

# Interim Reports and Accounts

For the six months  
ended 30th June 2017

■ *Allied Dunbar  
International  
Funds Limited*

*International*





# Contents

■ Directors, Management and Administration	1	■ Gilt and Income Fund	20 – 24
■ Report of the Directors	2	■ North American Growth Fund	25 – 29
■ Investment Report	3	■ Far East Fund	30 – 35
■ Report of the Manager	4	■ UK Capital Growth Fund	36 – 40
■ Managed Fund	5– 11	■ Europe Fund	41 – 44
■ Worldwide Equity Fund	12 – 16	■ Aggregated Financial Statements	45
■ Managed Currency Fund	17 – 19	■ Further Information	46

# Directors, Management and Administration

## **Board of Directors:**

Christopher James Tunley  
Non Executive Director

Peter James Scott Hammonds  
Non Executive Director

Jeffrey Boysie McPherson More  
Director of Charles Taylor  
International Fund Managers (IOM) Limited

Douglas Ian Handley Jones  
Director of Charles Taylor  
International Fund Managers (IOM) Limited

Darren Mark Kelly  
Director of Charles Taylor  
International Fund Managers (IOM) Limited

## **Manager and Registrar:**

Charles Taylor International Fund Managers  
(IOM) Limited  
Registered Office:  
St George's Court,  
Upper Church Street,  
Douglas  
Isle of Man IM1 1EE

Registered in the Isle of Man No. 023846C  
Telephone: +44 (0) 1624 661551

## **Company Secretary:**

Jeffrey Boysie McPherson More

## **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:**

St George's Court,  
Upper Church Street,  
Douglas  
Isle of Man IM1 1EE  
Registered in the Isle of Man No. 024161C

# 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 2017 and also an analysis of each Fund including a Portfolio Statement.

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 Charles Taylor International Fund Managers (IOM) Limited.

As can be seen from the following accounts, the Company, at 30th June 2017, had funds under management (FUM) of approximately US\$ 194 million (December 2016: US\$ 537 million). The significant reduction in FUM at 30 June 2017 is explained by the disinvestment of Zurich International Life Limited’s clients from the Company following the acquisition of the fund manager by Charles Taylor Plc on 28 April 2017 (see page 46).

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.

23rd August 2017

# Investment Report

## Market Review

Global equities performed well over the period under review, with all major regional markets posting strong returns in local currency terms. The returns for investors based in the United Kingdom (UK) were even stronger due to the continued weakness of Sterling in the wake of the UK's vote to leave the European Union (EU) in the June 2016 referendum.

World stock markets continued to benefit from a marked improvement in global risk appetite, some better than expected corporate results, ongoing monetary stimulus and signs of economic stabilisation in China. Additionally, equity markets continued to be buoyed by Donald Trump's victory in the November 2016 United States (US) presidential election, given expectations of lower taxes, looser regulation and increased infrastructure spending.

Within the US, robust employment data and solid economic growth heightened expectations for a further rise in interest rates following the hike in December 2016. The Federal Reserve duly delivered two quarter-point rate hikes in March and June, bringing the target range to 1%-1.25%.

Stock markets in the US and UK hit record highs during the first half of 2017, and key European markets scaled new heights as populist political parties in Europe lost ground. Notably, pro-EU candidate Emmanuel Macron won the French presidential election.

Sentiment was also supported by the continuation of record low interest rates in the UK, Japan, and the Eurozone. The Bank of Japan endeavoured to boost inflation and weaken the Yen, with mixed success. In the UK, the Bank of England held rates at a historic low of 0.25% to help support the economy.

Economic activity globally has generally been more robust than expected. In the months immediately following the "Brexit" vote, the UK proved more resilient than many commentators had predicted, but recently there have been signs that the economy is slowing. The much anticipated triggering of Article 50 by Prime Minister Theresa May on 29 March, followed by the announcement of a UK general election on 8 June, had little impact on the stock market. However, the failure of the Conservative Party to secure a majority in parliament initially led to renewed Sterling weakness and further gains by companies with large overseas earnings. The election result could increase the prospect of a "soft Brexit", although immigration remains a key issue to be resolved.

Emerging markets produced strong gains despite the rise in US interest rates and Donald Trump's early protectionist rhetoric. There was some thawing of relations between the US and China following April's meeting between the presidents of both countries.

Core government bond markets experienced mixed fortunes in local currency terms, with Japan and Europe posting negative returns, the UK recording a modest gain, and the US achieving the strongest performance. Following last year's "Brexit" vote, the Bank of England introduced measures to steady financial markets, which included the expansion of its bond purchasing programme to include corporate as well as government bonds. This policy measure continued to provide support for UK investment-grade corporate bonds, while high-yield bonds and emerging market bonds also performed strongly during the period, buoying the improvement in risk appetite.

## Outlook

With electoral risks in the Eurozone now diminished, the sea change in corporate fundamentals is more likely to be appreciated. Earnings reports for the most recent quarter have been their strongest in 10 years, and the operational leverage attached to European firms looks likely to turn from a drag to an advantage for investors amid the gentle reflation that we expect. The UK election result appears to have reduced the chances of a "hard" exit from the EU. Under a "soft Brexit" (or even a "no Brexit"), risks to UK growth are judged to be on the upside, with a less inflation-tolerant Bank of England. Meanwhile, a review of China has left us more upbeat on the region, economic surprises have been rising despite higher expectations, domestic consumption continues to drive GDP, the property market is less troubling, and the current account is less of a concern, with exports and imports both rising more strongly than expected in recent months. We still regard equities as a more attractive proposition than bonds and expect to retain that positioning for now.

# 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, 12, 17, 20, 25, 30, 36 and 41.

The investment activities of the Company in the six month period to 30th June 2017 are described in the Fund Investment Report by the Investment Manager on pages 5, 12, 17, 20, 25, 30, 36 and 41.

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 2017. Where negative, the deficit has been transferred to the capital reserve.

Investment Class	XD Date	Amount	Payment Date
		Due/(Deficit) US\$	
Managed	1.7.2017	(65,991)	31.8.2017
Worldwide Equity*	1.1.2018	–	28.2.2018
Managed Currency	1.7.2017	(1,047)	31.8.2017
Gilt and Income	1.7.2017	(8,327)	31.8.2017
North American Growth*	1.1.2018	–	28.2.2018
Far East*	1.1.2018	–	28.2.2018
UK Capital Growth*	1.1.2018	–	28.2.2018
Europe*	1.1.2018	–	28.2.2018

\*Distribute annually

The total number and mid market value of Participating Redeemable Preference Shares as at 1st January 2017 and 30th June 2017 were as follows:

Investment Class	Shares in Issue		Mid Market Value Per Share (US\$)	
	1.1.2017	30.6.2017	1.1.2017	30.6.2017
	Managed	40,743,348	15,325,151	2.0045
Worldwide Equity	13,754,145	12,611,371	2.2685	2.5875
Managed Currency	1,704,392	1,674,243	0.3424	0.3414
Gilt and Income	32,470,163	31,717,878	0.5072	0.5309
North American Growth	53,975,620	3,317,654	6.2335	7.0715
Far East	2,318,044	2,215,026	2.8980	3.3400
UK Capital Growth	34,161,700	32,826,216	1.5192	1.6775
Europe	5,400,066	5,118,203	5.0246	5.7859

The bid value of the Funds, cancellation prices and shares in issue at the end of the last three accounting periods are shown in the Comparative Tables on pages 7, 13, 18, 22, 26, 32, 37 and 42.

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

**Director**  
23rd August 2017

**Director**  
23rd August 2017

Charles Taylor International Fund  
Managers (IOM) Limited  
St George's Court,  
Upper Church Street  
Douglas  
Isle of Man  
IM1 1EE

# 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 2017, the Fund achieved a total gross return of +12.0% compared with a return of +9.1% for the benchmark index, both in United States (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 markets made solid gains during the period under review, supported by global economic data and strong corporate results. As the period progressed, fears of populist politics in the European Union (EU) receded, providing a further boost to risk assets.

In the first quarter of 2017, US markets were supported to a series of record highs in anticipation that President Donald Trump would cut taxes and regulation while ramping up infrastructure and defence spending. Sentiment later dipped, however, as the president's failure to repeal Obamacare raised doubts about his ability to implement other policies.

European bourses gained over the period, change to be supported by improving economic data and the defeat of eurosceptic parties in elections in the Netherlands and France. Hoping to strengthen her majority ahead of "Brexit" negotiations, United Kingdom (UK) Prime Minister Theresa May surprised markets by calling a snap election. The subsequent loss of her absolute majority put pressure on UK stocks in June, although, with rumours of a "softer Brexit" circulating, they ultimately ended the period ahead.

Sentiment regarding China was bolstered by encouraging economic data, hopes of improving US-China relations, and news that domestic A-shares would be included in MSCI indices next year. Japan also outperformed, its export-led market supported later in the period by a weaker Yen.

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.

Key activity during the period included initiating new holdings in Bridgestone Corp. (Japan), PepsiCo, Inc. (United States of America), Centene Corp. (United States of America) and Kubota Corp. (Japan).

Bridgestone Corp. has the biggest market share in the tyre market and is likely to benefit from a weaker Yen as around half of its earnings come from the US. At the same time, the threat from border tax implications should be limited due to the company's significant US production. Supported by its strong capital allocation, PepsiCo, Inc.'s consistent mid-single digit sales growth is driving the company's operating leverage. We took advantage of share price weakness to open a position in Centene Corp., a US managed-care provider. The company is exposed to the growth of healthcare expenditure in the US and has benefited from industry consolidation through acquisitions, a development we expect to continue. Kubota Corp. is the number one supplier of agriculture machinery in Japan and offers a blend of structural growth in strong, high-returning core sectors, recovery in historically strong areas that have been facing recent headwinds and growth in new areas.

Among sales, the Fund closed its holding in Align Technology, Inc. (United States of America), which displayed limited upside following a strong run, and in United Parcel Service, Inc. (United States of America), amid shifts in demand towards its cheaper services. We also exited Grupo Financiero Banorte SAB de CV (Mexico), given concerns over Trump's protectionist policies and their impact on the Mexican economy, and Royal Dutch Shell plc 'A' (United Kingdom), as we preferred the prospects of other names in the sector.



## Managed Fund

### Fund Investment Report (continued)

#### Review (continued)

6 Although doubts persist about President Trump's ability to push through market friendly reforms, the Federal Reserve's plans to continue with interest rate rises supported by robust recent jobs data suggest that prospects for the US economy remain broadly positive. Trump also continues to send mixed messages on trade, but more recent rhetoric indicates a more pragmatic streak than prevailed earlier in his presidency. Improving data from Europe provides grounds for optimism, though much will depend on Macron's ability to translate political capital into far-reaching reform. In addition, while any tightening of monetary policy in the Eurozone and even the UK might indicate a welcome move back towards "normality", it could certainly generate headwinds for the global economy in the near term.

Against this backdrop, within the equity portfolio, we believe that our quality growth approach will continue to be rewarded. Although sharp cyclical rallies may present a short term headwind, ultimately we believe that companies with superior fundamentals will prosper. We continue to look for companies with above-average returns and competitive advantages that can create additional value for shareholders.

## Managed Fund

### Comparative Tables

for the accounting period 1st January 2017 to 30th June 2017

	Preference shares			
	2017	2016*	2015*	2014*
	US\$	US\$	US\$	US\$
<b>Change in net assets per share</b>				
Opening net asset value per share	1.9516	1.9330	1.9530	1.9349
Return before operating charges <sup>1</sup>	0.2289	0.0763	0.0206	0.0585
Operating charges	(0.0214)	(0.0577)	(0.0406)	(0.0399)
Return after operating charges	0.2075	0.0186	(0.0200)	0.0186
Distributions on preference shares	—	—	—	(0.0005)
Closing net asset value per shares	2.1591	1.9516	1.9330	1.9530
<sup>1</sup> after direct transaction costs of	(0.0012)	(0.0020)	(0.0012)	(0.0018)
<b>Performance</b>				
Return after charges	10.63%	0.96%	(1.02)%	0.96%
<b>Other information</b>				
Closing net asset value (US\$)	33,088,702	79,513,731	121,494,521	123,733,721
Closing number of shares	15,325,151	40,743,348	62,852,734	63,352,994
Operating charges <sup>2</sup>	2.13%	2.06%	2.08%	2.04%
Direct transaction costs	0.06%	0.07%	0.06%	0.09%
<b>Prices</b>				
Highest offer share price (US\$)	2.2920	2.1510	2.1360	2.1360
Lowest bid share price (US\$)	1.9460	1.7700	1.8240	1.8550

#### 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
	US\$	US\$	US\$
<b>For the year ended:</b>			
31st December 2012	—	1.8040	1.5350
31st December 2013	0.0009	2.0410	1.6890

#### Ongoing Charges Figure ("OCF") for:

	OCF <sup>2</sup> %
12 months to 31st December 2016	2.06%
6 months ended 30th June 2017	2.13%

<sup>2</sup> Ongoing Charges Figure has replaced the Total Expense Ratio. 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 for 2014 have not been restated. The OCF figure at 30th June 2017 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 2017 to 30th June 2017

	June 2017	June 2016
	US\$	US\$
Income		
Net capital gains	4,837,324	1,289,961
Revenue	355,418	1,279,687
Expenses	(446,411)	(1,224,444)
Net (expense)/revenue before taxation	(90,993)	55,243
Taxation	(68,898)	(165,478)
Net expense after taxation	(159,891)	(110,235)
<b>Total return before distribution</b>	<b>4,677,433</b>	<b>1,179,726</b>
Distributions	76,856	909
<b>Change in Net Assets Attributable to Preference Shareholders from investment activities</b>	<b>4,754,289</b>	<b>1,180,635</b>

### Balance Sheet

as at 30th June 2017

	June 2017	December 2016
	US\$	US\$
<b>Assets:</b>		
Fixed assets:		
Investments	31,999,016	75,735,209
Current assets:		
Debtors	862,741	598,978
Cash and bank balances	1,216,908	3,927,917
<b>Total assets</b>	<b>34,078,665</b>	<b>80,262,104</b>
<b>Liabilities:</b>		
Creditors:		
Other creditors	(450,291)	(272,247)
<b>Total liabilities</b>	<b>(450,291)</b>	<b>(272,247)</b>
<b>Equity:</b>		
Management shares	(10)	(10)
Nominal shares	(539,662)	(476,116)
<b>Total equity</b>	<b>(539,672)</b>	<b>(476,126)</b>
<b>Net Assets Attributable to Preference Shareholders</b>	<b>33,088,702</b>	<b>79,513,731</b>

### Statement of Change in Net Assets Attributable to Preference Shareholders

for the accounting period 1st January 2017 to 30th June 2017

	June 2017	June 2016
	US\$	US\$
<b>Opening Net Assets Attributable to Preference Shareholders</b>	<b>79,513,731</b>	<b>121,494,521</b>
Movement due to sales and repurchases of shares:		
Amounts receivable on issue of shares	59,752	554,006
Amounts payable on cancellation of shares	(51,239,070)	(1,281,018)
	(51,179,318)	(727,012)
Change in Net Assets Attributable to Preference Shareholders from investment activities (see above)	4,754,289	1,180,635
<b>Closing Net Assets Attributable to Preference Shareholders</b>	<b>33,088,702</b>	<b>121,948,144</b>

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 2016 whilst the figure disclosed in the comparatives' Closing Net Assets Attributable to Preference Shareholders is at 30th June 2016.

### Distribution Table

There is no distribution for the accounting period 1st January 2017 to 30th June 2017, as expenses exceed revenue (June 2016: Nil).

## Managed Fund

### Portfolio Statement

as at 30th June 2017

Holding	Investment	Currency	Market Value US\$	% of Net Assets	Holding	Investment	Currency	Market Value US\$	% of Net Assets
<b>Collective Investment Schemes 3.60% (3.90%)</b>					<b>Government Bonds 23.52% (21.60%)</b>				
<b>United Kingdom 3.60% (3.90%)</b>					<b>Australia 0.31% (0.48%)</b>				
56,047	Threadneedle Emerging Market Bond Fund Retail Gross Accumulation	GBP	194,536	0.59	42,000	Australia Government Bond 3.25% 21/10/2018	AUD	32,877	0.10
130,856	Threadneedle Emerging Market Local Fund Retail Gross Accumulation Shares (GBP)	GBP	254,953	0.77	80,000	Australia Government Bond 4.25% 21/04/2026	AUD	69,452	0.21
15,114	Threadneedle European Corporate Bond Fund Retail Gross Accumulation	GBP	23,426	0.07				<b>102,329</b>	<b>0.31</b>
183,786	Threadneedle High Yield Bond Fund Institutional Gross Accumulation	GBP	418,500	1.27	90,000	Austria Government Bond 3.40% 22/11/2022	EUR	121,432	0.37
194,469	Threadneedle UK Corporate Bond Fund Class 2 Gross Accumulation Shares (GBP)	GBP	297,785	0.90				<b>121,432</b>	<b>0.37</b>
	<b>Collective Investment Schemes total</b>		<b>1,189,200</b>	<b>3.60</b>	10,000	<b>Canada 0.30% (0.32%)</b> Canada Government Bond 1.50% 01/09/2017	CAD	7,709	0.02
	<b>Corporate Bonds 1.57% (2.27%)</b>				115,000	Canada Housing Trust No. 1 2.55% 15/03/2025	CAD	91,607	0.28
	<b>Australia 0.15% (0.00%)</b>							<b>99,316</b>	<b>0.30</b>
73,000	Australia Government Bond 3.00% 21/03/2047	AUD	50,943	0.15	485,000	<b>France 3.42% (2.93%)</b> France Government Bond OAT 1.00% 25/11/2018	EUR	564,984	1.71
			<b>50,943</b>	<b>0.15</b>	60,000	France Government Bond OAT 0.00% 25/05/2020	EUR	69,125	0.21
	<b>Canada 0.00% (0.31%)</b>				100,000	France Government Bond OAT 3.25% 25/10/2021	EUR	130,887	0.39
	<b>France 0.21% (0.00%)</b>				90,000	France Government Bond OAT 3.00% 25/04/2022	EUR	117,858	0.36
58,000	French Republic Government Bond OAT 2.00% 25/05/2048	EUR	68,373	0.21	120,000	France Government Bond OAT 1.50% 25/05/2031	EUR	142,351	0.43
			<b>68,373</b>	<b>0.21</b>	30,000	France Government Bond OAT 1.75% 25/06/2039	EUR	35,255	0.11
	<b>Germany 0.47% (0.48%)</b>				46,000	France Government Bond OAT 3.25% 25/05/2045	EUR	69,683	0.21
10,000,000	Kreditanstalt fuer Wiederaufbau 2.05% 16/02/2026	JPY	105,493	0.32				<b>1,130,143</b>	<b>3.42</b>
4,000,000	Kreditanstalt fuer Wiederaufbau 2.60% 20/06/2037	JPY	51,376	0.15					
			<b>156,869</b>	<b>0.47</b>	130,000	<b>Germany 1.58% (1.97%)</b> Bundessobligation 1.00% 12/10/2018	EUR	151,341	0.46
	<b>Luxembourg 0.39% (0.21%)</b>				190,000	Bundesrepublik Deutschland 0.00% 15/08/2026	EUR	208,949	0.63
55,000	European Financial Stability Facility 1.75% 29/10/2020	EUR	66,804	0.20	93,000	Bundesrepublik Deutschland 4.00% 04/01/2037	EUR	162,384	0.49
55,000	European Financial Stability Facility 1.70% 13/02/2043	EUR	62,808	0.19				<b>522,674</b>	<b>1.58</b>
			<b>129,612</b>	<b>0.39</b>					
	<b>Netherlands 0.35% (0.33%)</b>				12,200,000	<b>Japan 3.45% (3.59%)</b> Japan Government Ten Year Bond 0.10% 20/09/2026	JPY	108,969	0.33
100,000	Nederlandse Financierings Maatschappij voor Ontwikkelingslanden NV 0.13% 20/04/2022	EUR	114,272	0.35	6,200,000	Japan Government Thirty Year Bond 2.20% 20/09/2039	JPY	72,512	0.22
			<b>114,272</b>	<b>0.35</b>	7,900,000	Japan Government Thirty Year Bond 1.50% 20/12/2044	JPY	82,521	0.25
	<b>Norway 0.00% (0.32%)</b>				8,200,000	Japan Government Thirty Year Bond 1.40% 20/12/2045	JPY	83,788	0.25
	<b>Singapore 0.00% (0.37%)</b>				4,250,000	Japan Government Twenty Year Bond 1.90% 20/03/2025	JPY	43,342	0.13
	<b>Sweden 0.00% (0.25%)</b>				7,800,000	Japan Government Twenty Year Bond 2.10% 20/03/2027	JPY	82,925	0.25
	<b>Corporate Bonds total</b>		<b>520,069</b>	<b>1.57</b>	17,250,000	Japan Government Twenty Year Bond 0.20% 20/06/2036	JPY	144,014	0.43
					30,000,000	Japan Government Two Year Bond 0.10% 15/07/2018	JPY	267,616	0.81
					28,800,000	Japan Government Two Year Bond 0.10% 15/08/2018	JPY	256,957	0.78
								<b>1,142,644</b>	<b>3.45</b>
					100,000	<b>Netherlands 1.00% (0.20%)</b> Netherlands Government Bond 0.00% 15/01/2022	EUR	114,949	0.35
					120,000	Netherlands Government Bond 0.25% 15/07/2025	EUR	135,716	0.41
					70,000	Netherlands Government Bond 0.75% 15/07/2027	EUR	80,516	0.24
								<b>331,181</b>	<b>1.00</b>

## Managed Fund

### Portfolio Statement (continued)

as at 30th June 2017

Holding	Investment	Currency	Market Value US\$	% of Net Assets	Holding	Investment	Currency	Market Value US\$	% of Net Assets						
<b>Government Bonds 23.52% (21.60%) (continued)</b>					<b>Canada 1.18% (1.55%)</b>										
<b>United Kingdom 1.67% (1.61%)</b>					1,239	Agrium, Inc.	USD	111,820	0.34						
123,000	UK Treasury 0.50% 22/07/2022	GBP	158,277	0.48	9,500	Suncor Energy, Inc.	CAD	277,692	0.84						
97,000	UK Treasury 1.25% 22/07/2027	GBP	125,057	0.38	<b>Cayman Islands 1.80% (1.30%)</b>										
65,000	UK Treasury 1.75% 07/09/2037	GBP	82,713	0.25	1,729	Alibaba Group Holding Ltd., ADR	USD	244,429	0.74						
53,000	UK Treasury 3.25% 22/01/2044	GBP	87,918	0.26	9,800	Tencent Holdings Ltd.	HKD	350,513	1.06						
36,000	UK Treasury 3.50% 22/01/2045	GBP	62,755	0.19	<b>China 1.27% (0.87%)</b>										
19,000	UK Treasury 1.50% 22/07/2047	GBP	22,608	0.07	39,500	Ping An Insurance Group Co. of China Ltd. 'H'	HKD	260,343	0.79						
9,000	UK Treasury 2.50% 22/07/2065	GBP	14,812	0.04	35,200	Sinopharm Group Co. Ltd. 'H'	HKD	158,951	0.48						
			<b>554,140</b>	<b>1.67</b>	<b>Denmark 0.61% (0.47%)</b>										
<b>United States of America 11.42% (10.16%)</b>					4,732	Novo Nordisk A/S 'B'	DKK	202,426	0.61						
325,000	US Treasury 0.75% 31/07/2018	USD	323,121	0.98	<b>France 0.78% (0.45%)</b>										
360,000	US Treasury 0.75% 30/09/2018	USD	357,497	1.08	2,104	BNP Paribas SA	EUR	151,691	0.46						
435,000	US Treasury 0.75% 31/10/2018	USD	431,670	1.30	2,184	Criteo SA, ADR Preference	USD	107,322	0.32						
300,000	US Treasury 1.25% 31/10/2021	USD	293,367	0.89	<b>Germany 1.53% (1.51%)</b>										
75,000	US Treasury 1.88% 31/01/2022	USD	75,187	0.23	3,169	Brenntag AG	EUR	184,601	0.56						
210,000	US Treasury 1.88% 28/02/2022	USD	210,509	0.63	17,879	Deutsche Telekom AG	EUR	321,031	0.97						
265,000	US Treasury 1.88% 31/03/2022	USD	265,455	0.80	<b>Hong Kong 1.07% (0.63%)</b>										
250,000	US Treasury 1.88% 30/04/2022	USD	250,273	0.75	48,600	AIA Group Ltd.	HKD	354,874	1.07						
100,000	US Treasury 1.75% 30/09/2022	USD	99,219	0.30	<b>India 0.93% (0.58%)</b>										
180,000	US Treasury 2.13% 30/11/2023	USD	180,872	0.55	3,597	HDFC Bank Ltd., ADR	USD	309,126	0.93						
40,000	US Treasury 2.00% 31/05/2024	USD	39,737	0.12	<b>Indonesia 0.84% (0.95%)</b>										
580,000	US Treasury 2.25% 15/02/2027	USD	578,278	1.75	243,500	Bank Rakyat Indonesia Persero Tbk. PT	IDR	277,741	0.84						
35,000	US Treasury 4.50% 15/02/2036	USD	45,281	0.14	<b>Ireland 3.34% (4.00%)</b>										
40,000	US Treasury 3.50% 15/02/2039	USD	45,294	0.14	1,964	Alkermes plc	USD	114,089	0.34						
90,000	US Treasury 3.88% 15/08/2040	USD	107,269	0.32	8,074	CRH plc	EUR	286,957	0.87						
50,000	US Treasury 2.50% 15/02/2045	USD	46,758	0.14	2,636	Ingersoll-Rand plc	USD	240,614	0.73						
85,000	US Treasury 2.25% 15/08/2046	USD	74,973	0.23	5,602	Johnson Controls International plc	USD	244,359	0.74						
275,000	US Treasury 2.88% 15/11/2046	USD	277,019	0.84	2,472	Medtronic plc	USD	219,390	0.66						
75,000	US Treasury 3.00% 15/02/2047	USD	77,508	0.23	<b>Japan 4.39% (3.11%)</b>										
			<b>3,779,287</b>	<b>11.42</b>	6,900	Bridgestone Corp.	JPY	297,127	0.90						
<b>Government Bonds total</b>					7,783,146	<b>23.52</b>	<b>Jersey 0.71% (0.76%)</b>								
<b>Supranationals 0.21% (0.92%)</b>					3,823					Wolseley plc	GBP	234,282	0.71		
55,000	European Investment Bank 1.00% 21/09/2026	GBP	68,556	0.21	<b>Mexico 0.60% (1.44%)</b>										
<b>Supranationals total</b>					<b>68,556</b>	<b>0.21</b>	2,035	Fomento Economico Mexicano SAB de CV, ADR	USD	199,267	0.60				
<b>Equities 67.81% (66.56%)</b>					<b>Brazil 0.30% (0.43%)</b>										
<b>Belgium 1.01% (0.78%)</b>					22,500	Kroton Educacional SA	BRL	99,362	0.30						
3,024	Anheuser-Busch InBev SA/NV	EUR	333,376	1.01	<b>Bermuda 0.80% (0.81%)</b>										
<b>Bermuda 0.80% (0.81%)</b>					<b>333,376</b>	<b>1.01</b>	6,016					IHS Markit Ltd.	USD	265,606	0.80
<b>Brazil 0.30% (0.43%)</b>					<b>265,606</b>	<b>0.80</b>	<b>Canada 1.18% (1.55%)</b>								

## Managed Fund

### Portfolio Statement (continued)

as at 30th June 2017

Holding	Investment	Currency	Market Value US\$	% of Net Assets	Holding	Investment	Currency	Market Value US\$	% of Net Assets
<b>Equities 67.81% (66.56%) (continued)</b>									
<b>Netherlands 0.63% (0.93%)</b>									
2,510	Airbus SE	EUR	207,326	0.63	2,550	Crown Castle International Corp., REIT	USD	254,694	0.77
			<b>207,326</b>	<b>0.63</b>	2,989	DENTSPLY SIRONA, Inc.	USD	193,478	0.58
<b>South Korea 0.70% (0.66%)</b>									
112	Samsung Electronics Co. Ltd.	KRW	232,544	0.70	1,270	Diamondback Energy, Inc.	USD	110,998	0.34
			<b>232,544</b>	<b>0.70</b>	6,919	Enterprise Products Partners LP	USD	186,813	0.56
<b>Spain 0.40% (1.31%)</b>									
3,475	Industria de Diseno Textil SA	EUR	134,066	0.40	2,456	EOG Resources, Inc.	USD	219,738	0.66
			<b>134,066</b>	<b>0.40</b>	2,914	Estee Lauder Cos., Inc. (The 'A')	USD	279,715	0.85
<b>Supranational 0.53% (0.56%)</b>									
133,000	HKT Trust & HKT Ltd.	HKD	174,127	0.53	3,094	Facebook, Inc. 'A'	USD	467,813	1.41
			<b>174,127</b>	<b>0.53</b>	3,262	Gilead Sciences, Inc.	USD	230,265	0.70
<b>Switzerland 2.76% (2.55%)</b>									
2,460	Cie Financiere Richemont SA	CHF	203,168	0.62	1,245	Goldman Sachs Group, Inc. (The)	USD	278,631	0.84
2,682	Novartis AG	CHF	224,722	0.68	1,417	Graco, Inc.	USD	154,892	0.47
3,340	TE Connectivity Ltd.	USD	262,190	0.79	4,089	Halliburton Co.	USD	173,537	0.52
13,119	UBS Group AG	CHF	222,449	0.67	704	illumina, Inc.	USD	124,087	0.38
			<b>912,529</b>	<b>2.76</b>	4,252	JPMorgan Chase & Co.	USD	388,548	1.17
<b>United Kingdom 6.53% (7.60%)</b>									
1,520	Aon plc	USD	201,294	0.61	2,800	L Brands, Inc.	USD	151,032	0.46
4,146	British American Tobacco plc	GBP	282,994	0.86	2,846	Mastercard, Inc. 'A'	USD	346,728	1.05
31,640	BT Group plc	GBP	120,970	0.37	7,498	Micron Technology, Inc.	USD	227,189	0.69
7,276	Diageo plc	GBP	215,006	0.65	3,279	Microsoft Corp.	USD	226,251	0.68
26,238	HSBC Holdings plc	GBP	242,653	0.73	4,974	NIKE, Inc. 'B'	USD	286,950	0.87
1,906	Reckitt Benckiser Group plc	GBP	192,362	0.58	1,167	NVIDIA Corp.	USD	170,732	0.52
14,440	RELX plc	GBP	311,539	0.94	2,963	Occidental Petroleum Corp.	USD	175,765	0.53
5,836	Rio Tinto plc	GBP	246,097	0.74	2,148	PepsiCo, Inc.	USD	248,738	0.75
6,418	Unilever plc	GBP	346,667	1.05	10,550	Pfizer, Inc.	USD	353,742	1.07
			<b>2,159,582</b>	<b>6.53</b>	1,884	Philip Morris International, Inc.	USD	221,200	0.67
<b>United States of America 35.10% (33.31%)</b>									
4,294	Activision Blizzard, Inc.	USD	247,635	0.75	764	Sherwin-Williams Co. (The)	USD	269,547	0.81
448	Alphabet, Inc. 'A'	USD	419,485	1.27	4,286	Spirit Airlines, Inc.	USD	219,915	0.66
220	Alphabet, Inc. 'C'	USD	201,749	0.61	1,766	Stryker Corp.	USD	246,339	0.74
505	Amazon.com, Inc.	USD	494,142	1.49	1,054	Thermo Fisher Scientific, Inc.	USD	184,007	0.56
1,895	Amphenol Corp. 'A'	USD	139,567	0.42	3,583	TXJ Cos., Inc. (The)	USD	257,403	0.78
14,802	Bank of America Corp.	USD	360,133	1.09	2,089	Union Pacific Corp.	USD	225,967	0.68
4,747	BB&T Corp.	USD	214,754	0.65	2,053	United Rentals, Inc.	USD	228,622	0.69
					1,465	Vertex Pharmaceuticals, Inc.	USD	187,667	0.57
					3,877	Visa, Inc. 'A'	USD	366,144	1.11
					1,634	Zimmer Biomet Holdings, Inc.	USD	209,544	0.63
								<b>11,615,439</b>	<b>35.10</b>
					<b>Equities total</b>				
					<b>22,438,045</b>				
					<b>67.81</b>				
					Total Value of Investments				
					31,999,016				
					96.71				
					Net Other Assets (2016: 4.75%)				
					1,089,686				
					3.29				
					<b>Net Assets attributable to Preference Shareholders</b>				
					<b>33,088,702</b>				
					<b>100.00</b>				

The comparative percentage figures in brackets are as at 31st December 2016.

# 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 2017 the MSCI AC World Index produced a return of +11.8% in United States (US) Dollar terms. By comparison, the Fund achieved a total gross return of +15.6% over the same period.

### Review

Global equities made solid gains during the period under review, supported by global economic data and strong corporate results. As the period progressed, fears of populist politics in the European Union (EU) receded, providing a further boost to risk assets.

In the first quarter of 2017, US markets were supported to a series of record highs in anticipation that President Donald Trump would cut taxes and regulation while ramping up infrastructure and defence spending. Sentiment later dipped, however, as the president's failure to repeal "Obamacare" raised doubts about his ability to implement other policies. Despite falling US inflation, the Federal Reserve (Fed) raised interest rates in June as expected, and maintained its projection for another hike in 2017 and three in 2018.

European bourses gained over the period, change to be supported by improving economic data and the defeat of eurosceptic parties in elections in the Netherlands and France. Hoping to strengthen her majority ahead of "Brexit" negotiations, United Kingdom (UK) Prime Minister Theresa May surprised markets by calling a snap election. The subsequent loss of her absolute majority put pressure on UK stocks in June, although, with rumours of a "softer Brexit" circulating, they ultimately ended the period ahead.

Sentiment regarding China was bolstered by encouraging economic data, hopes of improving US-China relations, and news that domestic A-shares would be included in MSCI indices next year. Japan also outperformed, its export-led market supported later in the period by a weaker Yen.

Key activity during the period included initiating a new holding in Bank of America Corp. (United States of America), a high quality franchise that trades on an attractive valuation and offers exposure to rising rates. Other new positions included Bridgestone Corp. (Japan), PepsiCo, Inc. (United States of America) and Centene Corp. (United States of America).

Bridgestone Corp. has the biggest market share in the tyre market and is likely to benefit from a weaker Yen as around half of its earnings come from the US. At the same time, the threat from border tax implications should be limited due to the company's significant US production. Supported by its strong capital allocation, PepsiCo, Inc.'s consistent mid-single digit sales growth is driving the company's operating leverage. We took advantage of share price weakness to open a position in Centene Corp., a US managed-care provider. The company is exposed to the growth of healthcare expenditure in the US and has benefited from industry consolidation through acquisitions, a development we expect to continue.

Among sales, the Fund closed its holding in Align Technology, Inc. (United States of America), which displayed limited upside following a strong run, and in United Parcel Service, Inc. (United States of America), amid shifts in demand towards its cheaper services. We also exited Grupo Financiero Banorte SAB de CV (Mexico), given concerns over President Trump's protectionist policies and their impact on the Mexican economy, and Royal Dutch Shell plc 'A' (United Kingdom), as we preferred the prospects of other names in the sector.

Although doubts persist about President Trump's ability to push through market-friendly reforms, the Fed's plans to continue with interest rate rises supported by robust recent jobs data suggest that prospects for the US economy remain broadly positive. President Trump also continues to send mixed messages on trade, but more recent rhetoric indicates a more pragmatic streak than prevailed earlier in his presidency. Improving data from Europe provides grounds for optimism, though much will depend on Macron's ability to translate political capital into far-reaching reform. In addition, while any tightening of monetary policy in the Eurozone and even the UK might indicate a welcome move back towards "normality", it could certainly generate headwinds for the global economy in the near term.

Against this backdrop, we believe that our quality growth approach will continue to be rewarded. Although sharp cyclical rallies may present a short-term headwind, ultimately we believe that companies with superior fundamentals will prosper. We continue to look for companies with above-average returns and competitive advantages that can create additional value for shareholders.

## Worldwide Equity Fund

### Comparative Tables

for the accounting period 1st January 2017 to 30th June 2017

	Preference shares			
	2017	2016*	2015*	2014*
	US\$	US\$	US\$	US\$
<b>Change in net assets per share</b>				
Opening net asset value per share	2.2080	2.1696	2.1549	2.0981
Return before operating charges <sup>1</sup>	0.3362	0.0841	0.0620	0.1009
Operating charges	(0.0251)	(0.0457)	(0.0473)	(0.0435)
Return after operating charges	0.3111	0.0384	0.0147	0.0574
Distributions on preference shares	–	–	–	(0.0006)
Closing net asset value per shares	2.5191	2.2080	2.1696	2.1549
<sup>1</sup> after direct transaction costs of	(0.0012)	(0.0021)	(0.0020)	(0.0028)
<b>Performance</b>				
Return after charges	14.09%	1.77%	0.68%	2.74%
<b>Other information</b>				
Closing net asset value (US\$)	31,769,721	30,369,429	34,363,571	37,252,048
Closing number of shares	12,611,371	13,754,145	15,838,668	17,287,039
Operating charges <sup>2</sup>	2.14%	2.14%	2.17%	2.05%
Direct transaction costs	0.05%	0.10%	0.10%	0.14%
<b>Prices</b>				
Highest offer share price (US\$)	2.6800	2.3940	2.4260	2.3440
Lowest bid share price (US\$)	2.2070	1.8790	1.9750	1.9670

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

For the year ended:	Net distribution per share US\$	Highest offer share price US\$	Lowest bid share price US\$
31st December 2012	–	1.7940	1.4500
31st December 2013	–	2.2150	1.6720

#### Ongoing Charges Figure (“OCF”) for:

	OCF <sup>2</sup>
	%
12 months to 31st December 2016	2.14%
6 months to 30th June 2017	2.14%

<sup>2</sup> Ongoing Charges Figure has replaced the Total Expense Ratio. 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 for 2014 have not been restated. The OCF figure at 30th June 2017 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 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 31st December.



## Worldwide Equity Fund

14

### Statement of Total Return

for the accounting period 1st January 2017 to 30th June 2017

	June 2017	June 2016
	US\$	US\$
Income		
Net capital gains/(losses)	4,105,362	(692,472)
Revenue	323,868	384,577
Expenses	(319,324)	(328,841)
Net revenue before taxation	4,544	55,736
Taxation	(65,637)	(63,585)
Net expense after taxation	(61,093)	(7,849)
<b>Total return before distribution</b>	<b>4,044,269</b>	<b>(700,321)</b>
Distributions	3,588	2,330
<b>Change in Net Assets Attributable to Preference Shareholders from investment activities</b>	<b>4,047,857</b>	<b>(697,991)</b>

### Balance Sheet

as at 30th June 2017

	June 2017	December 2016
	US\$	US\$
<b>Assets</b>		
Fixed assets:		
Investments	31,380,906	30,096,603
Current assets:		
Debtors	412,938	235,243
Cash and bank balances	284,359	388,047
<b>Total assets</b>	<b>32,078,203</b>	<b>30,719,893</b>
<b>Liabilities:</b>		
Creditors:		
Other creditors	(98,016)	(142,855)
<b>Total liabilities</b>	<b>(98,016)</b>	<b>(142,855)</b>
<b>Equity:</b>		
Nominal shares	(210,466)	(207,609)
<b>Total equity</b>	<b>(210,466)</b>	<b>(207,609)</b>
<b>Net Assets Attributable to Preference Shareholders</b>	<b>31,769,721</b>	<b>30,369,429</b>

### Statement of Change in Net Assets Attributable to Preference Shareholders

for the accounting period 1st January 2017 to 30th June 2017

	June 2017	June 2016
	US\$	US\$
<b>Opening Net Assets Attributable to Preference Shareholders</b>	<b>30,369,429</b>	<b>34,363,571</b>
Movement due to sales and repurchases of shares:		
Amounts receivable on issue of shares	788,130	99,731
Amounts payable on cancellation of shares	(3,435,695)	(2,206,624)
	(2,647,565)	(2,106,893)
Change in Net Assets Attributable to Preference Shareholders from investment activities (see above)	4,047,857	(697,991)
<b>Closing Net Assets Attributable to Preference Shareholders</b>	<b>31,769,721</b>	<b>31,558,687</b>

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 2016 whilst the figure disclosed in the comparatives' Closing Net Assets Attributable to Preference Shareholders is at 30th June 2016.

## Worldwide Equity Fund

### Portfolio Statement

as at 30th June 2017

Holding	Investment	Currency	Market Value US\$	% of Net Assets	Holding	Investment	Currency	Market Value US\$	% of Net Assets
<b>Equities 98.78% (99.10%)</b>					<b>Jersey 1.01% (1.10%)</b>				
<b>Belgium 1.49% (1.15%)</b>					<b>Mexico 0.85% (2.11%)</b>				
4,293	Anheuser-Busch InBev SA/NV	EUR	473,275	1.49	5,239	Wolseley plc	GBP	321,057	1.01
			<b>473,275</b>	<b>1.49</b>				<b>321,057</b>	<b>1.01</b>
<b>Bermuda 1.20% (1.21%)</b>					<b>Netherlands 0.88% (1.38%)</b>				
8,642	IHS Markit Ltd.	USD	381,544	1.20	2,764	Fomento Economico Mexicano SAB de CV, ADR	USD	270,651	0.85
			<b>381,544</b>	<b>1.20</b>				<b>270,651</b>	<b>0.85</b>
<b>Brazil 0.44% (0.60%)</b>					<b>South Korea 1.01% (0.93%)</b>				
31,400	Kroton Educacional SA	BRL	138,665	0.44	3,364	Airbus SE	EUR	277,866	0.88
			<b>138,665</b>	<b>0.44</b>				<b>277,866</b>	<b>0.88</b>
<b>Canada 1.74% (2.32%)</b>					<b>Spain 0.60% (1.92%)</b>				
1,757	Agrium, Inc.	USD	158,569	0.50	155	Samsung Electronics Co. Ltd.	KRW	321,825	1.01
13,500	Suncor Energy, Inc.	CAD	394,616	1.24				<b>321,825</b>	<b>1.01</b>
			<b>553,185</b>	<b>1.74</b>					
<b>Cayman Islands 2.57% (1.93%)</b>					<b>Supranational 0.73% (0.84%)</b>				
2,343	Alibaba Group Holding Ltd., ADR	USD	331,230	1.04	4,924	Industria de Diseno Textil SA	EUR	189,968	0.60
13,600	Tencent Holdings Ltd.	HKD	486,427	1.53				<b>189,968</b>	<b>0.60</b>
			<b>817,657</b>	<b>2.57</b>	178,000	HKT Trust & HKT Ltd.	HKD	233,042	0.73
<b>China 1.82% (1.30%)</b>					<b>Switzerland 4.02% (3.76%)</b>				
54,500	Ping An Insurance Group Co. of China Ltd. 'H'	HKD	359,207	1.13	3,409	Cie Financiere Richemont SA	CHF	281,544	0.89
48,400	Sinopharm Group Co. Ltd. 'H'	HKD	218,559	0.69	3,806	Novartis AG	CHF	318,902	1.00
			<b>577,766</b>	<b>1.82</b>	4,771	TE Connectivity Ltd.	USD	374,524	1.18
<b>Denmark 0.90% (0.69%)</b>					<b>United Kingdom 9.54% (11.39%)</b>				
6,642	Novo Nordisk A/S B'	DKK	284,132	0.90	17,799	UBS Group AG	CHF	301,804	0.95
			<b>284,132</b>	<b>0.90</b>				<b>1,276,774</b>	<b>4.02</b>
<b>France 1.15% (0.70%)</b>					<b>United States of America 51.22% (49.68%)</b>				
2,957	BNP Paribas SA	EUR	213,190	0.67	5,960	Activision Blizzard, Inc.	USD	343,713	1.08
3,087	Criteo SA, ADR Preference	USD	151,695	0.48	609	Alphabet, Inc. 'A'	USD	570,237	1.79
			<b>364,885</b>	<b>1.15</b>	333	Alphabet, Inc. 'C'	USD	305,374	0.96
<b>Germany 2.24% (2.19%)</b>					<b>India 1.37% (0.89%)</b>				
4,452	Brenntag AG	EUR	259,338	0.82	5,071	HDFC Bank Ltd., ADR	USD	435,802	1.37
25,143	Deutsche Telekom AG	EUR	451,462	1.42				<b>435,802</b>	<b>1.37</b>
			<b>710,800</b>	<b>2.24</b>	<b>Indonesia 1.23% (1.44%)</b>				
<b>Hong Kong 1.57% (0.93%)</b>					<b>Ireland 4.90% (5.95%)</b>				
68,400	AIA Group Ltd.	HKD	499,452	1.57	2,806	Alkermes plc	USD	163,001	0.51
			<b>499,452</b>	<b>1.57</b>	11,401	CRH plc	EUR	405,202	1.28
<b>India 1.37% (0.89%)</b>					<b>Japan 6.30% (4.69%)</b>				
5,071	HDFC Bank Ltd., ADR	USD	435,802	1.37	10,000	Japan Exchange Group, Inc.	JPY	180,952	0.57
			<b>435,802</b>	<b>1.37</b>	4,500	Koito Manufacturing Co. Ltd.	JPY	230,707	0.72
<b>Indonesia 1.23% (1.44%)</b>					<b>Japan 6.30% (4.69%)</b>				
342,400	Bank Rakyat Indonesia Persero Tbk. PT	IDR	390,548	1.23	9,800	Kubota Corp.	JPY	164,511	0.52
			<b>390,548</b>	<b>1.23</b>	1,100	Nintendo Co. Ltd.	JPY	368,527	1.16
<b>Ireland 4.90% (5.95%)</b>					<b>Japan 6.30% (4.69%)</b>				
2,806	Alkermes plc	USD	163,001	0.51	22,800	Sekisui Chemical Co. Ltd.	JPY	407,092	1.28
11,401	CRH plc	EUR	405,202	1.28	11,400	Yaskawa Electric Corp.	JPY	241,394	0.76
3,721	Ingersoll-Rand plc	USD	339,653	1.07				<b>2,002,271</b>	<b>6.30</b>
7,586	Johnson Controls International plc	USD	330,901	1.04					
3,567	Medtronic plc	USD	316,571	1.00					
			<b>1,555,328</b>	<b>4.90</b>					
<b>Japan 6.30% (4.69%)</b>					<b>United States of America 51.22% (49.68%)</b>				
9,500	Bridgestone Corp.	JPY	409,088	1.29	5,260	Activision Blizzard, Inc.	USD	343,713	1.08
10,000	Japan Exchange Group, Inc.	JPY	180,952	0.57	609	Alphabet, Inc. 'A'	USD	570,237	1.79
4,500	Koito Manufacturing Co. Ltd.	JPY	230,707	0.72	333	Alphabet, Inc. 'C'	USD	305,374	0.96
9,800	Kubota Corp.	JPY	164,511	0.52	718	Amazon.com, Inc.	USD	702,563	2.21
1,100	Nintendo Co. Ltd.	JPY	368,527	1.16	2,524	Amphenol Corp. 'A'	USD	185,893	0.58
22,800	Sekisui Chemical Co. Ltd.	JPY	407,092	1.28	20,513	Bank of America Corp.	USD	499,081	1.57
11,400	Yaskawa Electric Corp.	JPY	241,394	0.76	6,737	BB&T Corp.	USD	304,782	0.96
			<b>2,002,271</b>	<b>6.30</b>	4,212	Centene Corp.	USD	335,949	1.06
<b>United States of America 51.22% (49.68%)</b>					<b>United States of America 51.22% (49.68%)</b>				
5,960	Activision Blizzard, Inc.	USD	343,713	1.08	12,105	Charles Schwab Corp. (The)	USD	519,910	1.64
609	Alphabet, Inc. 'A'	USD	570,237	1.79	2,107	CME Group, Inc.	USD	263,438	0.83
333	Alphabet, Inc. 'C'	USD	305,374	0.96	11,654	Comcast Corp. 'A'	USD	452,875	1.43
718	Amazon.com, Inc.	USD	702,563	2.21	1,312	Cooper Cos., Inc. (The)	USD	314,841	0.99
2,524	Amphenol Corp. 'A'	USD	185,893	0.58	2,927	Costco Wholesale Corp.	USD	465,978	1.47
20,513	Bank of America Corp.	USD	499,081	1.57	3,572	Crown Castle International Corp., REIT	USD	356,771	1.12
6,737	BB&T Corp.	USD	304,782	0.96	4,211	DENTSPLY SIRONA, Inc.	USD	272,578	0.86
4,212	Centene Corp.	USD	335,949	1.06	1,735	Diamondback Energy, Inc.	USD	151,639	0.48
12,105	Charles Schwab Corp. (The)	USD	519,910	1.64	9,296	Enterprise Products Partners LP	USD	250,992	0.79
2,107	CME Group, Inc.	USD	263,438	0.83	3,378	EOG Resources, Inc.	USD	302,230	0.95
11,654	Comcast Corp. 'A'	USD	452,875	1.43	4,097	Estee Lauder Cos., Inc. (The) 'A'	USD	393,271	1.24
1,312	Cooper Cos., Inc. (The)	USD	314,841	0.99	4,254	Facebook, Inc. 'A'	USD	643,205	2.02
2,927	Costco Wholesale Corp.	USD	465,978	1.47	4,454	Gilead Sciences, Inc.	USD	314,408	0.99
3,572	Crown Castle International Corp., REIT	USD	356,771	1.12	1,767	Goldman Sachs Group, Inc. (The)	USD	395,455	1.24
4,211	DENTSPLY SIRONA, Inc.	USD	272,578	0.86	1,886	Graco, Inc.	USD	206,159	0.65
1,735	Diamondback Energy, Inc.	USD	151,639	0.48	5,764	Halliburton Co.	USD	244,624	0.77
9,296	Enterprise Products Partners LP	USD	250,992	0.79	989	illumina, Inc.	USD	174,321	0.55
3,378	EOG Resources, Inc.	USD	302,230	0.95	5,988	JPMorgan Chase & Co.	USD	547,183	1.72
4,097	Estee Lauder Cos., Inc. (The) 'A'	USD	393,271	1.24	3,577	L Brands, Inc.	USD	192,943	0.61
4,254	Facebook, Inc. 'A'	USD	643,205	2.02	3,922	Mastercard, Inc. 'A'	USD	477,817	1.50
4,454	Gilead Sciences, Inc.	USD	314,408	0.99	10,455	Micron Technology, Inc.	USD	316,787	1.00
1,767	Goldman Sachs Group, Inc. (The)	USD	395,455	1.24	4,810	Microsoft Corp.	USD	331,890	1.04
1,886	Graco, Inc.	USD	206,159	0.65					
5,764	Halliburton Co.	USD	244,624	0.77					
989	illumina, Inc.	USD	174,321	0.55					
5,988	JPMorgan Chase & Co.	USD	547,183	1.72					
3,577	L Brands, Inc.	USD	192,943	0.61					
3,922	Mastercard, Inc. 'A'	USD	477,817	1.50					
10,455	Micron Technology, Inc.	USD	316,787	1.00					
4,810	Microsoft Corp.	USD	331,890	1.04					

**Worldwide Equity Fund**  
**Portfolio Statement (continued)**  
as at 30th June 2017

Holding	Investment	Currency	Market Value Value USD	% of Net Assets
<b>Equities 98.78% (99.10%) (continued)</b>				
<b>United States of America (continued)</b>				
7,148	NIKE, Inc. 'B'	USD	412,368	1.30
1,715	NVIDIA Corp.	USD	250,905	0.79
4,105	Occidental Petroleum Corp.	USD	243,509	0.77
3,130	PepsiCo, Inc.	USD	362,454	1.14
15,027	Pfizer, Inc.	USD	503,855	1.59
2,577	Philip Morris International, Inc.	USD	302,566	0.95
1,080	Sherwin-Williams Co. (The)	USD	381,035	1.20
6,131	Spirit Airlines, Inc.	USD	314,582	0.99
2,411	Stryker Corp.	USD	336,310	1.06
1,484	Thermo Fisher Scientific, Inc.	USD	259,077	0.81
5,079	TJX Cos., Inc. (The)	USD	364,875	1.15
2,966	Union Pacific Corp.	USD	320,832	1.01
2,861	United Rentals, Inc.	USD	318,601	1.00
2,073	Vertex Pharmaceuticals, Inc.	USD	265,551	0.84
5,403	Visa, Inc. 'A'	USD	510,259	1.61
2,259	Zimmer Biomet Holdings, Inc.	USD	289,694	0.91
			<b>16,273,380</b>	<b>51.22</b>
	<b>Equities total</b>		<b>31,380,906</b>	<b>98.78</b>
	Total Value of Investments		31,380,906	98.78
	Net Other Assets (2016: 0.90%)		388,815	1.22
	<b>Net Assets attributable to Preference Shareholders</b>		<b>31,769,721</b>	<b>100.00</b>

The comparative percentage figures in brackets are as at 31st December 2016.

^ 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.

### Types of Investment

The majority of the Investment 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 United States (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 2017 the Fund posted a total gross return of +0.4% versus +0.4% 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 short dated US Dollar deposits. This was a poor period for the US Dollar, especially in the latter half. Investors had anticipated that the policies of the newly inaugurated President Trump would boost economic growth and drive up inflation in the process. This would in turn prompt a sharper trajectory for US interest-rate rises, and with that, a stronger US currency. As doubts about the president's ability to deliver his planned reforms crept in, and as US economic data began to undershoot expectations, the Dollar weakened considerably. Over the first half of 2017, it lost 8% against the Euro, almost 6% against Sterling, and 3.5% against the Yen.

The new US president was never far from the limelight. In contrast to last year, however, most of the headlines he garnered tended to put pressure on the US currency. In January, the Dollar weakened as he pulled America out of the Trans-Pacific Partnership trade deal and again later in the month when the president and his trade advisor complained that the Yen, Euro and Yuan were artificially weak. In March, lack of support in Congress forced him to withdraw his attempt to replace the Affordable Care Act. This raised doubts about the rest of his reform agenda and consequently weighed on the Dollar and in May President Trump's sudden sacking of head of the Federal Bureau of Investigations James Comey had a similar effect, as calls for impeachment grew louder.

Political developments elsewhere also had an impact on the Dollar. The Euro strengthened at its expense when euro-sceptic election results were avoided in the Netherlands and France. In the United Kingdom (UK), Sterling gained ground when the Prime Minister Theresa May called a snap election, in anticipation that she would strengthen her hand ahead of "Brexit" negotiations. Her unexpected failure to secure an outright majority saw Sterling weaken, but not enough to cancel out gains from earlier in the period.

The poor performance of the US currency came despite a tightening of monetary policy by the Federal Reserve ('the Fed'). The US central bank twice raised the target range for interest rates by 25 basis points during the period. The first of these rises, in March, was fully expected, but the Fed's emphasis on a gradual pace for future hikes was seen as surprisingly cautious.

The second rate rise, in June, was also widely anticipated, though it arrived hard on the heels of some disappointing US economic readings. First-quarter GDP growth, for example, came in lower than expected, as did inflation and job-creation figures for May. Any US Dollar strength arising from the Fed's second hike was muted and short-lived, as investors discerned hints of tighter monetary conditions to come in Europe.

Although the Bank of England (BoE)'s monetary policy committee kept UK rates on hold at its June meeting, the vote to do so was narrower than expected. This saw the US Dollar fall against Sterling, as did a more hawkish tone from BoE governor Mark Carney near the end of the period. The governor suggested that he would vote for a rate hike if business investment picked up.

Also in late June, the European Central Bank chief, Mario Draghi, hinted that his organisation's asset-purchase programme could be reined in quicker than was currently expected. The US Dollar fell sharply against the Euro on the news, rounding off its worst first half of a year since 2003.

## Managed Currency Fund

### Comparative Tables

for the accounting period 1st January 2017 to 30th June 2017

	Preference shares			
	2017	2016*	2015*	2014*
	US\$	US\$	US\$	US\$
<b>Change in net assets per share</b>				
Opening net asset value per share	0.3336	0.3360	0.3397	0.3434
Return before operating charges <sup>1</sup>	0.0008	0.0013	0.0001	0.0001
Operating charges	(0.0018)	(0.0037)	(0.0038)	(0.0038)
Return after operating charges	(0.0010)	(0.0024)	(0.0037)	(0.0037)
Distributions on preference shares	–	–	–	–
Closing net asset value per shares	0.3326	0.3336	0.3360	0.3397
<sup>1</sup> after direct transaction costs of	–	–	–	–
<b>Performance</b>				
Return after charges	(0.30)%	(0.71)%	(1.09)%	(1.08)%
<b>Other information</b>				
Closing net asset value (US\$)	556,885	568,562	652,380	750,392
Closing number of shares	1,674,243	1,704,392	1,941,564	2,208,589
Operating charges <sup>2</sup>	1.14%	1.11%	1.12%	1.11%
Direct transaction costs	0.00%	0.00%	0.00%	0.00%
<b>Prices</b>				
Highest offer share price (US\$)	0.3511	0.3537	0.3576	0.3620
Lowest bid share price (US\$)	0.3324	0.3336	0.3360	0.3398

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

For the accounting year ended:	Net distribution per share US\$	Highest offer share price US\$	Lowest bid share price US\$
31st December 2012	–	0.3702	0.3477
31st December 2013	–	0.3660	0.3438

#### Ongoing Charges Figure (“OCF”) for:

	OCF <sup>2</sup> %
12 months to 31st December 2016	1.11%
6 months to 30th June 2017	1.14%

<sup>2</sup> Ongoing Charges Figure has replaced the Total Expense Ratio. 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 for 2014 have not been restated. The OCF figure at 30th June 2017 is on 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 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 31st December

## Managed Currency Fund

### Statement of Total Return

for the accounting period 1st January 2017 to 30th June 2017

	June 2017	June 2016
	US\$	US\$
Income		
Net capital losses	(577)	(435)
Revenue	2,066	1,204
Expenses	(3,125)	(3,555)
Net expense before taxation	(1,059)	(2,351)
Taxation	—	—
Net expense after taxation	(1,059)	(2,351)
<b>Total return before distribution</b>	<b>(1,636)</b>	<b>(2,786)</b>
Distributions	12	14
<b>Change in Net Assets Attributable to Preference Shareholders from investment activities</b>	<b>(1,624)</b>	<b>(2,772)</b>

### Statement of Change in Net Assets Attributable to Preference Shareholders

for the accounting period 1st January 2017 to 30th June 2017

	June 2017	June 2016
	US\$	US\$
<b>Opening Net Assets Attributable to Preference Shareholders</b>	568,562	652,380
Movement due to sales and repurchases of shares:		
Amounts receivable on issue of shares	2,409	—
Amounts payable on cancellation of shares	(12,462)	(19,251)
	(10,053)	(19,251)
Change in Net Assets Attributable to Preference Shareholders from investment activities (see above)	(1,624)	(2,772)
<b>Closing Net Assets Attributable to Preference Shareholders</b>	<b>556,885</b>	<b>630,357</b>

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 2016 whilst the figure disclosed in the comparatives' Closing Net Assets Attributable to Preference Shareholders is at 30th June 2016.

### Balance Sheet

as at 30th June 2017

	June 2017	December 2016
	US\$	US\$
<b>Assets:</b>		
Fixed assets:		
Investments*	—	212,259
Current assets:		
Debtors	59,617	60,177
Cash and bank balances	558,083	364,828
Total assets	617,700	637,264
<b>Liabilities:</b>		
Creditors:		
Other creditors	(1,198)	(9,160)
Total liabilities	(1,198)	(9,160)
<b>Equity:</b>		
Nominal shares	(59,617)	(59,542)
Total equity	(59,617)	(59,542)
<b>Net Assets Attributable to Preference Shareholders</b>	<b>556,885</b>	<b>568,562</b>

### Distribution Table

There is no distribution for the accounting period 1st January 2017 to 30th June 2017, as expenses exceed revenue (June 2016: Nil).

\*United States Dollar (US\$) time deposits greater than 3 months at 30 June 2017 was US\$ nil (December 2016: US\$ 212,259)

# 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 United Kingdom (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 2017, the Fund produced a total gross return of +0.3% in Sterling terms, compared with a return of +0.3% for the FTSE Actuaries All Stocks Index.

### Review

The benchmark 10-year gilt yield rose from 1.24% at the start of the review period to finish June at 1.26%. Some of the sell-off occurred early in the year as optimism over “Trumponomics” led investors to favour equities over safe-haven bonds. Later, fading “Trump trades” benefited gilts, especially in March when the prospect of stalled healthcare reform in the United States (US) led investors to question President Trump’s entire legislative programme.

While the triggering of Article 50 at the end of March had virtually no market impact, the same could not be said about Prime Minister Theresa May’s unexpected call for a snap election. Sterling and gilts subsequently rallied as investors priced in a “soft Brexit”. The prospect, then reality of Emmanuel Macron’s triumph in the French election weighed on gilts in late April and early May. By contrast, the UK election’s inconclusive outcome initially pressured 10-year gilts, but yields subsequently fell amid a rush to safe havens and some weak US economic data. Over most of the second half of June, sentiment towards gilts soured again as comments from various officials at the Federal Reserve, the European Central Bank and the Bank of England (BoE) led investors to anticipate that these central banks were en route to tightening policy.

While the BoE’s Monetary Policy Committee made no rate changes over the review period, the vote in the committee grew narrower. June’s meeting saw only five officials vote to leave rates unchanged; the other three called for an immediate hike. This, along with May’s high inflation reading – the annual rate rose to 2.9% – fuelled expectations that the BoE could soon tighten policy.

At the start of the review period, in terms of relative duration, the fund was 0.10 years long. January saw the fund increase its relative duration. In early February, we booked some profits so that the 30-year auction could give us the opportunity to re-enter long positions. In the middle of February, we increased duration to 0.40 years long by taking a long position in the 10-year bucket when 10-year gilt yields hit 1.30%. We maintained the long duration position through to month-end as yields decreased some 20 basis points driven by short covering and angst over European politics. The fund’s long duration position was halved to +0.20 in the first week of March, as core market yields drifted higher. During the second week of March, we reduced exposure in the 10-year segment in favour of 5-year bonds and also reduced exposure to the 20-year segment in favour of 30-year bonds. Following the budget, we further sold down 10-year conventional gilts and entered into a 0.20 CTD (contribution to duration) position in 30-year index linked gilts.

The start of the second quarter saw the fund once again return to a long relative duration position. We began to build index-linked positions in the 30-year and 50-year segments. The breakeven trade was promptly unwound when the snap election was announced on 18 April. Breakeven rates continued to move lower into month end. In early May, trades involved the sale of 6-year gilts into 20-year gilts. Ahead of the syndication of 2057 gilts mid-month, we sold these bonds, switching the proceeds into 2052s and 2065s and into the 20-year area; this temporarily moved the portfolio to a neutral position in the ultra-long segment.

Immediately before the UK’s election, we moved to a neutral-duration position by selling down the long positions in the 20-year and 30-year areas of the curve. On election day, we sold 27s into 32s to pick up around 30 bps of yield. Later, we took advantage of the spike in yields following May’s above-consensus inflation print to move to a long duration position of 0.20 years. Following the BoE’s June meeting, we sold 20-year and 30-year bonds but bought 5-year bonds.

## **Gilt and Income Fund**

### **Fund Investment Report (continued)**

#### **Review (continued)**

Our basic prognosis is one of sluggish global growth and low long-term real rates in developed markets. Demographic trends, weak productivity growth and low levels of investment relative to savings are all likely to keep yields depressed, relative to historical levels. Within this context, Europe and other advanced economies are currently experiencing cyclical upturns, which is evidenced by improving confidence, strong leading indicators and some upward price pressure.

The withdrawal of monetary policy accommodation has already commenced in the US. Elsewhere, policymakers are faced with the challenge of normalising policy while the political outlook remains foggy and the sustainability of current inflation trends is uncertain. We remain sceptical about the scale of normalisation that will prove possible but acknowledge some unwinding of the 'QE premium' that has depressed yields over recent years. We expect market expectations of slower ECB asset purchases to develop over the course of this year.



## Gilt and Income Fund

### Comparative Tables

for the accounting period 1st January 2017 to 30th June 2017

	Preference shares			
	2017	2016*	2015*	2014*
	£	£	£	£
<b>Change in net assets per share</b>				
Opening net asset value per share	0.3993	0.3669	0.3719	0.3345
Return before operating charges <sup>1</sup>	0.0016	0.0389	0.0024	0.0449
Operating charges	(0.0028)	(0.0055)	(0.0051)	(0.0047)
Return after operating charges	(0.0012)	0.0334	(0.0027)	0.0402
Distributions on preference shares	0.0000	(0.0010)	(0.0023)	(0.0028)
Closing net asset value per shares	0.3981	0.3993	0.3669	0.3719
<sup>1</sup> after direct transaction costs of	-	-	-	-
<b>Performance</b>				
Return after charges	(0.30)%	9.10%	(0.73)%	12.02%
<b>Other information</b>				
Closing net asset value (£)	12,627,157	12,966,627	11,696,579	12,953,044
Closing number of shares	31,717,878	32,470,163	31,878,726	34,820,066
Operating charges <sup>2</sup>	1.40%	1.38%	1.38%	1.34%
Direct transaction costs	0.00%	0.00%	0.00%	0.00%
<b>Prices</b>				
Highest offer share price (£)	0.4309	0.4508	0.4087	0.3934
Lowest bid share price (£)	0.3887	0.3680	0.3598	0.3342

#### 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
	£	£	£
<b>For the accounting year ended:</b>			
31st December 2012	0.0018	0.3809	0.3382
31st December 2013	0.0020	0.3811	0.3333

#### Ongoing Charges Figure ("OCF") for:

	OCF <sup>2</sup>
	%
12 months to 31st December 2016	1.38%
6 months to 30th June 2017	1.40%

<sup>2</sup> Ongoing Charges Figure has replaced the Total Expense Ratio. 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 for 2014 have not been restated. The OCF figure at 30th June 2017 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 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 31st December

## Gilt and Income Fund

### Statement of Total Return

for the accounting period 1st January 2017 to 30th June 2017

	June 2017	June 2016
	US\$	US\$
Income		
Net capital (losses)/gains	(39,704)	1,618,679
Revenue	104,593	148,052
Expenses	(113,003)	(109,625)
Net (expense)/revenue before taxation	(8,410)	38,427
Taxation	—	—
Net (expense)/revenue after taxation	(8,410)	38,427
<b>Total return before distribution</b>	<b>(48,114)</b>	<b>1,657,106</b>
Distributions	83	(38,427)
<b>Change in Net Assets Attributable to Preference Shareholders from investment activities</b>	<b>(48,031)</b>	<b>1,618,679</b>

### Balance Sheet

as at 30th June 2017

	June 2017	December 2016
	US\$	US\$
<b>Assets:</b>		
Fixed assets:		
Investments	16,162,715	15,849,970
Current assets:		
Debtors	646,579	645,861
Cash and bank balances	190,893	104,588
<b>Total assets</b>	<b>17,000,187</b>	<b>16,600,419</b>
<b>Liabilities:</b>		
Creditors:		
Distribution payable	—	(4,761)
Other creditors	(59,014)	(29,730)
<b>Total liabilities</b>	<b>(59,014)</b>	<b>(34,491)</b>
<b>Equity</b>		
Nominal shares	(539,759)	(537,879)
<b>Total equity</b>	<b>(539,759)</b>	<b>(537,879)</b>
<b>Net Assets Attributable to Preference Shareholders</b>	<b>16,401,414</b>	<b>16,028,049</b>

### Statement of Change in Net Assets Attributable to Preference Shareholders

for the accounting period 1st January 2017 to 30th June 2017

	June 2017	June 2016
	US\$	US\$
<b>Opening Net Assets Attributable to Preference Shareholders</b>	<b>16,028,049</b>	<b>17,241,342</b>
Movement due to sales and repurchases of shares:		
Amounts receivable on issue of shares	41,172	158,930
Amounts payable on cancellation of shares	(434,550)	(480,212)
	(393,378)	(321,282)
Difference on currency conversion	814,303	(1,536,931)
Change in Net Assets Attributable to Preference Shareholders from investment activities (see above)	(48,031)	1,618,679
Unclaimed distributions	471	—
<b>Closing Net Assets Attributable to Preference Shareholders</b>	<b>16,401,414</b>	<b>17,001,808</b>

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 2016 whilst the figure disclosed in the comparatives' Closing Net Assets Attributable to Preference Shareholders is at 30th June 2016.

### Distribution Table

for the accounting period 1st January 2017 to 30th June 2017

	Income £	Equalisation £	Distribution Payable June 2017 £	Distribution Paid June 2016 £
Group 1	0.0000	—	0.0000	0.0009
Group 2	0.0000	0.0000	0.0000	0.0009

Group 2 units are those purchased after 16:00 (UK time) on 31st December 2016.

## Gilt and Income Fund

### Portfolio Statement

as at 30th June 2017

Holding	Investment	Currency	Market Value US\$	% of Net Assets
	<b>Corporate Bonds 4.67%</b> <b>(4.10%)</b>			
	<b>Canada 1.45% (1.43%)</b>			
180,000	Export Development Canada 1.38% 16/12/2019	GBP	237,815	1.45
			<b>237,815</b>	<b>1.45</b>
	<b>Germany 1.60% (1.57%)</b>			
200,000	FMS Wertmanagement Aoer 1.25% 08/03/2019	GBP	262,497	1.60
			<b>262,497</b>	<b>1.60</b>
	<b>United Kingdom 1.62%</b> <b>(1.10%)</b>			
50,000	LCR Finance plc 4.50% 07/12/2028	GBP	83,703	0.51
125,000	Network Rail Infrastructure Finance plc 4.63% 21/07/2020	GBP	181,782	1.11
			<b>265,485</b>	<b>1.62</b>
	<b>Corporate Bonds total</b>		<b>765,797</b>	<b>4.67</b>
	<b>Government Bonds 91.76%</b> <b>(93.24%)</b>			
	<b>Finland 1.44% (1.41%)</b>			
180,000	Municipality Finance plc 1.25% 07/03/2019	GBP	235,959	1.44
			<b>235,959</b>	<b>1.44</b>
	<b>United Kingdom 90.32%</b> <b>(91.83%)</b>			
1,274,000	UK Treasury 1.25% 22/07/2018	GBP	1,670,927	10.19
160,000	UK Treasury 1.75% 22/07/2019	GBP	213,794	1.30
654,000	UK Treasury 1.50% 22/01/2021	GBP	879,954	5.36
1,307,000	UK Treasury 0.50% 22/07/2022	GBP	1,681,857	10.25
617,000	UK Treasury 2.25% 07/09/2023	GBP	870,421	5.31
1,076,000	UK Treasury 1.25% 22/07/2027	GBP	1,387,232	8.46
512,500	UK Treasury 4.75% 07/12/2030	GBP	927,790	5.66
467,000	UK Treasury 4.25% 07/06/2032	GBP	818,121	4.99
181,500	UK Treasury 4.50% 07/09/2034	GBP	332,663	2.03
183,000	UK Treasury 4.25% 07/03/2036	GBP	330,579	2.02
641,000	UK Treasury 1.75% 07/09/2037	GBP	815,674	4.97
385,000	UK Treasury 4.25% 07/09/2039	GBP	715,952	4.37
816,000	UK Treasury 3.25% 22/01/2044	GBP	1,353,610	8.25
450,000	UK Treasury 3.50% 22/01/2045	GBP	784,434	4.78
171,000	UK Treasury 1.50% 22/07/2047	GBP	203,475	1.24
201,000	UK Treasury 3.75% 22/07/2052	GBP	393,814	2.40
257,000	UK Treasury 1.75% 22/07/2057	GBP	334,909	2.04
342,000	UK Treasury 2.50% 22/07/2065	GBP	562,832	3.43
254,500	UK Treasury 3.50% 22/07/2068	GBP	535,935	3.27
			<b>14,813,973</b>	<b>90.32</b>
	<b>Government Bonds total</b>		<b>15,049,932</b>	<b>91.76</b>
	<b>Supranationals 2.11% (1.55%)</b>			
125,000	African Development Bank 0.88% 13/12/2018	GBP	162,900	0.99
65,000	European Investment Bank 0.63% 17/01/2020	GBP	84,368	0.51
80,000	European Investment Bank 1.00% 21/09/2026	GBP	99,718	0.61
			<b>346,986</b>	<b>2.11</b>
	<b>Supranationals total</b>		<b>346,986</b>	<b>2.11</b>
	Total Value of Investments		16,162,715	98.54
	Net Other Assets (2016: 1.11%)		238,699	1.46
	<b>Net Assets attributable to Preference Shareholders</b>		<b>16,401,414</b>	<b>100.00</b>

The comparative percentage figures in brackets are as at 31st December 2016.

# North American Growth Fund

## Fund Investment Report

### Investment Policy

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

### 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 +11.6%, while the S&P 500 Composite Index returned +9.3% in United States (US) Dollar terms.

### Review

In the six months ending 30th June 2017 the S&P 500 index rose 9.3% in US Dollar terms. The period was marked by a rotation from the reflationary “Trump Trade”, during which value names outperformed, to a significant outperformance of growth stocks. This reversal was led by softer domestic economic data, and scepticism that the Trump administration will be able to deliver on its growth agenda.

Despite falling inflation in the US, the Federal Reserve (Fed) raised interest rates twice over the period under review, and maintained its projection for another hike in 2017 and three in 2018.

Market performance was led by the technology sector, benefiting from a weaker US Dollar, the favouring of growth, and the recovery in global economic growth, which proved supportive for large cap companies with an international presence.

This trend was mirrored in corporate earnings results, which continued to show improving profitability over prior quarters. In aggregate, S&P 500 companies’ first-quarter earnings were up around 15% year on year, with many technology companies notably strong. By contrast, the energy sector lagged; though the Organisation of the Petroleum Exporting Countries (OPEC) and Russia announced they would extend the previously agreed production cuts, the deal fell short of market expectations.

Our activity over the period included:

- Switching our position in Exxon Mobil Corp. (energy – oil, gas and consumable fuels) into Chevron Corp. (energy – oil, gas and consumable fuels), as we see better growth prospects and business momentum in the latter.
- Adding a position in Costco Wholesale Corp. (consumer staples – food and staples retailing); in our view, the company benefits from positive business momentum, and is poised to deliver further gains in both sales and free cash flow generation.
- New positions in Goldman Sachs Group, Inc. (financials – capital markets) and Comerica, Inc. (financials – banks), which stand to benefit from a steeper yield curve, better economic growth and reawakened risk appetite. For Goldman Sachs, we see upside to return on equity, as the Trump administration is likely to deliver a secular change for the industry, manifesting in declining regulatory costs. Texas-based Comerica Inc. focuses on small and mid-sized businesses. As a conservatively run bank with relatively limited credit risk but high sensitivity to interest rates, it offers a highly attractive risk/reward profile.
- Switching our utilities exposure from the Pacific Gas and Electric Company Corp. (utilities) to Xcel Energy, Inc. (utilities). Our thesis for the former played out, and we view Xcel Energy Inc. as a high quality firm whose management consistently delivers on its promises. The company also benefits from high earnings visibility, as Minnesota rates have been set for the next four years. Yet despite higher quality, visibility and growth potential, the stock is currently trading in line with regulated peers.
- Exiting stocks including AT&T Inc. (telecommunication services), Cisco systems, Inc. (information technology) and Dollar General Corp. (consumer discretionary), which we feel no longer offer compelling risk/reward profiles.

Recent months have seen a number of challenges for the Trump administration, as a result of which the market is now reflecting a high degree of scepticism about the potential pro-growth impacts of the Republican agenda. This is reflected in the underperformance of high tax-paying and high buyback stocks of more domestically focused companies. The market valuation looks fair in the context of consensus expectations of double-digit earnings growth this year and next. The strong earnings are driven by a solid domestic economic background and a global synchronised recovery outside of the US.

## North American Growth Fund

### Comparative Tables

for the accounting period 1st January 2017 to 30th June 2017

	Preference shares			
	2017	2016*	2015*	2014*
	US\$	US\$	US\$	US\$
<b>Change in net assets per share</b>				
Opening net asset value per share	6.0714	5.7835	5.7555	5.2330
Return before operating charges <sup>1</sup>	0.8803	0.4041	0.1456	0.6309
Operating charges	(0.0647)	(0.1162)	(0.1176)	(0.1084)
Return after operating charges	0.8156	0.2879	0.0280	0.5225
Distributions on preference shares	–	–	–	–
Closing net asset value per shares	6.8870	6.0714	5.7835	5.7555
<sup>1</sup> after direct transaction costs of	(0.4458)	(0.0108)	(0.0167)	(0.0119)
<b>Performance</b>				
Return after charges	13.43%	4.98%	0.49%	9.98%
<b>Other information</b>				
Closing net asset value (US\$)	22,848,670	327,706,556	308,124,965	286,696,410
Closing number of shares	3,317,654	53,975,620	53,276,414	49,812,215
Operating charges <sup>2</sup>	2.04%	2.04%	2.04%	2.01%
Direct transaction costs	0.07%	0.19%	0.29%	0.22%
<b>Prices</b>				
Highest offer share price (US\$)	7.3580	6.4860	6.3300	6.0840
Lowest bid share price (US\$)	6.0800	5.0120	5.2940	4.9240

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

For the accounting period ended:	Net distribution per share US\$	Highest offer share price US\$	Lowest bid share price US\$
31st December 2012	–	4.2370	3.4780
31st December 2013	–	5.5180	3.8750

#### Ongoing Charges Figure (“OCF”) for:

	OCF <sup>2</sup> %
12 months to 31st December 2016	2.04%
6 months to 30th June 2017	2.04%

<sup>2</sup> Ongoing Charges Figure has replaced the Total Expense Ratio. 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 for 2014 have not been restated. The OCF figure at 30th June 2017 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 31st December

## North American Growth Fund

### Statement of Total Return

for the accounting period 1st January 2017 to 30th June 2017

	June 2017	June 2016
	US\$	US\$
Income		
Net capital gains/(losses)	26,544,932	(7,025,546)
Revenue	1,678,013	3,125,243
Expenses	(2,242,402)	(3,082,641)
Net (expense)/revenue before taxation	(564,389)	42,602
Taxation	(487,030)	(1,021,175)
Net expense after taxation	(1,051,419)	(978,573)
<b>Total return before distribution</b>	<b>25,493,513</b>	<b>(8,004,119)</b>
Distributions	951,463	(13,861)
<b>Change in Net Assets Attributable to Preference Shareholders from investment activities</b>	<b>26,444,976</b>	<b>(8,017,980)</b>

### Balance Sheet

as at 30th June 2017

	June 2017	December 2016
	US\$	US\$
<b>Assets:</b>		
Fixed assets:		
Investments	22,804,853	323,043,513
Current assets:		
Debtors	164,273	2,775,392
Cash and bank balances	254,424	7,662,643
Total assets	<u>23,223,550</u>	<u>333,481,548</u>
<b>Liabilities:</b>		
Creditors:		
Other creditors	(227,814)	(5,754,571)
Total liabilities	<u>(227,814)</u>	<u>(5,754,571)</u>
<b>Equity:</b>		
Nominal shares	(147,066)	(20,421)
Total equity	<u>(147,066)</u>	<u>(20,421)</u>
<b>Net Assets Attributable to Preference Shareholders</b>	<u>22,848,670</u>	<u>327,706,556</u>

### Statement of Change in Net Assets Attributable to Preference Shareholders

for the accounting period 1st January 2017 to 30th June 2017

	June 2017	June 2016
	US\$	US\$
<b>Opening Net Assets Attributable to Preference Shareholders</b>	327,706,556	308,124,965
Movement due to sales and repurchases of shares:		
Amounts receivable on issue of shares	10,392,224	64,265,575
Amounts payable on cancellation of shares	(341,695,086)	(51,228,682)
	(331,302,862)	13,036,893
Change in Net Assets Attributable to Preference Shareholders from investment activities (see above)	26,444,976	(8,017,980)
<b>Closing Net Assets Attributable to Preference Shareholders</b>	<u>22,848,670</u>	<u>313,143,878</u>

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 2016 whilst the figure disclosed in the comparatives' Closing Net Assets Attributable to Preference Shareholders is at 30th June 2016.

## North American Growth Fund

### Portfolio Statement

as at 30th June 2017

Holding	Investment	Currency	Market Value US\$	% of Net Assets	Holding	Investment	Currency	Market Value US\$	% of Net Assets
<b>Equities 99.81% (98.58%)</b>					<b>Consumer Finance 0.00% (0.84%)</b>				
<b>Consumer Discretionary 13.80% (12.01%)</b>					<b>Diversified Financial Services 2.75% (1.90%)</b>				
<b>Auto Components 0.67% (0.65%)</b>					<b>Insurance 1.99% (2.35%)</b>				
3,293	Magna International, Inc.	USD	151,807	0.67	3,703	Berkshire Hathaway, Inc. 'B'	USD	628,066	2.75
			<b>151,807</b>	<b>0.67</b>				<b>628,066</b>	<b>2.75</b>
<b>Hotels, Restaurants &amp; Leisure 1.83% (1.63%)</b>					<b>Equity Real Estate Investment Trusts (REITs) 1.11% (1.80%)</b>				
2,728	McDonald's Corp.	USD	417,984	1.83	3,837	Marsh & McLennan Cos., Inc.	USD	297,751	1.30
			<b>417,984</b>	<b>1.83</b>	2,843	MetLife, Inc.	USD	156,564	0.69
<b>Household Durables 1.68% (0.00%)</b>					<b>Financials total</b>				
7,146	Newell Brands, Inc.	USD	383,883	1.68				<b>3,471,018</b>	<b>15.19</b>
			<b>383,883</b>	<b>1.68</b>				<b>254,837</b>	<b>1.11</b>
<b>Internet &amp; Direct Marketing Retail 2.98% (2.97%)</b>					<b>Health Care 14.84% (13.73%)</b>				
696	Amazon.com, Inc.	USD	681,036	2.98	<b>Biotechnology 3.73% (3.24%)</b>				
			<b>681,036</b>	<b>2.98</b>	1,332	Alexion Pharmaceuticals, Inc.	USD	162,864	0.71
<b>Media 2.68% (2.45%)</b>					<b>Health Care Equipment &amp; Supplies 2.21% (2.84%)</b>				
15,730	Comcast Corp. 'A'	USD	611,268	2.68	5,702	Medtronic plc	USD	506,052	2.21
			<b>611,268</b>	<b>2.68</b>				<b>506,052</b>	<b>2.21</b>
<b>Multiline Retail 0.00% (1.07%)</b>					<b>Health Care Providers &amp; Services 1.50% (1.24%)</b>				
<b>Specialty Retail 2.35% (2.23%)</b>					<b>Life Sciences Tools &amp; Services 2.11% (1.76%)</b>				
3,514	Home Depot, Inc. (The)	USD	537,748	2.35	2,757	Thermo Fisher Scientific, Inc.	USD	481,317	2.11
			<b>537,748</b>	<b>2.35</b>				<b>481,317</b>	<b>2.11</b>
<b>Textiles, Apparel &amp; Luxury Goods 1.61% (1.01%)</b>					<b>Pharmaceuticals 5.29% (4.65%)</b>				
7,742	Coach, Inc.	USD	368,829	1.61	5,383	Johnson & Johnson	USD	712,871	3.12
			<b>368,829</b>	<b>1.61</b>	14,832	Pfizer, Inc.	USD	497,317	2.17
<b>Consumer Discretionary total</b>					<b>Health Care total</b>				
			<b>3,152,555</b>	<b>13.80</b>				<b>3,392,019</b>	<b>14.84</b>
<b>Consumer Staples 7.02% (5.56%)</b>					<b>Industrials 8.38% (6.64%)</b>				
<b>Beverages 1.85% (1.48%)</b>					<b>Aerospace &amp; Defense 2.92% (2.86%)</b>				
3,643	PepsiCo, Inc.	USD	421,859	1.85	2,130	General Dynamics Corp.	USD	419,439	1.84
			<b>421,859</b>	<b>1.85</b>	891	Lockheed Martin Corp.	USD	246,932	1.08
<b>Food &amp; Staples Retailing 2.08% (1.04%)</b>					<b>Airlines 1.59% (1.46%)</b>				
1,664	Costco Wholesale Corp.	USD	264,909	1.16	5,825	Southwest Airlines Co.	USD	363,538	1.59
4,181	Sysco Corp.	USD	209,928	0.92				<b>363,538</b>	<b>1.59</b>
			<b>474,837</b>	<b>2.08</b>	<b>Building Products 0.71% (0.70%)</b>				
<b>Food Products 0.00% (0.52%)</b>					<b>Construction &amp; Engineering 0.58% (0.46%)</b>				
<b>Tobacco 3.09% (2.52%)</b>					<b>Machinery 2.58% (1.16%)</b>				
4,831	Altria Group, Inc.	USD	360,489	1.58	2,604	Caterpillar, Inc.	USD	278,732	1.22
2,948	Philip Morris International, Inc.	USD	346,125	1.51	3,404	Ingersoll-Rand plc	USD	310,717	1.36
			<b>706,614</b>	<b>3.09</b>				<b>589,449</b>	<b>2.58</b>
<b>Consumer Staples total</b>					<b>Industrials total</b>				
			<b>1,603,310</b>	<b>7.02</b>				<b>1,914,774</b>	<b>8.38</b>
<b>Energy 5.51% (7.79%)</b>					<b>Capital Markets 1.64% (3.16%)</b>				
<b>Energy Equipment &amp; Services 1.44% (1.75%)</b>					<b>Banks 7.70% (7.12%)</b>				
7,774	Halliburton Co.	USD	329,929	1.44	7,571	Citigroup, Inc.	USD	507,787	2.22
			<b>329,929</b>	<b>1.44</b>	5,109	Comerica, Inc.	USD	371,373	1.63
<b>Oil, Gas &amp; Consumable Fuels 4.07% (6.04%)</b>					<b>JPMorgan Chase &amp; Co. 3.85%</b>				
3,495	Chevron Corp.	USD	363,445	1.59	9,635	JPMorgan Chase & Co.	USD	880,446	3.85
7,821	Devon Energy Corp.	USD	246,674	1.08				<b>1,759,606</b>	<b>7.70</b>
3,563	EOG Resources, Inc.	USD	318,782	1.40				<b>374,194</b>	<b>1.64</b>
			<b>928,901</b>	<b>4.07</b>				<b>374,194</b>	<b>1.64</b>
<b>Energy total</b>									
			<b>1,258,830</b>	<b>5.51</b>					
<b>Financials 15.19% (17.17%)</b>									
<b>Banks 7.70% (7.12%)</b>									
7,571	Citigroup, Inc.	USD	507,787	2.22					
5,109	Comerica, Inc.	USD	371,373	1.63					
9,635	JPMorgan Chase & Co.	USD	880,446	3.85					
			<b>1,759,606</b>	<b>7.70</b>					
<b>Capital Markets 1.64% (3.16%)</b>									
1,672	Goldman Sachs Group, Inc. (The)	USD	374,194	1.64					
			<b>374,194</b>	<b>1.64</b>					

**North American Growth Fund**  
**Portfolio Statement (continued)**  
as at 30th June 2017

Holding	Investment	Currency	Market Value US\$	% of Net Assets	Holding	Investment	Currency	Market Value US\$	% of Net Assets
<b>Equities 99.81% (98.58%) (continued)</b>					<b>Materials 3.34% (3.12%) Chemicals 2.65% (2.39%)</b>				
<b>Information Technology 29.07% (27.47%)</b>					1,952	Albemarle Corp.	USD	205,956	0.90
<b>Communications Equipment 0.00% (1.52%)</b>					6,350	Dow Chemical Co. (The)	USD	399,986	1.75
<b>Internet Software &amp; Services 7.82% (6.92%)</b>								<b>605,942</b>	<b>2.65</b>
1,119	Alphabet, Inc. 'A'	USD	1,047,776	4.58	<b>Metals &amp; Mining 0.69% (0.73%)</b>				
4,894	Facebook, Inc. 'A'	USD	739,973	3.24	2,680	Nucor Corp.	USD	156,860	0.69
			<b>1,787,749</b>	<b>7.82</b>				<b>156,860</b>	<b>0.69</b>
<b>IT Services 3.49% (3.60%)</b>					<b>Materials total</b>				
3,095	Booz Allen Hamilton Holding Corp.	USD	100,464	0.44				<b>762,802</b>	<b>3.34</b>
3,167	Leidos Holdings, Inc.	USD	163,005	0.72	<b>Telecommunication Services 0.00% (2.64%)</b>				
5,645	Visa, Inc. 'A'	USD	533,114	2.33	<b>Diversified Telecommunication Services 0.00% (2.64%)</b>				
			<b>796,583</b>	<b>3.49</b>	<b>Utilities 2.66% (2.45%)</b>				
<b>Semiconductors &amp; Semiconductor Equipment 5.02% (4.46%)</b>					<b>Electric Utilities 2.66% (2.45%)</b>				
1,837	Broadcom Ltd.	USD	431,016	1.89	3,825	Edison International	USD	301,142	1.32
2,663	Lam Research Corp.	USD	378,732	1.66	6,634	Xcel Energy, Inc.	USD	305,761	1.34
1,934	MACOM Technology Solutions Holdings, Inc.	USD	108,149	0.47				<b>606,903</b>	<b>2.66</b>
1,571	NVIDIA Corp.	USD	229,837	1.00				<b>606,903</b>	<b>2.66</b>
			<b>1,147,734</b>	<b>5.02</b>	<b>Utilities total</b>				
<b>Software 7.79% (6.51%)</b>					<b>Equities total</b>				
2,001	Adobe Systems, Inc.	USD	284,282	1.24	<b>22,804,853</b>				
4,158	Electronic Arts, Inc.	USD	444,573	1.95	<b>99.81</b>				
15,222	Microsoft Corp.	USD	1,050,318	4.60	Total Value of Investments				
			<b>1,779,173</b>	<b>7.79</b>	Net Other Assets (2016: 1.42%)				
<b>Technology Hardware, Storage &amp; Peripherals 4.95% (4.46%)</b>					<b>Net assets attributable to Preference Shareholders</b>				
7,839	Apple, Inc.	USD	1,131,403	4.95	<b>22,848,670</b>				
			<b>1,131,403</b>	<b>4.95</b>	<b>100.00</b>				
<b>Information Technology total</b>									
			<b>6,642,642</b>	<b>29.07</b>					

The comparative percentage figures in brackets are as at 31st December 2016.



# 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 2017, the Fund produced a total gross return of +16.8% in United States (US) Dollar terms, compared with a total return of +15.9% for the MSCI AC Asia Pacific Free Index.

### Review

In the six months ending 30th June 2017 Asian equities recovered strongly, with weakness in the US Dollar, global liquidity and the supportive macro outlook all underpinning the continuous inflows into the market.

Japanese markets drifted higher over the review period. The TOPIX index returned 7.3% on a local currency, total gross return basis, and 5.7% in sterling. Robust global growth acted as a tailwind for Japan's economy, helping to boost exports. Business and consumer confidence indicators continued to improve.

Chinese equities had a good quarter on the back of better economic data and positive earnings revisions. During the period, the People's Bank of China shifted its accommodative stance, raising inter-bank rates in a move to slow credit growth through the control of off-balance sheet lending.

South Korea advanced over the period, with the help of strong earnings per share (EPS) growth estimates and receding political noise. Political tensions with China eased following the election of President Moon Jae-in. The potential passage of chaebol reforms (regarding the transparency of large corporates) is expected to provide future tailwinds. Taiwan was another beneficiary of the continued rally in technology stocks; companies in Apple's supply chain performed especially well, as investors have high expectations for the iPhone 8.

In India, equity markets recovered from the sell-off that took place following the government's demonetisation programme. Having finalised the details of a new goods and services tax, the government is preparing to implement the measure. The bill's roll out is expected to impact earnings results for the next two quarters, which has led to increased expectations of monetary easing.

Our activity over the period included:

- In Japan, adding a new position in tyre maker Bridgestone Corp. (Japan). We felt that the market underestimated the sustainability of returns for the company and that it would be able to offset higher raw materials costs by raising prices. We also added drugstore companies Cocokara Fine, Inc. (Japan) and Tsuruha Holdings, Inc. (Japan). We feel that sustainable growth is possible within the drugstore industry against a backdrop of Japan's aging population and the potential for consolidation and market share gains within this fragmented market. Another new purchase was recruitment company Temp Holdings Co. Ltd. (Japan), which we believe will benefit from Japan's tight labour market.
- In China, we added to our position in tech name Alibaba Group Holding Ltd., ADR (Cayman Islands). Alibaba offers an improved core business, growing user engagement and better conversion of data-driven marketing technologies.
- In India, we initiated a position in ICICI Bank Ltd., ADR (India), feeling the market has passed the worst of the non-performing loans cycle.
- We added a position in Samsonite International SA (Luxembourg), feeling it should benefit from positive synergies stemming from its acquisition of Tumi.
- We exited stocks including PTT PCL (Thailand). Taking profits, we also reduced the position in Tencent Holdings Ltd. (Cayman Islands).

## **Far East Fund**

### **Fund Investment Report (continued)**

#### **Review (continued)**

Corporate earnings growth in Asia has picked up and is broad based, with a marked improvement in the cyclical sectors, and is now outpacing companies' developed market counterparts. Asian markets have also benefited from policy support, and in many countries the expected increase in fiscal stimulus should help boost domestic demand in both Asia Pacific and developed markets.

Uncertainty around trade protectionism remains a concern for Asian markets, with China at the forefront of potential policy implications. However, the risk of a trade war between the US and China has diminished, following April's constructive meeting between President Trump and President Xi Jinping. Moreover, the Chinese economy has already re-balanced significantly away from exports, and could generate more momentum behind projects such as 'One Belt, One Road'.

Asian markets are trading at undemanding valuations, compared to absolute, relative and historic levels, with further support coming from a benign capex environment, which is leading to cash-flow improvements. This creates a strong case for investment into the asset class using our active approach.

## Far East Fund

### Comparative Tables

for the accounting period 1st January 2017 to 30th June 2017

	Preference shares			
	2017	2016*	2015*	2014*
	US\$	US\$	US\$	US\$
<b>Change in net assets per share</b>				
Opening net asset value per share	2.8214	2.8402	2.8965	2.9447
Return before operating charges <sup>1</sup>	0.4701	0.0567	0.0204	0.0175
Operating charges	(0.0401)	(0.0755)	(0.0767)	(0.0648)
Return after operating charges	0.4300	(0.0188)	(0.0563)	(0.0473)
Distributions on preference shares	–	–	–	(0.0009)
Closing net asset value per shares	3.2514	2.8214	2.8402	2.8965
<sup>1</sup> after direct transaction costs of	(0.0058)	(0.0055)	(0.0063)	(0.0096)
<b>Performance</b>				
Return after charges	15.24%	(0.66)%	(1.94)%	(1.61)%
<b>Other information</b>				
Closing net asset value (US\$)	7,201,863	6,540,181	7,575,989	8,287,068
Closing number of shares	2,215,026	2,318,044	2,667,400	2,860,982
Operating charges <sup>2</sup>	2.65%	2.73%	2.56%	2.23%
Direct transaction costs	0.19%	0.20%	0.21%	0.33%
<b>Prices</b>				
Highest offer share price (US\$)	3.4700	3.1700	3.4510	3.2890
Lowest bid share price (US\$)	2.8060	2.3760	2.6120	2.6900

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

For the accounting year ended:	Net distribution per share US\$	Highest offer share price US\$	Lowest bid share price US\$
31st December 2012	0.0106	2.7840	2.2750
31st December 2013	0.0017	3.1550	2.6090

#### Ongoing Charges Figure (“OCF”) for:

	OCF <sup>2</sup> %
12 months to 31st December 2016	2.73%
6 months to 30th June 2017	2.65%

<sup>2</sup> Ongoing Charges Figure has replaced the Total Expense Ratio. 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 for 2014 have not been restated. The OCF figure at 30th June 2017 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 31st December

### Statement of Total Return

for the accounting period 1st January 2017 to 30th June 2017

	June 2017	June 2016
	US\$	US\$
Income		
Net capital gains/(losses)	970,545	(353,544)
Revenue	87,269	97,148
Expenses	(74,617)	(76,507)
Net revenue before taxation	12,652	20,641
Taxation	(9,117)	(10,865)
Net revenue after taxation	3,535	9,776
<b>Total return before distribution</b>	<b>974,080</b>	<b>(343,768)</b>
Distributions	467	200
<b>Change in Net Assets Attributable to Preference Shareholders from investment activities</b>	<b>974,547</b>	<b>(343,568)</b>

### Balance Sheet

as at 30th June 2017

	June 2017	December 2016
	US\$	US\$
<b>Assets:</b>		
Fixed assets:		
Investments	7,133,263	6,518,555
Current assets:		
Debtors	165,662	87,946
Cash and bank balances	135,538	56,127
Total assets	<u>7,434,463</u>	<u>6,662,628</u>
<b>Liabilities:</b>		
Creditors:		
Other creditors	(160,479)	(50,584)
Total liabilities	<u>(160,479)</u>	<u>(50,584)</u>
<b>Equity:</b>		
Nominal shares	(72,121)	(71,863)
Total equity	<u>(72,121)</u>	<u>(71,863)</u>
<b>Net Assets Attributable to Preference Shareholders</b>	<b>7,201,863</b>	<b>6,540,181</b>

### Statement of Change in Net Assets Attributable to Preference Shareholders

for the accounting period 1st January 2017 to 30th June 2017

	June 2017	June 2016
	US\$	US\$
<b>Opening Net Assets Attributable to Preference Shareholders</b>	6,540,181	7,575,989
Movement due to sales and repurchases of shares:		
Amounts receivable on issue of shares	47,312	73,055
Amounts payable on cancellation of shares	(360,177)	(355,769)
	(312,865)	(282,714)
Change in Net Assets Attributable to Preference Shareholders from investment activities (see above)	974,547	(343,568)
<b>Closing Net Assets Attributable to Preference Shareholders</b>	<b>7,201,863</b>	<b>6,949,707</b>

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 2016 whilst the figure disclosed in the comparatives' Closing Net Assets Attributable to Preference Shareholders is at 30th June 2016.

## Far East Fund

### Portfolio Statement

as at 30th June 2017

Holding	Investment	Currency	Market Value US\$	% of Net Assets	Holding	Investment	Currency	Market Value US\$	% of Net Assets
<b>Collective Investment Schemes 1.69% (1.53%)</b>					<b>Indonesia 2.15% (2.53%)</b>				
<b>Mauritius 1.69% (1.53%)</b>					52,200	Astra International Tbk. PT	IDR	34,903	0.49
1,626	Threadneedle India Fund Ltd.	USD	121,724	1.69	38,500	Bank Rakyat Indonesia Persero Tbk. PT	IDR	43,914	0.61
<b>Collective Investment Schemes total</b>					32,900	Indofood Sukses Makmur Tbk. PT	IDR	21,197	0.29
<b>121,724 1.69</b>					162,500	Telekomunikasi Indonesia Persero Tbk. PT	IDR	54,905	0.76
<b>Equities 97.36% (98.14%)</b>					<b>154,919 2.15</b>				
<b>Australia 8.85% (10.56%)</b>					<b>Ireland 0.34% (0.64%)</b>				
2,568	Amcor Ltd.	AUD	31,929	0.44	1,558	James Hardie Industries plc, CDI	AUD	24,498	0.34
3,189	Australia & New Zealand Banking Group Ltd.	AUD	70,251	0.98	<b>24,498 0.34</b>				
3,816	BHP Billiton Ltd.	AUD	68,140	0.95	<b>Japan 40.63% (47.60%)</b>				
886	Commonwealth Bank of Australia	AUD	56,277	0.78	1,400	Alps Electric Co. Ltd.	JPY	40,312	0.56
850	CSL Ltd.	AUD	89,986	1.25	1,300	Amano Corp.	JPY	27,030	0.38
5,161	LendLease Group	AUD	65,872	0.92	2,200	Bridgestone Corp.	JPY	94,736	1.32
2,222	Link Administration Holdings Ltd	AUD	11,504	0.16	2,500	Capcom Co. Ltd.	JPY	59,190	0.82
6,110	Link Administration Holdings Ltd.	AUD	37,024	0.51	2,900	Casio Computer Co. Ltd.	JPY	44,552	0.62
776	Macquarie Group Ltd.	AUD	52,676	0.73	9,000	Chiba Bank Ltd. (The)	JPY	65,047	0.90
1,377	Rio Tinto Ltd.	AUD	66,826	0.93	1,000	Cocokara fine, Inc.	JPY	49,310	0.69
4,209	Transurban Group	AUD	38,257	0.53	3,300	Dai-ichi Life Holdings, Inc.	JPY	59,479	0.83
1,449	Westpac Banking Corp.	AUD	33,898	0.47	1,900	Daiichi Sankyo Co Ltd	JPY	44,705	0.62
641	Woodside Petroleum Ltd.	AUD	14,686	0.20	700	Daikin Industries Ltd.	JPY	71,340	0.99
<b>637,326 8.85</b>					9,000	Daiwa Securities Group, Inc.	JPY	53,263	0.74
<b>Cayman Islands 8.95% (7.00%)</b>					300	Disco Corp.	JPY	47,797	0.66
1,543	Alibaba Group Holding Ltd., ADR	USD	218,134	3.03	1,200	Don Quijote Holdings Co. Ltd.	JPY	45,394	0.63
5,000	ANTA Sports Products Ltd.	HKD	16,333	0.23	2,100	Elecom Co. Ltd.	JPY	42,523	0.59
2,500	CK Hutchison Holdings Ltd.	HKD	31,370	0.43	2,200	Electric Power Development Co. Ltd.	JPY	54,320	0.75
1,539	JD.com, Inc., ADR	USD	60,206	0.84	7,000	Hanwa Co. Ltd.	JPY	49,969	0.69
6,000	Mint Group Ltd.	HKD	25,403	0.35	1,500	Hoya Corp.	JPY	77,810	1.08
204	NetEase, Inc., ADR	USD	61,834	0.86	2,100	Itochu Techno-Solutions Corp.	JPY	73,364	1.02
6,000	Sands China Ltd.	HKD	27,478	0.38	2,100	JAC Recruitment Co. Ltd.	JPY	31,626	0.44
5,700	Tencent Holdings Ltd.	HKD	203,870	2.83	3,000	Japan Post Holdings Co. Ltd.	JPY	37,170	0.52
<b>644,628 8.95</b>					2,000	JSR Corp	JPY	34,446	0.48
<b>China 4.44% (5.23%)</b>					3,200	KDDI Corp.	JPY	84,636	1.18
7,500	Anhui Conch Cement Co. Ltd. 'H'	HKD	26,085	0.36	300	Keyence Corp.	JPY	131,615	1.83
131,000	Bank of China Ltd. 'H'	HKD	64,106	0.89	1,200	Koito Manufacturing Co. Ltd.	JPY	61,522	0.85
135,000	China Construction Bank Corp. 'H'	HKD	104,456	1.45	300	Kose Corp.	JPY	32,737	0.45
42,000	China Petroleum & Chemical Corp. 'H'	HKD	32,713	0.46	3,900	Kubota Corp.	JPY	65,469	0.91
14,000	Ping An Insurance Group Co. of China Ltd. 'H'	HKD	92,273	1.28	3,200	Kyowa Hakko Kirin Co. Ltd.	JPY	59,357	0.82
<b>319,633 4.44</b>					5,000	Maeda Corp.	JPY	55,007	0.76
<b>Hong Kong 6.51% (5.39%)</b>					3,600	Mitsubishi Corp.	JPY	75,445	1.05
22,400	AIA Group Ltd.	HKD	163,563	2.27	21,700	Mitsubishi UFJ Financial Group, Inc.	JPY	145,690	2.02
21,500	BOC Hong Kong Holdings Ltd.	HKD	102,871	1.43	9,000	Mitsui Chemicals, Inc.	JPY	47,503	0.66
2,500	China Mobile Ltd.	HKD	26,534	0.37	600	Nidec Corp.	JPY	61,389	0.85
12,000	China Overseas Land & Investment Ltd.	HKD	35,126	0.49	700	Nihon M&A Center, Inc.	JPY	25,607	0.36
30,000	CNOOC Ltd.	HKD	32,859	0.45	200	Nintendo Co. Ltd.	JPY	67,005	0.93
44,000	CSPC Pharmaceutical Group Ltd.	HKD	64,031	0.89	1,200	Olympus Corp.	JPY	43,685	0.61
5,000	Galaxy Entertainment Group Ltd.	HKD	30,329	0.42	1,000	Open House Co. Ltd.	JPY	30,752	0.43
10,000	Guangdong Investment Ltd.	HKD	13,784	0.19	2,800	ORIX Corp.	JPY	43,352	0.60
<b>469,097 6.51</b>					7,600	Penta-Ocean Construction Co. Ltd.	JPY	43,158	0.60
<b>India 2.70% (1.52%)</b>					1,100	Pigeon Corp.	JPY	39,849	0.55
939	HDFC Bank Ltd., ADR	USD	80,698	1.12	2,000	Relo Group, Inc.	JPY	38,914	0.54
5,722	ICICI Bank Ltd., ADR	USD	51,269	0.71	900	Renesas Electronics Corp.	JPY	7,842	0.11
1,482	Reliance Industries Ltd., GDR	USD	62,837	0.87	1,200	Resorttrust, Inc.	JPY	22,099	0.31
<b>194,804 2.70</b>					500	Rohm Co. Ltd.	JPY	38,318	0.53
					2,700	Seiko Epson Corp.	JPY	60,008	0.83
					3,500	Sekisui Chemical Co. Ltd.	JPY	62,492	0.87
					1,400	SoftBank Group Corp.	JPY	113,296	1.57
					1,700	Sony Corp.	JPY	64,853	0.90
					900	Suntory Beverage & Food Ltd.	JPY	41,656	0.58
					1,000	Suzuki Motor Corp.	JPY	47,405	0.66
					2,400	Temp Holdings Co. Ltd.	JPY	44,945	0.62
					300	Tokyo Electron Ltd.	JPY	40,414	0.56
					1,000	Toyota Motor Corp.	JPY	52,336	0.73
					2,200	Tsubaki Nakashima Co. Ltd.	JPY	42,531	0.59
					300	Tsuruha Holdings, Inc.	JPY	31,829	0.44
					<b>2,926,099 40.63</b>				

## Far East Fund

### Portfolio Statement (continued)

as at 30th June 2017

Holding	Investment	Currency	Market Value US\$	% of Net Assets	Holding	Investment	Currency	Market Value US\$	% of Net Assets
<b>Equities 97.36% (98.14%) (continued)</b>					<b>Taiwan 6.46% (6.65%)</b>				
<b>Luxembourg 0.59% (0.00%)</b>					13,000	Cathay Financial Holding Co. Ltd.	TWD	21,377	0.30
10,200	Samsonite International SA	HKD	42,467	0.59	7,000	Chroma ATE, Inc.	TWD	22,538	0.31
			<u>42,467</u>	<u>0.59</u>	39,760	E.Sun Financial Holding Co. Ltd.	TWD	24,452	0.34
<b>Malaysia 2.26% (0.60%)</b>					6,000	Fubon Financial Holding Co. Ltd.	TWD	9,550	0.13
24,700	Bursa Malaysia Bhd.	MYR	60,391	0.84	35,000	Hon Hai Precision Industry Co. Ltd.	TWD	134,097	1.86
21,700	Malayan Banking Bhd.	MYR	48,610	0.68	21,000	King Yuan Electronics Co. Ltd.	TWD	21,513	0.30
34,800	Telekom Malaysia Bhd.	MYR	53,563	0.74	250	Largan Precision Co. Ltd.	TWD	39,835	0.56
			<u>162,564</u>	<u>2.26</u>	28,000	Taiwan Semiconductor Manufacturing Co. Ltd.	TWD	191,535	2.66
<b>Philippines 1.40% (0.83%)</b>								<u>464,897</u>	<u>6.46</u>
59,100	Ayala Land, Inc.	PHP	45,863	0.64	<b>Thailand 0.54% (1.07%)</b>				
203,400	Metro Pacific Investments Corp.	PHP	25,682	0.35	6,600	Kasikornbank PCL, NVDR	THB	38,612	0.54
17,250	Metropolitan Bank & Trust Co.	PHP	29,405	0.41				<u>38,612</u>	<u>0.54</u>
			<u>100,950</u>	<u>1.40</u>	<b>United States of America 0.00% (0.28%)</b>				
<b>Singapore 2.03% (1.43%)</b>									
10,300	CapitalLand Ltd	SGD	26,105	0.36	<b>Equities total</b>				
6,600	DBS Group Holdings Ltd.	SGD	99,359	1.38				<u>7,011,539</u>	<u>97.36</u>
21,928	Keppel DC REIT	SGD	20,542	0.29	Total Value of Investments				
			<u>146,006</u>	<u>2.03</u>				7,133,263	99.05
<b>South Korea 9.51% (6.81%)</b>					Net Other Assets (2016: 0.33%)				
565	Doosan Bobcat, Inc.	KRW	17,552	0.24				<u>68,600</u>	<u>0.95</u>
157	E-MART, Inc.	KRW	32,172	0.45	<b>Net Assets attributable to Preference Shareholders</b>				
1,049	Hana Financial Group, Inc.	KRW	41,434	0.58				<u>7,201,863</u>	<u>100.00</u>
135	LG Chem Ltd.	KRW	34,270	0.48	The comparative percentage figures in brackets are as at 31st December 2016.				
287	LG Innotek Co. Ltd.	KRW	41,256	0.57					
3,230	LG Uplus Corp.	KRW	44,032	0.61					
26	NAVER Corp.	KRW	19,040	0.26					
135	NCSOFT Corp.	KRW	44,711	0.62					
201	POSCO	KRW	50,322	0.70					
121	Samsung Electronics Co. Ltd.	KRW	251,231	3.49					
13	Samsung Electronics Co. Ltd. Preference	KRW	21,153	0.29					
148	Samsung Life Insurance Co. Ltd.	KRW	15,132	0.21					
325	Samsung SDI Co. Ltd.	KRW	48,565	0.67					
561	Shinhan Financial Group Co. Ltd.	KRW	24,169	0.34					
			<u>685,039</u>	<u>9.51</u>					

# 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.

### 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.

### UK Capital Growth Fund

On a total return basis, over the six months to 30th June 2017 the FTSE All-Share Index produced a total gross return of +5.5% in Sterling terms. By comparison, the Fund achieved a return of +7.1% over the same period.

### Review

The FTSE All-Share Index posted a total return of 5.5% in the first half of 2017. The first quarter was a strong period for United Kingdom (UK) equities, with exporters and companies with overseas earnings continuing to reap the benefits of the weaker pound. The increase in takeover activity also proved supportive. While the triggering of Article 50 at the end of March did not have much market impact – having already been priced in – the same could not be said about Prime Minister Theresa May's unexpected call for a snap general election. This propelled Sterling higher amid hopes that an increased majority for the Conservative Party would strengthen the government's hand in "Brexit" negotiations. In the event, the election's inconclusive outcome hurt Sterling. The currency's subsequent recovery was chiefly driven by the increasing probability of higher UK interest rates.

In the Bank of England's (BoE's) first meeting of 2017, the Monetary Policy Committee voted unanimously to retain the status quo. However, divisions later emerged. June's meeting saw only five officials vote to leave rates unchanged; the other three called for an immediate hike. This, along with high inflation readings – the annual rate rose to 2.9% in May – fuelled expectations that the BoE could soon tighten policy. These expectations gathered pace towards the end of June due to hawkish speeches from Governor Mark Carney and Andy Haldane, the bank's chief economist; both voted to leave rates unchanged in June.

On the economic front, data showed that the UK was the second-fastest growing economy within the Group of Seven (G7) last year. However, growth slowed in the first quarter of 2017. Retail sales figures and sentiment indicators released early in the review period suggested consumer spending was losing momentum but later releases painted a mixed picture.

The first half of 2017 saw several new holdings being added to the Fund. These included Ascential plc (consumer discretionary-media) and Rotork plc (industrials-machinery). Media company Ascential plc owns a valuable collection of brands which have unique positions across its various categories. Given the firm's focused position, it looks well set to see above average growth at an attractive rate of return. Rotork plc is a global leader in actuation systems. Tailwinds from returning oil & gas capex, industry consolidation, and a management team that has invested well through the cycle to enhance the company's offering all combine to present an interesting backdrop.

We took advantage of share prices weakness to open and build a position in publishing and events company Informa plc (consumer discretionary-media). In our view, it has a robust business model with ongoing improvements in various areas. Over the quarter, we also topped up some existing holdings, such as Barclays plc (financials-banks).

Among sales, we exited Pearson plc (consumer discretionary-media) and recycled the proceeds into stocks where we have more conviction. We also sold Berendsen plc (industrials-construction materials) following news that it would be taken over by French rival Elis. Other notable exits included JD Wetherspoon plc (consumer-hotels, restaurants & leisure).

As we move into the second half of 2017, we believe some headwinds could gather strength. These include a general tightening of financial conditions. This is concerning given the global economy's lack of momentum at present.

The second clear headwind is the combination of falling living standards, elevated personal debt and heightened political risk in the UK. Given how indebted households and the government now are, it is harder to see where positive surprises will come from in the months ahead.

In our view, the boost to UK earnings from Sterling's devaluation and rising commodity prices could reverse in 2018. More positively, we believe the fact that global asset allocators are extremely underweight in UK equities should ensure that UK companies remain popular takeover targets, favouring our strategic focus on potential franchise value.

Despite the difficult macroeconomic backdrop, we remain convinced that there are several UK companies which offer the prospects of decent risk-adjusted returns.

The portfolio is reasonably well positioned for the current environment. We continue to scour UK domestics for good companies at attractive valuations, whose stocks have been dragged down by negative sentiment.

## UK Capital Growth Fund

### Comparative Tables

for the accounting period 1st January 2017 to 30th June 2017

	Preference shares			
	2017	2016*	2015*	2014*
	£	£	£	£
<b>Change in net assets per share</b>				
Opening net asset value per share	1.1782	1.0615	1.0233	1.0076
Return before operating charges <sup>1</sup>	0.0891	0.1540	0.0729	0.0461
Operating charges	(0.0129)	(0.0227)	(0.0223)	(0.0209)
Return after operating charges	0.0762	0.1313	0.0506	0.0252
Distributions on preference shares	—	(0.0146)	(0.0124)	(0.0095)
Closing net asset value per shares	1.2544	1.1782	1.0615	1.0233
<sup>1</sup> after direct transaction costs of	(0.0009)	(0.0013)	(0.0009)	(0.0019)
<b>Performance</b>				
Return after charges	6.47%	12.37%	4.94%	2.50%
<b>Other information</b>				
Closing net asset value (£)	41,178,108	40,250,597	37,658,730	39,812,017
Closing number of shares	32,826,216	34,161,700	35,476,811	38,903,428
Operating charges <sup>2</sup>	2.08%	2.06%	2.06%	2.05%
Direct transaction costs	0.07%	0.12%	0.09%	0.19%
<b>Prices</b>				
Highest offer share price (£)	1.3740	1.2750	1.2020	1.1140
Lowest bid share price (£)	1.1710	0.9444	0.9980	0.9423

#### 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
	£	£	£
<b>For the accounting year ended:</b>			
31st December 2012	0.0113	0.8830	0.7079
31st December 2013	0.0122	1.0830	0.8234

#### Ongoing Charges Figure ("OCF") for:

12 months to 31st December 2016	2.06%
6 months to 30th June 2017	2.08%

<sup>2</sup> Ongoing Charges Figure has replaced the Total Expense Ratio. 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 for 2014 have not been restated. The OCF figure at 30th June 2017 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 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 31st December.



## UK Capital Growth Fund

38

### Statement of Total Return

for the accounting period 1st January 2017 to 30th June 2017

	June 2017	June 2016
	US\$	US\$
Income		
Net capital gains/(losses)	2,867,444	(42,514)
Revenue	1,039,597	986,573
Expenses	(557,539)	(513,995)
Net revenue before taxation	482,058	472,578
Taxation	(2,847)	(2,606)
Net revenue after taxation	479,211	469,972
<b>Total return before distribution</b>	<b>3,346,655</b>	<b>427,458</b>
Distributions	(10,599)	(1,044)
<b>Change in Net Assets Attributable to Preference Shareholders from investment activities</b>	<b>3,336,056</b>	<b>426,414</b>

### Balance Sheet

as at 30th June 2017

	June 2017	December 2016
	US\$	US\$
<b>Assets:</b>		
Fixed assets:		
Investments	53,220,222	50,317,631
Current assets:		
Debtors	779,392	492,066
Cash and bank balances	65,235	126,751
Total assets	54,064,849	50,936,448
<b>Liabilities:</b>		
Distribution payable	–	(617,055)
Other creditors	(189,390)	(179,752)
Total liabilities	(189,390)	(796,807)
<b>Equity:</b>		
Nominal shares	(389,216)	(385,877)
Total equity	(389,216)	(385,877)
<b>Net Assets Attributable to Preference Shareholders</b>	<b>53,486,243</b>	<b>49,753,764</b>

### Statement of Change in Net Assets Attributable to Preference Shareholders

for the accounting period 1st January 2017 to 30th June 2017

	June 2017	June 2016
	US\$	US\$
<b>Opening Net Assets Attributable to Preference Shareholders</b>	<b>49,753,764</b>	<b>55,510,851</b>
Movement due to sales and repurchases of shares:		
Amounts receivable on issue of shares	806,269	2,275,141
Amounts payable on cancellation of shares	(2,937,582)	(2,332,336)
	(2,131,313)	(57,195)
Difference on currency conversion	2,527,736	(4,948,360)
Change in Net Assets Attributable to Preference Shareholders from investment activities (see above)	3,336,056	426,414
Unclaimed distributions	–	102
<b>Closing Net Assets Attributable to Preference Shareholders</b>	<b>53,486,243</b>	<b>50,931,812</b>

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 2016 whilst the figure disclosed in the comparatives' Closing Net Assets Attributable to Preference Shareholders is at 30th June 2016.

## UK Capital Growth Fund

### Portfolio Statement

as at 30th June 2017

Holding	Investment	Currency	Market Value US\$	% of Net Assets	Holding	Investment	Currency	Market Value US\$	% of Net Assets
<b>Equities 99.50% (101.13%)</b>					<b>Oil, Gas &amp; Consumable Fuels 3.06% (4.48%)</b>				
<b>Consumer Discretionary 19.61% (19.49%)</b>					<b>Energy total</b>				
<b>Auto Components 1.75% (2.05%)</b>					<b>Financials 22.84% (20.28%)</b>				
220,458	GKN plc	GBP	932,938	1.75	60,954	Royal Dutch Shell plc 'B'	GBP	1,635,717	3.06
<b>Distributors 1.31% (0.84%)</b>					<b>Banks 3.87% (2.18%)</b>				
43,241	Headlam Group plc	GBP	301,610	0.56	416,590	Barclays plc	GBP	1,100,074	2.06
40,692	Inchcape plc	GBP	400,904	0.75	95,885	Standard Chartered plc	GBP	971,202	1.81
<b>Hotels, Restaurants &amp; Leisure 7.85% (8.17%)</b>					<b>Capital Markets 2.24% (4.78%)</b>				
15,356	Carnival plc	GBP	1,018,239	1.90	60,992	Intermediate Capital Group plc	GBP	661,112	1.24
44,348	Compass Group plc	GBP	935,483	1.75	18,515	Schroders plc, (Non- Voting)	GBP	536,055	1.00
38,562	Greene King plc	GBP	337,594	0.63	<b>Diversified Financial Services 3.00% (2.59%)</b>				
16,156	InterContinental Hotels Group plc	GBP	897,110	1.68	33,977	London Stock Exchange Group plc	GBP	1,606,431	3.00
118,174	Merlin Entertainments plc	GBP	741,233	1.39	<b>Insurance 10.65% (10.32%)</b>				
5,203	Whitbread plc	GBP	269,448	0.50	484,569	Legal & General Group plc	GBP	1,625,757	3.04
<b>Household Durables 2.69% (2.88%)</b>					94,241	Prudential plc	GBP	2,160,530	4.04
14,152	Bellway plc	GBP	547,417	1.02	101,462	RSA Insurance Group plc	GBP	813,797	1.52
131,300	Crest Nicholson Holdings plc	GBP	891,953	1.67	71,092	St James's Place plc	GBP	1,094,246	2.05
<b>Media 4.83% (4.41%)</b>					<b>Real Estate Investment Trusts (REITs) 2.11% (2.07%)</b>				
87,414	Ascential plc	GBP	367,308	0.69	13,187	Derwent London plc	GBP	454,764	0.85
59,351	Daily Mail & General Trust plc 'A'	GBP	515,739	0.96	51,165	Land Securities Group plc	GBP	673,222	1.26
87,256	Informa plc	GBP	758,790	1.42	<b>Real Estate Management &amp; Development 0.97% (0.93%)</b>				
398,891	ITV plc	GBP	939,869	1.76	151,595	Grainger plc	GBP	517,865	0.97
<b>Textiles, Apparel &amp; Luxury Goods 1.18% (1.14%)</b>					<b>Financials total</b>				
29,276	Burberry Group plc	GBP	633,143	1.18	<b>Health Care 8.18% (8.42%)</b>				
<b>Consumer Discretionary total</b>					<b>Health Care Equipment &amp; Supplies 1.41% (2.37%)</b>				
<b>10,488,778</b>					<b>Pharmaceuticals 6.77% (6.05%)</b>				
<b>19.61</b>					43,860	Smith & Nephew plc	GBP	755,419	1.41
<b>Consumer Staples 15.71% (15.93%)</b>					<b>Health Care total</b>				
<b>Beverages 2.75% (2.79%)</b>					<b>4,375,653</b>				
49,695	Diageo plc	GBP	1,468,486	2.75	<b>8.18</b>				
<b>Food &amp; Staples Retailing 0.79% (0.79%)</b>					<b>Industrials 13.21% (14.72%)</b>				
173,079	Booker Group plc	GBP	420,174	0.79	<b>Aerospace &amp; Defense 2.34% (2.08%)</b>				
<b>Household Products 2.56% (3.19%)</b>					65,009	BAE Systems plc	GBP	534,928	1.00
58,152	PZ Cussons plc	GBP	258,174	0.48	61,327	Rolls-Royce Holdings plc	GBP	711,741	1.33
11,036	Reckitt Benckiser Group plc	GBP	1,113,803	2.08	4,528,948	Rolls-Royce Holdings plc 'C'	GBP	5,883	0.01
<b>Personal Products 3.41% (2.73%)</b>					<b>Air Freight &amp; Logistics 0.94% (1.12%)</b>				
33,819	Unilever plc	GBP	1,826,725	3.41	91,448	Royal Mail plc	GBP	502,091	0.94
<b>Tobacco 6.20% (6.43%)</b>					<b>Commercial Services &amp; Supplies 1.75% (2.99%)</b>				
23,282	British American Tobacco plc	GBP	1,589,164	2.97	24,897	Aggreko plc	GBP	297,516	0.55
38,484	Imperial Brands plc	GBP	1,726,297	3.23	180,508	Rentokil Initial plc	GBP	640,316	1.20
<b>Consumer Staples total</b>					<b>Industrial Conglomerates 1.02% (1.20%)</b>				
<b>8,402,823</b>					<b>Smiths Group plc</b>				
<b>15.71</b>					<b>544,506</b>				
<b>Energy 5.74% (7.48%)</b>					<b>544,506</b>				
<b>Energy Equipment &amp; Services 2.68% (3.00%)</b>					<b>1.02</b>				
38,002	Amec Foster Wheeler plc	GBP	230,762	0.43	<b>1.02</b>				
42,263	Hunting plc	GBP	267,999	0.50	<b>1.02</b>				
112,116	John Wood Group plc	GBP	934,928	1.75	<b>1.02</b>				
<b>1,433,689</b>					<b>2.68</b>				

**UK Capital Growth Fund**  
**Portfolio Statement (continued)**  
as at 30th June 2017

Holding	Investment	Currency	Market Value US\$	% of Net Assets	Holding	Investment	Currency	Market Value US\$	% of Net Assets
	<b>Equities 99.50% (101.13%) (continued)</b>					<b>Construction Materials 3.22% (3.02%)</b>			
	<b>Industrials 13.21% (14.72%) (continued)</b>				553,613	Breedon Group plc#	GBP	618,415	1.16
	<b>Machinery 2.31% (1.40%)</b>				31,009	CRH plc	GBP	1,102,398	2.06
271,528	Melrose Industries plc	GBP	853,857	1.60				<b>1,720,813</b>	<b>3.22</b>
123,980	Rotork plc	GBP	377,955	0.71					
			<b>1,231,812</b>	<b>2.31</b>		<b>Containers &amp; Packaging 1.32% (1.14%)</b>			
	<b>Professional Services 2.49% (2.57%)</b>				114,515	DS Smith plc	GBP	708,019	1.32
61,807	RELX plc	GBP	1,333,469	2.49				<b>708,019</b>	<b>1.32</b>
			<b>1,333,469</b>	<b>2.49</b>		<b>Metals &amp; Mining 2.22% (2.50%)</b>			
	<b>Road &amp; Rail 0.57% (0.72%)</b>				28,185	Rio Tinto plc	GBP	1,188,527	2.22
126,073	Stagecoach Group plc	GBP	305,569	0.57				<b>1,188,527</b>	<b>2.22</b>
			<b>305,569</b>	<b>0.57</b>		<b>Materials total</b>			
	<b>Trading Companies &amp; Distributors 1.79% (2.64%)</b>							<b>4,660,276</b>	<b>8.71</b>
70,269	Howden Joinery Group plc	GBP	371,388	0.69		<b>Telecommunication Services 2.52% (3.29%)</b>			
9,554	Wolseley plc	GBP	585,489	1.10		<b>Diversified Telecommunication Services 2.52% (3.29%)</b>			
			<b>956,877</b>	<b>1.79</b>	352,866	BT Group plc	GBP	1,349,117	2.52
	<b>Industrials total</b>							<b>1,349,117</b>	<b>2.52</b>
			<b>7,064,708</b>	<b>13.21</b>		<b>Telecommunication Services total</b>			
	<b>Information Technology 2.98% (3.03%)</b>							<b>1,349,117</b>	<b>2.52</b>
	<b>IT Services 1.16% (1.21%)</b>					<b>Equities total</b>			
63,610	FDM Group Holdings plc	GBP	620,912	1.16				<b>53,220,222</b>	<b>99.50</b>
			<b>620,912</b>	<b>1.16</b>		<b>Total Value of Investments</b>			
	<b>Software 1.82% (1.82%)</b>							<b>266,021</b>	<b>0.50</b>
109,094	Sage Group plc (The)	GBP	973,494	1.82		<b>Net Assets attributable to Preference Shareholders</b>			
			<b>973,494</b>	<b>1.82</b>				<b>53,486,243</b>	<b>100.00</b>
	<b>Information Technology total</b>								
			<b>1,594,406</b>	<b>2.98</b>					
	<b>Materials 8.71% (8.49%)</b>								
	<b>Chemicals 1.95% (1.83%)</b>								
27,687	Johnson Matthey plc	GBP	1,042,917	1.95					
			<b>1,042,917</b>	<b>1.95</b>					

The comparative percentage figures in brackets are as at 31st December 2016.

# 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 +8.2%, which was behind the FTSE World Europe ex UK Index, which returned +9.8% in Euro terms.

### Review

European equity markets delivered gains over the six-month review period.

Pivotal elections were held in the Netherlands and France and investors were alert to any signs that these countries may follow the United Kingdom (UK) out of the European Union (EU). However, pro-EU candidates were elected in both countries, and equity markets staged a relief rally.

The composite purchasing managers' index for the Eurozone indicated continued expansion; corporate earnings also provided grounds for optimism. Eurozone Gross Domestic Product (GDP) grew by 0.6% in the first quarter of 2017, bringing annual growth to 1.9%. In a further boost to morale, the region's unemployment rate later dropped to its lowest level in nine years. Confounding expectations, Eurozone inflation fell to an estimated 1.3% in June, easing fears that the European Central Bank's economic stimulus programme could be wound down sooner than expected.

The United States (US) has already embarked on monetary tightening, and the Federal Reserve raised interest rates again in June. Some of the positive momentum behind recent stock market rallies has been generated by optimism that President Trump's stimulus agenda will be successful (the US is a key export market).

Repercussions from the financial crisis of 2008 are still reverberating across Europe and countries are taking steps to resolve lingering problems and ensure that surviving banks meet capital requirements. Merger & acquisition (M&A) activity is starting to pick up in a wide variety of sectors, and several substantial deals were announced during the review period.

New holdings included BNP Paribas SA (France), Volvo AB (Sweden) and Adidas AG (Germany). French bank BNP Paribas SA is well placed to take advantage of higher growth, interest rates and bond yields, all of which are likely to come through in due course. Volvo AB manufactures trucks, buses and construction equipment. The company has a revitalised management team and operates in a concentrated market and it should benefit from European growth and capital investment. Adidas AG under new management, is gaining market share, and has a strong position in China. The sportswear firm's sales strategy has hit a sweet spot, with products such as retro shoes.

Sales included Akzo Nobel NV (Netherlands) and Pandora A/S (Denmark). Shares in paint firm Akzo Nobel NV had risen strongly following a takeover bid from PPG Industries, Inc (United States), but the bid was rejected. Pandora A/S has experienced challenging trading conditions in the US, and it is unclear whether the jewellery firm will be able to sustain its impressive growth trajectory.

It will take time before the full effects of "Brexit" become clear. However, election results in Europe have generally favoured centrist pro-Europeans – a similar outcome is likely in Germany's federal election, which is scheduled for September.

President Trump's policies could lead to reflation and higher interest rates in the US. While we expect tapering of Europe's stimulus programme to begin later this year, interest rate rises in the Eurozone may be deferred for longer.

The oil price and China's economic outlook continue to affect equity markets. Other risks include the increased threat of terrorism, and heightened geopolitical tensions, especially in Qatar and North Korea.

However, volatile markets provide us with investment opportunities. M&A activity may increase further, while relatively low energy prices and loose credit conditions continue to support the trading environment for European companies. In the UK, exporters and global businesses are likely to benefit from Sterling's weakness.

## Europe Fund

### Comparative Tables

for the accounting period 1st January 2017 to 30th June 2017

	Preference shares			
	2017	2016*	2015*	2014*
	EUR	EUR	EUR	EUR
<b>Change in net assets per share</b>				
Opening net asset value per share	4.6317	5.0316	4.2771	4.0636
Return before operating charges <sup>1</sup>	0.3628	(0.2944)	0.8628	0.2978
Operating charges	(0.0539)	(0.0984)	(0.1083)	(0.0843)
Return after operating charges	0.3089	(0.3928)	0.7545	0.2135
Distributions on preference shares	–	(0.0071)	–	–
Closing net asset value per shares	4.9406	4.6317	5.0316	4.2771
<sup>1</sup> after direct transaction costs of	(0.0058)	(0.0077)	(0.0120)	(0.0069)
<b>Performance</b>				
Return after charges	6.67%	(7.81%)	17.64%	5.25%
<b>Other information</b>				
Closing net asset value (EUR)	25,287,183	25,011,374	29,773,058	27,796,255
Closing number of shares	5,118,203	5,400,066	5,917,171	6,498,822
Operating charges <sup>2</sup>	2.24%	2.16%	2.16%	2.06%
Direct transaction costs	0.12%	0.17%	0.27%	0.17%
<b>Prices</b>				
Highest offer share price (EUR)	5.4420	5.3170	5.7000	4.6250
Lowest bid share price (EUR)	4.5940	4.1560	4.1920	3.7360

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

For the year ended:	Net distribution per share EUR	Highest offer share price EUR	Lowest bid share price EUR
31st December 2012	0.0007	3.6480	2.7140
31st December 2013	0.0000	4.2900	3.4160

#### Ongoing Charges Figure (“OCF”) for:

	OCF <sup>2</sup> %
12 months to 31st December 2016	2.16%
6 months to 30th June 2017	2.24%

<sup>2</sup> Ongoing Charges Figure has replaced the Total Expense Ratio. 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 for 2014 have not been restated. The OCF figure at 30th June 2017 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 31st December

## Europe Fund

### Statement of Total Return

for the accounting period 1st January 2017 to 30th June 2017

	June 2017	June 2016
	US\$	US\$
Income		
Net capital gains/(losses)	1,638,800	(3,861,226)
Revenue	682,367	694,375
Expenses	(301,010)	(302,869)
Net revenue before taxation	381,357	391,506
Taxation	(175,028)	(166,692)
Net revenue after taxation	206,329	224,814
<b>Total return before distribution</b>	<b>1,845,129</b>	<b>(3,636,412)</b>
Distributions	279	(1,866)
<b>Change in Net Assets Attributable to Preference Shareholders from investment activities</b>	<b>1,845,408</b>	<b>(3,638,278)</b>

### Balance Sheet

as at 30th June 2017

	June 2017	December 2016
	US\$	US\$
<b>Assets:</b>		
Fixed assets:		
Investments	28,939,658	26,336,082
Current assets:		
Debtors	91,927	139,904
Cash and bank balances	86,390	108,459
<b>Total assets</b>	<b>29,117,975</b>	<b>26,584,445</b>
<b>Liabilities:</b>		
Creditors:		
Bank overdrafts	–	(7,048)
Distribution payable	–	(40,636)
Other creditors	(188,293)	(65,793)
<b>Total liabilities</b>	<b>(188,293)</b>	<b>(113,477)</b>
<b>Equity:</b>		
Nominal shares	(91,927)	(91,222)
<b>Total equity</b>	<b>(91,927)</b>	<b>(91,222)</b>
<b>Net Assets Attributable to Preference Shareholders</b>	<b>28,837,755</b>	<b>26,379,746</b>

### Statement of Change in Net Assets Attributable to Preference Shareholders

for the accounting period 1st January 2017 to 30th June 2017

	June 2017	June 2016
	US\$	US\$
<b>Opening Net Assets Attributable to Preference Shareholders</b>	<b>26,379,746</b>	<b>32,351,999</b>
Movement due to sales and repurchases of shares:		
Amounts receivable on issue of shares	151,592	146,469
Amounts payable on cancellation of shares	(1,682,466)	(1,844,503)
	(1,530,874)	(1,698,034)
Difference on currency conversion	2,143,475	743,136
Change in Net Assets Attributable to Preference Shareholders from investment activities (see above)	1,845,408	(3,638,278)
<b>Closing Net Assets Attributable to Preference Shareholders</b>	<b>28,837,755</b>	<b>27,758,823</b>

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 2016 whilst the figure disclosed in the comparatives' Closing Net Assets Attributable to Preference Shareholders is at 30th June 2016.

**Europe Fund**  
**Portfolio Statement**  
as at 30th June 2017

44

Holding	Investment	Currency	Market Value US\$	% of Net Assets	Holding	Investment	Currency	Market Value US\$	% of Net Assets
<b>Equities 100.35% (99.83%)</b>					<b>Netherlands 9.58% (11.12%)</b>				
<b>Belgium 5.42% (3.27%)</b>					3,118	ASML Holding NV	EUR	407,672	1.42
5,144	Anheuser-Busch InBev SA/NV	EUR	567,092	1.97	2,483	Ferrari NV	EUR	214,072	0.74
6,952	KBC Group NV	EUR	528,330	1.83	33,950	ING Groep NV	EUR	586,174	2.03
7,408	Telenet Group Holding NV	EUR	467,099	1.62	31,684	RELX NV	EUR	652,377	2.26
					16,347	Unilever NV, CVA	EUR	901,914	3.13
			<b>1,562,521</b>	<b>5.42</b>				<b>2,762,209</b>	<b>9.58</b>
<b>Denmark 5.10% (5.32%)</b>					<b>Norway 1.54% (1.96%)</b>				
3,266	Chr Hansen Holding A/S	DKK	237,347	0.82	26,209	DNB ASA	NOK	443,724	1.54
7,608	DSV A/S	DKK	465,837	1.62				<b>443,724</b>	<b>1.54</b>
10,748	Novo Nordisk A/S 'B'	DKK	459,779	1.59	<b>Spain 4.72% (6.46%)</b>				
3,336	Vestas Wind Systems A/S	DKK	307,265	1.07	8,648	Amadeus IT Group SA	EUR	516,881	1.79
			<b>1,470,228</b>	<b>5.10</b>	13,302	Cellnex Telecom SA	EUR	272,600	0.94
<b>Finland 2.44% (3.03%)</b>					11,943	Grifols SA Industria de Diseno	EUR	333,279	1.16
13,711	Sampo OYJ 'A'	EUR	703,940	2.44	6,178	Textil SA	EUR	238,348	0.83
			<b>703,940</b>	<b>2.44</b>				<b>1,361,108</b>	<b>4.72</b>
<b>France 23.19% (22.04%)</b>					<b>Sweden 10.37% (8.26%)</b>				
8,647	Amundi SA	EUR	624,012	2.16	24,748	Assa Abloy AB 'B'	SEK	543,417	1.88
25,425	AXA SA	EUR	698,633	2.42	5,854	Atlas Copco AB 'A'	SEK	225,019	0.78
6,970	BNP Paribas SA	EUR	502,514	1.74	9,670	Hexagon AB 'B'	SEK	460,898	1.60
5,341	Dassault Systemes SE	EUR	477,833	1.66	42,940	Nordea Bank AB	SEK	548,315	1.90
20,043	Elis SA	EUR	457,830	1.59	43,092	Svenska Handelsbanken AB 'A'	SEK	617,186	2.14
5,160	Essilor International SA	EUR	658,183	2.28	35,066	Volvo AB 'B'	SEK	596,610	2.07
9,841	Legrand SA	EUR	688,742	2.39				<b>2,991,445</b>	<b>10.37</b>
3,977	L'Oreal SA	EUR	829,300	2.88	<b>Switzerland 10.20% (11.73%)</b>				
4,392	Pernod Ricard SA	EUR	589,522	2.04	5,973	Cie Financiere			
4,807	Schneider Electric SE	EUR	369,977	1.28		Richemont SA	CHF	493,302	1.71
5,741	TOTAL SA	EUR	284,438	0.99	7,183	Novartis AG	CHF	601,858	2.09
5,945	Vinci SA	EUR	507,057	1.76	3,933	Roche Holding AG	CHF	1,002,386	3.48
			<b>6,688,041</b>	<b>23.19</b>	131	Sika AG	CHF	843,233	2.92
<b>Germany 16.76% (16.28%)</b>								<b>2,940,779</b>	<b>10.20</b>
2,437	Adidas AG	EUR	468,292	1.62	<b>United Kingdom 1.44% (2.09%)</b>				
3,503	Allianz SE	EUR	691,510	2.40	10,707	Royal Dutch Shell plc 'A'	EUR	283,769	0.98
4,487	BASF SE	EUR	417,753	1.45	4,876	TechnipFMC plc	EUR	132,176	0.46
7,542	Brenntag AG	EUR	439,338	1.52				<b>415,945</b>	<b>1.44</b>
1,636	Continental AG	EUR	351,780	1.22	<b>United States of America 0.78% (1.19%)</b>				
45,690	Deutsche Telekom AG	EUR	820,398	2.84	2,060	Autoliv, Inc., SDR	SEK	224,947	0.78
7,938	Fresenius Medical Care AG & Co. KGaA	EUR	764,128	2.65				<b>224,947</b>	<b>0.78</b>
3,897	LANXESS AG	EUR	293,982	1.02	<b>Equities total</b>				
5,610	SAP SE	EUR	587,053	2.04				<b>28,939,658</b>	<b>100.35</b>
			<b>4,834,234</b>	<b>16.76</b>					
<b>Ireland 5.24% (5.14%)</b>					<b>Total Value of Investments</b>				
22,598	CRH plc	EUR	803,153	2.79				28,939,658	100.35
13,668	Kingspan Group plc	EUR	467,458	1.62	<b>Net other liabilities (2016: 0.17%)</b>				
7,765	Smurfit Kappa Group plc	EUR	240,376	0.83				(101,903)	(0.35)
			<b>1,510,987</b>	<b>5.24</b>	<b>Net Assets attributable to Preference Shareholders</b>				
<b>Italy 3.57% (1.94%)</b>								<b>28,837,755</b>	<b>100.00</b>
38,864	Davide Campari-Milano SpA	EUR	273,903	0.95	<b>The comparative percentage figures in brackets are as at 31st December 2016.</b>				
13,546	Moncler SpA	EUR	316,839	1.10					
14,914	Prismian SpA	EUR	438,808	1.52					
			<b>1,029,550</b>	<b>3.57</b>					

# Aggregated Financial Statements

## for Allied Dunbar

### International Funds Limited

#### Statement of Total Return

for the accounting period 1st January 2017 to 30th June 2017

	June 2017	June 2016
	US\$	US\$
Income		
Net capital gains/(losses)	40,924,126	(9,067,097)
Revenue	4,273,191	6,716,859
Expenses	(4,057,431)	(5,642,477)
Net revenue before taxation	215,760	1,074,382
Taxation	(808,557)	(1,430,401)
Net expense after taxation	(592,797)	(356,019)
<b>Total return before distributions</b>	<b>40,331,329</b>	<b>(9,423,116)</b>
Distributions	1,022,149	(51,745)
<b>Change in Net Assets attributable to Preference Shareholders from investment activities</b>	<b>41,353,478</b>	<b>(9,474,861)</b>

#### Statement of Change in Net Assets Attributable to Preference Shareholders

for the accounting period 1st January 2017 to 30th June 2017

	June 2017	June 2016
	US\$	US\$
<b>Opening Net Assets attributable to Preference Shareholders</b>	<b>536,860,018</b>	<b>577,315,618</b>
Movement due to sales and repurchases of shares:		
Amounts receivable on issue of shares	12,288,860	67,572,907
Amounts payable on cancellation of shares	(401,797,088)	(59,748,395)
	(389,508,228)	7,824,512
Difference on currency conversion	5,485,514	(5,742,155)
Change in Net Assets attributable to Preference Shareholders from investment activities (see above)	41,353,478	(9,474,861)
Unclaimed distributions	471	102
<b>Closing Net Assets attributable to Preference Shareholders</b>	<b>194,191,253</b>	<b>569,923,216</b>

#### Balance Sheet

as at 30th June 2017

	June 2017	December 2016
	US\$	US\$
<b>Assets:</b>		
Fixed assets:		
Investments	191,640,633	528,109,822
Current assets:		
Debtors	3,183,129	5,035,567
Cash and bank balances	2,791,830	12,739,360
<b>Total assets</b>	<b>197,615,592</b>	<b>545,884,749</b>
<b>Liabilities:</b>		
Creditors:		
Bank overdrafts	–	(7,048)
Distribution payable	–	(662,452)
Other creditors	(1,374,495)	(6,504,692)
<b>Total liabilities</b>	<b>(1,374,495)</b>	<b>(7,174,192)</b>
<b>Equity:</b>		
Management shares	(10)	(10)
Nominal shares	(2,049,834)	(1,850,529)
<b>Total equity</b>	<b>(2,049,844)</b>	<b>(1,850,539)</b>
<b>Net Assets attributable to Preference Shareholders</b>	<b>194,191,253</b>	<b>536,860,018</b>

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, 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 2016 and are described in those financial statements.

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:

<b>Director</b>	<b>Director</b>
23rd August 2017	23rd August 2017



# Further Information

46

## **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% (2016: 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**

Charles Taylor International Fund Managers (IOM) Limited publishes prices for each of the sub-funds which are available on the Charles Taylor International website ([www.ctplc.com/insurance-support-services/charles-taylor-international-fund-managers-\(IOM\)-Limited](http://www.ctplc.com/insurance-support-services/charles-taylor-international-fund-managers-(IOM)-Limited)).

## **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.

## **Fund Manager acquisition and change of name of Fund Manager**

Allied Dunbar International Fund Managers Limited (The Manager of Allied Dunbar International Funds Limited) became a wholly owned subsidiary of Charles Taylor Plc on 28th April 2017 and was renamed Charles Taylor International Fund Managers (IOM) Limited.

## **Approval of Financial Statements**

The Financial Statements were approved by the Board of Directors on 23rd August 2017.

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



**Issued by**

**Charles Taylor International Fund  
Managers (IOM) Limited**

Licensed by the Isle of Man  
Financial Services Authority

Registered in the Isle of Man  
Number: 023846C

Registered Office:  
St George's Court,  
Upper Church Street,  
Douglas,  
Isle of Man  
IM1 1EE

Telephone: +44 (0) 1624 661551  
Fax: +44 (0) 1624 683755