

# Interim Reports and Accounts

For the six months  
ended 30th June 2018

■ *Allied Dunbar  
International  
Funds Limited*

*International*





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# Directors, Management and Administration

## **Board of Directors:**

Christopher James Tunley  
Non Executive Director

Peter James Scott Hammonds  
Non Executive Director

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  
IFC1, The Esplanade  
St Helier,  
Jersey, JE1 4BP  
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 2018 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 2018, had Funds under Management of approximately US\$ 191 million (December 2017: US\$ 204 million).

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

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

22nd August 2018

# Investment Report

## Market Review

The first half of 2018 proved a more volatile period for world equity markets amid fears that central bank stimulus could soon come to an end, and concerns over protectionist measures from President Trump's administration. Stock markets experienced mixed fortunes, with those in the United States (US) and United Kingdom (UK) moving ahead over the period, while several others fell back. Overall, in local currency terms, the MSCI All-Country World index posted a modest return of 1.1% over the first half of the year.

Increasing trade tensions between the US and China weighed on market sentiment, as President Trump's administration announced that it would press ahead with a 25% tariff on \$50bn worth of Chinese exports, with the first wave beginning on 6 July. China retaliated in kind by stating that it will apply an additional 25% levy on \$50bn of products imported from the US. Investors fear that the current spat could escalate into a full blown trade war, as President Trump subsequently threatened to impose further import duties and China followed suit. In addition, the US has imposed import tariffs on steel and aluminium imports from Canada, Mexico and the European Union (EU). The EU responded by announcing retaliatory measures against imports of several iconic US products.

In addition to current trade concerns, sentiment towards equities in Asia and emerging markets was hurt by the stronger US Dollar and the prospect of faster US interest rate hikes. The Federal Reserve (Fed) raised US rates by a quarter-point in both March and June, bringing the target range to 1.75% to 2.0% – the highest level since 2008. Fed policymakers cited the strength of the US economy and faster than expected jobs growth as factors behind their decision. The Fed also unexpectedly increased its forecast for the total number of rate hikes this year from three to four.

Earlier conjecture that the Bank of England could raise UK interest rates at its May meeting dissipated following some softer economic data, and rates were left on hold. Since then, some stronger than expected economic markers, including a notable rebound in service sector activity, have fuelled speculation about an August rate hike which subsequently took place on the 2 August. The annual rate of consumer price inflation remains above the official target of 2.0%, coming in at 2.4% for May. The fall in the value of the pound since the UK's vote to leave the EU (Brexit) continues to benefit major exporters and companies with substantial overseas earnings. However, uncertainties over current Brexit negotiations continue to overhang the market.

Elsewhere, the European Central Bank announced that its stimulus programme will be tapered after September, before being wound up at the end of the year, with the proviso that inflationary conditions are appropriate. It also signalled that Eurozone interest rates were not expected to rise from their historic lows before the second half of 2019. Meanwhile, political developments in Europe unsettled investors, as leading populist parties in Italy gained ground in the March general election and went on to form a coalition government. On a related note, EU member states reached an agreement on migration, which has been the subject of a long-running dispute among the region's governments.

Despite other major central banks seeking to tighten monetary policy, the Bank of Japan has maintained its accommodative stance, as it believes the Japanese economy still warrants further support.

In fixed income, it was a mixed period for core government bond markets with those in Japan, Europe and the UK achieving positive returns in contrast to the US, where returns were negative as the Fed adopted a more hawkish stance. Against the backdrop of rising US interest rates, the 10-year US Treasury yield rose from 2.41% at the start of the year to 2.85% at the end of June, as bond prices fell. Investment grade and high yield corporate bonds also posted disappointing returns and emerging market bonds performed particularly poorly. Given the concerns outlined above, a raft of emerging market currencies experienced downward pressure. In addition, the rise in the price of oil has hurt major oil importers.

## Outlook

Looking ahead, key challenges facing equity markets include a rising interest rate environment, especially in the US; the risk of higher tariffs and reduced trade; and the scope for tighter regulation of fast-growing technology giants. While these risks are real, we are encouraged by the fact that equity fundamentals look robust. Economic growth is currently well-entrenched across developed and emerging markets, and this is driving double-digit corporate earnings growth.

For bond markets, investors' demand for income remains a positive force. However, the credit cycle is fairly mature and, although company earnings have been strong, the benefits have been largely accruing to shareholders.

# 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, 10, 14, 18, 22, 27, 32 and 37.

The investment activities of the Company in the six month period to 30th June 2018 are described in the Fund Investment Report by the Investment Manager on pages 5, 10, 14, 18, 22, 27, 32 and 37.

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 2018. Where negative, the deficit has been transferred to the capital reserve.

Investment Class	XD Date	Amount	Payment Date
		Due/(Deficit) US\$	
Managed	1.7.2018	(77,996)	–
Worldwide Equity*	1.1.2019	–	28.2.2019
Managed Currency	1.7.2018	1,004	31.8.2018
Gilt and Income	1.7.2018	(893)	–
North American Growth*	1.1.2019	–	28.2.2019
Far East*	1.1.2019	–	28.2.2019
UK Capital Growth*	1.1.2019	–	28.2.2019
Europe*	1.1.2019	–	28.2.2019

\*Distribute annually

The total number and mid market value of Participating Redeemable Preference Shares as at 1st January 2018 and 30th June 2018 were as follows:

Investment Class	Shares in Issue		Mid Market Value Per Share (US\$)	
	1.1.2018	30.6.2018	1.1.2018	30.6.2018
	Managed	14,826,260	13,803,186	2.4175
Worldwide Equity	12,341,581	11,306,221	2.9155	2.9265
Managed Currency	1,681,820	1,647,059	0.3413	0.3415
Gilt and Income	29,922,299	28,662,028	0.5585	0.5440
North American Growth	3,215,184	3,066,510	7.9480	8.1835
Far East	2,172,267	2,090,989	3.8715	3.7570
UK Capital Growth	31,339,928	29,741,910	1.8034	1.7626
Europe	4,897,933	4,664,449	6.2661	6.1191

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 6, 11, 15, 19, 23, 28, 33 and 38.

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

**Director**  
22nd August 2018

**Director**  
22nd August 2018

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 2018, the Fund achieved a total gross return of +0.4% compared with a return of -0.4% 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

The first half of 2018 saw the return of volatility to global equity markets. Despite positive global economic growth data and strong corporate results, markets were weighed by bouts of political tensions and an escalating trade dispute between the US and China. In dollar terms, the MSCI All Country World index ended the period marginally down.

United States equities rose however, supported by buoyant corporate results (particularly in technology), solid domestic economic markers and a strengthening global economy. The economy also benefitted from President Trump's flagship tax-cutting bill; though nascent wage inflation and strong jobs reports saw the Federal Reserve (Fed) raise interest rates twice, suppressing these gains. President Trump's announcement of US import tariffs on European Union (EU) steel and aluminium, and confirmation of fresh levies on Chinese imports, advanced market uncertainty, particularly when China and key US allies announced they would retaliate against such protectionist measures.

European equities fell amid political uncertainty in the EU and rising concerns over US exports. Midway through the period, investors worried that the formation of an Italian Eurosceptic coalition could hurt the Eurozone's stability. Despite rising commodity prices and positive economic markers, a weakened government and Brexit related uncertainty in the United Kingdom (UK) constrained the outlook. Emerging markets (EM) declined, primarily because of escalating trade tensions between the US and China, a hawkish Fed and currency pressures. Likewise, Japan equities lagged broader indices on a more cautious global growth outlook.

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 included the initiation of a new position in semiconductor equipment manufacturer Lam Research Corp. (United States of America), which is well positioned to benefit from growing spending from wafer fab equipment as data centre and autonomous vehicle markets expand. Lam's edge in etch technology, and its increasing installed base, is driving share gains. Keyence Corp. (Japan), a highly profitable, deep moated machine vision and consulting services company, comprised another new addition. A leading supplier of industrial sensors and machine vision, Keyence offers strong international growth prospects with high margins, and is optimally placed to capitalise on the themes of machine learning, artificial intelligence and the Internet of Things.

Other purchases included Ecolab, Inc. (United States of America), a global leader in commercial services, assisting in the provision of everyday necessities such as safe food, clean water and energy. Its market is highly fragmented, promoting the opportunity for gains in market share through bolt-on acquisitions and should supplement organic growth. A position was also started in multinational lighting manufacturer OSRAM Licht AG (Germany), which can benefit from the growth in infrared light emitting diodes (LEDs). The firm has an established technological edge, with a competitive advantage in the form of high switching costs – a factor the market appears to be underestimating.

Elsewhere, positions were established in Becton Dickinson and Co. (United States of America) and Essilor International Cie Generale d'Optique SA (France). The new holding in Becton Dickinson and Co. comprised a switch from dental supply manufacturer DENTSPLY SIRONA, Inc. (United States of America). Having previously focused on selling products such as syringes, two acquisitions in the past four years sees Becton's potential increasing through top line growth, cost synergies and a favourable product mix. Essilor is a manufacturer of plastic and glass ophthalmic lenses, benefitting from the structural growth in eyewear. Essilor's recent merger with Luxottica Group (Italy) generates substantial synergy opportunities, given their respective positions as leading lens and frame manufacturers.

Sales included Yaskawa Electric Corp. (Japan). Having performed well throughout 2017 on Chinese sales volume expansion, cost control and broader sentiment surrounding the themes of robotics and factory automation, Yaskawa's valuation had become rich. Profits were taken and the position closed as a result. Lacking the immediate catalysts to grow as fast as other opportunities, pharmaceutical company Pfizer Inc. (United States of America) was also sold. Elsewhere, steep share price appreciation prompted the closing of the fund's position in United Rentals, Inc. (United States of America).

As anticipated, 2018 has seen volatility return to equity markets. Key challenges include a rising interest rate environment, especially in the US where emphasis will be placed on developments around inflation, the risk of higher tariffs and reduced trade. However, equity fundamentals ultimately look robust. Economic growth remains well entrenched across developed and emerging markets, and this is driving double digit corporate earnings. The fund's investment managers continue to focus on companies with sustainable competitive advantages, reflected by high or rising returns on capital and the ability to compound earnings over time. This reflects the managers' belief that companies exhibiting these qualities are best placed to outperform across a range of market conditions.

## Managed Fund Comparative Tables

for the accounting period 1st January 2018 to 30th June 2018

	Preference shares			
	2018 <sup>1</sup> US\$	2017 US\$	2016 US\$	2015 US\$
<b>Change in net assets per share</b>				
Opening net asset value per share	2.3539	1.9516	1.9330	1.9530
Return before operating charges <sup>2</sup>	0.0166	0.4476	0.0763	0.0206
Operating charges	(0.0254)	(0.0453)	(0.0577)	(0.0406)
Return after operating charges	(0.0095)	0.4023	0.0186	(0.0200)
Distributions on preference shares	–	–	–	–
Closing net asset value per shares	2.3444	2.3539	1.9516	1.9330
<sup>2</sup> after direct transaction costs	(0.0005)	(0.0019)	(0.0020)	(0.0012)
<b>Performance</b>				
Return after charges	(0.40)%	20.61%	0.96%	(1.02)%
<b>Other information</b>				
Closing net asset value (US\$)	32,360,620	34,899,579	79,513,731	121,494,521
Closing number of shares	13,803,186	14,826,260	40,743,348	62,852,734
Operating charges	2.15%	2.14%	2.06%	2.08%
Direct transaction costs	0.02%	0.09%	0.07%	0.06%
<b>Ongoing Charges Figure ("OCF")<sup>3</sup></b>	2.15%	2.14%	2.06%	2.08%

	2018 <sup>1</sup>	2017	2016	2015	2014	2013
<b>Prices</b>						
Highest offer share price (US\$)	2.6060	2.4840	2.1510	2.1360	2.1360	2.0410
Lowest bid share price (US\$)	2.2940	1.9460	1.7700	1.8240	1.8550	1.6890
Net distribution per share (US\$)	–	–	–	–	0.0005	0.0009

### Notes

<sup>1</sup> Based on amounts for 12 months to 31 December except for 2018 which is for the 6 months period ended 30 June 2018.

<sup>2</sup> Return before operating charges is stated after direct transaction costs.

<sup>3</sup> The OCF takes into account the annual management charge and any expenses incurred expressed as a percentage of the average daily net assets values over the period. The OCF figure for the period to 30 June 2018 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 year 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.

## Managed Fund

### Statement of Total Return

for the accounting period 1st January 2018 to 30th June 2018

	June 2018 US\$	June 2017 US\$
Income		
Net capital (losses)/gains	(5,830)	4,837,324
Revenue	300,690	355,418
Expenses	(348,567)	(446,411)
Net expense before taxation	(47,877)	(90,993)
Taxation	(34,754)	(68,898)
Net expense after taxation	(82,631)	(159,891)
<b>Total return before distribution</b>	<b>(88,461)</b>	<b>4,677,433</b>
Distributions	4,635	76,856
<b>Change in Net Assets Attributable to Preference Shareholders from investment activities</b>	<b>(83,826)</b>	<b>4,754,289</b>

### Balance Sheet

as at 30th June 2018

	June 2018 US\$	December 2017 US\$
<b>Assets:</b>		
Fixed assets:		
Investments	31,360,216	33,286,771
Current assets:		
Debtors	938,264	604,033
Cash and bank balances	877,462	1,703,063
Total assets	33,175,942	35,593,867
<b>Liabilities:</b>		
Creditors:		
Other creditors	(271,835)	(153,369)
Total liabilities	(271,835)	(153,369)
<b>Equity:</b>		
Management shares	(10)	(10)
Nominal shares	(543,477)	(540,909)
Total equity	(543,487)	(540,919)
<b>Net Assets Attributable to Preference Shareholders</b>	<b>32,360,620</b>	<b>34,899,579</b>

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

for the accounting period 1st January 2018 to 30th June 2018

	June 2018 US\$	June 2017 US\$
<b>Opening Net Assets Attributable to Preference Shareholders</b>	34,899,579	79,513,731
Movement due to sales and repurchases of shares:		
Amounts receivable on issue of shares	167,686	59,752
Amounts payable on cancellation of shares	(2,622,819)	(51,239,070)
	(2,455,133)	(51,179,318)
Change in Net Assets Attributable to Preference Shareholders from investment activities (see above)	(83,826)	4,754,289
<b>Closing Net Assets Attributable to Preference Shareholders</b>	<b>32,360,620</b>	<b>33,088,702</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 2017 whilst the figure disclosed in the comparatives' Closing Net Assets Attributable to Preference Shareholders is at 30th June 2017.

### Distribution Tables

There is no distribution for the accounting period 1st January 2018 to 30th June 2018, as expenses exceed revenue (June 2017: Nil).

## Managed Fund Portfolio Statement

as at 30th June 2018

Holding	Investment	Currency	Market Value US\$	% of Net Assets	Holding	Investment	Currency	Market Value US\$	% of Net Assets
<b>Collective Investment Schemes 2.60% (2.84%)</b>					<b>Mexico 0.40% (0.47%)</b>				
56,047	Threadneedle Emerging Market Bond Fund Retail Gross Accumulation (GBP)	GBP	188,528	0.58	1,470	Fomento Economico Mexicano SAB de CV, ADR	USD	129,772	0.40
181,881	Threadneedle Emerging Market Local Fund Retail Gross Accumulation Shares (GBP)	GBP	343,854	1.06				<b>129,772</b>	<b>0.40</b>
15,114	Threadneedle European Corporate Bond Fund Retail Gross Accumulation (GBP)	GBP	24,129	0.07	1,759	Airbus SE	EUR	207,320	0.64
61,554	Threadneedle High Yield Bond Fund Institutional Gross Accumulation (GBP)	GBP	144,417	0.45				<b>207,320</b>	<b>0.64</b>
89,821	Threadneedle UK Corporate Bond Fund Institutional Gross Accumulation (GBP)	GBP	141,301	0.44	7,300	DBS Group Holdings Ltd.	SGD	142,457	0.44
	<b>Collective Investment Schemes total</b>		<b>842,229</b>	<b>2.60</b>				<b>142,457</b>	<b>0.44</b>
<b>Equities 67.80% (66.55%)</b>					<b>Spain 0.54% (0.35%)</b>				
<b>Belgium 0.88% (0.99%)</b>					<b>Supranational 0.00% (0.38%)</b>				
2,819	Anheuser-Busch InBev SA/NV	EUR	284,888	0.88	5,402	Atlas Copco AB 'A'	SEK	157,931	0.49
			<b>284,888</b>	<b>0.88</b>	11,818	Epiroc AB 'A'	SEK	123,856	0.38
<b>Bermuda 0.94% (0.84%)</b>								<b>281,787</b>	<b>0.87</b>
5,804	IHS Markit Ltd.	USD	303,491	0.94	<b>Switzerland 1.36% (2.20%)</b>				
			<b>303,491</b>	<b>0.94</b>	2,579	Cie Financiere Richemont SA	CHF	218,833	0.68
<b>Canada 1.13% (1.44%)</b>					2,451	TE Connectivity Ltd.	USD	220,173	0.68
8,972	Suncor Energy, Inc.	CAD	366,777	1.13				<b>439,006</b>	<b>1.36</b>
			<b>366,777</b>	<b>1.13</b>	<b>Thailand 0.00% (0.47%)</b>				
<b>Cayman Islands 1.75% (1.10%)</b>					<b>United Kingdom 6.54% (6.92%)</b>				
2,253	Alibaba Group Holding Ltd., ADR	USD	418,810	1.29	2,156	Aon plc	USD	296,536	0.92
5,395	PageSeguro Digital Ltd. 'A'	USD	148,740	0.46	3,943	British American Tobacco plc	GBP	199,232	0.62
			<b>567,550</b>	<b>1.75</b>	7,928	Diageo plc	GBP	285,915	0.88
<b>China 0.73% (1.00%)</b>					22,115	HSBC Holdings plc	GBP	208,535	0.64
25,500	Ping An Insurance Group Co. of China Ltd. 'H'	HKD	234,509	0.73	1,611	Reckitt Benckiser Group plc	GBP	133,023	0.41
			<b>234,509</b>	<b>0.73</b>	14,921	RELX plc	GBP	320,227	0.99
<b>Curacao 0.59% (0.00%)</b>					5,865	Rio Tinto plc	GBP	326,623	1.01
2,839	Schlumberger Ltd.	USD	191,803	0.59	6,256	Unilever plc	GBP	347,283	1.07
			<b>191,803</b>	<b>0.59</b>				<b>2,117,374</b>	<b>6.54</b>
<b>Denmark 0.48% (0.52%)</b>					<b>United States of America 38.06% (35.62%)</b>				
3,352	Novo Nordisk A/S 'B'	DKK	155,716	0.48	3,336	Activision Blizzard, Inc.	USD	255,371	0.79
			<b>155,716</b>	<b>0.48</b>	456	Alphabet, Inc. 'A'	USD	519,480	1.60
<b>France 1.55% (1.13%)</b>					193	Alphabet, Inc. 'C'	USD	217,277	0.67
1,633	Essilor International Cie Generale d'Optique SA	EUR	230,815	0.72	393	Amazon.com, Inc.	USD	674,317	2.08
1,088	L'Oreal SA	EUR	268,817	0.83	1,469	Amphenol Corp. 'A'	USD	128,890	0.40
			<b>499,632</b>	<b>1.55</b>	13,908	Bank of America Corp.	USD	404,027	1.25
<b>Germany 1.28% (1.45%)</b>					3,444	BB&T Corp.	USD	176,505	0.55
740	adidas AG	EUR	161,536	0.50	1,096	Becton Dickinson and Co.	USD	264,717	0.82
8,718	Deutsche Telekom AG	EUR	135,338	0.42	1,676	Celgene Corp.	USD	135,220	0.42
2,829	OSRAM Licht AG	EUR	116,771	0.36	2,764	Centene Corp.	USD	347,103	1.07
			<b>413,645</b>	<b>1.28</b>	6,342	Charles Schwab Corp. (The)	USD	331,813	1.03
<b>Hong Kong 1.14% (1.03%)</b>					1,525	CME Group, Inc.	USD	251,915	0.78
42,000	AIA Group Ltd.	HKD	367,245	1.14	6,448	Comcast Corp. 'A'	USD	214,203	0.66
			<b>367,245</b>	<b>1.14</b>	1,119	Cooper Cos., Inc. (The)	USD	262,864	0.81
<b>India 1.04% (0.86%)</b>					1,881	Crown Castle International Corp., REIT	USD	202,076	0.62
3,197	HDFC Bank Ltd., ADR	USD	335,877	1.04					
			<b>335,877</b>	<b>1.04</b>	2,760	Diamondback Energy, Inc.	USD	364,706	1.13
<b>Indonesia 0.69% (0.98%)</b>					2,077	Ecolab, Inc.	USD	293,418	0.91
1,129,300	Bank Rakyat Indonesia Persero Tbk. PT	IDR	223,023	0.69	3,162	EOG Resources, Inc.	USD	398,317	1.23
			<b>223,023</b>	<b>0.69</b>	635	Equinix, Inc., REIT	USD	271,697	0.84
<b>Ireland 1.93% (1.98%)</b>					2,041	Estee Lauder Cos., Inc. (The) 'A'	USD	294,680	0.91
9,164	CRH plc	EUR	326,467	1.01	2,645	Facebook, Inc. 'A'	USD	518,949	1.60
3,302	Ingersoll-Rand plc	USD	298,072	0.92	2,338	Gilead Sciences, Inc.	USD	166,372	0.51
			<b>624,539</b>	<b>1.93</b>	1,295	Goldman Sachs Group, Inc. (The)	USD	290,792	0.90
<b>Japan 3.98% (4.88%)</b>					6,564	Halliburton Co.	USD	297,743	0.92
500	Keyence Corp.	JPY	282,102	0.87	1,217	Illumina, Inc.	USD	339,811	1.05
3,500	Koito Manufacturing Co. Ltd.	JPY	231,037	0.71	4,613	JPMorgan Chase & Co.	USD	490,962	1.52
13,500	Kubota Corp.	JPY	212,240	0.66	1,668	Lam Research Corp.	USD	290,332	0.90
900	Nintendo Co. Ltd.	JPY	294,121	0.91	4,829	MACOM Technology Solutions Holdings, Inc.	USD	112,854	0.35
15,700	Sekisui Chemical Co. Ltd.	JPY	267,669	0.83					
			<b>1,287,169</b>	<b>3.98</b>	2,145	Mastercard, Inc. 'A'	USD	424,066	1.31
<b>Jersey 0.84% (0.76%)</b>					5,544	Microsoft Corp.	USD	552,903	1.71
3,343	Ferguson plc	GBP	272,726	0.84	2,533	NIKE, Inc. 'B'	USD	202,108	0.62
			<b>272,726</b>	<b>0.84</b>	1,777	PepsiCo, Inc.	USD	192,982	0.60
					4,327	Service Corp. International	USD	156,335	0.48
					1,459	Stryker Corp.	USD	249,008	0.77
					1,497	Thermo Fisher Scientific, Inc.	USD	310,882	0.96
					2,420	TransUnion	USD	174,555	0.54
					781	Tyler Technologies, Inc.	USD	173,109	0.53
					2,682	Union Pacific Corp.	USD	383,606	1.19
					914	UnitedHealth Group, Inc.	USD	225,319	0.70
					1,757	Vertex Pharmaceuticals, Inc.	USD	295,844	0.91
					3,441	Visa, Inc. 'A'	USD	459,958	1.42
								<b>12,317,086</b>	<b>38.06</b>
					<b>Equities total</b>			<b>21,939,114</b>	<b>67.80</b>



# 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 2018 the MSCI AC World Index produced a return of -0.1% in United States (US) Dollar terms. By comparison, the Fund achieved a total gross return of 1.1% over the same period.

### Review

The first half of 2018 saw the return of volatility to global equity markets. Despite positive global economic growth data and strong corporate results, markets were weighed by bouts of political tensions and an escalating trade dispute between the US and China. In dollar terms, the MSCI All Country World index ended the period marginally down.

United States equities rose, however, supported by buoyant corporate results (particularly in technology), solid domestic economic markers and a strengthening global economy. They also benefited from President Trump's flagship tax cutting bill; though nascent wage inflation and strong jobs reports saw the Federal Reserve (Fed) raise interest rates twice, suppressing these gains. President Trump's announcement of US import tariffs on European Union (EU) steel and aluminium, and confirmation of fresh levies on Chinese imports, advanced market uncertainty, particularly when China and key US allies announced they would retaliate against such protectionist measures.

European equities fell amid political uncertainty in the EU and rising concerns over US exports. Midway through the period, investors worried that the formation of an Italian Eurosceptic coalition could hurt the Eurozone's stability. Despite rising commodity prices and positive economic markers, a weakened government and Brexit related uncertainty in the United Kingdom (UK) constrained the outlook. Emerging markets (EM) declined, primarily because of escalating trade tensions between the US and China, a hawkish Fed and currency pressures. Likewise, Japan equities lagged broader indices on a more cautious global growth outlook.

Key activity included the initiation of a new position in semiconductor equipment manufacturer Lam Research Corp. (United States of America), which is well positioned to benefit from growing spending on water fab equipment as the data centre and autonomous vehicle markets expand. Lam's edge in etch technology and its increasing installed base is driving share gains. Keyence Corp. (Japan), a highly profitable, deep moated machine vision and consulting services company, was another new addition. A leading supplier of industrial sensors and machine vision, Keyence offers strong international growth prospects with high margins, and is optimally placed to capitalise on the themes of machine learning, artificial intelligence and the Internet of Things.

Other purchases included Ecolab, Inc. (United States of America), a global leader in commercial services, which assists in the provision of everyday necessities such as safe food, clean water and energy. Its market is highly fragmented, promoting the opportunity for gains in market share through bolt-on acquisitions. These should supplement organic growth. A position was also started in multinational lighting manufacturer OSRAM Licht AG (Germany), which can benefit from the growth in infrared light emitting diodes (LEDs). The firm has an established technological edge, with a competitive advantage in the form of high switching costs – a factor the market appears to be underestimating.

Elsewhere, a position was established in Becton Dickinson and Co. (United States of America). Having previously focused on selling products such as syringes, two acquisitions in the past four years have seen Becton's potential increasing through top line growth, cost synergies and a favourable product mix.

Sales included Yaskawa Electric Corp. (Japan). Having performed well throughout 2017 on Chinese sales volume expansion, cost control and broader sentiment surrounding the themes of robotics and factory automation, Yaskawa's valuation had become rich. Profits were taken and the position closed as a result. Lacking the immediate catalysts to grow as fast as other opportunities, pharmaceutical company Pfizer Inc. (United States of America) was also sold. Elsewhere, steep share price appreciation prompted the closing of the fund's position in United Rentals, Inc. (United States of America).

As anticipated, 2018 has seen volatility return to equity markets. Key challenges include a rising interest rate environment, especially in the US where emphasis will be placed on developments around inflation, the risk of higher tariffs and reduced trade. However, equity fundamentals ultimately look robust. Economic growth remains well entrenched across developed and emerging markets, and this is driving double digit corporate earnings. The fund's managers continue to focus on companies with sustainable competitive advantages, reflected by high or rising returns on capital and the ability to compound earnings over time. This reflects the managers' belief that companies exhibiting these qualities are best placed to outperform across a range of market conditions.

## Worldwide Equity Fund Comparative Tables

for the accounting period 1st January 2018 to 30th June 2018

	Preference shares			
	2018 <sup>1</sup> US\$	2017 US\$	2016 US\$	2015 US\$
<b>Change in net assets per share</b>				
Opening net asset value per share	2.8384	2.2080	2.1696	2.1549
Return before operating charges <sup>2</sup>	0.0416	0.6839	0.0841	0.0620
Operating charges	(0.0306)	(0.0535)	(0.0457)	(0.0473)
Return after operating charges	0.0110	0.6304	0.0384	0.0147
Distributions on preference shares	–	–	–	–
Closing net asset value per share	2.8494	2.8384	2.2080	2.1696
<sup>2</sup> after direct transaction costs	(0.0009)	(0.0020)	(0.0021)	(0.0020)
<b>Performance</b>				
Return after charges	0.39%	28.55%	1.77%	0.68%
<b>Other information</b>				
Closing net asset value (US\$)	32,216,108	35,030,454	30,369,429	34,363,571
Closing number of shares	11,306,221	12,341,581	13,754,145	15,838,668
Operating charges	2.12%	2.13%	2.14%	2.17%
Direct transaction costs	0.03%	0.08%	0.10%	0.10%
<b>Ongoing Charges Figure ("OCF")<sup>3</sup></b>	2.12%	2.13%	2.14%	2.17%

	2018 <sup>1</sup>	2017	2016	2015	2014	2013
<b>Prices</b>						
Highest offer share price (US\$)	3.1970	2.9970	2.3940	2.4260	2.3440	2.215
Lowest bid share price (US\$)	2.7350	2.2070	1.8790	1.9750	1.9670	1.672
Net distribution per share (US\$)	–	–	–	–	0.0006	–

### Notes

<sup>1</sup>Based on amounts for 12 months to 31 December except for 2018 which is for the 6 months period ended 30 June 2018.

<sup>2</sup>Return before operating charges is stated after direct transaction costs.

<sup>3</sup>The OCF takes into account the annual management charge and any expenses incurred expressed as a percentage of the average daily net assets values over the period. The OCF figure for the period to 30 June 2018 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 year 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.

## Worldwide Equity Fund

### Statement of Total Return

for the accounting period 1st January 2018 to 30th June 2018

	<b>June 2018</b>	<b>June 2017</b>
	US\$	US\$
Income		
Net capital gains	261,603	4,105,362
Revenue	319,284	323,868
Expenses	(350,731)	(319,324)
Net (expense)/revenue before taxation	(31,447)	4,544
Taxation	(50,973)	(65,637)
Net expense after taxation	(82,420)	(61,093)
<b>Total return before distribution</b>	<b>179,183</b>	<b>4,044,269</b>
Distributions	5,309	3,588
<b>Change in Net Assets Attributable to Preference Shareholders from investment activities</b>	<b>184,492</b>	<b>4,047,857</b>

### Balance Sheet

as at 30th June 2018

	<b>June 2018</b>	<b>December 2017</b>
	US\$	US\$
<b>Assets:</b>		
Fixed assets:		
Investments	31,870,742	33,909,648
Current assets:		
Debtors	787,031	239,318
Cash and bank balances	57,746	1,206,774
<b>Total assets</b>	<b>32,715,519</b>	<b>35,355,740</b>
<b>Liabilities:</b>		
Creditors:		
Other creditors	(285,682)	(114,145)
<b>Total liabilities</b>	<b>(285,682)</b>	<b>(114,145)</b>
<b>Equity:</b>		
Nominal shares	(213,729)	(211,141)
Total equity	(213,729)	(211,141)
<b>Net Assets Attributable to Preference Shareholders</b>	<b>32,216,108</b>	<b>35,030,454</b>

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

for the accounting period 1st January 2018 to 30th June 2018

	<b>June 2018</b>	<b>June 2017</b>
	US\$	US\$
<b>Opening Net Assets Attributable to Preference Shareholders</b>	<b>35,030,454</b>	<b>30,369,429</b>
Movement due to sales and repurchases of shares:		
Amounts receivable on issue of shares	281,999	788,130
Amounts payable on cancellation of shares	(3,280,837)	(3,435,695)
	(2,998,838)	(2,647,565)
Change in Net Assets Attributable to Preference Shareholders from investment activities (see above)	184,492	4,047,857
<b>Closing Net Assets Attributable to Preference Shareholders</b>	<b>32,216,108</b>	<b>31,769,721</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 2017 whilst the figure disclosed in the comparatives' Closing Net Assets Attributable to Preference Shareholders is at 30th June 2017.



## Worldwide Equity Fund Portfolio Statement

as at 30th June 2018

Holding	Investment	Currency	Market Value US\$	% of Net Assets	Holding	Investment	Currency	Market Value US\$	% of Net Assets		
<b>Equities 98.93% (96.80%)</b>					<b>Switzerland 1.99% (3.26%)</b>						
<b>Belgium 1.28% (1.37%)</b>					<b>United Kingdom 9.68% (10.07%)</b>						
4,084	Anheuser-Busch InBev SA/NV	EUR	412,730	1.28	3,877	Cie Financiere Richemont SA	CHF	328,970	1.02		
					3,470	TE Connectivity Ltd.	USD	311,710	0.97		
			<b>412,730</b>	<b>1.28</b>				<b>640,680</b>	<b>1.99</b>		
<b>Bermuda 1.38% (1.22%)</b>					<b>Thailand 0.00% (0.72%)</b>						
8,480	IHS Markit Ltd.	USD	443,419	1.38	3,187	Aon plc	USD	438,340	1.36		
			<b>443,419</b>	<b>1.38</b>	5,727	British American Tobacco plc	GBP	289,373	0.90		
<b>Canada 1.66% (2.07%)</b>					11,669	Diageo plc	GBP	420,831	1.31		
13,109	Suncor Energy, Inc.	CAD	535,899	1.66	33,002	HSBC Holdings plc	GBP	311,195	0.96		
			<b>535,899</b>	<b>1.66</b>	2,376	Reckitt Benckiser Group plc	GBP	196,190	0.61		
<b>Cayman Islands 2.54% (1.62%)</b>					22,032	RELX plc	GBP	472,839	1.47		
3,225	Alibaba Group Holding Ltd., ADR	USD	599,495	1.86	8,569	Rio Tinto plc	GBP	477,210	1.48		
7,867	Pagseguro Digital Ltd. 'A'	USD	216,893	0.68	9,243	Unilever plc	GBP	513,098	1.59		
			<b>816,388</b>	<b>2.54</b>				<b>3,119,076</b>	<b>9.68</b>		
<b>China 1.04% (1.45%)</b>					<b>United States of America 55.40% (51.90%)</b>						
36,500	Ping An Insurance Group Co. of China Ltd. 'H'	HKD	335,669	1.04	4,766	Activision Blizzard, Inc.	USD	364,837	1.13		
			<b>335,669</b>	<b>1.04</b>	609	Alphabet, Inc. 'A'	USD	693,779	2.15		
<b>Curacao 0.87% (0.00%)</b>					333	Alphabet, Inc. 'C'	USD	374,888	1.16		
4,149	Schlumberger Ltd.	USD	280,306	0.87	556	Amazon.com, Inc.	USD	953,996	2.96		
			<b>280,306</b>	<b>0.87</b>	2,179	Amphenol Corp. 'A'	USD	191,185	0.59		
<b>Denmark 0.72% (0.77%)</b>					20,513	Bank of America Corp.	USD	595,903	1.85		
5,002	Novo Nordisk A/S 'B'	DKK	232,366	0.72	4,993	BB&T Corp.	USD	255,891	0.79		
			<b>232,366</b>	<b>0.72</b>	1,553	Becton Dickinson and Co.	USD	375,096	1.16		
<b>France 2.21% (1.62%)</b>					2,550	Celgene Corp.	USD	205,734	0.64		
2,312	Essilor International Cie Generale d'Optique SA	EUR	326,787	1.01	3,913	Centene Corp.	USD	491,395	1.53		
1,562	L'Oreal SA	EUR	385,931	1.20	8,972	Charles Schwab Corp. (The)	USD	469,415	1.46		
			<b>712,718</b>	<b>2.21</b>	2,183	CME Group, Inc.	USD	360,610	1.12		
<b>Germany 1.84% (2.08%)</b>					9,586	Comcast Corp. 'A'	USD	318,447	0.99		
1,050	adidas AG	EUR	229,207	0.71	1,631	Cooper Cos., Inc. (The)	USD	383,138	1.19		
12,347	Deutsche Telekom AG	EUR	191,674	0.60	2,743	Crown Castle International Corp., REIT	USD	294,681	0.92		
4,136	OSRAM Licht AG	EUR	170,719	0.53	4,071	Diamondback Energy, Inc.	USD	537,942	1.67		
			<b>591,600</b>	<b>1.84</b>	2,973	Ecolab, Inc.	USD	419,996	1.30		
<b>Hong Kong 1.69% (1.52%)</b>					4,586	EOG Resources, Inc.	USD	577,698	1.79		
62,400	AIA Group Ltd.	HKD	545,621	1.69	898	Equinix, Inc., REIT	USD	384,227	1.19		
			<b>545,621</b>	<b>1.69</b>	3,011	Estee Lauder Cos., Inc. (The) 'A'	USD	434,728	1.35		
<b>India 1.51% (1.26%)</b>					3,798	Facebook, Inc. 'A'	USD	745,168	2.31		
4,632	HDFC Bank Ltd., ADR	USD	486,638	1.51	3,409	Gilead Sciences, Inc.	USD	242,584	0.75		
			<b>486,638</b>	<b>1.51</b>	1,916	Goldman Sachs Group, Inc. (The)	USD	430,238	1.34		
<b>Indonesia 1.04% (1.47%)</b>					9,590	Halliburton Co.	USD	435,002	1.35		
1,696,400	Bank Rakyat Indonesia Persero Tbk. PT	IDR	335,018	1.04	1,763	Illumina, Inc.	USD	492,265	1.53		
			<b>335,018</b>	<b>1.04</b>	6,683	JPMorgan Chase & Co.	USD	711,272	2.21		
<b>Ireland 2.83% (2.86%)</b>					2,370	Lam Research Corp.	USD	412,522	1.28		
13,389	CRH plc	EUR	476,983	1.48	7,260	MACOM Technology Solutions Holdings, Inc.	USD	169,666	0.53		
4,815	Ingersoll-Rand plc	USD	434,650	1.35	3,110	Mastercard, Inc. 'A'	USD	614,847	1.91		
			<b>911,633</b>	<b>2.83</b>	8,076	Microsoft Corp.	USD	805,420	2.50		
<b>Japan 5.76% (6.97%)</b>					3,690	NIKE, Inc. 'B'	USD	294,425	0.91		
700	Keyence Corp.	JPY	394,943	1.23	2,642	PepsiCo, Inc.	USD	286,921	0.89		
5,200	Koito Manufacturing Co. Ltd.	JPY	343,255	1.06	6,506	Service Corp. International	USD	235,062	0.73		
20,100	Kubota Corp.	JPY	316,002	0.98	2,090	Stryker Corp.	USD	356,700	1.11		
1,300	Nintendo Co. Ltd.	JPY	424,842	1.32	2,143	Thermo Fisher Scientific, Inc.	USD	445,037	1.38		
22,100	Sekisui Chemical Co. Ltd.	JPY	376,782	1.17	3,465	TransUnion	USD	249,930	0.78		
			<b>1,855,824</b>	<b>5.76</b>	1,154	Tyler Technologies, Inc.	USD	255,784	0.79		
<b>Jersey 1.26% (1.08%)</b>					3,886	Union Pacific Corp.	USD	555,815	1.73		
4,963	Ferguson plc	GBP	404,888	1.26	1,309	UnitedHealth Group, Inc.	USD	322,695	1.00		
			<b>404,888</b>	<b>1.26</b>	2,596	Vertex Pharmaceuticals, Inc.	USD	437,114	1.36		
<b>Mexico 0.61% (0.74%)</b>					4,989	Visa, Inc. 'A'	USD	666,880	2.07		
2,237	Fomento Economico Mexicano SAB de CV, ADR	USD	197,482	0.61				<b>17,848,933</b>	<b>55.40</b>		
			<b>197,482</b>	<b>0.61</b>	<b>Equities total</b>				<b>31,870,742</b>	<b>98.93</b>	
<b>Netherlands 0.92% (0.96%)</b>					Total Value of Investments					31,870,742	98.93
2,518	Airbus SE	EUR	296,778	0.92	Net Other Assets (2017: 3.20%)					345,366	1.07
			<b>296,778</b>	<b>0.92</b>	<b>Net Assets attributable to Preference Shareholders</b>					<b>32,216,108</b>	<b>100.00</b>
<b>Singapore 0.65% (0.00%)</b>					The comparative percentage figures in brackets are as at 31st December 2017.						
10,700	DBS Group Holdings Ltd.	SGD	208,807	0.65							
			<b>208,807</b>	<b>0.65</b>							
<b>Spain 0.80% (0.49%)</b>											
7,473	Industria de Diseno Textil SA	EUR	256,278	0.80							
			<b>256,278</b>	<b>0.80</b>							
<b>Supranational 0.00% (0.55%)</b>											
<b>Sweden 1.25% (0.75%)</b>											
7,733	Atlas Copco AB 'A'	SEK	226,079	0.70							
16,785	Epiroc AB 'A'	SEK	175,912	0.55							
			<b>401,991</b>	<b>1.25</b>							

# 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 2018 the Fund posted a total gross return of +0.8% versus +0.9% 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 United States (US) Dollar deposits. After its weak showing in 2017, the Dollar recovered over the first half of 2018. Its strength was not a smooth upward progression. Against a basket of its peers, the currency fell sharply in January, partially recovered in February and was down again in March before finishing off the period with three consecutive monthly gains. Over the period as a whole, the Dollar rose around 3.5% (as measured by the ICE US Dollar Index), and was up against all major currencies except the Japanese yen.

Last year, the US currency had weakened as doubts grew that President Donald Trump would be able to implement his pro growth policies, and as sluggish US inflation suggested a shallower path for interest rate rises than the Federal Reserve ("the Fed") had been projecting. Meanwhile, an accelerating economic recovery in the Eurozone increased conviction among investors that the European Central Bank (ECB) would soon have to tighten monetary conditions in the region. The Euro was the major winner against its US counterpart in 2017.

In 2018, however, President Trump has been able to point to the introduction of his first major policy win his flagship Tax Cuts and Jobs Act – while consumers and businesses are starting to feel the effects in their wallets and balance sheets. Inflation has also been rising: in May, the Federal Reserve's preferred measure (the Core Personal Consumption Expenditure Price Index) hit the central bank's 2% target for the first time since 2012. And while US GDP growth slowed in the first quarter, some more recent data – including rising retail sales in April and May – suggests that growth has since picked up. The Eurozone economy, meanwhile, has been showing some signs of cooling, while political uncertainty in the bloc has also been troubling investors.

Accordingly, there has been increasing divergence between the US and Europe in terms of monetary policy. During the review period, the Fed has twice raised the target range for the federal funds rate by 25 basis points, in March and June, and has also increased its projections for the pace of future rate hikes. Having previously predicted a total of three rate rises in 2018 and two in 2019, it now expects to make two further hikes this year (four in total) and three the next.

The ECB, by contrast, has adopted a more dovish tone. In June, it signalled that its programme of monthly bond purchases would end this year, but the bank was at pains to reassure investors that interest rates would not rise from their historic lows before the autumn of 2019: the Euro dropped sharply in response. In the United Kingdom, a run of weaker than expected economic data dissuaded the Bank of England from raising the base rate at its May meeting: a hike had been seen as a near certainty as recently as April. However the bank subsequently raised rates by 25 basis points in August. In the first half of 2018, the Dollar has risen around 2.6% against the Euro and 2.2% against the Pound.

It has fallen around 1.8% against the yen, however, as the Japanese currency has benefited from a flight to perceived safe havens. One reason for this has been rising political risk in the Eurozone. In recent weeks populist anti-establishment parties have formed a coalition government in Italy, Spain's prime minister has been ousted in a vote of no confidence, and the ongoing migrant crisis has threatened to split Germany's ruling coalition. But perhaps a larger influence has been the increasingly protectionist stance adopted by the US administration. Throughout the period, President Trump stoked fears of a global trade war by aiming a series of steep new import tariffs at US allies and adversaries alike, each of whom has promised to retaliate with tariffs of their own.

Even in the face of escalating trade-war fears, the strength of the US economy – further amplified by the fiscal stimulus of tax cuts and higher public spending – may well see the Dollar index continue to rise in the year ahead. Further out, however, the US currency looks likely to give back some of its recent strength. The fiscal measures are likely to increase both the budget and the current-account deficits, and history would suggest that this will eventually undermine the Dollar.

## Managed Currency Fund Comparative Tables

for the accounting period 1st January 2018 to 30th June 2018

	Preference shares			
	2018 <sup>1</sup> US\$	2017 US\$	2016 US\$	2015 US\$
<b>Change in net assets per share</b>				
Opening net asset value per share	0.3325	0.3336	0.3360	0.3397
Return before operating charges <sup>2</sup>	0.0021	0.0026	0.0013	0.0001
Operating charges	(0.0019)	(0.0037)	(0.0037)	(0.0038)
Return after operating charges	0.0002	(0.0011)	(0.0024)	(0.0037)
Distributions on preference shares	(0.0006)	–	–	–
Closing net asset value per shares	0.3321	0.3325	0.3336	0.3360
<sup>2</sup> after direct transaction costs	–	–	–	–
<b>Performance</b>				
Return after charges	0.06%	(0.33)%	(0.71)%	(1.09)%
<b>Other information</b>				
Closing net asset value (US\$)	547,038	559,208	568,562	652,380
Closing number of shares	1,647,059	1,681,820	1,704,392	1,941,564
Operating charges	1.13%	1.13%	1.11%	1.12%
Direct transaction costs	0.00%	0.00%	0.00%	0.00%
<b>Ongoing Charges Figure (“OCF”)<sup>3</sup></b>	1.13%	1.13%	1.11%	1.12%

	2018 <sup>1</sup>	2017	2016	2015	2014	2013
<b>Prices</b>						
Highest offer share price (US\$)	0.3503	0.3511	0.3537	0.3576	0.3620	0.3660
Lowest bid share price (US\$)	0.3322	0.3323	0.3336	0.3360	0.3398	0.3438
Net distribution per share (US\$)	0.0006	–	–	–	–	–

### Notes

<sup>1</sup> Based on amounts for 12 months to 31 December except for 2018 which is for the 6 months period ended 30 June 2018.

<sup>2</sup> Return before operating charges is stated after direct transaction costs.

<sup>3</sup> The OCF takes into account the annual management charge and any expenses incurred expressed as a percentage of the average daily net assets values over the period. The OCF figure for the period to 30 June 2018 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 year 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.

## Managed Currency Fund

### Statement of Total Return

for the accounting period 1st January 2018 to 30th June 2018

	June 2018 US\$	June 2017 US\$
Income		
Net capital losses	(616)	(577)
Revenue	4,092	2,066
Expenses	(3,088)	(3,125)
Net revenue/(expense) before taxation	1,004	(1,059)
Taxation	–	–
Net revenue/(expense) after taxation	1,004	(1,059)
<b>Total return before distribution</b>	<b>388</b>	<b>(1,636)</b>
Distribution	(1,004)	12
<b>Change in Net Assets Attributable to Preference Shareholders from investment activities</b>	<b>(616)</b>	<b>(1,624)</b>

### Balance Sheet

as at 30th June 2018

	June 2018 US\$	December 2017 US\$
<b>Assets:</b>		
Fixed assets:		
Investments*	259,008	260,844
Current assets:		
Debtors	59,702	59,599
Cash and bank balances	290,082	299,677
<b>Total assets</b>	<b>608,792</b>	<b>620,120</b>
<b>Liabilities:</b>		
Creditors:		
Other creditors	(1,065)	(1,313)
Distribution payable	(1,004)	–
<b>Total liabilities</b>	<b>(2,069)</b>	<b>(1,313)</b>
<b>Equity:</b>		
Nominal shares	(59,685)	(59,599)
<b>Total equity</b>	<b>(59,685)</b>	<b>(59,599)</b>
<b>Net Assets Attributable to Preference Shareholders</b>	<b>547,038</b>	<b>559,208</b>

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

for the accounting period 1st January 2018 to 30th June 2018

	June 2018 US\$	June 2017 US\$
<b>Opening Net Assets Attributable to Preference Shareholders</b>	<b>559,208</b>	<b>568,562</b>
Movement due to sales and repurchases of shares:		
Amounts receivable on issue of shares	–	2,409
Amounts payable on cancellation of shares	(11,554)	(12,462)
	(11,554)	(10,053)
Change in Net Assets Attributable to Preference Shareholders from investment activities (see above)	(616)	(1,624)
<b>Closing Net Assets Attributable to Preference Shareholders</b>	<b>547,038</b>	<b>556,885</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 2017 whilst the figure disclosed in the comparatives' Closing Net Assets Attributable to Preference Shareholders is at 30th June 2017.

### Distribution Table

for the accounting period 1st January 2018 to 30th June 2018

	Income £	Equalisation £	Distribution Payable June 18 £	Distribution Paid June 17
Group 1	0.0609	–	0.0609	–
Group 2	0.0609	0.0000	0.0609	–

Group 2 units are those purchased after 16:00 (UK time) on 31st December 2017.

\*United States Dollar (US\$) time deposits greater than 3 months at 30th June 2018 was US\$ 259,008 (December 2017: US\$ 260,844).

## Managed Currency Fund Portfolio Statement

as at 30th June 2018

Holding	Investment	Currency	Market Value US\$	% of Net Assets
	<b>Time Deposits 47.35%</b>			<b>(46.65%)</b>
	<b>United States of America</b>			<b>47.35% (46.65%)</b>
45,008	Credit Agricole CIB 2.20% 24/09/2018	USD	45,008	8.23
53,000	Mitsubishi UFJ Trust & Banking 2.30% 12/09/2018	USD	53,000	9.69
55,000	National Bank Abu Dhabi PJSC 2.08% 16/07/2018	USD	55,000	10.05
53,000	Standard Chartered Bank 2.30% 20/07/2018	USD	53,000	9.69
53,000	Sumitomo Mitsui Banking Corp. 2.26% 14/09/2018	USD	53,000	9.69
			<b>259,008</b>	<b>47.35</b>
	<b>Time Deposits total</b>		<b>259,008</b>	<b>47.35</b>
	Total Value of Investments		259,008	47.35
	Net other assets (2017: 53.35%)		288,030	52.65
	<b>Net Assets attributable to Preference Shareholders</b>		<b>547,038</b>	<b>100.00</b>

The comparative percentage figures in brackets are as at 31st December 2017.

# 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.

### 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 2018, the Fund produced a total gross return of +0.5% in Sterling terms, compared with a return of +0.4% for the FTSE Actuaries All Stocks Index.

### Review

Having started 2018 at 1.19%, the UK 10 year gilt yield finished June at 1.28%. Much of the sell off occurred in early 2018, as strong economic data and hawkish messages from key central banks stoked fears that the “easy money” era could end sooner than previously envisaged. Gilt yields subsequently declined, first because of concerns over Brexit, and later because President Donald Trump’s protectionist moves and the “spring cleaning” in his administration fuelled safe haven demand. Uncertainties over Brexit and global trade lingered in the second quarter, too, as President Trump stepped up his protectionist agenda, and America’s trading partners retaliated to the import levies announced by the United States (US). This benefited gilts as did increasing scepticism about the likelihood of a UK interest rate rise this year and worries that Italy’s political turmoil could destabilise the Eurozone. However, gilt yields briefly spiked in June, due to negative spillovers from investors pricing in higher inflation and interest rates in the US.

In monetary policy news, particularly soft economic data in the first quarter had the Bank of England (BoE) once more retreating from a rate hike in May, with the majority of the Monetary Policy Committee (MPC) favouring waiting for evidence of a rebound. The MPC also held rates in June, but the bank’s chief economist unexpectedly joined two colleagues in calling for an immediate hike. The probability of a hike in August increased as consumption rebounded through April and May, aided by warmer weather and a royal wedding. This hike was confirmed on 2 August 2018.

After a strong UK jobs report on 24 January 2018, we added back around half the duration we had sold in mid December by purchasing 2023s and 2027s; this increased overall duration to +0.5 years. Early February saw us switch 30 year gilts into 20 years, with the underweight in the latter closed. After the first week, we reduced exposure to 10 years, while increasing the long position in the 3-7 year area. Following the auction of 1.75% 2057 gilts mid month, we raised ultra long exposure by adding to 2055s. At month end, overall duration was still +0.5 years long, mostly expressed via overweights in the 3-7 year and 7-15 year segments. March was a quiet period for transactions. On 21 March, we sold 2030 gilts into 2034s and 2047s, moving around +0.2 years of duration from the 7-15 year area into the 15-25 and 25-35 year areas. We also made various relative value switches within maturity buckets. At month end, relative duration remained at +0.5 years.

On 10 April, we sold 2055 and 2065 gilts, switching into 2057s, and sold 2027s into 2026s and 2028s. Over subsequent days, we trimmed duration in the 7-15 and 15-25 year areas but added more in the 25-35 year and ultra long areas. Overall duration rose to +0.6 years by month end. We added +0.1 years of duration in 15-25s via 2037s on 4 May and sold 2021s and 2023s a few days later. This left overall duration +0.4 years long, and the portfolio underweight at the front-end of the curve. After the BoE’s meeting in May, we added some duration at the front end, bringing overall duration to +0.6 years. Towards month end, as yields sharply fell amid the Italian crisis, we reduced the 7-15 year segment to flat. This brought overall relative duration down to +0.4 years. On 1 June, we halved the long in 25-35s, and a week later added +0.1 years of duration in the 10 year segment. Later, we switched 2055s into a newly issued 2071 gilt after ultra longs cheapened, increasing duration in the latter by +0.1 years. mid month, we closed the underweight in 15-25s and took 25-35s to flat. Ahead of the MPC meeting in June, we felt the market had priced MPC action too far out, so took the portfolio to flat across all maturities, which was how it finished June.

While developed economies entered 2018 in good shape, it is not clear whether long-term growth potential has been increased, and if President Trump’s tax cuts can meaningfully boost investment and productivity. Recent data has pointed to a smaller degree of global synchronisation than seemed likely at the turn of the year. Nevertheless, central banks are withdrawing their previously accommodative policies. The BoE implemented a quarter point rate hike in early August while in the US, the Federal Reserve is scaling down its balance sheet, and over the remainder of 2018 we expect two further US rate hikes. However, weak underlying inflation ought to limit the extent of any further sell off in fixed income.

## Gilt and Income Fund Comparative Tables

for the accounting period 1st January 2018 to 30th June 2018

	Preference shares			
	2018 <sup>1</sup> £	2017 £	2016 £	2015 £
<b>Change in net assets per share</b>				
Opening net asset value per share	0.4020	0.3993	0.3669	0.3719
Return before operating charges <sup>2</sup>	0.0021	0.0083	0.0389	0.0024
Operating charges	(0.0028)	(0.0056)	(0.0055)	(0.0051)
Return after operating charges	(0.0007)	0.0027	0.0334	(0.0027)
Distributions on preference shares	–	–	(0.0010)	(0.0023)
Closing net asset value per shares	0.4013	0.4020	0.3993	0.3669
<sup>2</sup> after direct transaction costs	–	–	–	–
<b>Performance</b>				
Return after charges	(0.17)%	0.68%	9.10%	(0.73)%
<b>Other information</b>				
Closing net asset value (£)	11,501,978	12,027,560	12,966,627	11,696,579
Closing number of shares	28,662,028	29,922,299	32,470,163	31,878,726
Operating charges	1.42%	1.42%	1.38%	1.38%
Direct transaction costs	0.00%	0.00%	0.00%	0.00%
<b>Ongoing Charges Figure (“OCF”)<sup>3</sup></b>	1.42%	1.42%	1.38%	1.38%

	2018 <sup>1</sup>	2017	2016	2015	2014	2013
<b>Prices</b>						
Highest offer share price (£)	0.4254	0.4313	0.4508	0.4087	0.3934	0.3811
Lowest bid share price (£)	0.3882	0.3887	0.3680	0.3598	0.3342	0.3333
Net distribution per share (£)	–	–	0.0010	0.0023	0.0028	0.0020

### Notes

<sup>1</sup>Based on amounts for 12 months to 31 December except for 2018 which is for the 6 months period ended 30 June 2018.

<sup>2</sup>Return before operating charges is stated after direct transaction costs.

<sup>3</sup>The OCF takes into account the annual management charge and any expenses incurred expressed as a percentage of the average daily net assets values over the period. The OCF figure for the period to 30 June 2018 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 year 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.

## Gilt and Income Fund

### Statement of Total Return

for the accounting period 1st January 2018 to 30th June 2018

	June 2018 US\$	June 2017 US\$
Income		
Net capital losses	(34,019)	(39,704)
Revenue	104,022	104,593
Expenses	(104,988)	(113,003)
Net expense before taxation	(966)	(8,410)
Taxation	—	—
Net expense after taxation	(966)	(8,410)
Total return before distribution	(34,985)	(48,114)
Distributions	73	83
<b>Change in Net Assets Attributable to Preference Shareholders from investment activities</b>	<b>(34,912)</b>	<b>(48,031)</b>

### Balance Sheet

as at 30th June 2018

	June 2018 US\$	December 2017 US\$
<b>Assets:</b>		
Fixed assets:		
Investments	14,974,656	15,663,351
Current assets:		
Debtors	651,081	627,243
Cash and bank balances	142,420	566,795
Total assets	15,768,157	16,857,389
<b>Liabilities:</b>		
Creditors:		
Other creditors	(34,696)	(41,055)
Total liabilities	(34,696)	(41,055)
<b>Equity:</b>		
Nominal shares	(547,399)	(544,248)
Total equity	(547,399)	(544,248)
<b>Net Assets Attributable to Preference Shareholders</b>	<b>15,186,062</b>	<b>16,272,086</b>

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

for the accounting period 1st January 2018 to 30th June 2018

	June 2018 US\$	June 2017 US\$
<b>Opening Net Assets Attributable to Preference Shareholders</b>	16,272,086	16,028,049
Movement due to sales and repurchases of shares:		
Amounts receivable on issue of shares	15,362	41,172
Amounts payable on cancellation of shares	(674,575)	(434,550)
	(659,213)	(393,378)
Difference on currency conversion	(392,096)	814,303
Change in Net Assets Attributable to Preference Shareholders from investment activities (see above)	(34,912)	(48,031)
Unclaimed distributions	197	471
<b>Closing Net Assets Attributable to Preference Shareholders</b>	<b>15,186,062</b>	<b>16,401,414</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 2017 whilst the figure disclosed in the comparatives' Closing Net Assets Attributable to Preference Shareholders is at 30th June 2017.

### Distribution Tables

There is no distribution for the accounting period 1st January 2018 to 30th June 2018, as expenses exceed revenue (June 2017: Nil).



## Gilt and Income Fund Portfolio Statement

as at 30th June 2018

Holding	Investment	Currency	Market Value US\$	% of Net Assets	Holding	Investment	Currency	Market Value US\$	% of Net Assets
<b>Government Bonds 91.28% (89.19%)</b>					<b>Supranationals 2.31% (2.22%)</b>				
<b>Finland 1.57% (1.51%)</b>					<b>African Development Bank</b>				
£180,000	Municipality Finance plc 1.25% 07/03/2019	GBP	238,372	1.57	£125,000	0.88% 13/12/2018	GBP	165,146	1.09
			<u>238,372</u>	<u>1.57</u>		European Investment Bank 0.63% 17/01/2020	GBP	85,548	0.56
<b>United Kingdom 89.71% (87.68%)</b>					<b>European Investment Bank</b>				
£166,000	UK Treasury 4.50% 07/03/2019	GBP	225,090	1.48	£80,000	1.00% 21/09/2026	GBP	100,938	0.66
£331,000	UK Treasury 1.75% 22/07/2019	GBP	441,879	2.91				<u>351,632</u>	<u>2.31</u>
£216,000	UK Treasury 2.00% 22/07/2020	GBP	292,569	1.93	<b>Supranationals total</b>				
£705,000	UK Treasury 1.50% 22/01/2021	GBP	948,432	6.24	<b>Total Value of Investments</b>				
£254,000	UK Treasury 3.75% 07/09/2021	GBP	366,531	2.41	Net Other Assets (2017: 3.74%)				
£176,000	UK Treasury 4.00% 07/03/2022	GBP	259,202	1.71	Net Assets attributable to Preference Shareholders				
£270,000	UK Treasury 0.75% 22/07/2023	GBP	351,562	2.31	<u>14,974,656</u> <u>98.61</u>				
£1,036,000	UK Treasury 2.25% 07/09/2023	GBP	1,452,906	9.57	<u>211,406</u> <u>1.39</u>				
£224,000	UK Treasury 2.75% 07/09/2024	GBP	324,993	2.14	<u>15,186,062</u> <u>100.00</u>				
£745,000	UK Treasury 1.50% 22/07/2026	GBP	1,004,336	6.61					
£845,000	UK Treasury 1.25% 22/07/2027	GBP	1,107,928	7.30					
£388,000	UK Treasury 1.63% 22/10/2028	GBP	521,772	3.44					
£382,000	UK Treasury 4.50% 07/09/2034	GBP	709,181	4.67					
£329,000	UK Treasury 4.25% 07/03/2036	GBP	605,848	3.99					
£1,034,000	UK Treasury 1.75% 07/09/2037	GBP	1,370,479	9.02					
£1,157,000	UK Treasury 1.50% 22/07/2047	GBP	1,445,533	9.52					
£93,000	UK Treasury 4.25% 07/12/2049	GBP	198,305	1.31					
£124,000	UK Treasury 3.75% 22/07/2052	GBP	251,733	1.66					
£357,000	UK Treasury 4.25% 07/12/2055	GBP	816,494	5.38					
£198,000	UK Treasury 1.75% 22/07/2057	GBP	271,043	1.78					
£293,000	UK Treasury 2.50% 22/07/2065	GBP	505,638	3.33					
£112,000	UK Treasury 1.63% 22/10/2071	GBP	151,439	1.00					
			<u>13,622,893</u>	<u>89.71</u>					
<b>Government Bonds total</b>									
			<u>13,861,265</u>	<u>91.28</u>					
<b>Corporate Bonds 5.02% (4.85%)</b>									
<b>Canada 1.55% (1.49%)</b>									
£180,000	Export Development Canada 0.88% 07/12/2021	GBP	235,708	1.55					
			<u>235,708</u>	<u>1.55</u>					
<b>Germany 1.75% (1.68%)</b>									
£200,000	FMS Wertmanagement AoeR 1.25% 08/03/2019	GBP	264,989	1.75					
			<u>264,989</u>	<u>1.75</u>					
<b>United Kingdom 1.72% (1.68%)</b>									
£50,000	LCR Finance plc 4.50% 07/12/2028	GBP	83,671	0.55					
£125,000	Network Rail Infrastructure Finance plc 4.63% 21/07/2020	GBP	177,391	1.17					
			<u>261,062</u>	<u>1.72</u>					
<b>Corporate Bonds total</b>									
			<u>761,759</u>	<u>5.02</u>					

The comparative percentage figures in brackets are as at 31st December 2017.

# 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 to 30th June 2018 under review, the Fund produced a total gross return of +3.5%, while the S&P 500 Composite Index returned +2.6% in United States (US) Dollar terms.

### Review

US equities made modest gains over the period, as optimism over a robust economic and corporate backdrop overcame worries about political uncertainty in Europe, tighter monetary conditions and the outlook for global trade.

Risk appetite waxed and waned over the period, with the direction often dictated by political events. President Trump unsettled markets by pulling out of the Iran nuclear deal and aiming various new import tariffs at US allies and adversaries alike – all of whom promised to retaliate. At the same time, investors worried about the future of the Eurozone as anti-establishment parties struggled to form a government in Italy. On the pro-risk side, the US-North Korea summit bolstered hopes for peace on the Korean peninsula, but had a limited impact on Wall Street.

The US economy continued to provide support for equities. Job-creation figures remained strong and unemployment fell to an 18-year low in May 2018. First-quarter (Q1 2018) Gross Domestic Product (GDP) came in below expectations, but more recent indicators, including rising retail sales, pointed to a subsequent pick-up. Inflation has also risen steadily. In May, the Federal Reserve's preferred measure hit its 2% target for the first time since 2012. On the corporate front, the constituents of the S&P 500 delivered aggregate earnings growth of around 25% in Q1 2018 compared with the same period last year.

The robust backdrop saw the Federal Reserve (Fed) take a more hawkish turn. The central bank raised interest rates in June as expected, but also increased its projections for the pace of future rate hikes. Having previously predicted a total of three rate rises in 2018, it now expects to make two further hikes this year (four in total). The Fed also continued to unwind its balance sheet, with its bond portfolio falling to \$4.3 trillion by the middle of June, which continued the monetary tightening theme.

New positions during the period under review included Xylem (machinery), Steel Dynamics (metals & mining), BioMarin Pharmaceutical (biotechnology), Valero Energy (oil, gas & consumable fuels), Gardner Denver Holdings (machinery) and CME Group (capital markets).

Occupying a strong position in water management, Xylem is growing faster than its broader sector thanks to new products and technologies. The company should continue to see margin expansion through to 2020. Steel Dynamics is a quality business supported by a strong economic backdrop. The stock is trading at a discount to company fundamentals and does not reflect current steel prices.

BioMarin is trading at levels that don't fully price in the company's pipeline. The business is likely to pick up further momentum with the forthcoming commercial launch of products such as Pegvaliase, which gained approval from the US Food and Drug Administration at the end of May 2018. Valero Energy, a premier low-cost US refiner, is well positioned to take advantage of structural spread levels between West Texas Intermediate and Brent crude, with additional benefits expected to derive from the forthcoming requirement for ships to shift to lower sulphur fuel. Valero is a best-in-class operator in its sector, with a strong commitment to shareholder returns.

Gardner Denver is seeing the benefits of management initiatives around lean manufacturing, productivity improvement, cost reductions and better procurement. At present, the main driver of top-line returns is US onshore energy, where Gardner is benefiting from rising industry activity and gains in market share. CME Group's recent purchase of NEX Group has provided opportunities to deliver extra product lines and cost synergies. With quantitative-easing programmes starting to unwind and the Fed stepping up the pace of rate hikes, the long-term suppression of volatility is easing, raising the likelihood of higher market volatility and trading volumes. This promises to be a positive development for CME, which derives 85% of its revenues from transaction fees.

Exits over the period included Halliburton (energy equipment & services), PayPal (electronic payments) and Philip Morris (tobacco).

Looking ahead, the backdrop remains very supportive for US equities. US stocks are set to benefit domestically from a strong economic momentum that is further boosted by tax reforms and, internationally, from a synchronised global recovery.

From a structural point of view, we expect that the transition from quantitative easing to quantitative tightening will send market volatility higher. This should favour stock-pickers.

## North American Growth Fund Comparative Tables

for the accounting period 1st January 2018 to 30th June 2018

	Preference shares			
	2018 <sup>1</sup> US\$	2017 US\$	2016 US\$	2015 US\$
<b>Change in net assets per share</b>				
Opening net asset value per share	7.7410	6.0714	5.7835	5.7555
Return before operating charges <sup>2</sup>	0.3124	1.8024	0.4041	0.1456
Operating charges	(0.0836)	(0.1328)	(0.1162)	(0.1176)
Return after operating charges	0.2288	1.6696	0.2879	0.0280
Distributions on preference shares	–	–	–	–
Closing net asset value per shares	7.9698	7.7410	6.0714	5.7835
<sup>2</sup> after direct transaction costs	(0.0024)	(0.0090)	(0.0108)	(0.0167)
<b>Performance</b>				
Return after charges	2.96%	27.50%	4.98%	0.49%
<b>Other information</b>				
Closing net asset value (US\$)	24,439,487	24,888,638	327,706,556	308,124,965
Closing number of shares	3,066,510	3,215,184	53,975,620	53,276,414
Operating charges	2.13%	2.05%	2.04%	2.04%
Direct transaction costs	0.03%	0.14%	0.19%	0.29%
<b>Ongoing Charges Figure (“OCF”)<sup>3</sup></b>	2.13%	2.05%	2.04%	2.04%

	2018 <sup>1</sup>	2017	2016	2015	2014	2013
<b>Prices</b>						
Highest offer share price (US\$)	8.7340	8.1790	6.4860	6.3300	6.0840	5.5180
Lowest bid share price (US\$)	7.4720	6.0800	5.0120	5.2940	4.9240	3.8750
Net distribution per share (US\$)	–	–	–	–	–	–

### Notes

<sup>1</sup> Based on amounts for 12 months to 31 December except for 2018 which is for the 6 months period ended 30 June 2018.

<sup>2</sup> Return before operating charges is stated after direct transaction costs.

<sup>3</sup> The OCF takes into account the annual management charge and any expenses incurred expressed as a percentage of the average daily net assets values over the period. The OCF figure for the period 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 year 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.

## North American Growth Fund

### Statement of Total Return

for the accounting period 1st January 2018 to 30th June 2018

	June 2018 US\$	June 2017 US\$
Income		
Net capital gains	841,286	26,544,932
Revenue	174,530	1,678,013
Expenses	(242,053)	(2,242,402)
Net expense before taxation	(67,523)	(564,389)
Taxation	(49,410)	(487,030)
Net expense after taxation	(116,933)	(1,051,419)
<b>Total return before distribution</b>	<b>724,353</b>	<b>25,493,513</b>
Distributions	2,736	951,463
<b>Change in Net Assets Attributable to Preference Shareholders from investment activities</b>	<b>727,089</b>	<b>26,444,976</b>

### Balance Sheet

As at 30th June 2018

	June 2018 US\$	December 2017 US\$
<b>Assets:</b>		
Fixed assets:		
Investments	24,522,560	24,765,878
Current assets:		
Debtors	155,841	172,450
Cash and bank balances	111,092	319,955
<b>Total assets</b>	<b>24,789,493</b>	<b>25,258,283</b>
<b>Liabilities:</b>		
Creditors:		
Other creditors	(202,313)	(222,323)
<b>Total liabilities</b>	<b>(202,313)</b>	<b>(222,323)</b>
<b>Equity:</b>		
Nominal shares	(147,693)	(147,322)
<b>Total equity</b>	<b>(147,693)</b>	<b>(147,322)</b>
<b>Net Assets Attributable to Preference Shareholders</b>	<b>24,439,487</b>	<b>24,888,638</b>

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

for the accounting period 1st January 2018 to 30th June 2018

	June 2018 US\$	June 2017 US\$
<b>Opening Net Assets Attributable to Preference Shareholders</b>	<b>24,888,638</b>	<b>327,706,556</b>
Movement due to sales and repurchases of shares:		
Amounts receivable on issue of shares	5,598	10,392,224
Amounts payable on cancellation of shares	(1,181,838)	(341,695,086)
	(1,176,240)	(331,302,862)
Change in Net Assets Attributable to Preference Shareholders from investment activities (see above)	727,089	26,444,976
<b>Closing Net Assets Attributable to Preference Shareholders</b>	<b>24,439,487</b>	<b>22,848,670</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 2017 whilst the figure disclosed in the comparatives' Closing Net Assets Attributable to Preference Shareholders is at 30th June 2017.

## North American Growth Fund Portfolio Statement

as at 30th June 2018

Holding	Investment	Currency	Market Value US\$	% of Net Assets	Holding	Investment	Currency	Market Value US\$	% of Net Assets
<b>Equities 100.34% (99.51%)</b>					<b>Health Care 15.16% (13.48%)</b>				
<b>Consumer Discretionary 14.06% (13.55%)</b>					<b>Biotechnology 5.44% (4.92%)</b>				
<b>Hotels, Restaurants &amp; Leisure 1.80% (1.88%)</b>					2,617	Alexion Pharmaceuticals, Inc.	USD	326,445	1.34
8,443	Extended Stay America, Inc.	USD	180,680	0.74	944	Biogen, Inc.	USD	274,883	1.12
2,475	Royal Caribbean Cruises Ltd.	USD	259,504	1.06	2,217	BioMarin Pharmaceutical, Inc.	USD	208,043	0.85
			<b>440,184</b>	<b>1.80</b>	389	Bluebird Bio, Inc.	USD	63,193	0.26
<b>Household Durables 0.00% (1.07%)</b>					458	Sage Therapeutics, Inc.	USD	71,677	0.29
<b>Internet &amp; Direct Marketing Retail 4.73% (3.26%)</b>					1,071	TESARO, Inc.	USD	48,281	0.20
674	Amazon.com, Inc.	USD	1,156,463	4.73	1,996	Vertex Pharmaceuticals, Inc.	USD	336,086	1.38
			<b>1,156,463</b>	<b>4.73</b>				<b>1,328,608</b>	<b>5.44</b>
<b>Media 3.55% (3.20%)</b>					<b>Health Care Equipment &amp; Supplies 3.91% (1.84%)</b>				
572	Charter Communications, Inc. 'A'	USD	169,769	0.69	6,480	Baxter International, Inc.	USD	480,557	1.96
15,191	Comcast Corp. 'A'	USD	504,645	2.07	5,507	Medtronic plc	USD	476,080	1.95
3,862	Twenty-First Century Fox, Inc. 'A'	USD	192,289	0.79				<b>956,637</b>	<b>3.91</b>
			<b>866,703</b>	<b>3.55</b>	<b>Health Care Providers &amp; Services 4.31% (4.11%)</b>				
<b>Specialty Retail 2.51% (2.44%)</b>					3,152	Centene Corp.	USD	395,828	1.62
3,110	Home Depot, Inc. (The)	USD	612,577	2.51	2,670	UnitedHealth Group, Inc.	USD	658,209	2.69
			<b>612,577</b>	<b>2.51</b>				<b>1,054,037</b>	<b>4.31</b>
<b>Textiles, Apparel &amp; Luxury Goods 1.47% (1.70%)</b>					<b>Pharmaceuticals 1.50% (2.61%)</b>				
7,652	Tapestry, Inc.	USD	360,103	1.47	6,583	Bristol-Myers Squibb Co.	USD	366,805	1.50
			<b>360,103</b>	<b>1.47</b>				<b>366,805</b>	<b>1.50</b>
<b>Consumer Discretionary total</b>					<b>Health Care total</b>				
			<b>3,436,030</b>	<b>14.06</b>				<b>3,706,087</b>	<b>15.16</b>
<b>Consumer Staples 2.98% (5.80%)</b>					<b>Industrials 10.13% (10.44%)</b>				
<b>Beverages 0.00% (1.74%)</b>					<b>Aerospace &amp; Defense 4.60% (4.52%)</b>				
<b>Food &amp; Staples Retailing 2.98% (2.08%)</b>					1,878	Boeing Co. (The)	USD	636,154	2.60
5,172	Sysco Corp.	USD	353,920	1.45	2,518	L3 Technologies, Inc.	USD	487,434	2.00
4,353	Walmart Inc	USD	374,576	1.53				<b>1,123,588</b>	<b>4.60</b>
			<b>728,496</b>	<b>2.98</b>	<b>Airlines 0.00% (1.81%)</b>				
<b>Tobacco 0.00% (1.98%)</b>					<b>Construction &amp; Engineering 0.00% (0.71%)</b>				
			<b>728,496</b>	<b>2.98</b>	3,733	Gardner Denver Holdings, Inc.	USD	112,550	0.46
<b>Consumer Staples total</b>					4,210	Ingersoll-Rand plc	USD	380,037	1.56
			<b>728,496</b>	<b>2.98</b>	4,076	Xylem, Inc.	USD	274,804	1.12
<b>Energy 6.47% (6.33%)</b>								<b>767,391</b>	<b>3.14</b>
<b>Energy Equipment &amp; Services 0.00% (1.34%)</b>					4,084	Union Pacific Corp.	USD	584,134	2.39
4,530	Chevron Corp.	USD	576,080	2.36				<b>584,134</b>	<b>2.39</b>
6,533	Devon Energy Corp.	USD	291,829	1.19	<b>Industrials total</b>				
3,443	EOG Resources, Inc.	USD	433,715	1.78	<b>Information Technology 30.34% (26.86%)</b>				
2,504	Valero Energy Corp.	USD	279,621	1.14	<b>Electronic Equipment, Instruments &amp; Components 0.92% (0.00%)</b>				
			<b>1,581,245</b>	<b>6.47</b>	2,507	TE Connectivity Ltd.	USD	225,204	0.92
<b>Energy total</b>								<b>225,204</b>	<b>0.92</b>
			<b>1,581,245</b>	<b>6.47</b>	<b>Internet Software &amp; Services 4.72% (4.37%)</b>				
<b>Financials 16.04% (18.11%)</b>					1,012	Alphabet, Inc. 'A'	USD	1,152,880	4.72
<b>Banks 10.01% (10.94%)</b>								<b>1,152,880</b>	<b>4.72</b>
26,350	Bank of America Corp.	USD	765,467	3.13	<b>IT Services 6.14% (5.35%)</b>				
7,312	Citigroup, Inc.	USD	500,653	2.05	6,001	Booz Allen Hamilton Holding Corp.	USD	265,124	1.08
7,746	Citizens Financial Group, Inc.	USD	308,446	1.26	2,692	Mastercard, Inc. 'A'	USD	532,209	2.18
8,182	JPMorgan Chase & Co.	USD	870,810	3.57	4,558	Pagseguro Digital Ltd. 'A'	USD	125,664	0.51
			<b>2,445,376</b>	<b>10.01</b>	4,327	Visa, Inc. 'A'	USD	578,390	2.37
<b>Capital Markets 3.29% (1.45%)</b>								<b>1,501,387</b>	<b>6.14</b>
2,546	CME Group, Inc.	USD	420,574	1.72	<b>Semiconductors &amp; Semiconductor Equipment 4.79% (4.85%)</b>				
1,712	Goldman Sachs Group, Inc. (The)	USD	384,429	1.57	2,086	Broadcom, Inc.	USD	512,614	2.10
			<b>805,003</b>	<b>3.29</b>	2,281	Lam Research Corp.	USD	397,031	1.62
<b>Diversified Financial Services 0.00% (2.94%)</b>					4,902	Micron Technology, Inc.	USD	260,835	1.07
<b>Insurance 2.74% (2.78%)</b>								<b>1,170,480</b>	<b>4.79</b>
8,417	Aflac, Inc.	USD	365,803	1.50	<b>Software 9.69% (7.47%)</b>				
3,706	Marsh & McLennan Cos., Inc.	USD	303,003	1.24	2,395	Adobe Systems, Inc.	USD	587,086	2.40
			<b>668,806</b>	<b>2.74</b>	3,401	Electronic Arts, Inc.	USD	480,697	1.97
<b>Financials total</b>					13,032	Microsoft Corp.	USD	1,299,682	5.32
			<b>3,919,185</b>	<b>16.04</b>				<b>2,367,465</b>	<b>9.69</b>

## North American Growth Fund Portfolio Statement (continued)

as at 30th June 2018

Holding	Investment	Currency	Market Value US\$	% of Net Assets
	<b>Technology Hardware, Storage &amp; Peripherals 4.08% (4.82%)</b>			
5,354	Apple, Inc.	USD	996,968	4.08
			<b>996,968</b>	<b>4.08</b>
	<b>Information Technology total</b>		<b>7,414,384</b>	<b>30.34</b>
	<b>Materials 2.86% (2.94%) Chemicals 1.97% (1.80%)</b>			
7,161	DowDuPont, Inc.	USD	481,434	1.97
			<b>481,434</b>	<b>1.97</b>
	<b>Metals &amp; Mining 0.89% (1.14%)</b>			
4,671	Steel Dynamics, Inc.	USD	217,809	0.89
			<b>217,809</b>	<b>0.89</b>
	<b>Materials total</b>		<b>699,243</b>	<b>2.86</b>
	<b>Utilities 2.30% (2.00%) Electric Utilities 2.30% (2.00%)</b>			
12,366	Xcel Energy, Inc.	USD	562,777	2.30
			<b>562,777</b>	<b>2.30</b>
	<b>Utilities total</b>		<b>562,777</b>	<b>2.30</b>
	<b>Equities total</b>		<b>24,552,560</b>	<b>100.34</b>
	Total Value of Investments		24,522,560	100.34
	Net Other Assets (2017: 0.49%)		(83,073)	(0.34)
	<b>Net Assets attributable to Preference Shareholders</b>		<b>24,439,487</b>	<b>100.00</b>

The comparative percentage figures in brackets are as at 31st December 2017.

# 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 2018, the Fund produced a total gross return of -1.5% in United States (US) Dollar terms, compared with a total return of -3.2% for the MSCI AC Asia Pacific Free Index.

### Review

In the six months ending 30 June 2018 Asian equities fell, with markets weighed by a stronger US Dollar, bouts of political tensions, and an escalating trade dispute between the US and China.

Japanese markets fell over the review period, and trading was dominated by concerns over global trade. Domestically, investors were reassured when Haruhiko Kuroda was reappointed as Bank of Japan governor and negotiations between companies and workers' unions yielded the strongest wage growth in 20 years. Pay growth was particularly high in the non-manufacturing sector, where labour shortages are more commonplace. Against this backdrop, the period closed with the enactment of a work style reform bill.

Over the period, the Chinese market suffered from the global sell-off amid concerns over US-China trade tensions. On a positive note, the appointment of the new governor of the People's Bank of China, Yi Gang, signals the continuity of monetary policy and the likelihood of further liberalisation of China's financial markets, while the inclusion of Chinese A-shares in the MSCI benchmark indices boosted sentiment.

Elsewhere in Asia, Taiwan outperformed, having reached record highs early in the period amid the rotation into tech stocks. In India, the market was buoyed by the annual budget which incorporated measures to help the rural economy and strengthen infrastructure spending, but sentiment was dented by news of the country's bank fraud.

During the period, the fund established new holdings in, among others, United Overseas Bank Ltd. (Singapore), Hong Kong Exchanges & Clearing (Hong Kong), METAWATER Co. Ltd (Japan), China Unicom Hong Kong Ltd. (Hong Kong), Tsingtao Brewery Co. Ltd. 'H' (China) and Infosys Ltd., ADR (India). United Overseas Bank looks attractively valued relative to its improving earnings outlook, while Hong Kong Exchanges & Clearing is well positioned to benefit from the increased average daily turnover on the Hong Kong stock market arising from mainland funds flowing south through the HK Connect scheme. METAWATER provides water and sewage treatment equipment and services. We view the shares as undervalued with the company benefiting from steady and sustainable sales with rising profitability.

China Unicom was added to the portfolio due to the strong momentum of its mobile business and the promising outlook for its emerging businesses. With Tsingtao Brewery, we feel we have identified an inflexion point in its profitability due to supply side discipline, demand recovery and an accelerating trend towards premium products. Infosys, a leading Indian offshore IT services firm, is expected to benefit from the pick-up in revenue growth in the Indian technology services sector. The fund also initiated positions in Transurban Group (Australia) and Malayan Banking Bhd. (Malaysia). To fund this activity, we exited positions including Bank of China Ltd. 'H' (China), Keppel Corp Ltd (Singapore) and LG Chem Ltd. (South Korea).

Corporate earnings growth in Asia remains robust and has been broadening out, due to domestic demand. Recovery in earnings is set to continue in 2018, further supported by the benign capex environment, which is leading to cash-flow improvements, suggesting an outlook for improved margins.

In terms of geopolitical risk, trade tensions between the US and China and an escalation into a tit-for-tat trade war are the clear risk for global markets, and ultimately there will be no real winners. While we continue to monitor the situation, we are less cyclically exposed versus the benchmark, with a strong focus on domestic consumption, which over time has been much more resilient in times of economic headwinds.

Within Asian markets, valuations remain relatively attractive, with the added appeal of healthy yield support in many cases, due to strong free cashflow generation.

## Far East Fund Comparative Tables

for the accounting period 1st January 2018 to 30th June 2018

	Preference shares			
	2018 <sup>1</sup> US\$	2017 US\$	2016 US\$	2015 US\$
<b>Change in net assets per share</b>				
Opening net asset value per share	3.7695	2.8214	2.8402	2.8965
Return before operating charges <sup>2</sup>	(0.0628)	1.0351	0.0567	0.0204
Operating charges	(0.0477)	(0.0870)	(0.0755)	(0.0767)
Return after operating charges	(0.1114)	0.9481	(0.0188)	(0.0563)
Distributions on preference shares	–	–	–	–
Closing net asset value per shares	3.6581	3.7695	2.8214	2.8402
<sup>2</sup> after direct transaction costs	(0.0023)	(0.0092)	(0.0055)	(0.0063)
<b>Performance</b>				
Return after charges	(2.96)%	33.60%	(0.66)%	(1.94)%
<b>Other information</b>				
Closing net asset value (US\$)	7,649,000	8,188,390	6,540,181	7,575,989
Closing number of shares	2,090,989	2,172,267	2,318,044	2,667,400
Operating charges	2.51%	2.66%	2.73%	2.56%
Direct transaction costs	0.06%	0.28%	0.20%	0.21%
<b>Ongoing Charges Figure (“OCF”)<sup>3</sup></b>	2.49%	2.66%	2.73%	2.56%

	2018 <sup>1</sup>	2017	2016	2015	2014	2013
<b>Prices</b>						
Highest offer share price (US\$)	4.2930	3.9880	3.1700	3.4510	3.2890	3.1550
Lowest bid share price (US\$)	3.6250	2.8060	2.3760	2.6120	2.6900	2.6090
Net distribution per share (US\$)	–	–	–	–	0.0009	0.0017

### Notes

<sup>1</sup> Based on amounts for 12 months to 31 December except for 2018 which is for the 6 months period ended 30 June 2018.

<sup>2</sup> Return before operating charges is stated after direct transaction costs.

<sup>3</sup> The OCF takes into account the annual management charge and any expenses incurred expressed as a percentage of the average daily net assets values over the period. The OCF figure for the period to 30 June 2018 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 year 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.



## Far East Fund

### Statement of Total Return

for the accounting period 1st January 2018 to 30th June 2018

	June 2018 US\$	June 2017 US\$
Income		
Net capital (losses)/gains	(230,542)	970,545
Revenue	101,987	87,269
Expenses	(87,833)	(74,617)
Net revenue before taxation	14,154	12,652
Taxation	(11,137)	(9,117)
Net revenue after taxation	3,017	3,535
<b>Total return before distribution</b>	<b>(227,525)</b>	<b>974,080</b>
Distribution	602	467
<b>Change in Net Assets Attributable to Preference Shareholders from investment activities</b>	<b>(226,923)</b>	<b>974,547</b>

### Balance Sheet

as at 30th June 2018

	June 2018 US\$	December 2017 US\$
<b>Assets:</b>		
Fixed assets:		
Investments	7,555,707	8,034,418
Current assets:		
Debtors	132,323	88,762
Cash and bank balances	122,205	170,324
<b>Total assets</b>	<b>7,810,235</b>	<b>8,293,504</b>
<b>Liabilities:</b>		
Creditors:		
Other creditors	(88,804)	(32,887)
<b>Total liabilities</b>	<b>(88,804)</b>	<b>(32,887)</b>
<b>Equity:</b>		
Nominal shares	(72,431)	(72,227)
<b>Total equity</b>	<b>(72,431)</b>	<b>(72,227)</b>
<b>Net Assets Attributable to Preference Shareholders</b>	<b>7,649,000</b>	<b>8,188,390</b>

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

for the accounting period 1st January 2018 to 30th June 2018

	June 2018 US\$	June 2017 US\$
<b>Opening Net Assets Attributable to Preference Shareholders</b>	8,188,390	6,540,181
Movement due to sales and repurchases of shares:		
Amounts receivable on issue of shares	6,967	47,312
Amounts payable on cancellation of shares	(319,434)	(360,177)
	(312,467)	(312,865)
Change in Net Assets Attributable to Preference Shareholders from investment activities (see above)	(226,923)	974,547
<b>Closing Net Assets Attributable to Preference Shareholders</b>	<b>7,649,000</b>	<b>7,201,863</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 2017 whilst the figure disclosed in the comparatives' Closing Net Assets Attributable to Preference Shareholders is at 30th June 2017.

## Far East Fund Portfolio Statement

as at 30th June 2018

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Holding	Investment	Currency	Market Value US\$	% of Net Assets	Holding	Investment	Currency	Market Value US\$	% of Net Assets
	<b>Collective Investment Schemes 2.21% (2.23%)</b>								
2,098	Threadneedle Financial Services Ltd.	USD	168,699	2.21	2,900	Isuzu Motors Ltd.	JPY	38,469	0.50
	<b>Collective Investment Schemes total</b>		<b>168,699</b>	<b>2.21</b>	3,300	ITOCHU Corp.	JPY	59,748	0.78
	<b>Equities 96.57% (95.89%)</b>				3,200	Itochu Techno-Solutions Corp.	JPY	55,250	0.72
	<b>Australia 10.05% (7.43%)</b>				1,900	Japan Tobacco, Inc.	JPY	53,050	0.69
4,264	Australia & New Zealand Banking Group Ltd.	AUD	88,947	1.16	1,800	JCU Corp.	JPY	41,855	0.55
6,476	BHP Billiton Ltd.	AUD	162,213	2.12	2,900	JSR Corp.	JPY	49,390	0.65
886	Commonwealth Bank of Australia	AUD	47,677	0.62	1,000	Katitas Co. Ltd.	JPY	35,579	0.46
777	CSL Ltd.	AUD	110,542	1.45	300	Keyence Corp.	JPY	169,261	2.21
3,969	LendLease Group	AUD	58,079	0.76	1,400	KH Neochem Co. Ltd.	JPY	42,351	0.55
7,547	Link Administration Holdings Ltd.	AUD	40,863	0.53	1,300	Koito Manufacturing Co. Ltd.	JPY	85,814	1.12
988	Macquarie Group Ltd.	AUD	90,226	1.18	2,000	Kubota Corp.	JPY	31,443	0.41
1,452	Rio Tinto Ltd.	AUD	89,493	1.17	400	M&A Capital Partners Co. Ltd.	JPY	35,651	0.47
4,552	Transurban Group	AUD	40,215	0.53	800	M3, Inc.	JPY	31,894	0.42
1,856	Westpac Banking Corp.	AUD	40,156	0.53	2,000	Maeda Kosen Co. Ltd.	JPY	34,369	0.45
			<b>768,411</b>	<b>10.05</b>	1,000	Matsumotokiyo Holdings Co. Ltd.	JPY	44,880	0.59
	<b>Cayman Islands 8.82% (9.48%)</b>				400	Mercari, Inc.	JPY	16,381	0.21
1,300	Alibaba Group Holding Ltd., ADR	USD	241,657	3.16	2,000	METAWATER Co. Ltd.	JPY	57,974	0.76
8,000	ANTA Sports Products Ltd.	HKD	42,369	0.55	2,700	Mitsubishi Corp.	JPY	74,997	0.98
39,000	Li Ning Co. Ltd.	HKD	42,999	0.56	24,000	Mitsubishi UFJ Financial Group, Inc.	JPY	136,558	1.79
11,600	Sands China Ltd.	HKD	61,952	0.81	1,600	Mitsui Fudosan Co. Ltd.	JPY	38,577	0.50
5,700	Tencent Holdings Ltd.	HKD	285,964	3.74	400	Nidec Corp.	JPY	59,996	0.78
			<b>674,941</b>	<b>8.82</b>	2,600	Nihon M&A Center, Inc.	JPY	75,366	0.99
	<b>China 6.14% (5.59%)</b>				300	Nintendo Co. Ltd.	JPY	98,040	1.28
8,500	Anhui Conch Cement Co. Ltd. 'H'	HKD	48,700	0.64	400	Nippon Shinyaku Co. Ltd.	JPY	24,815	0.32
139,000	China Construction Bank Corp. 'H'	HKD	128,273	1.68	2,200	Nippon Telegraph & Telephone Corp.	JPY	100,027	1.31
19,500	China Merchants Bank Co. Ltd. 'H'	HKD	71,832	0.94	800	Open House Co. Ltd.	JPY	47,246	0.62
68,000	China Petroleum & Chemical Corp. 'H'	HKD	60,672	0.79	3,100	ORIX Corp.	JPY	48,961	0.64
15,000	Ping An Insurance Group Co. of China Ltd. 'H'	HKD	137,946	1.80	4,800	Penta-Ocean Construction Co. Ltd.	JPY	32,162	0.42
4,000	Tsingtao Brewery Co. Ltd. 'H'	HKD	21,949	0.29	1,300	Pigeon Corp.	JPY	63,157	0.83
			<b>469,372</b>	<b>6.14</b>	1,600	Qol Co. Ltd.	JPY	29,922	0.39
	<b>Hong Kong 8.72% (6.51%)</b>				1,341	Raksul, Inc.	JPY	29,595	0.39
21,000	AIA Group Ltd.	HKD	183,622	2.40	10,800	Resona Holdings, Inc.	JPY	57,755	0.75
10,000	BOC Hong Kong Holdings Ltd.	HKD	47,097	0.62	1,800	Rheon Automatic Machinery Co. Ltd.	JPY	31,338	0.41
48,000	China Unicom Hong Kong Ltd.	HKD	59,897	0.78	400	SCSK Corp.	JPY	18,566	0.24
50,000	CNOOC Ltd.	HKD	86,165	1.13	4,900	Sekisui Chemical Co. Ltd.	JPY	83,540	1.09
30,000	CSPC Pharmaceutical Group Ltd.	HKD	90,434	1.18	500	Seria Co. Ltd.	JPY	23,975	0.31
6,000	Galaxy Entertainment Group Ltd.	HKD	46,460	0.61	900	SoftBank Group Corp.	JPY	64,692	0.85
2,300	Hong Kong Exchanges & Clearing	HKD	69,128	0.90	4,500	Solastco Corp.	JPY	50,226	0.66
3,000	Sun Hung Kai Properties Ltd.	HKD	45,275	0.59	2,400	Sony Corp.	JPY	122,709	1.60
7,000	Techtronic Industries Co. Ltd.	HKD	38,991	0.51	1,500	Start Today Co. Ltd.	JPY	54,249	0.71
			<b>667,069</b>	<b>8.72</b>	1,100	Suzuki Motor Corp.	JPY	60,632	0.79
	<b>India 2.67% (1.99%)</b>				4,900	Takuma Co. Ltd.	JPY	59,690	0.78
708	HDFC Bank Ltd., ADR	USD	74,382	0.97	3,300	Tanseisha Co. Ltd.	JPY	41,809	0.55
4,401	ICICI Bank Ltd., ADR	USD	35,296	0.46	2,300	Tateru, Inc.	JPY	37,883	0.50
1,440	Infosys Ltd., ADR	USD	27,965	0.37	300	Tokyo Electron Ltd.	JPY	51,513	0.67
2,368	Reliance Industries Ltd., GDR	USD	66,541	0.87				<b>3,268,259</b>	<b>42.73</b>
			<b>204,184</b>	<b>2.67</b>		<b>Luxembourg 0.39% (0.47%)</b>			
	<b>Indonesia 1.48% (2.07%)</b>				8,400	Samsonite International SA	HKD	29,765	0.39
192,500	Bank Rakyat Indonesia Persero Tbk. PT	IDR	38,016	0.49				<b>29,765</b>	<b>0.39</b>
289,300	Telekomunikasi Indonesia Persero Tbk. PT	IDR	75,505	0.99		<b>Malaysia 0.35% (0.00%)</b>			
			<b>113,521</b>	<b>1.48</b>	12,000	Malayan Banking Bhd.	MYR	26,677	0.35
	<b>Japan 42.73% (42.97%)</b>							<b>26,677</b>	<b>0.35</b>
3,000	Amano Corp.	JPY	70,869	0.93		<b>Philippines 0.51% (1.12%)</b>			
700	Asahi Intecc Co. Ltd.	JPY	26,454	0.35	28,578	Metropolitan Bank & Trust Co.	PHP	39,262	0.51
1,600	BayCurrent Consulting, Inc.	JPY	53,386	0.70				<b>39,262</b>	<b>0.51</b>
1,600	Benefit One, Inc.	JPY	45,079	0.59		<b>Singapore 2.39% (3.07%)</b>			
1,900	Bridgestone Corp.	JPY	74,222	0.97	5,560	DBS Group Holdings Ltd.	SGD	108,501	1.42
2,200	Capcom Co. Ltd.	JPY	54,136	0.71	3,800	United Overseas Bank Ltd.	SGD	74,574	0.97
4,000	Dai-ichi Life Holdings, Inc.	JPY	71,338	0.93				<b>183,075</b>	<b>2.39</b>
2,000	Daiichi Sankyo Co. Ltd.	JPY	76,413	1.00		<b>South Korea 6.96% (9.35%)</b>			
400	Daikin Industries Ltd.	JPY	47,932	0.63	179	E-MART, Inc.	KRW	40,907	0.53
1,100	Digital Arts, Inc.	JPY	59,599	0.78	650	Hana Financial Group, Inc.	KRW	25,059	0.33
100	Disco Corp.	JPY	17,067	0.22	1,388	KB Financial Group, Inc.	KRW	65,937	0.86
1,000	Eizo Corp.	JPY	43,435	0.57	227	POSCO	KRW	67,092	0.88
1,300	Elecom Co. Ltd.	JPY	30,322	0.40	5,400	Samsung Electronics Co. Ltd.	KRW	226,648	2.96
1,700	Hoya Corp.	JPY	96,652	1.26	650	Samsung Electronics Co. Ltd. Preference	KRW	21,989	0.29
					236	Samsung Life Insurance Co. Ltd.	KRW	20,872	0.27
					334	Samsung SDI Co. Ltd.	KRW	64,158	0.84
								<b>532,662</b>	<b>6.96</b>
						<b>Taiwan 4.88% (5.08%)</b>			
					20,000	Cathay Financial Holding Co. Ltd.	TWD	35,358	0.46
					58,705	E.Sun Financial Holding Co. Ltd.	TWD	40,993	0.54
					250	Largan Precision Co. Ltd.	TWD	36,639	0.48
					7,000	MediaTek, Inc.	TWD	68,891	0.90
					27,000	Taiwan Semiconductor Manufacturing Co. Ltd.	TWD	191,640	2.50
								<b>373,521</b>	<b>4.88</b>

**Far East Fund**  
**Portfolio Statement (continued)**

as at 30th June 2018

Holding	Investment	Currency	Market Value US\$	% of Net Assets
	<b>Thailand 0.48% (0.76%)</b>			
6,200	Kasikornbank PCL, NVDR	THB	36,289	0.48
			<b>36,289</b>	<b>0.48</b>
	<b>Equities total</b>		<b>7,387,008</b>	<b>96.57</b>
	Total Value of Investments		7,555,707	98.78
	Net Other Assets (2017: 1.88%)		93,293	1.22
	<b>Net Assets attributable to Preference  Shareholders</b>		<b>7,649,000</b>	<b>100.00</b>

The comparative percentage figures in brackets are as at 31st December 2017.

# 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.

### Fund Performance

On a total return basis, over the six months to 30th June 2018 the FTSE All Share Index produced a total gross return of +1.7% in Sterling terms. By comparison, the Fund achieved a return of +2.2% over the same period.

### Review

The FTSE All Share returned 1.7% in the six months to the end of June. Much of these gains occurred in the second half of the review period; United Kingdom (UK) equities, along with most other global equity markets, had a poor first quarter amid jitters about the approaching end of 'easy money' and, later, the potential for a global trade war. During the period, President Trump has stoked fears of a global trade war by aiming a series of steep new import tariffs at America's trading partners, each of whom promised to and eventually did retaliate with tariffs of their own. UK equities also remained under pressure from uncertainties around Brexit.

UK equities performed well over the second quarter despite lingering concerns around Brexit and global trade. Trump stepped up his protectionist agenda, which prompted retaliation from the countries targeted by his import tariffs. Despite its relatively large exposure to exporters and overseas earners, the FTSE 100 outperformed the broader market, as Sterling weakened. The continued rally in oil prices also proved supportive for the index, which has a large weighting to energy stocks. Sentiment towards the broader market was also buoyed by increased takeover activity.

The UK's economic growth trended lower in the first quarter, partly because poor weather impacted construction and retail sales. However, retail sales rebounded in April and May, while other data showed that activity in the dominant services sector accelerated. On another positive note, early 2018 saw wage growth finally outpace inflation. Falling inflation, along with the concerns around Brexit, led investors to correctly anticipate that the Bank of England would not raise rates in May. The bank also held rates in June, but its chief economist unexpectedly joined two colleagues in calling for an immediate hike.

Tesco plc (food & staples retailing) was added to the portfolio following its acquisition of Booker Group plc (food & staples retailing), which we previously held. We are positive about the acquisition, and Tesco's deal on the pension fund, its improved operating performance and focus on cashflow. Merlin Entertainments plc (hotels, restaurants & leisure) was another addition to the portfolio. A new Legoland in New York should stimulate growth, and in our view, the value of the company's intellectual property continues to be underestimated by the market.

Over the period, we also topped up some existing positions, notably British American Tobacco plc (BAT) (tobacco), Royal Dutch Shell plc (oil, gas & consumable fuels) and Weir Group plc (machinery). BAT is trading at a material discount to its overseas peers, despite being a globally diversified business. We see considerable upside to its intrinsic value. For Shell, we are encouraged by the company's improving capital allocation and cash generation. We believe Weir is well positioned to benefit from an uplift in capital expenditure as improving profitability develops in the commodities sector.

GKN plc (auto components) was de-listed, as the company was acquired by Melrose Industries plc (electrical equipment). We already had a position in the latter prior to the acquisition, and have since taken the opportunity to realise some profits from this holding.

We also took some profits in some other strong performers from 2017; these included InterContinental Hotels Group plc (hotels, restaurants & leisure) and FDM Group Holdings plc (IT services), and in the Financials sector, stocks such as Prudential plc (insurance) and London Stock Exchange Group plc (capital markets).

While there are concerns about the UK's domestic and economic prospects, and more broadly, about central banks' plans to withdraw the support they have been providing to the global economy, we still believe that there are lots of good value opportunities in the UK market.

We are increasingly interested in the value that is building in the traditionally more defensive areas of the market. The underperformance of defensives relative to cyclicals has become very notable, and the relative valuations of the two parts of the market are at levels from which some sort of mean reversion looks highly likely. Encouragingly, the UK market has the highest exposure to these traditionally defensive sectors which should position us reasonably well in the event of a fall in global risk appetite.

Many UK listed firms even some with truly global operations still have more attractive valuations than their international peers. This should help ensure that UK firms continue to attract takeover bids, which have accelerated this year as corporates have sought to capitalise on the relatively low valuations of UK firms. However, global asset allocators are still treating the valuation gap with some reticence.

Despite the uncertainty about politics and economics, we see numerous opportunities to deliver solid risk-adjusted returns. We will retain our focus on bottom up company fundamentals, and take advantage of volatility driven by short term news to top up and buy favoured stocks.

## UK Capital Growth Fund Comparative Tables

for the accounting period 1st January 2018 to 30th June 2018

	Preference shares			
	2018 <sup>1</sup> £	2017 £	2016 £	2015 £
<b>Change in net assets per share</b>				
Opening net asset value per share	1.2792	1.1782	1.0615	1.0233
Return before operating charges <sup>2</sup>	0.0310	0.1425	0.1540	0.0729
Operating charges	(0.0133)	(0.0263)	(0.0227)	(0.0223)
Return after operating charges	0.0177	0.1162	0.1313	0.0506
Distributions on preference shares	–	(0.0152)	(0.0146)	(0.0124)
Closing net asset value per shares	1.2969	1.2792	1.1782	1.0615
<sup>2</sup> after direct transaction costs	(0.0006)	(0.0018)	(0.0013)	(0.0009)
<b>Performance</b>				
Return after charges	1.38%	9.86%	12.37%	4.94%
<b>Other information</b>				
Closing net asset value (£)	38,573,648	40,090,293	40,250,597	37,658,730
Closing number of shares	29,741,910	31,339,928	34,161,700	35,476,811
Operating charges	2.11%	2.09%	2.06%	2.06%
Direct transaction costs	0.05%	0.14%	0.12%	0.09%
<b>Ongoing Charges Figure (“OCF”)<sup>3</sup></b>	2.11%	2.09%	2.06%	2.06%

	2018 <sup>1</sup>	2017	2016	2015	2014	2013
<b>Prices</b>						
Highest offer share price (£)	1.4110	1.3740	1.2750	1.2020	1.1140	1.0830
Lowest bid share price (£)	1.1730	1.1710	0.9444	0.9980	0.9423	0.8234
Net distribution per share (£)	–	0.0152	0.0146	0.0124	0.0095	0.0122

### Notes

<sup>1</sup> Based on amounts for 12 months to 31 December except for 2018 which is for the 6 months period ended 30 June 2018.

<sup>2</sup> Return before operating charges is stated after direct transaction costs.

<sup>3</sup> The OCF takes into account the annual management charge and any expenses incurred expressed as a percentage of the average daily net assets values over the period. The OCF figure for the period to 30 June 2018 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 year 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.

## UK Capital Growth Fund

### Statement of Total Return

for the accounting period 1st January 2018 to 30th June 2018

	June 2018 US\$	June 2017 US\$
Income		
Net capital gains	208,413	2,867,444
Revenue	951,960	1,039,597
Expenses	(525,795)	(557,539)
Net revenue before taxation	426,165	482,058
Taxation	(11,661)	(2,847)
Net revenue after taxation	414,504	479,211
<b>Total return before distribution</b>	<b>622,917</b>	<b>3,346,655</b>
Distributions	(7,118)	(10,599)
<b>Change in Net Assets Attributable to Preference Shareholders from investment activities</b>	<b>615,799</b>	<b>3,336,056</b>

### Balance Sheet

as at 30th June 2018

	June 2018 US\$	December 2017 US\$
<b>Assets:</b>		
Fixed assets:		
Investments	50,954,611	54,637,461
Current assets:		
Debtors	530,894	514,632
Cash and bank balances	33,514	289,249
<b>Total assets</b>	<b>51,519,019</b>	<b>55,441,342</b>
<b>Liabilities:</b>		
Creditors:		
Bank overdraft	(37,907)	–
Distribution payable	–	(644,557)
Other creditors	(155,400)	(165,696)
<b>Total liabilities</b>	<b>(193,307)</b>	<b>(810,253)</b>
<b>Equity:</b>		
Nominal shares	(396,926)	(392,932)
<b>Total equity</b>	<b>(396,926)</b>	<b>(392,932)</b>
<b>Net Assets Attributable to Preference Shareholders</b>	<b>50,928,786</b>	<b>54,238,157</b>

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

for the accounting period 1st January 2018 to 30th June 2018

	June 2018 US\$	June 2017 US\$
<b>Opening Net Assets Attributable to Preference Shareholders</b>	<b>54,238,157</b>	<b>49,753,764</b>
Movement due to sales and repurchases of shares:		
Amounts receivable on issue of shares	761,491	806,269
Amounts payable on cancellation of shares	(3,380,729)	(2,937,582)
	(2,619,238)	(2,131,313)
Difference on currency conversion	(1,306,944)	2,527,736
Change in Net Assets Attributable to Preference Shareholders from investment activities (see above)	615,799	3,336,056
Unclaimed distributions	1,012	–
<b>Closing Net Assets Attributable to Preference Shareholders</b>	<b>50,928,786</b>	<b>53,486,243</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 2017 whilst the figure disclosed in the comparatives' Closing Net Assets Attributable to Preference Shareholders is at 30th June 2017.

## UK Capital Growth Fund Portfolio Statement

as at 30th June 2018

Holding	Investment	Currency	Market Value US\$	% of Net Assets	Holding	Investment	Currency	Market Value US\$	% of Net Assets
<b>Equities 100.05% (100.74%)</b>					<b>Insurance 7.50% (8.81%)</b>				
<b>Consumer Discretionary 16.35% (16.03%)</b>					377,812	Legal & General Group plc	GBP	1,326,875	2.60
<b>Auto Components 0.00% (1.37%)</b>					80,406	Prudential plc	GBP	1,845,592	3.62
<b>Distributors 1.58% (1.39%)</b>					72,413	RSA Insurance Group plc	GBP	649,553	1.28
40,664	Headlam Group plc	GBP	263,074	0.52	<b>Financials total</b>				
52,773	Inchcape plc	GBP	542,081	1.06	<b>9,412,123 18.48</b>				
<b>805,155 1.58</b>					<b>Health Care 5.73% (6.13%)</b>				
<b>Hotels, Restaurants &amp; Leisure 8.56% (7.82%)</b>					<b>Health Care Equipment &amp; Supplies 1.64% (1.37%)</b>				
17,238	Carnival plc	GBP	991,169	1.95	45,141	Smith & Nephew plc	GBP	835,289	1.64
49,221	Compass Group plc	GBP	1,055,705	2.07	<b>835,289 1.64</b>				
14,785	InterContinental Hotels Group plc	GBP	924,107	1.82	<b>Pharmaceuticals 4.09% (4.76%)</b>				
115,702	Merlin Entertainments plc	GBP	590,881	1.16	7,400	AstraZeneca plc	GBP	515,477	1.01
15,194	Whitbread plc	GBP	796,407	1.56	77,298	GlaxoSmithKline plc	GBP	1,566,160	3.08
<b>4,358,269 8.56</b>					<b>2,081,637 4.09</b>				
<b>Household Durables 0.79% (0.54%)</b>					<b>Health Care total</b>				
78,537	Crest Nicholson Holdings plc	GBP	404,815	0.79	<b>2,916,926 5.73</b>				
<b>404,815 0.79</b>					<b>Industrials 16.36% (14.42%)</b>				
<b>Media 4.65% (4.27%)</b>					<b>Aerospace &amp; Defense 2.49% (1.86%)</b>				
44,973	Daily Mail & General Trust plc 'A'	GBP	440,584	0.87	285,430	Cobham plc	GBP	485,952	0.95
80,474	Informa plc	GBP	886,123	1.74	59,191	Rolls-Royce Holdings plc	GBP	777,435	1.53
451,646	ITV plc	GBP	1,040,260	2.04	3,674,889	Rolls-Royce plc Preference	GBP	4,852	0.01
<b>2,366,967 4.65</b>					<b>1,268,239 2.49</b>				
<b>Textiles, Apparel &amp; Luxury Goods 0.77% (0.64%)</b>					<b>Air Freight &amp; Logistics 1.00% (1.01%)</b>				
13,678	Burberry Group plc	GBP	390,618	0.77	76,397	Royal Mail plc	GBP	511,194	1.00
<b>390,618 0.77</b>					<b>511,194 1.00</b>				
<b>Consumer Discretionary total</b>					<b>Commercial Services &amp; Supplies 1.52% (1.79%)</b>				
<b>8,325,824 16.35</b>					23,063	Aggreko plc	GBP	205,964	0.41
<b>Consumer Staples 17.09% (17.54%)</b>					121,960	Rentokil Initial plc	GBP	566,643	1.11
<b>Beverages 3.14% (3.30%)</b>					<b>772,607 1.52</b>				
44,394	Diageo plc	GBP	1,601,025	3.14	<b>Electrical Equipment 1.79% (1.42%)</b>				
<b>1,601,025 3.14</b>					324,564	Melrose Industries plc	GBP	912,323	1.79
<b>Food &amp; Staples Retailing 1.21% (0.97%)</b>					<b>912,323 1.79</b>				
181,715	Tesco plc	GBP	618,509	1.21	<b>Industrial Conglomerates 1.16% (1.24%)</b>				
<b>618,509 1.21</b>					26,248	Smiths Group plc	GBP	589,485	1.16
<b>Household Products 2.11% (2.86%)</b>					<b>589,485 1.16</b>				
53,866	PZ Cussons plc	GBP	160,160	0.32	114,206	Rotork plc	GBP	505,134	0.99
11,057	Reckitt Benckiser Group plc	GBP	912,994	1.79	28,302	Weir Group plc (The)	GBP	748,837	1.47
<b>1,073,154 2.11</b>					<b>1,253,971 2.46</b>				
<b>Personal Products 2.99% (3.04%)</b>					<b>Professional Services 2.67% (2.62%)</b>				
27,473	Unilever plc	GBP	1,525,082	2.99	63,468	RELX plc	GBP	1,362,117	2.67
<b>1,525,082 2.99</b>					<b>1,362,117 2.67</b>				
<b>Tobacco 7.64% (7.37%)</b>					<b>Road &amp; Rail 0.57% (0.68%)</b>				
41,201	British American Tobacco plc	GBP	2,081,799	4.09	157,138	Stagecoach Group plc	GBP	290,250	0.57
48,587	Imperial Brands plc	GBP	1,806,448	3.55	<b>290,250 0.57</b>				
<b>3,888,247 7.64</b>					<b>Trading Companies &amp; Distributors 2.70% (2.12%)</b>				
<b>8,706,017 17.09</b>					9,933	Ferguson plc	GBP	810,347	1.59
<b>Energy 7.74% (6.84%)</b>					79,569	Howden Joinery Group plc	GBP	563,305	1.11
<b>Energy Equipment &amp; Services 2.66% (2.83%)</b>					<b>1,373,652 2.70</b>				
26,423	Hunting plc	GBP	271,066	0.53	<b>8,333,838 16.36</b>				
129,354	John Wood Group plc	GBP	1,083,809	2.13	<b>Information Technology 2.88% (3.74%)</b>				
<b>1,354,875 2.66</b>					<b>IT Services 1.09% (1.45%)</b>				
<b>Oil, Gas &amp; Consumable Fuels 5.08% (4.01%)</b>					42,688	FDM Group Holdings plc	GBP	554,028	1.09
71,701	Royal Dutch Shell plc 'B'	GBP	2,585,351	5.08	<b>554,028 1.09</b>				
<b>2,585,351 5.08</b>					<b>Software 1.79% (2.29%)</b>				
<b>Energy total</b>					109,616	Sage Group plc (The)	GBP	913,800	1.79
<b>3,940,226 7.74</b>					<b>913,800 1.79</b>				
<b>Financials 18.48% (20.46%)</b>					<b>Information Technology total</b>				
<b>Banks 4.03% (4.19%)</b>					<b>1,467,828 2.88</b>				
438,563	Barclays plc	GBP	1,098,661	2.16	<b>Materials 10.15% (9.83%)</b>				
103,713	Standard Chartered plc	GBP	951,405	1.87	<b>Chemicals 2.51% (2.19%)</b>				
<b>2,050,066 4.03</b>					26,625	Johnson Matthey plc	GBP	1,276,405	2.51
<b>Capital Markets 6.95% (7.46%)</b>					<b>1,276,405 2.51</b>				
54,815	Intermediate Capital Group plc	GBP	796,095	1.56	<b>Construction Materials 3.28% (3.38%)</b>				
21,358	London Stock Exchange Group plc	GBP	1,267,825	2.49	514,768	Breedon Group plc #	GBP	550,515	1.08
15,059	Schroders plc, (Non-Voting)	GBP	495,072	0.97	31,470	CRH plc	GBP	1,121,015	2.20
64,669	St James's Place plc	GBP	981,045	1.93	<b>1,671,530 3.28</b>				
<b>3,540,037 6.95</b>					<b>Containers &amp; Packaging 1.24% (1.51%)</b>				
<b>91,821</b>					91,821	DS Smith plc	GBP	634,282	1.24
<b>634,282 1.24</b>					<b>634,282 1.24</b>				

## UK Capital Growth Fund Portfolio Statement (continued)

as at 30th June 2018

Holding	Investment	Currency	Market Value US\$	% of Net Assets
<b>Metals &amp; Mining 3.12%</b>				
<b>(2.75%)</b>				
28,519	Rio Tinto plc	GBP	1,588,230	3.12
			<b>1,588,230</b>	<b>3.12</b>
<b>Materials total</b>			<b>5,170,447</b>	<b>10.15</b>
<b>Real Estate 3.15% (3.25%)</b>				
<b>Equity Real Estate</b>				
<b>Investment Trusts (REITs)</b>				
<b>2.08% (2.18%)</b>				
12,149	Derwent London plc	GBP	495,646	0.98
44,432	Land Securities Group plc	GBP	560,941	1.10
			<b>1,056,587</b>	<b>2.08</b>
<b>Real Estate Management &amp; Development 1.07% (1.07%)</b>				
134,340	Grainger plc	GBP	545,942	1.07
			<b>545,942</b>	<b>1.07</b>
<b>Real Estate total</b>			<b>1,602,529</b>	<b>3.15</b>
<b>Telecommunication Services</b>				
<b>2.12% (2.50%)</b>				
<b>Diversified</b>				
<b>Telecommunication Services</b>				
<b>2.12% (2.50%)</b>				
374,657	BT Group plc	GBP	1,078,853	2.12
			<b>1,078,853</b>	<b>2.12</b>
<b>Telecommunication Services total</b>			<b>1,078,853</b>	<b>2.12</b>
<b>Equities total</b>			<b>50,954,611</b>	<b>100.05</b>
Total Value of Investments			50,954,611	100.05
Net Other Liabilities (2017: 0.74%)			(25,825)	(0.05)
<b>Net Assets attributable to Preference Shareholders</b>			<b>50,928,786</b>	<b>100.00</b>

The comparative percentage figures in brackets are as at 31st December 2017.

# 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 +2.1%, which outperformed the FTSE World Europe ex UK Index, which returned -1.1% in Euro terms.

### Review

Following a year of strong gains, this was a more volatile period for European equities.

Merger and Acquisition (M&A) activity gathered pace in a variety of sectors including media and finance, and energy stocks were bolstered by strength in oil prices. However, markets were hit when the United States (US) exchanged protectionist threats with its major trading partners. Having previously announced that aluminium and steel imports from the European Union (EU) would be subject to tariffs, President Trump has now threatened to impose tariffs on vehicles imported from the region.

Stocks also came under pressure from rising political risk in the Eurozone. After many weeks of fractious negotiations, Italy's leading populist parties eventually agreed a coalition deal. There could be interesting times ahead as these parties challenge the European Union on immigration, a basic income for the poor, and tax reductions which would stretch state finances. Spanish politics were eventful too as Prime Minister Rajoy lost a vote of confidence; he was succeeded by Pedro Sanchez, leader of the socialist PSOE (Partido Socialista Obrero Español). In Germany, Chancellor Angela Merkel started her fourth term in office.

The Eurozone's economic backdrop remains supportive, and interest rates are likely to stay low for some time as inflation is expected to remain subdued.

The European Central Bank's stimulus programme will be tapered after September, before being wound up at the year end, if inflationary conditions permit. The announcement caused little turbulence in equity markets as it had been widely anticipated.

We opened several new positions including Bucher Industries AG (Switzerland), Air Liquide SA (France) and Infrastrutture Wireless Italiane S.p.A. (Italy). Bucher Industries AG manufactures machinery and equipment for a variety of sectors, including agriculture. This is a concentrated market, and is currently in a positive cyclical upswing. Air Liquide SA is a large global producer of industrial gases, benefiting from scale and network density advantages, and from long-term contracts. Telecom mast firm Infrastrutture Wireless Italiane S.p.A. has an attractive business model, and there is the prospect of further M&A activity in the sector, which should enhance margins and returns.

Sales included AXA SA (France) and Svenska Handelsbanken AB (Sweden). We reduced exposure to the financial sector in the light of political uncertainty in the Eurozone, and because any interest rate increases are likely to be at a slow pace. Svenska Handelsbanken AB is also now suffering from competition and pricing pressure in the Swedish mortgage market.

European equities are benefiting from encouraging corporate profitability, a supportive economic backdrop in the Eurozone, and a resurgence in mergers and acquisitions activity; they are also cheap relative to US equities. Market volatility presents us with investment opportunities.

It will take time before the full effects of Brexit, new governments in Spain and Italy, and Catalonia's bid for independence become clear. Other risks include heightened tensions with Russia and the threat of a global trade war.

## Europe Fund Comparative Tables

for the accounting period 1st January 2018 to 30th June 2018

	Preference shares			
	2018 <sup>1</sup> EUR	2017 EUR	2016 EUR	2015 EUR
<b>Change in net assets per share</b>				
Opening net asset value per share	5.0803	4.6317	5.0316	4.2771
Return before operating charges <sup>2</sup>	0.0781	0.5593	(0.2944)	0.8628
Operating charges	(0.0556)	(0.1103)	(0.0984)	(0.1083)
Return after operating charges	0.0225	0.4490	(0.3928)	0.7545
Distributions on preference shares	–	(0.0004)	(0.0071)	–
Closing net asset value per shares	5.1028	5.0803	4.6317	5.0316
<sup>2</sup> after direct transaction costs	(0.0025)	(0.0089)	(0.0077)	(0.0120)
<b>Performance</b>				
Return after charges	0.44%	9.69%	(7.81)%	17.64%
<b>Other information</b>				
Closing net asset value (EUR)	23,801,893	24,883,129	25,011,374	29,773,058
Closing number of shares	4,664,449	4,897,933	5,400,066	5,917,171
Operating charges	2.19%	2.22%	2.16%	2.16%
Direct transaction costs	0.05%	0.18%	0.17%	0.27%
<b>Ongoing Charges Figure (“OCF”)<sup>3</sup></b>	2.19%	2.22%	2.16%	2.16%

	2018 <sup>1</sup>	2017	2016	2015	2014	2013
<b>Prices</b>						
Highest offer share price (EUR)	5.6120	5.5760	5.3170	5.7000	4.6250	4.2900
Lowest bid share price (EUR)	4.8090	4.5940	4.1560	4.1920	3.7360	3.4160
Net distribution per share (EUR)	–	0.0004	0.0071	–	–	–

### Notes

<sup>1</sup>Based on amounts for 12 months to 31 December except for 2018 which is for the 6 months period ended 30 June 2018.

<sup>2</sup>Return before operating charges is stated after direct transaction costs.

<sup>3</sup>The OCF takes into account the annual management charge and any expenses incurred expressed as a percentage of the average daily net assets values over the period. The OCF figure for the period to 30 June 2018 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 year 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.

## Europe Fund

### Statement of Total Return

for the accounting period 1st January 2018 to 30th June 2018

	June 2018 US\$	June 2017 US\$
Income		
Net capital (losses)/gains	(45,607)	1,638,800
Revenue	612,366	682,367
Expenses	(295,330)	(301,010)
Net revenue before taxation	317,036	381,357
Taxation	(157,013)	(175,028)
Net revenue after taxation	160,023	206,329
<b>Total return before distribution</b>	<b>114,416</b>	<b>1,845,129</b>
Distribution	(330)	279
<b>Change in Net Assets Attributable to Preference Shareholders from investment activities</b>	<b>114,086</b>	<b>1,845,408</b>

### Balance Sheet

as at 30th June 2018

	June 2018 US\$	December 2017 US\$
<b>Assets:</b>		
Fixed assets:		
Investments	27,790,002	29,839,731
Current assets:		
Debtors	96,855	99,849
Cash and bank balances	174,110	137,428
<b>Total assets</b>	<b>28,060,967</b>	<b>30,077,008</b>
<b>Liabilities:</b>		
Creditors:		
Bank overdrafts	-	(2,125)
Distribution payable	-	-
Other creditors	(175,626)	(98,515)
<b>Total liabilities</b>	<b>(175,626)</b>	<b>(100,640)</b>
<b>Equity:</b>		
Nominal shares	(93,061)	(92,477)
<b>Total equity</b>	<b>(93,061)</b>	<b>(92,477)</b>
<b>Net Assets Attributable to Preference Shareholders</b>	<b>27,792,280</b>	<b>29,883,891</b>

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

for the accounting period 1st January 2018 to 30th June 2018

	June 2018 US\$	June 2017 US\$
<b>Opening Net Assets Attributable to Preference Shareholders</b>	<b>29,883,891</b>	<b>26,379,746</b>
Movement due to sales and repurchases of shares:		
Amounts receivable on issue of shares	112,178	151,592
Amounts payable on cancellation of shares	(1,488,768)	(1,682,466)
	(1,376,590)	(1,530,874)
Difference on currency conversion	(829,107)	2,143,475
Change in Net Assets Attributable to Preference Shareholders from investment activities (see above)	114,086	1,845,408
<b>Closing Net Assets Attributable to Preference Shareholders</b>	<b>27,792,280</b>	<b>28,837,755</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 2017 whilst the figure disclosed in the comparatives' Closing Net Assets Attributable to Preference Shareholders is at 30th June 2017.

## Europe Fund Portfolio Statement

as at 30th June 2018

Holding	Investment	Currency	Market Value US\$	% of Net Assets	Holding	Investment	Currency	Market Value US\$	% of Net Assets
<b>Equities 99.99% (99.85%)</b>					<b>Sweden 8.87% (10.83%)</b>				
<b>Belgium 4.02% (5.58%)</b>					<b>Switzerland 4.37% (5.56%)</b>				
3,767	Galapagos NV	EUR	345,813	1.25	13,339	Assa Abloy AB 'B'	SEK	284,633	1.02
5,300	KBC Group NV	EUR	409,434	1.47	13,851	Atlas Copco AB 'A'	SEK	404,942	1.46
7,760	Telenet Group Holding NV	EUR	362,257	1.30	27,667	Epiroc AB 'A'	SEK	289,959	1.04
					11,853	Hexagon AB 'B'	SEK	681,266	2.45
			<b>1,117,504</b>	<b>4.02</b>	43,210	Nordea Bank AB	SEK	415,857	1.50
					24,253	Volvo AB 'B'	SEK	389,022	1.40
								<b>2,465,679</b>	<b>8.87</b>
<b>Denmark 5.36% (4.79%)</b>					<b>United Kingdom 2.27% (1.50%)</b>				
3,903	Chr Hansen Holding A/S	DKK	360,239	1.30	513	Bucher Industries AG	CHF	172,483	0.62
4,963	DSV A/S	DKK	401,924	1.44	3,117	Cie Financiere Richemont SA	CHF	264,483	0.95
8,690	Novo Nordisk A/S 'B'	DKK	403,690	1.45	1,890	Novartis AG	CHF	143,731	0.52
13,837	Tryg A/S	DKK	324,161	1.17	4,560	Sika AG	CHF	633,850	2.28
			<b>1,490,014</b>	<b>5.36</b>				<b>1,214,547</b>	<b>4.37</b>
<b>Finland 3.19% (3.32%)</b>					<b>Royal Dutch Shell plc 'A'</b>				
4,713	Kone OYJ 'B'	EUR	241,037	0.87	18,027	Royal Dutch Shell plc 'A'	EUR	630,530	2.27
13,237	Sampo OYJ 'A'	EUR	646,687	2.32				<b>630,530</b>	<b>2.27</b>
			<b>887,724</b>	<b>3.19</b>	<b>Equities total</b>				
<b>France 29.48% (28.43%)</b>								<b>27,790,002</b>	<b>99.99</b>
3,404	Air Liquide SA	EUR	429,663	1.55	Total Value of Investments				
1,938	Amundi SA	EUR	134,507	0.48				27,790,002	99.99
4,939	BNP Paribas SA	EUR	308,305	1.11	Net Other Assets (2017: 0.15%)				
5,945	Dassault Systemes SE	EUR	835,084	3.00				2,278	0.01
24,600	Elis SA	EUR	563,569	2.03	<b>Net Assets attributable to Preference Shareholders</b>				
4,720	Essilor International Cie							<b>27,792,280</b>	<b>100.00</b>
	Generale d'Optique SA	EUR	667,144	2.40	The comparative percentage figures in brackets are as at 31st December 2017.				
3,633	Eurazeo SA	EUR	277,856	1.00					
9,503	Legrand SA	EUR	701,278	2.52					
3,594	L'Oreal SA	EUR	887,987	3.19					
1,607	LVMH Moet Hennessy Louis								
	Vuitton SE	EUR	538,624	1.94					
4,183	Pernod Ricard SA	EUR	685,509	2.47					
8,558	Schneider Electric SE	EUR	716,080	2.58					
15,049	TOTAL SA	EUR	923,407	3.32					
5,439	Vinci SA	EUR	525,088	1.89					
			<b>8,194,101</b>	<b>29.48</b>					
<b>Germany 13.85% (14.05%)</b>									
3,252	adidas AG	EUR	709,886	2.55					
2,580	Allianz SE	EUR	535,087	1.93					
6,383	BASF SE	EUR	613,913	2.21					
6,640	Brenntag AG	EUR	372,076	1.34					
822	Continental AG	EUR	188,170	0.68					
6,448	Fresenius Medical Care AG								
	& Co. KGaA	EUR	650,958	2.34					
6,732	SAP SE	EUR	778,987	2.80					
			<b>3,849,077</b>	<b>13.85</b>					
<b>Ireland 5.71% (5.08%)</b>									
23,770	CRH plc	EUR	846,806	3.05					
11,899	Kingspan Group plc	EUR	597,437	2.15					
3,502	Smurfit Kappa Group plc	EUR	142,628	0.51					
			<b>1,586,871</b>	<b>5.71</b>					
<b>Italy 6.38% (6.04%)</b>									
78,259	Davide Campari-Milano SpA	EUR	642,852	2.31					
98,628	Infrastrutture Wireless								
	Italiane SpA	EUR	757,197	2.72					
5,107	Moncler SpA	EUR	232,564	0.84					
8,388	UniCredit SpA	EUR	140,332	0.51					
			<b>1,772,945</b>	<b>6.38</b>					
<b>Netherlands 9.75% (9.61%)</b>									
11	Adyen NV	EUR	6,065	0.02					
3,698	ASML Holding NV	EUR	736,646	2.65					
10,765	CNH Industrial NV	EUR	114,661	0.41					
27,319	ING Groep NV	EUR	394,974	1.42					
28,335	RELX NV	EUR	605,462	2.18					
15,234	Unilever NV, CVA	EUR	852,133	3.07					
			<b>2,709,941</b>	<b>9.75</b>					
<b>Norway 1.53% (2.26%)</b>									
21,697	DNB ASA	NOK	423,845	1.53					
			<b>423,845</b>	<b>1.53</b>					
<b>Spain 5.21% (2.80%)</b>									
2,928	Amadeus IT Group SA	EUR	230,979	0.83					
28,247	Cellnex Telecom SA	EUR	714,074	2.57					
16,650	Grifols SA	EUR	502,171	1.81					
			<b>1,447,224</b>	<b>5.21</b>					

# Aggregated Financial Statements for Allied Dunbar International Funds Limited

## Statement of Total Return

for the accounting period 1st January 2018 to 30th June 2018

	June 2018	June 2017
	US\$	US\$
<b>Income</b>		
Net capital gains	994,688	40,924,126
Revenue	2,568,931	4,273,191
Expenses	(1,958,385)	(4,057,431)
Net revenue before taxation	610,546	215,760
Taxation	(314,948)	(808,557)
Net revenue/(expense) after taxation	295,598	(592,797)
<b>Total return before distribution</b>	<b>1,290,286</b>	<b>40,331,329</b>
Distributions	4,903	1,022,149
<b>Change in Net Assets Attributable to Preference Shareholders from investment activities</b>	<b>1,295,189</b>	<b>41,353,478</b>

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

for the accounting period 1st January 2018 to 30th June 2018

	June 2018	June 2017
	US\$	US\$
<b>Opening Net Assets Attributable to Preference Shareholders</b>	203,960,403	536,860,018
Movement due to sales and repurchases of shares:		
Amounts receivable on issue of shares	1,351,281	12,288,860
Amounts payable on cancellation of shares	(12,960,554)	(401,797,088)
	(11,609,273)	(389,508,228)
Difference on currency conversion	(2,528,147)	5,485,514
Change in Net Assets Attributable to Preference Shareholders from investment activities (see above)	1,295,189	41,353,478
Unclaimed distributions	1,209	471
<b>Closing Net Assets Attributable to Preference Shareholders</b>	<b>191,119,381</b>	<b>194,191,253</b>

## Balance Sheet

as at 30th June 2018

	June 2018	December 2017
	US\$	US\$
<b>Assets:</b>		
Fixed assets:		
Investments	189,287,502	200,398,102
Current assets:		
Debtors	3,351,991	2,405,886
Cash and bank balances	1,808,631	4,693,265
<b>Total assets</b>	<b>194,448,124</b>	<b>207,497,253</b>
<b>Liabilities:</b>		
Creditors:		
Bank overdrafts	(37,907)	–
Distribution payable	(1,004)	(646,682)
Other creditors	(1,215,421)	(829,303)
<b>Total liabilities</b>	<b>(1,254,332)</b>	<b>(1,475,985)</b>
<b>Equity:</b>		
Management shares	(10)	(10)
Nominal shares	(2,074,401)	(2,060,855)
<b>Total equity</b>	<b>(2,074,411)</b>	<b>(2,060,865)</b>
<b>Net Assets Attributable to Preference Shareholders</b>	<b>191,119,381</b>	<b>203,960,403</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 2017 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:

**Director**  
22nd August 2018

**Director**  
22nd August 2018

# Further Information

## **Taxation**

The Company is resident in the Isle of Man and, as such, is liable to Isle of Man Income Tax on profits. Under current Isle of Man taxation rules, a rate of 0% (2017: 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.

## **Approval of Financial Statements**

The Financial Statements were approved by the Board of Directors on 22nd August 2018.

A copy of the Financial Statements is available on the Charles Taylor International website or on request from the Manager.



**Issued by**

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

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