



Standard Life Wealth Offshore Strategy Fund Limited

Interim Report and Unaudited Financial Statements
for the six months ended 30 June 2017

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Management and Administration

Directors of the Company

Martin Paul Magee (Chairman)

Finance Director of:

Jersey Electricity plc, The Powerhouse
Queens Road, St Helier, Jersey, JE4 8NY

Martin Magee joined the Board of Jersey Electricity plc, an LSE listed company, as Finance Director in May 2002. He moved from Scottish Power plc, after nine years in a variety of senior financial roles. He previously worked for nine years with Stakis plc (now part of the Hilton Hotels Group).

In addition he is Chairman of Jersey Deep Freeze Limited and a Director of the Channel Islands Electricity Grid Limited. He was also a member of the Jersey Public Accounts Committee from 2006 to 2011.

Martin is a member of the Institute of Chartered Accountants of Scotland having qualified in 1984.

Appointed to the Board on 18 May 2011.

Nicholas John Kershaw (Senior Independent Director)

Nick Kershaw is a member of the Executive Board of Ogier and was the Group Managing Partner for seven years. Prior to taking up a full time management role, Nick specialised in investment funds, real estate investment and corporate work. Nick is a past chairman of the Legal and Regulatory sub committee of the Jersey Funds Association.

Nick studied at King's College, University of London and Inns of Court School of Law in London. He became an English Barrister in 1988 and then requalified as a Jersey Advocate in 1996, becoming a partner of Ogier in 1997. Prior to joining Ogier he was with Clifford Chance in London.

Appointed to the Board on 3 September 2014.

Lynn Scott

Lynn Scott is the Investment Director, Head of Product Development for non UCITS structures of Standard Life Investments, and was previously Head of Product Management and Investment Director (Technical). She joined Standard Life Investments in 2006. Prior to being employed by Standard Life Investments, she was employed by Standard Life Assurance Limited in various actuarial roles between 1994 and 2006.

She has a BSc (Hons) in Actuarial Mathematics and Statistics and has been a Fellow of the Faculty of Actuaries (FFA) since 1997.

Lynn is also a Director of SLI (Mutual Funds) Limited, SLTM Ltd and of the Manager, Standard Life Wealth (CI) Limited.

Appointed to the Board on 26 January 2015.

Andrew Curtin

Andrew Curtin is an independent director of a range of Irish and Jersey regulated entities. He has over 25 years' experience as a corporate banker and capital markets professional in both developed and emerging markets. From 2009 to 2012 he was Managing Director of ANP International Finance, a specialist proprietary liquidity and asset manager. Previously he held various senior positions with Anglo Irish Bank and Citibank.

Andrew graduated from University College Dublin with an honors degree in Economics and is a Chartered Director.

Appointed to the Board on 10 May 2016.

Management and Administration

continued

Registered Office of the Company

Liberté House
19–23 La Motte Street
St Helier, Jersey, JE2 4SY

Standard Life Wealth
Offshore Strategy Fund Limited
is regulated by the Jersey
Financial Services Commission.

Secretary, Registrar and Manager

Standard Life Wealth (CI) Limited
Liberté House
19–23 La Motte Street
St Helier, Jersey, JE2 4SY
Telephone Jersey (01534) 709130
Investment Helpline
Jersey (01534) 709130
Fax Jersey (01534) 709189
Registered in Jersey No. 5769
Regulated by the Jersey
Financial Services Commission.

Investor contact details

Standard Life Wealth (CI) Limited
BNP Paribas Fund Services Dublin Limited
2 Grand Canal Plaza
Upper Grand Canal Street
Dublin 4, Ireland

Administrator

BNP Paribas Securities Services S.C.A.,
Jersey Branch
Liberté House
19–23 La Motte Street
St Helier, Jersey, JE2 4SY
Regulated by the Jersey
Financial Services Commission.

Directors of the Manager

Kevin Charles Mundy (Chairman)
Andrew Ian Wignall
Gary Clark
Lynn Scott

Custodian

BNP Paribas Securities Services
Trust Company (Jersey) Limited
Liberté House
19–23 La Motte Street
St Helier, Jersey, JE2 4SY
Regulated by the Jersey
Financial Services Commission.

Compliance Office and Money Laundering Compliance Officer

Paul Wallsworth
(Mr Wallsworth is an employee of BNP Paribas).

Money Laundering Reporting Officer

Paul Wallsworth

Investment Manager

Standard Life Wealth Limited
1 George Street
Edinburgh, EH2 2LL
Registered in Scotland No.SC317950
Registered office as address above.
Authorised and regulated by the
Financial Conduct Authority.

Principal Bankers to the Company

BNP Paribas Securities
Services S.C.A., Jersey Branch
Liberté House
19–23 La Motte Street
St Helier, Jersey, JE2 4SY
Regulated by the Jersey
Financial Services Commission.

Legal Advisers

Mourant Ozannes
22 Grenville Street
St Helier, Jersey, JE4 8PX

Auditor

KPMG Channel Islands Limited
37 Esplanade, St Helier
Jersey, JE4 8WQ

Fund Accountants

BNY Mellon Fund Services (Ireland) Designated
Activity Company
Guild House
Guild Street
IFSC
Dublin 1, Ireland

Chairman's Statement

Global Overview

Global equity markets extended last year's strong performance into the first half of 2017, with investors adopting a more optimistic tone. The improving global economy, generally positive corporate results and an easing of some political tension helped lift the mood in markets.

The UK economy proved more robust than expected in the aftermath of the EU referendum, which underpinned solid equity market gains throughout the six-month period. Business activity growth hit a three-month high in March – a considerable rebound from February's five-month low. Corporate activity and business optimism did subsequently weaken in the second half of the period, but this was attributed to political upheaval generated by the 'snap' general election. Prime Minister Theresa May called the election with the goal of strengthening her hand in Brexit negotiations but this move backfired, resulting in a hung parliament. Purchasing Managers' Index figures showed a slowdown in the second quarter but remained robust. Surveys released latterly also illustrated that the number of new jobs created was at its highest rate for the last few years, demonstrating that UK businesses are optimistic about the economic outlook.

In the US, there were hopes that US President Donald Trump's proposed policies (tax cuts, infrastructure and defence spending, and regulatory rollback) would boost economic growth and lift corporate profits. Despite a tempering of these expectations and a 'reality-check' of what is actually possible, President Trump persevered in driving his pro-growth agenda. US economic data, meanwhile, remained broadly robust and this strength was reflected in two interest-rate rises during the period, firstly in March and then in June. In Europe, the French presidential election attracted much attention, culminating in Emmanuel Macron triumphing over his anti-EU rival Marine Le Pen. This decisive victory appeared to push back the 'populist' wave of nationalist sentiment that had caused much

uncertainty previously. The European Central Bank, however, unsettled markets when it hinted that it may start to reduce quantitative easing later this year. Further afield, emerging markets and Asia Pacific equities continued their good run and were the strongest global equity regions over the review period.

Corporate bonds enjoyed a positive six months, comfortably outperforming government bonds. Political risks caused some volatility in the credit markets during the period, notably the elections in the UK and France, but the economic backdrop remains broadly positive for credit.

Outlook

As global growth improves, a broadening improvement in corporate earnings and investor confidence has taken a number of equity markets to new highs. Earnings should continue to improve, particularly in Europe, as economic strengths feed through to the consumer's pocket. However, we remain cognisant of escalating geopolitical risks and potential policy risks, such as raising interest rates too soon, that could derail investor confidence, and also to various imbalances around the world, such as Chinese debt levels and sub-prime auto loans in the US, that could further exacerbate any market volatility.

Be it the rise of populist politics, the digital revolution or environmental attitudes, the world is changing at a seemingly exponential rate. Our Investment Manager's global thematic approach is well suited to this environment, assessing the impact of changes on economies, industries and businesses and identifying those companies that will benefit from the changes as well as avoiding those where it will be detrimental.

In such an uncertain world, the Investment Manager's approach helps to see through short-term market 'noise' and frame investment ideas on long-term secular growth trends. This means that whatever challenges we may face in the future, investment opportunities will always exist for long-term investors.

Chairman's Statement

continued

Fund Reports

The Fund Reports, included in the Individual Financial Statements, provide information on the performance of each Fund Class and portfolio activity during the six month period.

I hope that you find this report informative and I thank you for investing with us.

M. P. Magee

Chairman

16 August 2017

Report of the Directors

The Directors submit their Interim Report and Unaudited Financial Statements for Standard Life Wealth Offshore Strategy Fund Limited ("the Company") for the six months ended 30 June 2017. The Company was incorporated in Jersey on 4 April 1996 with registration number 64833. On 2 July 1996 the Company obtained Recognized Fund status under the Collective Investment Funds (Jersey) Law 1988 and under the United Kingdom Financial Services Act 1986.

The Company is an open-ended investment company whose shares are divided into a number of Fund Classes. The Company is a recognized fund in the category of an umbrella fund as defined in the Collective Investment Funds (Recognized Funds) (Rules) (Jersey) Order 2003.

As at 30 June 2017 the Company has six Fund Classes all constituting Securities Funds in which investors may subscribe for shares, as follows:

Class	Inception date
Bridge	18 October 1999
Global Equity	6 April 1998
Global Fixed Interest	22 April 2004
Income	9 March 2015
Sterling Fixed Interest	4 February 2000
UK Equity	29 May 1997

Each Fund Class has two classes of shares in issue; these being Z and Retail Participating Shares. The Z Participating Shares are only available to those investors who are clients of the Investment Manager or other relevant Group entities. The principal difference between Z Shares and Retail Shares is that the Z Shares are not subject to the periodic charge of the Manager under the relevant fund class rules because the clients have already agreed to pay a fee pursuant to their specific fee arrangements with the Investment Manager or other relevant Group entity.

The Directors may create additional class funds by adopting fund rules approved by the Custodian and specifying the name, investment objective, base currency, initial price, and other relevant provisions for a class fund not contained in the Articles of Association of the Company.

Each Fund Class owns a pool of assets to which the proceeds of issue of shares of the Fund Class and the revenue arising from the investment of those proceeds together with related expenses are applied.

Accordingly, separate accounting records are maintained and separate Statements of Financial Position, Statements of Total Return and Statements of Movements in Shareholders' Funds have been prepared for each Fund class.

The Company is a recognised scheme in the United Kingdom for the purposes of the Financial Services and Markets Act 2000 (FSMA) by virtue of s270 of FSMA.

Holdings in other Fund Classes of the Company

As at 30 June 2017, no Fund Class held shares in any other Fund Class of the Company.

Alternative Investment Fund Managers ('AIFM') Directive

On 17 July 2014 an amended and restated Management Agreement was signed by the Company in anticipation of the potential impact of Directive 2011/61/EU (AIFMD) on the marketing of Participating Shares in the Company to professional investors in the European Economic Area and in contemplation of the Manager having primary responsibility for the portfolio management and risk management activities of the Company as a non-EU AIFM.

In accordance with the AIFM Directive, information in relation to the Company's leverage and the remuneration of the Company's AIFM, Standard Life Wealth (CI) Limited, is required to be made available to investors and is provided in the Annual Report of the Company each year.

Report of the Directors

continued

Investment Objective and Strategy

Standard Life Wealth (Offshore) Bridge Class ("Bridge Class"):

to provide investors with capital growth with an element of income. This Class will primarily be invested in a portfolio of international equities and fixed interest securities. Although this Class will normally be invested in securities, the Investment Manager may elect to hold cash or near cash from time to time. There will be no limits on the proportion of the Class invested in bonds or equities or in any one geographic region.

Standard Life Wealth (Offshore) Global Equity Class ("Global Equity Class"):

to provide investors with long-term capital growth together with an element of income. The Class will be primarily invested in a diversified portfolio of global equities.

Standard Life Wealth (Offshore) Global Fixed Interest Class ("Global Fixed Interest Class"):

to provide investors with a return from both income and capital growth. The Class will be primarily invested in global fixed interest securities. The Investment Manager may also elect to hold cash or near cash from time to time.

Standard Life Wealth (Offshore) Income Class ("Income Class"):

to provide investors with income and the potential for growth in the underlying invested capital. The Class will be invested primarily in a portfolio of international equities (including United Kingdom equities) and fixed interest securities. The Class may also hold other assets including cash, derivatives (for efficient portfolio management purposes), collective investment scheme investments, warrants, deposits and money market instruments as deemed appropriate to meet the investment objective.

Standard Life Wealth (Offshore) Sterling Fixed Interest Class ("Sterling Fixed Interest Class"):

to provide investors with a return of both capital growth and income. The Class will be primarily invested in a portfolio of sterling denominated fixed interest securities. The Investment Manager may also elect to hold cash from time to time and up to a maximum of 20% of the Class may also consist of euro and dollar denominated fixed interest securities. All non-sterling assets will be hedged back to sterling.

Standard Life Wealth (Offshore) UK Equity Class ("UK Equity Class"):

to provide investors with long term capital growth together with an element of income. The Class will be invested primarily in a diversified range of UK equity investments.

Reporting Fund Status

The Company has received confirmation from HMRC of its entry into the Reporting Fund Regime with effect from 1 January 2010.

A Word of Warning

Investors should remember that the value of shares can fluctuate and is not guaranteed. Past performance is not a guide to the future and you may not get back the full amount invested. Shares in the Company should be regarded as long-term investments and may not be suitable for money you may need at short notice. The value of overseas securities will be influenced by the rate of exchange, which is used to convert these into sterling. In the event of the Company being unable to meet liabilities attributable to any particular Fund Class out of the assets attributable to such Fund Class, the excess liabilities may have to be met out of the assets attributable to the other Fund Classes.

Distribution Policy

The amount of revenue available for distribution will be determined by the Company. For Bridge, Global Equity and UK Equity Class, dividends will normally be paid six monthly on 28 February and 31 August in sterling to shareholders who are on the register at 31 December and 30 June immediately prior to the distribution.

For the Sterling Fixed Interest, Global Fixed Interest and Income Classes, dividends will be paid quarterly. In addition to the dividend dates stated above, dividends will also be paid on 31 May and 30 November in sterling to shareholders who are on the register at 31 March and 30 September immediately prior to the distribution.

Report of the Directors

continued

Distribution Policy continued

Included in the issue and cancellation prices of Participating Shares and therefore reflected as a capital sum in those prices, is a revenue equalisation figure representing any revenue attributable to the Participating Shares accrued since the last record date for dividends. An amount representing an average equalisation will be included in the amount of the first dividend paid after the initial investment.

At present all net revenue earned is paid out as a distribution to Shareholders of each Share Class.

Shares in Issue

The total number of Shares in issue and Net Asset Value History over the last 3 years (or since launch if shorter) of each Share Class is disclosed in the Net Asset Value History table in the Statistics section for each Share Class. These are disclosed under the heading "Statistics" just before the portfolio statements and not in this Report of the Directors' Report as required by Part 3 of Schedule 3 of the Fund Rules, as the Directors believe the information presented within each set of Fund Class results is a more informative presentation and will aid the understanding of the figures contained therein.

Each class has two classes in issue; these being Z and Retail participating shares.

Bank facilities and gearing

At 30 June 2017 the Company had short term overdrafts totalling £17,842 (2016: £4,077) and held cash of £11.4m (2016: £9.8m) which meant the Company was ungeared.

Directors' Interests

The Directors at the date of this report are listed on page 3 and no Director has a service contract with the Company.

The Directors of the Company and their families had no interests in the Share Capital of the Company on 15 August 2017.

There have been no changes in the interests of the Directors from the period end to the date of signing this report.

Related party transactions

The contracts with Standard Life Wealth (CI) Limited and Standard Life Wealth Limited are the only related party arrangements currently in place. Mrs Scott is also a Director of the Manager, Standard Life Wealth (CI) Limited. Other than fees payable in the ordinary course of business, there have been no material transactions with these related parties which have affected the financial position or performance of the Company in the financial year.

Substantial share interests

At 30 June 2017 344,189,906.461 (72.59%) shares were held by nominee company Platform Securities Nominees Limited and 119,812,234.776 (25.27%) shares by Nominee company BNP Paribas Securities Nominees Limited representing holdings on behalf of Standard Life Wealth clients. Other corporate Nominee holdings represented 1.31% of shares. The remaining 0.83% of shares were held by 110 individual Shareholders.

Relations with Shareholders are given high priority by both the Board and the Manager. The prime medium by which the Company communicates with shareholders is through the Half Year and Annual Reports.

It is the intention of the Board that the year end items and Notice of the AGM be issued to Shareholders so as to provide at least twenty one days' notice of the AGM.

Shareholders wishing to contact the Company are invited to do so by writing to the Company Secretary at the registered office address on page 4. The Chairman can also be contacted at his address on page 3 of this report.

Auditor

Due to a change of auditor at Standard Life, Pricewaterhouse Coopers CI LLP resigned as auditor to the Company with effect from 30 May 2017, the date of the Company's AGM. At the AGM, shareholders approved the appointment of KPMG Channel Islands Limited as auditor to the Company.

Other Information

At the reporting date, the Manager, Standard Life Wealth (CI) Limited, was a subsidiary of Standard Life plc.

On the 14th August 2017 Standard Life plc and Aberdeen Asset Management PLC completed a merger to form Standard Life Aberdeen plc.

Report of the Directors

continued

Corporate Responsibility

Responsible Investment

The Board has delegated all responsible investment activities for the Fund Classes to the Investment Manager. It is believed that the Investment Manager is best placed to undertake such activities and to ensure that these activities are integrated within the investment process. The Investment Manager has a well established approach to responsible investment. This approach encapsulates the exercise of voting rights, engaging with investee companies and influencing the debate on certain environmental, social and governance (ESG) matters.

Website

The Prospectus, Financial Statements, quarterly factsheets and daily fund prices are available on the website of the Investment Manager.

www.standardlifewealth.com

Notice of annual general meetings and results of all Shareholders' meetings are available on request.

Helpline no. (01534) 709130

By Order of the Board

Standard Life Wealth (CI) Limited
Manager and Company Secretary

16 August 2017

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Interim Report and the Financial Statements in accordance with applicable Law, regulations and United Kingdom Accounting Standards including Financial Reporting Standard 102 - 'The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland' ("FRS 102").

Companies (Jersey) Law 1991, Alternative Investment Funds (Jersey) Regulations 2012 and Collective Investment Funds (Recognized Funds) (Rules) (Jersey) Order 2003 (together the "Laws") requires the Directors to prepare financial statements for each financial period in accordance with any generally accepted accounting principles. The financial statements of the Company are required by the Laws to give a true and fair view of the financial position of the Company at the period end and of the net revenue and the net gains of the Company for that period. In preparing these financial statements, the Directors should:

- ▶ select suitable accounting policies and then apply them consistently;
- ▶ make judgments and estimates that are reasonable and prudent;
- ▶ specify which generally accepted accounting principles have been adopted in their preparation; and
- ▶ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors confirm they have complied with all the above requirements in preparing the financial statements.

The Directors are responsible for keeping accounting records which are sufficient to show and explain the Company's transactions and are to disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements prepared by the Company comply with the Laws. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Investment Manager's website. Legislation in Jersey governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Aggregated Financial Statements

for the six months ended 30 June 2017

Aggregated Statement of Total Return (unaudited)

	Notes	30 June 2017		30 June 2016	
		£000's	£000's	£000's	£000's
Income					
Net capital gains					
Net capital gains on investments	3	8,433		7,075	
Other (losses)/gains	3	(1,155)		263	
			7,278		7,338
Revenue	4	5,079		5,055	
Expenses	5	(220)		(137)	
Interest payable and similar charges	6	(5)		(11)	
Net revenue before taxation		4,854		4,907	
Taxation		(234)		(189)	
Net revenue after taxation			4,620		4,718
Total return before distributions			11,898		12,056
Distributions	7		(4,790)		(4,839)
Net increase in Shareholders' funds from Investment activities			7,108		7,217

Aggregated Statement of Movement in Shareholders' Funds (unaudited)

	30 June 2017		30 June 2016	
	£000's	£000's	£000's	£000's
Opening net assets attributable to Shareholders		251,056		223,029
Amounts receivable on issue of Shares	18,316		31,510	
Amounts payable on cancellation of Shares	(12,407)		(16,849)	
		5,909		14,661
Dilution levy		3		46
Net increase in Shareholders' funds from investment activities (see above)		7,108		7,217
Retained distributions on accumulation shares		—		1
Closing net assets attributable to Shareholders		264,076		244,954

The opening net assets attributable to shareholders for the current period do not equal the closing net assets attributable to shareholders for the comparative period as they are not consecutive periods.

All results above are derived from continuing activities for the current period, however, the prior period contains an element of discontinued activities.

Aggregated Financial Statements

for the six months ended 30 June 2017

Aggregated Statement of Financial Position (unaudited)

	Notes	30 June 2017 £000's	31 December 2016 £000's
Assets			
Fixed assets			
Investment assets at fair value through profit or loss*		254,600	243,687
Current assets			
Debtors	9	3,155	2,638
Cash and bank balances		11,431	8,192
Total current assets		14,586	10,830
Total assets		269,186	254,517
Liabilities			
Investment liabilities at fair value through profit or loss*		(452)	(997)
Creditors			
Bank overdrafts		(17)	—
Distribution payable	10	(2,831)	(2,272)
Other creditors	10	(1,810)	(192)
Total other liabilities		(4,658)	(2,464)
Total liabilities		(5,110)	(3,461)
Net assets attributable to Shareholders		264,076	251,056

The comparative period results above contain an element of discontinued activities.

The notes on pages 14 to 18 form part of the financial statements.

*The net investment assets and investment liabilities equal the total net aggregated value of the portfolio statements within each Fund Class.

The Financial Statements were approved by the Board of Directors on 16 August 2017 and signed on their behalf by:

Martin Paul Magee

Notes to the Aggregated Financial Statements

for the six months ended 30 June 2017 (unaudited)

1 Accounting policies (unaudited)

a) Accounting Convention

Notes specific to individual Fund Classes are shown following the Financial Statements for each Fund Class.

b) Accounting Principles

The Financial Statements have been prepared on a going concern basis in accordance with the Companies (Jersey) Law 1991, the Collective Investment Funds (Recognized Funds) (Rules) (Jersey) Order 2003 in accordance with United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard Applicable in the United Kingdom and the Republic of Ireland" ("FRS 102").

The Directors have also chosen to prepare the Financial Statements in compliance with the Statement of Recommended Practice 'Financial Statements of UK Authorised Funds' issued by the IMA (now known as the Investment Association) in May 2014 (the "SORP") with the exception of the comparative table which has been retained to comply with Jersey law.

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain financial assets and liabilities measured at fair value through profit and loss.

The preparation of these financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. In the opinion of the Directors there are no areas involving a high degree of judgement or complexity.

c) Financial Assets

Basic financial assets, including cash and bank balances and other receivables, are initially recognised at transaction price. Such assets are subsequently carried at costs and at the end of each reporting period assessed for objective evidence of impairment. The impairment loss is recognised in the Aggregated Statement of total return.

Other financial assets, including investments in securities, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in the Aggregated Statement of Total Return. Securities listed on a Stock Exchange or traded on any other regulated market are valued at the 12 noon bid market prices on 30 June 2017 on such exchange or market.

Collective Investment Scheme investments held by the Company are valued at the last sales price available at the valuation point. Certain of these Collective Investment Schemes have limited dealing frequencies and thus are not as liquid as securities listed on a Stock Exchange. No liquidity discount is applied to the valuations prices; accordingly, the carrying value based on the latest available price may not represent the proceeds which would be realised upon sale in due course.

Securities not listed on any Stock Exchange or traded on any regulated market are valued at their last available market price, Securities for which no listed price is available, or for which the price referred to in the previous paragraphs is not considered to represent fair value, will be valued prudently and in good faith by the Directors based on the most recent available information at the year end. The recorded fair value may not represent the proceeds which would be realised upon sale in due course.

Notes to the Aggregated Financial Statements

continued

1 Accounting policies continued

c) Financial Assets continued

Financial assets are derecognised when (i) the contractual rights to the cash flows from the asset expire or are settled, or (ii) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (iii) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

d) Financial Liabilities

Basic financial liabilities, including bank overdrafts and other payables, that are classified as debt, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rates of interest. Debt instruments are subsequently carried at cost.

Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

e) Bank Deposit Interest and Investment Revenue

Dividends on equities, and revenue from shares held in underlying funds are recognised when the security is quoted ex-dividend. Interest on deposits is accounted for on an accruals basis. Revenue on debt securities is recognised on the effective interest rate basis. Accrued interest purchased or sold is excluded from the cost of the security and is dealt with as revenue. Distributions from Offshore Collective Investment Schemes are recorded on an ex-dividend date and additional revenue is recorded when reported.

f) Foreign Exchange

All transactions in foreign currencies are translated into Sterling at the rates of exchange rulings at the date of such transactions. Foreign currency assets and liabilities at the end of the accounting period are translated at the exchange rates at 12 noon the last business day of the period on 30 June 2017.

Foreign exchange gains and losses arising from translation are included in the Statement of Total Return and are included in the net capital gains on investments.

g) Derivatives

The Company also enters into derivative transactions in the form of forward foreign currency contracts, futures and option contracts.

For over the counter derivatives, market value is determined, based on valuation pricing models, which take into account relevant market inputs as well as the time values, liquidity and volatility factors underlying the positions. Amounts due to and from an individual counterparty which falls under a legally enforceable master netting agreement are netted.

Exchange traded products have been valued at the bid price at 12 noon on the last business day of the period.

Both realised and unrealised gains/ (losses) on derivatives are taken to the Aggregated Statement of Total Return and are included in the net capital gains on investments.

h) Tax

The tax charge relates to irrecoverable withholding tax on interest on debt securities and overseas dividends.

i) Special dividends

Special dividends are reviewed on a case by case basis in determining whether the amount is capital or revenue in nature.

Notes to the Aggregated Financial Statements

continued

j) Underwriting commission

Underwriting and sub-underwriting contracts and placings may also be entered into. Commissions earned on these transactions are accounted for when the issue underwritten takes place and, to the extent that the shares are taken up, a proportion of the commission is accounted for as capital, otherwise the commission is treated as revenue.

k) Functional and presentation currency

The Company's base and functional currency is the British pound sterling ("sterling") which is the currency of the primary economic environment in which it operates.

The financial statements are presented in sterling, which is the currency in which the Company's performance is evaluated and its liquidity managed. Therefore sterling is considered as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions. The figures in the financial statements have been rounded to the nearest thousand.

l) Offsetting

Financial assets and liabilities are offset and the net amounts are presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2 Distribution policies

a) Basis of distribution

If, at the end of each accounting period, revenue exceeds expenses, the net revenue of the Share Class is available to be distributed to shareholders of the Share Class.

b) Special Dividends

Amounts recognised as revenue form part of the relevant Share Class distribution.

c) Equalisation

Equalisation applies only to shares purchased during the distribution period (Group 2 shares). It is the average amount of revenue included in the purchase price of all Group 2 shares and is refunded to holders of these shares as a return of capital.

d) Expenses

For all Classes, except the Sterling Fixed Interest, Global Fixed Interest and Income the following fees and expenses solely for the purpose of calculating the amount that is distributable are charged to capital rather than revenue in line with the Managers' expectation of the split between capital and revenue growth:

Manager's periodic charge	75%
Custody charges	100%

For the Sterling Fixed Interest, Global Fixed Interest and Income Classes, all fees and expenses are charged to capital, (with the exception of collection charges) for the purpose of calculating the amount to be distributed.

Notes to the Aggregated Financial Statements

continued

3 Net capital gains

The net capital gains on investments during the period comprise:

	June 2017 £000's	June 2016 £000's
Non-derivative securities	4,698	14,603
Derivative securities	31	(102)
Forward currency contracts	3,730	(7,394)
Other (losses)/gains - currency (losses)/gains	(1,155)	263
Custodial transaction fees	(26)	(32)
Net capital gains	7,278	7,338

4 Revenue

	June 2017 £000's	June 2016 £000's
Bank interest	2	20
Interest on debt securities	3,210	3,178
Money market deposit	6	14
Overseas dividends	937	1,017
UK dividends	899	807
UK REIT dividends	17	19
US REIT dividends	8	—
Total revenue	5,079	5,055

5 Expenses

	June 2017 £000's	June 2016 £000's
Payable to the Manager or associates of the Manager:		
Manager's periodic charge	95	110
Registrar's fees	1	1
	96	111
Other expenses:		
Audit fees	22	9
Custodian fees	38	38
Directors' fees	28	18
Other expenses	36	(39)
	124	26
Total expenses	220	137

6 Interest payable and similar charges

	June 2017 £000's	June 2016 £000's
Interest payable	5	11
Total interest payable and similar charges	5	11

The comparative period results contain an element of discontinued activities.

Notes to the Aggregated Financial Statements

continued

7 Distributions

The distributions take account of amounts added on the issue of shares and amounts deducted on the cancellation of shares. They comprise:

	June 2017 £000's	June 2016 £000's
Interim distribution 31 March	1,973	2,000
Interim distribution 30 June	2,831	2,922
Interim accumulation distribution 30 June	—	1
	4,804	4,923
Amounts added on issue of shares	(95)	(189)
Amounts deducted on cancellation of shares	81	105
Gross distributions for the period	4,790	4,839

8 Net movement between revenue after taxation and distributions

	June 2017 £000's	June 2016 £000's
Net revenue after taxation	4,620	4,718
Expenses paid from capital	170	121
Gross distributions for the period	4,790	4,839

9 Debtors

	June 2017 £000's	Dec 2016 £000's
Accrued revenue	2,446	2,505
Amount receivable for issue of shares	156	126
Foreign currency contracts receivable	136	—
Sales awaiting settlement	416	—
Prepaid expenses	1	7
Total debtors	3,155	2,638

10 Other creditors

	June 2017 £000's	Dec 2016 £000's
a) Distribution payable		
Gross distribution payable	2,831	2,272
Total distribution payable	2,831	2,272
b) Other creditors		
Accrued expenses	61	98
Amount payable for cancellation of shares	350	50
Amounts payable to the Manager	—	44
Foreign currency contracts payable	136	—
Purchases awaiting settlement	1,263	—
Total creditors	1,810	192

The comparative period results contain an element of discontinued activities.

Bridge Class

Fund Report

Environment

Global equity markets extended last year's strong performance into the first half of 2017, with investors adopting a more optimistic tone. The improving global economy, generally positive corporate results and an easing of some political tension helped lift the mood in markets.

Early in the review period, there were hopes that US President Donald Trump's proposed policies (tax cuts, infrastructure and defence spending, and regulatory rollback) would boost economic growth and lift corporate profits. Despite a tempering of these expectations and a 'reality-check' of what is actually possible, President Trump persevered in driving his pro-growth agenda. US economic data, meanwhile, remained broadly robust and this strength was reflected in two interest-rate rises during the period, firstly in March and then in June. In Europe, the French presidential election attracted much attention, culminating in Emmanuel Macron triumphing over his anti-EU rival Marine Le Pen. This decisive victory appeared to push back the 'populist' wave of nationalist sentiment that had caused much uncertainty previously. The European Central Bank, however, unsettled markets when it hinted that it may start to reduce quantitative easing later this year.

Political developments closer to home also continued to influence investor sentiment, with a 'snap' UK general election the main focus. Prime Minister Theresa May called the election with the goal of strengthening her hand in Brexit negotiations. This move backfired, however, resulting in a hung parliament. Despite this, UK equities recorded strong performance. Further afield, emerging markets and Asia Pacific equities continued their good run and were the strongest global equity regions over the review period.

Performance

The Fund outperformed its benchmark, returning 5.6% versus the benchmark return of 4.7%.

Asset allocation contributed positively during the period. Equities, in which we have a heavy allocation, was the best performing asset class in our universe, while bonds were weak. Over the longer term, we see little value in UK government bonds given that the yields available are below inflation. However, we continue to retain a light allocation given the diversifying qualities of these assets. UK Inflation continued to rise; UK CPI is now

2.9%, the highest level since 2013. This was determined not just to be a function of commodity price effects falling out of year-on-year comparisons, but also a structural rise. This weighed heavy on the gilt market, and not surprisingly, UK index-linked bonds underperformed nominal gilts in this environment.

Within equities, our stock selection was particularly successful, especially within the consumer goods and services sectors. As we come into the profitable summer season, Ryanair, reported near full capacity of its rapidly expanding fleet of aircraft. With the lowest cost in the industry, CEO Michael O'Leary was able to announce a large return of capital to investors, which boosted our holding in the stock.

The largest driver of the Fund's outperformance was stock selection, particularly within our US holdings. Our 'smart generation' investment theme leads us to look for companies actively embracing technology. This can include the more obvious technology companies, such as Facebook and Microsoft; video game companies, such as Activision Blizzard and Electronic Arts, but also disruptors in different sectors, such as Amazon and facilitator Accenture. These 'smart generation' companies contributed materially to the Fund's outperformance. This was also the case with our Chinese holdings, with ecommerce business JD.com particularly strong during the period.

Property was another positive area for the Fund. US REITs America Tower and Equinix provide telephone towers and data centres, respectively. Both companies are beneficiaries of rapidly growing data usage.

Our holdings in the oil and gas sector were more challenging for performance. The oil price was very weak during the period, as it relied on the Organization of the Petroleum Exporting Countries (OPEC) to regulate supply in the face of growing US production. The Fund has had exposure to unconventional US oil companies Devon Energy and EOG resources. Devon Energy was notably weak during the period, as the low oil price hindered its ability to leverage its excellent assets.

Fund Report

continued

Activity

We initiated a number of new positions in the Fund during the period, including Australian wine producer Treasury Wine Estates and tonic-water company Fevertree Drinks.

Shifting consumption trends within developing markets have led to increased demand for wine among emerging middle-classes and younger generations. These changing tastes have been particularly stark in China, where wine consumption is growing fast and from a very low base. Treasury Wine Estates is one of the world's largest wine companies and we believe it is well placed to benefit from these consumption patterns. It focuses on four principal regions: Europe; Australia and New Zealand (mature regions); the Americas; and Asia (both growth regions). The company has a focus on developing its priority markets – particularly growing share in Asia. Fevertree Drinks, meanwhile, has revolutionised the tonic-water market with its premium product. Its growth has been startling, as reflected in its strong returns, but we believe it can progress further as it becomes the go-to tonic brand, displacing Schweppes globally. Furthermore, it is attempting to crack the 'dark spirits' market, with a new range of mixer products, including cola and ginger ale. This growth opportunity is particularly material, as the market is 10 times the size of the white-spirits market.

In other activity, we reorganised our government bond positions. We believe that government bonds are expensive and only hold them in the Fund for diversification benefits. UK inflation expectations remain elevated, making inflation-linked bonds expensive relative to their nominal counterparts. In light of this, we sold our inflation-linked bonds during the second half of the period and added to nominal bonds, while reducing our overall government bond exposure.

In terms of sales during the period, we marginally reduced our holdings in the US, taking profits from discount retailer TJX (the owner of TK Maxx) where our investment case has largely come to fruition. We also reduced exposure to Estée Lauder and Walt Disney. Elsewhere, some of our financial technology (fintech) holdings experienced challenges.

However, following changes to its fee structure, our holding in P2P Global Investments recovered some performance, so we took the opportunity to exit our position.

Our 'policy influence' theme has long made us sceptical of the tobacco sector. Global legislators have taken action to limit the take-up of tobacco products, given the obvious impact on smokers' health and the associated costs of providing healthcare. It seemed prudent to have an underweight position in the sector; however, during the period, we added Philip Morris International (PMI) to the portfolio. PMI is at the forefront of 'heat not burn' products with its IQOS product. This seeks to replace smoking with a less harmful alternative. IQOS has been very successful in Japan and parts of Europe, and the company expects to roll it out to other countries in 2017.

Outlook

Be it the rise of populist politics, the digital revolution or environmental attitudes, the world is changing at a seemingly exponential rate. At Standard Life Wealth our 'Focus on Change' investment philosophy helps us to understand the implications of these changes and to identify both the opportunities and threats caused by them.

Our 'policy influence' theme remains a key driver of our positioning. While portfolios remain positioned for growth and a likely pro-inflation environment, it is clear that some of this growth is already priced in. We continue to closely monitor a variety of political, financial and economic drivers that point to potentially higher levels of financial market volatility. In such market conditions, we believe that active stock picking is essential. By focusing on long-term themes, we are able to shape the portfolios to withstand shorter-term 'noise' and to invest in long-term structural growth trends.

Statistics

Net Asset Value History by Share Class

Retail Shares as at	Net Asset Value (£)	Pence per share	Shares in issue
31 December 2014	27,987,817	155.79	17,965,530
31 December 2015	10,278,829	163.36	6,292,153
31 December 2016	10,284,368	179.28	5,736,579
30 June 2017	9,284,184	186.66	4,973,864

Z Shares* as at	Net Asset Value (£)	Pence per share	Shares in issue
31 December 2015	13,037,523	50.25	25,943,601
31 December 2016	19,664,769	55.57	35,386,758
30 June 2017	20,244,356	58.08	34,856,383

Distribution Information by Share Class

For the period ended 30 June 2017

Interim Distribution (in pence per share)	01.01.17 to 30.06.17	01.01.16 to 30.06.16
Retail Shares		
Payable 31 August 2017	2.0644	2.2616
Z Shares*		
Payable 31 August 2017	0.7132	0.7596

*Z Shares were launched on 2 March 2015.

Statistics

continued

The table below shows the top ten purchases and sales (excluding any derivative transactions) for the period:

Purchases	£000's
UK Treasury 1.5% 22/7/2047	694
HSBC	462
Wells Fargo	461
Treasury Wine Estates	328
Challenger Financial Services	315
Fevertree Drinks	314
Acuity Brands	312
Philip Morris International	309
Covestro	307
Ctrip.com International ADS	237

Sales	£000's
Bard (C.R.)	467
TJX	438
UK Treasury 3.25% 22/1/2044	425
UK Treasury 0.125% 22/03/2044	331
Disney (Walt)	313
Estee Lauder	307
New City High Yield Fund	265
Alphabet 'A'	260
Babcock International	242
Ryohin Keikaku	231

Portfolio Statement

as at 30 June 2017

Portfolio Statement (unaudited)

Investments	Holding	Market Value £000's	Total Net Assets %
UK Government Stocks 4.27% (4.47%)			
UK Treasury 3.25% 22/1/2044	£464,736	594	2.01
UK Treasury 1.5% 22/7/2047	£727,000	666	2.26
Sterling Denominated Corporate Bonds 7.68% (6.88%)			
Anglian Water 4.125% 28/7/2020	£109,000	205	0.69
AT&T 4.375% 14/9/2029	£134,000	149	0.50
Centrica 7% 19/9/2033	£100,000	152	0.51
Eastern Power Networks 5.75% 08/3/2024	£104,000	129	0.44
Heathrow Funding 2.75% 09/8/2051	£100,000	96	0.33
Heathrow Funding 5.225% 15/2/2023	£200,000	235	0.80
HSBC 5.75% 20/12/2027	£109,000	133	0.46
John Lewis 6.125% 21/1/2025	£186,000	225	0.76
Legal & General 5.375% 27/10/2045	£100,000	110	0.37
Metropolitan Life Global Funding 1 1.125% 15/12/2021	£200,000	199	0.67
Nationwide Building Society 3.25% 20/1/2028	£100,000	108	0.37
Provident Financial 8% 23/10/2019	£75,000	84	0.28
RELX 2.75% 01/8/2019	£200,000	206	0.70
RL Finance Bonds No 3 6.125% 13/11/2028	£100,000	113	0.38
Royal Bank of Scotland 5.125% 13/1/2024	£100,000	123	0.42
Non-Sterling Denominated Corporate Bonds 2.21% (1.26%)			
ABN AMRO Bank 2.875% 18/1/2028	EUR 200,000	187	0.63
Anheuser-Busch InBev Finance 3.65% 01/2/2026	USD 163,000	129	0.44
Conduent Finance 10.5% 15/12/2024	USD 85,000	76	0.26
Equinix 5.375% 01/4/2023	USD 150,000	120	0.41
Hilton Worldwide Finance 4.625% 01/4/2025	USD 95,000	75	0.25
Standard Chartered 6.409% FRN Perpetual	USD 100,000	65	0.22
United Kingdom 21.20% (19.40%)			
Aviva	95,833	504	1.71
BP	82,884	367	1.24
BT	71,807	212	0.72
Close Brothers	22,405	337	1.14
Countryside Properties	73,882	251	0.85
Empiric Student Property	143,344	160	0.54
Fevertree Drinks	18,468	314	1.06
Howden Joinery	66,440	270	0.91
HSBC	63,327	451	1.53
Imperial Brands	8,202	283	0.96
ITV	122,826	223	0.76
National Grid	29,392	280	0.95
Prudential	30,857	543	1.84
Reckitt Benckiser	4,740	369	1.24
RELX	31,473	522	1.77
Rio Tinto	15,205	493	1.67
Tritax Big Box Reit	179,860	263	0.89
Vodafone	136,645	297	1.01
VPC Specialty Lending Investments	147,279	122	0.41

Portfolio Statement

continued

Portfolio Statement (unaudited) continued

Investments	Holding	Market Value £000's	Total Net Assets %
Investment Trusts 3.63% (4.38%)			
BBGI	199,784	288	0.98
Biotech Growth Trust	33,533	255	0.87
Funding Circle SME Income Fund	80,000	80	0.27
Greencoat UK Wind	100,979	122	0.41
International Public Partnership	206,354	326	1.10
China 1.64% (0.55%)			
Ctrip.com International ADS	5,909	245	0.83
JD.com	7,900	239	0.81
United States of America 34.09% (38.50%)			
Accenture	4,537	432	1.46
Activision Blizzard	6,747	299	1.01
Acuity Brands	1,820	285	0.97
Allegion	5,151	322	1.09
Alphabet 'A'	541	387	1.31
Amazon	612	456	1.54
American Tower	5,235	533	1.81
Boston Scientific	19,967	426	1.44
Celgene	3,570	357	1.21
Citigroup	11,549	595	2.01
Devon Energy	10,378	255	0.86
Dollar Tree	4,956	267	0.90
Electronic Arts	3,545	289	0.98
EOG Resources	5,642	393	1.33
Equinix	891	294	1.00
Facebook	3,707	431	1.46
First Republic Bank	7,822	603	2.04
Fortune Brands Home & Security	6,195	311	1.05
Halliburton	10,120	333	1.13
Intuit	2,904	297	1.01
Kraft Heinz	5,212	344	1.16
Microsoft	9,268	492	1.67
Newell Rubbermaid	8,148	336	1.14
Nielsen	9,034	269	0.91
Philip Morris International	3,520	318	1.08
Shire	7,445	315	1.07
Wells Fargo	9,976	426	1.45
Australia 2.20% (0.00%)			
Challenger Financial Services	40,994	323	1.09
Treasury Wine Estates	42,194	328	1.11
Italy 1.46% (1.32%)			
Enel	104,656	431	1.46

Portfolio Statement

continued

Portfolio Statement (unaudited) continued

Investments	Holding	Market Value £000's	Total Net Assets %
Japan 2.76% (4.32%)			
Hoshizaki Electric	4,117	286	0.97
Murata Manufacturing	2,442	285	0.97
Resorttrust	17,161	243	0.82
Jersey 0.79% (0.76%)			
3i Infrastructure	122,771	234	0.79
Taiwan 1.72% (1.67%)			
Taiwan Semiconductor Manufacturing ADS	18,932	509	1.72
Belgium 0.95% (1.04%)			
Anheuser-Busch InBev	3,312	281	0.95
Denmark 1.97% (1.77%)			
Danske Bank	19,718	582	1.97
Germany 0.94% (0.00%)			
Covestro	5,034	278	0.94
Guernsey 1.87% (1.72%)			
Apax Global Alpha Fund	181,875	273	0.93
Bluefield Solar Income Fund	123,524	142	0.48
Funding Circle SME Income Fund	131,643	137	0.46
Ireland 3.43% (3.76%)			
CRH	13,381	366	1.24
Glanbia	21,358	324	1.10
Ryanair ADR	3,895	322	1.09
Netherlands 0.97% (1.22%)			
Royal Dutch Shell 'B'	13,904	287	0.97
Sweden 0.97% (1.01%)			
Swedbank 'A'	15,315	287	0.97
Switzerland 3.06% (3.04%)			
Novartis	5,335	342	1.16
Roche	2,861	561	1.90

Portfolio Statement

continued

Portfolio Statement (unaudited) continued

Investments	Holding	Market Value £000's	Total Net Assets %
Derivatives 0.05% (0.04%)			
EUR Forward Foreign Currency Contracts -0.02% (0.02%)			
Forward Foreign Currency Contract 3/7/2017	EUR 216,741	190	0.64
Forward Foreign Currency Contract 3/7/2017	£(190,544)	(191)	(0.64)
Forward Foreign Currency Contract 3/7/2017	EUR (209,878)	(185)	(0.63)
Forward Foreign Currency Contract 3/7/2017	£180,254	180	0.61
Forward Foreign Currency Contract 3/7/2017	EUR (6,863)	(6)	(0.02)
Forward Foreign Currency Contract 3/7/2017	£5,829	6	0.02
Forward Foreign Currency Contract 22/9/2017	EUR (216,741)	(191)	(0.65)
Forward Foreign Currency Contract 22/9/2017	£190,886	191	0.65
USD Forward Foreign Currency Contracts 0.07% (0.02%)			
Forward Foreign Currency Contract 3/7/2017	USD (597,658)	(460)	(1.56)
Forward Foreign Currency Contract 3/7/2017	£479,660	480	1.63
Forward Foreign Currency Contract 3/7/2017	USD (18,758)	(14)	(0.05)
Forward Foreign Currency Contract 3/7/2017	£14,460	14	0.05
Forward Foreign Currency Contract 3/7/2017	USD 616,416	475	1.61
Forward Foreign Currency Contract 3/7/2017	£(483,358)	(483)	(1.64)
Forward Foreign Currency Contract 22/9/2017	USD (616,416)	(473)	(1.60)
Forward Foreign Currency Contract 22/9/2017	£482,203	482	1.63
Portfolio of investments		28,896	97.86
Net current assets		633	2.14
Total Net Assets		29,529	100.00

Total unapproved and unquoted securities 0.00%.

Comparative figures in brackets refer to 31 December 2016.

Unless otherwise indicated, the holdings in the Portfolio Statement represent the ordinary shares, ordinary stock units, common shares or debt securities of the relevant companies or issuers, which are listed on an eligible securities market.

Portfolio Statement by asset class

	Market value June 2017 £000's	Percentage of total net assets June 2017 %	Market value December 2016 £000's	Percentage of total net assets December 2016 %
Bonds	4,179	14.16	3,777	12.61
Equities	24,702	83.65	25,294	84.46
Derivatives	15	0.05	11	0.04
Portfolio of investments	28,896	97.86	29,082	97.11
Net current assets	633	2.14	867	2.89
Total net assets	29,529	100.00	29,949	100.00

Financial Statements

for the six months ended 30 June 2017

Statement of Total Return (unaudited)

	Notes	30 June 2017		30 June 2016	
		£000's	£000's	£000's	£000's
Income					
Net capital gains					
Net capital gains on investments	1	1,360		407	
Other (losses)/gains	1	(7)		33	
			1,353		440
Revenue	2	446		409	
Expenses	3	(66)		(43)	
Interest payable and similar charges	4	—		—	
Net revenue before taxation		380		366	
Taxation		(49)		(30)	
Net revenue after taxation			331		336
Total return before distributions			1,684		776
Distributions	5		(369)		(371)
Net increase in Shareholders' funds from Investment activities			1,315		405

Statement of Movement in Shareholders' Funds (unaudited)

	30 June 2017		30 June 2016	
	£000's	£000's	£000's	£000's
Opening net assets attributable to Shareholders		29,949		23,316
Amounts receivable on issue of shares	759		3,654	
Amounts payable on cancellation of shares	(2,494)		(1,989)	
		(1,735)		1,665
Dilution levy		—		11
Net increase in Shareholders' funds from investment activities (see above)		1,315		405
Closing net assets attributable to Shareholders		29,529		25,397

The opening net assets attributable to shareholders for the current period do not equal the closing net assets attributable to shareholders for the comparative period as they are not consecutive periods.

All results above are derived from continuing activities for both the current and prior periods.

Financial Statements

as at 30 June 2017

Statement of Financial Position (unaudited)

	Notes	30 June 2017		31 December 2016	
		£000's	£000's	£000's	£000's
Assets					
Fixed assets					
Investment assets at fair value through profit or loss			28,910		29,090
Current assets					
Debtors	7	116		98	
Cash and bank balances		1,188		1,028	
Total current assets			1,304		1,126
Total assets			30,214		30,216
Liabilities					
Investment liabilities at fair value through profit or loss			(14)		(8)
Creditors					
Distribution payable	8	(351)		(234)	
Other creditors	8	(320)		(25)	
Total current liabilities			(671)		(259)
Total liabilities			(685)		(267)
Net assets attributable to Shareholders			29,529		29,949

All liabilities are current.

The notes on pages 14 to 18 and pages 29 to 30 form part of these Financial Statements.

Notes to the Financial Statements

for the six months ended 30 June 2017

1 Net capital gains

The net capital gains on investments during the period comprise:

	June 2017 £000's	June 2016 £000's
Non-derivative securities*	1,340	629
Derivative securities*	—	(43)
Forward currency contracts*	22	(174)
Other (losses)/gains - currency (losses)/gains*	(7)	33
Custodial transaction fees	(2)	(5)
Net capital gains	1,353	440

Net gains listed above of £1,354,851 comprise net realised gains of £1,666,283 and net unrealised (losses) of £(311,432) (2016: £444,781 comprising net realised gains of £431,842 and net unrealised gains of £12,939). £1,193,067 of the net realised gains in the current period had been shown as net unrealised gains in previous periods (2016: £979,499).

2 Revenue

	June 2017 £000's	June 2016 £000's
Interest on debt securities	61	48
Money market deposit	1	1
Overseas dividends	215	203
UK dividends	165	154
UK REIT dividends	4	3
Total revenue	446	409

3 Expenses

	June 2017 £000's	June 2016 £000's
Payable to the Manager or associates of the Manager:		
Manager's periodic charge	51	47
Registrar's fees	1	1
	52	48
Other expenses:		
Audit fees	2	—
Custodian fees	5	4
Directors' fees	3	2
Other expenses	4	(11)
	14	(5)
Total expenses	66	43

Notes to the Financial Statements

continued

4 Interest payable and similar charges

	June 2017 £000's	June 2016 £000's
Interest payable	—	—
Total interest payable and similar charges	—	—

5 Distributions

The distributions take account of amounts added on the issue of shares and amounts deducted on the cancellation of shares. They comprise:

	June 2017 £000's	June 2016 £000's
Interim distribution 30 June	351	367
	351	367
Amounts added on issue of shares	(3)	(7)
Amounts deducted on cancellation of shares	21	11
Gross distributions for the period	369	371

6 Net movement between revenue after taxation and distributions

	June 2017 £000's	June 2016 £000's
Net revenue after taxation	331	336
Expenses paid from capital	38	35
Gross distributions for the period	369	371

7 Debtors

	June 2017 £000's	December 2016 £000's
Accrued revenue	116	97
Prepaid expenses	—	1
Total debtors	116	98

8 Creditors

	June 2017 £000's	December 2016 £000's
a) Distribution payable		
Gross distribution payable	351	234
Total distribution payable	351	234
b) Other creditors		
Accrued expenses	14	25
Amounts payable for cancellation of shares	306	—
Total other creditors	320	25

Global Equity Class

Fund Report

Environment

Global equity markets extended last year's strong performance into the first half of 2017, with investors adopting a more optimistic tone. The improving global economy, generally positive corporate results and an easing of some political tension helped lift the mood in markets.

Early in the review period, there were hopes that US President Donald Trump's proposed policies (tax cuts, infrastructure and defence spending, and regulatory rollback) would boost economic growth and lift corporate profits. Despite a tempering of these expectations and a 'reality-check' of what is actually possible, President Trump persevered in driving his pro-growth agenda. US economic data, meanwhile, remained broadly robust and this strength was reflected in two interest-rate rises during the period, firstly in March and then in June. In Europe, the French presidential election attracted much attention, culminating in Emmanuel Macron triumphing over his anti-EU rival Marine Le Pen. This decisive victory appeared to push back the 'populist' wave of nationalist sentiment that had caused much uncertainty previously. The European Central Bank, however, unsettled markets when it hinted that it may start to reduce quantitative easing later this year.

Political developments closer to home also continued to influence investor sentiment, with a 'snap' UK general election the main focus. Prime Minister Theresa May called the election with the goal of strengthening her hand in Brexit negotiations. This move backfired, however, resulting in a hung parliament. Despite this, UK equities recorded strong performance. Further afield, emerging markets and Asia Pacific equities continued their good run and were the strongest global equity regions over the review period.

Performance

The Fund returned 6.7% in the period, outperforming its benchmark (FTSE World Index), which generated a return of 6.2%.

The largest driver of outperformance was stock selection, particularly within our US holdings. Our 'smart generation' investment theme leads us to look for companies actively embracing technology. This can include more obvious technology companies, such as

Facebook and Microsoft; video game companies, such as Activision Blizzard and Electronic Arts, but also disruptors in different sectors, such as Amazon and facilitator Accenture. These 'smart generation' companies contributed materially to the Fund's outperformance. This was also the case with our Chinese holdings, with ecommerce business JD.com particularly strong during the period.

In Europe, performance was more mixed. While we enjoyed positive performance from our holding in leading Nordic bank, Danske, our position in Swedbank was weaker. Not owning more in the Southern European banking sector was also costly for performance. Our holding in Ryanair, meanwhile, was strong during the period. It was able to continue to combine industry-leading low costs with very high utilisation rates, despite rapidly increasing its fleet of aircraft.

In UK equities, our more domestically exposed holdings, such as ITV and Babcock, were weak, as uncertainty over the UK economy increased following the general election result. However, RELX (formerly Reed Elsevier) continued to perform well after its successful transition from a more traditional publishing company to electronic publishing has borne fruit.

Our holdings in the oil and gas sector were more challenging for performance. The oil price was very weak during the period, as it relied on the Organization of the Petroleum Exporting Countries (OPEC) to regulate supply in the face of growing US production. The Fund has had exposure to unconventional US oil companies Devon Energy and EOG resources. Devon Energy was notably weak during the period, as the low oil price hindered its ability to leverage its excellent assets.

Property was another positive area for the Fund. US REITs America Tower and Equinix provide telephone towers and data centres, respectively. Both companies are beneficiaries of rapidly growing data usage.

Fund Report

continued

Activity

We initiated a position in Fevertree Drinks plc. Fevertree has revolutionised the tonic-water market with its premium product. While its growth has been startling, as reflected in the company's strong returns, we believe there is more progress to come, as it becomes the go-to tonic brand, displacing Schweppes globally. Furthermore, it is attempting to crack the 'dark spirits' market, with a new range of mixer products, including cola and ginger ale. This growth opportunity is particularly material, as the market is 10 times the size of the white-spirits market.

Our 'policy influence' theme has long made us sceptical of the tobacco sector. Global legislators have taken action to limit the take-up of tobacco products, given the obvious impact on smokers' health and the associated costs of providing healthcare. Minimum age restrictions on buying tobacco have steadily been increased, while it is estimated that more than 90% of the cost of some budget brands in the UK is effectively tax. Given these trends, it seemed prudent to have an underweight position in the sector. However, during the quarter, we added Philip Morris International (PMI) to the portfolio. PMI is at the forefront of 'heat not burn' products with its IQOS product. This seeks to replace smoking with a less harmful alternative. IQOS has been very successful in Japan and parts of Europe, and the company expects to roll it out to other countries in 2017.

We also acquired Australian wine producer Treasury Wine Estates. Global wine consumption is changing. In particular, 'shifting consumption' trends within developing markets have led to increased demand for wine among emerging middle-classes and younger generations. These changing tastes have been particularly stark in China, where wine consumption per capita is growing fast and from a very low base (1.2 litres/capita in 2015). China is already the fifth-largest wine market in the world and the fourth-largest importer of wine. Treasury Wine

Estates is one of the world's largest wine companies and focuses on four principal regions: Europe; Australia and New Zealand (both mature regions); the Americas and Asia (both growth regions). The company is focused on developing priority markets – particularly growing share in Asia.

We reduced our holdings in the US marginally; taking profits from Estée Lauder and Walt Disney, as well as discount retailer TJX (the owner of TK Maxx), where our investment case has largely played out.

Outlook

Be it the rise of populist politics, the digital revolution or environmental attitudes, the world is changing at a seemingly exponential rate. At Standard Life Wealth our 'Focus on Change' investment philosophy helps us to understand the implications of these changes and to identify both the opportunities and threats caused by them.

Our 'policy influence' theme remains a key driver of our positioning. While portfolios remain positioned for growth and a likely pro-inflation environment, it is clear that some of this growth is already priced in. We continue to closely monitor a variety of political, financial and economic drivers that point to potentially higher levels of financial market volatility. In such market conditions, we believe that active stock picking is essential. By focusing on long-term themes, we are able to shape the portfolios to withstand shorter-term 'noise' and to invest in long-term structural growth trends.

Statistics

Net Asset Value History by Share Class

Retail Shares as at	Net Asset Value (£)	Pence per share	Shares in issue
31 December 2014	18,276,430	177.65	10,288,019
31 December 2015	1,892,540	193.28	979,156
31 December 2016	2,126,350	221.09	961,757
30 June 2017	2,108,340	233.77	901,896

Z Shares* as at	Net Asset Value (£)	Pence per share	Shares in issue
31 December 2015	16,975,731	51.91	32,702,130
31 December 2016	18,410,192	59.83	30,769,091
30 June 2017	19,035,992	63.50	29,977,190

Distribution Information by Share Class

For the period ended 30 June 2017

Interim Distribution (in pence per share)	01.01.17 to 30.06.17	01.01.16 to 30.06.16
Retail Shares		
Payable 31 August 2017	1.0073	2.2386
Z Shares*		
Payable 31 August 2017	0.3507	0.6654

*Z shares were launched on 2 March 2015.

Statistics

continued

The table below shows the top ten purchases and sales (excluding any derivative transactions) for the period:

Purchases	£000's
RELX	420
Comcast 'A'	324
Philip Morris International	318
Treasury Wine Estates	231
Acuity Brands	220
Ctrip.com International ADS	220
Challenger Financial Services	213
Fevertree Drinks	212
Covestro	206
CRH	115

Sales	£000's
Bard (C.R.)	545
RELX	414
TJX	377
Verizon Communications	288
Ryohin Keikaku	284
Disney (Walt)	280
AT&T	234
Hibernia REIT	197
Babcock International	175
Allegion	132

Portfolio Statement

as at 30 June 2017

Portfolio Statement (unaudited)

Investments	Holding	Market Value £000's	Total Net Assets %
United Kingdom 8.72% (8.41%)			
Aviva	46,323	244	1.15
Biotech Growth Trust	30,647	233	1.10
Fevertree Drinks	12,515	213	1.01
ITV	104,643	190	0.90
RELX	27,256	452	2.14
Rio Tinto	15,746	511	2.42
Canada 1.07% (1.33%)			
Suncor Energy	10,085	226	1.07
United States of America 59.64% (63.86%)			
Accenture	4,833	460	2.18
Activision Blizzard	7,279	323	1.53
Acuity Brands	1,282	201	0.95
Allegion	4,534	283	1.34
Alphabet 'A'	710	508	2.40
Amazon	592	441	2.09
American Tower	4,811	490	2.32
Apple	4,143	459	2.17
Boston Scientific	21,943	468	2.21
Celgene	3,684	368	1.74
Charles Schwab	7,914	262	1.24
Citigroup	10,968	565	2.67
Comcast 'A'	10,575	317	1.50
Devon Energy	8,493	209	0.99
Dollar Tree	4,100	221	1.04
Electronic Arts	3,197	260	1.23
Eli Lilly	5,066	321	1.52
EOG Resources	3,888	271	1.28
Equifax	3,529	373	1.76
Equinix	1,088	359	1.70
Estee Lauder 'A'	4,190	310	1.47
Facebook	3,362	391	1.85
First Republic Bank	7,272	560	2.65
FLIR Systems	7,981	213	1.01
Fortune Brands Home & Security	5,648	284	1.34
Halliburton	8,034	264	1.25
Intuit	3,163	323	1.53
Kraft Heinz	6,284	414	1.96
Merck & Co	6,048	298	1.41
Microsoft	9,389	498	2.35
Newell Rubbermaid	9,497	392	1.85
Nielsen	8,351	248	1.17
Philip Morris International	3,501	317	1.50
Shire	6,814	289	1.37
Visteon	3,817	300	1.42
Wells Fargo	8,201	350	1.65

Portfolio Statement

continued

Portfolio Statement (unaudited) continued

Investments	Holding	Market Value £000's	Total Net Assets %
Australia 2.13% (0.00%)			
Challenger Financial Services	27,758	219	1.04
Treasury Wine Estates	29,716	231	1.09
China 2.04% (0.70%)			
Ctrip.com International ADS	5,487	227	1.07
JD.com	6,796	205	0.97
Hong Kong 2.15% (1.81%)			
AIA	81,000	455	2.15
Japan 4.59% (6.84%)			
Japan Tobacco	8,077	218	1.03
Murata Manufacturing	3,423	400	1.89
Resorttrust	24,872	353	1.67
Taiwan 1.14% (1.05%)			
Voltronic Power Technology	18,963	240	1.14
Belgium 1.27% (1.35%)			
Anheuser-Busch InBev	3,171	269	1.27
Denmark 2.29% (1.98%)			
Danske Bank	16,426	485	2.29
France 1.24% (1.23%)			
Total	6,927	263	1.24
Germany 0.88% (0.00%)			
Covestro	3,381	187	0.88
Ireland 4.97% (5.08%)			
CRH	13,738	376	1.78
Glanbia	15,304	232	1.10
Ryanair ADR	5,331	441	2.09
Italy 1.75% (1.58%)			
Enel	89,697	370	1.75

Portfolio Statement

continued

Portfolio Statement (unaudited) continued

Investments	Holding	Market Value £000's	Total Net Assets %
Sweden 1.18% (1.28%)			
Swedbank 'A'	13,301	249	1.18
Switzerland 3.76% (3.41%)			
Nestlé (Regd.)	5,740	385	1.82
Roche Holding	2,095	411	1.94
Portfolio of investments		20,895	98.82
Net current assets		249	1.18
Total Net Assets		21,144	100.00

Total unapproved and unquoted securities 0.00%.

Comparative figures in brackets refer to 31 December 2016.

Unless otherwise indicated, the holdings in the Portfolio Statement represent the ordinary shares, ordinary stock units, common shares or debt securities of the relevant companies or issuers, which are listed on an eligible securities market.

Financial Statements

for the six months ended 30 June 2017

Statement of Total Return (unaudited)

	Notes	30 June 2017		30 June 2016	
		£000's	£000's	£000's	£000's
Income					
Net capital gains					
Net capital gains on investments	1	1,243		499	
Other gains	1	2		91	
			1,245		590
Revenue	2	164		302	
Expenses	3	(21)		(9)	
Interest payable and similar charges	4	—		(2)	
Net revenue before taxation		143		291	
Taxation		(34)		(60)	
Net revenue after taxation			109		231
Total return before distributions			1,354		821
Distributions	5		(117)		(237)
Net increase in Shareholders' funds from Investment activities			1,237		584

Statement of Movement in Shareholders' Funds (unaudited)

	30 June 2017		30 June 2016	
	£000's	£000's	£000's	£000's
Opening net assets attributable to Shareholders		20,537		18,868
Amounts receivable on issue of shares	255		241	
Amounts payable on cancellation of shares	(885)		(715)	
		(630)		(474)
Net increase in Shareholders' funds from investment activities (see above)		1,237		584
Closing net assets attributable to Shareholders		21,144		18,978

The opening net assets attributable to shareholders for the current period do not equal the closing net assets attributable to shareholders for the comparative period as they are not consecutive periods.

All results above are derived from continuing activities for both the current and prior years.

Financial Statements

as at 30 June 2017

Statement of Financial Position (unaudited)

	Notes	30 June 2017		31 December 2016	
		£000's	£000's	£000's	£000's
Assets					
Fixed assets					
Investment assets at fair value through profit or loss			20,895		20,519
Current assets					
Debtors	7	328		13	
Cash and bank balances		408		52	
Total current assets			736		65
Total assets			21,631		20,584
Liabilities					
Creditors					
Distribution payable	8	(114)		(38)	
Other creditors	8	(373)		(9)	
Total current liabilities			(487)		(47)
Total liabilities			(487)		(47)
Net assets attributable to Shareholders			21,144		20,537

All liabilities are current.

The notes on pages 14 to 18 and pages 40 to 41 form part of these Financial Statements.

Notes to the Financial Statements

for the six months ended 30 June 2017

1 Net capital gains

The net capital gains on investments during the year comprise:

	June 2017 £000's	June 2016 £000's
Non-derivative securities*	1,246	526
Forward currency contracts*	—	(23)
Other gains - currency gains*	2	91
Custodial transaction fees	(3)	(4)
Net capital gains	1,245	590

*Net gains listed above of £1,248,469 comprise net realised gains of £1,158,364 and net unrealised gains of £90,105 (2016: £593,806 comprising net realised gains of £678,038 and net unrealised losses of (£84,232)). £1,000,625 of the net realised gains in the current period had been shown as net unrealised gains in previous periods (2016: £1,136,900).

2 Revenue

	June 2017 £000's	June 2016 £000's
Overseas dividends	119	254
UK dividends	45	48
Total revenue	164	302

3 Expenses

	June 2017 £000's	June 2016 £000's
Payable to the Manager or associates of the Manager:		
Manager's periodic charge	10	8
	10	8
Other expenses:		
Audit fees	2	—
Custodian fees	3	3
Directors' fees	2	2
Other expenses	4	(4)
	11	1
Total expenses	21	9

4 Interest payable and similar charges

	June 2017 £000's	June 2016 £000's
Interest payable	—	2
Total interest payable and similar charges	—	2

Notes to the Financial Statements

continued

5 Distributions

The distributions take account of amounts added on the issue of shares and amounts deducted on the cancellation of shares. They comprise:

	June 2017 £000's	June 2016 £000's
Interim distribution 30 June	114	234
	114	234
Amounts added on issue of shares	(2)	(2)
Amounts deducted on cancellation of shares	5	5
Gross distributions for the period	117	237

6 Net movement between revenue after taxation and distributions

	June 2017 £000's	June 2016 £000's
Net revenue after taxation	109	231
Expense paid from capital	8	6
Gross distributions for the period	117	237

7 Debtors

	June 2017 £000's	December 2016 £000's
Accrued revenue	8	12
Pre paid expenses	—	1
Foreign currency contracts awaiting settlement	48	—
Sales awaiting settlement	272	—
Total debtors	328	13

8 Creditors

	June 2017 £000's	December 2016 £000's
a) Distribution payable		
Gross distribution payable	114	38
Total distribution payable	114	38
b) Other creditors		
Accrued expenses	5	9
Foreign currency contracts awaiting settlement	48	—
Purchases awaiting settlement	320	—
Total other creditors	373	9

Global Fixed Interest Class

Fund Report

Environment

Global credit, high yield and emerging market debt enjoyed a positive six months, with the improving trends in economic data outweighing political and monetary policy concerns both in Europe and the US. With investor sentiment generally tilted towards 'risk on' credit spreads were able to tighten relative to US Treasuries.

The robust nature of the market was highlighted when Federal Reserve Chair Janet Yellen sounded an unexpectedly 'hawkish' note in her testimony to the Senate Banking Committee in February. Despite this investor sentiment remained upbeat, and any fears of a more aggressive tightening in policy were allayed in March when a well-flagged 25 basis point rate hike was accompanied by some 'dovish' language that emphasised that the current hiking cycle would be gradual.

Political risks were to the fore in Europe, although the period ended with investors more relaxed about the political outlook thanks to the outcome of the Dutch and French elections. However, it was central banks and the prospects for monetary policy that occupied investors as the quarter drew to a close. While the Federal Reserve (Fed) kicked things off with a 25 basis point rate hike and some 'hawkish' language around the commencement of balance sheet reduction, both the European Central Bank and Bank of England got in on the act later in the month. Mario Draghi's upbeat statement about the health of the Eurozone economy was taken as signposting a reduction in asset purchases, while Mark Carney spoke about the necessity of policy tightening should UK investment and wage-growth pick up. One other notable event from a credit perspective was the bailing-in of Banco Popular in Spain and the bailing-out of Veneto Banca and Banco Popolare di Vicenza in Italy. Significantly, senior bondholders in all three institutions were left unimpaired, a development that was well-received by the market.

In EMs, despite the distractions of a presidential election in France, rising geopolitical tensions on the Korean Peninsula and a moderate softening in US activity data, EM sovereign bonds were generally strong. However, there were pockets of weakness: Brazilian assets suffered following corruption allegations against President Michel Temer. As the period drew to a close, core government bond yields moved higher but EM sovereign credit spreads remained relatively firm, with the spread over US Treasuries widening only marginally.

Activity

The period began with plentiful US dollar primary issuance and we participated selectively, buying issuers such as Microsoft, SCA Hygiene, Abbot Laboratories and Dr Pepper Snapple. In the euro market, we bought Santander and Bank of America new issues as well as high-yield bonds of Jaguar Land Rover. Given the uncertainty surrounding upcoming French elections, we also reduced our exposure to French issuers through sales of Orange and Credit Agricole. Our deteriorating view of the US auto sector meant we reduced our exposure to the sector, a strategy that continued for much of the quarter. We also continued to look closely for areas where we should add or reduce risk in the Fund. We looked to add high-quality issuance that we have a high degree of conviction in. In the primary market, there was a new 10-year issue from Standard Industries, but we bought the existing 2025 bonds that offered a similar yield with much less duration.

As the period progressed, we did look to trim back on risk where we felt it appropriate. This was reflected in our decision to reduce our UK exposure in the run up the country's June election. Nationwide and Lloyds were both sold as a result. In the new issue market, we continued to look for attractively priced new deals and issuers in which we hold a high degree of conviction. In the US dollar market,

Fund Report

continued

we participated in deals from SBA Tower Trust, Brighthouse, Home Depot, Sherwin Williams, Activision Blizzard and Moody's. In the euro market, new bonds purchased included Global Switch and Volkswagen.

Performance

The Standard Life Wealth – Global Fixed Interest Fund returned 4.3% over the period, compared to the blended benchmark return (33% Barclays Global Aggregate Corporate index hedged to sterling/33.33% Barclays Global high yield corporate 2% cap index hedged to sterling/33.33% JPM EMBI Global Diversified Index Hedged to sterling index) of 4.3%.

Holding an off-benchmark position in the UK supermarket chain Tesco proved beneficial in a quarter when it announced the acquisition of the grocery wholesaler Booker. The deal was seen as positive for Tesco's debt profile and prompted speculation that the company would return to an investment grade rating, although not in the near-term. The robust showing of French debt after some initial politically induced weakness meant our off-benchmark position in an EDF perpetual bond also made a strong contribution.

However, a small off-benchmark position in US Treasury bonds was a drag on performance in what was generally a positive six months for risk. Meanwhile, our overweight holding in US telecommunications group Verizon was negatively impacted by talks about a potential tie-up with lower-rated US cable operator Charter Communications.

Among our high yield holdings, HCA Healthcare and Kindred Healthcare both performed well as the outlook for US healthcare reform improved. The ongoing decline in the oil price was positive for our zero weightings in EP Energy and California Resources. In emerging markets, overweight positions in Brazil, Egypt and Nigeria were significant positives, although not holding Turkey was negative for returns.

Outlook

We remain constructive on global credit spreads over the short term due to the lack of negative catalysts and improving global economic backdrop. Furthermore, the ongoing bond buying of the ECB will meet a period of seasonal low supply over the summer, which will also act as a positive driver for credit. All of this should lead to further spread compression in the near term, especially as valuations are still in fair territory (although not cheap). There remain risks to our constructive view of credit which we will continue to watch closely, these include changes to central bank policy in the US, Europe, and Japan; a slowdown in China; and political uncertainty in the US and Europe. The banking resolutions in Spain and Italy are positive for the overall market, as the system limits contagion to the stronger, systemically important banks. The stress test of US banks which showed no surprises reinforced our positive view of US bank fundamentals.

In emerging markets, we remain constructive and perceive the main risks to the asset class to emanate from developed markets, in particular the evolving landscape of global monetary policy. While central bank balance sheet unwinding will be a key consideration in the months and years ahead, it is likely to progress very slowly. We should also take comfort from the signal that this policy shift sends – the global economy is on a strong footing. We expect this environment to continue to support economic conditions in EM.

Statistics

Net Asset Value History by Share Class

Retail Shares as at	Net Asset Value (£)	Pence per share	Shares in issue
31 December 2014	92,517,787	102.95	89,866,842
31 December 2015	3,735,643	96.11	3,886,819
31 December 2016	2,687,150	99.31	2,705,924
30 June 2017	2,343,846	101.06	2,319,284

Z Shares* as at	Net Asset Value (£)	Pence per share	Shares in issue
31 December 2015	65,154,194	46.22	140,968,352
31 December 2016	64,428,156	48.24	133,561,892
30 June 2017	67,991,003	49.34	137,807,214

Distribution Information by Share Class

For the period ended 30 June 2017

Interim Distribution (in pence per share)	01.01.17 to 30.06.17	01.01.16 to 30.06.16
Retail Shares		
Paid 31 May 2017	1.0776	1.3516
Payable 31 August 2017	1.3376	1.1781
	2.4152	2.5297
Z Shares*		
Paid 31 May 2017	0.5241	0.6507
Payable 31 August 2017	0.6512	0.5687
	1.1753	1.2194

*Z shares were launched on 2 March 2015.

Statistics

continued

The table below shows the top ten purchases and sales (excluding any derivative transactions) for the period:

Purchases	£000's
US Treasury 1.875% 30/4/2022	1,292
US Treasury 2.375% 15/5/2027	1,014
US Treasury 1.875% 28/2/2022	959
US Treasury 2.25% 15/2/2027	854
Egypt 8.5% 31/1/2047	721
Mexico 5.375% 13/3/2022	641
US Treasury 2% 15/11/2026	619
El Salvador Government International 5.875% 30/1/2025	596
Nigeria 7.875% 16/2/2032	555
Ukraine 7.75% 01/9/2026	535

Sales	£000's
US Treasury 1.875% 28/2/2022	965
Ukraine 7.75% 01/9/2026	831
US Treasury 2.25% 15/2/2027	810
Colombia 6.125% 18/1/2041	708
Ukraine 7.75% 01/9/2019	636
US Treasury 2% 15/11/2026	616
Senegal 8.75% 13/5/2021	576
Nigeria 7.875% 16/2/2032	570
Kenya 6.875% 24/6/2024	563
US Treasury 1.875% 30/4/2022	529

Portfolio Statement

as at 30 June 2017

Portfolio Statement (unaudited)

Investments	Holding	Market Value £000's	Total Net Assets %
Overseas Government Bonds 24.57% (24.88%)			
Argentina 6.875% 26/1/2027	USD 310,000	247	0.35
Argentina 6.875% 22/4/2021	USD 780,000	641	0.91
Argentina 7.125% 28/6/2117	USD 360,000	252	0.36
Banco Nacional de Desenvolvimento Economico e Social 4.75% 09/5/2024	USD 329,000	248	0.35
Brazil 4.25% 07/1/2025	USD 390,000	295	0.42
Brazil 5% 27/1/2045	USD 225,000	152	0.22
Brazil 6% 07/4/2026	USD 200,000	166	0.24
Cameroon 9.5% 19/11/2025	USD 430,000	391	0.56
Colombia 4.5% 28/1/2026	USD 400,000	327	0.46
Costa Rica 4.375% 30/4/2025	USD 396,000	290	0.41
Costa Rica 7.158% 12/3/2045	USD 208,000	168	0.24
Dominican Republic 5.95% 25/1/2027	USD 340,000	274	0.39
Egypt 5.875% 11/6/2025	USD 300,000	226	0.32
Egypt 7.5% 31/1/2027	USD 200,000	163	0.23
Egypt 8.5% 31/1/2047	USD 305,000	253	0.36
El Salvador Government International 5.875% 30/1/2025	USD 831,000	574	0.82
Germany 0.5% 15/2/2026	EUR 100,000	89	0.13
Guatemala 4.375% 05/6/2027	USD 285,000	218	0.31
Guatemala 4.375% 05/6/2027	USD 320,000	245	0.35
Honduras 6.25% 19/1/2027	USD 150,000	119	0.17
Honduras 7.5% 15/3/2024	USD 480,000	409	0.58
Indonesia 4.125% 15/1/2025	USD 501,000	398	0.57
Indonesia 5.25% 17/1/2042	USD 580,000	483	0.69
Ivory Coast Government International 6.125% 15/6/2033	USD 530,000	392	0.56
Jamaica 7.875% 28/7/2045	USD 200,000	181	0.26
Jamaica 8% 15/3/2039	USD 412,000	374	0.53
Jordan 5.75% 31/1/2027	USD 337,000	258	0.37
Jordan 6.125% 29/1/2026	USD 335,000	264	0.38
Kazakhstan 4.875% 14/10/2044	USD 488,000	371	0.53
Kazakhstan 5.125% 21/7/2025	USD 468,000	391	0.56
Kuwait 2.75% 20/3/2022	USD 400,000	310	0.44
Kuwait 3.5% 20/3/2027	USD 334,000	262	0.37
Lebanon 5.15% 12/11/2018	USD 250,000	193	0.27
Lebanon 6.6% 27/11/2026	USD 494,000	380	0.54
Lebanon 6.85% 23/3/2027	USD 285,000	221	0.31
Lebanon 7.25% 23/3/2037	USD 450,000	347	0.49
Mexico 3.6% 30/1/2025	USD 550,000	429	0.61
Morocco 4.25% 11/12/2022	USD 400,000	322	0.46
Morocco 5.5% 11/12/2042	USD 200,000	171	0.24
Panama 8.875% 30/9/2027	USD 171,000	188	0.27
Panama 9.375% 01/4/2029	USD 166,000	188	0.27
Paraguay 4.625% 25/1/2023	USD 653,000	526	0.75
Paraguay 4.7% 27/3/2027	USD 200,000	158	0.22
Peru 8.75% 21/11/2033	USD 185,000	218	0.31
Senegal 6.25% 23/5/2033	USD 200,000	156	0.22
Serbia 4.875% 25/2/2020	USD 200,000	161	0.23

Portfolio Statement

continued

Portfolio Statement (unaudited) continued

Investments	Holding	Market Value £000's	Total Net Assets %
Overseas Government Bonds (continued)			
Serbia 7.25% 28/9/2021	USD 300,000	267	0.38
South Africa 4.3% 12/10/2028	USD 511,000	367	0.52
Sri Lanka 6.85% 03/11/2025	USD 350,000	284	0.40
Ukraine 7.75% 01/9/2019	USD 550,000	438	0.62
Uruguay 4.125% 20/11/2045	USD 380,000	271	0.39
Uruguay 9.875% 20/6/2022	UYU 5,788,000	161	0.23
US Treasury 1.5% 15/8/2026	USD 270,000	194	0.28
US Treasury 1.875% 30/4/2022	USD 1,001,300	771	1.10
US Treasury 2.25% 15/2/2027	USD 48,400	37	0.05
US Treasury 2.375% 15/5/2027	USD 740,200	573	0.81
US Treasury 2.5% 15/2/2045	USD 169,500	122	0.17
US Treasury 2.875% 15/11/2046	USD 144,000	112	0.16
Vietnam 4.8% 19/11/2024	USD 373,000	302	0.43
Vietnam 6.75% 29/1/2020	USD 331,000	278	0.40
Floating Rate Notes 2.15% (2.71%)			
Dexia Credit Local 0.403% FRN 10/7/2017	EUR 100,000	88	0.13
Électricité de France 6% FRN Perpetual	£100,000	105	0.15
ERC Ireland Finance 5.349% FRN 15/8/2016*	EUR 250,000	—	0.00
Hellas Telecommunications Finance 8.835% FRN 15/7/2015*	EUR 512,999	—	0.00
Morgan Stanley 1.982% FRN 14/2/2020	USD 144,000	111	0.16
Nationwide Building Society 4.125% FRN 20/3/2023	EUR 200,000	180	0.26
Pernod-Ricard 4.45% 15/1/2022	USD 200,000	165	0.23
Petroleos Mexicanos 4.6065% FRN 11/3/2022	USD 115,000	96	0.14
Rogers Communications 6.11% 25/8/2040	CAD 200,000	152	0.22
Santos Finance 8.25% FRN 22/9/2070	EUR 276,000	244	0.35
Société Générale 6.75% FRN Perpetual	EUR 100,000	96	0.14
Teva Pharmaceuticals 2.25% 18/3/2020	USD 170,000	131	0.19
Total 2.25% Perpetual	EUR 140,000	124	0.18
Sterling Denominated Corporate Bonds 5.15% (5.59%)			
AA Bond 2.875% 31/7/2043	£105,000	107	0.15
AI G 5% 26/4/2023	£100,000	115	0.16
Arqiva Broadcast Finance 9.5% 31/3/2020	£125,000	133	0.19
Bank of America 5.5% 22/11/2021	£200,000	231	0.33
Bank of Scotland 9.375% 15/5/2021	£100,000	129	0.18
Bank of Scotland 10.5% 16/2/2018	£50,000	53	0.08
Barclays 10% 21/5/2021	£100,000	128	0.18
Cabot Financial Luxembourg 8.375% 01/8/2020	£100,000	105	0.15
CYBG 5% 09/2/2026	£200,000	202	0.29
E.ON International Finance 6.75% 27/1/2039	£50,000	78	0.11
FirstGroup 8.125% 19/9/2018	£200,000	216	0.31
Intu Metrocentre Finance 4.125% 06/12/2023	£100,000	110	0.16
Jaguar Land Rover 3.875% 01/3/2023	£100,000	105	0.15
Land Securities Capital Markets 5.391% FRN 31/3/2027	£100,000	125	0.18
London Stock Exchange 9.125% 18/10/2019	£200,000	235	0.33
Mitchells & Butlers Finance 5.965% 15/12/2025	£70,228	78	0.11

Portfolio Statement

continued

Portfolio Statement (unaudited) continued

Investments	Holding	Market Value £000's	Total Net Assets %
Sterling Denominated Corporate Bonds (continued)			
National Westminster Bank 6.5% 07/9/2021	£100,000	117	0.17
RMPA Services 5.337% 30/9/2038	£96,271	119	0.17
RWE Finance 6.5% 20/4/2021	£100,000	118	0.17
SLM Student Loan 5.15% 15/12/2039	£467,704	417	0.59
TalkTalk Telecom 5.375% 15/1/2022	£100,000	103	0.15
Tesco Property Finance 4 5.8006% 13/10/2040	£98,298	108	0.15
Thames Water Utilities Cayman Finance 2.375% 03/5/2023	£100,000	100	0.14
Unique Pub Finance 6.542% 30/3/2021	£111,920	123	0.17
Virgin Media Secured Finance 6% 15/1/2025	£150,000	174	0.25
Vodafone 3.375% 08/8/2049	£100,000	92	0.13
Non-Sterling Denominated Corporate Bonds 58.77% (59.83%)			
Abbott Laboratories 3.75% 30/11/2026	USD 124,000	97	0.14
AbbVie 1.375% 17/5/2024	EUR 100,000	88	0.13
Actavis Funding 3.45% 15/3/2022	USD 33,000	26	0.04
Activision Blizzard 2.6% 15/6/2022	USD 48,000	37	0.05
Activision Blizzard 3.4% 15/9/2026	USD 116,000	89	0.13
Activision Blizzard 3.4% 15/6/2027	USD 53,000	41	0.06
AerCap Ireland Capital 5% 01/10/2021	USD 150,000	125	0.18
ALG 6.9% 15/3/2032	USD 175,000	178	0.25
Air Liquide Finance 2.25% 27/9/2023	USD 200,000	149	0.21
Airxcel 8.5% 15/2/2022	USD 104,000	84	0.12
Akelius Residential Property 3.375% 23/9/2020	EUR 100,000	95	0.13
Alcoa 5.125% 01/10/2024	USD 79,000	63	0.09
Alcoa 5.9% 01/2/2027	USD 120,000	99	0.14
Ally Financial 3.6% 21/5/2018	USD 234,000	182	0.26
Ally Financial 5.75% 20/11/2025	USD 54,000	44	0.06
Alpine Finance Merger 6.875% 01/8/2025	USD 111,000	87	0.12
Alta Mesa 7.875% 15/12/2024	USD 78,000	61	0.09
Altice 6.25% 15/2/2025	EUR 100,000	96	0.14
Altice US Finance I 5.375% 15/7/2023	USD 200,000	160	0.23
Altria 3.875% 16/9/2046	USD 81,000	61	0.09
American Airlines 3.2% 15/6/2028	USD 68,180	52	0.07
American Airlines 5.625% 15/1/2021	USD 225,951	182	0.26
Amsurg 5.625% 15/7/2022	USD 73,000	58	0.08
Anadarko Petroleum 6.6% 15/3/2046	USD 34,000	32	0.05
Anadarko Petroleum 8.7% 15/3/2019	USD 27,000	23	0.03
Anglo American Capital 5.75% 27/11/2018	AUD 100,000	61	0.09
Anheuser-Busch InBev Finance 3.3% 01/2/2023	USD 100,000	79	0.11
Anheuser-Busch InBev Finance 4.7% 01/2/2036	USD 67,000	57	0.08
Anheuser-Busch InBev Finance 4.9% 01/2/2046	USD 100,000	87	0.12
Ardagh Packaging Finance 4.25% 15/1/2022	EUR 36,818	33	0.05
Asbury Automotive 6% 15/12/2024	USD 175,000	137	0.19
Ashland 4.75% 15/8/2022	USD 114,000	92	0.13
AT&T 3.6% 17/2/2023	USD 104,000	82	0.12
AT&T 4.5% 09/3/2048	USD 212,000	153	0.22
AT&T 5.15% Senior Notes 15/3/2042	USD 215,000	169	0.24
AutoZone 3.25% 15/4/2025	USD 102,000	77	0.11

Portfolio Statement

continued

Portfolio Statement (unaudited) continued

Investments	Holding	Market Value £000's	Total Net Assets %
Non-Sterling Denominated Corporate Bonds (continued)			
Autozone 3.75% 01/6/2027	USD 65,000	50	0.07
Avis Budget Car Rental 5.5% 01/4/2023	USD 81,000	62	0.09
Aviva 3.875% 03/7/2044	EUR 100,000	94	0.13
Babcock International 1.75% 06/10/2022	EUR 220,000	199	0.28
Banco Santander 1.375% 09/2/2022	EUR 100,000	90	0.13
Bank of America 0.736% 07/2/2022	EUR 160,000	141	0.20
Bank of America 5% 13/5/2021	USD 275,000	231	0.33
Bank of America 6.3% Perpetual	USD 186,000	161	0.23
Bank of America 7.75% 14/5/2038	USD 150,000	166	0.24
Barclays 2.75% 08/11/2019	USD 230,000	179	0.25
Barclays 3.25% 12/1/2021	USD 270,000	211	0.30
Barclays 6% 23/1/2018	EUR 200,000	181	0.26
Berry Plastics 6% 15/10/2022	USD 117,000	96	0.14
Bharti Airtel International Netherlands 4% 10/12/2018	EUR 100,000	92	0.13
Block Communications 6.875% 15/2/2025	USD 104,000	86	0.12
Boston Properties 3.8% 01/2/2024	USD 225,000	180	0.26
Boston Scientific 3.85% 15/5/2025	USD 75,000	60	0.09
BP Capital Markets 3.119% 04/5/2026	USD 50,000	38	0.05
Brighthouse Financial 3.7% 22/6/2027	USD 99,000	75	0.11
Brimor Operating Partnership 3.85% 01/2/2025	USD 80,000	61	0.09
Broadridge 3.4% 27/6/2026	USD 94,000	71	0.10
Builders FirstSource 5.625% 01/9/2024	USD 133,000	107	0.15
Burlington Northern Santa 3% 01/4/2025	USD 100,000	78	0.11
Burlington Northern Santa Fe 4.15% 01/4/2045	USD 90,000	72	0.10
BWAY 5.5% 15/4/2024	USD 138,000	109	0.15
Cablevision Systems 5.875% 15/9/2022	USD 79,000	64	0.09
CBS Radio 7.25% 01/11/2024	USD 147,000	117	0.17
CCM Merger 6% 15/3/2022	USD 140,000	110	0.16
CCO 5.125% 01/5/2023	USD 180,000	146	0.21
CCO 5.875% 01/4/2024	USD 82,000	67	0.10
CCO Capital 5.5% 01/5/2026	USD 126,000	103	0.15
CDK Global 4.875% 01/6/2027	USD 78,000	62	0.09
CDW Finance 5.5% 01/12/2024	USD 106,000	88	0.12
Celgene 2.875% 15/8/2020	USD 180,000	142	0.20
Cemex SAB de CV 7.75% 16/4/2026	USD 200,000	176	0.25
Century Communities 5.875% 15/7/2025	USD 111,000	85	0.12
CenturyLink 5.625% 01/4/2020	USD 134,000	109	0.15
CenturyLink 7.5% 01/4/2024	USD 32,000	27	0.04
Cequel Communications Holdings I 6.375% 15/9/2020	USD 175,000	137	0.19
Change Healthcare 5.75% 01/3/2025	USD 93,000	73	0.10
Channel Link Enterprises Finance 1.761% 30/6/2050	EUR 100,000	88	0.13
Charter Communications Operating 3.75% 15/2/2028	USD 62,000	47	0.07
Charter Communications Operating 4.464%			
Notes 23/7/2022	USD 130,000	107	0.15
Charter Communications Operating 6.384% 23/10/2035	USD 115,000	105	0.15
Chemours 7% 15/5/2025	USD 85,000	71	0.10
Cheniere Corpus Christi 7% 30/6/2024	USD 175,000	150	0.21

Portfolio Statement

continued

Portfolio Statement (unaudited) continued

Investments	Holding	Market Value £000's	Total Net Assets %
Non-Sterling Denominated Corporate Bonds (continued)			
Cheniere Corpus Christi s 5.875% 31/3/2025	USD 64,000	53	0.08
Chesapeake Energy 8% 15/12/2022	USD 62,000	50	0.07
China Overseas Finance Cayman II 5.5% 10/11/2020	USD 100,000	83	0.12
China Overseas Finance Cayman VI 4.25% 08/5/2019	USD 200,000	158	0.22
Christian Dior 1.375% 19/6/2019	EUR 100,000	90	0.13
CHS/Community Health Systems 5.125% 01/8/2021	USD 44,000	34	0.05
Cie de Saint-Gobain 1.375% 14/6/2027	EUR 100,000	87	0.12
Cigna 5.375% 15/2/2042	USD 120,000	111	0.16
Cincinnati Bell 7% 15/7/2024	USD 105,985	85	0.12
Cintas No 2 3.7% 01/4/2027	USD 90,000	71	0.10
CIT 5% 15/8/2022	USD 211,000	175	0.25
Citigroup 4.45% 29/9/2027	USD 175,000	140	0.20
Citigroup 6.125% Perpetual	USD 210,000	174	0.25
Citigroup 8.125% 15/7/2039	USD 67,000	79	0.11
CK Hutchison Capital Securities 17.4% Perpetual	USD 200,000	156	0.22
Clear Channel Worldwide Holdings 7.625% 15/3/2020	USD 181,000	139	0.20
Clearwater Seafoods 6.875% 01/5/2025	USD 118,000	96	0.14
CNH Industrial Capital 3.625% 15/4/2018	USD 100,000	78	0.11
CNH Industrial Capital 3.875% 16/7/2018	USD 50,000	39	0.06
Columbus International 7.375% 30/3/2021	USD 200,000	163	0.23
Comcast 4.65% 15/7/2042	USD 75,000	63	0.09
Comcast 6.4% 15/5/2038	USD 145,000	148	0.21
Commerzbank 7.75% 16/3/2021	EUR 100,000	107	0.15
CommScope Technologies Finance 6% 15/6/2025	USD 190,000	156	0.22
Community Health Systems 6.25% 31/3/2023	USD 54,000	43	0.06
Community Health Systems 6.875% 01/2/2022	USD 92,000	62	0.09
Concho Resources 4.375% 15/1/2025	USD 167,000	131	0.19
Conduent Finance 10.5% 15/12/2024	USD 143,000	128	0.18
Consolidated Communications 6.5% 01/10/2022	USD 203,000	155	0.22
Continental Resources 3.8% 01/6/2024	USD 107,000	75	0.11
Continental Resources 5% 15/9/2022	USD 161,000	122	0.17
Corporate Office 3.6% 15/5/2023	USD 150,000	115	0.16
Coventry Building Society 2.5% 18/11/2020	EUR 170,000	159	0.23
Credit Logement 2.573% Perpetual	EUR 200,000	145	0.21
Crestwood Midstream Partners 6.25% 01/4/2023	USD 124,000	97	0.14
CRH America 3.875% 18/5/2025	USD 129,000	103	0.15
Crown Euro Holdings 3.375% 15/5/2025	EUR 100,000	91	0.13
CSC 6.75% 15/11/2021	USD 60,000	51	0.07
CSX 3.7% 01/11/2023	USD 150,000	121	0.17
CVS Health 5.3% 05/12/2043	USD 56,000	50	0.07
CVS Pass-Through Trust 6.036% 10/12/2028	USD 203,315	177	0.25
CyrusOne Finance 5% 15/3/2024	USD 108,000	86	0.12
Daimler Finance North America 1.65% 02/3/2018	USD 175,000	135	0.19
Daimler Finance North America 1.75% 30/10/2019	USD 144,000	110	0.16
Daimler Finance North America 2.25% 03/9/2019	USD 150,000	116	0.16
Danske Bank 0.75% 02/6/2023	EUR 120,000	106	0.15
DDR 7.875% 01/9/2020	USD 90,000	79	0.11
Deutsche Annington Finance 5% 02/10/2023	USD 100,000	81	0.12

Portfolio Statement

continued

Portfolio Statement (unaudited) continued

Investments	Holding	Market Value £000's	Total Net Assets %
Non-Sterling Denominated Corporate Bonds (continued)			
Deutsche Telekom International Finance 8.75% 15/6/2030	USD 110,000	126	0.18
DISH DBS 6.75% 01/6/2021	USD 207,000	177	0.25
Dollar Tree 5.25% 01/3/2020	USD 192,000	152	0.22
Dominion Gas 3.6% 15/12/2024	USD 50,000	39	0.06
DONG Energy 4.875% 08/7/3013	EUR 100,000	92	0.13
Dr Pepper Snapple 3.4% 15/11/2025	USD 153,000	119	0.17
Duke Energy Florida 3.4% 01/10/2046	USD 83,000	59	0.08
eDreams 8.5% 01/8/2021	EUR 100,000	96	0.14
Electronic Arts 3.7% 01/3/2021	USD 101,000	81	0.12
Enbridge 4.5% 10/6/2044	USD 150,000	113	0.16
Endo Finance 5.75% 15/1/2022	USD 35,000	24	0.03
Energy Transfer Equity 5.875% 15/1/2024	USD 16,000	13	0.02
Energy Transfer Equity 7.5% 15/10/2020	USD 122,000	105	0.15
Energy Transfer Partners 2.5% 15/6/2018	USD 30,000	23	0.03
Energy Transfer Partners 6.125% 15/12/2045	USD 20,000	17	0.02
Energy Transfer Partners 6.5% 01/2/2042	USD 125,000	108	0.15
Ensemble Merger 9% 30/9/2023	USD 128,000	102	0.14
Enterprise Products Operating 3.35% 15/3/2023	USD 74,000	58	0.08
Enterprise Products Operating 4.9% 15/5/2046	USD 48,000	40	0.06
Envision Healthcare 6.25% 01/12/2024	USD 68,000	56	0.08
EOG Resources 4.15% 15/1/2026	USD 100,000	81	0.12
EPR Properties 5.75% 15/8/2022	USD 110,000	94	0.13
Equate Petrochemical 3% 03/3/2022	USD 200,000	152	0.22
Equinix 5.875% 15/1/2026	USD 116,000	97	0.14
ESB Finance 1.875% 14/6/2031	EUR 100,000	90	0.13
ESH Hospitality 5.25% 01/5/2025	USD 136,000	109	0.15
Essex Portfolio 3.25% 01/5/2023	USD 125,000	96	0.14
Essity AB 1.125% 27/3/2024	EUR 100,000	88	0.12
Exelon Generation 2.95% 15/1/2020	USD 120,000	94	0.13
FGA Capital Ireland 4% 17/10/2018	EUR 250,000	230	0.33
First Data 7% 01/12/2023	USD 183,000	150	0.21
First Quantum Minerals 7.5% 01/4/2025	USD 200,000	151	0.21
Flex Acquisition 6.875% 15/1/2025	USD 135,000	108	0.15
Fly Leasing 6.375% 15/10/2021	USD 250,000	202	0.29
FMG Resources 4.75% 15/5/2022	USD 94,000	73	0.10
Ford Motor 7.45% 16/7/2031	USD 64,000	62	0.09
Fortive 2.35% 15/6/2021	USD 55,000	42	0.06
Freeport-McMoRan 4.55% 14/11/2024	USD 146,000	106	0.15
Freeport-McMoRan Copper & Gold 3.1% 15/3/2020	USD 250,000	188	0.27
Fresenius Finance Ireland 0.875% 31/1/2022	EUR 39,000	34	0.05
Fresenius Medical Care US Finance 5.875% 31/1/2022	USD 150,000	128	0.18
Frontier Communications 6.875% 15/1/2025	USD 75,000	45	0.06
Frontier Communications 9% 15/8/2031	USD 48,800	30	0.04
Frontier Communications 10.5% 15/9/2022	USD 196,000	144	0.20
Garfunkelux Holdco 3 7.5% 01/8/2022	EUR 100,000	94	0.13
GE Capital 0.8% 21/1/2022	EUR 110,000	98	0.14

Portfolio Statement

continued

Portfolio Statement (unaudited) continued

Investments	Holding	Market Value £000's	Total Net Assets %
Non-Sterling Denominated Corporate Bonds (continued)			
GE Capital 6.75% 15/3/2032	USD 79,000	83	0.12
GE Capital International Funding 4.418% 15/11/2035	USD 271,000	227	0.32
General Electric 0.875% 17/5/2025	EUR 100,000	87	0.12
General Motors Financial 2.4% 09/5/2019	USD 85,000	66	0.09
General Motors Financial 3.2% 13/7/2020	USD 68,000	53	0.08
Georgia-Pacific 3.6% 01/3/2025	USD 5,000	4	0.01
Gilead Sciences 3.25% 01/9/2022	USD 80,000	64	0.09
Gilead Sciences 4.15% 01/3/2047	USD 54,000	42	0.06
Global Switch 1.5% 31/1/2024	EUR 100,000	88	0.12
GLP Capital 5.375% 15/4/2026	USD 142,000	119	0.17
Golden Nugget Escrow 8.5% 01/12/2021	USD 150,000	122	0.17
Halliburton 3.8% 15/11/2025	USD 80,000	63	0.09
Halliburton 5% 15/11/2045	USD 45,000	37	0.05
Harland Clarke 6.875% 01/3/2020	USD 33,000	26	0.04
Harland Clarke 8.375% 15/8/2022	USD 61,000	50	0.07
Harland Clarke 9.35% 01/3/2021	USD 98,000	74	0.11
HCA 4.75% 01/5/2023	USD 184,000	150	0.21
HCA 5.5% 15/6/2047	USD 87,000	69	0.10
HCA 7.5% 15/11/2095	USD 230,000	181	0.26
Healthsouth 5.75% 01/11/2024	USD 210,000	166	0.24
Hewlett Packard Enterprise 4.4% 15/10/2022	USD 159,000	130	0.18
Hexcel 4.7% 15/8/2025	USD 140,000	116	0.16
Hilton Domestic Operating 4.25% 01/9/2024	USD 214,000	167	0.24
Hilton Worldwide Finance 4.625% 01/4/2025	USD 91,000	72	0.10
Holcim Finance Australia 3.75% 19/3/2020	AUD 50,000	30	0.04
Home Depot 1.8% 05/6/2020	USD 86,000	66	0.09
Home Depot 3.9% 15/6/2047	USD 33,000	26	0.04
HSBC 5.625% Perpetual	USD 200,000	157	0.22
HSBC 6.5% 02/5/2036	USD 100,000	99	0.14
Hutchison Whampoa International 1.625% 31/10/2017	USD 200,000	154	0.22
Icahn Enterprises 6.25% 01/2/2022	USD 89,000	71	0.10
IHO Verwaltungs 3.25% 15/9/2023	EUR 185,000	167	0.24
Imperial Brands Finance 0.5% 27/7/2021	EUR 100,000	87	0.12
Inception Merger 8.625% Bonds 15/11/2024	USD 130,000	107	0.15
International Finance 7.8% 03/6/2019	INR 11,710,000	145	0.21
International Paper 3.8% 15/1/2026	USD 20,000	16	0.02
Interval Acquisition 5.625% 15/4/2023	USD 164,000	131	0.19
InterXion Holding 6% 15/7/2020	EUR 100,000	91	0.13
Intesa Sanpaolo 1.125% 04/3/2022	EUR 100,000	89	0.13
Intrum Justitia AB 2.75% 15/7/2022	EUR 200,000	176	0.25
j2 Cloud Services 6% 15/7/2025	USD 70,000	56	0.08
JAB Holdings 1.5% 24/11/2021	EUR 100,000	91	0.13
JAB s BV 1.25% 22/5/2024	EUR 100,000	88	0.13
Jaguar Land Rover Automotive 2.2% 15/1/2024	EUR 100,000	89	0.13
JBS USA 5.75% 15/6/2025	USD 80,000	58	0.08
JPMorgan Chase 2.25% 23/1/2020	USD 150,000	116	0.16
JPMorgan Chase 2.625% 23/4/2021	EUR 300,000	285	0.41

Portfolio Statement

continued

Portfolio Statement (unaudited) continued

Investments	Holding	Market Value £000's	Total Net Assets %
Non-Sterling Denominated Corporate Bonds (continued)			
JPMorgan Chase 5.625% 16/8/2043	USD 215,000	199	0.28
JPMorgan Chase 6% 15/1/2018	USD 225,000	177	0.25
Kennedy Wilson Europe Real Estate 3.25% 12/11/2025	EUR 100,000	88	0.13
Kilroy Realty 4.25% 15/8/2029	USD 120,000	94	0.13
Kinder Morgan Energy 5.5% 01/3/2044	USD 107,000	85	0.12
Kindred Healthcare 8% 15/1/2020	USD 53,000	43	0.06
Kindred Healthcare 8.75% 15/1/2023	USD 75,000	61	0.09
Kinetic Concepts 7.875% 15/2/2021	USD 40,000	33	0.05
Koninklijke Philips 5% 15/3/2042	USD 200,000	169	0.24
Koppers 6% 15/2/2025	USD 136,000	111	0.16
Kraft Heinz Foods 3.5% 06/6/2022	USD 105,000	84	0.12
Kroger 1.5% 30/9/2019	USD 64,000	49	0.07
Landsbankinn 1.375% 14/3/2022	EUR 100,000	88	0.13
Lembaga Pembiayaan Ekspor Indonesia 3.875% 06/4/2024	USD 200,000	156	0.22
Level 3 Financing 5.375% 15/1/2024	USD 89,000	72	0.10
LGE Holdco 7.125% 15/5/2024	EUR 100,000	98	0.14
Lowe's 2.5% 15/4/2026	USD 116,000	86	0.12
M/I Homes 6.75% 15/1/2021	USD 161,000	130	0.18
Marfrig Europe 8% 08/6/2023	USD 200,000	156	0.22
Mattamy 6.875% 15/12/2023	USD 175,000	138	0.20
McDonald's 4.6% 26/5/2045	USD 50,000	42	0.06
Medtronic 3.5% 15/3/2025	USD 100,000	80	0.11
Medtronic 4.625% 15/3/2045	USD 100,000	87	0.12
Mercer International 6.5% 01/2/2024	USD 55,000	44	0.06
Mercer International 7.75% 01/12/2022	USD 89,000	73	0.10
Meritage Homes 5.125% 06/6/2027	USD 112,000	86	0.12
MetLife 4.6% 13/5/2046	USD 120,000	102	0.14
Mexico 5.375% 13/3/2022	USD 562,000	455	0.65
MGM Resorts International 6% 15/3/2023	USD 108,000	92	0.13
Microsemi 9.125% 15/4/2023	USD 49,000	43	0.06
Microsoft 2% 08/8/2023	USD 82,000	62	0.09
Microsoft 3.3% 06/2/2027	USD 64,000	51	0.07
Microsoft 4.25% 06/2/2047	USD 40,000	33	0.05
Microsoft 4.45% 03/11/2045	USD 79,000	68	0.10
Molex Electronics 3.9% 15/4/2025	USD 80,000	63	0.09
Molson Coors 2.25% 15/3/2020	USD 72,000	55	0.08
Moody'S 2.75% 15/12/2021	USD 90,000	70	0.10
Moody's 3.25% 15/1/2028	USD 69,000	52	0.07
Morgan Stanley 4% 23/7/2025	USD 130,000	104	0.15
Morgan Stanley 5% 24/11/2025	USD 340,000	285	0.41
Morgan Stanley 5.55% Perpetual	USD 272,000	219	0.31
Morgan Stanley 5.75% 25/1/2021	USD 150,000	128	0.18
Morgan Stanley 6.625% 01/4/2018	USD 200,000	159	0.23
Motors 7.125% Bonds 15/7/2013*	USD 950,000	—	0.00
MPT 5.25% 01/8/2026	USD 14,000	11	0.02
MPT Operating Partnership 4% 19/8/2022	EUR 100,000	97	0.14

Portfolio Statement

continued

Portfolio Statement (unaudited) continued

Investments	Holding	Market Value £000's	Total Net Assets %
Non-Sterling Denominated Corporate Bonds (continued)			
Mylan 1.25% 23/11/2020	EUR 100,000	90	0.13
Mylan 3.75% 15/12/2020	USD 61,000	49	0.07
Navient 4.875% 17/6/2019	USD 110,000	88	0.13
Navient 6.625% 26/7/2021	USD 74,000	61	0.09
NCI Building Systems 8.25% 15/1/2023	USD 133,000	111	0.16
Nemak SAB de CV 3.25% 15/3/2024	EUR 100,000	89	0.13
Neptune Finco 10.125% 15/1/2023	USD 235,000	210	0.30
Netflix 5.75% 01/3/2024	USD 72,000	60	0.09
New Red Finance 6% 01/4/2022	USD 160,000	128	0.18
Nexstar Broadcasting 6.125% 15/2/2022	USD 107,000	86	0.12
Nexstar Escrow 5.625% 01/8/2024	USD 25,000	19	0.03
Niagara Mohawk Power 3.508% 01/10/2024	USD 100,000	80	0.11
Nokia 5.375% 15/5/2019	USD 12,000	10	0.01
Nordea Bank 1.875% 10/11/2025	EUR 100,000	91	0.13
NOVA Chemicals 4.875% 01/6/2024	USD 65,000	50	0.07
NOVA Chemicals 5.25% 01/8/2023	USD 158,000	125	0.18
Novelis 5.875% 30/9/2026	USD 34,000	27	0.04
Novelis 6.25% 15/8/2024	USD 106,000	86	0.12
NRG Energy 6.625% 15/1/2027	USD 84,000	65	0.09
NRG Energy 7.25% 15/5/2026	USD 169,000	135	0.19
NRG Energy 7.875% 15/5/2021	USD 14,000	11	0.02
Oasis Petroleum 6.875% 15/3/2022	USD 170,000	127	0.18
Oasis Petroleum 6.875% 15/1/2023	USD 22,000	16	0.02
Oncor Electric Delivery 3.75% 01/4/2045	USD 100,000	75	0.11
Open Text 5.625% 15/1/2023	USD 153,000	123	0.17
Oracle 3.85% 15/7/2036	USD 146,000	116	0.16
Owens-Brockway Glass Container 5.875% 15/8/2023	USD 128,000	109	0.15
Pacific Gas & Electric 5.125% 15/11/2043	USD 353,000	323	0.46
Park Aerospace 5.25% 15/8/2022	USD 60,000	48	0.07
Park Aerospace 5.5% 15/2/2024	USD 153,000	123	0.17
Parsley Energy 5.375% 15/1/2025	USD 77,000	60	0.09
PDC Energy 6.125% 15/9/2024	USD 85,000	66	0.09
Perusahaan Penerbit SBSN Indonesia III 4.55% 29/3/2026	USD 503,000	403	0.57
Petrobras Global Finance 6.125% 17/1/2022	USD 67,000	53	0.08
Philip Morris International 6.375% 16/5/2038	USD 150,000	152	0.22
Post 5% 15/8/2026	USD 81,000	62	0.09
Prologis 3% 18/1/2022	EUR 200,000	193	0.27
Prologis 3.375% 20/2/2024	EUR 100,000	100	0.14
Pulte 6% 15/2/2035	USD 76,000	59	0.08
Pulte 7.875% 15/6/2032	USD 149,000	134	0.19
Quintiles IMS 3.25% 15/3/2025	EUR 100,000	89	0.13
Radiate Holdco 6.625% 15/2/2025	USD 84,000	65	0.09
Rain CII Carbon 8.5% 15/1/2021	EUR 100,000	91	0.13
RCI Banque 1.625% 11/4/2025	EUR 80,000	71	0.10
Regency Energy Partners 5% 01/10/2022	USD 59,000	49	0.07

Portfolio Statement

continued

Portfolio Statement (unaudited) continued

Investments	Holding	Market Value £000's	Total Net Assets %
Non-Sterling Denominated Corporate Bonds (continued)			
Regions Financial 3.2% 08/2/2021	USD 158,000	124	0.18
RELX 8.625% 15/1/2019	USD 200,000	168	0.24
Republic Services 3.2% 15/3/2025	USD 160,000	124	0.18
Reynolds American 5.85% 15/8/2045	USD 85,000	80	0.11
Reynolds American 8.125% 23/6/2019	USD 97,000	83	0.12
Reynolds Issuer 5.125% 15/7/2023	USD 164,000	131	0.19
Rio Tinto Finance 5.2% 02/11/2040	USD 133,000	121	0.17
Roper Technologies 3.8% 15/12/2026	USD 80,000	63	0.09
Rowan 7.375% 15/6/2025	USD 77,000	55	0.08
Royal Bank of Scotland 2% 08/3/2023	EUR 100,000	91	0.13
S&P Global 3.3% 14/8/2020	USD 100,000	79	0.11
S&P Global Income 4% 15/6/2025	USD 100,000	81	0.12
Sabine Pass Liquefaction 6.25% 15/3/2022	USD 200,000	174	0.25
Samvardhana Motherson Automotive Systems 4.125% 15/7/2021	EUR 120,000	107	0.15
Sanchez Energy 6.125% 15/1/2023	USD 77,000	47	0.07
Santander UK 1.65% 29/9/2017	USD 200,000	154	0.22
SBA Tower Trust 3.168% 15/4/2047	USD 80,000	62	0.09
Scentre Management 1.5% 16/7/2020	EUR 100,000	91	0.13
Schlumberger 4% 21/12/2025	USD 107,000	86	0.12
Scotts Miracle-Gro 5.25% 15/12/2026	USD 95,000	77	0.11
Sensata Technologies UK Financing 6.25% 15/2/2026	USD 200,000	168	0.24
Service International 5.375% 15/5/2024	USD 190,000	154	0.22
Shell International Finance 1.25% 12/5/2028	EUR 100,000	87	0.12
Shell International Finance 1.875% 10/5/2021	USD 47,000	36	0.05
Shell International Finance 4.125% 11/5/2035	USD 70,000	56	0.08
Sherwin-Williams 3.125% 01/6/2024	USD 46,000	36	0.05
Sherwin-Williams 4.5% 01/6/2047	USD 64,000	52	0.07
Shire 2.875% 23/9/2023	USD 83,000	63	0.09
Silgan s 4.75% 15/3/2025	USD 128,000	101	0.14
Silk Bidco 7.5% 01/2/2022	EUR 125,000	117	0.17
Sinclair Television 6.125% 01/10/2022	USD 113,000	90	0.13
Sirius XM Radio 5.375% 15/4/2025	USD 128,000	102	0.14
Smurfit Kappa 2.75% 01/2/2025	EUR 100,000	91	0.13
Societe Des Autoroutes Paris-Rhin-Rhone 1.5% 15/1/2024	EUR 100,000	91	0.13
Southern 2.35% 01/7/2021	USD 109,000	83	0.12
Southern Copper 5.25% 08/11/2042	USD 75,000	57	0.08
Southwestern Energy 5.8% 23/1/2020	USD 101,000	79	0.11
Sprint 7.25% 15/9/2021	USD 304,000	260	0.37
Sprint Communications 6% 15/11/2022	USD 210,000	171	0.24
Sprint Communications 7% 15/8/2020	USD 136,000	115	0.16
Sprint Spectrum 3.36% 20/3/2023	USD 200,000	155	0.22
Standard Industries 5.5% 15/2/2023	USD 166,000	135	0.19
Standard Industries 6% 15/10/2025	USD 206,000	170	0.24
Steel Dynamics 5% 15/12/2026	USD 84,000	66	0.09
Steel Dynamics 5.25% 15/4/2023	USD 105,000	84	0.12
Steel Dynamics 5.5% 01/10/2024	USD 32,000	26	0.04

Portfolio Statement

continued

Portfolio Statement (unaudited) continued

Investments	Holding	Market Value £000's	Total Net Assets %
Non-Sterling Denominated Corporate Bonds (continued)			
Summit Materials Finance 5.125% 01/6/2025	USD 46,000	36	0.05
Surgery Center s 6.75% 01/7/2025	USD 151,000	118	0.17
Symantec 5% 15/4/2025	USD 160,000	129	0.18
Team Health 6.375% 01/2/2025	USD 89,000	66	0.09
Teck Resources 3.75% 01/2/2023	USD 39,000	29	0.04
Teck Resources 4.75% 15/1/2022	USD 40,000	32	0.05
Telefónica Emisiones 6.221% 03/7/2017	USD 300,000	231	0.33
Tempo Acquisition Finance 6.75% 01/6/2025	USD 148,000	117	0.17
Tenet Healthcare 4.5% 01/4/2021	USD 10,000	8	0.01
Tenet Healthcare 4.625% 15/7/2024	USD 23,000	18	0.03
Tenet Healthcare 8.125% 01/4/2022	USD 43,000	35	0.05
Tennant 5.625% 01/5/2025	USD 79,000	64	0.09
Teva Pharmaceutical 1.25% 31/3/2023	EUR 140,000	121	0.17
Teva Pharmaceutical Finance Netherlands III BV 4.1% 01/10/2046	USD 31,000	22	0.03
THC Escrow III 4.625% 15/7/2024	USD 29,000	22	0.03
THC Escrow III 5.125% 01/5/2025	USD 84,000	65	0.09
Thermo Fisher Scientific 0.75% 12/9/2024	EUR 100,000	84	0.12
T-Mobile USA 6.125% 15/1/2022	USD 211,000	171	0.24
Trinidad Drilling 6.625% 15/2/2025	USD 112,000	82	0.12
Tullow Oil 6% 01/11/2020	USD 200,000	146	0.21
UBS Funding Jersey 1.25% 01/9/2026	EUR 200,000	173	0.25
Ultra Resources 6.875% 15/4/2022	USD 53,000	41	0.06
Ultra Resources 7.125% 15/4/2025	USD 75,000	57	0.08
United Airlines 2013-1 Class B Pass Through Trust 5.375% 15/8/2021	USD 154,273	125	0.18
UnitedHealth 6.625% 15/11/2037	USD 101,000	107	0.15
Unitymedia Hessen 4% 15/1/2025	EUR 150,000	139	0.20
US Airways 2012-2 Class A Pass Through Trust 4.625% 03/12/2026	USD 147,653	122	0.17
USG 4.875% 01/6/2027	USD 115,000	91	0.13
Valeant Pharmaceuticals 7% 01/10/2020	USD 150,000	114	0.16
Valeant Pharmaceuticals International 6.125% 15/4/2025	USD 100,000	65	0.09
Valeant Pharmaceuticals International 6.75% 15/8/2021	USD 127,000	93	0.13
Valeant Pharmaceuticals International 7% 15/3/2024	USD 78,000	63	0.09
Vector 6.125% 01/2/2025	USD 150,000	120	0.17
Vedanta Resources 6.375% 30/7/2022	USD 200,000	154	0.22
Verizon Communications 5.012% 21/8/2054	USD 223,000	169	0.24
Versum Materials 5.5% 30/9/2024	USD 137,000	111	0.16
Viking Cruises 6.25% 15/5/2025	USD 175,000	136	0.19
Viking Cruises 8.5% 15/10/2022	USD 20,000	16	0.02
Virgin Media Finance 6% 15/10/2024	USD 170,000	139	0.20
Volkswagen International Finance 1.875% 30/3/2027	EUR 100,000	88	0.13
Volkswagen International Finance 2.7% Perpetual	EUR 100,000	87	0.12
Volkswagen Leasing 0.75% 11/8/2020	EUR 100,000	89	0.13

Portfolio Statement

continued

Portfolio Statement (unaudited) continued

Investments	Holding	Market Value £000's	Total Net Assets %
Non-Sterling Denominated Corporate Bonds (continued)			
Volkswagen Leasing 1.375% 20/1/2025	EUR 140,000	122	0.17
Vornado Realty 5% 15/1/2022	USD 100,000	84	0.12
Waste Management 2.4% 15/5/2023	USD 112,000	85	0.12
Waterjet Holdings 7.625% 01/2/2020	USD 93,000	74	0.11
Weatherford International 8.25% 15/6/2023	USD 129,000	99	0.14
WEPA Hygieneprodukte 3.75% 15/5/2024	EUR 100,000	91	0.13
Westvaco 8.2% 15/1/2030	USD 56,000	61	0.09
Williams Partners 5.25% 15/3/2020	USD 63,000	52	0.07
WPX Energy 6% 15/1/2022	USD 72,000	55	0.08
WPX Energy 8.25% 01/8/2023	USD 128,000	107	0.15
XPO Logistics 6.5% 15/6/2022	USD 106,000	86	0.12
Zayo 5.75% 15/1/2027	USD 71,000	57	0.08
ZF North America Capital 2.75% 27/4/2023	EUR 200,000	188	0.27
ZF North America Capital 4.75% 29/4/2025	USD 120,000	97	0.14
Ziggo Bond Finance 4.625% 15/1/2025	EUR 110,000	102	0.14
Zoetis 3.25% 01/2/2023	USD 50,000	39	0.06
Zoetis 4.7% 01/2/2043	USD 49,000	41	0.06
Kazakhstan 0.00% (0.00%)			
Fortebank JSC GDR*	112	—	0.00
Fortebank JSC GDR*	2	—	0.00
Luxembourg 3.13% (3.14%)			
Standard Life Investments Global Emerging Market Fund†	18,1384	2,201	3.13
Derivatives 0.15% (-0.20%)			
AUD Forward Foreign Currency Contracts 0.00% (0.03%)			
Forward Foreign Currency Contracts 24/7/2017	AUD (155,435)	(92)	(0.13)
Forward Foreign Currency Contracts 24/7/2017	£92,425	92	0.13
CAD Forward Foreign Currency Contracts 0.00% (0.00%)			
Forward Foreign Currency Contracts 24/7/2017	CAD (256,863)	(152)	(0.22)
Forward Foreign Currency Contracts 24/7/2017	£151,777	152	0.22
Forward Foreign Currency Contracts 24/7/2017	CAD (5,515)	(3)	0.00
Forward Foreign Currency Contracts 24/7/2017	£3,270	3	0.00
EUR Forward Foreign Currency Contracts -0.16% (0.47%)			
Forward Foreign Currency Contracts 24/7/2017	EUR (6,296,651)	(5,531)	(7.86)
Forward Foreign Currency Contracts 24/7/2017	£5,512,673	5,513	7.84
Forward Foreign Currency Contracts 24/7/2017	EUR (100,056)	(88)	(0.13)
Forward Foreign Currency Contracts 24/7/2017	£87,634	88	0.13
Forward Foreign Currency Contracts 4/8/2017	EUR 193,803	170	0.24
Forward Foreign Currency Contracts 4/8/2017	£(169,151)	(169)	(0.24)
Forward Foreign Currency Contracts 4/8/2017	EUR 105,252	93	0.13
Forward Foreign Currency Contracts 4/8/2017	£(92,738)	(93)	(0.13)
Forward Foreign Currency Contracts 4/8/2017	EUR (3,029,545)	(2,662)	(3.78)
Forward Foreign Currency Contracts 4/8/2017	£2,562,692	2,563	3.64

Portfolio Statement

continued

Portfolio Statement (unaudited) continued

Investments	Holding	Market Value £000's	Total Net Assets %
EUR Forward Foreign Currency Contracts continued)			
Forward Foreign Currency Contracts 4/8/2017	EUR (100,056)	(88)	(0.13)
Forward Foreign Currency Contracts 4/8/2017	£87,639	88	0.13
Forward Foreign Currency Contracts 4/8/2017	EUR (44,267)	(39)	(0.06)
Forward Foreign Currency Contracts 4/8/2017	£39,043	39	0.06
INR Forward Foreign Currency Contracts 0.00% (0.00%)			
Forward Foreign Currency Contracts 16/8/2017	INR (10,639,500)	(126)	(0.18)
Forward Foreign Currency Contracts 16/8/2017	£124,818	125	0.18
Forward Foreign Currency Contracts 16/8/2017	INR 10,639,500	126	0.18
Forward Foreign Currency Contracts 16/8/2017	£(126,222)	(126)	(0.18)
MXN Forward Foreign Currency Contracts 0.00% (0.00%)			
Forward Foreign Currency Contracts 16/8/2017	MXN 401,438	17	0.02
Forward Foreign Currency Contracts 16/8/2017	£(16,167)	(16)	(0.02)
USD Forward Foreign Currency Contracts 0.32% (-0.71%)			
Forward Foreign Currency Contracts 6/7/2017	USD 61,483	47	0.07
Forward Foreign Currency Contracts 6/7/2017	£(47,437)	(47)	(0.07)
Forward Foreign Currency Contracts 12/7/2017	USD 112,700	87	0.12
Forward Foreign Currency Contracts 12/7/2017	£(86,804)	(87)	(0.12)
Forward Foreign Currency Contracts 24/7/2017	USD 208,983	161	0.23
Forward Foreign Currency Contracts 24/7/2017	£(162,839)	(163)	(0.23)
Forward Foreign Currency Contracts 24/7/2017	USD (21,516,974)	(16,553)	(23.53)
Forward Foreign Currency Contracts 24/7/2017	£16,835,923	16,836	23.94
Forward Foreign Currency Contracts 24/7/2017	USD (98,918)	(76)	(0.11)
Forward Foreign Currency Contracts 24/7/2017	£77,223	77	0.11
Forward Foreign Currency Contracts 27/7/2017	USD (1,047,604)	(806)	(1.15)
Forward Foreign Currency Contracts 27/7/2017	£808,680	809	1.15
Forward Foreign Currency Contracts 27/7/2017	USD (328,033)	(252)	(0.36)
Forward Foreign Currency Contracts 27/7/2017	£253,719	254	0.36
Forward Foreign Currency Contracts 27/7/2017	USD (523,694)	(403)	(0.57)
Forward Foreign Currency Contracts 27/7/2017	£402,708	403	0.57
Forward Foreign Currency Contracts 27/7/2017	USD (2,472,200)	(1,902)	(2.70)
Forward Foreign Currency Contracts 27/7/2017	£1,893,172	1,893	2.69
Forward Foreign Currency Contracts 27/7/2017	USD 752,713	579	0.82
Forward Foreign Currency Contracts 27/7/2017	£(577,292)	(577)	(0.82)
Forward Foreign Currency Contracts 27/7/2017	USD 3,618,819	2,784	3.96
Forward Foreign Currency Contracts 27/7/2017	£(2,781,531)	(2,782)	(3.96)
Forward Foreign Currency Contracts 27/7/2017	USD 428,820	330	0.47
Forward Foreign Currency Contracts 27/7/2017	£(330,359)	(330)	(0.47)
Forward Foreign Currency Contracts 27/7/2017	USD 568,591	437	0.62
Forward Foreign Currency Contracts 27/7/2017	£(438,044)	(438)	(0.62)
Forward Foreign Currency Contracts 4/8/2017	USD (115,596)	(89)	(0.13)
Forward Foreign Currency Contracts 4/8/2017	£89,213	89	0.13
Forward Foreign Currency Contracts 4/8/2017	USD (24,952)	(19)	(0.03)
Forward Foreign Currency Contracts 4/8/2017	£19,246	19	0.03
Forward Foreign Currency Contracts 4/8/2017	USD (22,743,158)	(17,490)	(24.87)
Forward Foreign Currency Contracts 4/8/2017	£17,501,783	17,502	24.88
Forward Foreign Currency Contracts 4/8/2017	USD (46,000)	(35)	(0.05)

Portfolio Statement

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Portfolio Statement (unaudited) continued

Investments	Holding	Market Value £000's	Total Net Assets %
USD Forward Foreign Currency Contracts (continued)			
Forward Foreign Currency Contracts 4/8/2017	£35,443	35	0.05
Forward Foreign Currency Contracts 4/8/2017	USD (80,765)	(62)	(0.09)
Forward Foreign Currency Contracts 4/8/2017	£62,222	62	0.09
Forward Foreign Currency Contracts 4/8/2017	USD (139,000)	(107)	(0.15)
Forward Foreign Currency Contracts 4/8/2017	£107,328	107	0.15
Forward Foreign Currency Contracts 4/8/2017	USD (18,135)	(14)	(0.02)
Forward Foreign Currency Contracts 4/8/2017	£14,004	14	0.02
Forward Foreign Currency Contracts 4/8/2017	USD (55,771)	(43)	(0.06)
Forward Foreign Currency Contracts 4/8/2017	£43,185	43	0.06
Forward Foreign Currency Contracts 4/8/2017	USD (45,385)	(35)	(0.05)
Forward Foreign Currency Contracts 4/8/2017	£34,854	35	0.05
Forward Foreign Currency Contracts 4/8/2017	USD (98,155)	(75)	(0.11)
Forward Foreign Currency Contracts 4/8/2017	£75,376	75	0.11
Forward Foreign Currency Contracts 4/8/2017	USD (65,123)	(50)	(0.07)
Forward Foreign Currency Contracts 4/8/2017	£50,487	50	0.07
Forward Foreign Currency Contracts 4/8/2017	USD (53,445)	(41)	(0.06)
Forward Foreign Currency Contracts 4/8/2017	£41,515	42	0.06
Forward Foreign Currency Contracts 4/8/2017	USD (42,824)	(33)	(0.05)
Forward Foreign Currency Contracts 4/8/2017	£33,062	33	0.05
Forward Foreign Currency Contracts 4/8/2017	USD (102,229)	(79)	(0.11)
Forward Foreign Currency Contracts 4/8/2017	£79,099	79	0.11
Forward Foreign Currency Contracts 4/8/2017	USD (16,937)	(13)	(0.02)
Forward Foreign Currency Contracts 4/8/2017	£13,045	13	0.02
Forward Foreign Currency Contracts 4/8/2017	USD (34,000)	(26)	(0.04)
Forward Foreign Currency Contracts 4/8/2017	£26,642	27	0.04
Forward Foreign Currency Contracts 4/8/2017	USD (43,620)	(34)	(0.05)
Forward Foreign Currency Contracts 4/8/2017	£34,204	34	0.05
Forward Foreign Currency Contracts 4/8/2017	USD (50,605)	(39)	(0.06)
Forward Foreign Currency Contracts 4/8/2017	£39,653	40	0.06
Forward Foreign Currency Contracts 4/8/2017	USD (87,000)	(67)	(0.10)
Forward Foreign Currency Contracts 4/8/2017	£68,172	68	0.10
Forward Foreign Currency Contracts 4/8/2017	USD (8,515)	(7)	(0.01)
Forward Foreign Currency Contracts 4/8/2017	£6,687	7	0.01
Forward Foreign Currency Contracts 4/8/2017	USD (84,089)	(65)	(0.09)
Forward Foreign Currency Contracts 4/8/2017	£66,110	66	0.09
Forward Foreign Currency Contracts 4/8/2017	USD (69,387)	(53)	(0.08)
Forward Foreign Currency Contracts 4/8/2017	£54,143	54	0.08
Forward Foreign Currency Contracts 4/8/2017	USD (38,000)	(29)	(0.04)
Forward Foreign Currency Contracts 4/8/2017	£29,834	30	0.04
Forward Foreign Currency Contracts 4/8/2017	USD (70,902)	(55)	(0.08)
Forward Foreign Currency Contracts 4/8/2017	£55,661	56	0.08
Forward Foreign Currency Contracts 4/8/2017	USD (26,134)	(20)	(0.03)
Forward Foreign Currency Contracts 4/8/2017	£20,115	20	0.03
Forward Foreign Currency Contracts 4/8/2017	USD (112,700)	(87)	(0.12)
Forward Foreign Currency Contracts 4/8/2017	£86,742	87	0.12
Forward Foreign Currency Contracts 4/8/2017	USD 61,999	48	0.07
Forward Foreign Currency Contracts 4/8/2017	£(47,663)	(48)	(0.07)
Forward Foreign Currency Contracts 4/8/2017	USD 109,617	84	0.12

Portfolio Statement

continued

Portfolio Statement (unaudited) continued

Investments	Holding	Market Value £000's	Total Net Assets %
USD Forward Foreign Currency Contracts (continued)			
Forward Foreign Currency Contracts 4/8/2017	£(84,615)	(85)	(0.12)
Forward Foreign Currency Contracts 4/8/2017	USD 116,294	89	0.13
Forward Foreign Currency Contracts 4/8/2017	£(89,560)	(90)	(0.13)
Forward Foreign Currency Contracts 4/8/2017	USD 10,558	8	0.01
Forward Foreign Currency Contracts 4/8/2017	£(8,184)	(8)	(0.01)
Forward Foreign Currency Contracts 4/8/2017	USD 149,346	115	0.16
Forward Foreign Currency Contracts 4/8/2017	£(116,089)	(116)	(0.16)
Forward Foreign Currency Contracts 4/8/2017	USD 19,695	15	0.02
Forward Foreign Currency Contracts 4/8/2017	£(15,295)	(15)	(0.02)
Forward Foreign Currency Contracts 4/8/2017	USD 24,090	19	0.03
Forward Foreign Currency Contracts 4/8/2017	£(18,920)	(19)	(0.03)
Forward Foreign Currency Contracts 4/8/2017	USD 27,238	21	0.03
Forward Foreign Currency Contracts 4/8/2017	£(21,351)	(21)	(0.03)
Forward Foreign Currency Contracts 4/8/2017	USD 38,000	29	0.04
Forward Foreign Currency Contracts 4/8/2017	£(29,982)	(30)	(0.04)
Forward Foreign Currency Contracts 4/8/2017	USD 19,724	15	0.02
Forward Foreign Currency Contracts 4/8/2017	£(15,484)	(15)	(0.02)
Forward Foreign Currency Contracts 4/8/2017	USD 68,962	53	0.08
Forward Foreign Currency Contracts 4/8/2017	£(54,171)	(54)	(0.08)
Forward Foreign Currency Contracts 4/8/2017	USD 77,852	60	0.09
Forward Foreign Currency Contracts 4/8/2017	£(61,007)	(61)	(0.09)
Forward Foreign Currency Contracts 4/8/2017	USD 5,146	4	0.01
Forward Foreign Currency Contracts 4/8/2017	£(4,008)	(4)	(0.01)
Forward Foreign Currency Contracts 4/8/2017	USD 386,066	297	0.42
Forward Foreign Currency Contracts 4/8/2017	£(297,426)	(297)	(0.42)
Forward Foreign Currency Contracts 16/8/2017	USD (164,041)	(126)	(0.18)
Forward Foreign Currency Contracts 16/8/2017	£127,128	127	0.18
Forward Foreign Currency Contracts 16/8/2017	USD (22,304,111)	(17,147)	(24.38)
Forward Foreign Currency Contracts 16/8/2017	£17,108,518	17,109	24.33
Forward Foreign Currency Contracts 16/8/2017	USD (3,618,819)	(2,782)	(3.96)
Forward Foreign Currency Contracts 16/8/2017	£2,779,917	2,780	3.95
Forward Foreign Currency Contracts 16/8/2017	USD (216,954)	(167)	(0.24)
Forward Foreign Currency Contracts 16/8/2017	£168,128	168	0.24
Forward Foreign Currency Contracts 16/8/2017	USD (282,156)	(217)	(0.31)
Forward Foreign Currency Contracts 16/8/2017	£219,027	219	0.31
Forward Foreign Currency Contracts 16/8/2017	USD (348,017)	(268)	(0.38)
Forward Foreign Currency Contracts 16/8/2017	£270,135	270	0.38
Forward Foreign Currency Contracts 16/8/2017	USD (389,037)	(299)	(0.43)
Forward Foreign Currency Contracts 16/8/2017	£300,000	300	0.43
Forward Foreign Currency Contracts 16/8/2017	USD (231,717)	(178)	(0.25)
Forward Foreign Currency Contracts 16/8/2017	£181,637	182	0.26
Forward Foreign Currency Contracts 16/8/2017	USD (77,359)	(59)	(0.08)
Forward Foreign Currency Contracts 16/8/2017	£60,732	61	0.09
Forward Foreign Currency Contracts 16/8/2017	USD (202,477)	(156)	(0.22)
Forward Foreign Currency Contracts 16/8/2017	£158,424	158	0.22
Forward Foreign Currency Contracts 16/8/2017	USD (154,885)	(119)	(0.17)
Forward Foreign Currency Contracts 16/8/2017	£121,370	121	0.17

Portfolio Statement

continued

Portfolio Statement (unaudited) continued

Investments	Holding	Market Value £000's	Total Net Assets %
USD Forward Foreign Currency Contracts (continued)			
Forward Foreign Currency Contracts 16/8/2017	USD (585,714)	(450)	(0.64)
Forward Foreign Currency Contracts 16/8/2017	£460,320	460	0.65
Forward Foreign Currency Contracts 16/8/2017	USD (324,000)	(249)	(0.35)
Forward Foreign Currency Contracts 16/8/2017	£254,748	255	0.36
Forward Foreign Currency Contracts 16/8/2017	USD (317,315)	(244)	(0.35)
Forward Foreign Currency Contracts 16/8/2017	£250,293	250	0.36
Forward Foreign Currency Contracts 16/8/2017	USD (192,124)	(148)	(0.21)
Forward Foreign Currency Contracts 16/8/2017	£150,773	151	0.21
Forward Foreign Currency Contracts 16/8/2017	USD (60,609)	(47)	(0.07)
Forward Foreign Currency Contracts 16/8/2017	£47,205	47	0.07
Forward Foreign Currency Contracts 16/8/2017	USD 1,537,129	1,182	1.68
Forward Foreign Currency Contracts 16/8/2017	£(1,179,065)	(1,179)	(1.68)
Forward Foreign Currency Contracts 16/8/2017	USD 163,584	126	0.18
Forward Foreign Currency Contracts 16/8/2017	INR (10,639,500)	(126)	(0.18)
Forward Foreign Currency Contracts 16/8/2017	USD 368,706	283	0.40
Forward Foreign Currency Contracts 16/8/2017	£(285,704)	(286)	(0.41)
Forward Foreign Currency Contracts 16/8/2017	USD 634,424	488	0.69
Forward Foreign Currency Contracts 16/8/2017	£(498,602)	(499)	(0.71)
Forward Foreign Currency Contracts 16/8/2017	USD 713,140	548	0.78
Forward Foreign Currency Contracts 16/8/2017	£(560,725)	(561)	(0.80)
Forward Foreign Currency Contracts 16/8/2017	USD 752,183	578	0.82
Forward Foreign Currency Contracts 16/8/2017	£(591,206)	(591)	(0.84)
Forward Foreign Currency Contracts 16/8/2017	USD 536,051	412	0.59
Forward Foreign Currency Contracts 16/8/2017	£(421,127)	(421)	(0.60)
Futures & Options -0.01% (0.01%)			
Euro-Bund September 2017 Futures	5	(11)	(0.02)
US 10 Year Notes September 2017 Futures	(2)	2	0.00
US 5 Year Notes September 2017 Futures	(2)	1	0.00
US Long Bond September 2017 Futures	5	6	0.01
Portfolio of investments		66,057	93.92
Net current assets		4,278	6.08
Total net assets		70,335	100.00

†Related party.

*In default.

Total unapproved and unquoted securities 0.00%.

Comparative figures in brackets refer to 31 December 2016.

Unless otherwise indicated, the holdings in the Portfolio Statement represent the ordinary shares, ordinary stock units, common shares or debt securities of the relevant companies or issuers, which are listed on an eligible securities market.

Financial Statements

for the six months ended 30 June 2017

Statement of Total Return (unaudited)

	Notes	30 June 2017		30 June 2016	
		£000's	£000's	£000's	£000's
Income					
Net capital gains					
Net capital gains on investments	1	2,713		2,899	
Other (losses)/gains	1	(1,157)		46	
			1,556		2,945
Revenue	2	1,663		1,745	
Expenses	3	(44)		(10)	
Interest payable and similar charges	4	(3)		(5)	
Net revenue before taxation		1,616		1,730	
Taxation		(8)		(4)	
Net revenue after taxation			1,608		1,726
Total return before distributions			3,164		4,671
Distributions	5		(1,652)		(1,736)
Net increase in Shareholders' funds from Investment activities			1,512		2,935

Statement of Movement in Shareholders' Funds (unaudited)

	30 June 2017		30 June 2016	
	£000's	£000's	£000's	£000's
Opening net assets attributable to Shareholders		67,115		68,890
Amounts receivable on issue of shares	4,726		2,149	
Amounts payable on cancellation of shares	(3,018)		(6,444)	
		1,708		(4,295)
Net increase in Shareholders' funds from investment activities (see above)		1,512		2,935
Closing net assets attributable to Shareholders		70,335		67,530

The opening net assets attributable to shareholders for the current period do not equal the closing net assets attributable to shareholders for the comparative period as they are not consecutive periods.

All results above are derived from continuing activities for both the current and prior periods.

Financial Statements

as at 30 June 2017

Statement of Financial Position (unaudited)

	Notes	30 June 2017		31 December 2016	
		£000's	£000's	£000's	£000's
Assets					
Fixed assets					
Investment assets at fair value through profit or loss			66,293		65,173
Current assets					
Debtors	7	1,114		980	
Cash and bank balances		4,654		2,619	
Total current assets			5,768		3,599
Total assets			72,061		68,772
Liabilities					
Investment liabilities at fair value through profit or loss			(236)		(776)
Creditors					
Bank overdrafts		(11)			
Distribution payable	8	(928)		(807)	
Other creditors	8	(551)		(74)	
Total current liabilities			(1,490)		(881)
Total liabilities			(1,726)		(1,657)
Net assets attributable to Shareholders			70,335		67,115

All liabilities are current.

The notes on pages 14 to 18 and pages 64 to 65 form part of these Financial Statements.

Notes to the Financial Statements

for the six months ended 30 June 2017

1 Net capital gains

The net capital gains on investments during the period comprise:

	June 2017 £000's	June 2016 £000's
Non-derivative securities*	(850)	9,253
Derivative securities*	1	(118)
Forward currency contracts*	3,571	(6,227)
Other (losses)/gains - currency (losses)/gains*	(1,157)	46
Custodial transaction fees	(9)	(9)
Net capital gains	1,556	2,945

*Net gains (excluding custodial transaction fees) listed above of £1,564,619 comprise net realised gains of £5,003,392 and net unrealised losses of £(3,438,773) (2016: £2,954,239 comprising net realised losses of £(1,647,617) and net unrealised gains of £4,602,003). £2,517,926 of the net realised gains in the current period had been shown as net unrealised gains in previous periods (2016: £(544,307)).

2 Revenue

	June 2017 £000's	June 2016 £000's
Bank interest	2	14
Interest on debt securities	1,659	1,726
Money market deposit	2	5
Total revenue	1,663	1,745

3 Expenses

	June 2017 £000's	June 2016 £000's
Payable to the Manager or associates of the Manager:		
Manager's periodic charge	12	15
	12	15
Other expenses:		
Audit fees	5	(4)
Custodian fees	10	11
Directors' fees	8	5
Other expenses	9	(17)
	32	(5)
Total expenses	44	10

4 Interest payable and similar charges

	June 2017 £000's	June 2016 £000's
Interest payable	3	5
Total interest payable and similar charges	3	5

Notes to the Financial Statements

continued

5 Distributions

The distributions take account of amounts added on the issue of shares and amounts deducted on the cancellation of shares. They comprise:

	June 2017 £000's	June 2016 £000's
Interim distribution 31 March	736	917
Interim distribution 30 June	928	794
	1,664	1,711
Amounts added on issue of shares	(31)	(16)
Amounts deducted on cancellation of shares	19	41
Gross distributions for the period	1,652	1,736

6 Net movement between revenue after taxation and distributions

	June 2017 £000's	June 2016 £000's
Net revenue after taxation	1,608	1,726
Expense paid from capital	44	10
Gross distributions for the year	1,652	1,736

7 Debtors

	June 2017 £000's	December 2016 £000's
Accrued revenue	848	938
Amounts receivable on issue of units	33	40
Foreign currency contracts receivable	88	—
Prepaid expenses	1	2
Sales awaiting settlement	144	—
Total debtors	1,114	980

8 Creditors

	June 2017 £000's	December 2016 £000's
a) Distribution payable		
Gross distribution payable	928	807
Total distribution payable	928	807
b) Other creditors		
Accrued expenses	15	24
Amount payable for cancellation of shares	—	50
Foreign currency contracts payable	88	—
Purchases awaiting settlement	448	—
Total other creditors	551	74

Income Class

Fund Report

Environment

Global equity markets extended last year's strong performance into the first half of 2017, with investors adopting a more optimistic tone. The improving global economy, generally positive corporate results and an easing of some political tension helped lift the mood in markets. Early in the review period, there were hopes that US President Donald Trump's proposed policies (tax cuts, infrastructure and defence spending, regulatory rollback) would boost economic growth and lift corporate profits. Meanwhile, Emmanuel Macron won the French election, triumphing over his anti-EU rival Marine Le Pen. Political developments closer to home also continued to influence investor sentiment, with a 'snap' UK general election the main focus. Prime Minister Theresa May called the election with the goal of strengthening her hand in Brexit negotiations. This move backfired, however, resulting in a hung parliament.

Against this backdrop, the UK economy proved more robust than expected in the aftermath of the EU referendum, which underpinned solid equity market gains throughout the six-month period. Business activity growth hit a three-month high in March – a considerable rebound from February's five-month low. Corporate activity and business optimism did subsequently weaken in the second half of the period, but this was attributed to political upheaval generated by the 'snap' general election. Purchasing Managers' Index figures showed a slowdown in the second quarter but remained robust. Surveys released latterly also illustrated that the number of new jobs created was at its highest rate for the last few years, demonstrating that businesses are optimistic about the economic outlook.

Performance

In this environment, the Fund returned 5.1% over the six-month period, which was ahead of the benchmark return of 4.6%. High-yielding stocks continued to underperform over this period, relative to the broader market. This was a significant impediment to this income-focused mandate; however, successful stock selection more than offset this headwind.

In contrast to 2016, divergence of performance between different equity sectors was low during the period. That is to say, technology was strong and energy and telecommunications were weak during the period, but there was not a great deal of difference between the returns from the remaining sectors. Such an environment is positive for stock pickers like ourselves, as the market rewards us for seeking out those companies that are performing ahead of their peers. This is in contrast to much of last year, when for example, the whole mining sector rallied and it didn't really matter which company you owned. Investors owning poor-quality miners did just as well as those holding better-quality names. Specifically, there was little distinction between those companies that generate strong return on invested capital, have good capital discipline and solid leadership, and the rest of the market. Over this latest reporting period, strong equity selection translated into outperformance of the benchmark and broader market, with our holdings in consumer goods, healthcare and technology sectors particularly rewarding.

Within consumer goods, the gaming stock Activision Blizzard continued to perform well. Likewise, UK housebuilder Persimmon continued its strong run. In addition, Nestle's share price reacted very positively to the interest taken by activist, Dan Loeb. New management is already driving change at the company and this was seen as an additional positive influence, which may speed up the change process. The opportunities presented by our 'smart generation' and 'shifting consumption' investment themes provide us with high conviction in the technology sector. As such, the Fund has significant exposure to technology companies, which performed strongly over the period. This included Taiwanese semiconductor foundry TSMC, as well as Alphabet and Sage. In addition, companies driven by technology in other sectors, such as Amazon and RELX, also performed well.

Fund Report

continued

Performance continued

The performance of our financial holdings was broadly positive, as this sector should benefit from the rising interest-rate environment. Standout performers during the period were Danske Bank and HSBC.

On the negative side, our low exposure to the industrials sector was detrimental, as this diverse sector performed relatively strongly. In addition, the Fund's focus on yield leads us to have significant exposure to high-yielding sectors such as telecommunications, which performed poorly. This, therefore, detracted from returns.

The performance of our fixed-income holdings remained robust, particularly within gilts and corporate bonds. As mentioned previously, the bond market was weaker over the period. Therefore, the Fund's low allocation to gilts was particularly positive. In addition, strong stock selection in investment-grade credit added to the Fund's relative performance.

Activity

As equity markets touched new highs and volatility new lows during the period, we were cognisant of the high valuations observed in many areas of the market. In light of this, activity during the period was fairly low.

We diversified our mining sector exposure by reducing our position in Rio Tinto, which is dominated by iron-ore production. We also bought shares in Antofagasta, a South American copper-mining company. We believe that the copper price will respond positively to tighter supply dynamics over the next few years and that this will benefit copper-mining companies.

Outlook

As global growth improves, a broadening improvement in corporate earnings and investor confidence has taken a number of equity markets to new highs this quarter. We think that earnings should continue to improve, particularly in Europe, as economic strengths feed through to the consumer's pocket. However, we remain cognisant of escalating geopolitical risks and potential policy risks (e.g. raising interest rates too soon), that could derail investor confidence, in addition to various imbalances around the world (e.g. Chinese debt levels and sub-prime auto loans in the US), that could further exacerbate any market volatility.

Our portfolios are constructed to have a range of asset classes and direct securities that collectively will deliver an attractive real return over the long term. Our thematic framework allows us to focus on how the world is changing and the impact that this has on economies, industries and businesses. We seek to identify those companies that will benefit from the changes as well as avoid those where the change will be detrimental. Experience has taught us that companies with strong balance sheets, which generate cash flow in excess of their operational requirements and prioritise this cash flow for reinvestment into the business and distributions to shareholders, in the form of dividends, tend to generate stronger and sustainable returns. As a result, they merit a long-term position in our portfolios regardless of shorter-term sentiment.

Statistics

Net Asset Value History by Share Class

Retail Shares* as at	Net Asset Value (£)	Pence per share	Shares in issue
31 December 2015	98	49.00	200
31 December 2016	158,716	54.10	293,358
30 June 2017	162,687	55.46	293,358

Z Shares* as at	Net Asset Value (£)	Pence per share	Shares in issue
31 December 2015	34,119,763	49.14	69,436,418
31 December 2016	48,094,278	54.80	87,758,803
30 June 2017	55,986,527	56.45	99,171,599

Distribution Information by Share Class

For the period ended 30 June 2017

Interim Distribution (in pence per share)	01.01.17 to 30.06.17	01.01.16 to 30.06.16
Retail Shares*		
Paid 31 May 2017	0.5909	0.4321
Payable 31 August 2017	0.5623	0.6045
	1.1532	1.0366
Z Shares*		
Paid 31 May 2017	0.5995	0.4784
Payable 31 August 2017	0.5716	0.6087
	1.1711	1.0871

*Retail shares and Z shares were launched on 9 March 2015.

Statistics

continued

The table below shows the top ten purchases and sales (excluding any derivative transactions) for the period:

Purchases	£000's
Dechra Pharmaceuticals	550
Antofagasta	541
Rio Tinto (UK Regd.)	517
HSBC (UK Regd.)	480
Deutsche Telekom (Regd.)	425
American Tower	424
Danske Bank	340
Apple	290
Total	282
WPP	229

Sales	£000's
Rio Tinto (UK Regd.)	582
AT&T	563
Disney (Walt)	446
Next	442
Ryohin Keikaku	387
Testra	348
Resorttrust	300
British Land	296
Anglo American Capital 6.875% 01/5/2018	197
Nokia 5.375% 15/5/2019	136

Portfolio Statement

as at 30 June 2017

Portfolio Statement (unaudited)

Investments	Holding	Market Value £000's	Total Net Assets %
UK Government Stocks 3.73% (4.37%)			
UK Treasury 0.125% 22/3/2044	£265,898	460	0.82
UK Treasury 3.25% 22/1/2044	£452,000	578	1.03
UK Treasury 4.25% 07/6/2032	£393,000	530	0.95
UK Treasury 4.25% 07/12/2040	£361,000	524	0.93
Sterling Denominated Corporate Bonds 6.97% (7.50%)			
Arqiva Financing 4.882% 31/12/2032	£200,000	227	0.40
AT&T 4.25% 01/6/2043	£100,000	107	0.19
BG Energy Capital 5.125% 01/12/2025	£61,000	76	0.14
Centrica 7% 19/9/2033	£100,000	152	0.27
Coventry Building Society 5.875% 28/9/2022	£128,000	155	0.28
Eastern Power Networks 5.75% 08/3/2024	£141,000	174	0.31
Électricité de France 5.875% 18/7/2031	£144,000	192	0.34
FirstGroup 6.875% 18/9/2024	£127,000	163	0.29
G4S 7.75% 13/5/2019	£135,000	150	0.27
GE Capital UK Funding 5.875% 04/11/2020	£142,000	164	0.29
GlaxoSmithKline Capital 5.25% 19/12/2033	£160,000	220	0.39
HSBC 5.75% 20/12/2027	£135,000	165	0.29
John Lewis 6.125% 21/1/2025	£124,000	150	0.27
Legal & General 5.375% 27/10/2045	£300,000	330	0.59
Lloyds Bank 7.625% 22/4/2025	£131,000	176	0.31
Nationwide Building Society 3.25% 20/1/2028	£135,000	146	0.26
NGG Finance 5.625% 18/6/2073	£173,000	196	0.35
QBE Capital Funding 7.5% 24/5/2041	£100,000	112	0.20
RELX 2.75% 01/8/2019	£100,000	103	0.18
RL Finance Bonds No 3 6.125% 13/11/2028	£100,000	113	0.20
Severn Trent Water Utilities 6.25% 07/6/2029	£62,000	87	0.16
Société Générale 8.875% Perpetual	£136,000	144	0.26
Tesco Property Finance 3 5.744% 13/4/2040	£169,090	186	0.33
Wal-Mart Stores 4.875% 19/1/2039	£163,000	226	0.40
Non-sterling Denominated Corporate Bonds 2.58% (2.62%)			
ABN AMRO Bank 2.875% 18/1/2028	EUR200,000	187	0.33
Altria 9.95% 10/11/2038	USD160,000	209	0.37
Anheuser-Busch InBev Finance 3.65% 01/2/2026	USD248,000	197	0.35
Conduent Finance 10.5% 15/12/2024	USD108,000	97	0.17
Equinix 4.875% 01/4/2020	USD146,000	115	0.21
Hilton Worldwide Finance 4.625% 01/4/2025	USD158,000	125	0.22
Nationwide Building Society 4.125% FRN 20/3/2023	EUR169,000	152	0.27
Nokia 5.375% 15/5/2019	USD72,000	59	0.11
Nokia OYJ 6.75% 04/2/2019	EUR157,000	152	0.27
Wells Fargo 2.25% 03/9/2020	EUR166,000	155	0.28

Portfolio Statement

continued

Portfolio Statement (unaudited) continued

Investments	Holding	Market Value £000's	Total Net Assets %
United Kingdom 30.22% (31.54%)			
AstraZeneca	14,241	731	1.30
Aviva	116,734	614	1.09
BP	229,669	1,017	1.81
Close Brothers	28,666	432	0.77
Dechra Pharmaceuticals	30,677	521	0.93
Empiric Student Property	146,919	164	0.29
GlaxoSmithKline	64,631	1,056	1.88
HSBC (UK Regd.)	231,954	1,651	2.94
ITV	169,727	308	0.55
National Grid	107,932	1,027	1.83
Pennon	60,669	501	0.89
Persimmon	28,631	642	1.14
Prudential	64,129	1,129	2.01
Reckitt Benckiser	7,588	591	1.05
RELX	36,232	601	1.07
Renewables Infrastructure	292,555	322	0.57
Rio Tinto (UK Regd.)	27,441	890	1.59
Sage	79,112	544	0.97
Severn Trent	26,840	585	1.04
Tritax Big Box Reit	491,698	718	1.28
Unilever	24,714	1,027	1.83
Vodafone	530,152	1,154	2.06
Wolseley	6,255	295	0.53
WPP	27,794	448	0.80
Investment Trusts 7.80% (5.31%)			
3i Infrastructure	274,776	525	0.94
Apax Global Alpha Fund	139,242	209	0.37
BB Biotech	11,735	554	0.99
BBGI	261,932	378	0.67
Bluefield Solar Income Fund	300,075	344	0.61
Fair Oaks Income	243,462	196	0.35
Funding Circle SME Income Fund	168,216	175	0.31
HICL Infrastructure	234,425	376	0.67
International Public Partnership	377,070	596	1.06
John Laing Infrastructure Fund	269,454	362	0.64
MedicX Fund	353,101	313	0.56
Polar Capital Technology Trust	36,300	351	0.63
United States of America 19.31% (19.50%)			
Accenture	7,504	715	1.27
Activision Blizzard	9,446	419	0.75
Alphabet 'A'	898	643	1.14
Amazon	830	618	1.10
American Tower	9,989	1,017	1.81
Apple	6,127	679	1.21
Eli Lilly	12,241	775	1.38
EOG Resources	4,076	284	0.51
Estee Lauder 'A'	6,868	507	0.90

Portfolio Statement

continued

Portfolio Statement (unaudited) continued

Investments	Holding	Market Value £000's	Total Net Assets %
United States of America continued			
Facebook	5,871	682	1.21
Fortune Brands Home & Security	12,489	627	1.12
Medtronic	11,545	789	1.41
Microsoft	16,586	880	1.57
Schlumberger	5,193	263	0.47
Taiwan Semiconductor Manufacturing ADS	30,900	831	1.48
Verizon Communications	15,419	530	0.94
Wells Fargo	13,720	585	1.04
Australia 0.00% (0.82%)			
Bermuda 0.93% (0.82%)			
Hiscox	41,385	524	0.93
Chile 0.93% (0.00%)			
Antofagasta	65,390	523	0.93
Denmark 2.01% (1.31%)			
Danske Bank	38,152	1,127	2.01
France 2.49% (2.47%)			
Air Liquide	3,863	367	0.65
Total	27,147	1,032	1.84
Germany 2.76% (1.95%)			
Covestro	13,435	742	1.32
Deutsche Telekom (Regd.)	58,728	810	1.44
Guernsey 0.31% (0.36%)			
Amedeo Air Four Plus	165,147	171	0.31
Ireland 1.15% (1.01%)			
CRH	23,569	644	1.15
Italy 1.25% (1.19%)			
Enel	170,417	702	1.25
Japan 0.77% (2.07%)			
Murata Manufacturing	3,719	434	0.77
Netherlands 2.34% (2.93%)			
Royal Dutch Shell 'B' (UK Regd.)	63,714	1,314	2.34
Sweden 1.97% (2.06%)			
Swedbank 'A'	58,984	1,106	1.97
Switzerland 5.56% (6.70%)			
Nestlé (Regd.)	11,750	788	1.40
Novartis (Regd.)	8,342	535	0.95
Roche Holding	5,590	1,097	1.96
Zurich Insurance	3,132	702	1.25

Portfolio Statement

continued

Portfolio Statement (unaudited) continued

Investments	Holding	Market Value £000's	Total Net Assets %
Derivatives -0.03% (0.04%)			
EUR Forward Foreign Currency Contracts -0.03% (0.06%)			
Forward Foreign Currency Contracts 14/8/2017	EUR (765,420)	(673)	(1.20)
Forward Foreign Currency Contracts 14/8/2017	£654,970	655	1.17
USD Forward Foreign Currency Contracts 0.00% (-0.02%)			
Forward Foreign Currency Contracts 14/8/2017	USD (1,214,043)	(933)	(1.66)
Forward Foreign Currency Contracts 14/8/2017	£936,815	937	1.67
Forward Foreign Currency Contracts 14/8/2017	USD 156,718	120	0.21
Forward Foreign Currency Contracts 14/8/2017	£(123,210)	(123)	(0.22)
Portfolio of investments		52,246	93.05
Net current assets		3,903	6.95
Total Net Assets		56,149	100.00

Total unapproved and unquoted securities 0.00%.

Comparative figures in brackets refer to 31 December 2016.

Unless otherwise indicated, the holdings in the Portfolio Statement represent the ordinary shares, ordinary stock units, common shares or debt securities of the relevant companies or issuers, which are listed on an eligible securities market.

Portfolio Statement by asset class

	Market value June 2017 £000's	Percentage of total net assets June 2017 %	Market value December 2016 £000's	Percentage of total net assets December 2016 %
Bonds	7,454	13.28	6,987	14.49
Equities	44,809	79.80	38,625	80.04
Derivatives	(17)	(0.03)	20	0.04
Portfolio of investments	52,246	93.05	45,632	94.57
Net current assets	3,903	6.95	2,621	5.43
Total net assets	56,149	100.00	48,253	100.00

Financial Statements

for the six months ended 30 June 2017

Statement of Total Return (unaudited)

	Notes	30 June 2017		30 June 2016	
		£000's	£000's	£000's	£000's
Income					
Net capital gains					
Net capital gains on investments	1	1,482		1,251	
Other gains/(losses)	1	1		(3)	
			1,483		1,248
Revenue	2	1,225		940	
Expenses	3	(25)		(22)	
Interest payable and similar charges	4	(1)		(2)	
Net revenue before taxation		1,199		916	
Taxation		(127)		(73)	
Net revenue after taxation			1,072		843
Total return before distributions			2,555		2,091
Distributions	5		(1,097)		(865)
Net increase in Shareholders' funds from Investment activities			1,458		1,226

Statement of Movement in Shareholders' Funds (unaudited)

	30 June 2017		30 June 2016	
	£000's	£000's	£000's	£000's
Opening net assets attributable to Shareholders		48,253		34,120
Amounts receivable on issue of shares	8,364		6,997	
Amounts payable on cancellation of shares	(1,926)		(767)	
		6,438		6,230
Dilution levy		—		5
Net increase in Shareholders' funds from investment activities (see above)		1,458		1,226
Closing net assets attributable to Shareholders		56,149		41,581

The opening net assets attributable to shareholders for the current period do not equal the closing net assets attributable to shareholders for the comparative period as they are not consecutive periods.

All results above are derived from continuing activities for both the current and prior periods.

Financial Statements

as at 30 June 2017

Statement of Financial Position (unaudited)

	Notes	30 June 2017		31 December 2016	
		£000's	£000's	£000's	£000's
Assets					
Fixed assets					
Investment assets at fair value through profit or loss			52,267		45,694
Current assets					
Debtors	7	344		198	
Cash and bank balances		4,136		2,756	
Total current assets			4,480		2,954
Total assets			56,747		48,648
Liabilities					
Investment liabilities at fair value through profit or loss			(21)		(62)
Creditors					
Distribution payable	8	(568)		(322)	
Other creditors	8	(9)		(11)	
Total current liabilities			(577)		(333)
Total liabilities			(598)		(395)
Net assets attributable to Shareholders			56,149		48,253

All liabilities are current.

The notes on pages 14 to 18 and pages 76 to 77 form part of these Financial Statements.

Notes to the Financial Statements

for the six months ended 30 June 2017

1 Net capital gains

The net capital gains on investments during the period comprise:

	June 2017 £000's	June 2016 £000's
Non-derivative securities*	1,455	1,465
Derivatives securities	—	(85)
Forward currency contracts*	31	(125)
Other gains/(losses) - currency gains/(losses)	1	(3)
Custodial transaction fees	(4)	(4)
Net capital gains	1,483	1,248

*Net gains (excluding custodial transaction fees) listed above of £1,487,044 comprise net realised losses of £(103,283) and net unrealised gains of £1,590,327 (2016: £1,251,831 comprising net realised losses of £(1,815) and net unrealised gains of £1,253,646). £47,333 of the net realised losses in the current period had been shown as net unrealised gains in previous periods (2016: £(109,729)).

2 Revenue

	June 2017 £000's	June 2016 £000's
Bank interest	—	1
Interest on debt securities	148	128
Money market deposits	3	5
Overseas dividends	592	450
UK dividends	462	344
UK REIT dividends	12	12
US REIT dividends	8	—
Total revenue	1,225	940

3 Expenses

	June 2017 £000's	June 2016 £000's
Payable to the Manager or associates of the Manager:		
Manager's periodic charge	1	1
	1	1
Other expenses:		
Audit fees	4	8
Custodian fees	7	6
Directors' fees	6	3
Other expenses	7	4
	24	21
Total expenses	25	22

Notes to the Financial Statements

continued

4 Interest payable and similar charges

	June 2017 £000's	June 2016 £000's
Interest payable	1	2
Total interest payable and similar charges	1	2

5 Distributions

The distributions take account of amounts added on the issue of shares and amounts deducted on the cancellation of shares. They comprise:

	June 2017 £000's	June 2016 £000's
Interim distribution 31 March	558	390
Interim distribution 30 June	568	502
	1,126	892
Amounts added on issue of shares	(37)	(30)
Amounts deducted on cancellation of shares	8	3
Gross distributions for the period	1,097	865

6 Net movement between revenue after taxation and distributions

	June 2017 £000's	June 2016 £000's
Net revenue after taxation	1,072	843
Expense paid from capital	25	22
Gross distributions for the year	1,097	865

7 Debtors

	June 2017 £000's	December 2016 £000's
Accrued revenue	292	186
Amount receivable on issue of shares	52	11
Prepaid expense	—	1
Total debtors	344	198

8 Creditors

	June 2017 £000's	December 2016 £000's
a) Distribution payable		
Gross distribution payable	568	322
Total distribution payable	568	322
b) Other creditors		
Accrued expenses	9	11
Total other creditors	9	11

Sterling Fixed Interest Class

Fund Report

Environment

Corporate bonds enjoyed a positive six months, comfortably outperforming government bonds. Political risks caused some volatility in credit markets during the period, notably elections in the UK and Europe. However, more recently, it was central banks and the prospects for monetary policy that preoccupied investors.

Over the first quarter, improving trends in economic data outweighed political and monetary policy concerns both in Europe and the US. With investor sentiment generally tilted towards 'risk on', credit spreads were able to tighten. The accepted view among credit investors was that, while a stronger economy will inevitably lead to rising interest rates, the improvement in corporate balance sheets would be positive for credit. The Bank of England initially continued with its corporate bond buying programme, which provided good support to the sterling market. While Brexit news dominated the headlines, its impact on credit markets was limited. Central bank policy and political risks were to the fore in Europe, although the quarter ended with investors growing marginally more relaxed about the political outlook thanks to the outcome of the Dutch election and the diminishing expectations of a Marine Le Pen presidency in France.

The end of the Bank of England's corporate bond buying in April did not impact markets unduly, as the market-friendly outcome of the French presidential elections ensured investor sentiment remained buoyant. There was clear outperformance of financial bonds over non-financial debt. Similarly, bonds not eligible for purchase by the Bank of England outperformed those bonds deemed eligible for purchase. In the US, the ongoing speculation around the Trump administration's Russian links drove a brief bout of volatility during May. Having already made two rate hikes since November without triggering a negative market reaction, the US Federal Reserve raised interest rates by another 0.25% in June. Meanwhile, the European Central Bank indicated increased willingness to reduce its degree of monetary stimulus in the face of better recent economic

performance. Higher inflation proved extremely awkward for the Bank of England and split current opinion on interest-rate policy. Despite some weakness in government bond markets in the final weeks of June, investors remained of the view that little core inflation exists in the world and that although central banks wish to remove some stimulus and raise interest rates, these moves will be protracted and very gradual.

Performance

The Fund delivered a return of 2.6% over the last six months, compared with a return of 2.7% for the benchmark index.

Security selection was the single biggest driver of relative returns, while our off-benchmark exposure to high yield was also notably positive for performance. Overweight positions in banks and an underweight exposure to supranationals added to returns, although this was marginally offset by holding a position in gilts.

Turning to individual securities, Tesco was one of the top-performing positions as better-than-expected results provided further evidence that its turnaround strategy is taking hold. Our exposure to subordinated financial bonds was a strong contributor across the board, most notably Barclays and HSBC. Favoured names in the insurance sector, such as Direct Line and Generali, also performed well. Meanwhile, Annington Finance launched tenders for outstanding debt that led to a strong rally in the bonds. Elsewhere, we continued to benefit from overweight exposure to senior financial debt.

Aside from Tesco, UK retail continued to struggle and our underweight position in the sector benefited performance. However, our holding in John Lewis lagged the market in line with the rest of the sector. Our holdings in National Grid and Centrica also underperformed. These were eligible names for Bank of England bond purchases and such bonds, particularly in the utility sector, saw their spreads drift wider over the period.

Fund Report

continued

Activity

In the primary market, we participated in new issues from BP and Morgan Stanley during the first quarter. We also took part in the first subordinated tier-two bond from the niche UK lender Close Brothers, which performed extremely well post-issue. Meanwhile, in the secondary market, we added to positions in British American Tobacco, AT&T and Vodafone, all of which we believe are attractively priced having weakened on M&A activity or speculation. We also added to our positions in recently issued senior debt of Santander UK and RBS, and tier-two debt of HSBC; we retain our belief in the recovery and balance-sheet strengthening of the UK's core banks. We sold our holding in Next due to our deteriorating view of the impact on the UK consumer of Brexit uncertainty and falling disposable incomes. Finally, we gradually reduced our off-benchmark exposure to US dollar-denominated bonds that had performed well, including positions in CVS and Pernod Ricard.

Over the second quarter, we participated in a new sterling issue from Anheuser-Busch InBev. We also took part in two high yield deals, one from debt consolidator Intrum Justitia and the other from travel agent and insurer Saga. In the secondary market, we continued to add to our exposure to AT&T and Vodafone as we believe valuations are still attractive. We also continued to reduce or exit off-benchmark positions in US dollar-denominated investment grade bonds. The US market had outperformed the sterling-denominated market and is no longer cheap on a relative basis. As part of this, we sold Anheuser-Busch InBev dollar bonds, which helped fund the purchase of its on-benchmark sterling bonds. We added to a holding in BPCE's lower-tier-two bonds after they cheapened in the run-up to the French election. Strong outperformance after the election result then allowed us to take profits. We also took profits on euro-denominated RBS senior holding company debt that had performed very strongly since purchase.

Outlook

The economic backdrop remains broadly supportive for credit. It is relatively stable in the UK for now, improving in Europe and neither 'too hot nor too cold' in the US. Political risk is never far away but is likely to be more muted in Europe over the next six months. This leaves fears over China withdrawing liquidity from the system and potential central bank policy error as perhaps the two main risks for now. Given the overall valuations in risk assets, it is possible that government bond yield volatility could reach a tipping point and lead to a period of risk aversion. Overall, however, demand for corporate bonds remains robust and we do not think we are yet in an environment that justifies overly defensive positioning.

Statistics

Net Asset Value History by Share Class

Retail Shares as at	Net Asset Value (£)	Pence per share	Shares in issue
31 December 2014	33,556,195	86.19	38,932,429
31 December 2015	1,823,878	82.69	2,205,670
31 December 2016	2,015,542	87.27	2,309,620
30 June 2017	2,135,410	87.99	2,426,991

Z Shares* as at	Net Asset Value (£)	Pence per share	Shares in issue
31 December 2015	51,538,479	47.53	108,442,354
31 December 2016	71,583,685	50.66	141,291,522
30 June 2017	72,692,825	51.34	141,602,242

Distribution Information by Share Class

For the period ended 30 June 2017

Interim Distribution (in pence per share)	01.01.17 to 30.06.17	01.01.16 to 30.06.16
Retail Shares		
Paid 31 May 2017	0.8074	0.8729
Payable 31 August 2017	0.7619	0.8271
	1.5693	1.7000
Z Shares*		
Paid 31 May 2017	0.4693	0.5023
Payable 31 August 2017	0.4439	0.4771
	0.9132	0.9794

*Z shares were launched on 2 March 2015.

Statistics

continued

The table below shows the top ten purchases and sales (excluding any derivative transactions) for the period:

Purchases	£000's
UK Treasury 4.5% 07/9/2034	1,155
Anheuser-Busch InBev 2.25% 24/5/2029	751
Daimler 1.5% 13/1/2022	450
UK Treasury 4.5% 07/12/2042	439
LVMH Moet Hennessy Louis Vuitton 1% 14/6/2022	409
HSBC 5.375% 22/8/2033	368
Telefónica Emisiones 5.289% 09/12/2022	351
BP Capital Markets 2.03% 14/2/2025	350
Royal Bank of Scotland 2% 08/3/2023	304
Deutsche Bank 1.875% 28/2/2020	299

Sales	£000's
UK Treasury 4.5% 07/9/2034	610
Standard Chartered 6.409% FRN Perpetual	511
Barclays 7.875% 29/12/49	432
Unione di Banche Italiane 4.25% 05/5/2026	416
HSH Nordbank 0.888% FRN 14/2/2017	401
DNB Bank 6.0116% Perpetual	400
UK Treasury 2% 07/9/2025	378
CVS Health 3.875% 20/7/2025	337
UBS 6.625% 11/4/2018	318
Royal Bank of Scotland 2% 08/3/2023	317

Portfolio Statement

as at 30 June 2017

Portfolio Statement (unaudited)

Investments	Holding	Market Value £000's	Total Net Assets %
UK Government Stocks 3.13% (2.26%)			
UK Treasury 4.5% 07/9/2034	£1,055,000	1,489	1.99
UK Treasury 4.5% 07/12/2042	£428,000	655	0.88
UK Treasury 4.75% 07/12/2038	£130,000	197	0.26
Sterling Denominated Corporate Bonds 89.38% (86.08%)			
AA Bond 6.269% 02/7/2043	£100,000	123	0.16
AA Bond 2.875% 31/7/2043	£300,000	306	0.41
Abbey National Treasury Services 1.875% 17/2/2020	£240,000	245	0.33
ABP Finance 6.25% 14/12/2026	£300,000	383	0.51
America Movil 5% 27/10/2026	£150,000	180	0.24
Anglian Water Services Financing 5.837% 30/7/2022	£259,000	315	0.42
Anheuser-Busch InBev 2.25% 24/5/2029	£760,000	733	0.98
Anheuser-Busch InBev 9.75% 30/7/2024	£110,000	166	0.22
Annington Finance 8.07% 10/1/2023	£200,000	261	0.35
Annington Repackaging 5.3236% 10/1/2023	£300,000	367	0.49
APT Pipelines 3.5% 22/3/2030	£320,000	333	0.45
Arqiva Financing 4.882% 31/12/2032	£300,000	340	0.45
Arqiva Financing 5.34% 30/12/2037	£110,000	130	0.17
Asciano Finance 5% 19/9/2023	£200,000	222	0.30
Aspire Defence Finance 4.674% 31/3/2040	£427,104	527	0.70
Assicurazioni Generali 6.269% Perpetual	£350,000	378	0.51
Assicurazioni Generali 6.416% Perpetual	£150,000	164	0.22
AT&T 4.25% 01/6/2043	£100,000	107	0.14
AT&T 4.375% 14/9/2029	£650,000	723	0.97
AT&T 4.875% 01/6/2044	£538,000	626	0.84
Aviva 5.125% 04/6/2050	£110,000	120	0.16
Aviva 6.125% FRN Perpetual	£300,000	336	0.45
Aviva 6.625% 03/6/2041	£600,000	687	0.92
AXA 5.625% FRN 16/1/2054	£240,000	276	0.37
Babcock International 1.875% 05/10/2026	£300,000	289	0.39
Bank of America 5.5% 22/11/2021	£250,000	289	0.39
Bank of America 7% 31/7/2028	£250,000	351	0.47
Bank of Scotland 4.875% 20/12/2024	£621,000	764	1.02
Bank of Scotland 9.375% 15/5/2021	£280,000	360	0.48
Barclays 10% 21/5/2021	£145,000	186	0.25
Barclays 3.25% 12/2/2027	£400,000	407	0.54
BAT International Finance 2.25% 09/9/2052	£370,000	301	0.40
BAT International Finance 6% 24/11/2034	£125,000	174	0.23
BAT International Finance 7.25% 12/3/2024	£200,000	264	0.35
BHP Billiton Finance 4.3% 25/9/2042	£160,000	197	0.26
BMW Finance 1.875% 29/6/2020	£220,000	225	0.30
BP Capital Markets 2.03% 14/2/2025	£350,000	351	0.47
BPCE 5.25% 16/4/2029	£200,000	232	0.31
British American Tobacco 1.75% 05/7/2021	£355,000	359	0.48
Broadgate Financing 4.821% 05/7/2036	£200,000	262	0.35
Broadgate Financing 5.098% 05/4/2035	£240,000	284	0.38
BUPA Finance 2% 05/4/2024	£130,000	130	0.17
Bupa Finance 3.375% 17/6/2021	£100,000	107	0.14

Portfolio Statement

continued

Portfolio Statement (unaudited) continued

Investments	Holding	Market Value £000's	Total Net Assets %
Sterling Denominated Corporate Bonds continued			
Canary Wharf Finance II 6.455% 22/10/2033	£18,531	32	0.04
Centrica 4.25% 12/9/2044	£300,000	354	0.47
Centrica 4.375% 13/3/2029	£230,000	269	0.36
Centrica 6.375% 10/3/2022	£300,000	365	0.49
Channel Link Enterprises Finance 6.341% 30/6/2046	£287,974	393	0.53
Citigroup 5.875% 01/7/2024	£330,000	403	0.54
Citigroup 6.8% 25/6/2038	£323,000	513	0.69
Close Brothers Finance 2.75% 19/10/2026	£200,000	208	0.28
Close Brothers Finance 3.875% 27/6/2021	£200,000	218	0.29
Clydesdale Bank 4.625% 08/6/2026	£180,000	220	0.29
Comcast 5.5% 23/11/2029	£120,000	159	0.21
Commerzbank 6.625% 30/8/2019	£300,000	329	0.44
Co-Operative Bank 4.75% 11/11/2021	£400,000	441	0.59
Coventry Building Society 1% 05/5/2020	£210,000	209	0.28
Coventry Building Society 5.875% 28/9/2022	£395,000	477	0.64
CPUK Finance 2.666% 28/2/2042	£260,000	268	0.36
CPUK Finance 4.25% 28/8/2022	£125,000	126	0.17
Credit Suisse Group Funding Guernsey 3% 27/5/2022	£420,000	443	0.59
CRH Finance 4.125% 02/12/2029	£300,000	347	0.46
CYBG 5% 09/2/2026	£430,000	434	0.58
Daimler 1.5% 13/1/2022	£450,000	453	0.61
Daimler 2.375% 16/12/2021	£170,000	178	0.24
Danske Bank 5.375% 29/9/2021	£300,000	315	0.42
Deutsche Bank 1.875% 28/2/2020	£300,000	301	0.40
Dignity Finance 4.6956% 31/12/2049	£300,000	370	0.50
Direct Line Insurance 9.25% 27/4/2042	£300,000	386	0.52
DONG Energy 4.875% 12/1/2032	£470,000	589	0.79
Dwr Cymru Financing 6.907% 31/3/2021	£126,000	153	0.20
E.ON International Finance 6.375% 07/6/2032	£665,000	939	1.25
Eastern Power Networks 5.75% 08/3/2024	£350,000	433	0.58
EDP Finance 6.625% 09/8/2017	£300,000	301	0.40
EDP Finance 8.625% 04/1/2024	£150,000	200	0.27
Électricité de France 5.5% 27/3/2037	£200,000	258	0.34
Électricité de France 5.5% 17/10/2041	£300,000	392	0.52
Électricité de France 5.875% FRN Perpetual	£300,000	306	0.41
Électricité de France 6% 23/1/2114	£100,000	141	0.19
Électricité de France 6.125% 02/6/2034	£1,000,000	1358	1.81
ELM 6.3024% FRN Perpetual	£200,000	216	0.29
Enel Finance International 5.75% 14/9/2040	£420,000	573	0.77
Enel Società per Azioni 6.25% 20/6/2019	£260,000	285	0.38
ENGIE 5% 01/10/2060	£150,000	239	0.32
Eversholt Funding 6.359% 02/12/2025	£300,000	389	0.52
Experian Finance 3.5% 15/10/2021	£100,000	109	0.15
FCE Bank 2.727% 03/6/2022	£180,000	186	0.25
First Hydro Finance 9% 31/7/2021	£280,000	358	0.48

Portfolio Statement

continued

Portfolio Statement (unaudited) continued

Investments	Holding	Market Value £000's	Total Net Assets %
Sterling Denominated Corporate Bonds continued			
FirstGroup 6.875% 18/9/2024	£280,000	360	0.48
Fonterra Cooperative 9.375% 04/12/2023	£100,000	144	0.19
Friends Life 8.25% 21/4/2022	£400,000	516	0.69
G4S 7.75% 13/5/2019	£100,000	111	0.15
Gatwick Funding 6.125% 02/3/2028	£350,000	454	0.61
GDF Suez 7% 30/10/2028	£250,000	368	0.49
GE Capital 5.375% 18/12/2040	£260,000	383	0.51
GE Capital UK Funding 5.875% 18/1/2033	£416,000	601	0.80
GlaxoSmithKline Capital 4.25% 18/12/2045	£130,000	167	0.22
GlaxoSmithKline Capital 6.375% 09/3/2039	£200,000	317	0.42
Glencore Finance Europe 6% 03/4/2022	£100,000	115	0.15
Global Switch 4.375% 13/12/2022	£150,000	167	0.22
Go-Ahead 2.5% 06/07/24	£270,000	268	0.36
Grainger 5% 16/12/2020	£200,000	219	0.29
Great Rolling Stock 6.875% 27/7/2035	£84,160	111	0.15
Greene King Finance 3.02519% FRN 15/12/2033	£180,799	177	0.24
Hammerson 6% 23/2/2026	£100,000	126	0.17
Hammerson 6.875% 31/3/2020	£147,000	169	0.23
HBOS Capital Funding 6.461% Perpetual	£245,000	260	0.35
Heathrow Funding 5.225% 15/2/2023	£560,000	658	0.88
Heathrow Funding 5.875% 13/5/2043	£150,000	223	0.30
Heathrow Funding 6% 20/3/2020	£300,000	336	0.45
Heathrow Funding 6.45% 10/12/2031	£530,000	766	1.02
Heathrow Funding 6.75% 03/12/2028	£200,000	274	0.37
Heathrow Funding 7.125% 14/2/2024	£150,000	193	0.26
High Speed Rail Finance 1 4.375% 01/11/2038	£107,000	134	0.18
HSBC 2.625% 16/8/2028	£500,000	500	0.67
HSBC 5.375% 04/11/2030	£180,000	217	0.29
HSBC 5.375% 22/8/2033	£699,000	901	1.20
HSBC 6% 29/3/2040	£150,000	198	0.26
Imperial Brands Finance 7.75% 24/6/2019	£250,000	281	0.38
Imperial Tobacco Finance 8.125% 15/3/2024	£600,000	817	1.09
Intu Debenture 5.562% 31/12/2027	£149,818	174	0.23
Intu Metrocentre Finance 4.125% 06/12/2023	£300,000	331	0.44
John Lewis 4.25% 18/12/2034	£250,000	264	0.35
John Lewis 8.375% 08/4/2019	£293,000	327	0.44
KPN 5.75% 17/9/2029	£150,000	192	0.26
Land Securities Capital Markets 2.399% 08/2/2031	£200,000	204	0.27
Legal & General 5.375% 27/10/2045	£110,000	121	0.16
Legal & General 5.5% 27/6/2064	£110,000	118	0.16
Legal & General 5.875% Perpetual	£64,000	68	0.09
Lend Lease Europe Finance 6.125% 12/10/2021	£170,000	196	0.26
Lloyds Bank 5.75% 09/7/2025	£261,000	288	0.38
Lloyds Bank 7.5% 15/4/2024	£425,000	578	0.77

Portfolio Statement

continued

Portfolio Statement (unaudited) continued

Investments	Holding	Market Value £000's	Total Net Assets %
Sterling Denominated Corporate Bonds continued			
Lloyds Bank 7.625% 22/4/2025	£100,000	135	0.18
London & Quadrant Housing Trust 2.625% 05/5/2026	£120,000	126	0.17
London & Quadrant Housing Trust 3.75% 27/10/2049	£200,000	241	0.32
London Stock Exchange 4.75% 02/11/2021	£240,000	268	0.36
Marstons Issuer 5.641% FRN 15/7/2035	£100,000	91	0.12
McDonald's 5.875% 23/4/2032	£157,000	214	0.29
Meadowhall Finance 4.986% 12/7/2037	£316,822	392	0.52
MetLife 5.25% 29/6/2020	£250,000	280	0.37
Metropolitan Life Global Funding I 2.625% 05/12/2022	£305,000	323	0.43
Mitchells & Butlers Finance 5.965% 15/12/2025	£70,228	78	0.10
Mitchells & Butlers Finance 6.013% 15/12/2030	£211,899	251	0.34
Motability Operations 3.625% 10/3/2036	£180,000	206	0.28
Munich Re 6.625% FRN 26/5/2042	£300,000	359	0.48
National Australia Bank 3% 04/9/2026	£300,000	332	0.44
National Grid 1.875% 06/8/2018	£250,000	252	0.34
National Grid Gas Finance 2.125% 22/9/2028	£400,000	389	0.52
National Grid Gas Finance 2.625% 22/9/2038	£410,000	392	0.52
National Westminster Bank 6.5% 07/9/2021	£150,000	175	0.23
Nationwide Building Society 2.25% 29/4/2022	£110,000	115	0.15
Nationwide Building Society 3.25% 20/1/2028	£230,000	248	0.33
Nationwide Building Society 5.625% 28/1/2026	£150,000	197	0.26
NGG Finance 5.625% 18/6/2073	£250,000	283	0.38
Northern Powergrid Yorkshire 2.5% 01/4/2025	£100,000	105	0.14
Notting Hill Housing Trust 4.375% 20/2/2054	£100,000	136	0.18
Orange 5.625% 23/1/2034	£304,000	409	0.55
Orange 8.125% 20/11/2028	£150,000	232	0.31
Paragon Treasury 3.625% 21/1/2047	£200,000	218	0.29
Peabody Capital No 2 4.625% 12/12/2053	£160,000	226	0.30
Peel Land and Property 8.375% 30/4/2040	£300,000	435	0.58
Penarian Housing Finance 3.212% 07/6/2052	£170,000	169	0.23
Pennon 6.75% FRN Perpetual	£175,000	181	0.24
Porterbrook Rail Finance 4.625% 04/4/2029	£250,000	297	0.40
Provident Financial 8% 23/10/2019	£200,000	223	0.30
Prudential 5% 20/7/2055	£240,000	253	0.34
Prudential 5.7% FRN 19/12/2063	£100,000	113	0.15
Rabobank 4.625% 23/5/2029	£130,000	149	0.20
RCI Banque 3% 09/5/2019	£80,000	82	0.11
Rio Tinto 4% 11/12/2029	£150,000	175	0.23
RL Finance 6.125% FRN 30/11/2043	£160,000	178	0.24
RMPA Services 5.337% 30/9/2038	£68,192	84	0.11
Royal Bank of Scotland 9.5% Perpetual	£250,000	268	0.36
RWE Finance 4.75% 31/1/2034	£300,000	368	0.49
RWE Finance 5.5% 06/7/2022	£450,000	531	0.71
Saga 3.375% 12/5/2024	£180,000	179	0.24
Santander 3.875% 15/10/2029	£140,000	160	0.21

Portfolio Statement

continued

Portfolio Statement (unaudited) continued

Investments	Holding	Market Value £000's	Total Net Assets %
Sterling Denominated Corporate Bonds continued			
Santander 5.25% 16/2/2029	£150,000	200	0.27
Santander 7.375% Perpetual	£200,000	210	0.28
Santander UK 3.625% 14/1/2026	£560,000	594	0.79
Scentre Management 2.375% 08/4/2022	£100,000	104	0.14
Segro 6.75% 23/2/2024	£200,000	261	0.35
Severn Trent Utilities Finance 2.75% 05/12/2031	£320,000	331	0.44
Severn Trent Utilities Finance 4.875% 24/1/2042	£100,000	136	0.18
Severn Trent Water Utilities 6.25% 07/6/2029	£130,000	183	0.24
Shaftesbury Carnaby 2.487% 30/9/2031	£290,698	284	0.38
SNCF Réseau 5.25% 31/1/2035	£200,000	278	0.37
SNCF Réseau 5.375% 18/3/2027	£250,000	324	0.43
Société Générale 8.875% Perpetual	£250,000	265	0.35
Southern Gas Network 4.875% 21/3/2029	£450,000	568	0.76
Southern Water Services Finance 4.5% 31/3/2038	£100,000	110	0.15
Southern Water Services Finance 6.192% 31/3/2029	£150,000	210	0.28
Spirit Issuer 6.582% 28/12/2027	£350,000	380	0.51
SSE 3.625% 16/9/2077	£100,000	101	0.14
SSE 3.875% Perpetual	£220,000	226	0.30
SSE 6.25% 27/8/2038	£300,000	453	0.61
Stagecoach 4% 29/9/2025	£230,000	249	0.33
Telefónica Emisiones 5.289% 09/12/2022	£400,000	469	0.63
Telefónica Emisiones 5.375% 02/2/2026	£170,000	206	0.28
Telereal Secured Finance 4.01% 10/12/2033	£215,301	229	0.31
Telereal Securitisation 3.51875% FRN 10/12/2033	£180,000	165	0.22
Tesco Property Finance 3 5.744% 13/4/2040	£298,106	328	0.44
Thames Water Utilities Cayman Finance 1.875% 24/1/2024	£120,000	120	0.16
Thames Water Utilities Cayman Finance 2.875% 03/5/2027	£200,000	200	0.27
Thames Water Utilities Cayman Finance 3.5% 25/2/2028	£230,000	255	0.34
Thames Water Utilities Cayman Finance 4.375% 03/7/2034	£500,000	611	0.82
Thames Water Utilities Cayman Finance 5.375% 21/7/2025	£350,000	351	0.47
Time Warner Cable 5.25% 15/7/2042	£100,000	119	0.16
Time Warner Cable 5.75% 02/6/2031	£250,000	308	0.41
Unique Pub Finance 6.542% 30/3/2021	£111,920	122	0.16
Vattenfall 6.875% 15/4/2039	£120,000	192	0.26
Veolia Environnement 6.125% 29/10/2037	£200,000	294	0.39
Vicinity Centres 3.375% 07/4/2026	£130,000	141	0.19
Virgin Media Secured Finance 5.5% 15/1/2025	£243,000	256	0.34
Vodafone 3% 12/8/2056	£440,000	375	0.50
Vodafone 5.9% 26/11/2032	£170,000	221	0.30
Volkswagen 1.75% 17/4/2020	£150,000	152	0.20
Volkswagen Financial Services 1.5% 12/4/2021	£170,000	170	0.23
Wal-Mart Stores 5.25% 28/9/2035	£400,000	567	0.76
Wal-Mart Stores 5.625% 27/3/2034	£100,000	144	0.19
Wells Fargo 2% 28/7/2025	£190,000	189	0.25
Wells Fargo 5.25% 01/8/2023	£200,000	238	0.32

Portfolio Statement

continued

Portfolio Statement (unaudited) continued

Investments	Holding	Market Value £000's	Total Net Assets %
Sterling Denominated Corporate Bonds continued			
Western Power Distribution 3.625% 06/11/2023	£180,000	194	0.26
Western Power Distribution 5.25% 17/1/2023	£270,000	318	0.43
Western Power Distribution 5.75% 16/4/2032	£150,000	206	0.28
Westpac Banking 2.625% 14/12/2022	£210,000	223	0.30
Wheatley 4.375% 28/11/2044	£250,000	303	0.40
Yorkshire Building Society 4.125% 20/11/2024	£300,000	310	0.41
Yorkshire Water Services Bradford Finance 6.375% 19/8/2039	£200,000	319	0.43
Non-Sterling Denominated Corporate Bonds 6.63% (8.98%)			
Arion Banki HF 2.5% 26/4/2019	EUR200,000	182	0.24
AT&T 3.55% 14/9/2037	USD140,000	136	0.18
Breeze Finance 0% 19/4/2027	EUR90,833	22	0.03
Charter Communications Operating 4.908% 23/7/2025	USD350,000	291	0.39
Credit Logement 2.573% Perpetual	EUR500,000	362	0.48
Credit Suisse 7.125% Perpetual	USD300,000	248	0.33
Electricite de France 4.125% Perpetual	EUR300,000	278	0.37
Energy Transfer Partners 2.5% 15/6/2018	USD250,000	193	0.26
Glencore Funding 4.125% 30/5/2023	USD179,000	141	0.19
HSBC 6.875% Perpetual	USD260,000	216	0.29
Intrum Justitia AB 2.75% 15/7/2022	EUR170,000	150	0.20
Kinder Morgan 5.3% 01/12/2034	USD236,000	187	0.25
Lloyds Banking 6.413% Perpetual	USD250,000	216	0.29
LVMH Moet Hennessy Louis Vuitton 1% 14/6/2022	USD410,000	406	0.54
Morgan Stanley 2.625% 09/3/2027	USD240,000	241	0.32
Origin Energy Finance 4% 16/9/2074	EUR310,000	277	0.37
Royal Bank of Scotland 7.64% Perpetual	USD300,000	222	0.30
Santos Finance 8.25% FRN 22/9/2070	EUR290,000	257	0.34
Société Générale 8.25% Perpetual	USD200,000	163	0.22
Teva Pharmaceutical Finance Netherlands III 3.15% 01/10/2026	USD222,000	162.00	0.22
UBS Funding Jersey 4.125% 15/4/2026	USD470,000	377.00	0.50
WPP Finance 2010 5.625% 15/11/2043	USD270,000	239.00	0.32
Derivatives -0.02% (-0.05%)			
EUR Forward Foreign Currency Contracts -0.07% (0.00%)			
Forward Foreign Currency Contracts 7/7/2017	EUR2,103,915	1,847	2.47
Forward Foreign Currency Contracts 7/7/2017	£(1,862,786)	(1,863)	(2.49)
Forward Foreign Currency Contracts 7/7/2017	EUR(2,103,915)	(1,848)	(2.47)
Forward Foreign Currency Contracts 7/7/2017	£1,793,712	1,794	2.40
Forward Foreign Currency Contracts 26/9/2017	EUR(1,739,734)	(1,530)	(2.05)
Forward Foreign Currency Contracts 26/9/2017	£1,546,713	1,547	2.07
USD Forward Foreign Currency Contracts 0.14% (-0.17%)			
Forward Foreign Currency Contracts 7/7/2017	USD(3,688,528)	(2,839)	(3.79)
Forward Foreign Currency Contracts 7/7/2017	£2,939,522	2,940	3.93
Forward Foreign Currency Contracts 7/7/2017	USD3,688,528	2,839	3.79
Forward Foreign Currency Contracts 7/7/2017	£(2,873,311)	(2,873)	(3.84)
Forward Foreign Currency Contracts 26/9/2017	USD(3,481,506)	(2,673)	(3.57)
Forward Foreign Currency Contracts 26/9/2017	£2,707,343	2,707	3.62

Portfolio Statement

continued

Portfolio Statement (unaudited) continued

Investments	Holding	Market Value £000's	Total Net Assets %
Futures -0.09% (0.12%)			
Euro-Bund Future September 2017	(3)	7	0.01
Long Gilt Future September 2017	46	(75)	(0.10)
US 10 Year Notes September 2017 Futures	(16)	—	0.00
US Long Bond September 2017 Futures	(2)	(2)	0.00
Portfolio of investments		74,173	99.12
Net current assets		655	0.88
Total Net Assets		74,828	100.00

Total unapproved and unquoted securities 0.00%.

Comparative figures in brackets refer to 31 December 2016.

Unless otherwise indicated, the holdings in the Portfolio Statement represent the ordinary shares, ordinary stock units, common shares or debt securities of the relevant companies or issuers, which are listed on an eligible securities market.

Financial Statements

for the six months ended 30 June 2017

Statement of Total Return (unaudited)

	Notes	30 June 2017		30 June 2016	
		£000's	£000's	£000's	£000's
Income					
Net capital gains					
Net capital gains on investments	1	998		2,743	
Other gains	1	6		80	
			1,004		2,823
Revenue	2	1,342		1,242	
Expenses	3	(47)		(24)	
Interest payable and similar charges	4	—		—	
Net revenue before taxation		1,295		1,218	
Taxation		(16)		(9)	
Net revenue after taxation			1,279		1,209
Total return before distributions			2,283		4,032
Distributions	5		(1,326)		(1,233)
Net increase in Shareholders' funds from Investment activities			957		2,799

Statement of Movement in Shareholders' Funds (unaudited)

	30 June 2017		30 June 2016	
	£000's	£000's	£000's	£000's
Opening net assets attributable to Shareholders		73,599		53,362
Amounts receivable on issue of shares	3,226		16,520	
Amounts payable on cancellation of shares	(2,954)		(1,870)	
		272		14,650
Dilution levy		—		16
Net increase in Shareholders' funds from investment activities (see above)		957		2,799
Closing net assets attributable to Shareholders		74,828		70,827

The opening net assets attributable to shareholders for the current period do not equal the closing net assets attributable to shareholders for the comparative period as they are not consecutive periods.

All results above are derived from continuing activities for both the current and prior periods.

Financial Statements

as at 30 June 2017

Statement of Financial Position (unaudited)

	Notes	30 June 2017		31 December 2016	
		£000's	£000's	£000's	£000's
Assets					
Fixed assets					
Investment assets at fair value through profit or loss			74,354		71,737
Current assets					
Debtors	7	1,203		1,321	
Cash and bank balances		658		1,412	
Total current assets			1,861		2,733
Total assets			76,215		74,470
Liabilities					
Investment liabilities at fair value through profit or loss			(181)		(149)
Creditors					
Bank overdrafts		(6)		—	
Distribution payable	8	(647)		(701)	
Other creditors	8	(553)		(21)	
Total current liabilities			(1,206)		(722)
Total liabilities			(1,387)		(871)
Net assets attributable to Shareholders			74,828		73,599

All liabilities are current.

The notes on pages 14 to 18 and pages 91 to 92 form part of these Financial Statements.

Notes to the Financial Statements

for the six months ended 30 June 2017

1 Net capital gains

The net capital gains on investments during the period comprise:

	June 2017 £000's	June 2016 £000's
Non-derivative securities*	869	3,274
Derivative securities*	30	166
Forward currency contracts*	106	(692)
Other gains - currency gains*	6	80
Custodial transaction fees	(7)	(5)
Net capital gains/(losses)	1,004	2,823

*Net gains (excluding custodial transaction fees) listed above of £1,010,771 comprise net realised gains of £865,321 and net unrealised gains of £145,450 (2016: £2,828,449 comprising net realised losses of £(72,469) and net unrealised gains of £2,900,918). £516,574 of the net realised gains in the current period had been shown as net unrealised gains in previous periods (2016: £24,115).

2 Revenue

	June 2017 £000's	June 2016 £000's
Bank interest	—	1
Interest on debt securities	1,342	1,240
Money market deposit	—	1
Total revenue	1,342	1,242

3 Expenses

	June 2017 £000's	June 2016 £000's
Payable to the Manager or associates of the Manager:		
Manager's periodic charge	10	9
	10	9
Other expenses:		
Audit fees	8	5
Custodian fees	11	10
Directors' fees	8	5
Other expenses	10	(5)
	37	15
Total expenses	47	24

4 Interest payable and similar charges

	June 2017 £000's	June 2016 £000's
Interest payable	—	—
Interest payable and similar charges	—	—

Notes to the Financial Statements

continued

5 Distributions

The distributions take account of amounts added on the issue of shares and amounts deducted on the cancellation of shares. They comprise:

	June 2017 £000's	June 2016 £000's
Interim distribution 31 March	679	647
Interim distribution 30 June	647	681
	1,326	1,328
Amounts added on issue of shares	(15)	(105)
Amounts deducted on cancellation of shares	15	10
Gross distributions for the period	1,326	1,233

6 Net movement between revenue after taxation and distributions

	June 2017 £000's	June 2016 £000's
Net revenue after taxation	1,279	1,209
Expense paid from capital	47	24
Gross distributions for the period	1,326	1,233

7 Debtors

	June 2017 £000's	December 2016 £000's
Accrued revenue	1,132	1,244
Amounts receivable on issue of shares	71	75
Prepaid expenses	—	2
Total debtors	1,203	1,321

8 Creditors

	June 2017 £000's	December 2016 £000's
a) Distribution payable		
Gross distribution payable	647	701
Total distribution payable	647	701
b) Other creditors		
Accrued expenses	14	21
Amount payable for cancellation of shares	44	—
Purchases awaiting settlement	495	—
Total other creditors	553	21

UK Equity Class

Fund Report

Environment

Global equity markets extended last year's strong performance into the first half of 2017, with investors adopting a more optimistic tone. The improving global economy, generally positive corporate results and an easing of some political tension helped lift the mood in markets. Early in the review period, there were hopes that US President Donald Trump's proposed policies (tax cuts, infrastructure and defence spending, regulatory rollback) would boost economic growth and lift corporate profits. Meanwhile, Emmanuel Macron won the French election, triumphing over his anti-EU rival Marine Le Pen. Political developments closer to home also continued to influence investor sentiment, with a 'snap' UK general election the main focus. Prime Minister Theresa May called the election with the goal of strengthening her hand in Brexit negotiations. This move backfired, however, resulting in a hung parliament.

Against this backdrop, the UK economy proved more robust than expected in the aftermath of the EU referendum, which underpinned solid equity market gains throughout the six-month period. Business activity growth hit a three-month high in March – a considerable rebound from February's five-month low. Corporate activity and business optimism did subsequently weaken in the second half of the period, but this was attributed to political upheaval generated by the 'snap' general election. Purchasing Managers' Index figures showed a slowdown in the second quarter but remained robust. Surveys released latterly also illustrated that the number of new jobs created was at its highest rate for the last few years, demonstrating that businesses are optimistic about the economic outlook.

Performance

The Fund outperformed the comparative index over the six-month period, returning 7.4% compared to the FTSE All Share return of 5.5%.

The Fund's outperformance over the period was driven by positive stock selection in the industrials, healthcare and technology sectors. Our holding in WS Atkins benefited from a takeover bid by SNC-Lavalin while our position in Renishaw was a beneficiary of sterling weakness, given its overseas sales and domestic UK production. Renishaw has a high organic growth rate and is a long-term beneficiary of robotic production lines. Following a number of malware incidents, demand for internet security solutions boosted our holding in Sophos. In addition, it delivered results substantially ahead of market expectations. Our position in global life sciences company ABCAM continued to perform well, following strong results in the first quarter of the reporting period.

The largest detractor from performance was our exposure to the oil and gas sector. This was primarily driven by the announcement by the Serious Fraud Office of an investigation into Petrofac for bribery, corruption and money laundering. The shares of John Wood Group also declined in line with the general fall in the oil price and the implications for oil-service companies in a 'lower-for-longer' oil-price environment. Finally, Anglo American fell on a combination of lower commodity prices and the announcement by the South African government of a punitive mining charter.

Fund Report

continued

Activity

During the period, we introduced John Laing Group, Phoenix Group and Bunzl to the Fund. John Laing is focused on major transport, social and environmental infrastructure projects awarded under governmental public-private partnership (PPP) programmes. It is also involved in renewable energy projects, across a range of international markets including the UK, Europe, Asia Pacific and North America. The shift in emphasis from monetary to fiscal policy should stimulate an increase in the breadth of opportunities available to John Laing.

Phoenix Group Holdings is a UK-based specialist closed life and pension consolidator. Its shares offer an attractive sustainable yield of 6.7%. It should be a beneficiary of corporate activity, creating financial and operational synergies that will improve the income flow to investors into the next decade.

Bunzl is an international distributor of paper and plastic packaging and consumable products. The business model is a combination of organic and inorganic growth centred on a distribution model that can be replicated in new geographies. The company has diverse end markets, and its exposure to the food and health/hygiene sectors provide limited sensitivity to the economic cycle. Bunzl has a strong balance sheet and a relatively good track record of acquisitions that have improved earnings and free cash flow. This is used to invest in the business (by acquisitions), maintain a healthy balance sheet and pay an increasing dividend to shareholders.

Turning to sales, we quickly sold Booker following the takeover approach by Tesco. WS Atkins was also a beneficiary of a bid from SNC-Lavalin and we gradually reduced the position throughout the reporting period. We also trimmed a number of holdings following strong performance. For example, we reduced Dechra Pharmaceuticals following a strong run; the stock has benefited from increased demand for pet health products and was helped by its timely expansion to overseas markets, which resulted in a material uplift in sterling earnings. We trimmed our exposure to

Sophos Group, a provider of cloud enabled end-user and network solutions for the SME (small and medium-sized enterprises) market, given the rapid increase in its share price following global security malware issues. Following a recovery in the share price, our position in ITV was reduced to reflect our increasing lack of conviction in its long-term investment case. ITV is attractive in terms of the content it broadcasts and its studio production, so we have maintained a position in the stock until we identify a higher-conviction investment idea.

Outlook

As global growth improves, a broadening improvement in corporate earnings and investor confidence has taken a number of equity markets to new highs this quarter. We believe that earnings should continue to increase, particularly as European economic strength feeds through to the consumers' pocket. However, we remain cognisant of escalating geopolitical risks and potential policy risks (e.g. Interest rates are raised too soon), that could derail investor confidence. In addition, we are mindful of other various imbalances around the world (e.g. Chinese debt levels and subprime auto loans in the US) that could further exacerbate any market volatility. Over and above all this, the UK also has the thorny task of negotiating its exit from the EU; the recent inconclusive election result has made the government's job all the more daunting.

The portfolio has a diversified range of direct securities that collectively, we believe can deliver an attractive real return over the long term. Our thematic framework allows us to focus on how the world is changing and the impact that change has on economies, industries and companies. We seek to identify those companies that will benefit from these shifting trends as well as avoid those where change will be detrimental. Experience has taught us that companies that have strong balance sheets; generate cash flow in excess of their operational requirements; and invest in their business as well as distribute to shareholders, tend to generate stronger and sustainable returns. As a result, they merit a long-term position in our portfolios regardless of shorter-term sentiment

Statistics

Net Asset Value History by Share Class

Retail Shares as at	Net Asset Value (£)	Pence per share	Shares in issue
31 December 2014	16,709,088	187.04	8,933,259
31 December 2015	3,146,203	193.32	1,627,474
31 December 2016	2,335,945	200.84	1,163,088
30 June 2017	2,024,110	210.78	960,273

Z Shares* as at	Net Asset Value (£)	Pence per share	Shares in issue
31 December 2015	10,364,728	48.25	21,479,940
31 December 2016	9,267,134	50.64	18,301,718
30 June 2017	10,066,819	53.34	18,871,984

Distribution Information by Share Class

For the period ended 30 June 2017

Interim Distribution (in pence per share)	01.01.17 to 30.06.17	01.01.16 to 30.06.16
Retail Shares		
Payable 31 August 2017	3.6768	3.3696
Z Shares*		
Payable 31 August 2017	0.9958	0.8832

*Z Shares were launched on 2 March 2015.

Statistics

continued

The table below shows the top ten purchases and sales (excluding any derivative transactions) for the period:

Purchases	£000's
Bunzl	124
Phoenix	98
John Laing	94
Anglo American	79
Melrose Industries	61
James Fisher & Sons	54
Johnson Matthey	39
Biotech Growth Trust	39
DS Smith	27
Sage	26

Sales	£000's
Booker	151
Atkins (WS)	146
Renishaw	82
Sophos	77
Dechra Pharmaceuticals	69
ITV	58
GKN	50
John Wood	41
Jardine Lloyd Thompson	39
BT	34

Portfolio Statement

as at 30 June 2017

Portfolio Statement (unaudited)

Investments	Holding	Market Value £000's	Total Net Assets %
United Kingdom 98.26% (98.63%)			
Oil & Gas Producers 9.06% (10.75%)			
BP	114,000	505	4.18
Royal Dutch Shell 'B'	28,600	590	4.88
Oil Equipment, Services & Distribution 1.43% (2.90%)			
John Wood	16,500	106	0.88
Petrofac	15,267	67	0.55
Chemicals 3.01% (2.88%)			
Johnson Matthey	7,500	215	1.78
Synthomer	30,507	149	1.23
Forestry & Paper 1.44% (1.09%)			
Mondi	8,632	174	1.44
Mining 4.81% (4.68%)			
Anglo American	15,900	163	1.35
BHP Billiton	16,100	189	1.56
Rio Tinto	7,100	230	1.90
Construction & Materials 1.80% (1.03%)			
Melrose Industries	90,000	218	1.80
Aerospace & Defence 1.88% (2.31%)			
GKN	25,800	84	0.70
Meggitt	30,000	143	1.18
Electronic & Electrical Equipment 2.80% (2.63%)			
Renishaw	5,300	192	1.59
Spectris	5,800	146	1.21
Industrial Engineering 2.51% (2.47%)			
Bodycote	24,250	183	1.51
Weir	7,000	121	1.00
Industrial Transportation 1.36% (0.90%)			
James Fisher & Sons	10,100	164	1.36
Support Services 3.72% (3.79%)			
Atkins (WS)	3,000	62	0.51
Babcock International	13,500	119	0.98
Bunzl	5,800	133	1.10
Wolseley	2,900	137	1.13
Beverages 1.52% (1.68%)			
Diageo	8,100	184	1.52
Food Producers 2.30% (1.90%)			
Unilever	6,700	278	2.30

Portfolio Statement

continued

Portfolio Statement (unaudited) continued

Investments	Holding	Market Value £000's	Total Net Assets %
Household Goods & Home Construction 3.94% (3.52%)			
Bellway	5,800	173	1.43
Reckitt Benckiser	3,900	303	2.51
Tobacco 4.32% (4.22%)			
British American Tobacco	7,200	377	3.12
Imperial Brands	4,200	145	1.20
Pharmaceuticals & Biotechnology 11.47% (11.14%)			
Abcam	28,000	272	2.25
AstraZeneca	4,000	205	1.70
BTG	22,300	156	1.29
Dechra Pharmaceuticals	14,400	244	2.02
GlaxoSmithKline	15,400	252	2.08
Shire	6,100	258	2.13
Food & Drug Retailers 0.00% (1.05%)			
General Retailers 2.00% (1.58%)			
DS Smith	51,000	242	2.00
Media 6.06% (6.86%)			
ITV	63,000	114	0.94
RELX	16,800	279	2.31
Sky	12,000	119	0.98
WPP	13,700	221	1.83
Travel & Leisure 3.02% (2.95%)			
Greene King	19,000	128	1.06
InterContinental Hotels	5,553	237	1.96
Fixed Line Telecommunications 1.56% (2.36%)			
BT	64,000	189	1.56
Mobile Telecommunications 2.32% (2.21%)			
Vodafone	129,272	281	2.32
Gas, Water & Multiutilities 3.62% (3.96%)			
National Grid	22,091	210	1.74
Severn Trent	10,400	227	1.88
Banks 5.32% (5.02%)			
HSBC	59,000	420	3.47
Lloyds Banking	338,000	224	1.85
Non-life Insurance 1.63% (1.70%)			
Jardine Lloyd Thompson	16,450	197	1.63

Portfolio Statement

continued

Portfolio Statement (unaudited) continued

Investments	Holding	Market Value £000's	Total Net Assets %
Life Insurance 7.10% (6.07%)			
Aviva	34,000	179	1.48
Legal & General	72,000	186	1.54
Phoenix	12,500	97	0.80
Prudential	22,500	396	3.28
Real Estate Investment Trusts 1.29% (1.25%)			
Shaftesbury	16,000	156	1.29
Financial Services 2.43% (1.53%)			
Close Brothers	12,300	185	1.53
John Laing	36,000	109	0.90
Investment Trusts 1.89% (1.52%)			
Biotech Growth Trust	30,000	228	1.89
Software & Computer Services 2.65% (2.68%)			
Sage	26,800	184	1.52
Sophos	30,790	136	1.13
Portfolio of investments		11,881	98.26
Net current assets		210	1.74
Total Net Assets		12,091	100.00

Total unapproved and unquoted securities 0.00%.

Comparative figures in brackets refer to 31 December 2016.

Unless otherwise indicated, the holdings in the Portfolio Statement represent the ordinary shares, ordinary stock units, common shares or debt securities of the relevant companies or issuers, which are listed on an eligible securities market.

Financial Statements

for the six month ended 30 June 2017

Statement of Total Return (unaudited)

	Notes	30 June 2017		30 June 2016	
		£000's	£000's	£000's	£000's
Income					
Net capital gains/(losses)					
Net capital gains/(losses) on investments	1	637		(794)	
			637		(794)
Revenue	2	239		240	
Expenses	3	(17)		(13)	
Interest payable and similar charges	4	(1)		—	
Net revenue before taxation		221		227	
Taxation		—		(3)	
Net revenue after taxation			221		224
Total return before distributions			858		(570)
Distributions	5		(229)		(234)
Net increase/(decrease) in Shareholders' funds from Investment activities			629		(804)

Statement of Movement in Shareholders' Funds (unaudited)

	30 June 2017		30 June 2016	
	£000's	£000's	£000's	£000's
Opening net assets attributable to Shareholders		11,603		13,511
Amounts receivable on issue of shares	986		1,584	
Amounts payable on cancellation of shares	(1,130)		(1,791)	
		(144)		(207)
Dilution levy		3		4
Net increase/(decrease) in Shareholders' funds from investment activities (see above)		629		(804)
Closing net assets attributable to Shareholders		12,091		12,504

The opening net assets attributable to shareholders for the current period do not equal the closing net assets attributable to shareholders for the comparative period as they are not consecutive periods.

All results above are derived from continuing activities for both the current and prior periods.

Financial Statements

as at 30 June 2017

Statement of Financial Position (unaudited)

	Notes	30 June 2017		31 December 2016	
		£000's	£000's	£000's	£000's
Assets					
Fixed assets					
Investment assets at fair value through profit or loss			11,881		11,444
Current assets					
Debtors	7	50		28	
Cash and bank balances		387		308	
Total current assets			437		336
Total assets			12,318		11,780
Liabilities					
Creditors					
Distribution payable	8	(223)		(170)	
Other creditors	8	(4)		(7)	
Total liabilities			(227)		(177)
Net assets attributable to Shareholders			12,091		11,603

All liabilities are current.

The notes on pages 14 to 18 and pages 102 to 103 form part of these Financial Statements.

Notes to the Financial Statements

for the six months ended 30 June 2017

1 Net capital gains/(losses)

The net capital gains/(losses) on investments during the period comprise:

	June 2017 £000's	June 2016 £000's
Non-derivative securities*	638	(793)
Custodial transaction fees	(1)	(1)
Net capital gains/(losses)	637	(794)

*Net gains listed above of £638,475 comprise net realised gains of £277,433 and net unrealised gains of £361,042 (2016: (£792,535) comprising net realised gains of £334,517 and net unrealised losses of (£1,127,052)). £122,378 of the net realised gains in the current period had been shown as net unrealised gains in the previous periods (2016: £415,513).

2 Revenue

	June 2017 £000's	June 2016 £000's
Bank interest	—	1
Overseas dividends	11	9
UK dividends	227	228
UK REIT dividends	1	2
Total revenue	239	240

3 Expenses

	June 2017 £000's	June 2016 £000's
Payable to the Manager or associates of the Manager:		
Manager's periodic charge	11	14
	11	14
Other expenses:		
Audit fees	1	—
Custodian fees	2	2
Directors' fees	1	1
Other expenses	2	(4)
	6	(1)
Total expenses	17	13

4 Interest payable and similar charges

	June 2017 £000's	June 2016 £000's
Interest payable	1	—
Total interest payable and similar charges	1	—

Notes to the Financial Statements

continued

5 Distributions

The distributions take account of amounts added on the issue of shares and amounts deducted on the cancellation of shares. They comprise:

	June 2017 £000's	June 2016 £000's
Interim distribution 30 June	223	241
	223	241
Amounts added on issue of shares	(7)	(28)
Amounts deducted on cancellation of shares	13	21
Gross distributions for the period	229	234

6 Net movement between revenue after taxation and distributions

	June 2017 £000's	June 2016 £000's
Net revenue after taxation	221	224
Expense paid from capital	8	10
Gross distributions for the period	229	234

7 Debtors

	June 2017 £000's	December 2016 £000's
Accrued revenue	50	28
Total debtors	50	28

8 Creditors

	June 2017 £000's	December 2016 £000's
a) Distribution payable		
Gross distribution payable	223	170
Total distribution payable	223	170
b) Other creditors		
Accrued expenses	4	7
Total other creditors	4	7

Find out more

If you would like more information on Standard Life Wealth you can:

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