

# **Interim Report & Financial Statements**

FP Argonaut Funds

For the six months ended 31 August 2015 (unaudited)



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\* Collectively, these comprise the ACD's Report

## Authorised Corporate Director's Report

We are pleased to present the Interim Report and Financial Statements for FP Argonaut Funds for the six months ended 31 August 2015.

### Authorised Status

FP Argonaut Funds ("the Company") is an investment company with variable capital incorporated in England and Wales under registered number IC000943 and authorised by the Financial Conduct Authority ("FCA") with effect from 12 March 2012. The Company has an unlimited duration.

Shareholders are not liable for the debts of the Company.

Head Office: The Head Office of the Company is at Cedar House, 3 Cedar Park, Cobham Road, Wimborne, Dorset BH21 7SB.

The Head Office is the address of the place in the UK for service on the Company of notices or other documents required or authorised to be served on it.

### Structure of the Company

The Company is structured as an umbrella company, in that different Funds may be established from time to time by the ACD with the approval of the FCA. On the introduction of any new Fund or Class, a revised prospectus will be prepared setting out the relevant details of each Fund or Class.

### Base Currency:

The base currency of the Company and each Fund is Pounds Sterling.

### Share Capital:

The minimum share capital of the Company is £1 and the maximum is £100,000,000,000. Shares in the Company have no par value. The share capital of the Company at all times equals the sum of the Net Asset Values of each of the Funds.

The Company is a UCITS scheme.

The assets of each Fund will be treated as separate from those of every other Fund and will be invested in accordance with the investment objective and investment policy applicable to that Fund. Investment of the assets of each of the Funds must comply with the FCA's Collective Investment Schemes Sourcebook ("COLL") and the investment objective and policy of the relevant Fund.

In the future there may be other Funds of the Company.

### Crossholdings

There were no shares in any sub-fund held by other sub-funds of the ICVC.

### Important events during the period

The Investment Association (IA) has published in accordance with FRS 102 a revised Statement of Recommended Practice (SORP) in May 2014 which supersedes the previous SORP for the preparation of Financial Statements by UK Authorised Funds.

The recommendations of this SORP are applicable to accounting periods beginning on or after 1 January 2015 and as a result the requirement for Umbrella Funds to present aggregated accounts has been removed for the Financial Statements of the Company.

**Certification of Financial Statements by Directors of the ACD**  
**For the six months ended 31 August 2015 (unaudited)**

**Directors' Certification**

This report has been prepared in accordance with the requirements of COLL, as issued and amended by the FCA. We hereby certify the report on behalf of the Directors of Fund Partners Limited.

The Directors are of the opinion that it is appropriate to continue to adopt the going concern basis in the preparation of the Financial Statements as the assets of the Funds consist predominately of securities that are readily realisable and, accordingly, the Funds have adequate resources to continue in operational existence for the foreseeable future.

V. Hoare

P. Legg

**Fund Partners Limited**

21 October 2015

## Investment Manager's Report

For the six months ended 31 August 2015 (unaudited)

### Investment Objective

To provide positive absolute returns in Sterling share class currency over a 3 year rolling period, utilising a variety of asset classes and regardless of market conditions. The Fund will not be managed against any formal benchmark. Capital invested in the Fund is at risk and there is no guarantee that the investment objective will be met over the 3 year rolling periods or in respect of any other time period.

### Investment Policy

The Investment Adviser will seek to identify methodically those investments, generally in European markets including the UK and Eastern Europe with the most and least attractive characteristics for investment. This assessment will be made with a view to being long on stocks with superior or underestimated earnings trends and being short on stocks with inferior or overestimated earnings trends.

Initially the investment process may involve the use of stock screening tools and meetings with company management teams or industry experts. The Investment Adviser then applies its stock research process to assess company and industry trends and management ability of specific companies in order to build a valuation model which assesses fair value versus current share price. The Investment Adviser uses this bottom-up approach to determine the appropriate investment exposure, if any, of the Fund (direct or through derivatives) to the listed equity securities of companies from those markets (without particular pre-defined portfolio weightings). Investments may also be made to a lesser extent in the corporate debt securities of those companies. The strategy will focus mainly on investing in the 'extremes' of the market i.e. investing in assets considered to be cheap and undervalued and conversely shorting expensive ones.

Investment strategies will be achieved through some use of derivative products (which will include contracts for difference (swaps), traded options and financial futures) in the pursuit of the investment objective. Direct investment will be made in equities and corporate debt securities for long exposure whereas exchange-traded financial derivative instruments and over-the-counter financial derivative instruments (together 'derivatives'), may be used strategically, for (additional) long and for short exposures. Short positions will be generated synthetically through derivatives, designed to allow the Fund to benefit economically from the fall in the price of the underlying securities to which the derivatives relate.

The Fund will use derivative instruments to generate additional income by systematically writing "out of the money" call options.

The use of call options will constrain capital growth if the call options are exercised against the Fund when they are in the money. Additionally, the call options must be covered.

In pursuit of its investment policy, all or a substantial proportion of the Fund's assets may consist of cash, near cash, deposits, warrants and/or money market instruments; the Fund may also invest in government bonds and other transferable securities Collective Investment Schemes (and use may be made of stock lending, borrowing, hedging techniques permitted by the FCA Rules).

In addition to a cash holding being maintained to contribute to the absolute return, substantial cash holdings could be required in support of derivatives to achieve the same economic return as holding the securities themselves.

## Investment Manager's Report (continued)

For the six months ended 31 August 2015 (unaudited)

### Investment Policy (continued)

The Fund's over-the-counter financial derivatives may be transacted with a single counterparty and strategies may be generated through a single derivative contract. In all circumstances, however, the Fund will comply with the investment restrictions and limits set out in the Prospectus. Derivatives strategies are designed to have the same economic effect as if the Fund were investing directly in the equities underlying the derivatives.

In addition, the Fund has the ability to invest in transferable securities embedding derivatives such as convertible bonds and to employ techniques involving, foreign exchange forwards, futures, options, stock lending and contracts for difference for the purpose of efficient portfolio management. These strategies may be used for reducing risk, reducing cost or generating additional capital for the Fund.

The Fund aims to generate absolute returns from five principal strategies:

- Long investing where there is a strong conviction that the stock price will rise;
- Short investing where there is a strong conviction that the stock price will fall;
- Pair trades – a combination of long and short investments to minimise sector and market risk. This could take the form of arbitrage opportunities such as long corporate debt paired with short equity;
- Cash holdings of up to 100% of the portfolio;
- Leverage to increase exposure to equity and corporate debt securities whether long or short but only to the extent permitted by the FCA Regulations.

### Investment Review

Over the period from 28 February to 31 August 2015, the Fund delivered 5.50%<sup>1</sup> against the IMA Targeted Absolute Return sector median return of -0.15<sup>1</sup>.

This return was contributed from both the long and short book. Largest individual contributors to performance over the period was Taylor Wimpey (+47%<sup>2</sup>), Yoox (+45%<sup>2</sup>) and Intesa Sanpaolo (+33%<sup>2</sup>) from our long book and RWE (-36%<sup>2</sup>) and Standard Chartered (-19%<sup>2</sup>) from our short book.

### Market Overview

Markets rose at the start of the review period following the announcement of European Central Bank (ECB) quantitative easing (QE) which gave credibility to the Eurozone's central bank as not just a lender but also a buyer of last resort. Subsequently markets fell back, initially on concerns over the radical Greek government's brinkmanship over repayment of debts. Eventually Greece was forced into a humiliating climb down after creditors refused to concede to Greek demands for debt forgiveness without prior economic reform. More recently, there have been concerns over Chinese economic growth and in particular its over-dependence on government sponsored infrastructure expenditure, over-capacity in many areas of the economy and concerns over asset quality in the banking system. Commodity prices continued to fall with the price of Brent crude falling from \$64/b to \$54/b<sup>2</sup>. The Euro was largely unchanged over the period at \$1.12<sup>2</sup>, but strengthened slightly against sterling from 72p at 73p<sup>2</sup>.

**Investment Manager's Report (continued)**  
**For the six months ended 31 August 2015 (unaudited)**

## Outlook

We think there is a significant structural problem with the Chinese economy which will require a cleansing of over-capacity in a wide range of industries through bankruptcies rather than further supply stimulus that can only further exacerbate the problem. Either way, assumptions of Chinese economic growth will need to be revised downwards, with the only debate the extent of the downgrade. Although the Chinese economy is notoriously opaque, its growth dynamic has been questionable for a number of years to the extent that it is perhaps surprising that a crisis has been averted until now.

Reassessment of Chinese economic growth is a source of opportunity. We are short Chinese exposure in banking, capital goods, commodities, automobiles and luxury goods, where we think corporate profits have already peaked. At this stage we do not see China issues affecting the recovery in profitability amongst European stocks exposed to the domestic economy in our long book. We also see any contagion threat as delaying withdrawal of monetary stimulus. Although volatility may remain elevated for a period of time (as the market struggles to comprehend and price Chinese risk) and that higher stock correlations may in the short term prevent the market from being as discerning as we would wish, we remain confident in our fundamental positioning and see compelling opportunities on both sides of our book.

<sup>1</sup> Lipper, 31 August 2015.

<sup>2</sup> Bloomberg, 31 August 2015.

Barry Norris

**Investment Manager**

Argonaut Capital Partners LLP

September 2015

**Net Asset Value per Share and Comparative Table**

As at 31 August 2015 (unaudited)

**Net Asset Value**

Date	Net Asset Value of Share Class (£)	Shares in issue	Net Asset Value pence per Share	Net Asset Value per Share #
<b>Share Class A GBP Accumulation</b>				
28/02/13	1,876,857	1,518,440	123.60	123.60
28/02/14	4,742,636	2,750,281	172.44	172.44
28/02/15	6,409,817	3,350,024	191.34	191.34
31/08/15	7,658,790	3,818,047	200.59	200.59
<b>Share Class A CHF Accumulation</b>				
28/02/13	5,600	7,551	74.16	105.05
<b>Share Class A EUR Accumulation</b>				
28/02/13	6,056	6,553	92.42	107.30
28/02/14	50,503	40,797	123.79	150.21
28/02/15	168,292	139,500	120.64	166.22
31/08/15	159,311	129,775	122.76	167.96
<b>Share Class A USD Accumulation</b>				
31/08/15	45,491	70,000	64.99	99.78
<b>Share Class I GBP Accumulation</b>				
28/02/13	5,415	4,231	127.98	127.98
28/02/14	3,685,798	2,046,145	180.13	180.13
28/02/15	49,001,063	24,346,135	201.27	201.27
31/08/15	23,430,890	11,162,417	209.91	209.91
<b>Share Class I CHF Accumulation</b>				
28/02/13	5,587	7,526	74.24	105.16
<b>Share Class I EUR Accumulation</b>				
28/02/13	6,039	6,527	92.52	107.43
28/02/14	22,118,086	17,694,001	125.00	151.68
28/02/15	4,244,766	3,466,706	122.44	168.70
31/08/15	64,171,732	51,047,807	125.71	172.00
<b>Share Class I USD Accumulation</b>				
28/02/15	364,147	510,099	71.39	110.32
31/08/15	546,856	720,143	75.94	116.59
<b>Share Class R GBP Accumulation</b>				
28/02/13	5,432	5,018	108.25	108.25
28/02/14	24,090,327	15,812,318	152.35	152.35
28/02/15	59,421,593	34,905,749	170.23	170.23
31/08/15	83,206,973	46,472,220	179.05	179.05

# Prices are listed in pence/cents dependent on Share Class currency.

**Net Asset Value per Share and Comparative Table (continued)**

As at 31 August 2015 (unaudited)

**Price and Revenue History**

Calendar Year	Highest Published Share price #	Lowest Published Share price #	Net Revenue per Share #
<b>Share Class A GBP Accumulation</b>			
2012 <sup>1</sup>	120.38	114.41	0.0000
2013	166.25	119.63	0.0000
2014	187.57	159.87	0.0000
2015 <sup>4</sup>	206.27	187.99	0.0000
<b>Share Class A CHF Accumulation</b>			
2012 <sup>1</sup>	105.08	99.69	0.0000
2013 <sup>2</sup>	124.26	104.36	0.0000
<b>Share Class A EUR Accumulation</b>			
2012 <sup>1</sup>	105.12	99.71	0.0000
2013	144.46	103.59	0.0000
2014	162.48	138.75	0.0000
2015 <sup>4</sup>	178.03	162.88	0.0000
<b>Share Class A USD Accumulation</b>			
2015 <sup>5</sup>	100.00	100.00	0.0000
<b>Share Class I GBP Accumulation</b>			
2012 <sup>1</sup>	124.57	117.80	0.0000
2013	173.43	123.84	0.0117
2014	197.06	167.80	0.0000
2015 <sup>4</sup>	214.79	197.71	0.0000
<b>Share Class I CHF Accumulation</b>			
2012 <sup>1</sup>	105.12	99.69	0.0000
2013 <sup>2</sup>	124.92	104.44	0.0000
<b>Share Class I EUR Accumulation</b>			
2012 <sup>1</sup>	105.13	99.71	0.0000
2013	145.60	103.66	0.0269
2014	164.69	140.63	0.0000
2015 <sup>4</sup>	183.09	165.27	0.0000
<b>Share Class I USD Accumulation</b>			
2014 <sup>3</sup>	107.94	92.07	0.0000
2015 <sup>4</sup>	119.04	108.18	0.0000
<b>Share Class R GBP Accumulation</b>			
2012 <sup>1</sup>	105.38	99.69	0.0000
2013 <sup>2</sup>	146.69	104.77	0.0081
2014	166.67	141.91	0.0000
2015 <sup>4</sup>	184.14	167.22	0.0000

## **Net Asset Value per Share and Comparative Table (continued)**

### **As at 31 August 2015 (unaudited)**

### **Price and Revenue History (continued)**

# Prices are listed in pence/cents dependent on Share Class currency.

<sup>1</sup> From 14 July to 31 December 2012.

<sup>2</sup> From 1 January to 12 August 2013.

<sup>3</sup> From 7 April to 31 December 2014.

<sup>4</sup> From 1 January to 31 August 2015.

<sup>5</sup> From 31 August to 31 August 2015.

All Share Classes except I USD Accumulation and A USD Accumulation were launched 14 July 2012.

Share Class I USD Accumulation was launched 7 April 2014.

Share Class A CHF Accumulation and I CHF Accumulation were closed 12 August 2013.

Share Class A USD Accumulation was launched 16 December 2013, however the first dealing was 31 August 2015.

### **Distribution**

At the period end, expenses exceeded revenue, generating a shortfall position on all Share Classes, therefore there will be no distribution.

## Performance Information

As at 31 August 2015 (unaudited)

### Ongoing Charge Figures

Date	AMC (%)	Fund accounting fee for hedged Share Classes (%)	Other expenses (%)	Transaction costs (%)	Total ongoing charge figures excluding performance fee (%)	Performance fee (%)	Total ongoing charge figures including performance fee (%)
<b>31/08/15</b>							
Share Class A GBP Accumulation	1.50	0.03	0.15	0.01	1.69	1.34	3.03
Share Class A EUR Accumulation	1.50	0.03	0.15	0.01	1.69	1.31	3.00
Share Class I GBP Accumulation	0.75	0.03	0.15	0.01	0.94	1.57	2.51
Share Class I EUR Accumulation	0.75	0.03	0.15	0.01	0.94	1.18	2.12
Share Class I USD Accumulation	0.75	0.03	0.15	0.01	0.94	1.32	2.26
Share Class R GBP Accumulation	0.75	0.03	0.15	0.01	0.94	1.47	2.41
<b>28/02/15</b>							
Share Class A GBP Accumulation	1.50	0.03	0.15	0.02	1.70	0.00	1.70
Share Class A EUR Accumulation	1.50	0.03	0.15	0.02	1.70	0.00	1.70
Share Class I GBP Accumulation	0.75	0.03	0.15	0.02	0.95	0.00	0.95
Share Class I EUR Accumulation	0.75	0.03	0.15	0.02	0.95	0.00	0.95
Share Class I USD Accumulation	0.75	0.03	0.15	0.02	0.95	0.00	0.95
Share Class R GBP Accumulation	0.75	0.03	0.15	0.02	0.95	0.00	0.95

The Ongoing Charge Figure (OCF) is the ratio of the Fund's total discloseable costs (excluding overdraft interest) to the average net assets of the Fund.

### Performance Fee

The Performance Fee, commencing 1 January 2015, will be calculated and accrued daily but will only become payable annually in arrears in respect of each discrete period of twelve months ending 31 December (the "Performance Period"). The Performance Fee will accrue daily as if each day were the end of a Performance Period, therefore if relevant; the fee will crystallise upon redemptions and will be paid to the Investment Manager at the end of the Performance Period. Full details can be found in the prospectus.

## **Performance Information (continued)**

**As at 31 August 2015 (unaudited)**

### **Performance Fee (continued)**

The amount of Performance Fee payable in respect of each Performance Period is a Sterling amount equivalent to the product of:

- (a) the opening NAV;
- (b) the higher of:
  - the excess performance over 5% (the "Hurdle Rate"); and
  - the highest mid price, net of any performance fee, calculated at the end of any previous Performance Period (the "High Watermark"); the higher being the "Target Price";
- (c) the rate of the performance fee (being 20% of the outperformance of the Target Price); and
- (d) the average number of Shares in issue during the Calculation Period.

### **Risk Warning**

An investment in an Open-Ended Investment Company should be regarded as a medium to long term investment. Investors should be aware that the price of shares and the income from them may fall as well as rise and investors may not receive back the full amount invested. Past performance is not a guide to future performance. Investments denominated in currencies other than the base currency of a fund are subject to fluctuation in exchange rates, which may be favourable or unfavourable.

**Risk and Reward Profile**

As at 31 August 2015

	Typically lower rewards			Typically higher rewards			
	←—————→						
	Lower risk			Higher risk			
Class A (GBP) (Currency Hedged) Retail Accumulation	1	2	3	4	5	6	7
Class A (EUR) (Currency Hedged) Retail Accumulation	1	2	3	4	5	6	7
Class A (USD) (Currency Hedged) Retail Accumulation	1	2	3	4	5	6	
Class I (GBP) (Currency Hedged) Institutional Accumulation	1	2	3	4	5	6	7
Class I (EUR) (Currency Hedged) Institutional Accumulation	1	2	3	4	5	6	7
Class I (USD) (Currency Hedged) Institutional Accumulation	1	2	3	4	5	6	7
Class R (GBP) (Currency Hedged) Retail Accumulation	1	2	3	4	5	6	7

- this indicator is based on historical data and may not be a reliable indication of the future risk profile of the Fund.
- the risk category shown is not guaranteed to remain unchanged and may shift over time.
- the lowest category does not mean 'risk free'.
- the Class A and I Shares above appear as "4" or "5" on the scale. This is partly because the Fund invests in the shares of companies, whose values tend to vary more widely. Additionally, the Class A and I Shares (depending on their currency denomination) may be affected by currency exchange rates.
- the Class R Shares above appear as a "4" on the scale. Although the Fund invests in the shares of companies (whose values tend to vary more widely), it uses derivatives which reduce the impact of variations in value.

**Portfolio Statement**

As at 31 August 2015 (unaudited)

Holdings or Nominal Value	Investments	Market value £	% of Total Net Assets
<b>Equities 26.87% [33.03%]</b>			
31,803	Allergan	6,366,605	3.55
71,014	CRH	1,359,065	0.76
903,471	Euskaltel	7,072,081	3.95
700,010	FinecoBank	3,540,413	1.98
199,405	Grieg Seafood	430,466	0.24
500,000	Infrastrutture Wireless Ital	1,515,105	0.85
773,273	Michelmersh Brick	695,946	0.39
129,260	Nordic Semiconductor	476,406	0.27
714,078	Norway Royal Salmon	3,656,885	2.04
44,187	Pandora	3,253,880	1.82
13,393,116	REC Silicon	1,372,808	0.77
2,890,040	Royal Bank of Scotland	9,727,875	5.43
68,139	Sunrise Communications	2,857,643	1.59
165,603	Vestas Wind Systems	5,786,050	3.23
		<b>48,111,228</b>	<b>26.87</b>
<b>Collective Investment Schemes 4.27% [6.40%]</b>			
3,151,353	SSgA Cash Management Fund	3,151,353	1.76
4,500,000	Standard Life Investments Sterling Liquidity Fund	4,500,000	2.51
		<b>7,651,353</b>	<b>4.27</b>
<b>Contracts for Difference 2.02% [0.20%]</b>			
113,538	Airbus	(374,529)	(0.21)
460,149	Aixtron	111,435	0.06
413,588	Akastor	343,085	0.19
1,008,280	Aker Solutions	79,256	0.04
3,150,434	Ashmore	140,609	0.08
178,174,002	Banco Comercial Portuguese	(271,835)	(0.15)
2,555,615	Banco Popular Espanol	697,047	0.38
7,134,643	Bankia	(87,315)	(0.05)
472,742	Barratt Developments	442,828	0.25
90,045	BMW	505,310	0.28
310,128	Brunel	(604,746)	(0.34)
422,645	Buzzi Unicem	191,910	0.11
530,003	CNH Industrial	336,009	0.19
858,682	Det Norske Oljeselskap	(14,253)	(0.01)
37,368	Duerr	(110,004)	(0.06)
1,454,509	Enel Green Power	(239,415)	(0.13)
505,480	Euronav	(633,051)	(0.35)
196,610	Groupe Eurotunnel	(139,531)	(0.08)
18,415	Hexagon	(21,143)	(0.01)
612,068	International Consolidate Airline	6,072	0.00
5,391,993	Intesa Sanpaolo	81,370	0.05

**Portfolio Statement (continued)**

As at 31 August 2015 (unaudited)

Holdings or Nominal Value	Investments	Market value £	% of Total Net Assets
<b>Contracts for Difference (continued)</b>			
428,280	Just Eat	(59,071)	(0.03)
70,721	Kone	(18,222)	(0.01)
177,300	Liberty Global	(121,662)	(0.07)
769,771	Lundin Petroleum	631,930	0.35
316,055	Metso	507,964	0.28
689,130	Michelmersh Brick	234,304	0.13
200,288	Neste Oil	72,571	0.04
703,382	Nordic Semiconductor	(427,308)	(0.24)
66,463	Norwegian Air Shuttle	(751,768)	(0.42)
465,248	Ocado	(506,325)	(0.28)
125,009	Petrofac	(83,756)	(0.05)
1,022,449	Raiffeisen Bank International	368,671	0.21
649,460	Redrow	42,864	0.02
129,060	Remy Cointreau	246,298	0.14
458,074	RWE	415,995	0.23
639,517	Ryanair	560,103	0.31
205,110	Savills	(28,820)	(0.02)
440,824	Smurfit Kappa	(497,224)	(0.28)
1,716,805	Standard Chartered	695,420	0.39
798,090	Statoil	435,102	0.24
21,284	Swatch	67,585	0.04
1,477,954	Taylor Wimpey	404,586	0.23
83,251	Telenet	(13,891)	(0.01)
249,372	TGS NOPEC Geophysical	200,159	0.11
392,643	Tom Tom	(306,797)	(0.17)
345,592	Turkiye Petrol Rafinerileri	249,638	0.14
66,948	Wartsila	(8,890)	0.00
177,082	Weir	550,431	0.30
255,287	Yoox	(374,594)	(0.21)
168,227	Zumtobel	729,759	0.41
		<b>3,654,161</b>	<b>2.02</b>

**Forward Currency Contracts (0.27%) [0.06%]**

Bought EUR5,976,722 for GBP4,347,962 Settlement 24/09/2015	22,223	0.01
Sold EUR30,069,703 for GBP22,043,497 Settlement 24/09/2015	56,496	0.03
Bought SEK12,806 for GBP981 Settlement 24/09/2015	6	0.00
Sold CHF7,659,368 for GBP5,203,633 Settlement 24/09/2015	5,756	0.00

**Portfolio Statement (continued)**

As at 31 August 2015 (unaudited)

Holdings or Nominal Value	Investments	Market value £	% of Total Net Assets
<b>Forward Currency Contracts (continued)</b>			
	Sold DKK89,471,436 for GBP8,798,555 Settlement 24/09/2015	31,753	0.02
	Sold NOK51,222,018 for GBP3,947,406 Settlement 24/09/2015	(86,850)	(0.05)
	Sold USD10,228,597 for GBP6,492,273 Settlement 24/09/2015	(170,627)	(0.10)
<b>Hedge Share Classes</b>			
	Sold EUR233,860 for GBP171,064 Settlement 24/09/2015	65	0.00
	Bought EUR89,321,769 for GBP65,652,500 Settlement 24/09/2015	(340,321)	(0.19)
	Bought USD826,259 for GBP523,890 Settlement 24/09/2015	14,334	0.01
	Sold USD9,206 for GBP5,858 Settlement 24/09/2015	(139)	0.00
		<b>(467,304)</b>	<b>(0.27)</b>
	<b>Portfolio of investments</b>	<b>58,949,438</b>	<b>32.89</b>
	Net other assets	120,270,605	67.11
	<b>Net assets</b>	<b>179,220,043</b>	<b>100.00</b>

All investments are ordinary shares unless otherwise stated and admitted to official stock exchange listings.

Comparative figures shown above in square brackets relate to 28 February 2015.

Gross purchases for the six months: £64,117,796 [2014: £44,513,318].

Total sales net of transaction costs for the six months: £57,503,970 [2014: £25,827,378].

**Statement of Total Return**

For the six months ended 31 August 2015 (unaudited)

	01/03/15 to 31/08/15		01/03/14 to 31/08/14	
	£	£	£	£
Income				
Net capital gains/(losses)		8,046,469		(4,352,134)
Revenue	1,209,760		469,701	
Expenses	(2,859,878)		(1,103,317)	
Finance costs: Interest	(971)		(5,075)	
Net expense before taxation	(1,651,089)		(638,691)	
Taxation	(28,842)		(8,824)	
Net expense after taxation		(1,679,931)		(647,515)
Total return before distributions		6,366,538		(4,999,649)
Finance costs: Distributions		–		67
<b>Change in net assets/(liabilities) attributable to Shareholders from investment activities</b>		<b>6,366,538</b>		<b>(4,999,582)</b>

**Statement of Change in Net Assets Attributable to Shareholders**

For the six months ended 31 August 2015 (unaudited)

	01/03/15 to 31/08/15		01/03/14 to 31/08/14	
	£	£	£	£
<b>Opening net assets attributable to Shareholders</b>		119,609,678		54,687,350
Amounts received on issue of Shares	88,950,931		39,516,207	
Less: Amounts paid on cancellation of Shares	(35,931,085)		(2,299,732)	
		53,019,846		37,216,475
Dilution adjustment charged		223,981		157,260
Stamp duty reserve tax*		–		(555)
Change in net assets attributable to Shareholders from investment activities (see above)		6,366,538		(4,999,582)
<b>Closing net assets attributable to Shareholders</b>		<b>179,220,043</b>		<b>87,060,948</b>

The above statement shows the comparative closing net assets at 31 August 2014 whereas the current accounting period commenced 1 March 2015.

\* Abolished from 30 March 2014 for OEICs.

**Balance Sheet**

As at 31 August 2015 (unaudited)

	31/08/15		28/02/15	
	£	£	£	£
<b>Assets</b>				
Investment assets		65,241,525		53,539,484
Debtors	3,906,966		1,985,271	
Cash and bank balances	119,150,473		71,221,593	
Total other assets		123,057,439		73,206,864
Total assets		188,298,964		126,746,348
<b>Liabilities</b>				
Investment liabilities		(6,292,087)		(6,068,364)
Creditors	(2,336,992)		(927,947)	
Bank overdrafts	(449,842)		(140,359)	
Total other liabilities		(2,786,834)		(1,068,306)
Total liabilities		(9,078,921)		(7,136,670)
<b>Net assets attributable to Shareholders</b>		<b>179,220,043</b>		<b>119,609,678</b>

**Notes to the Financial Statements**

For the six months ended 31 August 2015 (unaudited)

**Accounting Basis, Policies and Valuation of Investments****(a) Basis of accounting**

The interim Financial Statements have been prepared under the historical cost basis, as modified by the revaluation of investments and in accordance with the Statement of Recommended Practice ("SORP") for Financial Statements of Authorised Funds issued by the Investment Association (formerly Investment Management Association) in May 2014.

The accounting policies applied are consistent with those of the annual Financial Statements for the year ended 28 February 2015 and are described in those Financial Statements. In this regard, comparative figures from previous periods are prepared to the same standards as the current period, unless otherwise stated.

As described in the Certification of Financial Statements by Directors of the ACD on page 4, the ACD continues to adopt the going concern basis in the preparation of the Aggregate Financial Statements of the Funds.

## Investment Manager's Report

For the six months ended 31 August 2015 (unaudited)

### Investment Objective

To achieve above average returns and attempt to perform a top quartile profile when measured against competing funds in the same sector.

### Investment Policy

To aim to achieve its objective, the Fund will invest in a concentrated portfolio of approximately 30-60 stocks. The Fund will invest predominantly in securities of companies incorporated in Continental Europe and Ireland. The Fund may also invest in companies that are headquartered or quoted outside Europe which derive a significant part of their business from Europe and whose securities are listed or traded on an eligible securities exchange.

The Fund will not concentrate on any particular sector but will invest in a broad range of stocks without regard to market capitalisation. The Fund manager will however have regard to liquidity and tracking error.

The Fund may also invest in other transferable securities, units in Collective Investment Schemes, money market instruments and deposits.

The Fund may also make use of derivatives and forward transactions for the purpose of efficient portfolio management, including the use of hedging techniques and stock lending.

### Investment Review

Over the period from 28 February to 31 August 2015, the Fund delivered 3.15%<sup>1</sup> against the MSCI Europe ex UK return of -4.34%<sup>1</sup> and the IMA Europe ex UK sector median return of -2.24%<sup>1</sup>.

Positive contribution was from our stock selection in the Consumer Discretionary, Energy and Industrials sector. The top performers being Yoox (+45%<sup>2</sup>), Pandora (+29%<sup>2</sup>) and Vestas Wind Systems (+29%<sup>2</sup>).

In terms of country and sector positioning, we have been significantly overweight peripheral Europe (45%<sup>2</sup> fund vs 13%<sup>2</sup> index) but continued to avoid Greece, we are also negative on commodities in general (our over-weights in materials and energy are predominantly building and oil refining related).

### Market Overview

Markets rose at the start of the review period following the announcement of European Central Bank (ECB) quantitative easing (QE) which gave credibility to the Eurozone's central bank as not just a lender but also buyer of last resort. Subsequently markets fell back, initially on concerns over the radical Greek government's brinksmanship over repayment of debts. Eventually Greece was forced into a humiliating climb down after creditors refused to concede to Greek demands for debt forgiveness without prior economic reform. More recently, there have been concerns over Chinese economic growth and in particular its over-dependence on government sponsored infrastructure expenditure, over-capacity in many areas of the economy and concerns over asset quality in the banking system. Commodity prices continued to fall with the price of Brent crude falling from \$64/b to \$54/b.<sup>2</sup> The Euro was largely unchanged over the period at \$1.12, but strengthened slightly against sterling from 72p at 73p.<sup>2</sup>

**Investment Manager's Report (continued)**  
**For the six months ended 31 August 2015 (unaudited)**

## **Outlook**

We think there is a significant structural problem with the Chinese economy which will require a cleansing of over-capacity in a wide range of industries through bankruptcies rather than further supply stimulus that can only further exacerbate the problem. Either way, assumptions of Chinese economic growth will need to be revised downwards, with the only debate the extent of the downgrade. Although the Chinese economy is notoriously opaque, its growth dynamic has been questionable for a number of years to the extent that it is perhaps surprising that a crisis has been averted until now.

We have avoided Chinese exposure (automobiles, capital goods, commodities, luxury goods) for a number of years, believing that these areas of the European stock-market where corporate profits are already near peak. At this stage we do not see China issues affecting the recovery in profitability amongst European stocks exposed to the domestic economy where we are largely positioned. We also see any contagion threat as delaying withdrawal of monetary stimulus. Although volatility may remain elevated for a period of time (as the market struggles to comprehend and price Chinese risk) and that higher stock correlations may in the short term prevent the market from being as discerning as we would wish, we remain confident in our fundamental positioning.

<sup>1</sup> Lipper, 31 August 2015.

<sup>2</sup> Bloomberg, 31 August 2015.

Barry Norris  
**Investment Manager**  
Argonaut Capital Partners LLP  
September 2015

## Net Asset Value per Share Price and Comparative Table

As at 31 August 2015 (unaudited)

### Net Asset Value

Date	Net Asset Value of Share Class (£)	Shares in issue	Net Asset Value pence per Share	Net Asset Value per Share #
<b>Share Class A GBP Income</b>				
28/02/13	1,087,588	969,924	112.13	112.13
28/02/14	2,855,694	2,011,885	141.94	141.94
28/02/15	2,226,179	1,570,626	141.74	141.74
31/08/15	2,118,303	1,449,605	146.13	146.13
<b>Share Class A GBP Accumulation</b>				
28/02/13	109,722,546	47,124,659	232.83	232.83
28/02/14	121,311,267	41,009,527	295.81	295.81
28/02/15	101,227,077	34,267,174	295.41	295.41
31/08/15	94,013,081	30,815,725	305.08	305.08
<b>Share Class A CHF Accumulation</b>				
28/02/13	6,231	7,558	82.44	116.78
<b>Share Class A EUR Accumulation</b>				
28/02/13	150,622	157,504	95.63	111.04
28/02/14	1,107,860	911,703	121.52	147.44
28/02/15	879,860	725,070	121.35	167.19
31/08/15	1,055,245	842,009	125.32	171.47
<b>Share Class I GBP Income</b>				
28/02/13	23,896,641	21,235,522	112.53	112.53
28/02/14	51,879,173	36,358,516	142.69	142.69
28/02/15	94,498,990	65,954,368	143.28	143.28
31/08/15	117,834,168	79,502,794	148.21	148.21
<b>Share Class I GBP Accumulation</b>				
28/02/13	73,327,064	37,620,464	194.91	194.91
28/02/14	46,089,077	18,426,279	250.13	250.13
28/02/15	48,981,201	19,415,088	252.28	252.28
31/08/15	63,240,304	24,149,051	261.87	261.87
<b>Share Class I CHF Accumulation</b>				
28/02/13	6,242	7,526	82.94	117.49
<b>Share Class I EUR Accumulation</b>				
28/02/13	5,789,931	5,945,534	97.38	113.07
28/02/14	16,153,338	12,927,210	124.96	151.62
28/02/15	16,492,915	13,085,298	126.04	173.66
31/08/15	12,151,262	9,288,007	130.83	179.00

## Net Asset Value per Share Price and Comparative Table (continued)

As at 31 August 2015 (unaudited)

### Net Asset Value (continued)

Date	Net Asset Value of Share Class (£)	Shares in issue	Net Asset Value pence per Share	Net Asset Value per Share #
<b>Share Class R GBP Income</b>				
28/02/13	321,644	253,848	126.71	126.71
28/02/14	2,409,405	1,499,914	160.64	160.64
28/02/15	9,226,021	5,719,165	161.32	161.32
31/08/15	11,914,609	7,139,904	166.87	166.87
<b>Share Class R GBP Accumulation</b>				
28/02/13	330,872	260,970	126.79	126.79
28/02/14	10,376,937	6,388,097	162.44	162.44
28/02/15	44,217,702	26,984,716	163.86	163.86
31/08/15	57,464,927	33,785,537	170.09	170.09

# Prices are listed in pence/cents dependent on Share Class currency.

## Net Asset Value per Share Price and Comparative Table (continued)

As at 31 August 2015 (unaudited)

### Price and Revenue History

Calendar Year	Highest Published Share price #	Lowest Published Share price #	Net Revenue per Share #
<b>Share Class A GBP Income</b>			
2012 <sup>1</sup>	101.05	88.21	0.0000
2013	130.90	100.88	0.4328
2014	146.70	113.37	0.0000
2015 <sup>3</sup>	154.86	133.51	0.2520 <sup>+</sup>
<b>Share Class A GBP Accumulation</b>			
2012 <sup>1</sup>	209.83	183.18	0.0000
2013	272.78	209.47	0.8983
2014	305.72	236.28	0.0000
2015 <sup>3</sup>	322.76	278.25	0.5245 <sup>+</sup>
<b>Share Class A CHF Accumulation</b>			
2012 <sup>1</sup>	109.53	99.56	0.0000
2013 <sup>2</sup>	130.61	110.45	0.0000
<b>Share Class A EUR Accumulation</b>			
2012 <sup>1</sup>	105.20	95.35	0.0000
2013	133.88	105.76	0.4339
2014	153.47	121.75	0.0000
2015 <sup>3</sup>	187.31	146.21	0.2983 <sup>+</sup>
<b>Share Class I GBP Income</b>			
2012 <sup>1</sup>	101.41	88.15	0.0000
2013	132.23	101.27	0.8260
2014	147.57	114.49	1.1585
2015 <sup>3</sup>	156.73	135.13	0.8944 <sup>+</sup>
<b>Share Class I GBP Accumulation</b>			
2012 <sup>1</sup>	175.35	152.42	0.0000
2013	230.26	175.10	1.4223
2014	258.74	201.05	2.0140
2015 <sup>3</sup>	275.99	237.30	1.5381 <sup>+</sup>
<b>Share Class I CHF Accumulation</b>			
2012 <sup>1</sup>	109.99	99.58	0.0000
2013 <sup>2</sup>	131.98	110.97	0.2149
<b>Share Class I EUR Accumulation</b>			
2012 <sup>1</sup>	106.93	96.48	0.0000
2013	137.49	107.58	0.8348
2014	158.26	125.99	1.2237
2015 <sup>3</sup>	195.41	151.65	1.0729 <sup>+</sup>

## Net Asset Value per Share Price and Comparative Table (continued)

As at 31 August 2015 (unaudited)

### Price and Revenue History (continued)

Calendar Year	Highest Published Share price #	Lowest Published Share price #	Net Revenue per Share #
Share Class R GBP Income			
2012 <sup>1</sup>	114.10	99.27	0.0000
2013	148.67	113.93	0.7391
2014	166.14	128.90	1.1041
2015 <sup>3</sup>	176.47	152.14	1.0043 <sup>†</sup>
Share Class R GBP Accumulation			
2012 <sup>1</sup>	114.11	99.27	0.0000
2013	149.51	113.94	0.7282
2014	168.05	130.58	1.1034
2015 <sup>3</sup>	179.26	154.13	1.0220 <sup>†</sup>

# Prices are listed in pence/cents dependent on Share Class currency.

<sup>1</sup> From 14 July to 31 December 2012.

<sup>2</sup> From 1 January to 12 August 2013.

<sup>3</sup> From 1 January to 31 August 2015.

<sup>†</sup> Includes the distributions paid 30 April and payable 31 October 2015.

All Share Classes were launched 14 July 2012.

Share Class A CHF Accumulation and I CHF Accumulation were closed 12 August 2013.

### Distribution

The distribution for Share Class A GBP Income is 0.2520p per Share, payable 31 October 2015.

The distribution for Share Class A GBP Accumulation is 0.5245p per Share, payable 31 October 2015.

The distribution for Share Class I GBP Income is 0.5080p per Share, payable 31 October 2015.

The distribution for Share Class I GBP Accumulation is 0.8933p per Share, payable 31 October 2015.

The distribution for Share Class I EUR Accumulation is 0.6111c per Share, payable 31 October 2015.

The distribution for Share Class A EUR Accumulation is 0.2983c per Share, payable 31 October 2015.

The distribution for Share Class R GBP Income is 0.5720p per Share, payable 31 October 2015.

The distribution for Share Class R GBP Accumulation is 0.5810p per Share, payable 31 October 2015.

## Performance Information

As at 31 August 2015 (unaudited)

Date	AMC (%)	Other expenses (%)	Transaction costs (%)	Total ongoing charge figures (%)
31/08/15				
Share Class A	1.75	0.13	0.01	1.89
Share Class I	0.75	0.13	0.01	0.89
Share Class R	0.75	0.13	0.01	0.89
28/02/15				
Share Class A	1.75	0.15	0.01	1.91
Share Class I	0.75	0.15	0.01	0.91
Share Class R	0.75	0.15	0.01	0.91

The Ongoing Charge Figure (OCF) is the ratio of the Fund's total discloseable costs (excluding overdraft interest) to the average net assets of the Fund.

### Risk Warning

An investment in an Open-Ended Investment Company should be regarded as a medium to long term investment. Investors should be aware that the price of shares and the income from them may fall as well as rise and investors may not receive back the full amount invested. Past performance is not a guide to future performance. Investments denominated in currencies other than the base currency of a fund are subject to fluctuation in exchange rates, which may be favourable or unfavourable.

**Risk and Reward Profile**  
As at 31 August 2015

	<div style="display: flex; justify-content: space-between; align-items: center;"> <span>Typically lower rewards</span> <span>←————→</span> <span>Typically higher rewards</span> </div> <div style="display: flex; justify-content: space-between; align-items: center; margin-top: 5px;"> <span>Lower risk</span> <span>Higher risk</span> </div>						
	1	2	3	4	5	6	7
Class A (GBP) Retail Income	1	2	3	4	5	6	7
Class A (GBP) Retail Accumulation	1	2	3	4	5	6	7
Class A (EUR) Retail Accumulation	1	2	3	4	5	6	7
Class I (GBP) Institutional Income	1	2	3	4	5	6	7
Class I (GBP) Institutional Accumulation	1	2	3	4	5	6	7
Class I (EUR) Institutional Accumulation	1	2	3	4	5	6	7
Class R (GBP) Retail Income	1	2	3	4	5	6	7
Class R (GBP) Retail Accumulation	1	2	3	4	5	6	7

- this indicator is based on historical data and may not be a reliable indication of the future risk profile of the Fund.
- the risk category shown is not guaranteed to remain unchanged and may shift over time.
- the lowest category does not mean 'risk free'.
- the Class A, I and R Shares above appear as "6" on the scale. This is partly because the Fund invests in the shares of companies, whose values tend to vary more widely. Additionally, the Class A and I Shares (depending on their currency denomination) may be affected by currency exchange rates.

**Portfolio Statement**

As at 31 August 2015 (unaudited)

Holdings or Nominal Value	Investments	Market value £	% of Total Net Assets
<b>Austria 1.90% [1.63%]</b>			
363,278	Zumtobel	6,836,910	1.90
		<b>6,836,910</b>	<b>1.90</b>
<b>Belgium 5.18% [6.63%]</b>			
1,060,211	Euronav	9,337,333	2.60
252,561	Telenet	9,266,454	2.58
		<b>18,603,787</b>	<b>5.18</b>
<b>Denmark 7.02% [8.61%]</b>			
122,533	Pandora	9,023,189	2.51
464,386	Vestas Wind Systems	16,225,313	4.51
		<b>25,248,502</b>	<b>7.02</b>
<b>Finland 4.91% [4.54%]</b>			
606,330	Neste Oil	10,321,008	2.87
1,672,690	Nokia	6,931,736	1.93
129,779	Outokumpu	385,480	0.11
		<b>17,638,224</b>	<b>4.91</b>
<b>France 5.72% [7.98%]</b>			
1,168,482	Groupe Eurotunnel	10,307,963	2.86
271,328	Spie	3,400,966	0.95
40,780	Unibail-Rodamco*	6,876,040	1.91
		<b>20,584,969</b>	<b>5.72</b>
<b>Germany 2.67% [2.84%]</b>			
777,814	Aixtron	3,261,969	0.91
45,358	Continental	6,330,195	1.76
		<b>9,592,164</b>	<b>2.67</b>
<b>Ireland 11.87% [16.25%]</b>			
289,413	CRH	5,538,781	1.54
129,379	Ryanair	1,159,305	0.32
1,747,323	Ryanair Chi-X Europe	15,580,327	4.33
1,068,462	Smurfit Kappa	20,444,301	5.68
		<b>42,722,714</b>	<b>11.87</b>

**Portfolio Statement (continued)**

As at 31 August 2015 (unaudited)

Holdings or Nominal Value	Investments	Market value £	% of Total Net Assets
<b>Italy 19.25% [15.17%]</b>			
566,547	Buzzi Unicem	6,252,539	1.74
258,733	Buzzi Unicem Rsp	1,741,626	0.48
5,648,177	Enel Green Power	7,046,688	1.96
2,053,660	FinecoBank	10,386,714	2.89
10,576,647	Intesa Sanpaolo	22,587,678	6.28
1,117,515	Unipol Gruppo Finanziario	3,405,908	0.95
2,341,556	UnipolSai	3,525,456	0.98
698,994	Yoox	14,279,033	3.97
		<b>69,225,642</b>	<b>19.25</b>
<b>Netherlands 5.60% [8.66%]</b>			
319,771	Airbus	13,606,763	3.78
996,216	TomTom	6,534,059	1.82
		<b>20,140,822</b>	<b>5.60</b>
<b>Norway 5.07% [5.46%]</b>			
1,106,496	Grieg Seafood	2,388,650	0.66
926,988	Marine Harvest	7,164,658	1.99
2,368,187	Nordic Semiconductor	8,728,278	2.42
		<b>18,281,586</b>	<b>5.07</b>
<b>Spain 8.58% [10.87%]</b>			
8,749,723	Bankia	6,964,106	1.93
2,119,983	Euskaltel	16,594,546	4.61
1,362,121	International Consolidated Airlines	7,342,116	2.04
		<b>30,900,768</b>	<b>8.58</b>
<b>Switzerland 2.54% [4.72%]</b>			
409,536	Logitech International	3,540,582	0.98
134,335	Sunrise Communications	5,633,799	1.56
		<b>9,174,381</b>	<b>2.54</b>
<b>Turkey 2.49% [0.00%]</b>			
539,022	Tupras Turkiye Petrol Rafinerileri	8,951,241	2.49
		<b>8,951,241</b>	<b>2.49</b>
<b>United Kingdom 8.59% [2.65%]</b>			
814,656	Just Eat	3,208,115	0.89
466,783	Liberty Global	14,994,449	4.17
3,774,293	Royal Bank of Scotland	12,704,270	3.53
		<b>30,906,834</b>	<b>8.59</b>
<b>United States 7.43% [3.19%]</b>			
103,711	Allergan	20,761,780	5.77
103,300	Royal Caribbean Cruises (US Listing)	5,976,575	1.66
		<b>26,738,355</b>	<b>7.43</b>

**Portfolio Statement (continued)**

As at 31 August 2015 (unaudited)

Holdings or Nominal Value	Investments	Market value £	% of Total Net Assets
<b>Forward Currency Contracts (0.01%) [0.00%]</b>			
	Sold TRY4,180,698 for GBP891,198 Settlement 28/09/2015	(35,998)	(0.01)
		<b>(35,998)</b>	<b>(0.01)</b>
	<b>Portfolio of investments</b>	<b>355,510,901</b>	<b>98.81</b>
	Net other assets	4,280,998	1.19
	<b>Net assets</b>	<b>359,791,899</b>	<b>100.00</b>

\* Real Estate Investment Trusts

All investments are ordinary shares unless otherwise stated and admitted to official stock exchange listings.

Comparative figures shown above in square brackets relate to 28 February 2015.

Gross purchases for the six months: £206,351,466 [2014: £204,524,725].

Total sales net of transaction costs for the six months: £174,269,405 [2014: £152,435,870].

**Statement of Total Return**

For the six months ended 31 August 2015 (unaudited)

	01/03/15 to 31/08/15		01/03/14 to 31/08/14	
	£	£	£	£
Income				
Net capital gains/(losses)		8,239,289		(26,919,859)
Revenue	4,663,551		2,434,831	
Expenses	(2,072,978)		(1,823,419)	
Finance costs: Interest	(3,394)		(15,215)	
Net revenue before taxation	2,587,179		596,197	
Taxation	400,028		(80,491)	
Net revenue after taxation		2,987,207		515,706
Total return before distributions		11,226,496		(26,404,153)
Finance costs: Distributions		(881,871)		(84,545)
<b>Change in net assets/ (liabilities) attributable to Shareholders from investment activities</b>		<b>10,344,625</b>		<b>(26,488,698)</b>

**Statement of Change in Net Assets Attributable to Shareholders**

For the six months ended 31 August 2015 (unaudited)

	01/03/15 to 31/08/15		01/03/14 to 31/08/14	
	£	£	£	£
<b>Opening net assets attributable to Shareholders</b>		317,749,945		252,182,751
Amounts received on issue of Shares	51,216,392		64,683,568	
Less: Amounts paid on cancellation of Shares	(20,263,749)		(13,482,909)	
		30,952,643		51,200,659
Dilution adjustment charged		127,724		217,461
Stamp duty reserve tax*		–		(272)
Change in net assets attributable to Shareholders from investment activities (see above)		10,344,625		(26,488,698)
Retained distribution on accumulation Shares		616,962		142,507
<b>Closing net assets attributable to Shareholders</b>		<b>359,791,899</b>		<b>277,254,408</b>

The above statement shows the comparative closing net assets at 31 August 2014 whereas the current accounting period commenced 1 March 2015.

\* Abolished from 30 March 2014 for OEICs.

**Balance Sheet**

As at 31 August 2015 (unaudited)

	31/08/15		28/02/15	
	£	£	£	£
<b>Assets</b>				
Investment assets		355,546,899		315,202,472
Debtors	3,125,881		3,228,321	
Cash and bank balances	4,147,298		3,958,426	
Total other assets		7,273,179		7,186,747
Total assets		362,820,078		322,389,219
<b>Liabilities</b>				
Investment liabilities		(35,998)		–
Creditors	(1,174,135)		(4,359,633)	
Bank overdrafts	(1,369,661)		–	
Distribution payable on income Shares	(448,385)		(279,641)	
Total other liabilities		(2,992,181)		(4,639,274)
Total liabilities		(3,028,179)		(4,639,274)
<b>Net assets attributable to Shareholders</b>		<b>359,791,899</b>		<b>317,749,945</b>

**Notes to the Financial Statements**

For the six months ended 31 August 2015 (unaudited)

**Accounting Basis, Policies and Valuation of Investments****(a) Basis of accounting**

The interim Financial Statements have been prepared under the historical cost basis, as modified by the revaluation of investments and in accordance with the Statement of Recommended Practice ("SORP") for Financial Statements of Authorised Funds issued by the Investment Association (formerly Investment Management Association) in May 2014.

The accounting policies applied are consistent with those of the annual Financial Statements for the year ended 28 February 2015 and are described in those Financial Statements. In this regard, comparative figures from previous periods are prepared to the same standards as the current period, unless otherwise stated.

As described in the Certification of Financial Statements by Directors of the ACD on page 4, the ACD continues to adopt the going concern basis in the preparation of the Aggregate Financial Statements of the Funds.

## **Investment Manager's Report**

**For the six months ended 31 August 2015 (unaudited)**

### **Investment Objective**

To achieve a high income yield with some long term capital growth in Sterling terms.

### **Investment policy**

The predominant investment policy of the Fund is to invest directly in a concentrated portfolio of approximately 30 to 60 stocks of companies incorporated in Continental Europe and Ireland and whose securities are listed on or traded on an eligible market. The Fund may also invest in companies incorporated outside of European markets and whose revenue is derived substantially from European markets or whose assets are substantially in European markets.

The Fund will also have the ability to gain exposure to the concentrated portfolio by indirect means, which will be achieved by the use of appropriate derivative instruments.

The Fund will not be constrained by any index weightings and will not concentrate on any particular country or sector or have regard to market capitalisation in its equity exposure.

The Fund will use derivative instruments to generate additional income by systematically writing "out of the money" call options.

It is intended that the target yield will fall within the range of 5% to 9% each year but the target range may also be adjusted in the light of market conditions although it is not expected that this will be a regular occurrence.

The use of call options will constrain capital growth if the call options are exercised against the Fund when they are in the money. Additionally, the call options must be covered.

Investments will be made in derivative products (which may include contracts for difference (swaps), traded options and financial futures). These may be traded as over-the-counter financial derivative instruments or exchange traded financial derivative instruments.

Although the investment objective is concentrated on a European portfolio, the Fund will be substantially currency hedged to protect returns in Sterling terms.

In order to pursue its investment policy, the Fund may also invest the Fund's assets, other transferable securities, near cash, deposits, warrants and/ or money market instruments and Collective Investment Schemes (and use may be made of stock lending and borrowing). To aid liquidity, the Fund may invest in assets such as American Depositary Receipts and Global Depositary Receipts.

The Fund's over-the-counter financial derivatives may be transacted with a single counterparty and the Fund's long equity exposure may be obtained through a single derivative contract as noted above. In all circumstances, however, the Fund will comply with the investment restrictions and limits set out in the Prospectus. The derivatives strategies for long equity exposure are designed to have the same economic effect as if the Fund were investing directly in the equities underlying the derivatives.

In addition, the Fund may use derivatives and forward transactions for the purpose of efficient portfolio management, including the use of hedging techniques.

### **Investment Review**

European equity markets saw a very strong start to the year, with the MSCI Europe ex-UK index rising a cumulative +18.4%<sup>1</sup> in the first quarter. However, the second quarter saw the return of volatility to European markets, with the same index falling -5.7%<sup>1</sup> over the three months. Whilst July was a positive month, August saw the worst performance for the index on a monthly basis since 2011.

## Investment Manager's Report

For the six months ended 31 August 2015 (unaudited)

### Investment Review (continued)

The causes of this return of volatility were varied: earlier in the year, the apparently endless Greek saga had arisen once again, following the unwise decision of the Greek people to place the far-Left group Syriza in government. Their subsequent attempts to renegotiate bailout terms for Greece backfired spectacularly, leaving a nation which had looked forward to the prospect of sound GDP growth in 2015 now facing a severe recession.

This iteration of the story had relatively little market impact this time however, as market participants came to the correct conclusion that whether Greece existed in or out of the Eurozone was a matter of relative insignificance, provided other nations were not also unwillingly blown out of the breach in the single currency. Given that the Governor of the European Central Bank, Mario Draghi, had already instigated a quantitative easing (QE) programme in excess of a trillion Euros, it seemed unlikely that there would be sovereign bond contagion amongst other peripheral nations. Italian government bond yields reached c. 2.4%<sup>1</sup>, but nothing like the 7%+<sup>1</sup> seen in 2011. Greece had lost its power to cause a systemic crisis, and was therefore left in a poor bargaining position.

Of far more importance was an event outside of Europe's control, which was an apparent slowdown in China. Concerns had been rising after a precipitate rise in China's equity markets seemed indicative of a potential bubble – the last few months have indeed seen the Shanghai index tumble by more than 30%<sup>1</sup>, despite an attempt at devaluation and an interest rate cut, alongside various other measures aimed at defending the level of the market.

At the heart of the problem lay very alarming trade data, which showed both imports and exports sharply contracting, casting doubt over the continued growth story of China. Although Europe is not in general hugely exposed to the domestic Chinese economy (importing from rather than exporting to China) it is possible that more deflation might be exported to the West, and global growth impacted. Oil for example collapsed from c. \$60<sup>1</sup> to below \$40<sup>1</sup> by the end of August. Although this is by no means poor news for the European consumer, it was for European oil majors.

Thirdly, equity markets worldwide are eyeing an imminent US interest rate rise. Such a change in interest rate policy, although insignificant by itself in terms of direct impact, would be monumental. There is a sense in which it seems the Federal Reserve is only looking to raise rates to give itself some room to cut rates should a new cyclical recession appear in the US. With both GDP and inflation relatively subdued, it is hard to see otherwise why the Federal Reserve feels it has to pursue this change now. It will certainly be a novel experience - the Federal Reserve last raised interest rates in June 2006.

### Performance of the Fund

Over the period, the Fund returned +1.36%<sup>2</sup> in sterling, compared to an index return of -4.34%<sup>2</sup>, and a median fund return of -2.24%<sup>2</sup>, and was accordingly 9<sup>th</sup> percentile in its peer group (comprised predominately of Alpha-type funds). The Fund is generally fully-hedged back to sterling to minimise currency volatility, and so directly neither benefits from Euro (or other European currencies) strength nor suffers from their weakness relative to the pound.

Key relative winners for the Fund included Italian asset manager Anima, which saw very strong performance on continued strength in the Italian stock market and hopes of a return of growth to the Italian economy. Housebuilder Berkeley Group also did well, as did Italian financial data provider Cerved Information Systems.

Relative losers included Deutsche Post, which suffered from strike action, and Spanish discount retailer DIA which saw continued deflation in the Iberian food market. Lastly, Norwegian general insurer Gjensidige also saw some profit-taking from all-time highs in April.

## Investment Manager's Report (continued)

For the six months ended 31 August 2015 (unaudited)

### Performance of the Fund (continued)

In terms of sales, the Fund reduced exposure to more expensive names such as Inditex, which have performed very well but now trade on very aggressive multiples and correspondingly low dividend yields. In a world structurally short of growth, it seems the market is prepared to pay ever higher levels for secular growth stories. The yield discipline of an income fund demands therefore that we invest new money in better value names, although we do retain a small exposure to this high-quality company.

We added several names over the period. Banking exposure was increased in the form of ING, now largely shorn of global pretensions, it stands ready to reinstate next year substantial dividend streams after a long absence. Outside of financials, we attempted to broaden our dividend base by purchasing Marine Harvest, a Norwegian salmon farming company. We also added Rhoen-Klinikum, a German private hospital group, and Swisscom, the national communications incumbent of Switzerland.

The Fund attempts to enhance its yield by writing covered calls over stocks held in the portfolio, whereby potential gains are given up on a one-month basis beyond the option strike price, in return for a certain premium. We aim to enhance overall returns via this process, rather than convert capital gains into income, and whilst that may not always be achieved, we remain extremely cautious in the deployment of the covered-call overlay.

A general lack of volatility in the early months of the period contributed to lower option-pricing, and therefore lower than expected option income. In more recent months, markets have perversely become too volatile, offering great risk of a sudden rally which might lead to a raft of call options expiring in the money against us. In line with our usual caution when employing this strategy, we would rather miss the income target of c.5% over the next 12 months based on the Fund's price at the start of its financial year than see overall returns significantly capped. Unless therefore there is a radical change in the pricing of the options market, it seems unlikely at this stage that this c.5% target will ultimately be reached, but we will keep this under review.

### Outlook

Europe has suffered over the last few years from the Eurozone crisis, which came so swiftly after the credit-crunch that they have become merged in investors' minds. The US however suffered from no such development, and possibly aided by a more rapid response from its central bank, the country saw earnings reach all-time highs, and markets reflect that success. In Europe, earnings development has been much more difficult, with outright declines in three of the last four years. Notwithstanding this, European equity markets have risen significantly, as the multiples investors are prepared to pay have increased as the systemic risk of a disorderly Eurozone break-up have receded.

Europe cannot continually re-rate upwards on a shrinking earnings base, however. The hope (and indeed expectation) is that 2015 will finally see the earnings inflection in Europe we have been waiting for, with potentially double digit earnings growth this year as an economic recovery finally takes hold.

Economic cross-winds from other parts of the world are inevitable from time to time. Nonetheless, we believe that Europe has scope to grow corporate earnings even if growth elsewhere slows down, due to pent-up domestic demand. We remain focused on those quality, cash-generative businesses which we believe offer good value in the long-term, and exhibit the qualities necessary to get there.

<sup>1</sup> Bloomberg, September 2015

<sup>2</sup> Lipper, September 2015

Oliver Russ  
**Investment Manager**  
Argonaut Capital Partners LLP  
September 2015

**Net Asset Value per Share and Comparative Table**

As at 31 August 2015 (unaudited)

**Net Asset Value**

Date	Net Asset Value of Share Class (£)	Shares in issue	Net Asset Value pence per Share	Net Asset Value per Share #
<b>Share Class A GBP Income</b>				
28/02/13	9,625,422	10,329,195	93.19	93.19
28/02/14	9,002,903	8,364,396	107.63	107.63
28/02/15	6,870,900	5,789,598	118.68	118.68
31/08/15	6,925,238	5,826,632	118.85	118.85
<b>Share Class A GBP Accumulation</b>				
28/02/13	6,619,010	6,013,677	110.07	110.07
28/02/14	4,071,497	3,057,291	133.17	133.17
28/02/15	7,334,167	4,784,466	153.29	153.29
31/08/15	10,881,385	6,982,811	155.83	155.83
<b>Share Class A CHF Accumulation</b>				
28/02/13	5,870	7,550	77.75	110.14
<b>Share Class A EUR Accumulation</b>				
28/02/13	6,350	6,553	96.90	112.51
28/02/14	7,473	6,629	112.73	136.79
28/02/15	708,422	622,054	113.88	156.91
31/08/15	926,690	823,447	112.54	153.98
<b>Share Class I GBP Income</b>				
28/02/13	49,886,402	52,448,486	95.12	95.12
28/02/14	54,831,679	49,535,565	110.69	110.69
28/02/15	47,203,888	38,408,972	122.90	122.90
31/08/15	57,865,752	46,834,396	123.55	123.55
<b>Share Class I GBP Accumulation</b>				
28/02/13	10,017,000	8,928,384	112.19	112.19
28/02/14	343,439	251,288	136.67	136.67
28/02/15	946,222	590,299	160.30	160.30
31/08/15	3,105,822	1,898,539	163.59	163.59
<b>Share Class I CHF Accumulation</b>				
28/02/13	5,879	7,525	78.13	110.67
<b>Share Class I EUR Accumulation</b>				
28/02/13	6,358	6,527	97.41	113.10
28/02/14	7,498	6,567	114.18	138.54
28/02/15	28,409	24,427	116.30	160.24
31/08/15	56,210	48,706	115.41	157.90

**Net Asset Value per Share and Comparative Table (continued)**

As at 31 August 2015 (unaudited)

**Net Asset Value (continued)**

Date	Net Asset Value of Share Class (£)	Shares in issue	Net Asset Value pence per Share	Net Asset Value per Share #
<b>Share Class R GBP Income</b>				
28/02/13	14,313	12,728	112.45	112.45
28/02/14	2,141,204	1,635,177	130.95	130.95
28/02/15	9,287,044	6,390,367	145.33	145.33
31/08/15	16,405,737	11,228,690	146.11	146.11
<b>Share Class R GBP Accumulation</b>				
28/02/13	5,728	5,021	114.08	114.08
28/02/14	5,230,769	3,760,055	139.11	139.11
28/02/15	15,859,434	9,839,430	161.18	161.18
31/08/15	23,547,430	14,317,862	164.46	164.46

# Prices are listed in pence/cents dependent on Share Class currency.

**Price and Revenue History**

Calendar Year	Highest Published Share price #	Lowest Published Share price #	Net Revenue per Share #
<b>Share Class A GBP Income</b>			
2012 <sup>1</sup>	90.58	82.39	0.0000
2013	106.98	90.72	3.0568
2014	113.38	99.13	5.0644
2015 <sup>3</sup>	129.62	106.79	4.7889 <sup>†</sup>
<b>Share Class A GBP Accumulation</b>			
2012 <sup>1</sup>	106.34	95.85	0.0000
2013	129.77	106.51	3.5946
2014	141.43	124.86	6.1138
2015 <sup>3</sup>	168.54	135.98	6.0504 <sup>†</sup>
<b>Share Class A CHF Accumulation</b>			
2012 <sup>1</sup>	109.34	99.01	0.0000
2013 <sup>2</sup>	124.14	109.50	2.5112
<b>Share Class A EUR Accumulation</b>			
2012 <sup>1</sup>	109.31	99.02	0.0000
2013	132.65	109.49	3.6351
2014	144.58	127.56	6.3695
2015 <sup>3</sup>	172.24	138.76	6.3856 <sup>†</sup>

## Net Asset Value per Share and Comparative Table (continued)

As at 31 August 2015 (unaudited)

### Price and Revenue History (continued)

Calendar Year	Highest Published Share price #	Lowest Published Share price #	Net Revenue per Share #
<b>Share Class I GBP Income</b>			
2012 <sup>1</sup>	92.33	83.71	0.0000
2013	109.78	92.49	3.1222
2014	116.85	102.43	5.2200
2015 <sup>3</sup>	134.63	110.49	4.9718 <sup>†</sup>
<b>Share Class I GBP Accumulation</b>			
2012 <sup>1</sup>	108.26	97.24	0.0000
2013	132.98	108.44	4.0082
2014	145.47	128.73	6.5376
2015 <sup>3</sup>	176.78	142.04	6.2828 <sup>†</sup>
<b>Share Class I CHF Accumulation</b>			
2012 <sup>1</sup>	109.71	99.03	0.0000
2013 <sup>2</sup>	125.12	109.88	2.5220
<b>Share Class I EUR Accumulation</b>			
2012 <sup>1</sup>	109.81	99.04	0.0000
2013	134.28	110.00	3.6877
2014	146.85	129.90	6.5520
2015 <sup>3</sup>	176.38	141.55	6.6278 <sup>†</sup>
<b>Share Class R GBP Income</b>			
2012 <sup>1</sup>	109.16	98.96	0.0000
2013	129.81	109.43	3.6870
2014	138.30	121.26	6.0923
2015 <sup>3</sup>	159.22	130.69	5.8693 <sup>†</sup>
<b>Share Class R GBP Accumulation</b>			
2012 <sup>1</sup>	110.07	98.96	0.0000
2013	135.40	110.26	3.7204
2014	148.05	131.04	6.4031
2015 <sup>3</sup>	177.72	142.83	6.3513 <sup>†</sup>

# Prices are listed in pence/cents dependent on Share Class currency.

<sup>1</sup> From 14 July to 31 December 2012.

<sup>2</sup> From 1 January to 12 August 2013.

<sup>3</sup> From 1 January to 31 August 2015.

<sup>†</sup> Includes the distributions paid 15 January, 15 April, 15 July and payable 15 October 2015.

All Share Classes were launched 14 July 2012.

Share Class A CHF Accumulation and I CHF Accumulation were closed 12 August 2013.

## Net Asset Value per Share and Comparative Table (continued)

As at 31 August 2015 (unaudited)

### Distribution

#### First Distribution in pence per share

Group 1 Shares purchased prior to 1 March 2015

Group 2 Shares purchased on or after 1 March 2015 to 31 May 2015

	Net revenue #	Equalisation #	Distribution paid 15/07/15 #	Distribution paid 15/07/14 #
Share Class A GBP Income				
Group 1	0.8120	–	0.8120	0.9142
Group 2	0.0000	0.8120	0.8120	0.9142
Share Class A GBP Accumulation				
Group 1	1.0470	–	1.0470	1.1273
Group 2	0.1149	0.9321	1.0470	1.1273
Share Class A EUR Accumulation				
Group 1	1.0763	–	1.0763	1.1418
Group 2	0.0000	1.0763	1.0763	1.1418
Share Class I GBP Income				
Group 1	0.8416	–	0.8416	0.9469
Group 2	0.0000	0.8416	0.8416	0.9469
Share Class I GBP Accumulation				
Group 1	1.0957	–	1.0957	1.1246
Group 2	0.0000	1.0957	1.0957	1.1246
Share Class I EUR Accumulation				
Group 1	1.0971	–	1.0971	1.2087
Group 2	0.1723	0.9248	1.0971	1.2087
Share Class R GBP Income				
Group 1	0.9966	–	0.9966	1.1104
Group 2	0.0000	0.9966	0.9966	1.1104
Share Class R GBP Accumulation				
Group 1	1.1039	–	1.1039	1.1773
Group 2	0.0000	1.1039	1.1039	1.1773

**Net Asset Value per Share and Comparative Table (continued)**

As at 31 August 2015 (unaudited)

**Second Distribution in pence per Share**

Group 1 Shares purchased prior to 1 June 2015

Group 2 Shares purchased on or after 1 June to 31 August 2015

	Net revenue #	Equalisation #	Distribution payable 15/10/15 #	Distribution paid 15/10/14 #
<b>Share Class A GBP Income</b>				
Group 1	0.9976	–	0.9976	1.0414
Group 2	0.0000	0.9976	0.9976	1.0414
<b>Share Class A GBP Accumulation</b>				
Group 1	1.2884	–	1.2884	1.2889
Group 2	0.0000	1.2884	1.2884	1.2889
<b>Share Class A EUR Accumulation</b>				
Group 1	1.2975	–	1.2975	1.3358
Group 2	0.0000	1.2975	1.2975	1.3358
<b>Share Class I GBP Income</b>				
Group 1	1.0340	–	1.0340	1.0792
Group 2	0.0000	1.0340	1.0340	1.0792
<b>Share Class I GBP Accumulation</b>				
Group 1	1.3513	–	1.3513	1.2890
Group 2	0.0000	1.3513	1.3513	1.2890
<b>Share Class I EUR Accumulation</b>				
Group 1	1.3249	–	1.3249	1.4104
Group 2	0.0000	1.3249	1.3249	1.4104
<b>Share Class R GBP Income</b>				
Group 1	1.2247	–	1.2247	1.2647
Group 2	0.0000	1.2247	1.2247	1.2647
<b>Share Class R GBP Accumulation</b>				
Group 1	1.3580	–	1.3580	1.3438
Group 2	0.0000	1.3580	1.3580	1.3438

# Rates are listed in pence/cents depending on Share Class currency.

## Performance Information

As at 31 August 2015 (unaudited)

### Ongoing Charge Figures

Date	AMC (%)	Fund accounting fee for hedged Share Classes (%)	Other expenses (%)	Transaction costs (%)	Total Ongoing charge figures (%)
31/08/15					
Share Class A	1.50	0.06	0.14	0.01	1.71
Share Class I	0.75	0.06	0.14	0.01	0.96
Share Class R	0.75	0.06	0.14	0.01	0.96
28/02/15					
Share Class A	1.50	0.07	0.17	0.01	1.75
Share Class I	0.75	0.07	0.17	0.01	1.00
Share Class R	0.75	0.07	0.17	0.01	1.00

The Ongoing Charge Figure (OCF) is the ratio of the Fund's total discloseable costs (excluding overdraft interest) to the average net assets of the Fund.

### Risk Warning

An investment in an Open-Ended Investment Company should be regarded as a medium to long term investment. Investors should be aware that the price of shares and the income from them may fall as well as rise and investors may not receive back the full amount invested. Past performance is not a guide to future performance. Investments denominated in currencies other than the base currency of a fund are subject to fluctuation in exchange rates, which may be favourable or unfavourable.

**Risk and Reward Profile**

As at 31 August 2015

	Typically higher rewards						
	Typically lower rewards				Typically higher rewards		
	←			→			
	Lower risk			Higher risk			
Class A (GBP) (Currency Hedged) Retail Income	1	2	3	4	5	6	7
Class A (GBP) (Currency Hedged) Retail Accumulation	1	2	3	4	5	6	7
Class A (EUR) (Currency Hedged) Retail Accumulation	1	2	3	4	5	6	7
Class I (GBP) (Currency Hedged) Institutional Income	1	2	3	4	5	6	7
Class I (GBP) (Currency Hedged) Institutional Accumulation	1	2	3	4	5	6	7
Class I (EUR) (Currency Hedged) Institutional Accumulation	1	2	3	4	5	6	7
Class R (GBP) (Currency Hedged) Retail Income	1	2	3	4	5	6	7
Class R (GBP) (Currency Hedged) Retail Accumulation	1	2	3	4	5	6	7

- this indicator is based on historical data and may not be a reliable indication of the future risk profile of the Fund.
- the risk category shown is not guaranteed to remain unchanged and may shift over time.
- the lowest category does not mean 'risk free'.
- the Class A, I and R Shares above appear as "6" on the scale. This is partly because the Fund invests in the shares of companies, whose values tend to vary more widely. Additionally, the Class A and I Shares (depending on their currency denomination) may be affected by currency exchange rates.

**Portfolio Statement**

As at 31 August 2015 (unaudited)

Holdings or Nominal Value	Investments	Market value £	% of Total Net Assets
<b>Belgium 2.06% [2.37%]</b>			
67,108	Telenet	2,462,190	2.06
		<b>2,462,190</b>	<b>2.06</b>
<b>Finland 3.86% [3.93%]</b>			
104,659	Elisa	2,261,125	1.89
74,819	Sampo	2,354,667	1.97
		<b>4,615,792</b>	<b>3.86</b>
<b>France 8.98% [12.67%]</b>			
3,480	Air Liquide	273,421	0.23
6,585	Air Liquide Prime de Fidelite	517,378	0.43
2,001	Air Liquide Prime de Fidelite 2017	157,217	0.13
150,566	AXA	2,474,913	2.07
34,931	Danone	1,409,779	1.18
8,413	Kering	959,529	0.80
28,289	Sanofi	1,827,529	1.53
40,754	Total	1,226,592	1.02
45,308	VINCI	1,898,455	1.59
		<b>10,744,813</b>	<b>8.98</b>
<b>Germany 19.01% [19.09%]</b>			
28,490	Allianz	2,950,570	2.46
50,398	Amadeus Fire	3,038,861	2.54
26,010	BASF	1,362,833	1.14
21,509	Bayer	1,900,597	1.59
55,632	Daimler	2,930,778	2.45
55,191	Deutsche Euroshop	1,554,617	1.30
140,802	Deutsche Post	2,534,643	2.12
127,219	Drillisch	3,695,541	3.09
13,315	Muenchener Rueckversicherungs	1,594,038	1.33
68,281	Rhön Klinikum	1,184,992	0.99
		<b>22,747,470</b>	<b>19.01</b>
<b>Greece 0.00% [0.03%]</b>			
192,000	Piraeus Bank Warrants	1,824	0.00
		<b>1,824</b>	<b>0.00</b>
<b>Ireland 2.40% [2.95%]</b>			
95,174	CRH	1,821,438	1.52
118,492	Ryanair	1,056,556	0.88
		<b>2,877,994</b>	<b>2.40</b>

**Portfolio Statement (continued)**

As at 31 August 2015 (unaudited)

Holdings or Nominal Value	Investments	Market value £	% of Total Net Assets
<b>Italy 12.23% [9.83%]</b>			
681,839	Anima	4,210,969	3.52
122,708	Azimut	1,755,122	1.47
509,940	Cerved Information Solutions	2,556,741	2.14
96,377	ENI	1,015,035	0.85
912,547	Intesa Sanpaolo	1,948,852	1.63
1,028,690	Terna Rete Elettrica Nazionale	3,135,191	2.62
		<b>14,621,910</b>	<b>12.23</b>
<b>Luxembourg 1.25% [1.96%]</b>			
77,535	SES	1,498,314	1.25
		<b>1,498,314</b>	<b>1.25</b>
<b>Netherlands 5.10% [0.00%]</b>			
711,846	Aegon	2,877,618	2.40
324,286	ING	3,236,409	2.70
		<b>6,114,027</b>	<b>5.10</b>
<b>Norway 6.57% [6.99%]</b>			
2,781,932	ABG Sundal Collier	1,442,195	1.20
308,918	Gjensidige Forsikring	2,957,139	2.47
156,726	Marine Harvest	1,211,330	1.01
96,660	Statoil	964,885	0.81
99,702	Telenor	1,287,464	1.08
		<b>7,863,013</b>	<b>6.57</b>
<b>Portugal 1.75% [1.79%]</b>			
310,320	CTT Correios	2,100,444	1.75
		<b>2,100,444</b>	<b>1.75</b>
<b>Spain 4.99% [6.98%]</b>			
360,348	Distribuidora Internacional de Alimentacion	1,432,731	1.20
248,584	Endesa	3,343,894	2.79
54,781	Inditex	1,195,938	1.00
		<b>5,972,563</b>	<b>4.99</b>
<b>Sweden 12.19% [10.40%]</b>			
261,786	Axfood	2,877,571	2.40
76,960	Hennes & Mauritz	1,944,440	1.62
434,825	Nordea Bank	3,369,521	2.81
273,290	Swedbank	4,090,272	3.42
629,095	TeliaSonera	2,325,533	1.94
		<b>14,607,337</b>	<b>12.19</b>

**Portfolio Statement (continued)**

As at 31 August 2015 (unaudited)

Holdings or Nominal Value	Investments	Market value £	% of Total Net Assets
<b>Switzerland 10.84% [10.34%]</b>			
26,673	Novartis	1,703,708	1.42
12,685	Roche	2,262,996	1.89
22,526	Swiss RE	1,260,880	1.05
6,003	Swisscom	2,110,520	1.76
248,350	UBS	3,359,537	2.81
12,643	Zurich Insurance	2,284,651	1.91
		<b>12,982,292</b>	<b>10.84</b>
<b>United Kingdom 2.57% [2.70%]</b>			
91,220	Berkeley	3,074,114	2.57
		<b>3,074,114</b>	<b>2.57</b>
<b>Forward Currency Contracts 0.01% [0.54%]</b>			
	Sold CHF18,732,396 for GBP12,726,443 Settlement 24/09/2015	14,077	0.01
	Sold EUR100,498,241 for GBP73,760,349 Settlement 24/09/2015	275,921	0.23
	Sold NOK98,870,975 for GBP7,621,564 Settlement 24/09/2015	(165,533)	(0.14)
	Sold SEK200,607,596 for GBP15,360,051 Settlement 24/09/2015	(102,030)	(0.09)
	Sold USD336 for GBP213 Settlement 24/09/2015	(6)	0.00
<b>Hedged Share Classes</b>			
	Bought EUR1,365,681 for GBP1,003,912 Settlement 24/09/2015	(5,325)	0.00
		<b>17,104</b>	<b>0.01</b>
<b>Portfolio of investments</b>		<b>112,301,201</b>	<b>93.81</b>
Net other assets		7,413,063	6.19
<b>Net assets</b>		<b>119,714,264</b>	<b>100.00</b>

All investments are ordinary Shares unless otherwise stated and admitted to official stock exchange listings.

Comparative figures shown above in square brackets relate to 28 February 2015.

Gross purchases for the six months: £32,799,419 [2014: £10,055,277].

Total sales net of transaction costs for the six months: £92,204 [2014: £20,819,239].

**Statement of Total Return**

For the six months ended 31 August 2015 (unaudited)

	01/03/15 to 31/08/15		01/03/14 to 31/08/14	
	£	£	£	£
Income				
Net capital losses		(1,862,325)		(691,753)
Revenue	3,446,080		2,259,492	
Expenses	(581,436)		(337,413)	
Finance costs: Interest	(1,198)		(201)	
Net revenue before taxation	2,863,446		1,921,878	
Taxation	(229,313)		(141,779)	
Net revenue after taxation		2,634,133		1,780,099
Total return before distributions		771,808		1,088,346
Finance costs: Distributions		(1,182,921)		(836,789)
<b>Change in net (liabilities)/assets attributable to Shareholders from investment activities</b>		<b>(411,113)</b>		<b>251,557</b>

**Statement of Change in Net Assets Attributable to Shareholders**

For the six months ended 31 August 2015 (unaudited)

	01/03/15 to 31/08/15		01/03/14 to 31/08/14	
	£	£	£	£
<b>Opening net assets attributable to Shareholders</b>		88,238,486		75,636,462
Amounts received on issue of Shares	41,802,275		15,817,492	
Less: Amounts paid on cancellation of Shares	(10,594,716)		(26,478,063)	
		31,207,559		(10,660,571)
Dilution adjustment charged		142,267		(33,739)
Stamp duty reserve tax*		–		(343)
Change in net (liabilities)/assets attributable to Shareholders from investment activities (see above)		(411,113)		251,557
Retained distribution on accumulation Shares		537,065		238,160
<b>Closing net assets attributable to Shareholders</b>		<b>119,714,264</b>		<b>65,431,526</b>

The above statement shows the comparative closing net assets at 31 August 2014 whereas the current accounting period commenced 1 March 2015.

\* Abolished from 30 March 2014 for OEICs.

**Balance Sheet**

As at 31 August 2015 (unaudited)

	31/08/15		28/02/15	
	£	£	£	£
<b>Assets</b>				
Investment assets		112,574,095		81,791,335
Debtors	2,475,422		1,819,940	
Cash and bank balances	5,850,892		9,067,123	
Total other assets		8,326,314		10,887,063
Total assets		120,900,409		92,678,398
<b>Liabilities</b>				
Investment liabilities		(272,894)		(109,967)
Creditors	(233,104)		(3,393,060)	
Bank overdrafts	(186)		(184)	
Distribution payable on income Shares	(679,961)		(936,701)	
Total other liabilities		(913,251)		(4,329,945)
Total liabilities		(1,186,145)		(4,439,912)
<b>Net assets attributable to Shareholders</b>		<b>119,714,264</b>		<b>88,238,486</b>

**Notes to the Financial Statements**

For the six months ended 31 August 2015 (unaudited)

**Accounting Basis, Policies and Valuation of Investments****(a) Basis of accounting**

The interim Financial Statements have been prepared under the historical cost basis, as modified by the revaluation of investments and in accordance with the Statement of Recommended Practice ("SORP") for Financial Statements of Authorised Funds issued by the Investment Association (formerly Investment Management Association) in May 2014.

The accounting policies applied are consistent with those of the annual Financial Statements for the year ended 28 February 2015 and are described in those Financial Statements. In this regard, comparative figures from previous periods are prepared to the same standards as the current period, unless otherwise stated.

As described in the Certification of Financial Statements by Directors of the ACD on page 4, the ACD continues to adopt the going concern basis in the preparation of the Aggregate Financial Statements of the Funds.

## Investment Manager's Report

For the six months ended 31 August 2015 (unaudited)

### Investment Objective

To provide an income in excess of the yield of the MSCI Europe ex UK Index, with long term capital growth.

### Investment Policy

The Fund will invest in a concentrated portfolio of approximately 30-60 stocks. The Fund will invest predominantly in securities of companies predominantly incorporated in Continental Europe and Ireland. The Fund may also invest in companies that are headquartered or quoted outside Europe which derive a significant part of their business from Europe and whose securities are listed or traded on an eligible securities or derivatives exchange.

The Fund is not constrained by any index weightings and will not concentrate on any particular country, sector or market capitalisation. The Fund may also invest in European emerging markets. To aid liquidity, the Fund also has the ability to invest in assets such as American Depositary Receipts and Global Depositary Receipts. The Fund manager will however have regard to liquidity and tracking error.

The Fund may also invest in other transferable securities, units in Collective Investment Schemes, money market instruments and deposits.

The Fund may make use of derivatives and forward transactions for the purpose of efficient portfolio management, including the use of hedging techniques and stock lending.

### Investment Review

European equity markets saw a very strong start to the year, with the MSCI Europe ex-UK index rising a cumulative 18.4%<sup>1</sup> in the first quarter. However, the second quarter saw the return of volatility to European markets, with the same index falling -5.7%<sup>1</sup> over the three months. Whilst July was a positive month, August saw the worst performance for the index on a monthly basis since 2011.

The causes of this return of volatility were varied: earlier in the year, the apparently endless Greek saga had arisen once again, following the unwise decision of the Greek people to place the far-Left group Syriza in government. Their subsequent attempts to renegotiate bailout terms for Greece backfired spectacularly, leaving a nation which had looked forward to the prospect of sound GDP growth in 2015 now facing a severe recession.

This iteration of the story had relatively little market impact this time however, as market participants came to the correct conclusion that whether Greece existed in or out of the Eurozone was a matter of relative insignificance, provided other nations were not also unwillingly blown out of the breach in the single currency. Given that the Governor of the European Central Bank, Mario Draghi, had already instigated a quantitative easing (QE) programme in excess of a trillion Euros, it seemed unlikely that there would be sovereign bond contagion amongst other peripheral nations. Italian government bond yields reached c. 2.4%<sup>1</sup>, but nothing like the 7%<sup>1</sup> seen in 2011. Greece had lost its power to cause a systemic crisis, and was therefore left in a poor bargaining position.

Of far more importance was an event outside of Europe's control, which was an apparent slowdown in China. Concerns had been rising after a precipitate rise in China's equity markets seemed indicative of a potential bubble – the last few months have indeed seen the Shanghai index tumble by more than 30%<sup>1</sup>, despite an attempt at devaluation and an interest rate cut, alongside various other measures aimed at defending the level of the market.

## Investment Manager's Report (continued)

For the six months ended 31 August 2015 (unaudited)

### Investment Review (continued)

At the heart of the problem lay very alarming trade data, which showed both imports and exports sharply contracting, casting doubt over the continued growth story of China. Although Europe is not in general hugely exposed to the domestic Chinese economy (importing from rather than exporting to China) it is possible that more deflation might be exported to the West, and global growth impacted. Oil for example collapsed from c. \$60<sup>1</sup> to below \$40<sup>1</sup> by the end of August. Although this is by no means poor news for the European consumer, it was for European oil majors and oil services.

Thirdly, equity markets worldwide are eyeing an imminent US interest rate rise. Such a change in interest rate policy, although insignificant by itself in terms of direct impact, would be monumental. There is a sense in which it seems the Federal Reserve is only looking to raise rates to give itself some room to cut rates should a new cyclical recession appear in the US. With both GDP and inflation relatively subdued, it is hard to see otherwise why the Federal Reserve feels it has to pursue this change now. It will certainly be a novel experience - the Federal Reserve last raised interest rates in June 2006.

### Performance of the Fund

Over the period, the Fund returned -0.87%<sup>2</sup> in sterling, compared to an index return of -4.34%<sup>2</sup>, and a median fund return of -2.24%<sup>2</sup>, and was accordingly 25<sup>th</sup> percentile in its peer group (comprised predominately of Alpha-type funds).

Key relative winners for the Fund included Italian asset manager Anima, which saw very strong performance on continued strength in the Italian stock market and hopes of a return of growth to the Italian economy. Discount airline Ryanair also performed well, apparently on the success of a surprising new policy aimed at being polite to customers. Finally, food retailer Axfood reached all-time highs, driven by modestly expanding sales and margins.

Relative losers included Deutsche Post, which suffered from strike action, and Spanish discount retailer DIA which saw continued deflation in the Iberian food market. Thirdly, Italian asset manager Azimut fared less well than its competitor, as fears were raised over the sustainability of its performance fees in the long run.

In terms of sales, the Fund reduced exposure to more expensive names such as Inditex, which have performed very well but now trade on very aggressive multiples and correspondingly low dividend yields. In a world structurally short of growth, it seems the market is prepared to pay ever higher levels for secular growth stories. The yield discipline of an income fund demands therefore that we reinvest the proceeds in better value names, although we retain a small exposure to this high-quality company.

We added several names over the period. Banking exposure was increased in the form of ING Group. Now largely shorn of global pretensions, it stands ready to reinitiate next year substantial dividend streams after a long absence. Outside of financials, we attempted to broaden our dividend base by purchasing Marine Harvest, a Norwegian salmon farming company. We also added Rhoen-Klinikum, a German private hospital group, and Swisscom, the national communications incumbent of Switzerland.

**Investment Manager's Report (continued)**  
**For the six months ended 31 August 2015 (unaudited)**

## Outlook

Europe has suffered over the last few years from the Eurozone crisis, which came so swiftly after the credit-crunch that they have become merged in investors' minds. The US however suffered from no such development, and possibly aided by a more rapid response from its central bank, the country saw earnings reach all-time highs, and markets reflect that success. In Europe, earnings development has been much more difficult, with outright declines in three of the last four years. Notwithstanding this, European equity markets have risen significantly, as the multiples investors are prepared to pay have increased as the systemic risk of a disorderly Eurozone break-up have receded.

Europe cannot continually re-rate upwards on a shrinking earnings base, however. The hope (and indeed expectation) is that 2015 will finally see the earnings inflection in Europe we have been waiting for, with potentially double digit earnings growth this year as an economic recovery finally takes hold.

Economic cross-winds from other parts of the world are inevitable from time to time. Nonetheless, we believe that Europe has scope to grow corporate earnings even if growth elsewhere slows down, due to pent-up domestic demand. We remain focused on those quality, cash-generative businesses which we believe offer good value in the long-term, and exhibit the qualities necessary to get there.

<sup>1</sup> Bloomberg, September 2015

<sup>2</sup> Lipper, September 2015

Oliver Russ

**Investment Manager**

Argonaut Capital Partners LLP

September 2015

**Net Asset Value per Share and Comparative Table**

As at 31 August 2015 (unaudited)

**Net Asset Value**

Date	Net Asset Value of Share Class (£)	Shares in issue	Net Asset Value pence per Share	Net Asset Value per Share #
<b>Share Class A GBP Income</b>				
28/02/13	93,673,262	94,848,429	98.76	98.76
28/02/14	65,079,429	60,402,778	107.74	107.74
28/02/15	46,102,725	42,173,876	109.32	109.32
31/08/15	40,280,965	37,868,471	106.37	106.37
<b>Share Class A GBP Accumulation</b>				
28/02/13	84,074,576	59,024,575	142.44	142.44
28/02/14	45,590,425	28,154,177	161.93	161.93
28/02/15	27,810,941	16,246,750	171.18	171.18
31/08/15	23,627,107	13,888,622	170.12	170.12
<b>Share Class A CHF Accumulation</b>				
28/02/13	6,138	7,550	81.30	115.16
<b>Share Class A EUR Accumulation</b>				
28/02/13	6,398	6,553	97.63	113.35
28/02/14	7,356	6,628	110.98	134.66
28/02/15	7,777	6,628	117.34	161.66
31/08/15	109,724	94,092	116.61	159.55
<b>Share Class I GBP Income</b>				
28/02/13	107,075,182	103,409,789	103.54	103.54
28/02/14	87,502,102	76,866,153	113.84	113.84
28/02/15	69,354,481	59,633,243	116.30	116.30
31/08/15	56,742,806	49,949,774	113.60	113.60
<b>Share Class I GBP Accumulation</b>				
28/02/13	1,835,729	1,234,489	148.70	148.70
28/02/14	3,056,961	1,794,698	170.33	170.33
28/02/15	2,207,350	1,216,724	181.42	181.42
31/08/15	1,796,427	992,634	180.98	180.98
<b>Share Class I CHF Accumulation</b>				
28/02/13	6,146	7,525	81.67	115.70
<b>Share Class I EUR Accumulation</b>				
28/02/13	6,405	6,527	98.13	113.93
28/02/14	22,961	20,428	112.40	136.38
28/02/15	233,959	195,428	119.72	164.94
31/08/15	288,048	241,186	119.43	163.41

**Net Asset Value per Share and Comparative Table (continued)**

As at 31 August 2015 (unaudited)

**Net Asset Value (continued)**

Date	Net Asset Value of Share Class (£)	Shares in issue	Net Asset Value pence per Share	Net Asset Value per Share #
<b>Share Class R GBP Income</b>				
28/02/13	512,744	415,053	123.54	123.54
28/02/14	10,502,685	7,731,461	135.84	135.84
28/02/15	23,394,009	16,841,378	138.91	138.91
31/08/15	37,278,693	27,474,878	135.68	135.68
<b>Share Class R GBP Accumulation</b>				
28/02/13	89,096	71,264	125.02	125.02
28/02/14	5,379,543	3,754,598	143.28	143.28
28/02/15	11,026,052	7,225,003	152.61	152.61
31/08/15	11,663,672	7,661,283	152.24	152.24

# Prices are listed in pence/cents dependent on Share Class currency.

**Price and Revenue History**

Calendar Year	Highest Published Share price #	Lowest Published Share price #	Net Revenue per Share #
<b>Share Class A GBP Income</b>			
2012 <sup>1</sup>	90.58	78.87	0.0000
2013	112.07	90.49	2.7993
2014	111.67	95.97	4.4626
2015 <sup>3</sup>	117.55	102.76	4.9056 <sup>†</sup>
<b>Share Class A GBP Accumulation</b>			
2012 <sup>1</sup>	130.20	112.40	0.0000
2013	164.31	130.06	4.0267
2014	169.16	146.71	6.5771
2015 <sup>3</sup>	184.07	158.84	7.5493 <sup>†</sup>
<b>Share Class A CHF Accumulation</b>			
2012 <sup>1</sup>	109.53	98.78	0.0000
2013 <sup>2</sup>	130.29	110.56	2.2396
<b>Share Class A EUR Accumulation</b>			
2012 <sup>1</sup>	108.85	98.78	0.0000
2013	132.50	109.65	3.2157
2014	143.99	126.11	5.3973
2015 <sup>3</sup>	175.83	139.07	6.9370 <sup>†</sup>
<b>Share Class I GBP Income</b>			
2012 <sup>1</sup>	94.85	82.32	0.0000
2013	118.15	94.76	2.9565
2014	118.23	101.88	4.7510
2015 <sup>3</sup>	125.18	109.21	5.2046 <sup>†</sup>
<b>Share Class I GBP Accumulation</b>			
2012 <sup>1</sup>	135.75	116.81	0.0000
2013	172.41	135.62	4.1966
2014	178.31	155.05	6.9008
2015 <sup>3</sup>	195.23	168.16	7.9797 <sup>†</sup>

## Net Asset Value per Share and Comparative Table (continued)

As at 31 August 2015 (unaudited)

### Price and Revenue History (continued)

Calendar Year	Highest Published Share price #	Lowest Published Share price #	Net Revenue per Share #
Share Class I CHF Accumulation			
2012 <sup>1</sup>	109.90	98.80	0.0000
2013 <sup>2</sup>	131.12	110.94	2.2475
Share Class I EUR Accumulation			
2012 <sup>1</sup>	109.26	98.80	0.0000
2013	134.04	110.12	3.2408
2014	146.68	128.34	5.4722
2015 <sup>3</sup>	179.91	141.76	7.0913 <sup>†</sup>
Share Class R GBP Income			
2012 <sup>1</sup>	113.16	98.20	0.0000
2013	140.91	113.05	3.4975
2014	141.09	121.58	5.6207
2015 <sup>3</sup>	149.48	130.42	6.1986 <sup>†</sup>
Share Class R GBP Accumulation			
2012 <sup>1</sup>	114.14	98.20	0.0000
2013	144.99	114.04	3.5095
2014	149.99	130.43	5.7859
2015 <sup>3</sup>	164.23	141.46	6.6981 <sup>†</sup>

# Prices are listed in pence/cents dependent on Share Class currency.

<sup>1</sup> From 14 July to 31 December 2012.

<sup>2</sup> From 1 January to 12 August 2013.

<sup>3</sup> From 1 January to 31 August 2015.

<sup>†</sup> Includes the distributions paid 15 February, 15 May, 15 August and payable 15 November 2015.

All Share Classes were launched 14 July 2012.

Share Classes A CHF Accumulation and I CHF Accumulation were closed 12 August 2013.

## Net Asset Value per Share and Comparative Table (continued)

As at 31 August 2015 (unaudited)

### Distribution

#### First Distribution in pence per Share

Group 1 Shares purchased prior to 1 March 2015

Group 2 Shares purchased on or after 1 March 2015 to 31 May 2015

	Net revenue #	Equalisation #	Distribution paid 15/08/15 #	Distribution paid 15/08/14 #
Share Class A GBP Income				
Group 1	0.7569	–	0.7569	0.8380
Group 2	0.0000	0.7569	0.7569	0.8380
Share Class A GBP Accumulation				
Group 1	1.1855	–	1.1855	1.2602
Group 2	0.0000	1.1855	1.1855	1.2602
Share Class A EUR Accumulation				
Group 1	1.1240	–	1.1240	1.0613
Group 2	0.0000	1.1240	1.1240	1.0613
Share Class I GBP Income				
Group 1	0.8060	–	0.8060	0.8862
Group 2	0.0000	0.8060	0.8060	0.8862
Share Class I GBP Accumulation				
Group 1	1.2578	–	1.2578	1.3267
Group 2	0.0000	1.2578	1.2578	1.3267
Share Class I EUR Accumulation				
Group 1	1.1530	–	1.1530	1.0758
Group 2	0.7953	0.3577	1.1530	1.0758
Share Class R GBP Income				
Group 1	0.9614	–	0.9614	1.0576
Group 2	0.0000	0.9614	0.9614	1.0576
Share Class R GBP Accumulation				
Group 1	1.0572	–	1.0572	1.1161
Group 2	0.0000	1.0572	1.0572	1.1161

## Net Asset Value per Share and Comparative Table (continued)

As at 31 August 2015 (unaudited)

### Second Distribution in pence per Share

Group 1 Shares purchased prior to 1 June 2015

Group 2 Shares purchased on or after 1 June to 31 August 2015

	Net revenue #	Equalisation #	Distribution payable 15/11/15 #	Distribution paid 15/11/14 #
Share Class A GBP Income				
Group 1	1.5366	–	1.5366	0.9589
Group 2	0.0000	1.5366	1.5366	0.9589
Share Class A GBP Accumulation				
Group 1	2.4147	–	2.4147	1.4435
Group 2	0.0000	2.4147	2.4147	1.4435
Share Class A EUR Accumulation				
Group 1	2.2562	–	2.2562	1.2481
Group 2	2.2562	0.0000	2.2562	1.2481
Share Class I GBP Income				
Group 1	1.6375	–	1.6375	1.0143
Group 2	0.0000	1.6375	1.6375	1.0143
Share Class I GBP Accumulation				
Group 1	2.5641	–	2.5641	1.5206
Group 2	0.0000	2.5641	2.5641	1.5206
Share Class I EUR Accumulation				
Group 1	2.3156	–	2.3156	1.2638
Group 2	0.0000	2.3156	2.3156	1.2638
Share Class R GBP Income				
Group 1	1.9545	–	1.9545	1.2117
Group 2	0.0000	1.9545	1.9545	1.2117
Share Class R GBP Accumulation				
Group 1	2.1551	–	2.1551	1.2784
Group 2	0.0000	2.1551	2.1551	1.2784

# Rates are listed in pence/cents depending on Share Class currency.

## Performance Information

As at 31 August 2015 (unaudited)

### Ongoing Charge Figures

Date	AMC (%)	Other expenses (%)	Transaction costs (%)	Total ongoing charge figures (%)
31/08/15				
Share Class A	1.50	0.12	0.00	1.62
Share Class I	0.75	0.12	0.00	0.87
Share Class R	0.75	0.12	0.00	0.87
28/02/15				
Share Class A	1.50	0.15	0.00	1.65
Share Class I	0.75	0.15	0.00	0.90
Share Class R	0.75	0.15	0.00	0.90

The Ongoing Charge Figure (OCF) is the ratio of the Fund's total discloseable costs (excluding overdraft interest) to the average net assets of the Fund.

### Risk Warning

An investment in an Open-Ended Investment Company should be regarded as a medium to long term investment. Investors should be aware that the price of shares and the income from them may fall as well as rise and investors may not receive back the full amount invested. Past performance is not a guide to future performance. Investments denominated in currencies other than the base currency of a fund are subject to fluctuation in exchange rates, which may be favourable or unfavourable.

**Risk and Reward Profile**  
As at 31 August 2015

	<div style="display: flex; justify-content: space-between; align-items: center;"> <span>Typically lower rewards</span> <span>←————→</span> <span>Typically higher rewards</span> </div>						
	Lower risk			Higher risk			
Class A (GBP) Retail Income	1	2	3	4	5	6	7
Class A (GBP) Retail Accumulation	1	2	3	4	5	6	7
Class A (EUR) Retail Accumulation	1	2	3	4	5	6	7
Class I (GBP) Institutional Income	1	2	3	4	5	6	7
Class I (GBP) Institutional Accumulation	1	2	3	4	5	6	7
Class I (EUR) Institutional Accumulation	1	2	3	4	5	6	7
Class R (GBP) Retail Income	1	2	3	4	5	6	7
Class R (GBP) Retail Accumulation	1	2	3	4	5	6	7

- this indicator is based on historical data and may not be a reliable indication of the future risk profile of the Fund.
- the risk category shown is not guaranteed to remain unchanged and may shift over time.
- the lowest category does not mean 'risk free'.
- the Class A, I and R Shares above appear as "6" on the scale. This is partly because the Fund invests in the shares of companies, whose values tend to vary more widely. Additionally, the Class A and I Shares (depending on their currency denomination) may be affected by currency exchange rates.

## Portfolio Statement

As at 31 August 2015 (unaudited)

Holdings or Nominal Value	Investments	Market value £	% of Total Net Assets
<b>Denmark 0.86% [1.04%]</b>			
115,790	Tryg	1,469,485	0.86
		<b>1,469,485</b>	<b>0.86</b>
<b>France 19.00% [21.11%]</b>			
32,547	Air Liquide	2,557,190	1.49
254,750	AXA	4,187,426	2.44
62,419	Danone	2,519,166	1.46
17,749	Kering	2,024,330	1.18
163,720	Sampo	5,152,515	3.00
77,615	Sanofi	5,014,092	2.92
167,213	SCOR	3,869,230	2.25
18,642	Unibail-Rodamco*	3,143,284	1.83
99,595	VINCI	4,173,141	2.43
		<b>32,640,374</b>	<b>19.00</b>
<b>Germany 20.37% [22.85%]</b>			
44,035	Allianz	4,560,489	2.65
84,887	BASF	4,447,780	2.59
55,246	Bayer	4,881,696	2.84
101,949	Daimler	5,370,829	3.13
114,428	Deutsche Euroshop	3,223,202	1.88
251,733	Deutsche Post	4,531,564	2.64
119,519	Drillisch	3,471,866	2.02
22,566	Muenchener Rueckversicherungs	2,701,544	1.57
103,541	Rhön Klinikum	1,796,917	1.05
		<b>34,985,887</b>	<b>20.37</b>
<b>Greece 0.00% [0.04%]</b>			
590,400	Piraeus Bank Warrants	5,609	0.00
		<b>5,609</b>	<b>0.00</b>
<b>Ireland 3.13% [2.44%]</b>			
603,240	Ryanair	5,378,900	3.13
		<b>5,378,900</b>	<b>3.13</b>
<b>Italy 11.44% [10.58%]</b>			
542,828	Anima	3,352,451	1.95
315,468	Azimut	4,512,214	2.63
260,000	ENI	2,738,299	1.59
1,296,073	Intesa Sanpaolo	2,767,917	1.61
2,065,509	Terna Rete Elettrica Nazionale	6,295,157	3.66
		<b>19,666,038</b>	<b>11.44</b>
<b>Luxembourg 2.05% [2.26%]</b>			
182,036	SES	3,517,728	2.05
		<b>3,517,728</b>	<b>2.05</b>

**Portfolio Statement (continued)**

As at 31 August 2015 (unaudited)

Holdings or Nominal Value	Investments	Market value £	% of Total Net Assets
<b>Netherlands 1.09% [0.00%]</b>			
187,881	ING	1,875,073	1.09
		<b>1,875,073</b>	<b>1.09</b>
<b>Norway 4.93% [4.47%]</b>			
381,456	Gjensidige Forsikring	3,651,515	2.13
228,635	Marine Harvest	1,767,112	1.03
304,339	Statoil	3,037,992	1.77
		<b>8,456,619</b>	<b>4.93</b>
<b>Portugal 1.51% [1.53%]</b>			
384,101	CTT Correios	2,599,841	1.51
		<b>2,599,841</b>	<b>1.51</b>
<b>Spain 5.62% [7.49%]</b>			
774,382	Distribuidora Internacional de Alimentacion	3,078,915	1.79
282,284	Endesa	3,797,219	2.21
127,720	Inditex	2,788,288	1.62
		<b>9,664,422</b>	<b>5.62</b>
<b>Sweden 13.49% [13.55%]</b>			
525,336	Axfood	5,774,532	3.36
191,056	Hennes & Mauritz	4,827,144	2.81
225,236	Nordea Bank	1,745,386	1.02
471,953	Swedbank	7,063,618	4.11
1,019,196	TeliaSonera	3,767,594	2.19
		<b>23,178,274</b>	<b>13.49</b>
<b>Switzerland 11.43% [12.04%]</b>			
83,241	Novartis	5,316,926	3.10
30,575	Roche	5,454,560	3.18
4,748	Swisscom	1,669,290	0.97
214,272	UBS	2,898,550	1.69
23,702	Zurich Insurance	4,283,065	2.49
		<b>19,622,391</b>	<b>11.43</b>
<b>Portfolio of investments</b>		<b>163,060,641</b>	<b>94.92</b>
Net other assets		8,726,801	5.08
<b>Net assets</b>		<b>171,787,442</b>	<b>100.00</b>

\* Real Estate Investment Trusts

All investments are ordinary Shares unless otherwise stated and admitted to official stock exchange listings.

Comparative figures shown above in square brackets relate to 28 February 2015.

Gross purchases for the six months: £8,278,576 [2014: £9,832,369].

Total sales net of transaction costs for the six months: £15,932,745 [2014: £37,250,541].

## Statement of Total Return

For the six months ended 31 August 2015 (unaudited)

	01/03/15 to 31/08/15		01/03/14 to 31/08/14	
	£	£	£	£
Income				
Net capital losses		(8,346,911)		(6,463,827)
Revenue	7,157,534		7,433,253	
Expenses	(1,060,591)		(1,246,237)	
Finance costs: Interest	(2,159)		(321)	
Net revenue before taxation	6,094,784		6,186,695	
Taxation	1,761,081		(541,178)	
Net revenue after taxation		7,855,865		5,645,517
Total return before distributions		(491,046)		(818,310)
Finance costs: Distributions		(3,746,859)		(3,571,551)
<b>Change in net liabilities attributable to Shareholders from investment activities</b>		<b>(4,237,905)</b>		<b>(4,389,861)</b>

## Statement of Change in Net Assets Attributable to Shareholders

For the six months ended 31 August 2015 (unaudited)

	01/03/15 to 31/08/15		01/03/14 to 31/08/14	
	£	£	£	£
<b>Opening net assets attributable to Shareholders</b>		180,137,294		217,141,462
Amounts received on issue of Shares	11,512,186		9,621,861	
Less: Amounts paid on cancellation of Shares	(16,407,217)		(41,910,267)	
		(4,895,031)		(32,288,406)
Dilution adjustment charged		(19,840)		(81,416)
Change in net liabilities attributable to Shareholders from investment activities (see above)		(4,237,905)		(4,389,861)
Retained distribution on accumulation Shares		802,908		694,009
Unclaimed distributions		16		–
<b>Closing net assets attributable to Shareholders</b>		<b>171,787,442</b>		<b>181,075,788</b>

The above statement shows the comparative closing net assets at 31 August 2014 whereas the current accounting period commenced 1 March 2015.

**Balance Sheet**

As at 31 August 2015 (unaudited)

	31/08/15		28/02/15	
	£	£	£	£
<b>Assets</b>				
Investment assets		163,060,641		179,061,119
Debtors	1,667,504		2,186,167	
Cash and bank balances	9,487,918		1,147,808	
Total other assets		11,155,422		3,333,975
Total assets		174,216,063		182,395,094
<b>Liabilities</b>				
Investment liabilities		–		–
Creditors	(491,778)		(438,341)	
Distribution payable on income Shares	(1,936,843)		(1,819,459)	
Total other liabilities		(2,428,621)		(2,257,800)
Total liabilities		(2,428,621)		(2,257,800)
<b>Net assets attributable to Shareholders</b>		<b>171,787,442</b>		<b>180,137,294</b>

**Notes to the Financial Statements**

For the six months ended 31 August 2015 (unaudited)

**Accounting Basis, Policies and Valuation of Investments****(a) Basis of accounting**

The interim Financial Statements have been prepared under the historical cost basis, as modified by the revaluation of investments and in accordance with the Statement of Recommended Practice ("SORP") for Financial Statements of Authorised Funds issued by the Investment Association (formerly Investment Management Association) in May 2014.

The accounting policies applied are consistent with those of the annual Financial Statements for the year ended 28 February 2015 and are described in those Financial Statements. In this regard, comparative figures from previous periods are prepared to the same standards as the current period, unless otherwise stated.

As described in the Certification of Financial Statements by Directors of the ACD on page 4, the ACD continues to adopt the going concern basis in the preparation of the Aggregate Financial Statements of the Funds.

## General Information

### Classes of Shares

The Company can issue different classes of shares in respect of any Fund. Holders of Income shares are entitled to be paid the revenue attributable to such shares, in respect of each annual or interim accounting period. Holders of Accumulation shares are not entitled to be paid the revenue attributable to such shares, but that revenue is retained and accumulated for the benefit of shareholders and is reflected in the price of shares.

### Valuation Point

The valuation point for each Fund is 12 noon, on each dealing day (being each day which is a business day in London). Valuations may be made at other times under the terms contained within the Prospectus.

### Buying and Selling Shares

The ACD will accept orders to deal in the shares on normal business days between 9:00 am and 5:00 pm. Instructions to buy or sell shares may be either in writing to: Fund Partners Limited - Argonaut, PO Box 11954, Chelmsford CM99 2DR or by telephone on 0844 620 0290\* (UK only) or +44 (0) 1268 447 403\* (from outside the UK). A contract note will be issued by close of business on the next business day after the dealing date to confirm the transaction.

### Prices

The prices of shares for each class in each Fund will be posted via a link on [www.fundpartners.co.uk](http://www.fundpartners.co.uk) and can also be obtained by telephoning the Administrator on 0844 620 0290\* (UK only) or +44 (0) 1268 447 403\* (from outside the UK) during the ACD's normal business hours.

### Report

The annual report of the Company will normally be published within two months of each annual accounting period, although the ACD reserves the right to publish the annual report at a later date but not later than four months from the end of each annual accounting period and the interim report will be published within two months of each interim accounting period.

Interim Financial Statements period ended	31 August
Annual Financial Statements period ended	28 February

### Distribution payment dates

#### FP Argonaut European Alpha Fund

Interim	31 October
Annual	30 April

#### FP Argonaut European Absolute Return Fund

Interim	31 October
Annual	30 April

#### FP Argonaut European Enhanced Income Fund

Interim	15 July, 15 October, 15 January
Annual	15 April

#### FP Argonaut European Income Fund

Interim	15 August, 15 November, 15 February
Annual	15 May

\* Please note that telephone calls may be recorded for monitoring and training purposes, and to confirm investors' instructions.

## General Information (continued)

### Significant Changes

The General Administration Charge (GAC) increased on the FP Argonaut Absolute Return Fund from 8.6 Basis points (Bps) to 12.6Bps from 1 March 2015.

Further, from 1 July 2015 the GAC increased across all the Funds by 0.027% or 2.7Bps. Therefore FP Argonaut Absolute Return Fund increased from 12.6Bps to 15.3Bps (0.126% to 0.153%).

The remaining 3 Funds, FP Argonaut European Alpha, FP Argonaut European Enhanced Income and FP Argonaut European Income increased from 8.6Bps to 11.3Bps.

### Important events during the period

The Investment Association (IA) has published in accordance with FRS 102 a revised Statement of Recommended Practice (SORP) in May 2014 which supersedes the previous SORP for the preparation of Financial Statements by UK Authorised Funds. The recommendations of this SORP are applicable to accounting periods beginning on or after 1 January 2015 and as a result the requirement for Umbrella Funds to present aggregated accounts has been removed for the interim Financial Statements of the Company.

### Other Information

The Instrument of Incorporation, Prospectus, Key Investor Information Document (KIID), Supplementary Information Document (SID) and the most recent interim and annual reports may be inspected at the office of the ACD which is also the Head Office of the Company and copies may be obtained upon application.

Shareholders who have any complaints about the operation of the Company should contact the ACD or the Depositary in the first instance. In the event that a shareholder finds the response unsatisfactory they may make their complaint direct to the Financial Ombudsman Service at South Quay Plaza, 183 Marsh Wall, London E14 9SR.

### Data Protection

Shareholders' names will be added to a mailing list which may be used by the ACD, its associates or third parties to inform investors of other products by sending details of such products. Shareholders who do not want to receive such details should write to the ACD requesting their removal from any such mailing list.

### Effects of Personal Taxation

Investors should be aware that unless their shares are held within an ISA, or switched between Funds in this OEIC, selling shares is treated as a disposal for the purpose of Capital Gains Tax.

### Risk Warning

An investment in an Open-Ended Investment Company should be regarded as a medium to long term investment. Investors should be aware that the price of shares and the income from them may fall as well as rise and investors may not receive back the full amount invested. Past performance is not a guide to future performance. Investments denominated in currencies other than the base currency of a fund are subject to fluctuation in exchange rates, which may be favourable or unfavourable.

## Contact Information

### The Company and Head Office

FP Argonaut Funds  
 Cedar House, 3 Cedar Park,  
 Cobham Road,  
 Wimborne,  
 Dorset, BH21 7SB  
 Incorporated in England and Wales  
 under registration number IC000943.  
 Website address: [www.fundpartners.co.uk](http://www.fundpartners.co.uk)  
 (Authorised and regulated by the FCA)

### Directors of the ACD

R. Coe (Resigned 31 July 2015)  
 J. Gardner  
 V. Hoare  
 K. Lavery  
 P. Legg

### Non executive Directors

M. Adorian (Resigned 2 October 2015)  
 P. Wilcox

### Registrar

International Financial Data Services Limited  
 Head Office:  
 IFDS House,  
 St Nicholas Lane,  
 Basildon,  
 Essex, SS15 5FS

### Customer Service Centre

Fund Partners Limited - Argonaut  
 PO Box 11954,  
 Chelmsford, CM99 2DR  
 Telephone: 0844 620 0290\* (UK only)  
 +44 (0) 1268 447 403\* (from outside the UK)

### Auditor

Deloitte LLP  
 Chartered Accountants and  
 Statutory Auditor  
 Saltire Court,  
 20 Castle Terrace,  
 Edinburgh, EH1 2DB

### Authorised Corporate Director ("ACD")

Fund Partners Limited  
 Cedar House, 3 Cedar Park,  
 Cobham Road,  
 Wimborne,  
 Dorset, BH21 7SB  
 (Authorised and regulated by the FCA  
 and a member of the Investment  
 Association (formerly Investment  
 Management Association))

### Company Secretary of the ACD

P. Legg

### Depositary

State Street Trustee Limited  
 20 Churchill Place,  
 London, E14 5HJ  
 (Authorised and regulated by the FCA)

### Investment Manager

Argonaut Capital Partners LLP  
 45 Pont Street,  
 London, SW1X 0BD  
 (Authorised and regulated by the FCA)

\* Please note that telephone calls may be recorded for monitoring and training purposes, and to confirm investors' instructions.

