assets attributable to Preference Shareholders	569,923,216	571,685,558

Balance Sheet

as at 30th June 2016

	June 2016	December 2015
	US\$	US\$
Assets		
Fixed assets:		
Investments	554,419,675	564,632,044
Current assets:		
Debtors	10,914,316	2,770,821
Cash and bank balances	11,508,757	13,965,087
Total assets	576,842,748	581,367,952
Liabilities		
Creditors:		
Bank overdrafts	-	(155,222)
Distribution payable	(38,139)	(700,101)
Other creditors	(5,093,796)	(1,409,767)
Total liabilities	(5,131,935)	(2,265,090)
Equity		
Management shares	(10)	(10)
Nominal shares	(1,787,587)	(1,787,234)
Total equity	(1,787,597)	(1,787,244)
Net Assets attributable to Preference Shareholders	569,923,216	577,315,618

The Aggregated Financial Statements represent the sum of the individual sub-funds within the Umbrella Company. Further analysis of the Distribution and the Net Asset position can be found within the Financial Statements of the individual sub-funds.

The interim financial statements of each of the sub-funds have been prepared in accordance with the Statement of Recommended Practice (SORP) for Authorised Funds issued by The Investment Association in May 2014 which supercedes the SORP issued in October 2010, the Authorised Collective Investment Schemes Regulations 2010 and the Isle of Man Companies Acts 1931 to 2004.

The accounting policies applied are consistent with those of the annual financial statements for the year ending 31st December 2015 and are described in those financial statements.

* There has been no change to the financial position or financial performance of the Fund as a result of preparing these statements in accordance with SORP 2014 rather than SORP 2010. However, as a result of this change certain comparative items have been restated in the Financial Statements as set out below.

Statement of Total Return

Where overdraft interest payable is not material it has been disclosed under Expenses.

The Interim Report and Accounts were approved and authorised for issue by the Board of Directors of Allied Dunbar International Funds Limited and signed on its behalf by:

Director
16th August 2016

Director
16th August 2016

Further Information

Taxation

The Company is resident in the Isle of Man and, as such, is liable to Isle of Man Income Tax on profits. Under current Isle of Man taxation rules, a rate of 0% (2015: 0%) will apply and so no provision for Isle of Man taxation has been deemed necessary in these Financial Statements.

Dividend payments to Preference Shareholders can be made without the deduction of Isle of Man taxation at source.

Price Publication

Allied Dunbar International Fund Managers Limited publishes prices for each of the sub-funds which are available on the Allied Dunbar International website (www.allieddunbarint.com).

Directors' Fees

Each Director is entitled to an equivalent payment in Sterling for Directors' fees of US\$ 8,500 per annum. All Directors, except the non-executive Directors, waive their rights to any Directors' fees.

Approval of Financial Statements

The Financial Statements were approved by the Board of Directors on 16th August 2016.

Regulator Name Change

On 1st November 2015, the Isle of Man regulators merged to form the Isle of Man Financial Services Authority. Allied Dunbar International Fund Managers Limited is licensed by the Isle of Man Financial Services Authority to provide services to Collective Investment Schemes.

A copy of these audited Financial Statements is available on request from the Manager.

Issued by

**Allied Dunbar International
Fund Managers Limited**

Licensed by the Isle of Man
Financial Services Authority

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