

Merian Investment Funds Series II

Annual Report and Financial Statements
For the year ended 31 October 2019

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Company Information

Authorised Corporate Director ("ACD")

From 1 April 2019
Merian Investment Management Limited
Millennium Bridge House
2 Lambeth Hill
London
EC4V 4GG

To 31 March 2019
Quilter Investors Limited
Millennium Bridge House
2 Lambeth Hill
London
EC4V 4AJ

Authorised and regulated by the Financial Conduct Authority.

Investment Adviser

Merian Global Investors (UK) Limited
Millennium Bridge House
2 Lambeth Hill
London
EC4P 4WR

Authorised and regulated by the Financial Conduct Authority.

Legal Adviser

Macfarlanes LLP
20 Cursitor Street
London
EC4A 1LT

Independent Auditor

KPMG LLP
319 St Vincent Street
Glasgow
G2 5AS

Administrator

Citibank Europe plc
1, North Wall Quay
Dublin 1
Ireland

Authorised by the Central Bank of Ireland (Central Bank) under the Investment Intermediaries Act 1995.

Directors of the ACD

From 1 April 2019
Merian Investment Management Limited
J Brescia
R James
N Stronach
D Shaw - Non-Executive Director
D Skinner - Non-Executive Director

To 31 March 2019
Quilter Investors Limited
M Dean
P Simpson
J Little – Non-Executive Director
C Turner – Non-Executive Director

Registrar

From 1 April 2019
FNZ TA Services Limited
Suite 1
3rd Floor
11-12 St. James's Square
London
SW1Y 4LB

To 31 March 2019
DST Financial Services International Ltd
DST House
Saint Nicholas Lane
Basildon
Essex
SS15 5FS

(The register of shareholders can be inspected at the above address).

Depository

Citibank Europe plc, UK Branch
Citigroup Centre
Canada Square, Canary Wharf
London
E14 5LB

Report of the Directors of Merian Investment Funds Series II

Directors' report

The Directors present the report and financial statements for the Merian Investment Funds Series II (the "Company") for the year from 1 November 2018 to 31 October 2019.

Authorised status

The Company is an Open-Ended Investment Company ("OEIC") incorporated as an Investment Company with Variable Capital ("ICVC") under Regulation 12 (authorisation) of the OEIC Regulations. It is incorporated in England and Wales and authorised by the Financial Conduct Authority under the OEIC Regulations 2001 and the Collective Investment Schemes Sourcebook ("the Regulations"). It is a UCITS scheme for the purposes of that part of the Financial Conduct Authority's Handbook of Rules and Guidance which deals with regulated collective investment schemes (the "Sourcebook").

Liability

The Company is under the "Protected cell" regime. As such each sub-fund has a specific portfolio of securities to which that sub-fund's assets and liabilities are attributable. So far as investors are concerned each sub-fund will be treated as a separate entity. The assets of a sub-fund shall not be used or made available to discharge (directly or indirectly) the liabilities of, or claims against, any other person or body, including the Company and any other sub-fund and shall not be available for any such purpose.

Authorised Corporate Director Change

On 1 April 2019, Quilter Investors Limited ceased to act as the ACD of the Company and Merian Investment Management Limited ("MIML") was appointed as the replacement ACD. The ACD is the company that has legal responsibility for managing and administering the affairs of the Company in compliance with the Financial Conduct Authority ("FCA") regulations. As a result of the change in ACD the Directors changed as shown on the Company Information page.

Director Changes

Jessica Brescia resigned as a Director of the Company effective 31 December 2019.

Registrar Change

On 1 April 2019 the Registrar changed from DST Financial Services International Limited to FNZ TA Services Limited. As part of the change, the DVP CASS model was replaced by a full client money model.

Share class launches

Sub-fund name	Share class	Launch date
Merian Global Equity Fund	E (USD) Accumulation	25 April 2019
Merian North American Equity Fund	E (GBP) Income	24 January 2019

Sub-fund terminated

Merian UK Equity Fund merged into Merian UK Alpha Fund, a sub-fund of Merian Investment Funds Series I on the 28 June 2019, and termination was completed on 30 October 2019.

Additional information

These financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP) for Authorised Funds issued by the Investment Association (IA) in May 2014.

The Company is an umbrella scheme which complies with the Financial Conduct Authority's Collective Investment Schemes Sourcebook (COLL) and as at 31 October 2019 had five sub-funds (listed below). Additional sub-funds may be launched in the future:

Sub-fund name	Launch date
Merian Asia Pacific Fund	14 September 1994
Merian European Equity (ex UK) Fund	29 April 1998
Merian Global Equity Fund	15 July 1998
Merian Global Strategic Bond Fund	26 November 1991
Merian North American Equity Fund	6 April 1985

Report of the Directors of Merian Investment Funds Series II (continued)

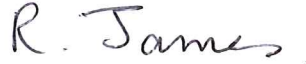
In accordance with the requirements of the Financial Services and Market Act 2000, we hereby certify these financial statements on behalf of the Authorised Corporate Director.



N Stronach

For and on behalf of Merian Investment Management Limited
Director

24 February 2020



R James

For and on behalf of Merian Investment Management Limited
Director

24 February 2020

Authorised Corporate Director's report

The purpose of this report is to provide details of the progress of the Company, and the sub-funds contained within. The report provides details of the performance and the portfolio of each of the sub-funds.

Net asset value of the sub-funds

	31 October 2019			31 October 2018		
	Net asset value of sub-fund by share class	Shares in issue	Net asset value pence per share	Net asset value of sub-fund by share class	Shares in issue	Net asset value pence per share
Merian Asia Pacific Fund	£396,418,469	189,199,973		£468,960,294	250,224,418	
Accumulation 'A'	£44,152,020	8,420,244	524.36	£38,009,106	7,838,382	484.91
Accumulation 'P'	£586,596	319,664	183.50	£721,943	427,556	168.85
Accumulation 'R'	£138,207,454	62,818,025	220.01	£149,522,766	74,042,340	201.94
Accumulation 'U1'	£173,335,797	96,840,809	178.99	£210,313,270	128,110,225	164.17
Accumulation 'U2'	£40,136,602	20,801,231	192.95	£70,393,209	39,805,915	176.84
Merian European Equity (ex UK) Fund	£100,772,522	54,378,561		£176,488,046	120,485,118	
Accumulation 'A'	£30,052,480	13,030,767	230.63	£31,612,953	14,352,815	220.26
Accumulation 'A' USD	£43,482	54,933	79.16	£79,542	105,219	75.60
Accumulation 'P'	£114,956	66,411	173.10	£123,775	75,249	164.49
Accumulation 'R'	£68,130,361	39,337,491	173.19	£64,800,513	39,471,552	164.17
Accumulation 'U1'	£591,972	438,970	134.85	£1,187,488	929,683	127.73
Accumulation 'U2'	£1,839,271	1,449,989	126.85	£78,683,775	65,550,600	120.04
Merian Global Equity Fund	£1,143,929,991	682,421,821		£1,010,711,287	456,313,304	
Accumulation 'A'	£50,717,758	12,626,425	401.68	£70,768,018	18,798,993	376.45
Accumulation 'E' USD†	£235,290,525	300,000,000	78.43	-	-	-
Accumulation 'P'	£4,477,898	1,939,201	230.91	£6,671,567	3,098,287	215.33
Accumulation 'R'	£391,026,143	142,622,458	274.17	£413,889,016	162,293,284	255.03
Accumulation 'U1'	£362,554,790	177,106,540	204.71	£393,631,691	206,878,074	190.27
Accumulation 'U2'	£99,862,877	48,127,197	207.50	£125,750,995	65,244,666	192.74
Merian Global Strategic Bond Fund	£129,148,939	95,486,613		£155,186,985	129,898,809	
Accumulation 'A'	£17,443,301	5,020,739	347.42	£21,317,250	6,913,279	308.35
Income 'A'	£3,813,857	1,848,421	206.33	£5,534,151	2,963,572	186.74
Accumulation 'P'	£75,601,348	59,400,550	127.27	£81,581,493	72,586,291	112.39
Income 'P'	£11,152,671	10,287,953	108.41	£21,327,747	21,744,672	98.08
Accumulation 'U1'	£17,490,982	15,432,567	113.34	£20,826,872	20,818,685	100.04
Income 'U1'	£3,624,641	3,474,964	104.31	£4,591,642	4,863,940	94.40
Income 'U2'	£22,139	21,419	103.36	£7,830	8,370	93.54
Merian North American Equity Fund	£2,651,671,659	1,022,479,753		£2,852,124,099	1,166,426,455	
Accumulation 'A'	£107,575,724	8,798,885	1,222.61	£131,267,589	11,670,904	1,124.74
Income 'E'††	£79,547,441	71,831,584	110.74	-	-	-
Accumulation 'P'	£5,216,274	1,229,285	424.33	£6,151,683	1,583,890	388.39
Accumulation 'R'	£1,067,959,715	340,347,164	313.78	£1,060,072,614	370,020,698	286.49
Accumulation 'U1'	£855,883,822	371,563,135	230.35	£1,082,887,912	515,289,424	210.15
Accumulation 'U2'	£535,488,683	228,709,700	234.13	£571,744,301	267,861,539	213.45

† Launched 25 April 2019

†† Launched 24 January 2019

Authorised Corporate Director's report (continued)

Cross Holdings

There were no cross holdings held by the sub-funds throughout the year to 31 October 2019.

Securities Financing Transactions Regulation Disclosure

The Company does not currently undertake securities financing transactions (as defined in Article 3 of Regulation (EU) 2015/2365) or use total return swaps.

Value assessments for the year ended 31 October 2019

Background

In 2019, the Financial Conduct Authority introduced new rules requiring authorised fund managers to assess, at least annually for all funds they manage, whether fund costs and charges are justified in the context of the overall value delivered to shareholders. At a minimum, the rules require this assessment to cover seven specific considerations:

- The range and quality of services provided to shareholders;
- Fund performance achieved;
- The actual cost of providing the service to which each fund cost or charge relates;
- Whether the authorised fund manager has been able to achieve savings and benefits from economies of scale relating to the management of the fund, and the extent to which these have been passed on to shareholders;
- Comparable market rates charged by competitors;
- The rates charged by the authorised fund manager for comparable services it offers; and
- Where share classes are offered at different fee rates within the fund, the appropriateness of the respective charges.

The new rules also require authorised fund managers to publish information about these assessments of value.

This report explains how Merian Investment Management Limited (MIML), as authorised fund manager for the scheme, has carried out this assessment, which matters have been considered, and what the key findings are. Where relevant to the findings, the report also sets out any actions that have been or will be taken to improve value delivered to shareholders.

Details of fund cost and charges

MIML receives from each fund a "Fixed Ongoing Charge" (FOC) which is the overall fee covering management, administration and operation of the funds, including payments to all third-party service providers. The FOC is charged at a fixed percentage of the Net Asset Value of the fund, at a specific rate for each share class, as set out in the Prospectus.

This assessment will consider value in the context of the level of the FOC we charge for each fund.

Details of assessments undertaken

Our assessments covered each of the seven elements described above. The approach we took for each element is as follows:

Quality of service

We looked at quality of service in the context of:

- The integrity of the investment process, including the depth of experience and quality of the investment team, and the depth and quality of the risk management process;
- The extent to which our culture is focused on delivering good outcomes to shareholders;
- The quality of the ongoing customer experience delivered to shareholders;
- The clarity, transparency and timeliness of communications with shareholders;
- The adequacy of protection over shareholders' assets, data and risks;
- Whether commitments made to shareholders in respect of management of the funds are being met on an ongoing basis; and
- The quality and cost effectiveness of services delivered by third-party service providers including the administrator, depositary, custodian and auditor.

To help us form a view on the quality of service, we considered key performance indicators for the period under review, as well as qualitative assessments of services we and our service providers have delivered.

Fund performance

We engaged a third-party consultant to analyse performance of the funds, and to conclude whether this represents good value to shareholders. As part of this, long-term returns for various periods (after the deduction of all costs and charges) were compared to the funds' objectives and benchmarks, and to the performance of a peer group (selected by the consultant) of similar funds available to retail investors.

Cost of providing services

We compared the FOC we charge to each fund with our associated costs for managing and operating the funds, and assessed whether the FOC was reasonable in this context.

Economies of scale

We reviewed, for the period under review, changes in the assets under management (AUM) of our funds, we analysed whether savings or other benefits have been generated as a result, and we assessed the extent to which these have been passed on to shareholders.

Authorised Corporate Director's report (continued)

Value assessments for the year ended 31 October 2019 (continued)

Details of assessments undertaken (continued)

Comparable market rates

We engaged a third party consultant to compare overall fund charges with the charges for a peer group of similar funds available to retail investors selected by them. This comparison was based on analysis of the published Ongoing Charges Figure (OCF) for our standard share class available to retail investors – the "R" share class – and the corresponding share class for the peer group.

Rates for comparable services offered

For the funds being reviewed, we looked at whether the fees are aligned with fees for similar products in our wider fund range, including products offered to international and institutional investors.

Appropriate share classes

In line with market practice, within each fund we offer a range of share classes with varying fee rates, enabling us to serve different types of shareholder, and allowing shareholders to access our funds through different channels (eg directly from us or via third party fund platforms).

We examined the shareholders in each fund to determine whether each shareholder is invested in the appropriate share class, taking into account the terms and conditions relating to each share class, and the circumstances of the particular shareholder.

Summary of conclusions

Quality of service
Based on the service quality factors considered, overall we believe that the funds have provided, and remain capable of providing, reasonable value to investors in the context of quality of service delivered.
Fund performance
Merian Asia Pacific Fund
<ul style="list-style-type: none"> The fund's objective is to seek to achieve capital growth by delivering a return, net of fees, greater than that of the MSCI AC Asia Pacific ex-Japan Index with net dividends reinvested over rolling 3 year periods. The fund is managed by Merian's global equities team and employs a "systematic" investment process –using sophisticated computer models to analyse large volumes of data – to select investments. Looking at rolling 3-year returns over an extended period, the fund has consistently outperformed its benchmark and peers. Over 1 year, the fund's performance relative to benchmark has tailed off against a backdrop of uncharacteristic market behaviour, and the investment team recently took steps aimed at addressing this. We continue to monitor the performance of the fund and are satisfied that the investment approach remains capable of generating returns in excess of the fund's benchmark at a level that represents good value to our shareholders.
Merian Global Equity Fund
<ul style="list-style-type: none"> The fund's objective is to seek to achieve capital growth by delivering a return, net of fees, greater than that of the MSCI World Index with net dividends reinvested over rolling 3 year periods. This fund is managed by Merian's global equities team and employs a "systematic" investment process – using sophisticated computer models to analyse large volumes of data – to select investments. Looking at rolling 3-year returns over an extended period, the fund has consistently outperformed its benchmark and peers. Over 1 year, the fund's performance relative to benchmark has tailed off against a backdrop of uncharacteristic market behaviour, and the investment team recently took steps aimed at addressing this. We continue to monitor the performance of the fund and are satisfied that the investment approach remains capable of generating returns in excess of the fund's benchmark at a level that represents good value to our shareholders.
Merian North American Equity Fund
<ul style="list-style-type: none"> The fund's objective is to seek to achieve capital growth by delivering a return, net of fees, greater than that of the MSCI North America Index with net dividends reinvested over rolling 3 year periods. This fund is managed by Merian's global equities team and employs a "systematic" investment process – using sophisticated computer models to analyse large volumes of data – to select investments. Looking at rolling 3-year returns over an extended period, the fund has consistently outperformed its benchmark and peers. Over 1 year, the fund's performance relative to benchmark has tailed off against a backdrop of uncharacteristic market behaviour, and the investment team recently took steps aimed at addressing this. We continue to monitor the performance of the fund and are satisfied that the investment approach remains capable of generating returns in excess of the fund's benchmark at a level that represents good value to our shareholders.

Authorised Corporate Director's report (continued)

Value assessments for the year ended 31 October 2019 (continued)

Summary of conclusions (continued)

Fund performance (continued)
Merian European Equity (ex UK) Fund <ul style="list-style-type: none"> The fund's objective is to seek to achieve capital growth by delivering a return, net of fees, greater than that of the MSCI Europe ex UK Index with net dividends reinvested over rolling 3 year periods. The fund has experienced a prolonged period of poor performance. On 31 March 2019, management of the fund moved from Merian's European team to the global equities team, and that team's "systematic" investment process – using sophisticated computer models to analyse large volumes of data to select investments – was adopted. As noted elsewhere in this report, the investment process employed by the global equities team has generated strong long-term returns across a range of stock markets. Over 1 year, performance relative to benchmark has tailed off against a backdrop of uncharacteristic market behaviour, and the investment team recently took steps aimed at addressing this. We will keep the performance of this fund under review, but we are otherwise comfortable that the fund has the potential to generate returns in excess of the fund's benchmark at a level that represents good value to our shareholders
Merian Global Strategic Bond Fund <ul style="list-style-type: none"> The fund's objective is to seek to achieve income and capital growth by delivering a return, net of fees, greater than that of the Bloomberg Barclays Global Aggregate Index (GBP hedged) over rolling 3 year periods. A new portfolio management team was appointed in August 2016 after an extended period of poor performance. Since the new team took over management, there has been a turnaround in performance, and as at the period end, the fund met its objective to outperform its index over rolling 3 year periods. We continue to monitor the performance of the fund and are satisfied that the investment approach remains capable of generating returns in excess of the fund's benchmark at a level that represents good value to our shareholders.
Cost of providing services
<p>We aim to offer a broad range of investment products to provide choice to our clients. When taking into account the FOC we charge to the funds, and our costs attributable to managing and operating the funds, the profits arising vary from fund to fund, for example due to differences in the AUM of the respective funds. Our view is that this variation is within an acceptable range, and that overall, the FOC we are charging is reasonable in relation to our underlying costs.</p>
Economies of scale
<p>During the period under review, AUM fell by 5% in total for the funds under review and by 8% across all of the funds we manage.</p> <p>Whilst the AUM for Merian Global Equity Fund increased by 13%, the AUM of the other funds fell by proportions ranging from 7% to 16%. These reductions were driven by withdrawals from shareholders, offset partially by increases as a result of positive investment returns generated during the period.</p> <p>As a result, no material economies of scale which could potentially benefit shareholders have been generated for the period under review.</p> <p>It is our intention to review the pricing structure of the funds in 2020, to consider introducing a mechanism for adjusting prices to pass on to shareholders economies of scale benefits arising from future growth in AUM of the funds.</p>
Comparable market rates
Merian Asia Pacific Fund <ul style="list-style-type: none"> The OCF for the R class is 1.0%, which is close to the median OCF of 0.95% for the independently selected peer group. As such, we believe that the fund's costs represent good value in the context of comparable rates available in the market.
Merian Global Equity Fund <ul style="list-style-type: none"> The OCF for the R class is 1.0%, which is close to the median OCF of 0.98% for the independently selected peer group. As such, we believe that the fund's costs represent good value in the context of comparable rates available in the market.
Merian North American Equity Fund <ul style="list-style-type: none"> The OCF for the R class is 0.95%, which is close to the median OCF of 0.89% for the independently selected peer group. As such, we believe that the fund's costs represent good value in the context of comparable rates available in the market.

Authorised Corporate Director's report (continued)

Value assessments for the year ended 31 October 2019 (continued)

Summary of conclusions (continued)

Comparable market rates (continued)
Merian European Equity (ex UK) Fund
<ul style="list-style-type: none"> The OCF for the R class is 0.90%, which is close to the median OCF of 0.95% for the independently selected peer group. As such, we believe that the fund's costs represent good value investors in the context of comparable rates available in the market.
Merian Global Strategic Bond Fund
<ul style="list-style-type: none"> The OCF for the R class is 0.65%, which is close to the median OCF of 0.69% for the independently selected peer group. As such, we believe that the fund's costs represent good value in the context of comparable rates available in the market.

Comparable services
We believe the rates we charge for the funds are reasonable when compared with our fees for similar products in our wider fund range, including products offered to international and institutional investors.

Appropriate share classes
<p><i>Investment in "A" shares by retail shareholders</i></p> <p>While we no longer offer our funds directly to retail shareholders, the "A" share class was offered in the past, and as a result, there are retail shareholders invested directly in A shares within each fund. The A share class carries the highest fees of our range of share classes.</p> <p>Our funds are now offered to retail shareholders via our "R" share class which carries a lower fee but is only available for investment via third party fund platforms. We believe that our existing retail shareholders will be better off investing via R shares on third party fund platforms rather than directly in A shares, as they will benefit from the lower fees as well as the service features available on the fund platforms.</p> <p>We have already transferred certain retail shareholders to a third party platform where it was possible for us to do so. Where it was not possible for us to arrange a transfer, we have written to encourage those shareholders to carry out a switch themselves. For those shareholders who do not want to switch, we will convert their holdings to a cheaper share class in our range by the end of June 2020.</p> <p>Once these actions have been carried out, we believe that all shareholders will be invested in the appropriate share class.</p>

Overall conclusion
Merian Asia Pacific Fund
<ul style="list-style-type: none"> As noted above, a number of actions have been carried out, or will be taken in 2020, with a view to improving outcomes delivered to shareholders: <ul style="list-style-type: none"> Steps recently taken by the investment team to improve fund performance; Intention to review pricing in respect of economies of scale; Clarifying to direct retail shareholders the benefits of investing via third-party fund platforms; Converting direct retail shareholders to a cheaper share class <p>Subject to these, we believe that the fund's charges are justified in the context of the overall value delivered to the shareholders.</p>
Merian Global Equity Fund
<ul style="list-style-type: none"> As noted above, a number of actions have been carried out, or will be taken in 2020, with a view to improving outcomes delivered to shareholders: <ul style="list-style-type: none"> Steps recently taken by the investment team to improve fund performance; Intention to review pricing in respect of economies of scale; Clarifying to direct retail shareholders the benefits of investing via third-party fund platforms; Converting direct retail shareholders to a cheaper share class <p>Subject to these, we believe that the fund's charges are justified in the context of the overall value delivered to the shareholders.</p>

Authorised Corporate Director's report (continued)

Value assessments for the year ended 31 October 2019 (continued)

Summary of conclusions (continued)

Overall conclusion (continued)
Merian North American Equity Fund
<ul style="list-style-type: none"> • As noted above, a number of actions have been carried out, or will be taken in 2020, with a view to improving outcomes delivered to shareholders: <ul style="list-style-type: none"> ◦ Steps recently taken by the investment team to improve fund performance; ◦ Intention to review pricing in respect of economies of scale; ◦ Clarifying to direct retail shareholders the benefits of investing via third-party fund platforms; ◦ Converting direct retail shareholders to a cheaper share class <p>Subject to these, we believe that the fund's charges are justified in the context of the overall value delivered to the shareholders</p>
Merian European Equity (ex UK) Fund
<ul style="list-style-type: none"> • As noted above, a number of actions have been carried out, or will be taken in 2020, with a view to improving outcomes delivered to shareholders: <ul style="list-style-type: none"> ◦ Change to the investment team on 31 March 2019; ◦ Steps recently taken by the investment team to improve fund performance; ◦ Intention to review pricing in respect of economies of scale; ◦ Clarifying to direct retail shareholders the benefits of investing via third-party fund platforms; ◦ Converting direct retail shareholders to a cheaper share class <p>Subject to these, we believe that the fund's charges are justified in the context of the overall value delivered to the shareholders.</p>
Merian Global Strategic Bond Fund
<ul style="list-style-type: none"> • As noted above, a number of actions have been carried out, or will be taken in 2020, with a view to improving outcomes delivered to shareholders: <ul style="list-style-type: none"> ◦ Improvement in fund performance following change to the investment team in August 2016; ◦ Intention to review pricing in respect of economies of scale; ◦ Clarifying to direct retail shareholders the benefits of investing via third-party fund platforms; ◦ Converting direct retail shareholders to a cheaper share class <p>Subject to these, we believe that the fund's charges are justified in the context of the overall value delivered to the shareholders</p>

Statement of the Authorised Corporate Director's responsibilities

The Collective Investment Schemes sourcebook published by the FCA, ("the COLL Rules") require the Authorised Corporate Director ("ACD") to prepare financial statements for each annual accounting period which give a true and fair view of the financial position of the Company and of the net income and net gains or losses on the property of the Company for the year.

In preparing the financial statements the ACD is responsible for:

- selecting suitable accounting policies and then apply them consistently;
- making judgements and estimates that are reasonable and prudent;
- following UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland;
- complying with the disclosure requirements of the Statement of Recommended Practice for UK Authorised Funds issued by the Investment Management Association in May 2014;
- keeping proper accounting records which enable it to demonstrate that the financial statements as prepared comply with the above requirements;
- assessing the Company and its sub-funds' ability to continue as a going concern, disclosing, as applicable, matters related to going concern;
- using the going concern basis of accounting unless they either intend to liquidate the Company or its sub-funds or to cease operations, or have no realistic alternative but to do so;
- such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; and
- taking reasonable steps for the prevention and detection of fraud and irregularities.

The ACD is responsible for the management of the Company in accordance with its Instrument of Incorporation, the Prospectus and the COLL Rules.

Remuneration Policy

Remuneration Disclosure Annual Report and Accounts

Remuneration Policy

Quilter Investors Limited (QIL), a wholly owned subsidiary of Quilter plc, was the authorised corporate director ("ACD") of Merian Investment Funds Series II until 31 March 2019. The Remuneration policy for QIL is set out below as it is based on a full year of management with accounts showing both quantitative and qualitative information.

The ACD changed on the 1 April 2019 to Merian Investment Management Limited (MIML). MIML has established appropriate Remuneration and Risk Management policies in line with ACD. Full disclosure in relation to MIML's Remuneration and Risk Management framework will form part of the funds audited annual accounts for the year ended 31 October 2020.

Remuneration philosophy and alignment with risk management

QIL's remuneration philosophy is focused on pay for performance, where the performance is delivered within the risk appetite of the firm and the funds it manages. Remuneration is structured in a way to attract, motivate and retain the individuals needed to lead and develop the business. Remuneration structures are designed to support the delivery of QIL's strategy and align the interests of executives, Shareholders and customers.

Remuneration is comprised of fixed pay, variable pay (cash bonus with deferral and long-term incentive arrangements for eligible senior managers), non-contributory defined contribution pension and other market competitive benefits. A proportion of the annual bonus is deferred into approved funds or Quilter plc shares. QIL has taken a proportionality assessment which takes into account criteria including but not limited to:

- the conservative and low volatility strategies of the funds it manages;
- the low number of remuneration code staff and risk takers in QIL; and
- the low number of investment strategies and styles and restricted portfolio of funds it manages.

The Remuneration Committee monitors the compensation process and ensures that proposals do not reward senior staff for excessive risk-taking.

The deferred element of the annual bonus vests in equal tranches on an annual basis over three years after award. During the deferral period the unvested bonus award remains at risk of forfeiture or reduction. This helps promote sound risk management and discourage risk taking that exceeds the firm's level of tolerated risk or that of QIL's client funds. Through the use of deferral into funds or shares the interests of staff are closely aligned to the long-term interests of investors and Shareholders.

Long-term incentive arrangements are provided in the form of either a performance-based share award or an award Restricted Stock Units (RSUs), which are designed to align senior management reward to the success of the company in achieving its strategic priorities and growing the value of the business. Awards under the plan have a vesting period of three years and are subject to claw back for a further two years.

Financial and non-financial criteria

Variable remuneration is based on a rounded assessment of firm and individual performance. The assessment of corporate performance covers both financial and non-financial performance including risk management.

Individual performance is assessed against the individual's objectives and includes an employee's compliance with controls and applicable company standards including the Code of Ethics.

Conflicts of interest

The approach to and management of remuneration contain a number of measures to avoid conflicts of interest.

- Guidance is provided to managers to assist them in determining appropriate remuneration recommendations for their staff. Remuneration proposals are subject to approval by department or functional heads. For senior employees these proposals are subject to moderation as part of a broader Quilter process. No employee may determine their own remuneration.
- Employees engaged in control functions (e.g. Risk, Compliance and Internal Audit) have functional line management structures outside of the business units they oversee, to ensure that remuneration decisions are not directly determined by the business units they oversee. Variable remuneration for control function employees is determined on the achievement of meeting their own functional objectives as set in their appraisal.
- The Remuneration Committee signs off the remuneration of higher paid staff.
- Personal hedging strategies which may undermine the risk alignment of variable remuneration are not permissible (e.g. entering into an arrangement with a third party under which payments will be linked to the person's remuneration or deferred consideration). Personal Account dealing policies are in place, which prohibit dealing on a personal basis or by any connected party, unless it is in compliance with the relevant policy(ies).

Employee remuneration disclosure

The table below provides an overview of the following:

- Aggregate total remuneration of QIL entire staff; and
- Aggregate total remuneration of QIL 'Material Risk Takers (MRTs)'

The MRTs are those employees who are considered could have a material impact on the risk profile of QIL or the AIFs it manages. This broadly includes senior management, risk takers and control functions. For the purposes of this disclosure, MRTs does not include employees of entities to which activities have been delegated.

Amounts shown reflect payments made during the financial reporting period of QIL.

Remuneration Policy (continued)

Merian Investment Funds Series II

	Headcount	Total Remuneration	Proportion ³
QIL Staff¹	82	13,148,921	2,025,459
of which			
Fixed remuneration		7,109,696	1,095,177
Variable remuneration		6,039,225	930,282
Carried interest			
QIL 'Material Risk Takers'²	9	5,410,069	833,367
of which			
Senior Management	7	4,590,231	707,079
Other Identified Staff	2	819,838	126,288

1 Total remuneration costs represent the total headcount and costs associated for QIL as at 31 December 2018.

2 The MRTs are those that have been either identified as a Qualitative Risk Taker or Quantitative Risk Taker for the QIL Business as approved by the Remuneration Committee (as at 31 December 2018).

3 This figure represents an apportioned amount of the total remuneration attributable to the sub-fund allocated on an AUM basis (as at 31 December 2018).

Statement of the Depositary's Responsibilities in Respect of the Scheme and Report of the Depositary to the Shareholders of Merian Investment Funds Series II

for the year from 1 November 2018 to 31 October 2019

The Depositary is responsible for the safekeeping of all of the property of the Company (other than tangible moveable property) which is entrusted to it and for the collection of revenue that arises from that property.

It is the duty of the Depositary to take reasonable care to ensure that the Company is managed by the Authorised Corporate Director in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook ("the Sourcebook"), the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228) (the OEIC Regulations), the Company's Instrument of Incorporation and the Prospectus, as appropriate, concerning: the pricing of and dealing in Shares in the Company; the application of income of the Company; and the investment and borrowing powers applicable to the Company.

Having carried out procedures and enquiries considered duty necessary to discharge our responsibilities as Depositary of the Company, based on information and explanations provided to us, we believe that, in all material respects, the Company, acting through the Authorised Corporate Director:

- (i) has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Company's shares and the application of the Company's income in accordance with the Sourcebook, and where applicable, the OEIC regulations, the Company's Instrument of Incorporation and Prospectus;
- (ii) has, observed the investment and borrowing powers and restrictions applicable to the Company; and
- (iii) has, otherwise, ensured the proper operation of the Company.



Citibank Europe plc, UK Branch
Depositary
24 February 2020

Independent Auditor's Report to the Shareholders of the Merian Investment Funds Series II (the 'Company')

Opinion

We have audited the financial statements of the Company for the year ended 31 October 2019 which comprise the Statements of Total Return, the Statements of Changes in Net Assets Attributable to Shareholders, the Balance Sheets, the Related Notes and Distribution Tables for each of the Company's sub-funds listed on page 5 and the accounting policies set out on pages 167 to 168.

In our opinion the financial statements:

- give a true and fair view, in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*, of the financial position of each of the sub-funds as at 31 October 2019 and of the net revenue and the net capital gains on the property of each of the sub-funds for the year then ended; and
- have been properly prepared in accordance with the Instrument of Incorporation, the Statement of Recommended Practice relating to Authorised Funds, and the COLL Rules.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard.

We have received all the information and explanations which we consider necessary for the purposes of our audit and we believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

The impact of uncertainties due to the UK exiting the European Union on our audit

Uncertainties related to the effects of Brexit are relevant to understanding our audit of the financial statements. All audits assess and challenge the reasonableness of estimates made by the directors and related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the Company's future prospects and performance.

Brexit is one of the most significant economic events for the UK, and its effects are subject to unprecedented levels of uncertainty of consequences, with the full range of possible effects unknown. We applied a standardised firm-wide approach in response to that uncertainty when assessing the Company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company and this is particularly the case in relation to Brexit.

Going concern

The Authorised Corporate Director has prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or its sub-funds or to cease their operations, and as they have concluded that the Company and its sub-funds' financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the Authorised Corporate Director's conclusions, we considered the inherent risks to the company's and its sub-funds' business model, including the impact of Brexit, and analysed how those risks might affect the company's and its sub-funds' financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the Company or its sub-funds will continue in operation.

Other information

The Authorised Corporate Director is responsible for the other information presented in the Annual Report together with the financial statements. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the other information; and
- in our opinion the information given in the Authorised Corporate Director's Report is consistent with the financial statements.

Independent Auditor's Report to the Shareholders of the Merian Investment Funds Series II (continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where under the COLL Rules we are required to report to you if, in our opinion:

- proper accounting records for the Company have not been kept; or
- the financial statements are not in agreement with the accounting records.

Authorised Corporate Director's responsibilities

As explained more fully in their statement set out on page 13 the Authorised Corporate Director is responsible for: the preparation of financial statements which give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Company and its sub-funds' ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Company or its sub-funds or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the Company's shareholders, as a body, in accordance with Rule 4.5.12 of the Collective Investment Schemes sourcebook ('the COLL Rules') issued by the Financial Conduct Authority under the Open-Ended Investment Companies Regulations 2001. Our audit work has been undertaken so that we might state to the Company's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.



Grant Archer
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
319 St Vincent Street
Glasgow
G2 5AS
24 February 2020

Merian Asia Pacific Fund

Launch date	14 September 1994
IA Sector	Asia Pacific excluding Japan
Investment adviser	Merian Global Investors (UK) Limited
Net asset value	£396,418,469

Investment Objective and Policy

To seek to achieve capital growth by delivering a return, net of fees, greater than that of the MSCI AC Asia Pacific ex-Japan Index with net dividends reinvested over rolling 3 year periods.

The sub-fund primarily invests (at least 70%) in a diversified portfolio of equities in developed and emerging markets in the Asia Pacific region, excluding Japan. Such equities are those of companies that are domiciled, incorporated or listed in the Asia Pacific region (excluding Japan), or that conduct a significant part of their business in those markets.

The sub-fund may also invest in other transferable securities, units in collective investment schemes (including those managed or operated by the ACD or an associate of the ACD), warrants, money market instruments, deposits and derivatives, and may hold cash.

The sub-fund may use derivatives for Efficient Portfolio Management purposes. The ACD considers that the use of derivatives for this purpose is not likely to affect the volatility or risk profile of the sub-fund. The sub-fund may use derivatives for purposes other than Efficient Portfolio Management, provided it has given shareholders 60 days' notice of such change. If the sub-fund did use derivatives for investment purposes, it may therefore at times increase the volatility of the sub-fund's NAV and change the risk profile of the sub-fund.

Investment Manager's review

The MSCI AC Asia Pacific ex Japan Total Return Index posted a 13.9% price gain over the period. Equity markets in the region began the period well, but had wobbles in May and August. Since mid-August 2019, beneath equity markets' calm veneer there has been a meaningful rotation between winners and losers. This has been characterised by a sharp increase in cheap 'value' stocks, with previously outperforming defensive and quality stocks retreating. The recent rally in sovereign bond yields, and growing expectations of a thaw in the US-Sino trade war have provided catalysts for these significant rotations between equity market sectors. These rotations were driven by upside surprises in economic data and optimism over trade talks that drove short covering. By contrast, last year's 4Q18 unwind was brought on by a growth scare: data deceleration, trade tensions, and central bank tightening.

Performance

The fund underperformed its benchmark during the period. The returns to factors such as value, quality, momentum and growth were weak over the period. There was inconsistency in many factor returns, and intermittent spikes in correlation between factors. Overcrowding in medium-term factors contributed to this effect, which was accentuated by capital outflows and liquidity being withdrawn from strategies using these factors. Many of the medium-term factors employed by the team overlapped with some of these overcrowded areas. In turn this contributed to a period of extended softer performance.

At a portfolio level, for example, it has proven challenging to blend value with a series of our other factor sets. The nature of the relationship between value and momentum, as well as between value and company management, detracted from returns, as evidenced by the weaker contribution from the market dynamics and company management factor sets. Their long track record of success validates the benefits of such an approach. However, there will be episodes when it struggles. We believe that model enhancements we have proposed making will mitigate such effects going forward.

Outlook

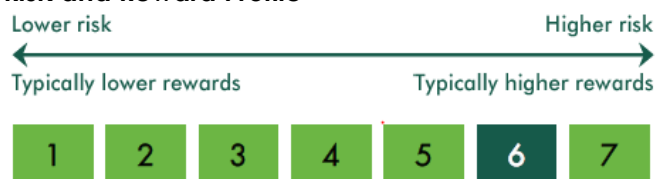
In an effort to meet these challenges, we are incorporating downside risk into our dynamic weighting scheme. In particular, we are looking at the Sortino ratio of the factor sets relative to the other factors we can have in a specific region. Our dynamic valuation factor set will now take account of the demand from investors for each individual style (value and quality). We believe this will allow the investment process to mitigate downside risk better in periods where both are out of favour, by decreasing the weights in both. Finally, we will adopt a secondary risk model, given its ability to capture periods of higher correlation between factors and other transitory risks informing equity pricing, such as sensitivity to Fed rate hikes or the price of oil. These enhancements would have generated similar returns over long historic back test periods (last 15 and 25 years) but with lower risk, thus resulting in higher historic Sharpe and Sortino ratios. Crucially, these enhancements would have significantly improved the performance of the strategy over the period by giving us a better-diversified portfolio, with less exposure to factors that exhibit higher downside risk.

Value assessment for the year ended 31 October 2019

For further details on the value assessment report please refer to pages 8 to 12.

Merian Asia Pacific Fund

Risk and Reward Profile



The calculated risk and reward category, as shown above, uses a method of calculation derived from EU rules. It is based on the rate at which the returns of the sub-fund have moved up and down in the past (i.e. volatility) and is not a guide to the future risk and reward category of the sub-fund. The category shown is not a target or guarantee and may shift over time. Even the lowest category 1 does not mean a risk-free investment. The seven-category scale is nonlinear, for example, 2 is not twice as risky as 1.

Sub-funds in category 6 have in the past shown relatively high volatility. With a sub-fund of category 6, you have a relatively high risk of losing money but your chance for gains is also relatively high.

Investment risk - there is no guarantee that the sub-fund will achieve its objective. A capital loss of some or all of the amount invested may occur.

Geographic concentration risk - a fall in the Asia Pacific markets may have a significant impact on the value of the sub-fund because it primarily invests in these markets.

Emerging markets risk - less developed countries may face more political, economic or structural challenges than developed countries.

Liquidity risk - some investments may become hard to value or sell at a desired time and price. In extreme circumstances this may affect the sub-fund's ability to meet redemption requests upon demand.

Currency risk - the sub-fund is denominated in British Pounds but holds assets denominated in other currencies. The value of your shares may rise and fall as a result of exchange rate movements between these currencies.

Derivative risk - the sub-fund uses derivatives to reduce costs and/or the overall risk of the sub-fund (i.e. Efficient Portfolio Management (EPM)). Derivatives involve a level of risk, however, for EPM they should not increase the overall riskiness of the sub-fund. Derivatives also involve counterparty risk where the institutions acting as counterparty to derivatives may not meet their contractual obligations.

Capital erosion risk - the sub-fund takes its charges from the income of the sub-fund in the first instance. The impact of sub-fund charges may be material on the value of any income you receive from your investment. There is potential for capital erosion if insufficient income is generated by the sub-fund to cover these charges. Capital erosion may have the effect of reducing the level of income generated.

For a more detailed explanation of risks, please refer to the "Risks" section of the prospectus.

Performance Records

Comparative Tables

Accumulation 'A'	1 November 2018 to 31 October 2019 pence per share	1 November 2017 to 31 October 2018 pence per share	1 November 2016 to 31 October 2017 pence per share
Change in net assets per share			
Opening net asset value per share	484.91	552.97	434.25
Return before operating charges*	48.59	(58.39)	127.10
Operating charges**	(9.14)	(9.67)	(8.38)
Return after operating charges*	39.45	(68.06)	118.72
Distributions	(3.57)	(3.00)	(3.85)
Retained distributions	3.57	3.00	3.85
Closing net asset value per share	524.36	484.91	552.97
* after direct transaction costs of***	1.92	1.91	1.85
Performance			
Return after charges	8.14%	(12.31)%	27.34%
Other information			
Closing net asset value (£)	44,152,020	38,009,106	45,126,349
Closing number of shares	8,420,244	7,838,382	8,160,732
Operating charges****	1.75%	1.75%	1.75%
Direct transaction costs***	0.37%	0.35%	0.39%
Prices	pence per share	pence per share	pence per share
Highest share price	561.70	612.07	583.73
Lowest share price	481.70	473.60	400.16
Accumulation 'P'	1 November 2018 to 31 October 2019 pence per share	1 November 2017 to 31 October 2018 pence per share	1 November 2016 to 31 October 2017 pence per share
Change in net assets per share			
Opening net asset value per share	168.85	191.59	149.71
Return before operating charges*	16.92	(20.35)	44.02
Operating charges**	(2.27)	(2.39)	(2.14)
Return after operating charges*	14.65	(22.74)	41.88
Distributions	(2.19)	(2.05)	(2.15)
Retained distributions	2.19	2.05	2.15
Closing net asset value per share	183.50	168.85	191.59
* after direct transaction costs of***	0.67	0.66	0.66
Performance			
Return after charges	8.68%	(11.87)%	27.97%
Other information			
Closing net asset value (£)	586,596	721,943	286,308
Closing number of shares	319,664	427,556	149,437
Operating charges****	1.25%	1.25%	1.25%
Direct transaction costs***	0.37%	0.35%	0.39%
Prices	pence per share	pence per share	pence per share
Highest share price	196.30	212.27	202.22
Lowest share price	167.90	164.90	138.02

Comparative Tables (continued)

Accumulation 'R'	1 November 2018 to 31 October 2019 pence per share	1 November 2017 to 31 October 2018 pence per share	1 November 2016 to 31 October 2017 pence per share
Change in net assets per share			
Opening net asset value per share	201.94	228.56	178.14
Return before operating charges*	20.25	(24.33)	52.43
Operating charges**	(2.18)	(2.29)	(2.01)
Return after operating charges*	18.07	(26.62)	50.42
Distributions	(3.17)	(2.98)	(3.06)
Retained distributions	3.17	2.98	3.06
Closing net asset value per share	220.01	201.94	228.56
* after direct transaction costs of***	0.80	0.79	0.78
Performance			
Return after charges	8.95%	(11.65)%	28.30%
Other information			
Closing net asset value (£)	138,207,454	149,522,766	118,021,663
Closing number of shares	62,818,025	74,042,340	51,637,289
Operating charges****	1.00%	1.00%	1.00%
Direct transaction costs***	0.37%	0.35%	0.39%
Prices	pence per share	pence per share	pence per share
Highest share price	235.20	244.10	231.93
Lowest share price	200.90	197.10	164.28
Accumulation 'U1'	1 November 2018 to 31 October 2019 pence per share	1 November 2017 to 31 October 2018 pence per share	1 November 2016 to 31 October 2017 pence per share
Change in net assets per share			
Opening net asset value per share	164.17	185.66	144.60
Return before operating charges*	16.46	(19.77)	42.58
Operating charges**	(1.64)	(1.72)	(1.52)
Return after operating charges*	14.82	(21.49)	41.06
Distributions	(2.71)	(2.56)	(2.61)
Retained distributions	2.71	2.56	2.61
Closing net asset value per share	178.99	164.17	185.66
* after direct transaction costs of***	0.65	0.64	0.63
Performance			
Return after charges	9.03%	(11.57)%	28.40%
Other information			
Closing net asset value (£)	173,335,797	210,313,270	123,323,995
Closing number of shares	96,840,809	128,110,225	66,424,734
Operating charges****	0.925%	0.925%	0.925%
Direct transaction costs***	0.37%	0.35%	0.39%
Prices	pence per share	pence per share	pence per share
Highest share price	191.30	198.40	188.39
Lowest share price	163.30	160.30	133.36

Comparative Tables (continued)

Accumulation 'U2'	1 November 2018 to 31 October 2019 pence per share	1 November 2017 to 31 October 2018 pence per share	1 November 2016 to 31 October 2017 pence per share
Change in net assets per share			
Opening net asset value per share	176.84	199.93	155.60
Return before operating charges*	17.73	(21.39)	45.91
Operating charges**	(1.62)	(1.70)	(1.58)
Return after operating charges*	16.11	(23.09)	44.33
Distributions	(3.06)	(2.89)	(2.94)
Retained distributions	3.06	2.89	2.94
Closing net asset value per share	192.95	176.84	199.93
* after direct transaction costs of***	0.70	0.69	0.72
Performance			
Return after charges	9.11%	(11.55)%	28.49%
Other information			
Closing net asset value (£)	40,136,602	70,393,209	59,856,210
Closing number of shares	20,801,231	39,805,915	29,938,118
Operating charges****	0.85%	0.85%	0.85%
Direct transaction costs***	0.37%	0.35%	0.39%
Prices	pence per share	pence per share	pence per share
Highest share price	206.20	213.60	202.87
Lowest share price	176.00	172.60	143.51
Accumulation 'W'†	1 November 2018 to 31 October 2019 pence per share	1 November 2017 to 31 October 2018 pence per share	1 November 2016 to 31 October 2017 pence per share
Change in net assets per share			
Opening net asset value per share	-	100.00	-
Return before operating charges*	-	5.60	-
Operating charges**	-	(0.13)	-
Return after operating charges*	-	5.47	-
Distributions	-	-	-
Retained distributions	-	-	-
Closing net asset value per share	-	105.47	-
* after direct transaction costs of***	-	-	-
Performance			
Return after charges	-	5.47%	-
Other information			
Closing net asset value (£)	-	-	-
Closing number of shares	-	-	-
Operating charges****	-	0.85%	-
Direct transaction costs***	-	-	-
Prices	pence per share	pence per share	pence per share
Highest share price	-	106.40	-
Lowest share price	-	97.49	-

† From 10 April 2018 to 1 June 2018.

** The operating charges include all costs borne by the sub-fund, except for direct transaction costs.

*** The direct transaction costs are made up of fees and commissions paid to agents, advisers, brokers and dealers, levies by regulatory agencies and securities exchanges as well as transfer taxes and duties. They do not include any difference between the quoted bid and offer prices or internal administrative or holding costs. These costs arise as a result of transactions undertaken both for efficient portfolio management and the meeting of the sub-fund's objectives. These costs exclude any effect of dilution adjustments used to offset the costs.

**** The operating charges percentage is the ratio of the sub-fund's ongoing charges (excluding interest on borrowings) to the average net assets of the sub-fund.

Performance

	6 months to 31 October 2019	1 year to 31 October 2019	3 years to 31 October 2019	5 years to 31 October 2019
Merian Asia Pacific Fund*	(2.74)%	8.74%	23.85%	70.16%
MSCI AC Asia Pacific ex Japan Index with net dividends re-invested (benchmark)	(0.39)%	12.46%	20.65%	52.84%
IA Asia Pacific excluding Japan (sector average)	0.34	14.44	19.99	54.75
Quartile ranking	4	4	2	2

* Accumulation 'R' shares

Data Source – Factset. Figures are calculated on a total return and single price basis, with net income reinvested into the sub-fund.

The benchmark is a representation of the markets in which the fund primarily invests and as such is an appropriate benchmark for the fund to seek to outperform and may also be used as a point of reference against which the fund's performance may be measured. The fund's performance may also be compared to the IA sector, which consists of funds with similar investment objectives and policies.

Asset allocation		Major holdings	Percentage of portfolio
Equities	99.09%	Alibaba ADR	4.65%
Derivatives	0.01%	Samsung Electronics	4.16%
		Tencent	3.78%
Net other assets	0.90%	Taiwan Semiconductor Manufacturing	3.43%
		BHP Billiton (Australian Listing)	1.86%
Total	100.00%	China Life Insurance 'H'	1.64%
		Infosys	1.63%
Portfolio allocation		Link REIT	1.43%
China	30.97%	CNOOC (HK Listing)	1.41%
Australia	14.88%	Li Ning	1.41%
South Korea	13.18%		
Hong Kong	9.64%	Number of holdings	277
Taiwan	9.40%		
India	8.70%		
Thailand	4.21%		
Indonesia	2.57%		
Malaysia	2.41%		
Philippines	1.17%		
New Zealand	1.03%		
Singapore	0.91%		
United States	0.02%		
Derivatives	0.01%		
Net other assets	0.90%		
Total	100.00%		

Portfolio statement

as at 31 October 2019

Holding	Investment	Market Value £'000	Percentage of total net assets %
Asia Pacific (excluding Japan) 99.07% (31 October 2018 98.92%)			
Australia Equities 14.88% (31 October 2018 15.90%)			
39,963	Accent	32	0.01
83,296	Altium	1,425	0.36
281,940	Aurizon	877	0.22
1,274,557	Beach Energy	1,553	0.39
386,138	BHP Billiton (Australian Listing)	7,353	1.86
90,320	BlueScope Steel	632	0.16
100,651	Brickworks	965	0.24
1,152,818	BWP Trust	2,539	0.64
142,060	Charter Hall	843	0.21
278,219	Charter Hall Retail REIT	641	0.16
29,437	Cochlear	3,288	0.83
40,286	Commonwealth Bank of Australia	1,682	0.42
6,894	Credit Corp	113	0.03
16,948	CSL	2,305	0.58
306,412	CSR	660	0.17
526,868	GDI Property	432	0.11
749,121	Genworth Mortgage Insurance Australia	1,550	0.39
661,792	Goodman	5,062	1.28
471,285	Growthpoint Properties Australia	1,063	0.27
360,471	Harvey Norman	784	0.20
80,490	HUB24	526	0.13
54,949	IDP Education	512	0.13
264,332	Inghams	436	0.11
37,201	Magellan Financial	949	0.24
41,376	McMillan Shakespeare	348	0.09
2,226,099	Medibank	3,979	1.00
182,801	Mount Gibson Iron	73	0.02
46,551	Netwealth Group	217	0.05
6,072	NIB Holdings (Australia)	22	0.01
35,513	Northern Star Resources	184	0.05
541,114	NRW	633	0.16
400,556	Pendal	1,517	0.38
33,872	Pro Medicus	479	0.12
780,661	Qantas Airways	2,649	0.67
376,434	QBE Insurance	2,501	0.63
98,689	Regis Resources	254	0.06
328,737	Sandfire Resources	1,014	0.26
455,722	Saracen Mineral	907	0.23
20,835	SmartGroup	126	0.03
1,759,296	South32	2,386	0.60
89,998	St Barbara	133	0.03
318,163	Steadfast	599	0.15
209,759	Super Retail	1,047	0.26
140,113	Technology One	544	0.14
994,902	Vicinity Centres	1,413	0.36
70,555	Washington H Soul Pattinson & Co	814	0.21
47,789	Westpac Banking	716	0.18
13,818	WiseTech Global	192	0.05
		58,969	14.88

Portfolio statement (continued)

as at 31 October 2019

Holding	Investment	Market Value £'000	Percentage of total net assets %
	China Equities 30.97% (31 October 2018 25.85%)		
58,800	58.com	2,357	0.59
134,600	Alibaba ADR	18,449	4.65
105,250	A-Living Services	246	0.06
1,141,000	Anhui Conch Cement	5,270	1.33
582,000	ANTA Sports Products	4,402	1.11
2,108,000	China Coal Energy	648	0.16
2,065,000	China Construction Bank	1,281	0.32
1,177,000	China Dongxiang	101	0.03
2,595,000	China Everbright Bank	922	0.23
440,500	China Galaxy Securities	174	0.04
73,971	China International Travel Service	732	0.18
3,252,000	China Life Insurance 'H'	6,517	1.64
403,000	China Medical System	422	0.11
1,862,000	China Oriental	501	0.13
1,571,200	China Pacific Insurance	4,402	1.11
59,000	China Railway Construction 'H'	50	0.01
2,404,000	China Reinsurance	301	0.08
300,000	China Shenhua Energy	471	0.12
336,000	China Shineway Pharmaceutical	249	0.06
412,000	China Telecom	135	0.03
664,110	China Yangtze Power	1,300	0.33
4,840,000	CNOOC (HK Listing)	5,605	1.41
866,000	Country Garden Services	2,268	0.57
101,500	Great Wall Motor	64	0.02
1,416,376	Guosen Securities	1,887	0.48
1,808,000	HengTen Networks	20	0.01
803,000	Hisense Home Appliances	573	0.14
140,300	JD.com ADR	3,430	0.87
3,545,001	Jinduicheng Molybdenum	2,784	0.70
155,120	LexinFintech	1,384	0.35
2,131,000	Li Ning	5,592	1.41
103,000	Luye Pharma	59	0.02
48,800	Luzhou Laojiao	466	0.12
4,676,000	Metallurgical Corporation of China	764	0.19
17,400	NetEase ADR	3,838	0.97
892,400	New China Life Insurance	2,680	0.68
14,600	New Oriental Education & Technology ADR	1,381	0.35
15,900	Noah	384	0.10
2,340,000	PICC Property & Casualty	2,290	0.58
46,500	Ping An Insurance	449	0.11
534,500	Ping An Insurance China	4,774	1.20
157,000	Sany Heavy Equipment International	63	0.02
1,797,224	Sany Heavy Industry	2,653	0.67
2,024,519	Shaanxi Coal Industry	1,859	0.47
87,955	Shanghai International Airport	736	0.19
132,000	Shenzhen Expressway	136	0.03
96,981	Shenzhen Mindray Bio-Medical Electronics	1,893	0.48
6,080,000	Shui On Land	946	0.24
2,089,000	Sihuan Pharmaceutical	210	0.05

Portfolio statement (continued)

as at 31 October 2019

Holding	Investment	Market Value £'000	Percentage of total net assets %
China Equities (continued)			
102,000	Sinotruk Hong Kong	119	0.03
793,000	SOHO China	209	0.05
45,000	Sunny Optical Technology	562	0.14
474,400	Tencent	14,977	3.78
156,000	Tsingtao Brewery	698	0.18
231,000	Uni-President China	184	0.05
218,200	Vipshop ADR	2,014	0.51
308,000	Weichai Power	375	0.09
186,500	Wuhu Shunrong Sanqi Interactive Entertainment Network Technology	373	0.09
131,716	Wuliangye Yibin	1,908	0.48
1,795,700	Yangzijiang Shipbuilding	972	0.25
170,611	Yonyou Network Technology	553	0.14
12,200	YY ADR	532	0.13
2,076,000	Zoomlion Heavy Industry Science and Technology	1,180	0.30
		122,774	30.97
Hong Kong Equities 9.64% (31 October 2018 12.56%)			
534,800	AIA	4,121	1.04
241,600	Bank of East Asia	449	0.11
258,000	Cafe de Coral	544	0.14
480,000	China Resources Beer	1,907	0.48
12,518,000	China South City	1,122	0.28
1,235,200	China Taiping Insurance	2,151	0.54
3,464,000	CITIC	3,507	0.89
230,000	CK Asset	1,238	0.31
677,000	CLP	5,423	1.37
320,000	Dah Sing Banking	320	0.08
51,200	Dah Sing Financial	147	0.04
3,372,000	First Pacific	993	0.25
274,000	Hang Lung Properties	466	0.12
36,400	Hongkong Land	154	0.04
406,000	Hysan Development	1,235	0.31
352,500	Kingboard Laminates	249	0.06
1,496,000	Kunlun Energy	1,075	0.27
671,500	Link REIT	5,650	1.43
23,000	Melco International Development	47	0.01
236,500	NetDragon Websoft	418	0.11
215,000	Power Assets	1,185	0.30
1,458,000	Shougang Fushan Resources	231	0.06
326,000	Sino Land	377	0.09
140,000	Skyworth	28	0.01
1,057,000	Sun Hung Kai	353	0.09
242,500	Swire Pacific 'A'	1,781	0.45
219,400	VTech	1,484	0.37
878,000	Wharf	1,537	0.39
		38,192	9.64

Portfolio statement (continued)

as at 31 October 2019

Holding	Investment	Market Value £'000	Percentage of total net assets %
	India Equities 8.70% (31 October 2018 6.91%)		
53,708	ACC	917	0.23
54,934	Adani Enterprises	118	0.03
7,983	Asian Paints	157	0.04
1,287,949	Bank of Baroda	1,363	0.34
25,479	Bata India	500	0.13
338,685	Bharat Electronics	436	0.11
445,754	Bharat Heavy Electricals	275	0.07
270,184	Coal India	611	0.15
5,041	Colgate-Palmolive	85	0.02
44,666	Divi's Laboratories	850	0.21
46,218	Dr Reddy's Laboratories	1,402	0.35
9,936	Escorts	71	0.02
828,942	GAIL India	1,245	0.31
190,760	Gujarat Narmada Valley Fertilizers & Chemicals	452	0.11
116,971	HCL Technologies	1,471	0.37
18,803	HDFC Asset Management	612	0.15
107,173	HDFC Standard Life Insurance	729	0.18
111,594	Hindustan Unilever	2,647	0.67
274,305	ICICI Bank	1,383	0.35
244,600	ICICI Bank ADR	2,484	0.63
4,439	ICICI Lombard General Insurance	65	0.02
862,461	Infosys	6,443	1.63
11,163	InterGlobe Aviation	177	0.05
82,914	ITC	233	0.06
502,553	Jindal Steel & Power	633	0.16
9,049	Marico	36	0.01
7,462	Mphasis	77	0.02
1,493	Nestle	243	0.06
147,069	NHPC	38	0.01
233,884	Oil & Natural Gas	360	0.09
6,277	Pidilite Industries	96	0.02
104,374	Power Finance	124	0.03
256,230	REC	390	0.10
4,855	Siemens	88	0.02
43,899	State Bank of India	149	0.04
108,704	Sun TV Network	623	0.16
158,739	Tata Consultancy Services	3,924	0.99
26,618	Ultratech Cement	1,200	0.30
50,285	United Spirits	344	0.09
167,480	Vedanta	271	0.07
418,700	Wipro	1,181	0.30
		34,503	8.70

Portfolio statement (continued)

as at 31 October 2019

Holding	Investment	Market Value £'000	Percentage of total net assets %
Indonesia Equities 2.57% (31 October 2018 3.99%)			
180,700	Bank Central Asia	312	0.08
2,549,900	Bank Mandiri	981	0.25
2,373,700	Bank Negara Indonesia	998	0.25
3,263,200	Bank Rakyat Indonesia	752	0.19
3,901,400	Bumi Serpong Damai	301	0.08
2,821,900	Indofood CBP Sukses Makmur	1,803	0.45
1,771,700	Kalbe Farma	155	0.04
3,716,000	Media Nusantara Citra	268	0.07
10,727,600	Pakuwon Jati	366	0.09
1,199,200	Ramayana Lestari Sentosa	77	0.02
1,737,300	Unilever Indonesia	4,169	1.05
		10,182	2.57
Malaysia Equities 2.41% (31 October 2018 1.78%)			
2,590,300	AMMB	1,909	0.48
11,400	Carlsberg Brewery	58	0.01
13,800	Fraser & Neave	88	0.02
15,200	Malaysia Airports	22	0.01
6,047,100	My EG Services	1,262	0.32
440,200	Petronas Gas Berhad	1,351	0.34
4,243,700	RHB Bank	4,498	1.14
453,200	Westports Holdings Berhad	358	0.09
		9,546	2.41
New Zealand Equities 1.03% (31 October 2018 1.20%)			
42,944	a2 Milk	274	0.07
404,545	Fisher & Paykel Healthcare	3,803	0.96
		4,077	1.03
Philippines Equities 1.17% (31 October 2018 1.39%)			
3,389,960	LT	687	0.17
21,030	Manila Electric	108	0.03
15,600,900	Megaworld	1,143	0.29
790,175	Metropolitan Bank & Trust	811	0.21
44,100	Robinsons Land	17	-
2,835,400	Semirara Mining & Power	1,000	0.25
1,488,100	SM Prime	881	0.22
		4,647	1.17
Singapore Equities 0.91% (31 October 2018 2.73%)			
345,600	Best World International	-	-
338,200	First Real Estate Investment Trust	196	0.05
416,000	Golden Agri-Resources	48	0.01
29,400	Oversea-Chinese Banking	183	0.05
435,200	Singapore Exchange	2,206	0.56
54,300	United Overseas Bank	826	0.21
29,700	UOL	131	0.03
		3,590	0.91

Portfolio statement (continued)

as at 31 October 2019

Holding	Investment	Market Value £'000	Percentage of total net assets %
South Korea Equities 13.18% (31 October 2018 13.20%)			
5,328	BGF retail	629	0.16
51,400	BNK Financial	237	0.06
25,866	Cheil Worldwide	425	0.11
71,182	Daelim Industrial	4,296	1.08
1,390	Doosan Bobcat	29	0.01
24,615	Fila Korea	940	0.24
57,441	Hana Financial	1,284	0.32
6,819	Hanwha Aerospace	171	0.04
355,882	Hanwha Life Insurance	526	0.13
18,252	Hyundai Development	374	0.09
2,804	Hyundai Glovis	281	0.07
11,643	Hyundai Mobis	1,838	0.46
1,104	Hyundai Motor (Preference shares 2nd)	58	0.02
463	Hyundai Motor (Preference shares)	22	0.01
52,277	KB Financial	1,454	0.37
5,002	KEPCO Engineering & Construction	68	0.02
34,220	Korea Aerospace Industries	861	0.22
60,021	Korean Reinsurance	314	0.08
46,168	LF	602	0.15
79	LG Household & Health Care	66	0.02
106,995	LOTTE Fine Chemical	3,137	0.79
9,161	NCSOFT	3,135	0.79
76,239	NH Investment & Securities	612	0.16
32,415	NHN	1,236	0.31
647	Pearl Abyss	93	0.02
25,353	S-1 Corporation	1,576	0.40
57,672	Samsung Card	1,281	0.32
493,793	Samsung Electronics	16,506	4.16
76,318	Samsung Electronics (Preference shares)	2,075	0.52
33,091	Samsung Engineering	391	0.10
28,886	Samsung SDS	3,860	0.97
45,398	SK Hynix	2,466	0.62
194	Taekwang Industrial	141	0.04
163,900	Woori Financial	1,277	0.32
		52,261	13.18
Taiwan Equities 9.40% (31 October 2018 9.09%)			
323,000	Accton Technology	1,486	0.37
12,844,000	China Development Financial	3,093	0.78
3,159,260	China Life Insurance	2,006	0.51
5,897,000	CTBC Financial	3,162	0.80
68,000	Farglory Land Development	67	0.02
36,000	Life-On Technology	46	0.01
903,000	Macronix	712	0.18
417,000	MediaTek	4,307	1.09
1,517,000	Nanya Technology	2,692	0.68
204,000	Novatek Microelectronics	1,014	0.26
76,000	Phison Electronics	535	0.12
300,000	Radiant Opto-Electronics	916	0.23

Portfolio statement (continued)

as at 31 October 2019

Holding	Investment	Market Value £'000	Percentage of total net assets %
	Taiwan Equities (continued)		
104,000	Realtek Semiconductor	597	0.15
4,825,000	Shin Kong Financial	1,177	0.30
1,093,000	SinoPac Financial	346	0.09
1,798,000	Taiwan Semiconductor Manufacturing	13,582	3.43
1,056,000	United Microelectronics	375	0.09
97,000	Vanguard International Semiconductor	160	0.04
33,000	Win Semiconductors	266	0.07
935,000	Winbond Electronics	405	0.10
89,000	Zhen Ding Technology	326	0.08
		37,270	9.40
	Thailand Equities 4.21% (31 October 2018 4.32%)		
102,300	Kasikornbank (Foreign Reg)	363	0.09
8,381,300	Krung Thai Bank	3,555	0.90
1,210,400	PTT Exploration & Production	3,727	0.94
1,502,000	Siam Commercial Bank	4,299	1.08
3,515,600	Thanachart Capital	4,762	1.20
		16,706	4.21
	North America 0.03% (31 October 2018 (0.03)%)		
	United States Equities 0.02% (31 October 2018 0.00%)		
17,867	Sims Metal Management	88	0.02
		88	0.02
	US Dollar Denominated Futures Contracts 0.01% (31 October 2018 (0.03)%)		
33	S&P 500 E-Mini Futures December 2019	49	0.01
		49	0.01
	Investment assets	392,854	99.10
	Net other assets	3,564	0.90
	Total net assets	396,418	100.00

All investments are approved securities being either officially listed in a member state or traded on or under the rules of an eligible securities market.

All investments are in ordinary shares unless otherwise stated.

Statement of total return

for the year from 1 November 2018 to 31 October 2019

		01.11.18 to 31.10.19 £'000	01.11.18 to 31.10.19 £'000	01.11.17 to 31.10.18 £'000	01.11.17 to 31.10.18 £'000
	Note				
Income					
Net capital gains/(losses)	2		35,916		(72,384)
Revenue	3	12,095		12,138	
Expenses	4	(4,591)		(4,742)	
Interest payable and similar charges	5	(22)		(2)	
Net revenue before taxation		7,482		7,394	
Taxation	6	(1,135)		(1,243)	
Net revenue after taxation			6,347		6,151
Total return before distributions			42,263		(66,233)
Distributions	7		(6,422)		(6,395)
Change in net assets attributable to shareholders from investment activities			35,841		(72,628)

Statement of change in net assets attributable to shareholders

for the year from 1 November 2018 to 31 October 2019

	01.11.18 to 31.10.19 £'000	01.11.18 to 31.10.19 £'000	01.11.17 to 31.10.18 £'000	01.11.17 to 31.10.18 £'000
Opening net assets attributable to shareholders		468,960		346,615
Amounts received on issue of shares	42,412		248,375	
Amounts paid on cancellation of shares	(156,434)		(60,478)	
		(114,022)		187,897
Dilution adjustment		79		192
Change in net assets attributable to shareholders from investment activities		35,841		(72,628)
Retained distribution on accumulation shares		5,560		6,884
Closing net assets attributable to shareholders		396,418		468,960

The notes on pages 34 to 44 form an integral part of these financial statements.

Balance sheet

as at 31 October 2019

	Note	31.10.19 £'000	31.10.18 £'000
Assets			
Fixed assets			
Investments	12	392,854	463,891
Current assets			
Debtors	8	1,178	9,002
Cash and bank balances	9	7,160	7,766
Total assets		401,192	480,659
Liabilities			
Investment liabilities		-	(125)
Creditors			
Other creditors	10	(4,774)	(11,574)
Total liabilities		(4,774)	(11,699)
Net assets attributable to shareholders		396,418	468,960

The notes on pages 34 to 44 form an integral part of these financial statements.

Notes to the financial statements

for the year from 1 November 2018 to 31 October 2019

1 Accounting policies

The applicable accounting policies adopted by the Merian Asia Pacific Fund are included on pages 167 to 168.

2 Net capital gains/(losses)

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

	01.11.18 to 31.10.19 £'000	01.11.17 to 31.10.18 £'000
Gains/(losses) on non-derivative securities	36,474	(72,064)
Gains on derivative contracts	91	838
Losses on forward currency contracts	(9)	-
Losses on currency contracts	(595)	(1,113)
Handling charges	(45)	(45)
Net capital gains/(losses) on investments	35,916	(72,384)

3 Revenue

	01.11.18 to 31.10.19 £'000	01.11.17 to 31.10.18 £'000
Bank interest	12	7
Non-taxable overseas dividends	11,744	11,937
Taxable overseas dividends	339	156
UK dividends	-	38
Total revenue	12,095	12,138

4 Expenses

Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:

	01.11.18 to 31.10.19 £'000	01.11.17 to 31.10.18 £'000
Fixed Ongoing Charge*	4,591	3,420
Authorised Corporate Director's periodic charge**	-	1,036
Fixed expenses**	-	286
Total expenses	4,591	4,742

* This figure represents the Fixed Ongoing Charge that was introduced from 1 March 2018, which covers all fees payable by the sub-fund to the Authorised Corporate Director, Investment adviser, Depositary (including associates etc.) and other expenses.

** These figures represent the charges to 28 February 2018, which have now been replaced by the Fixed Ongoing Charge. The Audit fee for the year, excluding VAT, was £6,500 (31 October 2018: £9,000). As a result of the change to a Fixed Ongoing Charge basis, this expense is split between other expenses and Fixed Ongoing Charge in the prior year.

Notes to the financial statements (continued)

for the year from 1 November 2018 to 31 October 2019

5 Interest payable and similar charges

	01.11.18 to 31.10.19 £'000	01.11.17 to 31.10.18 £'000
Bank overdraft interest	22	2
Total interest payable and similar charges	22	2

6 Taxation

a) Analysis of tax charge in the year

	01.11.18 to 31.10.19 £'000	01.11.17 to 31.10.18 £'000
Overseas capital gains tax	72	240
Overseas tax suffered	1,063	1,003
Total current tax charge for the year	1,135	1,243
Deferred tax charge for the year (see note 6(c))	-	-
Total taxation for the year (see note 6(b))	1,135	1,243

b) Factors affecting current tax charge for the year

	01.11.18 to 31.10.19 £'000	01.11.17 to 31.10.18 £'000
The taxation assessed for the year is lower than the standard rate of corporation tax in the UK for an open-ended investment company (20%). The differences are explained below:		
Net revenue before taxation	7,482	7,394
Corporation tax at 20% (31 October 2018: 20%)	1,497	1,479
Effects of:		
Capital gains tax	72	240
Excess management expenses for which no relief taken	859	919
Revenue not subject to taxation – UK	-	(8)
Non-taxable overseas dividends	(2,349)	(2,387)
Overseas tax expensed	(7)	(3)
Overseas tax suffered	1,063	1,003
Total tax charge for the year (see note 6 (a))	1,135	1,243

OEICs are exempt from tax in capital gains, therefore, any capital return is not included in the above reconciliation.

Notes to the financial statements (continued)

for the year from 1 November 2018 to 31 October 2019

6 Taxation (continued)

c) Movement in deferred tax liability

	01.11.18 to 31.10.19 £'000	01.11.17 to 31.10.18 £'000
Deferred tax liability at the start of the year		-
Deferred tax charge for the year (see note 6(a))	-	-
Deferred tax liability at the end of the year	-	-

At 31 October 2019, the sub-fund had surplus management expenses of £17,160,238 (31 October 2018: £12,865,327) which can be utilised against profits chargeable to corporation tax in future periods. It is unlikely that the sub-fund will generate sufficient taxable profits in the future to utilise these expenses and, therefore, no deferred tax asset has been recognised.

7 Distributions

The distributions take account of revenue received on the issue of shares and revenue deducted on the cancellation of shares, and comprise:

	01.11.18 to 31.10.19 £'000	01.11.17 to 31.10.18 £'000
Final – Accumulation shares (31 October)	5,560	6,884
	5,560	6,884
Revenue deducted on cancellation of shares	1,014	549
Revenue received on issue of shares	(152)	(1,038)
Distributions	6,422	6,395
Reconciliation of distributions:		
Net revenue after taxation	6,347	6,151
Overseas capital gains tax	72	240
Equalisation on conversions	3	4
Distributions	6,422	6,395

Details of the final distributions per share are set out in the table on page 45.

8 Debtors

	31.10.19 £'000	31.10.18 £'000
Accrued revenue	150	242
Amounts receivable for issue of shares	85	1,540
Sales awaiting settlement	943	7,220
Total debtors	1,178	9,002

9 Cash and bank balances

	31.10.19 £'000	31.10.18 £'000
Amounts held at futures clearing houses and brokers	114	384
Cash and bank balances	7,046	7,382
Total cash and bank balances	7,160	7,766

Notes to the financial statements (continued)

for the year from 1 November 2018 to 31 October 2019

10 Other creditors

	31.10.19 £'000	31.10.18 £'000
Accrued expenses	353	415
Amounts payable for cancellation of shares	1,470	2,983
Purchases awaiting settlement	2,879	8,176
Capital gains tax payable	72	-
Total other creditors	4,774	11,574

11 Related party transactions

Quilter Investors Limited were ACD until 31 March 2019, thereafter, Merian Investment Management Limited, were ACD, thus both were a related party during the year, and acted as principal in respect of all transactions of shares in each sub-fund. The aggregate monies received on issue and paid on cancellation are disclosed in the Statement of change in net assets attributable to shareholders on page 32. Any amounts due to or from Merian Investment Management Limited at the end of the accounting year in respect of transactions of shares in each sub-fund are disclosed in notes 8 and 10. Other amounts paid to the ACD are disclosed in note 4 and amounts due to it are disclosed in note 10.

12 Derivatives and other financial instruments

a) Financial instrument risk

The sub-fund, in pursuing its investment objective, may hold a range of financial instruments in line with its investment policy.

The ACD has established a risk management policy and permanent risk management function to identify, measure, monitor and manage all risks relevant to the sub-fund. This is designed to meet the key requirements of investor protection and to ensure compliance with the FCA's regulatory requirements.

Adherence to the investment guidelines and the investment and borrowing powers as set out in the Prospectus and in the rules of the Regulations also mitigates the risk of excessive exposure to any particular type of security or issuer. Further information on the investment portfolio is set out in the Investment Manager's review and the Portfolio statement of each sub-fund.

The main risks arising from financial instruments are interest rate risk, foreign currency risk, credit risk, counterparty risk, liquidity risk and market risk which are summarised below.

Notes to the financial statements (continued)

for the year from 1 November 2018 to 31 October 2019

12 Derivatives and other financial instruments (continued)

b) Foreign currency risk

A significant proportion of the sub-fund's financial assets and liabilities are invested overseas. As a result, movements in exchange rates may affect the market price of investments and, due to timing differences between the transaction dates of investment sales, purchases and income, and actual cash settlement, create currency exchange gains/losses. The Investment Manager does seek to reduce some of this risk by using forward currency contracts.

The direct foreign currency exposure of the sub-fund as at 31 October 2019 (31 October 2018) was as follows:

Currency	Net foreign currency assets/(liabilities)			Net foreign currency assets/(liabilities)		
	Monetary exposures*	Non-monetary exposures	Total	Monetary exposures*	Non-monetary exposures	Total
	31.10.19 £'000	31.10.19 £'000	31.10.19 £'000	31.10.18 £'000	31.10.18 £'000	31.10.18 £'000
Australian Dollar	742	59,057	59,799	(186)	74,566	74,380
Chinese Renminbi	14	17,593	17,607	53	-	53
Euro	6	-	6	6	-	6
Hong Kong Dollar	215	108,478	108,693	(1,794)	157,055	155,261
Indian Rupee	368	32,019	32,387	143	32,393	32,536
Indonesian Rupiah	(338)	10,182	9,844	28	18,706	18,734
Malaysian Ringgit	66	9,546	9,612	914	8,339	9,253
New Zealand Dollar	325	4,077	4,402	275	5,636	5,911
Philippine Peso	-	4,647	4,647	99	6,514	6,613
Singapore Dollar	243	4,562	4,805	1,475	16,442	17,917
South Korean Won	64	52,261	52,325	(153)	61,914	61,761
Taiwan Dollar	566	37,270	37,836	519	42,605	43,124
Thailand Baht	-	16,706	16,706	(452)	20,268	19,816
US Dollar	1,271	36,456	37,727	2,827	19,328	22,155
Total	3,542	392,854	396,396	3,754	463,766	467,520

*For the purpose of the above disclosure, monetary is taken to include only cash or near-cash items.

Currency sensitivity

A 5% increase in the value of the sub-fund's foreign currency exposure would have the effect of increasing the return and net assets as at 31 October 2019 by £19,819,812 or 5.00% (31 October 2018: £23,376,027 or 4.98%). A 5% decrease would have an equal and opposite effect.

Notes to the financial statements (continued)

for the year from 1 November 2018 to 31 October 2019

12 Derivatives and other financial instruments (continued)

c) Interest rate risk

Interest rate risk is the risk of movements in the value of financial instruments as a result of fluctuations in interest rates.

The interest rate risk profile of the sub-fund's financial assets and liabilities at 31 October 2019 (31 October 2018) was as follows:

Currency	Variable rate financial assets £'000	Fixed rate financial assets £'000	Financial assets not carrying interest £'000	Total £'000
31.10.19				
Australian Dollar	718	-	59,276	59,994
Chinese Renminbi	14	-	17,593	17,607
Euro	6	-	-	6
Hong Kong Dollar	1,349	-	108,620	109,969
Indian Rupee	397	-	32,147	32,544
Indonesian Rupiah	-	-	10,182	10,182
Malaysian Ringgit	148	-	9,565	9,713
New Zealand Dollar	325	-	4,077	4,402
Philippines Peso	-	-	4,647	4,647
Singapore Dollar	243	-	4,562	4,805
South Korean Won	-	-	52,588	52,588
Sterling	1,760	-	85	1,845
Taiwan Dollar	826	-	37,528	38,354
Thailand Baht	-	-	16,706	16,706
US Dollar	1,374	-	36,456	37,830
Total	7,160	-	394,032	401,192

Currency	Variable rate financial assets £'000	Fixed rate financial assets £'000	Financial assets not carrying interest £'000	Total £'000
31.10.18				
Australian Dollar	186	-	75,249	75,435
Chinese Renminbi	-	-	53	53
Euro	6	-	-	6
Hong Kong Dollar	216	-	158,622	158,838
Indian Rupee	260	-	32,665	32,925
Indonesian Rupiah	-	-	19,102	19,102
Malaysian Ringgit	18	-	9,294	9,312
New Zealand Dollar	263	-	5,691	5,954
Philippines Peso	-	-	6,633	6,633
Singapore Dollar	775	-	17,142	17,917
South Korean Won	2	-	62,283	62,285
Sterling	3,298	-	1,540	4,838
Taiwan Dollar	500	-	42,885	43,385
Thailand Baht	-	-	21,696	21,696
US Dollar	2,242	-	20,038	22,280
Total	7,766	-	472,893	480,659

Notes to the financial statements (continued)

for the year from 1 November 2018 to 31 October 2019

12 Derivatives and other financial instruments (continued)

c) Interest rate risk (continued)

Currency	Variable rate financial liabilities £'000	Financial liabilities not carrying interest £'000	Total £'000
31.10.19			
Australian Dollar	-	(195)	(195)
Hong Kong Dollar	-	(1,276)	(1,276)
Indian Rupee	-	(157)	(157)
Indonesian Rupiah	-	(338)	(338)
Malaysian Ringgit	-	(101)	(101)
South Korean Won	-	(263)	(263)
Sterling	-	(1,823)	(1,823)
Taiwan Dollar	-	(518)	(518)
US Dollar	-	(103)	(103)
Total	-	(4,774)	(4,774)

Currency	Variable rate financial liabilities £'000	Financial liabilities not carrying interest £'000	Total £'000
31.10.18			
Australian Dollar	-	(1,055)	(1,055)
Hong Kong Dollar	-	(3,577)	(3,577)
Indian Rupee	-	(389)	(389)
Indonesian Rupiah	-	(368)	(368)
Malaysian Ringgit	-	(59)	(59)
New Zealand Dollar	-	(43)	(43)
Philippines Peso	-	(20)	(20)
South Korean Won	-	(524)	(524)
Sterling	-	(3,398)	(3,398)
Taiwan Dollar	-	(261)	(261)
Thailand Baht	-	(1,880)	(1,880)
US Dollar	-	(125)	(125)
Total	-	(11,699)	(11,699)

Interest rate risk sensitivity

In the event of changes in interest rates, there would be no material impact upon the net revenue or net assets of the sub-fund.

d) Credit risk

Credit risk is the risk of suffering loss due to another party not meeting its financial obligation. The risk is managed by the Investment Adviser who monitors the credit profile of financial instruments in accordance with the objective and policy of the sub-fund.

Adherence to the investment guidelines and the investment and borrowing powers as set out in the Prospectus and in the rules of the Regulations also mitigates the risk of excessive exposure to any particular type of security or issuer. Further information on the investment portfolio is set out in the Investment Manager's review and the Portfolio statement.

Notes to the financial statements (continued)

for the year from 1 November 2018 to 31 October 2019

12 Derivatives and other financial instruments (continued)

e) Counterparty risk

Certain transactions in financial instruments that a sub-fund enters into have the risk that the counterparty will not meet its financial obligations, i.e. the investment (purchase) or cash (sale) after the sub-fund has fulfilled its responsibilities.

The sub-fund will only buy and sell investments through brokers which have been approved by the ACD and Investment Adviser as an acceptable counterparty. This is overseen by the Depositary to ensure that the exposure to any counterparty remains appropriate for investors.

	Futures and options exposure	Forward foreign exchange contracts exposure	Collateral held
Exposure Table 31.10.19			
Counterparty	£'000	£'000	£'000
Merrill Lynch	49	-	-

Exposure Table 31.10.18

Counterparty	£'000	£'000	£'000
No uncollateralised counterparty exposure	-	-	-

Positive exposure represents the sub-fund's exposure to that counterparty and not the sub-fund's holdings with that counterparty.

For futures contracts, variation margin in the form of cash is pledged by the counterparty to mitigate the credit risk arising from positive balances. Where the sub-fund is in a liability position, the fund pledges variation margin in the form of cash.

f) Liquidity risk

The sub-fund's assets comprise mainly of readily realisable securities which can be sold promptly to meet liquidity requirements. The main source of this risk comes from the obligation to shareholders to meet any cancellation of shares. Assets from the sub-fund may need to be sold to meet any redemption proceeds. As part of its operating duties the ACD regularly monitors the liquidity levels held on the sub-fund (cash and underlying securities) to ensure any redemption can be readily met. Some investments may be less liquid than other securities and can be more sensitive to economic factors. The rules of the Regulations mitigate the risk of excessive exposure to assets which are not readily realisable.

g) Market risk

Market risk arises from uncertainty about future prices of financial instruments held. The main source of risk to the sub-fund is the potential movement in the value of financial instruments held as a result of price fluctuations. Stock market prices can move erratically and be unpredictably affected by diverse factors including political and economic events but also rumours and sentiment. The ACD adheres to the investment guidelines and borrowing powers set out within the Prospectus and the COLL Sourcebook. In this way the ACD monitors and controls the exposure to risk from any type of security, sector or issuer. The sub-fund may also use derivative instruments to mitigate risk and reduce cost.

Market price risk sensitivity

A 5% market movement in the price of investments held by the sub-fund, with all other variables remaining constant, would result in an increase or decrease on net asset value of the sub-fund by approximately £19,642,704 or 4.96% (31 October 2018: £23,188,304 or 4.94%).

h) Fair value of financial assets and liabilities

There is no material difference between the carrying value of the financial assets and liabilities, as shown in the Balance sheet, and their fair value.

Basis of valuation	31.10.19		31.10.18	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
Level 1: Quoted prices	392,854	-	463,891	(125)
Level 2: Observable market data	-	-	-	-
Level 3: Unobservable data	-	-	-	-
Total	392,854	-	463,891	(125)

Notes to the financial statements (continued)

for the year from 1 November 2018 to 31 October 2019

12 Derivatives and other financial instruments (continued)

i) Global exposure

The Investment Adviser assesses the market risk of the Merian Asia Pacific Fund, including any derivative exposures, using a commitment approach. All exposure arising through the investment in financial derivative instruments will be covered by the underlying assets of the sub-fund. The sub-fund will use the commitment approach methodology to measure, monitor and manage the "leverage" effect produced by the use of financial derivative instruments and for the calculation of global exposure. As the sub-fund uses the commitment approach it must ensure that its global exposure does not exceed its total net asset value and sub-fund may not therefore be leveraged in excess of 100% of its net asset value. In using the commitment approach for the calculation of global exposure, the sub-fund will convert each derivative position into the market value of an equivalent position in the underlying asset of that derivative. Using the commitment approach the global exposure is 0.00% (31 October 2018: 0.00%).

13 Contingent liabilities

The sub-fund had no contingent liabilities at the Balance sheet date (31 October 2018: £Nil).

Notes to the financial statements (continued)

for the year from 1 November 2018 to 31 October 2019

14 Portfolio transaction costs

Analysis of total purchase costs

31.10.19

Equities
Collective investment schemes
Corporate actions

Total

Total purchase including transaction costs

Value £'000	Commissions £'000	%	Other costs £'000	%
800,923	212	0.03%	320	0.04%
557		0.02%		
801,480	212		320	
802,012				

Analysis of total purchase costs

31.10.18

Equities
Collective investment schemes
Corporate actions

Total

Total purchase including transaction costs

Value £'000	Commissions £'000	%	Other costs £'000	%
979,453	248	0.03%	450	0.05%
3,236	1	0.02%	-	-
286	-	-	-	-
982,975	249		450	
983,674				

Analysis of total sale costs

31.10.19

Equities
Collective investment schemes
Corporate actions

Total

Total sale including transaction costs

Value £'000	Commissions £'000	%	Other costs £'000	%
908,769	239	0.03%	909	0.10%
1,641		0.02%		
307				
910,717	239		909	
909,569				

Analysis of total sale costs

31.10.18

Equities
Collective investment schemes
Corporate actions

Total

Total sale including transaction costs

Value £'000	Commissions £'000	%	Other costs £'000	%
783,306	194	0.02%	871	0.11%
2,024	-	0.02%	-	-
42	-	-	-	-
785,372	194		871	
784,307				

Transaction costs as a percentage of average Net Assets

	31.10.19	31.10.18
Commissions:	0.10%	0.09%
Other costs:	0.27%	0.26%

Commissions on derivative transactions were £4,662 (31 October 2018: £8,606). There were no taxes on derivative transactions (31 October 2018: £Nil).

In the case of shares, transaction costs are paid by the sub-fund on each transaction. Commissions relate to those paid to agents, advisers, brokers and dealers in the buying and selling of securities. Other costs include any additional fees that may be paid to agents, advisers, brokers and dealers as well as levies by regulatory agencies and security exchanges and any transfer taxes or duties. In addition, there is a dealing spread between the buying and selling prices of the underlying investments. Unlike shares, other types of investments have no separately identifiable transaction costs; these costs form part of the dealing spread. Dealing spreads may vary considerably depending on the transaction value and market sentiment. At the balance sheet date the dealing spread was 0.32% (31 October 2018: 0.52%).

Notes to the financial statements (continued)

for the year from 1 November 2018 to 31 October 2019

15 Shareholders' funds

The sub-fund currently has five share classes; Accumulation 'A', Accumulation 'P', Accumulation 'R', Accumulation 'U1' and Accumulation 'U2'. The net asset value of each share class, net asset value per share and the number of shares in issue are given in the information pages for each sub-fund.

The share classes currently in issue and the Fixed Ongoing Charge of each share class are shown below.

	31.10.19	31.10.18
- Accumulation 'A'	1.75%	1.75%
- Accumulation 'P'	1.25%	1.25%
- Accumulation 'R'	1.00%	1.00%
- Accumulation 'U1'	0.925%	0.925%
- Accumulation 'U2'	0.85%	0.85%

Share class movement reconciliation

	Opening	Issued	Redeemed	Converted	Closing
- Accumulation 'A'	7,838,382	3,554,542	(2,837,724)	(134,956)	8,420,244
- Accumulation 'P'	427,556	32,701	(113,819)	(26,774)	319,664
- Accumulation 'R'	74,042,340	3,910,341	(15,478,921)	344,265	62,818,025
- Accumulation 'U1'	128,110,225	5,136,282	(36,406,490)	792	96,840,809
- Accumulation 'U2'	39,805,915	3,335,989	(22,340,673)	0	20,801,231

16 Post balance sheet date events

There are no post balance sheet events requiring disclosure.

Distribution table

Final distribution

Group 1: Shares purchased prior to 1 November 2018
 Group 2: Shares purchased from 1 November 2018 to 31 October 2019

	Revenue pence per share	Equalisation pence per share*	Distribution paid 31.12.19 pence per share	Distribution paid 31.12.18 pence per share
Accumulation 'A' Shares				
Group 1	3.5723	-	3.5723	3.0002
Group 2	1.8309	1.7414	3.5723	3.0002
Accumulation 'P' Shares				
Group 1	2.1905	-	2.1905	2.0466
Group 2	1.6124	0.5781	2.1905	2.0466
Accumulation 'R' Shares				
Group 1	3.1683	-	3.1683	2.9797
Group 2	2.0470	1.1213	3.1683	2.9797
Accumulation 'U1' Shares				
Group 1	2.7097	-	2.7097	2.5623
Group 2	1.8996	0.8101	2.7097	2.5623
Accumulation 'U2' Shares				
Group 1	3.0640	-	3.0640	2.8914
Group 2	2.2035	0.8605	3.0640	2.8914

* Equalisation only applies to shares purchased during the distribution period (Group 2 shares). It is the average amount of revenue included in the purchase price of all Group 2 shares and is refunded to holders as a return of capital. Being capital, it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

Merian European Equity (ex UK) Fund

Launch date	29 April 1998
IA Sector	Europe excluding UK
Investment adviser	Merian Global Investors (UK) Limited
Net asset value	£100,772,522

Investment Objective and Policy

To seek to achieve capital growth by delivering a return, net of fees, greater than that of the MSCI Europe ex UK Index with net dividends reinvested over rolling 3 year periods.

The sub-fund primarily invests (at least 70%) in a diversified portfolio of European equities, excluding the UK. Such equities are those of companies that are domiciled, incorporated or listed in Europe (excluding the UK), or that conduct a significant part of their business in Europe (excluding the UK).

The sub-fund may also invest in other transferable securities, units in collective investment schemes (including those managed or operated by the ACD or an associate of the ACD), warrants, money market instruments, deposits and derivatives, and may hold cash.

The sub-fund may use derivatives for Efficient Portfolio Management purposes. The ACD considers that the use of derivatives for this purpose is not likely to affect the volatility or risk profile of the sub-fund. The sub-fund may use derivatives for purposes other than Efficient Portfolio Management, provided it has given shareholders 60 days' notice of such change. If the sub-fund did use derivatives for investment purposes, it may therefore at times increase the volatility of the sub-fund's NAV and change the risk profile of the sub-fund.

Investment Manager's review

On 1 April 2019, the Merian Global Investors global equities team took on management of the sub-fund.

The MSCI Europe ex UK Index returned a price gain of 11.3% (in Euro terms) over the period. Most equity indices were driven predominantly by defensive sectors, which were treated as proxies for long duration bonds and favoured as being resilient against economic woes. This is a perception which has led to investor crowding and stretched valuations for stocks which are disproportionately impacted by moves in bond yields. Equity indices attained fresh historic highs in July. This was driven in part by expectations of the US Federal Reserve's first interest rate cut in more than a decade. In August, the indices fell again as trade frictions with China once again escalated and fears of a US recession increased. They picked up towards the end of the period on renewed hopes of a trade deal.

Performance

The fund underperformed its benchmark during the period. The returns to factors such as value, quality, momentum and growth were weak over the period. There was inconsistency in many factor returns, and intermittent spikes in correlation between factors. Overcrowding in medium-term factors contributed to this effect, which was accentuated by capital outflows and liquidity being withdrawn from strategies using these factors. Many of the medium-term factors employed by the team overlapped with some of these overcrowded areas. In turn this contributed to a period of extended softer performance.

At a portfolio level, for example, it has proven challenging to blend value with a series of our other factor sets. The nature of the relationship between value and momentum, as well as between value and company management, detracted from returns, as evidenced by the weaker contribution from the market dynamics and company management factor sets. Their long track record of success validates the benefits of such an approach. However, there will be episodes when it struggles. We believe that model enhancements we have proposed making will mitigate such effects going forward.

Outlook

In an effort to meet these challenges, we are incorporating downside risk into our dynamic weighting scheme. In particular, we are looking at the Sortino ratio of the factor sets relative to the other factors we can have in a specific region. Our dynamic valuation factor set will now take account of the demand from investors for each individual style (value and quality). We believe this will allow the investment process to mitigate downside risk better in periods where both are out of favour, by decreasing the weights in both. Finally, we will adopt a secondary risk model, given its ability to capture periods of higher correlation between factors and other transitory risks informing equity pricing, such as sensitivity to Fed rate hikes or the price of oil. These enhancements would have generated similar returns over long historic back test periods (last 15 and 25 years) but with lower risk, thus resulting in higher historic Sharpe and Sortino ratios. Crucially, these enhancements would have significantly improved the performance of the strategy over the period by giving us a better-diversified portfolio, with less exposure to factors that exhibit higher downside risk.

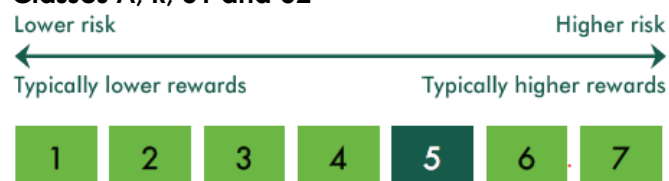
Value assessment for the year ended 31 October 2019

For further details on the value assessment report please refer to pages 8 to 12.

Merian European Equity (ex UK) Fund

Risk and Reward Profile

Classes A, R, U1 and U2



The calculated risk and reward category, as shown above, uses a method of calculation derived from EU rules. It is based on the rate at which the returns of the sub-fund have moved up and down in the past (i.e. volatility) and is not a guide to the future risk and reward category of the sub-fund. The category shown is not a target or guarantee and may shift over time. Even the lowest category 1 does not mean a risk-free investment. The seven-category scale is nonlinear, for example, 2 is not twice as risky as 1.

Sub-funds in category 5 have in the past shown moderately high volatility. With a sub-fund of category 5, you have a moderately high risk of losing money but your chance for gains is also moderately high.

Investment risk - there is no guarantee that the sub-fund will achieve its objective. A capital loss of some or all of the amount invested may occur.

Geographic concentration risk - a fall in the European market may have a significant impact on the value of the sub-fund because it primarily invests in this market.

Currency risk (GBP share class) - the sub-fund is denominated in British Pounds but holds assets denominated in other currencies. The value of your shares may rise and fall as a result of exchange rate movements between these currencies.

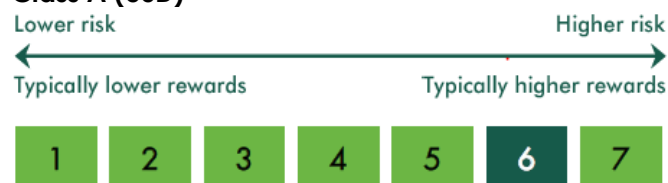
Derivative risk - the sub-fund may use derivatives to reduce costs and/or the overall risk of the sub-fund (i.e. Efficient Portfolio Management (EPM)). Derivatives involve a level of risk, however, for EPM they should not increase the overall riskiness of the sub-fund. Derivatives also involve counterparty risk where the institutions acting as counterparty to derivatives may not meet their contractual obligations.

Capital erosion risk - the sub-fund takes its charges from the income of the sub-fund in the first instance. The impact of sub-fund charges may be material on the value of any income you receive from your investment. There is potential for capital erosion if insufficient income is generated by the sub-fund to cover these charges. Capital erosion may have the effect of reducing the level of income generated.

For a more detailed explanation of risks, please refer to the "Risks" section of the prospectus.

Risk and Reward Profile (continued)

Class A (USD)



The calculated risk and reward category, as shown above, uses a method of calculation derived from EU rules. It is based on the rate at which the returns of the sub-fund have moved up and down in the past (i.e. volatility) and is not a guide to the future risk and reward category of the sub-fund. The category shown is not a target or guarantee and may shift over time. Even the lowest category 1 does not mean a risk-free investment. The seven-category scale is nonlinear, for example, 2 is not twice as risky as 1.

Sub-funds in category 6 have in the past shown relatively high volatility. With a sub-fund of category 6, you have a relatively high risk of losing money but your chance for gains is also relatively high.

Investment risk - there is no guarantee that the sub-fund will achieve its objective. A capital loss of some or all of the amount invested may occur.

Geographic concentration risk - a fall in the European market may have a significant impact on the value of the sub-fund because it primarily invests in this market.

Currency risk (USD share class) - the sub-fund is denominated in British Pounds but holds assets denominated in other currencies. This share class is denominated in US Dollars. The value of your shares may rise and fall as a result of exchange rate movements between these currencies.

Derivative risk - the sub-fund may use derivatives to reduce costs and/or the overall risk of the sub-fund (i.e. Efficient Portfolio Management (EPM)). Derivatives involve a level of risk, however, for EPM they should not increase the overall riskiness of the sub-fund. Derivatives also involve counterparty risk where the institutions acting as counterparty to derivatives may not meet their contractual obligations.

Capital erosion risk - the sub-fund takes its charges from the income of the sub-fund in the first instance. The impact of sub-fund charges may be material on the value of any income you receive from your investment. There is potential for capital erosion if insufficient income is generated by the sub-fund to cover these charges. Capital erosion may have the effect of reducing the level of income generated.

For a more detailed explanation of risks, please refer to the "Risks" section of the prospectus.

Performance Records

Comparative Tables

Accumulation 'A'	1 November 2018 to 31 October 2019 pence per share	1 November 2017 to 31 October 2018 pence per share	1 November 2016 to 31 October 2017 pence per share
Change in net assets per share			
Opening net asset value per share	220.26	254.93	217.18
Return before operating charges*	14.05	(30.63)	41.71
Operating charges**	(3.68)	(4.04)	(3.96)
Return after operating charges*	10.37	(34.67)	37.75
Distributions	(2.15)	(4.61)	(3.31)
Retained distributions	2.15	4.61	3.31
Closing net asset value per share	230.63	220.26	254.93
* after direct transaction costs of***	0.69	0.26	0.57
Performance			
Return after charges	4.71%	(13.60)%	17.38%
Other information			
Closing net asset value (£)	30,052,480	31,612,953	47,180,020
Closing number of shares	13,030,767	14,352,815	18,507,107
Operating charges****	1.65%	1.65%	1.65%
Direct transaction costs***	0.31%	0.11%	0.24%
Prices	pence per share	pence per share	pence per share
Highest share price	243.30	277.74	274.02
Lowest share price	201.80	213.50	203.68

Accumulation 'A' EUR†	1 November 2018 to 31 October 2019 pence per share	1 November 2017 to 31 October 2018 pence per share	1 November 2016 to 31 October 2017 pence per share
Change in net assets per share			
Opening net asset value per share	-	-	88.59
Return before operating charges*	-	-	11.08
Operating charges**	-	-	(0.75)
Return after operating charges*	-	-	10.33
Distributions	-	-	-
Retained distributions	-	-	-
Closing net asset value per share	-	-	98.92
* after direct transaction costs of***	-	-	0.23
Performance			
Return after charges	-	-	11.66%
Other information			
Closing net asset value (£)	-	-	-
Closing number of shares	-	-	-
Operating charges****	-	-	1.65%
Direct transaction costs***	-	-	0.24%
Prices	cents per share	cents per share	cents per share
Highest share price	-	-	122.55
Lowest share price	-	-	94.85

Comparative Tables (continued)

Accumulation 'A' USD	1 November 2018 to 31 October 2019 pence per share	1 November 2017 to 31 October 2018 pence per share	1 November 2016 to 31 October 2017 pence per share
Change in net assets per share			
Opening net asset value per share	75.60	87.50	74.54
Return before operating charges*	4.82	(10.53)	14.36
Operating charges**	(1.26)	(1.37)	(1.40)
Return after operating charges*	3.56	(11.90)	12.96
Distributions	(0.74)	(1.61)	(1.29)
Retained distributions	0.74	1.61	1.29
Closing net asset value per share	79.16	75.60	87.50
* after direct transaction costs of***	0.24	0.09	0.20
Performance			
Return after charges	4.71%	(13.60)%	17.39%
Other information			
Closing net asset value (£)	43,482	79,542	20,562
Closing number of shares	54,933	105,219	23,501
Operating charges****	1.65%	1.65%	1.65%
Direct transaction costs***	0.31%	0.11%	0.24%
Prices	cents per share	cents per share	cents per share
Highest share price	105.00	133.11	122.63
Lowest share price	87.49	93.73	88.10
Accumulation 'P'	1 November 2018 to 31 October 2019 pence per share	1 November 2017 to 31 October 2018 pence per share	1 November 2016 to 31 October 2017 pence per share
Change in net assets per share			
Opening net asset value per share	164.49	189.43	160.57
Return before operating charges*	10.53	(22.85)	30.90
Operating charges**	(1.92)	(2.09)	(2.04)
Return after operating charges*	8.61	(24.94)	28.86
Distributions	(2.44)	(4.35)	(3.30)
Retained distributions	2.44	4.35	3.30
Closing net asset value per share	173.10	164.49	189.43
* after direct transaction costs of***	0.52	0.19	0.42
Performance			
Return after charges	5.23%	(13.17)%	17.97%
Other information			
Closing net asset value (£)	114,956	123,775	129,100
Closing number of shares	66,411	75,249	68,152
Operating charges****	1.15%	1.15%	1.15%
Direct transaction costs***	0.31%	0.11%	0.24%
Prices	pence per share	pence per share	pence per share
Highest share price	182.30	206.60	203.38
Lowest share price	150.80	159.40	150.66

Comparative Tables (continued)

Accumulation 'R'	1 November 2018 to 31 October 2019 pence per share	1 November 2017 to 31 October 2018 pence per share	1 November 2016 to 31 October 2017 pence per share
Change in net assets per share			
Opening net asset value per share	164.17	188.58	159.46
Return before operating charges*	10.52	(22.81)	30.72
Operating charges**	(1.50)	(1.60)	(1.60)
Return after operating charges*	9.02	(24.41)	29.12
Distributions	(2.86)	(4.79)	(3.78)
Retained distributions	2.86	4.79	3.78
Closing net asset value per share	173.19	164.17	188.58
* after direct transaction costs of***	0.52	0.19	0.42
Performance			
Return after charges	5.49%	(12.94)%	18.26%
Other information			
Closing net asset value (£)	68,130,361	64,800,513	17,386,468
Closing number of shares	39,337,491	39,471,552	9,219,496
Operating charges****	0.90%	0.90%	0.90%
Direct transaction costs***	0.31%	0.11%	0.24%
Prices	pence per share	pence per share	pence per share
Highest share price	182.30	197.87	194.57
Lowest share price	150.60	159.10	149.65
Accumulation 'U1'	1 November 2018 to 31 October 2019 pence per share	1 November 2017 to 31 October 2018 pence per share	1 November 2016 to 31 October 2017 pence per share
Change in net assets per share			
Opening net asset value per share	127.73	146.62	123.88
Return before operating charges*	8.18	(17.73)	23.88
Operating charges**	(1.06)	(1.16)	(1.14)
Return after operating charges*	7.12	(18.89)	22.74
Distributions	(2.32)	(3.83)	(3.05)
Retained distributions	2.32	3.83	3.05
Closing net asset value per share	134.85	127.73	146.62
* after direct transaction costs of***	0.40	0.15	0.33
Performance			
Return after charges	5.57%	(12.88)%	18.36%
Other information			
Closing net asset value (£)	591,972	1,187,488	1,655,145
Closing number of shares	438,970	929,683	1,128,851
Operating charges****	0.825%	0.825%	0.825%
Direct transaction costs***	0.31%	0.11%	0.24%
Prices	pence per share	pence per share	pence per share
Highest share price	141.90	153.87	151.25
Lowest share price	117.20	123.80	116.27

Comparative Tables (continued)

Accumulation 'U2'	1 November 2018 to 31 October 2019 pence per share	1 November 2017 to 31 October 2018 pence per share	1 November 2016 to 31 October 2017 pence per share
Change in net assets per share			
Opening net asset value per share	120.04	137.68	116.24
Return before operating charges*	7.68	(16.65)	22.42
Operating charges**	(0.87)	(0.99)	(0.98)
Return after operating charges*	6.81	(17.64)	21.44
Distributions	(2.28)	(3.70)	(2.96)
Retained distributions	2.28	3.70	2.96
Closing net asset value per share	126.85	120.04	137.68
* after direct transaction costs of***	0.36	0.14	0.31
Performance			
Return after charges	5.67%	(12.81)%	18.44%
Other information			
Closing net asset value (£)	1,839,271	78,683,775	54,947,925
Closing number of shares	1,449,989	65,550,600	39,908,832
Operating charges****	0.75%	0.75%	0.75%
Direct transaction costs***	0.31%	0.11%	0.24%
Prices	pence per share	pence per share	pence per share
Highest share price	133.40	144.51	142.01
Lowest share price	110.20	116.30	109.11

† From 31 March 2016 to 18 May 2017.

** The operating charges include all costs borne by the sub-fund, except for direct transaction costs.

*** The direct transaction costs are made up of fees and commissions paid to agents, advisers, brokers and dealers, levies by regulatory agencies and securities exchanges as well as transfer taxes and duties. They do not include any difference between the quoted bid and offer prices or internal administrative or holding costs. These costs arise as a result of transactions undertaken both for efficient portfolio management and the meeting of the sub-fund's objectives. These costs exclude any effect of dilution adjustments used to offset the costs.

**** The operating charges percentage is the ratio of the sub-fund's ongoing charges (excluding interest on borrowings) to the average net assets of the sub-fund.

Performance

	6 months to 31 October 2019	1 year to 31 October 2019	3 years to 31 October 2019	5 years to 31 October 2019
Merian European Equity (ex UK) Fund*	3.03%	5.54%	8.36%	28.85%
MSCI Europe ex UK Index with net dividends re-invested (benchmark)	4.24%	10.92%	23.57%	53.72%
IA Europe excluding UK (sector average)	2.80%	8.58%	20.08%	56.11%
Quartile ranking	3	4	4	4

* Accumulation 'R' shares

Data Source – Factset. Figures are calculated on a total return and single price basis, with net income reinvested into the sub-fund.

The benchmark is a representation of the markets in which the fund primarily invests and as such is an appropriate benchmark for the fund to seek to outperform and may also be used as a point of reference against which the fund's performance may be measured. The fund's performance may also be compared to the IA sector, which consists of funds with similar investment objectives and policies.

Asset allocation		Major holdings	Percentage of portfolio
Equities	97.90%	Nestle	4.20%
Derivatives	0.01%	Novartis	3.80%
		Roche	3.69%
Net other assets	2.09%	Airbus	2.33%
		Allianz	2.31%
Total	100.00%	ASML	2.07%
		Iberdrola	1.95%
Portfolio allocation		LVMH Moet Hennessy Louis Vuitton	1.89%
France Equities	23.92%	adidas	1.86%
Switzerland Equities	18.35%	Schneider Electric	1.83%
Germany Equities	16.81%		
Netherlands Equities	10.51%	Number of holdings	205
Sweden Equities	5.44%		
Spain Equities	4.63%		
Denmark Equities	3.87%		
Italy Equities	3.80%		
Finland Equities	2.96%		
Belgium Equities	2.41%		
Luxembourg Equities	1.23%		
Norway Equities	1.17%		
Austria Equities	1.09%		
United Kingdom Equities	0.73%		
Ireland Equities	0.70%		
Portugal Equities	0.28%		
Derivatives	0.01%		
Net other assets	2.09%		
Total	100.00%		

Portfolio statement

as at 31 October 2019

Holding	Investment	Market Value £'000	Percentage of total net assets %
United Kingdom 0.73% (31 October 2018 0.00%)			
United Kingdom Equities 0.73% (31 October 2018 0.00%)			
2,742	Dialog Semiconductor	95	0.10
5,169	Fiat Chrysler Automobiles	62	0.06
47,217	Subsea 7	340	0.34
5,154	Unilever	234	0.23
		731	0.73
Europe 97.17% (31 October 2018 93.78%)			
Austria Equities 1.09% (31 October 2018 0.00%)			
9,199	IMMOFINANZ	203	0.20
2,315	Palfinger	51	0.05
8,231	Verbund	346	0.34
406	Vienna Insurance	8	0.01
23,497	Wienerberger	490	0.49
		1,098	1.09
Belgium Equities 2.41% (31 October 2018 3.93%)			
3,279	Ageas	145	0.14
5,104	Anheuser-Busch InBev	318	0.32
1,650	Barco	274	0.27
4,208	Colruyt	180	0.18
9,048	KBC Ancora	330	0.33
2,697	Orange Belgium	46	0.05
4,272	Sofina	728	0.72
6,585	UCB	408	0.40
		2,429	2.41
Denmark Equities 3.87% (31 October 2018 5.49%)			
259	AP Moller - Maersk	256	0.26
10,991	Carlsberg	1,201	1.19
1,463	Drilling Co of 1972	63	0.06
4,163	GN Store Nord	140	0.14
3,919	H Lundbeck	103	0.10
37,960	Novo Nordisk	1,603	1.59
873	Pandora	33	0.03
989	Rockwool	148	0.15
9,848	Topdanmark	343	0.34
234	William Demant	5	0.01
		3,895	3.87
Finland Equities 2.96% (31 October 2018 1.98%)			
26,009	Fortum	489	0.49
1,832	Metso	54	0.05
360,466	Nokia	1,023	1.02
22,460	Outokumpu	48	0.05
9,595	Rovio Entertainment	33	0.03
40,563	Sampo	1,279	1.27
3,112	Valmet	55	0.05
		2,981	2.96

Portfolio statement (continued)

as at 31 October 2019

Holding	Investment	Market Value £'000	Percentage of total net assets %
France Equities 23.92% (31 October 2018 26.28%)			
40,943	Air France-KLM	371	0.37
21,046	Airbus	2,349	2.33
34,357	Alstom	1,147	1.14
4,154	Atos	247	0.23
9,842	Capgemini	856	0.85
10,854	Carrefour	143	0.14
38,114	Cie de Saint-Gobain	1,197	1.19
71,016	CNP Assurances	1,087	1.08
549	Dassault Aviation	594	0.59
4,061	Dassault Systemes	476	0.47
14,631	Derichebourg	40	0.04
589	Eiffage	49	0.05
75,212	Engie	969	0.96
3,106	Eramet	119	0.12
6,336	EssilorLuxottica	745	0.74
3,016	Eurazeo	163	0.16
2,479	Hermes International	1,377	1.37
1,260	L'Oreal	286	0.28
5,773	LVMH Moet Hennessy Louis Vuitton	1,903	1.89
8,637	Metropole Television	117	0.12
10,530	Neopost	175	0.17
5,693	Nexans	176	0.17
11,421	Pernod Ricard	1,628	1.62
5,409	Renault	213	0.21
31,622	Rexel	300	0.30
8,378	Sanofi	606	0.60
1,976	Sartorius Stedim Biotech	227	0.22
25,620	Schneider Electric	1,843	1.83
25,374	SCOR	823	0.82
9,422	Societe BIC	503	0.50
1,595	Sopra Steria	166	0.17
13,797	Television Francaise 1	89	0.09
21,740	Total	884	0.88
15,618	Ubisoft Entertainment	712	0.71
4,603	Vicat	150	0.15
63,527	Vivendi	1,370	1.36
		24,100	23.92
Germany Equities 16.81% (31 October 2018 8.46%)			
7,786	adidas	1,873	1.86
12,360	Allianz	2,329	2.31
7,742	alstria office REIT	112	0.11
945	Amadeus Fire	92	0.09
3,801	Beiersdorf	346	0.34
31,213	Borussia Dortmund	227	0.23
2,582	Carl Zeiss Meditec	218	0.22
99,621	Ceconomy	391	0.39
2,396	CompuGroup Medical	118	0.12
202,661	Deutsche Bank	1,141	1.13
5,508	Deutsche EuroShop	128	0.13
15,493	Deutsche Pfandbriefbank	162	0.16
4,097	Deutz	18	0.02
5,601	Draegerwerk & Co	254	0.25

Portfolio statement (continued)

as at 31 October 2019

Holding	Investment	Market Value £'000	Percentage of total net assets %
Germany Equities (continued)			
17,007	GEA	401	0.40
6,115	Hannover Rueck	837	0.83
12,137	HeidelbergCement	684	0.68
2,043	Henkel	150	0.15
464	Hornbach Holding & Co	21	0.02
9,684	Infineon Technologies	146	0.14
24,356	Kloeckner & Co	110	0.11
800	LEG Immobilien	71	0.07
3,353	Metro	42	0.04
1,723	MTU Aero Engines	358	0.35
1,072	Muenchener Rueckversicherungs	230	0.23
167	New Work	40	0.04
8,924	Porsche Automobil	506	0.50
9,577	Puma	556	0.55
753	Rational	452	0.45
48,448	RWE	1,138	1.13
8,532	SAP	873	0.87
695	Sartorius	105	0.10
12,890	Siemens	1,152	1.14
8,441	Talanx	300	0.30
36,644	Uniper	881	0.87
1,692	Volkswagen (Preference shares)	249	0.25
2,506	Wacker Chemie	150	0.15
2,354	Zalando	78	0.08
		16,939	16.81
Greece Equities 0.00% (31 October 2018 2.53%)			
Ireland Equities 0.70% (31 October 2018 0.00%)			
29,259	AIB	72	0.07
9,994	Bank of Ireland	37	0.04
495,825	Hibernia REIT	595	0.59
		704	0.70
Italy Equities 3.80% (31 October 2018 8.51%)			
328,532	A2A	503	0.50
5,577	ACEA	85	0.08
16,250	Assicurazioni Generali	254	0.25
39,977	BPER Banca	137	0.14
7,815	Buzzi Unicem	148	0.15
14,606	Cementir	76	0.08
3,652	De' Longhi	52	0.05
7,785	Ferrari	962	0.95
27,710	Geox	29	0.03
28,359	Hera	94	0.09
85,072	Iren	202	0.20
28,800	Leonardo	257	0.26
3,517	Moncler	104	0.10
50,194	OVS	76	0.08
8,117	Reply	406	0.40
325,650	Telecom Italia	146	0.15
118,483	Telecom Italia Rsp	52	0.05
57,304	Unipol	246	0.24
		3,829	3.80

Portfolio statement (continued)

as at 31 October 2019

Holding	Investment	Market Value £'000	Percentage of total net assets %
Luxembourg Equities 1.23% (31 October 2018 0.00%)			
49,623	ArcelorMittal	562	0.56
9,950	Millicom International Cellular	345	0.34
42,025	Tenaris	332	0.33
		1,239	1.23
Netherlands Equities 10.51% (31 October 2018 12.64%)			
490	Adyen	264	0.26
298,164	Aegon	1,003	0.99
10,203	ASML	2,082	2.07
9,395	EXOR	551	0.55
2,265	Heineken	166	0.17
24,466	Koninklijke	59	0.06
48,038	Koninklijke BAM	93	0.09
3,730	Koninklijke DSM	339	0.34
31,384	Koninklijke Philips	1,053	1.04
39,575	NN	1,169	1.16
8,200	NXP Semiconductors	726	0.72
20,860	Prosus	1,117	1.11
29,846	Signify	668	0.66
7,057	TomTom	62	0.06
18,478	Wereldhave	338	0.33
15,940	Wolters Kluwer	905	0.90
		10,595	10.51
Norway Equities 1.17% (31 October 2018 5.24%)			
39,662	DNB	553	0.55
5,384	Gjensidige Forsikring	78	0.08
45,091	Norsk Hydro	124	0.12
16,119	Norwegian Finans	119	0.12
6,180	Salmar	221	0.22
5,863	Telenor	84	0.08
		1,179	1.17
Portugal Equities 0.28% (31 October 2018 0.00%)			
1,636,166	Banco Comercial Portugues	286	0.28
		286	0.28
Spain Equities 4.63% (31 October 2018 7.51%)			
1,364	Acciona	109	0.11
5,338	Aena	751	0.74
286,928	Banco Bilbao Vizcaya Argentaria	1,157	1.15
15,362	Banco Santander	48	0.05
2,476	Corporacion Financiera Alba	96	0.09
7,664	Grupo Catalana Occidente	203	0.20
246,976	Iberdrola	1,961	1.95
39,829	Mediaset Espana Comunicacion	189	0.19
20,677	Talgo	99	0.10
9,325	Zardoya Otis	54	0.05
		4,667	4.63

Portfolio statement (continued)

as at 31 October 2019

Holding	Investment	Market Value £'000	Percentage of total net assets %
Sweden Equities 5.44% (31 October 2018 1.01%)			
45,405	Atlas Copco	1,245	1.24
7,670	Atlas Copco	184	0.18
13,234	Betsson	51	0.05
18,729	Boliden	388	0.39
8,567	Castellum	135	0.13
20,144	Elekta	218	0.22
19,119	Epiroc	164	0.16
9,997	Fabege	115	0.11
16,722	Gefinge	221	0.22
36,035	Industrivarden	602	0.60
2,640	Investment AB Oresund	27	0.03
8,649	Kungsleden	61	0.06
6,367	Lindab International	55	0.05
4,453	Mycronic	57	0.06
5,189	Paradox Interactive	55	0.05
125,502	Resurs	573	0.57
766	Sandvik	10	0.01
14,812	Swedish Match	536	0.53
116,995	Telefonaktiebolaget	788	0.78
		5,485	5.44
Switzerland Equities 18.35% (31 October 2018 10.20%)			
7,212	Alcon	328	0.33
172	Bucher Industries	41	0.04
21	Chocoladefabriken Lindt & Spruengli	120	0.12
9,396	Cie Financiere Richemont	571	0.57
62,764	Credit Suisse	598	0.59
571	EMS-Chemie	275	0.27
410	Forbo	508	0.50
10,986	GAM	28	0.03
6,407	Huber + Suhner	331	0.33
53	Interroll Holding	83	0.08
36,519	LafargeHolcim	1,442	1.43
5,896	Landis+Gyr	416	0.41
2,565	Logitech	81	0.08
50,925	Nestle	4,233	4.20
56,790	Novartis	3,834	3.80
16,040	Roche	3,719	3.69
2,626	Sonova	463	0.46
32,103	STMicroelectronics	563	0.56
10,380	Swiss Re	834	0.83
616	Vontobel	28	0.03
		18,496	18.35

Portfolio statement (continued)

as at 31 October 2019

Holding	Investment	Market Value £'000	Percentage of total net assets %
	Overseas Derivatives 0.01% (31 October 2018 0.00%)		
	Euro Denominated Futures Contracts 0.01% (31 October 2018 0.00%)		
44	DJ Euro Stoxx 50 Futures December 2019	13	0.01
		13	0.01
	Investment assets	98,666	97.91
	Net other assets	2,107	2.09
	Total net assets	100,773	100.00

All investments are approved securities being either officially listed in a member state or traded on or under the rules of an eligible securities market.

All investments are in ordinary shares unless otherwise stated.

Statement of total return

for the year from 1 November 2018 to 31 October 2019

		01.11.18 to 31.10.19 £'000	01.11.18 to 31.10.19 £'000	01.11.17 to 31.10.18 £'000	01.11.17 to 31.10.18 £'000
	Note				
Income					
Net capital gains/(losses)	2		851		(29,626)
Revenue	3	3,676		6,759	
Expenses	4	(1,334)		(1,678)	
Interest payable and similar charges	5	(7)		(5)	
Net revenue before taxation		2,335		5,076	
Taxation	6	(279)		(362)	
Net revenue after taxation			2,056		4,714
Total return before distributions			2,907		(24,912)
Distributions	7		(1,761)		(4,715)
Change in net assets attributable to shareholders from investment activities			1,146		(29,627)

Statement of change in net assets attributable to shareholders

for the year from 1 November 2018 to 31 October 2019

	01.11.18 to 31.10.19 £'000	01.11.18 to 31.10.19 £'000	01.11.17 to 31.10.18 £'000	01.11.17 to 31.10.18 £'000
Opening net assets attributable to shareholders		176,488		121,319
Amounts transferred from Quilter Investors Foundation 4 Fund	-		56,862	
Amounts received on issue of shares	1,032		36,772	
Amounts paid on cancellation of shares	(79,538)		(13,886)	
		(78,506)		79,748
Dilution adjustment		197		28
Change in net assets attributable to shareholders from investment activities		1,146		(29,627)
Retained distribution on accumulation shares		1,448		5,020
Closing net assets attributable to shareholders		100,773		176,488

The notes on pages 61 to 70 form an integral part of these financial statements.

Balance sheet

as at 31 October 2019

	Note	31.10.19 £'000	31.10.18 £'000
Assets			
Fixed assets			
Investments	12	98,666	165,513
Current assets			
Debtors	8	763	3,338
Cash and bank balances	9	1,477	10,078
Total assets		100,906	178,929
Liabilities			
Creditors			
Other creditors	10	(133)	(2,441)
Total liabilities		(133)	(2,441)
Net assets attributable to shareholders		100,773	176,488

The notes on pages 61 to 70 form an integral part of these financial statements.

Notes to the financial statements

for the year from 1 November 2018 to 31 October 2019

1 Accounting policies

The applicable accounting policies adopted by the Merian European Equity (ex UK) Fund are included on pages 167 to 168.

2 Net capital gains/(losses)

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

	01.11.18 to 31.10.19 £'000	01.11.17 to 31.10.18 £'000
Gains/(losses) on non-derivative securities	988	(29,489)
Gains on forward currency contracts	113	-
Losses on currency contracts	(246)	(132)
Handling charges	(4)	(5)
Net capital gains/(losses) on investments	851	(29,626)

3 Revenue

	01.11.18 to 31.10.19 £'000	01.11.17 to 31.10.18 £'000
Bank interest	5	4
Non-taxable overseas dividends	3,372	6,755
Overseas stock dividends	296	-
Unfranked Interest distributions on Collective Investment Schemes	3	-
Total revenue	3,676	6,759

4 Expenses

Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:

	01.11.18 to 31.10.19 £'000	01.11.17 to 31.10.18 £'000
Fixed Ongoing Charge*	1,334	1,228
Authorised Corporate Director's periodic charge**	-	392
Fixed expenses**	-	58
Total expenses	1,334	1,678

* This figure represents the Fixed Ongoing Charge that was introduced from 1 March 2018, which covers all fees payable by the sub-fund to the Authorised Corporate Director, Investment adviser, Depositary (including associates etc.) and other expenses.

** These figures represent the charges to 28 February 2018, which have now been replaced by the Fixed Ongoing Charge. The Audit fee for the year, excluding VAT, was £6,500 (31 October 2018: £7,100). As a result of the change to a Fixed Ongoing Charge basis, this expense is split between other expenses and Fixed Ongoing Charge in the prior year.

Notes to the financial statements (continued)

for the year from 1 November 2018 to 31 October 2019

5 Interest payable and similar charges

	01.11.18 to 31.10.19 £'000	01.11.17 to 31.10.18 £'000
Bank overdraft interest	7	5
Total interest payable and similar charges	7	5

6 Taxation

a) Analysis of tax charge in the year

	01.11.18 to 31.10.19 £'000	01.11.17 to 31.10.18 £'000
Overseas tax suffered	279	362
Total current tax charge for the year	279	362
Deferred tax charge for the year (see note 6(c))	-	-
Total taxation for the year (see note 6(b))	279	362

b) Factors affecting current tax charge for the year

	01.11.18 to 31.10.19 £'000	01.11.17 to 31.10.18 £'000
The taxation assessed for the year is lower than the standard rate of corporation tax in the UK for an open-ended investment company (20%). The differences are explained below:		
Net revenue before taxation	2,335	5,076
Corporation tax at 20% (31 October 2018: 20%)	467	1,015
Effects of:		
Excess management expenses for which no relief taken	267	336
Non-taxable overseas dividends	(675)	(1,351)
Non-taxable overseas stock dividends	(59)	-
Overseas tax suffered	279	362
Total tax charge for the year (see note 6 (a))	279	362

OEICs are exempt from tax on capital gains, therefore, any capital return is not included in the above reconciliation.

Notes to the financial statements (continued)

for the year from 1 November 2018 to 31 October 2019

6 Taxation (continued)

c) Movement in deferred tax liability

	01.11.18 to 31.10.19 £'000	01.11.17 to 31.10.18 £'000
Deferred tax liability at the start of the year	-	-
Deferred tax charge for the year (see note 6(a))	-	-
Deferred tax liability at the end of the year	-	-

As at 31 October 2019, the sub-fund had surplus management expenses of £10,766,589 (31 October 2018: £9,432,526) which can be utilised against profits chargeable to corporation tax in future periods. It is unlikely that the sub-fund will generate sufficient taxable profits in the future to utilise these expenses and, therefore, no deferred tax asset has been recognised.

7 Distributions

The distributions take account of revenue received on the issue of shares and revenue deducted on the cancellation of shares, and comprise:

	01.11.18 to 31.10.19 £'000	01.11.17 to 31.10.18 £'000
Final – Accumulation shares (31 October)	1,448	5,020
	1,448	5,020
Revenue deducted on cancellation of shares	318	101
Revenue received on issue of shares	(5)	(406)
Distributions	1,761	4,715
Reconciliation of distributions:		
Net revenue after taxation	2,056	4,714
Equalisation on conversions	1	1
Non distributable stock dividends	(296)	-
Distributions	1,761	4,715

Details of the final distributions per share are set out in the table on page 71.

8 Debtors

	31.10.19 £'000	31.10.18 £'000
Accrued revenue	16	-
Amounts receivable for issue of shares	20	2
Overseas tax recoverable	727	756
Sales awaiting settlement	-	2,580
Total debtors	763	3,338

Notes to the financial statements (continued)

for the year from 1 November 2018 to 31 October 2019

9 Cash and bank balances

	31.10.19 £'000	31.10.18 £'000
Amounts held at futures clearing houses and brokers	80	-
Cash and bank balances	1,397	10,078
Total cash and bank balances	1,477	10,078

10 Other creditors

	31.10.19 £'000	31.10.18 £'000
Accrued expenses	96	147
Amounts payable for cancellation of shares	37	496
Purchases awaiting settlement	-	1,798
Total other creditors	133	2,441

11 Related party transactions

Quilter Investors Limited were ACD until 31 March 2019, thereafter, Merian Investment Management Limited, were ACD, thus both were a related party during the year, and acted as principal in respect of all transactions of shares in each sub-fund. The aggregate monies received on issue and paid on cancellation are disclosed in the Statement of change in net assets attributable to shareholders on page 59. Any amounts due to or from Merian Investment Management Limited at the end of the accounting year in respect of transactions of shares in each sub-fund are disclosed in notes 8 and 10. Other amounts paid to the ACD are disclosed in note 4 and amounts due to it at the year end are disclosed in note 10.

12 Derivatives and other financial instruments

a) Financial instrument risk

The sub-fund, in pursuing its investment objective, may hold a range of financial instruments in line with its investment policy.

The ACD has established a risk management policy and permanent risk management function to identify, measure, monitor and manage all risks relevant to the sub-fund. This is designed to meet the key requirements of investor protection and to ensure compliance with the FCA's regulatory requirements.

Adherence to the investment guidelines and the investment and borrowing powers as set out in the Prospectus and in the rules of the Regulations also mitigates the risk of excessive exposure to any particular type of security or issuer. Further information on the investment portfolio is set out in the Investment Manager's review and the Portfolio statement of each sub-fund.

The main risks arising from financial instruments are interest rate risk, foreign currency risk, credit risk, counterparty risk, liquidity risk and market risk which are summarised below.

Notes to the financial statements (continued)

for the year from 1 November 2018 to 31 October 2019

12 Derivatives and other financial instruments (continued)

b) Foreign currency risk

A significant proportion of the sub-fund's financial assets and liabilities are invested overseas. As a result, movements in exchange rates may affect the market price of investments and, due to timing differences between the transaction dates of investment sales, purchases and income, and actual cash settlement, create currency exchange gains/losses. The Investment Manager does seek to reduce some of this risk by using forward currency contracts.

The direct foreign currency exposure of the sub-fund as at 31 October 2019 (31 October 2018) was as follows:

Currency	Net foreign currency assets			Net foreign currency assets		
	Monetary exposures*	Non-monetary exposures	Total	Monetary exposures*	Non-monetary exposures	Total
	31.10.19 £'000	31.10.19 £'000	31.10.19 £'000	31.10.18 £'000	31.10.18 £'000	31.10.18 £'000
Danish Krone	353	3,895	4,248	130	9,691	9,821
Euro	904	68,763	69,667	1,033	126,805	127,838
Norwegian Krone	45	1,519	1,564	17	9,252	9,269
Swedish Krona	296	5,830	6,126	18	1,775	1,793
Swiss Franc	338	17,933	18,271	1,053	17,990	19,043
US Dollar	72	726	798	-	-	-
Total	2,008	98,666	100,674	2,251	165,513	167,764

* For the purpose of the above disclosure, monetary is taken to include only cash or near-cash items.

Currency sensitivity

A 5% increase in the value of the sub-fund's foreign currency exposure would have the effect of increasing the return and net assets as at 31 October 2019 by £5,033,691 or 5.00% (31 October 2018: £8,388,205 or 4.75%). A 5% decrease would have an equal and opposite effect.

c) Interest rate risk

Interest rate risk is the risk of movements in the value of financial instruments as a result of fluctuations in interest rates.

The interest rate risk profile of the sub-fund's financial assets and liabilities at 31 October 2019 (31 October 2018) was as follows:

Currency	Variable rate financial assets £'000	Fixed rate financial assets £'000	Financial assets	Total £'000
			not carrying interest £'000	
31.10.19				
Danish Krone	212	-	4,036	4,248
Euro	618	-	69,049	69,667
Norwegian Krone	30	-	1,534	1,564
Sterling	212	-	20	232
Swedish Krona	294	-	5,832	6,126
Swiss Franc	40	-	18,231	18,271
US Dollar	71	-	727	798
Total	1,477	-	99,429	100,906

Notes to the financial statements (continued)

for the year from 1 November 2018 to 31 October 2019

12 Derivatives and other financial instruments (continued)

c) Interest rate risk (continued)

Currency	Variable rate financial assets £'000	Fixed rate financial assets £'000	Financial assets not carrying interest £'000	Total £'000
31.10.18				
Danish Krone	-	-	9,821	9,821
Euro	695	-	128,941	129,636
Norwegian Krone	-	-	9,269	9,269
Sterling	9,365	-	2	9,367
Swedish Krona	18	-	1,775	1,793
Swiss Franc	-	-	19,043	19,043
Total	10,078	-	168,851	178,929

Currency	Variable rate financial liabilities £'000	Financial liabilities not carrying interest £'000	Total £'000
31.10.19			
Sterling	-	(133)	(133)
Total	-	(133)	(133)

Currency	Variable rate financial liabilities £'000	Financial liabilities not carrying interest £'000	Total £'000
31.10.18			
Euro	-	(1,798)	(1,798)
Sterling	-	(643)	(643)
Total	-	(2,441)	(2,441)

Interest rate risk sensitivity

In the event of changes in interest rates, there would be no material impact upon the assets of the sub-fund.

d) Credit risk

Credit risk is the risk of suffering loss due to another party not meeting its financial obligation. The risk is managed by the Investment Adviser who monitors the credit profile of financial instruments in accordance with the objective and policy of the sub-fund.

Adherence to the investment guidelines and the investment and borrowing powers as set out in the Prospectus and in the rules of the Regulations also mitigates the risk of excessive exposure to any particular type of security or issuer. Further information on the investment portfolio is set out in the Investment Manager's review and the Portfolio statement.

e) Counterparty risk

Certain transactions in financial instruments that a sub-fund enters into have the risk that the counterparty will not meet its financial obligations, i.e. the investment (purchase) or cash (sale) after the sub-fund has fulfilled its responsibilities.

The sub-fund will only buy and sell investments through brokers which have been approved by the ACD and Investment Adviser as an acceptable counterparty. This is overseen by the Depositary to ensure that the exposure to any counterparty remains appropriate for investors.

Notes to the financial statements (continued)

for the year from 1 November 2018 to 31 October 2019

12 Derivatives and other financial instruments (continued)

e) Counterparty risk (continued)

	Futures and options exposure	Forward foreign exchange contracts exposure	Collateral held
Exposure Table 31.10.19			
Counterparty	£'000	£'000	£'000
Merrill Lynch	14	-	-
Exposure Table 31.10.18			
Counterparty	£'000	£'000	£'000
No uncollateralised counterparty exposure	-	-	-

Positive exposure represents the sub-fund's exposure to that counterparty and not the sub-fund's holdings with that counterparty.

For futures contracts, variation margin in the form of cash is pledged by the counterparty to mitigate the credit risk arising from positive balances. Where the sub-fund is in a liability position, the fund pledges variation margin in the form of cash.

f) Liquidity risk

The sub-fund's assets comprise mainly of readily realisable securities which can be sold promptly to meet liquidity requirements. The main source of this risk comes from the obligation to shareholders to meet any cancellation of shares. Assets from the sub-fund may need to be sold to meet any redemption proceeds. As part of its operating duties the ACD regularly monitors the liquidity levels held on the sub-fund (cash and underlying securities) to ensure any redemption can be readily met. Some investments may be less liquid than other securities and can be more sensitive to economic factors. The rules of the Regulations mitigate the risk of excessive exposure to assets which are not readily realisable.

Notes to the financial statements (continued)

for the year from 1 November 2018 to 31 October 2019

12 Derivatives and other financial instruments (continued)

g) Market risk

Market risk arises from uncertainty about future prices of financial instruments held. The main source of risk to the sub-fund is the potential movement in the value of financial instruments held as a result of price fluctuations. Stock market prices can move erratically and be unpredictably affected by diverse factors including political and economic events but also rumours and sentiment. The ACD adheres to the investment guidelines and borrowing powers set out within the Prospectus and the COLL Sourcebook. In this way the ACD monitors and controls the exposure to risk from any type of security, sector or issuer. The sub-fund may also use derivative instruments to mitigate risk and reduce cost.

Market price risk sensitivity

A 5% market movement in the price of investments held by the sub-fund, with all other variables remaining constant, would result in an increase or decrease on net asset value of the sub-fund by approximately £4,933,317 or 4.90% (31 October 2018: £8,275,659 or 4.69%).

h) Fair value of financial assets and liabilities

There is no material difference between the carrying value of the financial assets and liabilities, as shown in the Balance sheet, and their fair value.

Basis of valuation	31.10.19		31.10.18	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
Level 1: Quoted prices	98,666	-	165,513	-
Level 2: Observable market data	-	-	-	-
Level 3: Unobservable data	-	-	-	-
Total	98,666	-	165,513	-

i) Global exposure

The Investment Adviser assesses the market risk of the Merian European Equity (ex UK) Fund, including any derivative exposures, using a commitment approach. All exposure arising through the investment in financial derivative instruments will be covered by the underlying assets of the sub-fund. The sub-fund will use the commitment approach methodology to measure, monitor and manage the "leverage" effect produced by the use of financial derivative instruments and for the calculation of global exposure. As the sub-fund uses the commitment approach it must ensure that its global exposure does not exceed its total net asset value and sub-fund may not therefore be leveraged in excess of 100% of its net asset value. In using the commitment approach for the calculation of global exposure, the sub-fund will convert each derivative position into the market value of an equivalent position in the underlying asset of that derivative. Using the commitment approach the global exposure is 0.00% (31 October 2018: 0.00%).

13 Contingent liabilities

The sub-fund had no contingent liabilities at the Balance sheet date (31 October 2018: £Nil).

Notes to the financial statements (continued)

for the year from 1 November 2018 to 31 October 2019

14 Portfolio transaction costs

Analysis of total purchase costs

31.10.19

Equities

In specie transactions

Corporate actions

Total

Total purchases including transaction costs

Value £'000	Commissions £'000		Other costs %	£'000	%
205,217	72		0.04%	143	0.07%
-	-		-	-	-
-	-		-	-	-
205,217	72			143	
205,432					

31.10.18

Equities

In specie transactions

Corporate actions

Total

Total purchases including transaction costs

Value £'000	Commissions £'000		Other costs %	£'000	%
101,227	39		0.04%	99	0.10%
56,131	-		-	-	-
10	-		-	-	-
157,368	39			99	
157,506					

Analysis of total sale costs

31.10.19

Equities

Total

Total sales including transaction costs

Value £'000	Commissions £'000		Other costs %	£'000	%
273,700	181		0.07%	2	-
273,700	181			2	
273,517					

31.10.18

Equities

Total

Total sales including transaction costs

Value £'000	Commissions £'000		Other costs %	£'000	%
80,483	39		0.05%	-	-
80,483	39			-	
80,444					

Transaction costs as a percentage of average Net Assets

	31.10.19	31.10.18
Commissions:	0.20%	0.05%
Taxes:	0.11%	0.06%

In the case of shares, transaction costs are paid by the sub-fund on each transaction. Commissions relate to those paid to agents, advisers, brokers and dealers in the buying and selling of securities. Other costs include any additional fees that may be paid to agents, advisers, brokers and dealers as well as levies by regulatory agencies and security exchanges and any transfer taxes or duties. In addition, there is a dealing spread between the buying and selling prices of the underlying investments. Unlike shares, other types of investments have no separately identifiable transaction costs; these costs form part of the dealing spread. Dealing spreads may vary considerably depending on the transaction value and market sentiment. At the balance sheet date the dealing spread was 0.07% (31 October 2018: 0.09%).

Notes to the financial statements (continued)

for the year from 1 November 2018 to 31 October 2019

15 Shareholders' funds

The sub-fund currently has six share classes; Accumulation 'A', Accumulation 'A' USD , Accumulation 'P', Accumulation 'R' , Accumulation 'U1' and Accumulation 'U2'. The net asset value of each share class, net asset value per share and the number of shares in issue are given in the information pages for each sub-fund.

The share classes currently in issue and the Fixed Ongoing Charge of each share class are shown below.

	31.10.19	31.10.18
- Accumulation 'A'	1.65%	1.65%
- Accumulation 'A' USD	1.65%	1.65%
- Accumulation 'P'	1.15%	1.15%
- Accumulation 'R'	0.90%	0.90%
- Accumulation 'U1'	0.825%	0.825%
- Accumulation 'U2'	0.75%	0.75%

Share class movement reconciliation

	Opening	Issued	Redeemed	Converted	Closing
- Accumulation 'A'	14,352,815	99,267	(1,252,126)	(169,189)	13,030,767
- Accumulation 'A' USD	105,219	5,318	(55,604)	-	54,933
- Accumulation 'P'	75,249	172	(8,353)	(657)	66,411
- Accumulation 'R'	39,471,552	65,559	(426,390)	226,770	39,337,491
- Accumulation 'U1'	929,683	19,087	(509,800)	-	438,970
- Accumulation 'U2'	65,550,600	565,826	(64,666,437)	-	1,449,989

16 Post balance sheet date events

There are no post balance sheet events requiring disclosure.

Distribution table

Final distribution

Group 1: Shares purchased prior to 1 November 2018
 Group 2: Shares purchased from 1 November 2018 to 31 October 2019

	Revenue pence per share	Equalisation pence per share*	Distribution paid 31.12.19 pence/cents per share	Distribution paid 31.12.18 pence per share
Accumulation 'A' Shares				
Group 1	2.1451	-	2.1451	4.6126
Group 2	0.7821	1.3630	2.1451	4.6126
Accumulation 'A' USD Shares				
Group 1	0.9552	-	0.9552	2.0602
Group 2	0.8993	0.0559	0.9552	2.0602
Accumulation 'P' Shares				
Group 1	2.4406	-	2.4406	4.3530
Group 2	2.2278	0.2128	2.4406	4.3530
Accumulation 'R' Shares				
Group 1	2.8557	-	2.8557	4.7923
Group 2	1.8843	0.9714	2.8557	4.7923
Accumulation 'U1' Shares				
Group 1	2.3200	-	2.3200	3.8328
Group 2	1.4078	0.9122	2.3200	3.8328
Accumulation 'U2' Shares				
Group 1	2.2751	-	2.2751	3.7000
Group 2	1.7888	0.4863	2.2751	3.7000

* Equalisation only applies to shares purchased during the distribution period (Group 2 shares). It is the average amount of revenue included in the purchase price of all Group 2 shares and is refunded to holders as a return of capital. Being capital, it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

Merian Global Equity Fund

Launch date	15 July 1998
IA Sector	Global
Investment adviser	Merian Global Investors (UK) Limited
Net asset value	£1,143,929,991

Investment Objective and Policy

To seek to achieve capital growth by delivering a return, net of fees, greater than that of the MSCI World Index with net dividends reinvested over rolling 3 year periods.

The sub-fund primarily invests (at least 70%) in a diversified portfolio of equities in developed markets globally.

The sub-fund may also invest in other transferable securities, units in collective investment schemes (including those managed or operated by the ACD or an associate of the ACD), warrants, money market instruments, deposits and derivatives, and may hold cash.

The sub-fund may use derivatives for Efficient Portfolio Management purposes. The ACD considers that the use of derivatives for this purpose is not likely to affect the volatility or risk profile of the sub-fund. The sub-fund may use derivatives for purposes other than Efficient Portfolio Management, provided it has given shareholders 60 days' notice of such change. If the sub-fund did use derivatives for investment purposes, it may therefore at times increase the volatility of the sub-fund's NAV and change the risk profile of the sub-fund.

Investment Manager's review

The S&P 500 posted a 12.0% price gain over the period, and the MSCI World a 10.5% price gain (both in US Dollar terms). Investors were drawn to equities in their quest for income in an increasingly negative yield environment. Slowing global growth forced global central banks to keep monetary policy loose. Defensive sectors were strong drivers of equity returns as investors saw them as proxies for long duration bonds and as resilient against economic woes.

Performance

The fund underperformed its benchmark during the period. The returns to factors such as value, quality, momentum and growth were weak over the period. There was inconsistency in many factor returns, and intermittent spikes in correlation between factors. Overcrowding in medium-term factors (especially in North America) contributed to this effect, which was accentuated by capital outflows and liquidity being withdrawn from strategies using these factors. Many of the medium-term factors employed by the team overlapped with some of these overcrowded areas. In turn this contributed to a period of extended softer performance.

At a portfolio level, for example, it has proven challenging to blend value with a series of our other factor sets. The nature of the relationship between value and momentum, as well as between value and company management, detracted from returns, as evidenced by the weaker contribution from the market dynamics and company management factor sets. Their long track record of success validates the benefits of such an approach. However, there will be episodes when it struggles. We believe that model enhancements we have proposed making will mitigate such effects going forward.

Outlook

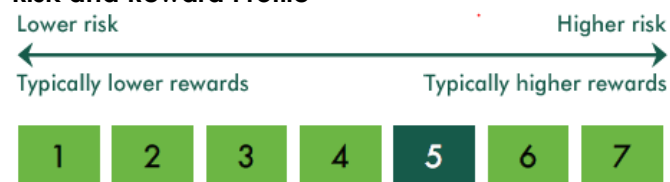
In an effort to meet these challenges, we are incorporating downside risk into our dynamic weighting scheme. In particular, we are looking at the Sortino ratio of the factor sets relative to the other factors we can have in a specific region. Our dynamic valuation factor set will now take account of the demand from investors for each individual style (value and quality). We believe this will allow the investment process to mitigate downside risk better in periods where both are out of favour, by decreasing the weights in both. Finally, we will adopt a secondary risk model, given its ability to capture periods of higher correlation between factors and other transitory risks informing equity pricing, such as sensitivity to Fed rate hikes or the price of oil. These enhancements would have generated similar returns over long historic back test periods (last 15 and 25 years) but with lower risk, thus resulting in higher historic Sharpe and Sortino ratios.

Value assessment for the year ended 31 October 2019

For further details on the value assessment report please refer to pages 8 to 12.

Merian Global Equity Fund

Risk and Reward Profile



The calculated risk and reward category, as shown above, uses a method of calculation derived from EU rules. It is based on the rate at which the returns of the sub-fund have moved up and down in the past (i.e. volatility) and is not a guide to the future risk and reward category of the sub-fund. The category shown is not a target or guarantee and may shift over time. Even the lowest category 1 does not mean a risk-free investment. The seven-category scale is nonlinear, for example, 2 is not twice as risky as 1.

Sub-funds in category 5 have in the past shown moderately high volatility. With a sub-fund of category 5, you have a moderately high risk of losing money but your chance for gains is also moderately high.

Investment risk - there is no guarantee that the sub-fund will achieve its objective. A capital loss of some or all of the amount invested may occur.

Currency risk (GBP share class) - the sub-fund is denominated in British Pounds but holds assets denominated in other currencies. The value of your shares may rise and fall as a result of exchange rate movements between these currencies.

Currency risk (USD share class) - the sub-fund is denominated in British Pounds but holds assets denominated in other currencies. This share class is denominated in US Dollars. The value of your shares may rise and fall as a result of exchange rate movements between these currencies.

Derivative risk - the sub-fund may use derivatives to reduce costs and/or the overall risk of the sub-fund (i.e. Efficient Portfolio Management (EPM)). Derivatives involve a level of risk, however, for EPM they should not increase the overall riskiness of the sub-fund. Derivatives also involve counterparty risk where the institutions acting as counterparty to derivatives may not meet their contractual obligations.

Capital erosion risk - the sub-fund takes its charges from the income of the sub-fund in the first instance. The impact of sub-fund charges may be material on the value of any income you receive from your investment. There is potential for capital erosion if insufficient income is generated by the sub-fund to cover these charges. Capital erosion may have the effect of reducing the level of income generated.

For a more detailed explanation of risks, please refer to the "Risks" section of the prospectus.

Performance Records

Comparative Tables

Accumulation 'A'	1 November 2018 to 31 October 2019 pence per share	1 November 2017 to 31 October 2018 pence per share	1 November 2016 to 31 October 2017 pence per share
Change in net assets per share			
Opening net asset value per share	376.45	374.64	312.37
Return before operating charges*	32.05	8.57	68.32
Operating charges**	(6.82)	(6.76)	(6.05)
Return after operating charges*	25.23	1.81	62.27
Distributions	(0.24)	-	-
Retained distributions	0.24	-	-
Closing net asset value per share	401.68	376.45	374.64
* after direct transaction costs of***	0.51	0.68	0.64
Performance			
Return after charges	6.70%	0.48%	19.93%
Other information			
Closing net asset value (£)	50,717,758	70,768,018	61,217,046
Closing number of shares	12,626,425	18,798,993	16,340,380
Operating charges****	1.75%	1.75%	1.75%
Direct transaction costs***	0.13%	0.18%	0.18%
Prices	pence per share	pence per share	pence per share
Highest share price	425.70	419.60	392.30
Lowest share price	344.30	354.30	299.54
Accumulation 'E' USD†	25 April 2019 to 31 October 2019 pence per share	1 November 2017 to 31 October 2018 pence per share	1 November 2016 to 31 October 2017 pence per share
Change in net assets per share			
Opening net asset value per share	78.00	-	-
Return before operating charges*	0.61	-	-
Operating charges**	(0.18)	-	-
Return after operating charges*	0.43	-	-
Distributions	(0.63)	-	-
Retained distributions	0.63	-	-
Closing net asset value per share	78.43	-	-
* after direct transaction costs of***	0.05	-	-
Performance			
Return after charges	0.55%	-	-
Other information			
Closing net asset value (£)	235,290,525	-	-
Closing number of shares	300,000,000	-	-
Operating charges****	0.45%	-	-
Direct transaction costs***	0.13%	-	-
Prices	cents per share	cents per share	cents per share
Highest share price	101.90	-	-
Lowest share price	94.80	-	-

Comparative Tables (continued)

Accumulation 'P'	1 November 2018 to 31 October 2019 pence per share	1 November 2017 to 31 October 2018 pence per share	1 November 2016 to 31 October 2017 pence per share
Change in net assets per share			
Opening net asset value per share	215.33	213.22	176.90
Return before operating charges*	18.37	4.87	38.78
Operating charges**	(2.79)	(2.76)	(2.46)
Return after operating charges*	15.58	2.11	36.32
Distributions	(1.29)	(0.56)	(0.37)
Retained distributions	1.29	0.56	0.37
Closing net asset value per share	230.91	215.33	213.22
* after direct transaction costs of***	0.29	0.39	0.36
Performance			
Return after charges	7.24%	0.99%	20.53%
Other information			
Closing net asset value (£)	4,477,898	6,671,567	5,375,307
Closing number of shares	1,939,201	3,098,287	2,520,976
Operating charges****	1.25%	1.25%	1.25%
Direct transaction costs***	0.13%	0.18%	0.18%
Prices	pence per share	pence per share	pence per share
Highest share price	244.40	239.80	223.27
Lowest share price	197.10	202.10	169.64
Accumulation 'R'	1 November 2018 to 31 October 2019 pence per share	1 November 2017 to 31 October 2018 pence per share	1 November 2016 to 31 October 2017 pence per share
Change in net assets per share			
Opening net asset value per share	255.03	251.90	208.46
Return before operating charges*	21.80	5.74	45.77
Operating charges**	(2.66)	(2.61)	(2.33)
Return after operating charges*	19.14	3.13	43.44
Distributions	(2.19)	(1.30)	(1.01)
Retained distributions	2.19	1.30	1.01
Closing net asset value per share	274.17	255.03	251.90
* after direct transaction costs of***	0.35	0.46	0.43
Performance			
Return after charges	7.50%	1.24%	20.84%
Other information			
Closing net asset value (£)	391,026,143	413,889,016	355,802,514
Closing number of shares	142,622,458	162,293,284	141,248,729
Operating charges****	1.00%	1.00%	1.00%
Direct transaction costs***	0.13%	0.18%	0.18%
Prices	pence per share	pence per share	pence per share
Highest share price	290.00	283.90	253.62
Lowest share price	233.50	239.00	199.91

Comparative Tables (continued)

Accumulation 'U1'	1 November 2018 to 31 October 2019 pence per share	1 November 2017 to 31 October 2018 pence per share	1 November 2016 to 31 October 2017 pence per share
Change in net assets per share			
Opening net asset value per share	190.27	187.80	155.30
Return before operating charges*	16.27	4.27	34.11
Operating charges**	(1.83)	(1.80)	(1.61)
Return after operating charges*	14.44	2.47	32.50
Distributions	(1.78)	(1.11)	(0.88)
Retained distributions	1.78	1.11	0.88
Closing net asset value per share	204.71	190.27	187.80
* after direct transaction costs of***	0.26	0.34	0.32
Performance			
Return after charges	7.59%	1.32%	20.93%
Other information			
Closing net asset value (£)	362,554,790	393,631,691	336,740,727
Closing number of shares	177,106,540	206,878,074	179,309,737
Operating charges****	0.925%	0.925%	0.925%
Direct transaction costs***	0.13%	0.18%	0.18%
Prices	pence per share	pence per share	pence per share
Highest share price	216.50	211.80	189.08
Lowest share price	174.30	178.20	148.93

Accumulation 'U2'	1 November 2018 to 31 October 2019 pence per share	1 November 2017 to 31 October 2018 pence per share	1 November 2016 to 31 October 2017 pence per share
Change in net assets per share			
Opening net asset value per share	192.74	190.07	157.06
Return before operating charges*	16.47	4.38	34.54
Operating charges**	(1.71)	(1.71)	(1.53)
Return after operating charges*	14.76	2.67	33.01
Distributions	(1.96)	(1.27)	(1.03)
Retained distributions	1.96	1.27	1.03
Closing net asset value per share	207.50	192.74	190.07
* after direct transaction costs of***	0.27	0.35	0.33
Performance			
Return after charges	7.66%	1.40%	21.02%
Other information			
Closing net asset value (£)	99,862,877	125,750,995	24,604,739
Closing number of shares	48,127,197	65,244,666	12,944,877
Operating charges****	0.85%	0.85%	0.85%
Direct transaction costs***	0.13%	0.18%	0.18%
Prices	pence per share	pence per share	pence per share
Highest share price	219.40	214.50	191.37
Lowest share price	176.50	180.40	150.62

† Launched 25 April 2019.

** The operating charges include all costs borne by the sub-fund, except for direct transaction costs.

*** The direct transaction costs are made up of fees and commissions paid to agents, advisers, brokers and dealers, levies by regulatory agencies and securities exchanges as well as transfer taxes and duties. They do not include any difference between the quoted bid and offer prices or internal administrative or holding costs. These costs arise as a result of transactions undertaken both for efficient portfolio management and the meeting of the sub-fund's objectives. These costs exclude any effect of dilution adjustments used to offset the costs.

**** The operating charges percentage is the ratio of the sub-fund's ongoing charges (excluding interest on borrowings) to the average net assets of the sub-fund.

Performance

	6 months to 31 October 2019	1 year to 31 October 2019	3 years to 31 October 2019	5 years to 31 October 2019
Merian Global Equity Fund*	1.33%	7.48%	31.62%	87.90%
MSCI World Index with net dividends re-invested (benchmark)	4.32%	11.28%	32.05%	78.19%
IA Global (sector average)	2.85%	11.09%	27.86%	65.34%
Quartile ranking	4	4	2	1

* Accumulation 'R' shares

Data Source – Factset. Figures are calculated on a total return and single price basis, with net income reinvested into the sub-fund.

The benchmark is a representation of the markets in which the fund primarily invests and as such is an appropriate benchmark for the fund to seek to outperform and may also be used as a point of reference against which the fund's performance may be measured. The fund's performance may also be compared to the IA sector, which consists of funds with similar investment objectives and policies.

Asset allocation

Equities	101.67%
Net other liabilities	(1.67)%
Total	100.00%

Major holdings

Percentage of portfolio

Apple	2.37%
Microsoft	2.05%
Amazon.com	1.57%
Facebook	1.42%
Visa	1.08%
Cisco Systems	1.02%
Novartis	0.99%
Procter & Gamble	0.98%
Alphabet 'C'	0.96%
Alphabet 'A'	0.95%

Portfolio allocation

United States	60.82%
Japan	8.32%
United Kingdom	4.96%
France	4.43%
Canada	4.27%
Switzerland	3.20%
Netherlands	2.74%
Germany	2.39%
Australia	2.28%
Hong Kong	1.43%
Italy	0.99%
Denmark	0.83%
Spain	0.72%
Bermuda	0.70%
Ireland	0.66%
Finland	0.60%
Sweden	0.56%
Israel	0.52%
Austria	0.34%
Singapore	0.24%
Norway	0.22%
New Zealand	0.19%
Belgium	0.18%
Russia	0.06%
China	0.02%
Net other liabilities	(1.67)%
Total	100.00%

Number of holdings

578

Portfolio statement

as at 31 October 2019

Holding	Investment	Market Value £'000	Percentage of total net assets %
Asia Pacific (excluding Japan) 4.16% (31 October 2018 4.14%)			
Australia Equities 2.28% (31 October 2018 2.11%)			
2,474	Altium	42	-
9,540	ASX	415	0.04
378,991	Aurizon	1,179	0.10
417,267	Beach Energy	508	0.04
51,540	BHP	839	0.07
55,240	BHP Billiton (Australian Listing)	1,052	0.09
90,136	BlueScope Steel	630	0.06
34,923	Charter Hall	207	0.02
23,494	Charter Hall Retail REIT	54	0.01
5,054	Clinuvel Pharmaceuticals	82	0.01
7,138	Cochlear	797	0.07
311,214	Evolution Mining	680	0.06
225,295	Goodman	1,723	0.15
263,303	Harvey Norman	573	0.05
77,403	IDP Education	721	0.06
143,871	Inghams	237	0.02
4,576	Magellan Financial	117	0.01
56,855	McMillan Shakespeare	478	0.04
895,936	Medibank	1,601	0.14
164,889	Northern Star Resources	853	0.07
180,527	Pendal	684	0.06
5,106	Pro Medicus	72	0.01
669,193	Qantas Airways	2,271	0.20
67,636	QBE Insurance	449	0.04
674,883	Regis Resources	1,734	0.15
559,987	Sandfire Resources	1,728	0.15
988,573	Saracen Mineral	1,967	0.17
802,087	South32	1,088	0.10
351,459	St Barbara	520	0.05
132,590	Steadfast	250	0.02
121,222	Super Retail	605	0.05
106,003	Technology One	412	0.04
489,243	Vicinity Centres	695	0.06
34,357	Washington H Soul Pattinson & Co	396	0.03
30,075	WiseTech Global	418	0.04
		26,077	2.28
China Equities 0.02% (31 October 2018 0.14%)			
474,600	Yangzijiang Shipbuilding	257	0.02
		257	0.02

Portfolio statement (continued)

as at 31 October 2019

Holding	Investment	Market Value £'000	Percentage of total net assets %
Hong Kong Equities 1.43% (31 October 2018 1.28%)			
60,400	AIA	465	0.04
134,000	Cafe de Coral	282	0.02
105,000	CK Asset	565	0.05
592,000	CLP	4,742	0.41
196,000	Dah Sing Banking	196	0.02
47,200	Dah Sing Financial	135	0.01
626,000	First Pacific	184	0.02
42,000	Galaxy Entertainment	224	0.02
809,500	HK Electric Investments & HK Electric Investments	623	0.05
373,000	Hysan Development	1,135	0.10
471,500	Link REIT	3,968	0.35
56,000	Melco International Development	115	0.01
469,000	Power Assets	2,584	0.23
92,500	SmarTone Telecommunications	62	-
188,000	United Laboratories International	83	0.01
562,000	Wharf	984	0.09
		16,347	1.43
New Zealand Equities 0.19% (31 October 2018 0.10%)			
172,831	a2 Milk	1,104	0.10
116,095	Fisher & Paykel Healthcare	1,091	0.09
		2,195	0.19
Singapore Equities 0.24% (31 October 2018 0.51%)			
411,800	Best World International	-	-
395,000	First Real Estate Investment Trust	228	0.02
5,807,900	Golden Agri-Resources	675	0.06
357,800	Singapore Exchange	1,813	0.16
		2,716	0.24
Europe 17.92% (31 October 2018 15.13%)			
Austria Equities 0.34% (31 October 2018 0.10%)			
72,411	IMMOFINANZ	1,598	0.14
4,490	Verbund	189	0.02
100,030	Wienerberger	2,086	0.18
		3,873	0.34
Belgium Equities 0.18% (31 October 2018 0.05%)			
19,452	Ageas	861	0.08
70,133	AGFA-Gevaert	247	0.02
3,786	Barco	629	0.06
4,492	UCB	278	0.02
		2,015	0.18

Portfolio statement (continued)

as at 31 October 2019

Holding	Investment	Market Value £'000	Percentage of total net assets %
Denmark Equities 0.83% (31 October 2018 1.60%)			
41,862	Carlsberg	4,575	0.40
103,165	GN Store Nord	3,460	0.30
6,284	Novo Nordisk	265	0.02
13,744	SimCorp	937	0.08
7,879	Topdanmark	274	0.03
		9,511	0.83
Finland Equities 0.60% (31 October 2018 0.32%)			
11,015	Fortum	207	0.02
3,534	Metso	104	0.01
1,747,458	Nokia	4,960	0.43
52,018	Sampo	1,641	0.14
		6,912	0.60
France Equities 4.43% (31 October 2018 3.12%)			
226,538	Air France-KLM	2,050	0.18
80,175	Airbus	8,949	0.78
187,205	Alstom	6,247	0.55
1,407	Atos	84	0.01
20,745	Capgemini	1,804	0.16
66,378	CNP Assurances	1,016	0.09
351	Dassault Aviation	380	0.03
9,860	Dassault Systemes	1,156	0.10
5,432	Eramet	209	0.02
1,034	EssilorLuxottica	122	0.01
4,411	Hermes International	2,451	0.21
40,805	Pernod Ricard	5,817	0.51
24,047	Sartorius Stedim Biotech	2,766	0.24
109,659	Schneider Electric	7,891	0.69
7,578	SCOR	246	0.02
5,977	Societe BIC	319	0.03
56,913	Ubisoft Entertainment	2,594	0.23
304,293	Vivendi	6,560	0.57
		50,661	4.43
Germany Equities 2.39% (31 October 2018 2.78%)			
29,676	adidas	7,138	0.62
28,077	Allianz	5,290	0.46
103,975	Borussia Dortmund	757	0.07
1,656	Carl Zeiss Meditec	140	0.01
152,325	Ceconomy	598	0.05
26,714	CompuGroup Medical	1,313	0.11
559,746	Deutsche Bank	3,152	0.27
11,361	Hannover Rueck	1,555	0.14
1,508	Henkel	111	0.01
3,890	MTU Aero Engines	809	0.07
17,269	Puma	1,003	0.09
304	Rational	182	0.02
139,970	RWE	3,287	0.29
84,373	Uniper	2,029	0.18
		27,364	2.39

Portfolio statement (continued)

as at 31 October 2019

Holding	Investment	Market Value £'000	Percentage of total net assets %
	Ireland Equities 0.66% (31 October 2018 0.24%)		
15,146	Accenture	2,181	0.19
15,059	Alkermes	232	0.02
60,879	Medtronic (US Listing)	5,100	0.45
		<u>7,513</u>	<u>0.66</u>
	Italy Equities 0.99% (31 October 2018 1.13%)		
1,468,125	A2A	2,249	0.20
40,170	Buzzi Unicem	760	0.07
33,910	Ferrari	4,191	0.37
160,326	Leonardo	1,433	0.12
45,319	Moncler	1,338	0.12
11,175	Reply	559	0.05
174,809	Unipol	749	0.06
		<u>11,279</u>	<u>0.99</u>
	Luxembourg Equities 0.00% (31 October 2018 0.01%)		
	Netherlands Equities 2.74% (31 October 2018 0.98%)		
3,705	Adyen	1,995	0.17
938,333	Aegon	3,158	0.28
35,793	ASML	7,304	0.64
5,811	EXOR	341	0.03
90,795	Koninklijke BAM	176	0.01
3,460	Koninklijke DSM	314	0.03
114,575	Koninklijke Philips	3,844	0.34
189,830	NN	5,610	0.49
22,500	NXP Semiconductors	1,993	0.17
47,340	Prosus	2,534	0.22
149,910	Royal Dutch Shell 'B'	3,342	0.29
28,326	Signify	634	0.06
14,220	TomTom	124	0.01
		<u>31,369</u>	<u>2.74</u>
	Norway Equities 0.22% (31 October 2018 0.91%)		
31,190	Gjensidige Forsikring	451	0.04
57,713	Salmar	2,066	0.18
		<u>2,517</u>	<u>0.22</u>
	Portugal Equities 0.00% (31 October 2018 0.27%)		
	Russia Equities 0.06% (31 October 2018 0.00%)		
172,350	Evrax	640	0.06
		<u>640</u>	<u>0.06</u>
	Spain Equities 0.72% (31 October 2018 1.20%)		
960,179	Iberdrola	7,624	0.67
44,253	Metrovacesa	320	0.03
55,160	Talgo	265	0.02
		<u>8,209</u>	<u>0.72</u>

Portfolio statement (continued)

as at 31 October 2019

Holding	Investment	Market Value £'000	Percentage of total net assets %
Sweden Equities 0.56% (31 October 2018 0.32%)			
85,744	Atlas Copco	2,351	0.21
75,268	Elekta	814	0.07
21,272	Epiroc	183	0.02
4,758	Fabege	55	-
98,048	Hoist Finance	415	0.04
11,765	Lindab International	102	0.01
35,476	Paradox Interactive	373	0.03
16,309	Swedish Match	590	0.05
228,708	Telefonaktiebolaget	1,541	0.13
		6,424	0.56
Switzerland Equities 3.20% (31 October 2018 2.12%)			
4,818	Ascom	37	-
121,103	Coca-Cola HBC	2,830	0.25
1,702	Forbo	2,110	0.18
60,084	Garmin	4,467	0.39
6,135	Huber + Suhner	317	0.03
163	Interroll Holding	257	0.02
181,229	LafargeHolcim	7,155	0.63
37,862	Nestle	3,147	0.27
167,190	Novartis	11,287	0.99
15,300	Sonova	2,695	0.24
87,416	STMicroelectronics	1,533	0.13
9,972	Swiss Re	801	0.07
		36,636	3.20
Euro Denominated Futures Contracts 0.00% (31 October 2018 (0.02)%)			
(67)	DJ Euro Stoxx 50 Futures December 2019	-	-
		-	-
Swiss Franc Denominated Forward Exchange Contracts 0.00% (31 October 2018 0.00%)			
CHF2,200,000	Swiss Franc v Sterling Forward Exchange Contract	(7)	-
		(7)	-
Japan 8.32% (31 October 2018 8.08%)			
Japan Equities 8.32% (31 October 2018 8.08%)			
176,900	77 Bank	2,174	0.19
56,700	Advantest	1,998	0.17
22,000	Ajinomoto	323	0.03
106,300	Aoyama Trading	1,447	0.13
619,400	Astellas Pharma	8,207	0.72
91,100	Capcom	1,667	0.15
53,100	Chubu Electric Power	613	0.05
16,200	Daiichi Sankyo	824	0.07
23,000	Daito Trust Construction	2,356	0.21
4,200	Denso	152	0.01
119,300	Dip	2,507	0.22
233,600	DMG Mori	2,954	0.26

Portfolio statement (continued)

as at 31 October 2019

Holding	Investment	Market Value £'000	Percentage of total net assets %
	Japan Equities (continued)		
48,600	Eisai	2,732	0.24
12,200	Fancl	267	0.02
4,900	FANUC	755	0.07
74,500	Fuji	963	0.08
10,300	Geo	99	0.01
67,400	Goldcrest	1,073	0.09
3,800	Goldwin	224	0.02
58,590	GungHo Online Entertainment	983	0.09
667,000	Gunma Bank	1,741	0.15
11,700	Ibiden	209	0.02
5,000	Ichibanya	180	0.02
43,100	Japan Petroleum Exploration	856	0.07
4,600	Kakaku.com	83	0.01
40,700	Kirin Holdings	669	0.06
606,600	Mebuki Financial	1,194	0.10
15,000	Meitec	606	0.05
209,800	Mitsubishi Electric	2,327	0.20
121,600	Mitsubishi Estate	1,826	0.16
961,000	Mitsubishi UFJ Financial	3,903	0.34
106,500	Mixi	1,592	0.14
4,482,300	Mizuho Financial	5,394	0.47
14,000	MS&AD Insurance	350	0.03
4,900	Nihon M&A Center	116	0.01
5,300	Nintendo	1,459	0.13
27	Nippon Accommodations Fund	131	0.01
348,000	Nippon Sheet Glass	1,693	0.15
51,200	Nissan Chemical	1,634	0.14
371,400	Nissan Motor	1,825	0.16
13,700	Nitto Denko	589	0.05
56,700	Oji	228	0.02
24,900	Olympus	263	0.02
28,700	Ono Pharmaceutical	419	0.04
77,800	Resona	264	0.02
46,500	Shikoku Electric Power	356	0.03
14,000	Shin-Etsu Chemical	1,214	0.11
115,100	Shionogi	5,350	0.47
391,200	Shizuoka Bank	2,319	0.20
184,800	Showa	3,003	0.26
20,700	Showa Denko	453	0.04
7,800	Sony Financial	130	0.01
56,300	Sumitomo Dainippon Pharma	763	0.07
21,600	Sundrug	553	0.05
778,800	Suruga Bank	2,622	0.23
8,700	Suzuki Motor	319	0.03
80,300	Taisei	2,460	0.22
42,600	T-Gaia	795	0.07
16,700	Toho Gas	503	0.04
70,400	Tokio Marine	2,944	0.26
38,900	Tokuyama	808	0.07
522,500	Tokyo Electric Power	1,867	0.16
11,600	Tokyo Electron	1,824	0.16
68,700	Tomy	578	0.05
154,800	United Arrows	3,655	0.32
167,700	YA-MAN	843	0.07
		95,228	8.32

Portfolio statement (continued)

as at 31 October 2019

Holding	Investment	Market Value £'000	Percentage of total net assets %
Middle East 0.52% (31 October 2018 0.48%)			
Israel Equities 0.52% (31 October 2018 0.48%)			
716	Check Point Software Technologies	62	0.01
61,966	CyberArk Software	4,970	0.43
11,595	Phoenix	54	0.01
41,149	Radware	705	0.06
2,284	Taro Pharmaceutical Industries	142	0.01
		5,933	0.52
North America 65.79% (31 October 2018 63.51%)			
Bermuda Equities 0.70% (31 October 2018 0.55%)			
973	Argo Group	47	-
26,733	Everest Re	5,252	0.46
14,807	RenaissanceRe	2,119	0.19
73,887	Third Point Reinsurance	544	0.05
		7,962	0.70
Canada Equities 4.27% (31 October 2018 3.86%)			
17,811	AltaGas	193	0.02
171,565	B2Gold	444	0.04
12,027	Canadian National Railway	838	0.07
44,688	Canadian Natural Resources	876	0.08
1,342	Canadian Pacific Railway	237	0.02
45,537	CI Financial	513	0.05
186,957	Crescent Point Energy	566	0.05
61,252	Dream Office Real Estate Investment Trust Units Series 'A'	1,049	0.09
1,875	Fairfax Financial	610	0.05
75,728	Genworth MI Canada	2,344	0.21
81,292	Gildan Activewear	1,609	0.14
35,788	Granite Real Estate Investment Trust Stapled Units	1,352	0.12
91,733	Great West Lifeco	1,674	0.15
15,313	Home Capital	243	0.02
51,242	iA Financial	1,883	0.16
38,667	IMAX	626	0.06
217,333	Imperial Oil	4,170	0.36
13,225	Labrador Iron Ore Royalty	176	0.02
10,684	Lululemon Athletica	1,697	0.15
537,934	Manulife Financial	7,785	0.68
241,541	Northland Power	3,652	0.32
15,304	Nutrien	576	0.05
30,659	Onex	1,378	0.12
112,304	Parex Resources	1,188	0.10
107,254	Resolute Forest Products	377	0.03
237,329	RioCan Real Estate Investment Trust	3,656	0.32
123,390	Sun Life Financial	4,284	0.37
3,772	Suncor Energy	88	0.01

Portfolio statement (continued)

as at 31 October 2019

Holding	Investment	Market Value £'000	Percentage of total net assets %
	Canada Equities (continued)		
18,853	Thomson Reuters	984	0.09
12,239	Torex Gold Resources	124	0.01
45,290	Toronto-Dominion	1,996	0.17
165,085	TransAlta	739	0.06
117,138	Tricon Capital	723	0.06
13,079	Westshore Terminals Investment Corporation	174	0.02
		48,824	4.27
	Puerto Rico Equities 0.00% (31 October 2018 0.27%)		
	United States Equities 60.82% (31 October 2018 58.84%)		
22,207	3M	2,885	0.25
11,615	Abbott Laboratories	753	0.07
10,584	AbbVie	651	0.06
2,363	ABIOMED	331	0.03
12,706	Acuity Brands	1,261	0.11
2,681	Adobe	576	0.05
520,086	AES	6,903	0.60
21,383	Alexion Pharmaceuticals	1,753	0.15
143,874	Allison Transmission	5,166	0.45
60,999	Allstate	4,940	0.43
11,140	Alphabet 'A'	10,836	0.95
11,228	Alphabet 'C'	10,926	0.96
13,072	Amazon.com	17,954	1.57
65,194	Ameren	3,902	0.34
7,165	American Equity Investment Life	139	0.01
8,046	American Financial	642	0.06
76,144	American International	3,091	0.27
903	American States Water	66	0.01
4,468	American Tower	749	0.07
4,311	American Water Works	402	0.04
5,705	Ameriprise Financial	669	0.06
3,476	AMERISAFE	172	0.02
7,836	AmerisourceBergen	519	0.05
23,476	Amgen	3,820	0.33
6,867	Anthem	1,449	0.13
144,452	Apple	27,114	2.37
321,740	Apple Hospitality REIT	4,072	0.36
20,709	Applied Materials	882	0.08
36,464	Arch Coal	2,308	0.20
15,281	Arconic	324	0.03
48,305	Aspen Technology	4,427	0.39
8,658	Athene	293	0.03
3,168	AutoZone	2,808	0.25
20,957	AvalonBay Communities	3,539	0.31
200,789	AXA Equitable	3,407	0.30
9,316	Axon Enterprise	377	0.03
2,663	Baker Hughes	44	-
63,978	Bank of America	1,561	0.14
3,507	Best Buy	197	0.02

Portfolio statement (continued)

as at 31 October 2019

Holding	Investment	Market Value £'000	Percentage of total net assets %
	United States Equities (continued)		
17,701	Biogen	4,096	0.36
2,063	BioMarin Pharmaceutical	117	0.01
26,099	Black Hills	1,588	0.14
728	Booking	1,150	0.10
3,841	Boston Beer	1,101	0.10
23,607	Brighthouse Financial	701	0.06
14,303	Broadcom	3,203	0.28
37,881	Bruker	1,303	0.11
115,378	Cadence Design Systems	5,959	0.52
13,277	California Water Service	560	0.05
24,664	Capital One Financial	1,799	0.16
41,782	CBS	1,147	0.10
121,244	Cerner	6,371	0.56
60,847	Chevron	5,462	0.48
118,889	Ciena	3,373	0.30
5,526	Cigna	752	0.07
47,257	Cincinnati	4,112	0.36
1,192	Cintas	254	0.02
18,115	Cirrus Logic	816	0.07
318,135	Cisco Systems	11,673	1.02
17,334	Coca-Cola	721	0.06
30,135	Cognizant Technology Solutions	1,393	0.12
142,267	Colgate-Palmolive	7,527	0.66
17,791	Columbia Property Trust	284	0.02
16,517	Columbia Sportswear	1,187	0.10
15,286	CommVault Systems	594	0.05
132,268	ConocoPhillips	5,617	0.49
13,329	Continental Building Products	311	0.03
32,114	Continental Resources	708	0.06
3,166	Cooper	714	0.06
42,078	Copart	2,727	0.24
19,543	CorePoint Lodging	148	0.01
75,404	Corteva	1,601	0.14
3,846	Crown Castle	413	0.04
18,728	Deckers Outdoor	2,183	0.19
7,005	Dell Technologies	291	0.03
144,490	Delta Air Lines	6,169	0.54
70,872	Discover Financial Services	4,436	0.39
64,488	DTE Energy Co	6,317	0.55
40,789	DuPont de Nemours	2,067	0.18
4,715	Eagle Pharmaceuticals	231	0.02
238,857	eBay	6,609	0.58
44,608	Edgewell Personal Care	1,232	0.11
8,121	Edison International	390	0.03
10,915	Edwards Lifesciences	2,014	0.18
11,306	Electronic Arts	844	0.07
11,428	Eli Lilly	994	0.09
29,125	EOG Resources	1,565	0.14
49,871	EQT	382	0.03
1,921	Erie Indemnity	281	0.02

Portfolio statement (continued)

as at 31 October 2019

Holding	Investment	Market Value £'000	Percentage of total net assets %
	United States Equities (continued)		
35,897	Essent	1,435	0.13
43,684	Estee Lauder	6,527	0.57
36,639	Evercore	2,083	0.18
159,910	Exelon	5,756	0.50
453	Expeditors International of Washington	26	-
21,943	Extra Space Storage	1,877	0.16
106,201	Exxon Mobil	5,551	0.49
50,643	F5 Networks	5,618	0.49
111,677	Facebook	16,214	1.42
12,447	FactSet Research Systems	2,436	0.21
19,057	First Solar	762	0.07
273,836	Ford Motor	1,802	0.16
51,287	Fortinet	3,268	0.29
27,761	Franklin Resources	601	0.05
3,345	FTI Consulting	281	0.02
7,661	FTS International	10	-
443,590	General Electric	3,461	0.30
73,756	General Motors	2,158	0.19
18,684	Genesco	568	0.05
68,241	Gilead Sciences	3,325	0.29
30,731	Glu Mobile	145	0.01
13,134	Goldman Sachs	2,187	0.19
35,235	GrafTech International	345	0.03
35,096	Greenhill	444	0.04
25,928	Hanesbrands	321	0.03
17,271	Hanover Insurance	1,719	0.15
49,156	Hartford Financial Services	2,160	0.19
17,107	Hasbro	1,311	0.11
3,112	HCA Healthcare	324	0.03
23,437	HD Supply	725	0.06
5,318	HEICO	495	0.04
7,530	Henry Schein	365	0.03
6,525	Herman Miller	239	0.02
24,640	Home Depot	4,492	0.39
25,194	Honeywell International	3,395	0.30
151,153	Host Hotels & Resorts	1,942	0.17
3,684	Humana	836	0.07
4,473	Huntington Ingalls Industries	777	0.07
24,000	IDEXX Laboratories	5,064	0.44
17,416	Incyte	1,124	0.10
46,744	Innoviva	404	0.04
246,053	Intel	10,746	0.94
36,318	Intuit	7,286	0.64
1,222	Intuitive Surgical	524	0.05
12,572	Invesco	164	0.01
87,517	Johnson & Johnson	8,969	0.78
206,553	Johnson Controls	6,889	0.60
25,151	Jones Lang LaSalle	2,885	0.25
53,130	JPMorgan Chase	5,155	0.45

Portfolio statement (continued)

as at 31 October 2019

Holding	Investment	Market Value £'000	Percentage of total net assets %
United States Equities (continued)			
24,646	Juniper Networks	474	0.04
196,517	KAR Auction Services	3,827	0.33
54,780	Kforce	1,703	0.15
15,981	Kimberly-Clark	1,648	0.14
48,781	L Brands	635	0.06
10,599	L3 Harris Technologies	1,699	0.15
1,945	Lam Research	417	0.04
50,220	Landstar System	4,461	0.39
11,729	Lattice Semiconductor	178	0.02
5,979	Legg Mason	169	0.01
4,396	Lennox International	841	0.07
17,537	Lockheed Martin	5,123	0.45
6,010	Loews	228	0.02
2,715	Lowe's	233	0.02
15,472	Macerich	327	0.03
47,847	Macy's	558	0.05
68,791	Manhattan Associates	4,163	0.36
1,603	MarketAxess	444	0.04
8,911	Masimo	1,016	0.09
20,758	Mastercard	4,441	0.39
25,033	McKesson	2,643	0.23
8,911	Medifast	776	0.07
12,631	Medpace	731	0.06
158,387	Merck (US Listing)	10,542	0.92
57,547	Mercury General	2,108	0.18
10,222	Meritor	182	0.02
216,129	MetLife	7,720	0.68
924	Mettler-Toledo International	505	0.04
104,010	Micron Technology	3,843	0.34
210,509	Microsoft	23,480	2.05
937	Molina Healthcare	90	0.01
10,594	Monolithic Power Systems	1,239	0.11
119,633	Monster Beverage	5,183	0.45
42,847	Motorola Solutions	5,464	0.48
13,608	MSCI	2,399	0.21
18,019	MSG Networks	230	0.02
112,710	National Fuel Gas	3,942	0.34
275	National Western Life	57	-
859	Navient	9	-
12,561	NetApp	546	0.05
7,052	Nefflix	1,586	0.14
24,367	New Jersey Resources	824	0.07
1,804	NewMarket	675	0.06
41,142	Nielsen	641	0.06
90,588	Nike	6,304	0.55
21,374	NiSource	454	0.04
14,988	Northrop Grumman	4,096	0.36
6,369	NRG Energy	200	0.02
14,665	NVIDIA	2,297	0.20
762	NVR	2,128	0.19
189,964	OGE Energy	6,318	0.55

Portfolio statement (continued)

as at 31 October 2019

Holding	Investment	Market Value £'000	Percentage of total net assets %
	United States Equities (continued)		
31,903	ONE Gas	2,287	0.20
36,889	OneMain	1,153	0.10
90,637	Oracle	3,836	0.34
18,930	Oshkosh	1,304	0.11
161,704	Paramount	1,703	0.15
203,446	Park Hotels & Resorts	3,703	0.32
13,094	PayPal	1,076	0.09
82,003	PepsiCo	8,661	0.76
63,010	Pfizer	1,871	0.16
71,740	Piedmont Office Realty Trust	1,189	0.10
11,392	Pinnacle West Capital	825	0.07
1,186	Pioneer Natural Resources	112	0.01
2,504	Portland General Electric	110	0.01
88,077	Principal Financial	3,691	0.32
116,398	Procter & Gamble	11,222	0.98
53,948	Progress Software	1,677	0.15
47,792	Progressive	2,559	0.22
33,370	Prudential Financial	2,377	0.21
7,178	PS Business Parks	1,003	0.09
40,524	Public Storage	6,983	0.61
44,561	PulteGroup	1,360	0.12
15,650	Qorvo	964	0.08
82,829	QUALCOMM	5,203	0.46
154,141	Qurate	1,148	0.10
19,505	Radian	371	0.03
40,657	Ralph Lauren	3,030	0.27
1,698	Rayonier	39	-
86,739	Retail Properties of America	923	0.08
4,711	REX American Resources	290	0.03
6,400	RLI	480	0.04
113,945	Robert Half International	5,109	0.45
4,173	SBA Communications Class A	778	0.07
1,811	Scotts Miracle-Gro	138	0.01
28,836	Sealed Air	948	0.08
7,044	SEI Investments	331	0.03
22,975	Shoe Carnival	597	0.05
38,682	Simon Property	4,512	0.39
1,579	Simpson Manufacturing	101	0.01
154,584	Sirius XM	771	0.07
28,377	Skyworks Solutions	1,991	0.17
18,350	Sleep Number	693	0.06
4,570	Sonos	46	-
22,063	Southwest Airlines	971	0.09
5,279	Spectrum Brands	205	0.02
1,850	Spirit AeroSystems	113	0.01
62,164	Starbucks	4,041	0.35
53,679	Symantec	952	0.08
68,292	T Rowe Price	6,195	0.54
25,301	Target	2,107	0.18
17,136	Tempur Sealy International	1,082	0.09
50,829	Teradata	1,194	0.10

Portfolio statement (continued)

as at 31 October 2019

Holding	Investment	Market Value £'000	Percentage of total net assets %
United States Equities (continued)			
13,121	Teradyne	635	0.06
2,447	Tetra Tech	168	0.01
81,570	Texas Instruments	7,413	0.65
42,196	Textron	1,520	0.13
40,747	Travelers	4,081	0.36
54,409	TripAdvisor	1,690	0.15
16,197	Twitter	373	0.03
154,732	UGI	5,731	0.50
121,082	Under Armour	1,943	0.17
15,092	Union Pacific	1,956	0.17
18,256	UnitedHealth	3,591	0.31
6,788	Universal Display	910	0.08
46,320	Universal Insurance	1,055	0.09
24,263	Unum	514	0.05
24,906	USANA Health Sciences	1,449	0.13
15,541	Varian Medical Systems	1,468	0.13
1,394	Veeva Systems	158	0.01
30,330	VeriSign	4,486	0.39
58,995	Verizon Communications	2,769	0.24
15,906	Vertex Pharmaceuticals	2,446	0.21
45,356	VF	2,881	0.25
89,695	Visa	12,406	1.08
31,784	Vistra Energy	668	0.06
135,170	Vornado Realty Trust	6,957	0.61
6,659	Voya Financial	280	0.02
47,429	Walgreens Boots Alliance	2,044	0.18
8,265	Walt Disney	827	0.07
40,979	Warrior Met Coal	689	0.06
453	Waters	75	0.01
7,403	WD-40	1,068	0.09
1,245	West Pharmaceutical Services	139	0.01
3,779	Whirlpool	451	0.04
6,608	Xerox	174	0.02
74,434	Xilinx	5,240	0.46
41,819	Yelp	1,125	0.10
		695,788	60.82
US Dollar Denominated Futures Contracts 0.00% (31 October 2018 (0.01)%)			
(36)	S&P 500 E-Mini Futures December 2019	(26)	-
		(26)	-
United Kingdom 4.96% (31 October 2018 6.10%)			
United Kingdom Equities 4.96% (31 October 2018 6.10%)			
45,624	3i	516	0.04
60,981	Aggreko	478	0.04
139,505	Amcor	1,029	0.09
124,948	Ashmore	580	0.05
773,937	Aviva	3,194	0.28

Portfolio statement (continued)

as at 31 October 2019

Holding	Investment	Market Value £'000	Percentage of total net assets %
United Kingdom Equities (continued)			
7,996	Berkeley	350	0.03
145,692	Burberry	2,974	0.26
12,078	Capri	295	0.03
119,578	Computacenter	1,642	0.14
272,395	Diageo	8,639	0.75
51,343	Dialog Semiconductor	1,773	0.15
404,132	Direct Line Insurance	1,110	0.10
1,007,104	Drax	3,041	0.27
17,913	EMIS	193	0.02
10,936	Fevertree Drinks	204	0.02
159,978	Firstgroup	208	0.02
21,132	Go-Ahead	435	0.04
485,700	Great Portland Estates	3,870	0.34
602,108	Gulf Keystone Petroleum	1,228	0.11
534,078	Howden Joinery	3,092	0.27
69,918	HSBC (UK Listing)	407	0.04
455,265	Man Group	650	0.06
98,610	Marshalls	708	0.06
28,212	Meggitt	177	0.02
1,030,901	QinetiQ	3,239	0.28
14,979	Rio Tinto (Australian Listing)	721	0.06
125,614	Rio Tinto (UK Listing)	5,026	0.44
24,879	Rolls-Royce	177	0.01
18,166	Rotork	55	-
738,139	Royal Mail	1,565	0.14
903,263	Serco	1,408	0.12
45,740	Smith & Nephew	773	0.07
106,071	Softcat	996	0.09
350,831	Standard Chartered (UK Listing)	2,459	0.21
38,412	Unilever	1,774	0.15
1,143,382	Vodafone	1,800	0.16
		56,786	4.96
Investment assets*		1,163,003	101.67
Net other liabilities		(19,073)	(1.67)
Total net assets		1,143,930	100.00

* Including investment liabilities.

All investments (excluding OTC derivatives) are approved securities being either officially listed in a member state or traded on or under the rules of an eligible securities market.

All investments are in ordinary shares.

Statement of total return

for the year from 1 November 2018 to 31 October 2019

		01.11.18 to 31.10.19 £'000	01.11.18 to 31.10.19 £'000	01.11.17 to 31.10.18 £'000	01.11.17 to 31.10.18 £'000
	Note				
Income					
Net capital gains/(losses)	2		68,877		(3,122)
Revenue	3	23,547		15,117	
Expenses	4	(10,673)		(9,184)	
Interest payable and similar charges	5	(50)		(40)	
Net revenue before taxation		12,824		5,893	
Taxation	6	(2,447)		(1,469)	
Net revenue after taxation			10,377		4,424
Total return before distributions			79,254		1,302
Distributions	7		(10,396)		(4,577)
Change in net assets attributable to shareholders from investment activities			68,858		(3,275)

Statement of change in net assets attributable to shareholders

for the year from 1 November 2018 to 31 October 2019

	01.11.18 to 31.10.19 £'000	01.11.18 to 31.10.19 £'000	01.11.17 to 31.10.18 £'000	01.11.17 to 31.10.18 £'000
Opening net assets attributable to shareholders		1,010,711		783,740
Amounts received on issue of shares	363,644		299,150	
Amounts paid on cancellation of shares	(308,466)		(74,225)	
		55,178		224,925
Dilution adjustment		(1)		62
Change in net assets attributable to shareholders from investment activities		68,858		(3,275)
Retained distribution on accumulation shares		9,184		5,259
Closing net assets attributable to shareholders		1,143,930		1,010,711

The notes on pages 94 to 103 form an integral part of these financial statements.

Balance sheet

as at 31 October 2019

	Note	31.10.19 £'000	31.10.18 £'000
Assets			
Fixed assets			
Investments	13	1,163,036	985,046
Current assets			
Debtors	8	3,394	17,734
Cash and bank balances	9	3,480	19,456
Total assets		1,169,910	1,022,236
Liabilities			
Investment liabilities		(33)	(228)
Creditors			
Bank overdrafts	10	(10,173)	-
Other creditors	11	(15,774)	(11,297)
Total liabilities		(25,980)	(11,525)
Net assets attributable to shareholders		1,143,930	1,010,711

The notes on pages 94 to 103 form an integral part of these financial statements.

Notes to the financial statements

for the year from 1 November 2018 to 31 October 2019

1 Accounting policies

The applicable accounting policies adopted by the Merian Global Equity Fund are included on pages 167 to 168.

2 Net capital gains/(losses)

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

	01.11.18 to 31.10.19 £'000	01.11.17 to 31.10.18 £'000
Gains/(losses) on non-derivative securities	69,043	(3,098)
Gains/(losses) on derivative contracts	734	(128)
(Losses)/gains on forward currency contracts	(7)	154
Losses on currency contracts	(850)	(7)
Handling charges	(43)	(43)
Net capital gains/(losses) on investments	68,877	(3,122)

3 Revenue

	01.11.18 to 31.10.19 £'000	01.11.17 to 31.10.18 £'000
Bank interest	23	2
Non-taxable overseas dividends	19,763	12,693
Taxable overseas dividends	1,673	716
UK dividends	1,927	1,706
US REIT Dividends	161	-
Total revenue	23,547	15,117

4 Expenses

Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:

	01.11.18 to 31.10.19 £'000	01.11.17 to 31.10.18 £'000
Fixed Ongoing Charge*	10,673	6,482
Authorised Corporate Director's periodic charge**	-	2,071
Fixed expenses**	-	631
Total expenses	10,673	9,184

* This figure represents the Fixed Ongoing Charge that was introduced from 1 March 2018, which covers all fees payable by the sub-fund to the Authorised Corporate Director, Investment adviser, Depositary (including associates etc.) and other expenses.

** These figures represent the charges to 28 February 2018, which have now been replaced by the Fixed Ongoing Charge. The Audit fee for the year, excluding VAT, was £6,500 (31 October 2018: £7,100). As a result of the change to a Fixed Ongoing Charge basis, this expense is split between other expenses and Fixed Ongoing Charge in the prior year.

Notes to the financial statements (continued)

for the year from 1 November 2018 to 31 October 2019

5 Interest payable and similar charges

	01.11.18 to 31.10.19 £'000	01.11.17 to 31.10.18 £'000
Bank overdraft interest	50	40
Total interest payable and similar charges	50	40

6 Taxation

a) Analysis of tax charge in the year

	01.11.18 to 31.10.19 £'000	01.11.17 to 31.10.18 £'000
Overseas tax suffered	2,447	1,469
Total current tax charge for the year	2,447	1,469
Deferred tax charge for the year (see note 6(c))	-	-
Total taxation for the year (see note 6(b))	2,447	1,469

b) Factors affecting current tax charge for the year

	01.11.18 to 31.10.19 £'000	01.11.17 to 31.10.18 £'000
The taxation assessed for the year is lower than the standard rate of corporation tax in the UK for an open-ended investment company (20%). The differences are explained below:		
Net revenue before taxation	12,824	5,893
Corporation tax at 20% (31 October 2018: 20%)	2,565	1,179
Effects of:		
Excess management expenses for which no relief taken	1,822	1,714
Revenue not subject to taxation – UK	(385)	(341)
Non-taxable overseas dividends	(3,953)	(2,539)
Overseas tax expensed	(50)	(13)
Overseas tax suffered	2,447	1,469
Total tax charge for the year (see note 6 (a))	2,446	1,469

OEICs are exempt from tax on capital gains, therefore, any capital return is not included in the above reconciliation.

Notes to the financial statements (continued)

for the year from 1 November 2018 to 31 October 2019

6 Taxation (continued)

c) Movement in deferred tax liability

	01.11.18 to 31.10.19 £'000	01.11.17 to 31.10.18 £'000
Deferred tax liability at the start of the year	-	-
Deferred tax charge for the year (see note 6(a))	-	-
Deferred tax liability at the end of the year	-	-

As at 31 October 2019, the sub-fund had surplus management expenses of £32,230,034 (31 October 2018: £23,193,067) which can be utilised against profits chargeable to corporation tax in future periods. It is unlikely that the sub-fund will generate sufficient taxable profits in the future to utilise these expenses and, therefore, no deferred tax asset has been recognised.

7 Distributions

The distributions take account of revenue received on the issue of shares and revenue deducted on the cancellation of shares, and comprise:

	01.11.18 to 31.10.19 £'000	01.11.17 to 31.10.18 £'000
Final – Accumulation shares (31 October)	9,184	5,259
	9,184	5,259
Revenue deducted on cancellation of shares	1,399	135
Revenue received on issue of shares	(187)	(817)
Distributions	10,396	4,577
Reconciliation of distributions:		
Net revenue after taxation	10,377	4,424
Equalisation on conversions	19	1
Revenue deficit reimbursed from capital	-	152
Distributions	10,396	4,577

Details of the final distributions per share are set out in the table on page 104.

8 Debtors

	31.10.19 £'000	31.10.18 £'000
Accrued revenue	1,464	1,130
Amounts receivable for issue of shares	9	6,824
Overseas tax recoverable	535	381
Sales awaiting settlement	1,386	9,399
Total debtors	3,394	17,734

Notes to the financial statements (continued)

for the year from 1 November 2018 to 31 October 2019

9 Cash and bank balances

	31.10.19 £'000	31.10.18 £'000
Amounts held at futures clearing houses and brokers	345	1,781
Cash and bank balances	3,135	17,675
Total cash and bank balances	3,480	19,456

10 Bank overdrafts

	31.10.19 £'000	31.10.18 £'000
Cash and bank overdrafts	10,173	-
Total overdrafts	10,173	-

11 Other creditors

	31.10.19 £'000	31.10.18 £'000
Accrued expenses	891	871
Amounts payable for cancellation of shares	14,626	13
Purchases awaiting settlement	257	10,413
Total other creditors	15,774	11,297

12 Related party transactions

Quilter Investors Limited were ACD until 31 March 2019, thereafter, Merian Investment Management Limited, were ACD, thus both were a related party during the year, and acted as principal in respect of all transactions of shares in each sub-fund. The aggregate monies received on issue and paid on cancellation are disclosed in the Statement of change in net assets attributable to shareholders on page 92. Any amounts due to or from Merian Investment Management Limited at the end of the accounting year in respect of transactions of shares in each sub-fund are disclosed in notes 8 and 11. Other amounts paid to the ACD are disclosed in note 4 and amounts due to it at the year end are disclosed in note 11.

Notes to the financial statements (continued)

for the year from 1 November 2018 to 31 October 2019

13 Derivatives and other financial instruments

a) Financial instrument risk

The sub-fund, in pursuing its investment objective, may hold a range of financial instruments in line with its investment policy.

The ACD has established a risk management policy and permanent risk management function to identify, measure, monitor and manage all risks relevant to the sub-fund. This is designed to meet the key requirements of investor protection and to ensure compliance with the FCA's regulatory requirements.

Adherence to the investment guidelines and the investment and borrowing powers as set out in the Prospectus and in the rules of the Regulations also mitigates the risk of excessive exposure to any particular type of security or issuer. Further information on the investment portfolio is set out in the Investment Manager's review and the Portfolio statement of each sub-fund.

The main risks arising from financial instruments are interest rate risk, foreign currency risk, credit risk, counterparty risk, liquidity risk and market risk which are summarised below.

b) Foreign currency risk

A significant proportion of the sub-fund's financial assets and liabilities are invested overseas. As a result, movements in exchange rates may affect the market price of investments and, due to timing differences between the transaction dates of investment sales, purchases and income, and actual cash settlement, create currency exchange gains/losses. The Investment Manager does seek to reduce some of this risk by using forward currency contracts.

The direct foreign currency exposure of the sub-fund as at 31 October 2019 (31 October 2018) was as follows:

Currency	Net foreign currency assets			Net foreign currency assets		
	Monetary exposures*	Non-monetary exposures	Total	Monetary exposures*	Non-monetary exposures	Total
	31.10.19 £'000	31.10.19 £'000	31.10.19 £'000	31.10.18 £'000	31.10.18 £'000	31.10.18 £'000
Australian Dollar	488	25,959	26,447	1,478	20,728	22,206
Canadian Dollar	93	46,124	46,217	3,806	33,393	37,199
Danish Krone	295	9,511	9,806	308	16,178	16,486
Euro	376	139,653	140,029	1,686	99,251	100,937
Hong Kong Dollar	639	16,347	16,986	793	13,158	13,951
Israeli Shekel	217	54	271	249	-	249
Japanese Yen	1,747	95,228	96,975	1,104	81,627	82,731
New Zealand Dollar	126	2,195	2,321	707	1,001	1,708
Norwegian Krone	205	2,517	2,722	152	9,192	9,344
Singapore Dollar	581	2,973	3,554	1,037	6,342	7,379
Swedish Krona	324	6,424	6,748	602	3,214	3,816
Swiss Franc	571	29,527	30,098	1,296	20,506	21,802
US Dollar	448	727,600	728,048	4,845	614,484	619,329
Total	6,110	1,104,112	1,110,222	18,063	919,074	937,137

* For the purpose of the above disclosure, monetary is taken to include only cash or near-cash items.

Currency sensitivity

A 5% increase in the value of the sub-fund's foreign currency exposure would have the effect of increasing the return and net assets as at 31 October 2019 by £55,511,080 or 4.85% (31 October 2018: £46,856,870 or 4.64%). A 5% decrease would have an equal and opposite effect.

Notes to the financial statements (continued)

for the year from 1 November 2018 to 31 October 2019

13 Derivatives and other financial instruments (continued)

c) Interest rate risk

Interest rate risk is the risk of movements in the value of financial instruments as a result of fluctuations in interest rates.

The interest rate risk profile of the sub-fund's financial assets and liabilities at 31 October 2019 (31 October 2018) was as follows

Currency	Variable rate financial assets £'000	Fixed rate financial assets £'000	Financial assets not carrying interest £'000	Total £'000
31.10.19				
Australian Dollar	-	-	26,827	26,827
Canadian Dollar	60	-	46,157	46,217
Danish Krone	226	-	9,580	9,806
Euro	211	-	139,818	140,029
Hong Kong Dollar	712	-	16,422	17,134
Israeli Shekel	217	-	54	271
Japanese Yen	537	-	96,501	97,038
New Zealand Dollar	126	-	2,195	2,321
Norwegian Krone	198	-	2,524	2,722
Singapore Dollar	376	-	3,178	3,554
Sterling	-	-	60,745	60,745
Swedish Krona	323	-	6,425	6,748
Swiss Franc	297	-	29,801	30,098
US Dollar	197	-	727,924	728,121
Total	3,480	-	1,168,151	1,171,631

Currency	Variable rate financial assets £'000	Fixed rate financial assets £'000	Financial assets not carrying interest £'000	Total £'000
31.10.18				
Australian Dollar	1,461	-	21,026	22,487
Canadian Dollar	3,561	-	33,823	37,384
Danish Krone	265	-	16,336	16,601
Euro	1,839	-	100,261	102,100
Hong Kong Dollar	205	-	14,687	14,892
Israeli Shekel	249	-	-	249
Japanese Yen	1,581	-	83,897	85,478
New Zealand Dollar	631	-	1,120	1,751
Norwegian Krone	143	-	9,201	9,344
Singapore Dollar	905	-	6,474	7,379
Sterling	928	-	74,060	74,988
Swedish Krona	601	-	3,215	3,816
Swiss Franc	898	-	20,904	21,802
US Dollar	6,189	-	617,776	623,965
Total	19,456	-	1,002,780	1,022,236

Notes to the financial statements (continued)

for the year from 1 November 2018 to 31 October 2019

13 Derivatives and other financial instruments (continued)

c) Interest rate risk (continued)

Currency	Variable rate financial liabilities £'000	Financial liabilities not carrying interest £'000	Total £'000
31.10.19			
Australian Dollar	(334)	(46)	(380)
Hong Kong Dollar	-	(148)	(148)
Japanese Yen	-	(63)	(63)
Sterling	(9,792)	(17,245)	(27,037)
US Dollar	(47)	(26)	(73)
Total	(10,173)	(17,528)	(27,701)

Currency	Variable rate financial liabilities £'000	Financial liabilities not carrying interest £'000	Total £'000
31.10.18			
Australian Dollar	-	(281)	(281)
Canadian Dollar	-	(185)	(185)
Danish Krone	-	(115)	(115)
Euro	-	(1,163)	(1,163)
Hong Kong Dollar	-	(941)	(941)
Japanese Yen	-	(2,747)	(2,747)
New Zealand Dollar	-	(43)	(43)
Sterling	-	(1,414)	(1,414)
US Dollar	-	(4,636)	(4,636)
Total	-	(11,525)	(11,525)

Interest rate risk sensitivity

In the event of changes in interest rates, there would be no material impact upon the assets of the sub-fund.

d) Credit risk

Credit risk is the risk of suffering loss due to another party not meeting its financial obligation. The risk is managed by the Investment Adviser who monitors the credit profile of financial instruments in accordance with the objective and policy of the sub-fund.

Adherence to the investment guidelines and the investment and borrowing powers as set out in the Prospectus and in the rules of the Regulations also mitigates the risk of excessive exposure to any particular type of security or issuer. Further information on the investment portfolio is set out in the Investment Manager's review and the Portfolio statement.

e) Counterparty risk

Certain transactions in financial instruments that a sub-fund enters into have the risk that the counterparty will not meet its financial obligations, i.e. the investment (purchase) or cash (sale) after the sub-fund has fulfilled its responsibilities.

The sub-fund will only buy and sell investments through brokers which have been approved by the ACD and Investment Adviser as an acceptable counterparty. This is overseen by the Depositary to ensure that the exposure to any counterparty remains appropriate for investors.

Notes to the financial statements (continued)

for the year from 1 November 2018 to 31 October 2019

13 Derivatives and other financial instruments (continued)

f) Liquidity risk

The sub-fund's assets comprise mainly of readily realisable securities which can be sold promptly to meet liquidity requirements. The main source of this risk comes from the obligation to shareholders to meet any cancellation of shares. Assets from the sub-fund may need to be sold to meet any redemption proceeds. As part of its operating duties the ACD regularly monitors the liquidity levels held on the sub-fund (cash and underlying securities) to ensure any redemption can be readily met. Some investments may be less liquid than other securities and can be more sensitive to economic factors. The rules of the Regulations mitigate the risk of excessive exposure to assets which are not readily realisable.

g) Market risk

Market risk arises from uncertainty about future prices of financial instruments held. The main source of risk to the sub-fund is the potential movement in the value of financial instruments held as a result of price fluctuations. Stock market prices can move erratically and be unpredictably affected by diverse factors including political and economic events but also rumours and sentiment. The ACD adheres to the investment guidelines and borrowing powers set out within the Prospectus and the COLL Sourcebook. In this way the ACD monitors and controls the exposure to risk from any type of security, sector or issuer. The sub-fund may also use derivative instruments to mitigate risk and reduce cost.

Market price risk sensitivity

A 5% market movement in the price of investments held by the sub-fund, with all other variables remaining constant, would result in an increase or decrease on net asset value of the sub-fund by approximately £58,150,186 or 5.08% (31 October 2018: £49,240,889 or 4.87%).

h) Fair value of financial assets and liabilities

There is no material difference between the carrying value of the financial assets and liabilities, as shown in the Balance Sheet, and their fair value.

Basis of valuation	31.10.19		31.10.18	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
Level 1: Quoted prices	1,163,036	(26)	985,036	(228)
Level 2: Observable market data	-	(7)	-	-
Level 3: Unobservable data	-	-	10	-
Total	1,163,036	(33)	985,046	(228)

i) Global exposure

The Investment Adviser assesses the market risk of the Merian Global Equity Fund, including any derivative exposures, using a commitment approach. All exposure arising through the investment in financial derivative instruments will be covered by the underlying assets of the sub-fund. The sub-fund will use the commitment approach methodology to measure, monitor and manage the "leverage" effect produced by the use of financial derivative instruments and for the calculation of global exposure. As the sub-fund uses the commitment approach it must ensure that its global exposure does not exceed its total net asset value and sub-fund may not therefore be leveraged in excess of 100% of its net asset value. In using the commitment approach for the calculation of global exposure, the sub-fund will convert each derivative position into the market value of an equivalent position in the underlying asset of that derivative. Using the commitment approach the global exposure is 0.00% (31 October 2018: 0.00%).

14 Contingent Liabilities

The sub-fund had no contingent liabilities at the Balance sheet date (31 October 2018: £Nil).

Notes to the financial statements (continued)

for the year from 1 November 2018 to 31 October 2019

15 Portfolio transaction costs

Analysis of total purchase costs

31.10.19

Equities

Total

Total purchase including transaction costs

Value £'000	Commissions £'000	%	Other costs £'000	%
2,203,284	330	0.01%	942	0.04%
2,203,284	330		942	
2,204,556				

31.10.18

Equities

Collective investment schemes

Total

Total purchase including transaction costs

Value £'000	Commissions £'000	%	Other costs £'000	%
1,753,512	260	0.01%	1,077	0.06%
1,279	-	0.02%	-	-
1,754,791	260		1,077	
1,756,128				

Analysis of total sale costs

31.10.19

Equities

Collective investment schemes

Corporate actions

Total

Total sale including transaction costs

Value £'000	Commissions £'000	%	Other costs £'000	%
2,094,415	307	0.01%	68	-
906	-	0.02%	-	-
382	-	-	-	-
2,095,703	307		68	
2,095,328				

31.10.18

Equities

Collective investment schemes

Corporate actions

Total

Total sale including transaction costs

Value £'000	Commissions £'000	%	Other costs £'000	%
1,538,818	224	0.01%	47	-
550	-	-	-	-
1,463	-	-	-	-
1,540,831	224		47	
1,540,560				

Transaction costs as a percentage of average Net Assets*

	31.10.19	31.10.18
Commissions	0.05%	0.08%
Other costs	0.08%	0.18%

* Includes commissions on derivative transactions of £20,600 (31 October 2018: £20,538). There were no taxes on derivative transactions (31 October 2018: £Nil).

In the case of shares, transaction costs are paid by the sub-fund on each transaction. Commissions relate to those paid to agents, advisers, brokers and dealers in the buying and selling of securities. Other costs include any additional fees that may be paid to agents, advisers, brokers and dealers as well as levies by regulatory agencies and security exchanges and any transfer taxes or duties. In addition, there is a dealing spread between the buying and selling prices of the underlying investments. Unlike shares, other types of investments have no separately identifiable transaction costs; these costs form part of the dealing spread. Dealing spreads may vary considerably depending on the transaction value and market sentiment. At the balance sheet date the dealing spread was 0.09% (31 October 2018: 0.12%).

Notes to the financial statements (continued)

for the year from 1 November 2018 to 31 October 2019

16 Shareholders' funds

The sub-fund currently has six share classes; Accumulation 'A', Accumulation 'E' USD, Accumulation 'P', Accumulation 'R', Accumulation 'U1' and Accumulation 'U2'. The net asset value of each share class, net asset value per share and the number of shares in issue are given in the information pages for each sub-fund.

The share classes currently in issue and the Fixed Ongoing Charge of each share class are shown below.

	31.10.19	31.10.18
- Accumulation 'A'	1.75%	1.75%
- Accumulation 'E' USD†	0.45%	-
- Accumulation 'P'	1.25%	1.25%
- Accumulation 'R'	1.00%	1.00%
- Accumulation 'U1'	0.925%	0.925%
- Accumulation 'U2'	0.85%	0.85%

Share class movement reconciliation

	Opening	Issued	Redeemed	Converted	Closing
- Accumulation 'A'	18,798,993	15,796,961	(21,073,184)	(896,345)	12,626,425
- Accumulation 'E' USD†	-	300,000,000	-	-	300,000,000
- Accumulation 'P'	3,098,287	126,958	(1,286,044)	-	1,939,201
- Accumulation 'R'	162,293,284	6,390,574	(27,262,398)	1,200,998	142,622,458
- Accumulation 'U1'	206,878,074	14,272,501	(44,192,374)	148,339	177,106,540
- Accumulation 'U2'	65,244,666	12,212,089	(29,337,793)	8,235	48,127,197

† Launched 25 April 2019.

17 Post balance sheet date events

There are no post balance sheet events requiring disclosure.

Distribution table

Final distribution

Group 1: Shares purchased prior to 1 November 2018
 Group 2: Shares purchased from 1 November 2018 to 31 October 2019

	Revenue pence/cents per share	Equalisation pence/cents per share*	Distribution paid 31.12.19 pence/cents per share	Distribution paid 31.12.18 pence/cents per share
Accumulation 'A' Shares				
Group 1	0.2428	-	0.2428	0.0000
Group 2	0.0643	0.1785	0.2428	0.0000
Accumulation 'E' USD Shares†				
Group 1	0.8209	-	0.8209	0.0000
Group 2	0.8209	0.0000	0.8209	0.0000
Accumulation 'P' Shares				
Group 1	1.2864	-	1.2864	0.5552
Group 2	0.7796	0.5068	1.2864	0.5552
Accumulation 'R' Shares				
Group 1	2.1912	-	2.1912	1.2988
Group 2	1.2105	0.9807	2.1912	1.2988
Accumulation 'U1' Shares				
Group 1	1.7845	-	1.7845	1.1127
Group 2	1.1023	0.6822	1.7845	1.1127
Accumulation 'U2' Shares				
Group 1	1.9593	-	1.9593	1.2746
Group 2	1.6881	0.2712	1.9593	1.2746

† Launched 25 April 2019.

* Equalisation only applies to shares purchased during the distribution period (Group 2 shares). It is the average amount of revenue included in the purchase price of all Group 2 shares and is refunded to holders as a return of capital. Being capital, it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

Merian Global Strategic Bond Fund

Launch date	26 November 1991
IA Sector	Sterling Strategic Bond
Investment adviser	Merian Global Investors (UK) Limited
Net asset value	£129,148,939

Investment Objective and Policy

To seek to achieve income and capital growth by delivering a return, net of fees, greater than that of the Bloomberg Barclays Global Aggregate Index (GBP hedged) over rolling 3 year periods.

The sub-fund primarily invests (at least 70%) in a diversified portfolio of global fixed, variable and zero rate debt securities, including government and corporate bonds. The sub-fund will vary the currencies in which it invests to enable it to achieve its objective.

The sub-fund may also invest in other transferable securities (including convertible securities), units in collective investment schemes (including those managed or operated by the ACD or an associate of the ACD), warrants, money market instruments, deposits and derivatives, and may hold cash.

The sub-fund may use derivatives for investment purposes or Efficient Portfolio Management purposes. The use of derivatives for investment purposes may affect the volatility or risk profile of the sub-fund although this is not the ACD's intention.

Investment Manager's review

2018 was the year of US exceptionalism, as the US diverged in both monetary policy and economic outcomes from the rest of the world. Tighter US policy was hurting growth in the rest of the world, and in Q4 slower global growth caught up with outperforming US assets. The start of 2019 proved to be much more supportive of risk given: a neutral Federal Reserve, the positive momentum in US-China trade talks and China's stimulus measures. Other central banks turned dovish too, further supporting risk and driving bond yields to recent lows.

Performance

During the first half of the period we retained a risk-on portfolio to capitalise on this bullish backdrop, with US Dollar denominated assets, such as hard currency emerging market assets, the clear outperformers for the fund. As a result, the fund outperformed the benchmark index in the first half.

Global growth remained in the doldrums in 2019 as the trade war weighed on business sentiment, but the strong response from central banks meant that financial assets have had an exceptional year.

The significant correction in equities and credit at the tail-end of 2018, together with an escalation in the Sino-US trade war, provoked a strong response from global monetary authorities with interest rates slashed and continued asset purchases. Most significantly, the Federal Reserve cut interest rates three times, ended quantitative tightening and started expanding its balance sheet via T-bill purchases. This led to a powerful rally in global bonds which was accompanied by credit spread tightening and steeper yield curves, and probably prevented a recession. The fund also outperformed the benchmark over the 12 months.

Outlook

Fed policy is critical to the outlook for 2020. With two-thirds of global liabilities denominated in US Dollars, economic and monetary divergence has negative consequences for global growth – high US interest rates and a strong dollar constrains corporate balance sheets, while high T-bill yields keep capital in the US. If geopolitical tensions persist and China continues to focus on financial stability over growth, then Fed policy is probably too tight and USD strength would result in flatter curves, lower corporate profits and weaker equity markets. Therefore, while the Fed may have averted a recession in 2019, we believe they'll be forced to ease further in the year ahead.

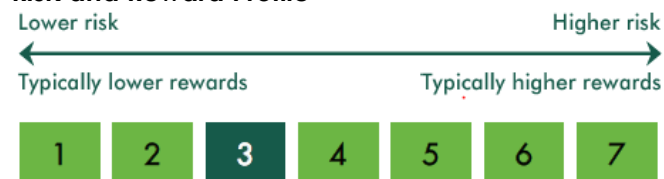
Portfolio construction has generally been centred around two core frameworks. At present, we believe that Fed policy is too tight so position for weaker risk assets, flatter curves and a stronger US Dollar. As risk assets roll over and the Fed sounds more dovish, we'll seek to add risk and inflation to the portfolio.

Value assessment for the year ended 31 October 2019

For further details on the value assessment report please refer to pages 8 to 12.

Merian Global Strategic Bond Fund

Risk and Reward Profile



The calculated risk and reward category, as shown above, uses a method of calculation derived from EU rules. It is based on the rate at which the returns of the sub-fund have moved up and down in the past (i.e. volatility) and is not a guide to the future risk and reward category of the sub-fund. The category shown is not a target or guarantee and may shift over time. Even the lowest category 1 does not mean a risk-free investment. The seven-category scale is nonlinear, for example, 2 is not twice as risky as 1.

Sub-funds in category 3 have in the past shown moderately low volatility. With a sub-fund of category 3, you have a moderately low risk of losing money but your chance for gains is also moderately low.

Investment risk - there is no guarantee that the sub-fund will achieve its objective. A capital loss of some or all of the amount invested may occur.

Emerging markets risk - less developed countries may face more political, economic or structural challenges than developed countries.

Credit risk - the issuer of a bond or a similar investment within the sub-fund may not pay income or repay capital to the sub-fund when due. Bonds which are rated below investment grade are considered to have a higher risk exposure with respect to meeting their payment obligations.

Contingent Convertible Bonds ("CoCos") risk - CoCos are subject to certain trigger events which create a different type of risk from traditional bonds and which may result in their conversion to company shares, or a partial or total loss of value.

Interest rate risk - investments in bonds are affected by interest rates and inflation trends which may affect the value of the sub-fund.

Liquidity risk - some investments may become hard to value or sell at a desired time and price. In extreme circumstances this may affect the sub-fund's ability to meet redemption requests upon demand.

Currency risk - the sub-fund is denominated in British Pounds but holds assets denominated in other currencies. The value of your shares may rise and fall as a result of exchange rate movements between these currencies.

Derivative risk - the sub-fund uses derivatives to generate returns (i.e. for investment purposes) and/or to reduce costs and the overall risk of the sub-fund. Using derivatives can involve a higher level of risk. A small movement in the price of an underlying investment may result in a disproportionately large movement in the price of the derivative investment. Derivatives also involve counterparty risk where the institutions acting as counterparty to derivatives may not meet their contractual obligations.

Capital erosion risk - the sub-fund takes its charges from the income of the sub-fund in the first instance. The impact of sub-fund charges may be material on the value of any income you receive from your investment. There is potential for capital erosion if insufficient income is generated by the sub-fund to cover these charges. Capital erosion may have the effect of reducing the level of income generated.

For a more detailed explanation of risks, please refer to the "Risks" section of the prospectus.

Performance Records

Comparative Tables

Accumulation 'A'	1 November 2018 to 31 October 2019 pence per share	1 November 2017 to 31 October 2018 pence per share	1 November 2016 to 31 October 2017 pence per share
Change in net assets per share			
Opening net asset value per share	308.35	322.05	316.04
Return before operating charges*	42.83	(10.04)	9.75
Operating charges**	(3.76)	(3.66)	(3.64)
Return after operating charges*	39.07	(13.70)	6.11
Distributions	(6.45)	(5.26)	(3.39)
Retained distributions	6.45	5.26	3.29
Closing net asset value per share	347.42	308.35	322.05
* after direct transaction costs of***	-	-	0.08
Performance			
Return after charges	12.67%	(4.25)%	1.93%
Other information			
Closing net asset value (£)	17,443,301	21,317,250	27,300,191
Closing number of shares	5,020,739	6,913,279	8,477,125
Operating charges****	1.15%	1.15%	1.15%
Direct transaction costs***	-	-	0.03
Prices	pence per share	pence per share	pence per share
Highest share price	348.20	335.50	333.88
Lowest share price	307.60	308.10	312.57
Income 'A'	1 November 2018 to 31 October 2019 pence per share	1 November 2017 to 31 October 2018 pence per share	1 November 2016 to 31 October 2017 pence per share
Change in net assets per share			
Opening net asset value per share	186.74	198.32	196.72
Return before operating charges*	25.72	(6.11)	5.96
Operating charges**	(2.25)	(2.25)	(2.26)
Return after operating charges*	23.47	(8.36)	3.70
Distributions	(3.88)	(3.22)	(2.10)
Retained distributions	-	-	-
Closing net asset value per share	206.33	186.74	198.32
* after direct transaction costs of***	-	-	0.05
Performance			
Return after charges	12.57%	(4.22)%	1.88%
Other information			
Closing net asset value (£)	3,813,857	5,534,151	10,604,308
Closing number of shares	1,848,421	2,963,572	5,347,068
Operating charges****	1.15%	1.15%	1.15%
Direct transaction costs***	-	-	0.03%
Prices	pence per share	pence per share	pence per share
Highest share price	207.30	206.61	206.61
Lowest share price	186.30	187.40	194.58

Comparative Tables (continued)

Accumulation 'P'	1 November 2018 to 31 October 2019 pence per share	1 November 2017 to 31 October 2018 pence per share	1 November 2016 to 31 October 2017 pence per share
Change in net assets per share			
Opening net asset value per share	112.39	116.82	114.10
Return before operating charges*	15.66	(3.68)	3.52
Operating charges**	(0.78)	(0.75)	(0.74)
Return after operating charges*	14.88	(4.43)	2.78
Distributions	(2.96)	(2.49)	(1.77)
Retained distributions	2.96	2.49	1.71
Closing net asset value per share	127.27	112.39	116.82
* after direct transaction costs of***	-	-	0.03
Performance			
Return after charges	13.24%	(3.80)%	2.43%
Other information			
Closing net asset value (£)	75,601,348	81,581,493	44,771,540
Closing number of shares	59,400,550	72,586,291	38,326,843
Operating charges****	0.65%	0.65%	0.65%
Direct transaction costs***	-	-	0.03%
Prices	pence per share	pence per share	pence per share
Highest share price	127.40	121.77	121.11
Lowest share price	112.10	112.30	112.95

Income 'P'	1 November 2018 to 31 October 2019 pence per share	1 November 2017 to 31 October 2018 pence per share	1 November 2016 to 31 October 2017 pence per share
Change in net assets per share			
Opening net asset value per share	98.08	104.17	103.36
Return before operating charges*	13.56	(3.21)	3.08
Operating charges**	(0.67)	(0.67)	(0.67)
Return after operating charges*	12.89	(3.88)	2.41
Distributions	(2.56)	(2.21)	(1.60)
Retained distributions	-	-	-
Closing net asset value per share	108.41	98.08	104.17
* after direct transaction costs of***	-	-	0.03
Performance			
Return after charges	13.14%	(3.72)%	2.33%
Other information			
Closing net asset value (£)	11,152,671	21,327,747	23,940,598
Closing number of shares	10,287,953	21,744,672	22,982,241
Operating charges****	0.65%	0.65%	0.65%
Direct transaction costs***	-	-	0.03%
Prices	pence per share	pence per share	pence per share
Highest share price	109.00	108.59	108.66
Lowest share price	97.87	98.56	102.29

Comparative Tables (continued)

Accumulation 'U1'	1 November 2018 to 31 October 2019 pence per share	1 November 2017 to 31 October 2018 pence per share	1 November 2016 to 31 October 2017 pence per share
Change in net assets per share			
Opening net asset value per share	100.04	103.91	101.44
Return before operating charges*	13.94	(3.25)	3.13
Operating charges**	(0.64)	(0.62)	(0.61)
Return after operating charges*	13.30	(3.87)	2.52
Distributions	(2.69)	(2.27)	(1.62)
Retained distributions	2.69	2.27	1.57
Closing net asset value per share	113.34	100.04	103.91
* after direct transaction costs of***	-	-	0.03
Performance			
Return after charges	13.29%	(3.72)%	2.49%
Other information			
Closing net asset value (£)	17,490,982	20,826,872	25,605,398
Closing number of shares	15,432,567	20,818,685	24,641,608
Operating charges****	0.60%	0.60%	0.60%
Direct transaction costs***	-	-	0.03%
Prices	pence per share	pence per share	pence per share
Highest share price	113.50	104.66	104.09
Lowest share price	99.81	99.94	100.43

Income 'U1'	1 November 2018 to 31 October 2019 pence per share	1 November 2017 to 31 October 2018 pence per share	1 November 2016 to 31 October 2017 pence per share
Change in net assets per share			
Opening net asset value per share	94.40	100.26	99.45
Return before operating charges*	13.01	(3.10)	2.99
Operating charges**	(0.59)	(0.59)	(0.60)
Return after operating charges*	12.42	(3.69)	2.39
Distributions	(2.51)	(2.17)	(1.58)
Retained distributions	-	-	-
Closing net asset value per share	104.31	94.40	100.26
* after direct transaction costs of***	-	-	0.03
Performance			
Return after charges	13.16%	(3.68)%	2.40%
Other information			
Closing net asset value (£)	3,624,641	4,591,642	6,275,650
Closing number of shares	3,474,964	4,863,940	6,259,660
Operating charges****	0.60%	0.60%	0.60%
Direct transaction costs***	-	-	0.03%
Prices	pence per share	pence per share	pence per share
Highest share price	104.90	100.98	101.05
Lowest share price	94.20	94.87	98.38

Comparative Tables (continued)

	1 November 2018 to 31 October 2019 pence per share	1 November 2017 to 31 October 2018 pence per share	1 November 2016 to 31 October 2017 pence per share
Accumulation 'U2'†			
Change in net assets per share			
Opening net asset value per share	-	103.67	101.16
Return before operating charges*	-	(1.22)	3.13
Operating charges**	-	(0.55)	(0.56)
Return after operating charges*	-	(1.77)	2.57
Distributions	-	(0.89)	(1.68)
Retained distributions	-	0.89	1.62
Closing net asset value per share	-	101.90	103.67
* after direct transaction costs of***	-	-	0.03
Performance			
Return after charges	-	(1.71)%	2.54%
Other information			
Closing net asset value (£)	-	-	301,293
Closing number of shares	-	-	290,640
Operating charges****	-	0.55%	0.55%
Direct transaction costs***	-	-	0.03%
Prices	pence per share	pence per share	pence per share
Highest share price	-	104.42	103.84
Lowest share price	-	101.70	100.16
Income 'U2'			
Change in net assets per share			
Opening net asset value per share	93.54	99.35	98.48
Return before operating charges*	12.90	(3.07)	2.81
Operating charges**	(0.55)	(0.54)	(0.54)
Return after operating charges*	12.35	(3.61)	2.27
Distributions	(2.53)	(2.20)	(1.40)
Retained distributions	-	-	-
Closing net asset value per share	103.36	93.54	99.35
* after direct transaction costs of***	-	-	0.03
Performance			
Return after charges	13.20%	(3.63)%	2.31%
Other information			
Closing net asset value (£)	22,139	7,830	8,316
Closing number of shares	21,419	8,370	8,370
Operating charges****	0.55%	0.55%	0.55%
Direct transaction costs***	-	-	0.03%
Prices	pence per share	pence per share	pence per share
Highest share price	103.90	100.08	100.01
Lowest share price	93.34	94.02	97.38

† Closed on 15 June 2018.

** The operating charges include all costs borne by the sub-fund, except for direct transaction costs.

*** The direct transaction costs are made up of fees and commissions paid to agents, advisers, brokers and dealers, levies by regulatory agencies and securities exchanges as well as transfer taxes and duties. They do not include any difference between the quoted bid and offer prices or internal administrative or holding costs. These costs arise as a result of transactions undertaken both for efficient portfolio management and the meeting of the sub-fund's objectives. These costs exclude any effect of dilution adjustments used to offset the costs.

**** The operating charges percentage is the ratio of the sub-fund's ongoing charges (excluding interest on borrowings) to the average net assets of the sub-fund.

Performance

	6 months to 31 October 2019	1 year to 31 October 2019	3 years to 31 October 2019	5 years to 31 October 2019
Merian Global Strategic Bond Fund*	7.97%	13.24%	11.70%	13.78%
Bloomberg Barclays Global Aggregate Index (GBP Hedged) (benchmark)	4.50%	8.77%	7.58%	14.74%
IA Sterling Strategic Bond (sector average)**	3.98%	6.53%	5.37%	25.80%
Quartile ranking	1	1	2	4

* Accumulation 'P' Shares

** The sector average changed on the 18 October 2019 from IA Global Bonds to IA Sterling Strategic Bond

Data Source – Factset. Figures are calculated on a total return and single price basis, with net income reinvested into the sub-fund.

The benchmark is a broad representation of the fund's investment universe and as such is an appropriate benchmark for the fund to seek to outperform and may also be used as a point of reference against which the fund's performance may be measured. The fund's performance may also be compared to the IA sector, which consists of funds with similar investment objectives and policies.

Asset allocation		Major holdings	Percentage of portfolio
North America	43.80%	US Treasury Inflation Indexed 0.75% 15/07/2028	9.02%
Europe	29.99%	United States Treasury Inflation Indexed Bonds 0.875% 15/01/2029	7.23%
Japan	6.86%	Canadian Government Bond 1% 01/09/2022	5.81%
United Kingdom	4.66%	Merian Financials Contingent Capital Fund - F Income (USD)	5.04%
Asia Pacific (excluding Japan)	3.31%	Japanese CPI Linked Bond 0.1% 10/03/2026	4.47%
Africa	1.80%	French Republic Government Bond OAT 0% 25/02/2020	3.33%
South America	0.09%	Mexican Bonos 8.5% 31/05/2029	3.16%
Derivatives	4.72%	Sterling v US Dollar Forward Exchange Contract	2.86%
Net other assets	4.77%	Hellenic Republic Government Bond 3.45% 02/04/2024	2.60%
Total	100.00%	Japanese Government CPI Linked Bond 0.1% 10/03/2027	2.39%

Portfolio allocation		Number of holdings	79
US Dollar Debt Securities	31.28%		
Euro Debt Securities	23.34%		
Canadian Dollar Debt Securities	7.86%		
Japanese Yen Debt Securities	6.86%		
Collective Investment Schemes	5.04%		
Sterling Debt Securities	4.66%		
Mexican Peso Debt Securities	4.66%		
Indonesian Rupiah Debt Securities	2.69%		
South African Rand Debt Securities	1.80%		
Russian Ruble Debt Securities	1.61%		
Indian Rupee Debt Securities	0.62%		
Uruguayan Peso Debt Securities	0.09%		
United Kingdom Derivatives	5.11%		
Overseas Derivatives	(0.39)%		
Net other assets	4.77%		
Total	100.00%		

Portfolio statement

as at 31 October 2019

Holding	Investment	Market Value £'000	Percentage of total net assets %
Sterling 9.77% (31 October 2018 2.29%)			
Sterling Denominated Corporate Bonds 0.00% (31 October 2018 4.04%)			
Sterling Denominated Fixed Rate Corporate Bonds 4.66% (31 October 2018 4.04%)			
£700,000	Admiral 5.5% 25/07/2024	781	0.60
£950,000	Close Brothers 4.25% 24/01/2027	994	0.77
£800,000	Coventry Building Society 1.875% 24/10/2023	815	0.63
£500,000	Digital Stout 3.3% 19/07/2029	536	0.42
£500,000	Glencore Finance Europe Ltd 3.125% 26/03/2026	513	0.40
£850,000	TSB Banking 5.75% 06/05/2026	863	0.67
£650,000	Walgreens Boots Alliance 2.875% 20/11/2020	660	0.51
£800,000	Western Power Distribution 3.625% 06/11/2023	850	0.66
		6,012	4.66
Sterling Denominated Government Bonds 0.00% (31 October 2018 0.39%)			
Sterling Denominated Fixed Rate Government Bonds 0.00% (31 October 2018 0.39%)			
Sterling Interest Rate Swap 0.00% (31 October 2018 0.00%)			
£3,000,000	Interest Rate Swap Pay - 1.0997%, Receive - GBP 6M LIBOR 25/07/2019 Barclays	(134)	(0.10)
£1,600,000	Interest Rate Swap Pay - GBP 6M LIBOR, Receive - GBP 1.09970% 21/08/2019 Barclays	71	0.05
£1,500,000	Interest Rate Swap Pay - GBP 6M LIBOR, Receive - GBP 1.09970% 18/10/2019 Barclays	66	0.05
		3	-
Sterling Denominated Forward Exchange Contracts 5.11% (31 October 2018 (2.07%))			
£15,711,160	Sterling v Canadian Dollar Forward Exchange Contract	698	0.54
£32,648,999	Sterling v Euro Forward Exchange Contract	1,456	1.13
£1,300,000	Sterling v Euro Forward Exchange Contract	50	0.04
£7,428,652	Sterling v Japanese Yen Forward Exchange Contract	460	0.36
£1,300,000	Sterling v Japanese Yen Forward Exchange Contract	53	0.04
£5,034,578	Sterling v Mexican Peso Forward Exchange Contract	169	0.13
£1,291,816	Sterling v Swedish Krona Forward Exchange Contract	6	-
£68,935,016	Sterling v US Dollar Forward Exchange Contract	3,688	2.86
£1,300,000	Sterling v US Dollar Forward Exchange Contract	13	0.01
£691,105	Sterling v US Dollar Forward Exchange Contract	5	-
£426,160	Sterling v US Dollar Forward Exchange Contract	2	-
		6,600	5.11
Sterling Denominated Futures Contracts 0.00% (31 October 2018 (0.07%))			
(11)	Long Gilt Futures December 2019	(3)	-
		(3)	-

Portfolio statement (continued)

as at 31 October 2019

Holding	Investment	Market Value £'000	Percentage of total net assets %
	Overseas 85.46% (31 October 2018 87.47%)		
	Australian Dollar (0.04)% (31 October 2018 0.02%)		
	Australian Dollar Denominated Forward Exchange Contracts (0.04)% (31 October 2018 0.02%)		
AUD2,753,825	Australian Dollar v Sterling Forward Exchange Contract	(55)	(0.04)
		(55)	(0.04)
	Brazilian Real 0.05% (31 October 2018 0.43%)		
	Brazilian Real Denominated Forward Exchange Contracts 0.05% (31 October 2018 0.43%)		
BRL10,200,000	Brazilian Real v US Dollar Forward Exchange Contract	65	0.05
		65	0.05
	Canadian Dollar 7.86% (31 October 2018 0.01%)		
	Canadian Dollar Denominated Fixed Rate Government Bond 7.86% (31 October 2018 0.00%)		
CAD13,000,000	Canadian Government Bond 1% 01/09/2022	7,507	5.81
CAD4,500,000	Canadian Government Bond 1.5% 01/09/2024	2,644	2.05
		10,151	7.86
	Canadian Dollar Denominated Forward Exchange Contracts 0.01% (31 October 2018 0.00%)		
CAD4,500,000	Canadian dollar v US Dollar Forward Exchange Contract	8	0.01
		8	0.01
	Canadian Dollar Denominated Futures Contracts 0.00% (31 October 2018 0.01%)		
69	Canada 10 Year Bond Futures December 2019	6	-
		6	-
	Canadian Dollar Interest Rate Swap (0.01)% (31 October 2018 0.00%)		
CAD3,270,000	Interest Rate Swap Pay - 2.088%, Receive - CAD 3M BA-CDOR 30/10/2049 HSBC	(31)	(0.02)
CAD41,000,000	Interest Rate Swap Pay - CAD 3M BA-CDOR, Receive - 1.859% 30/10/2021 HSBC	17	0.01
		(14)	(0.01)
	Chilean Peso (0.02)% (31 October 2018 0.00%)		
	Chilean Peso Denominated Forward Exchange Contracts (0.02)% (31 October 2018 0.00%)		
CLP1,160,000,000	Chilean Peso v US Dollar Forward Exchange Contract	(27)	(0.02)
		(27)	(0.02)
	Chinese Yuan 0.00% (31 October 2018 (0.02)%)		
	Chinese Yuan Denominated Forward Exchange Contract 0.00% (31 October 2018 (0.02)%)		
	Euro 23.02% (31 October 2018 20.33%)		
	Euro Denominated Fixed Rate Corporate Bonds 3.29% (31 October 2018 3.55%)		
€1,700,000	Abanca Corporation Bancaria 6.125% 18/01/2029	1,601	1.24
€1,700,000	Cemex Finance 4.625% 15/06/2024	1,526	1.18
€1,250,000	Credit Suisse 1.25% 17/07/2025	1,118	0.87
€300,000	Lehman Brothers 4.625% 14/03/2019 (Defaulted)*	-	-
		4,245	3.29

Portfolio statement (continued)

as at 31 October 2019

Holding	Investment	Market Value £'000	Percentage of total net assets %
Euro Denominated Fixed Rate Government Bonds 20.05% (31 October 2018 17.30%)			
€2,200,000	Deutsche Bundesrepublik Inflation Linked Bond 0.5% 15/04/2030	2,412	1.87
€2,690,000	French Republic Bond 0.1% 01/03/2025	2,579	2.00
€5,000,000	French Republic Government Bond OAT 0% 25/02/2020	4,309	3.33
€3,140,000	Hellenic Republic Government Bond 1.875% 23/07/2026	2,892	2.24
€3,445,000	Hellenic Republic Government Bond 3.45% 02/04/2024	3,358	2.60
€2,334,000	Hellenic Republic Government Bond 3.875% 12/03/2029	2,490	1.93
€1,450,000	Hellenic Republic Government Bond 4% 30/01/2037	1,623	1.26
€1,834,000	Italy Buoni Poliennali Del Tesoro 0.4% 15/05/2033	1,602	1.24
€3,095,000	Italy Buoni Poliennali Del Tesoro 1.3% 15/05/2028	3,052	2.36
€1,300,000	Italy Buoni Poliennali Del Tesoro 3.85% 01/09/2049	1,579	1.22
		<u>25,896</u>	<u>20.05</u>
Euro Denominated Forward Exchange Contracts (0.01)% (31 October 2018 (0.06)%)			
€886,606	Euro v Sterling Forward Exchange Contract	(37)	(0.03)
€1,500,000	Euro v US Dollar Forward Exchange Contract	11	0.01
€1,799,665	Euro v US Dollar Forward Exchange Contract	7	0.01
€1,031,318	Euro v US Dollar Forward Exchange Contract	1	-
		<u>(18)</u>	<u>(0.01)</u>
Euro Denominated Futures Contracts 0.14% (31 October 2018 0.00%)			
(111)	Euro-Bobl Futures December 2019	96	0.07
46	Euro-BTP Futures December 2019	(3)	-
(12)	Euro-Bund Futures December 2019	(5)	-
(23)	Euro-Buxl 30 Year Bond Futures December 2019	13	0.01
(41)	Euro-OAT Futures December 2019	85	0.06
		<u>186</u>	<u>0.14</u>
Euro Credit Default Swap (0.45)% (31 October 2018 (0.46)%)			
€5,230,000	Buy Protection CDS iTRAXX-Crossover 5 Years Series 31 v1 20/12/2024 Barclays	(583)	(0.45)
		<u>(583)</u>	<u>(0.45)</u>
Indian Rupee 0.62% (31 October 2018 0.46%)			
Indian Rupee Denominated Fixed Rate Government Bonds 0.62% (31 October 2018 0.46%)			
INR75,000,000	Asian Development Bank 6.2% 06/10/2026	806	0.62
		<u>806</u>	<u>0.62</u>
Indonesian Rupiah 2.71% (31 October 2018 0.04%)			
Indonesian Rupiah Denominated Fixed Rate Government Bonds 2.69% (31 October 2018 0.00%)			
IDR49,500,000,000	Indonesia Treasury Bond 6.625% 15/05/2033	2,551	1.98
IDR15,500,000,000	Indonesia Treasury Bond 8.375% 15/03/2034	919	0.71
		<u>3,470</u>	<u>2.69</u>
Indonesian Rupiah Denominated Forward Exchange Contracts 0.02% (31 October 2018 0.04%)			
IDR23,000,000,000	Indonesian Rupiah v US Dollar Forward Exchange Contract	10	0.01
IDR21,350,000,000	Indonesian Rupiah v US Dollar Forward Exchange Contract	9	0.01
		<u>19</u>	<u>0.02</u>

Portfolio statement (continued)

as at 31 October 2019

Holding	Investment	Market Value £'000	Percentage of total net assets %
Japanese Yen 6.81% (31 October 2018 7.88%)			
Japanese Yen Denominated Fixed Rate Government Bonds 6.86% (31 October 2018 7.92%)			
JPY778,000,000	Japanese CPI Linked Bond 0.1% 10/03/2026	5,775	4.47
JPY411,000,000	Japanese Government CPI Linked Bond 0.1% 10/03/2027	3,085	2.39
		<u>8,860</u>	<u>6.86</u>
Japanese Yen Denominated Forward Exchange Contracts 0.00% (31 October 2018 (0.02)%)			
JPY191,079,987	Japanese Yen v Australian Dollar Forward Exchange Contract	2	-
		<u>2</u>	<u>-</u>
Japanese Yen Denominated Futures Contracts (0.08)% (31 October 2018 0.00%)			
18	Japan 10 Year Bond Futures December 2019	(109)	(0.08)
		<u>(109)</u>	<u>(0.08)</u>
Japanese Yen Interest Rate Swap 0.03% (31 October 2018 (0.02)%)			
JPY126,400,000	Interest Rate Swap Pay - JPY 6M LIBOR, Receive - JPY 0.426% 19/04/2036 HSBC	44	0.03
		<u>44</u>	<u>0.03</u>
Mexican Peso 4.67% (31 October 2018 0.00%)			
Mexican Peso Denominated Fixed Rate Government Bond 4.66% (31 October 2018 0.00%)			
MXN505,800	Mexican Bonos 5.75% 05/03/2026	1,939	1.50
MXN907,400	Mexican Bonos 8.5% 31/05/2029	4,083	3.16
		<u>6,022</u>	<u>4.66</u>
Mexican Peso Denominated Forward Exchange Contracts 0.01% (31 October 2018 0.00%)			
MXN15,750,000	Mexican Peso v Japanese Yen Forward Exchange Contract	17	0.01
MXN16,000,000	Mexican Peso v US Dollar Forward Exchange Contract	(1)	-
		<u>16</u>	<u>0.01</u>
New Zealand Dollar (0.04)% (31 October 2018 0.00%)			
New Zealand Dollar Denominated Forward Exchange Contracts (0.04)% (31 October 2018 0.00%)			
NZ\$2,500,000	New Zealand Dollar v Sterling Forward Exchange Contract	(54)	(0.04)
		<u>(54)</u>	<u>(0.04)</u>
Russian Ruble 1.61% (31 October 2018 0.00%)			
Russian Ruble Denominated Fixed Rate Government Bonds 1.61% (31 October 2018 0.00%)			
RUB155,815,000	Russian Federation 8.15% 03/02/2027	2,077	1.61
		<u>2,077</u>	<u>1.61</u>
South African Rand 1.74% (31 October 2018 (0.02)%)			
South African Rand Denominated Fixed Rate Government Bond 1.80% (31 October 2018 0.00%)			
ZAR41,500,000	Republic of South Africa Government Bond 10.5% 21/12/2026	2,322	1.80
		<u>2,322</u>	<u>1.80</u>

Portfolio statement (continued)

as at 31 October 2019

Holding	Investment	Market Value £'000	Percentage of total net assets %
	South African Rand Denominated Forward Exchange Contracts (0.06)% (31 October 2018 (0.02)%)		
ZAR24,700,000	South African Rand v Sterling Forward Exchange Contract	(72)	(0.06)
		(72)	(0.06)
	South Korean Won 0.02% (31 October 2018 (0.03)%)		
	South Korean Won Denominated Forward Exchange Contracts 0.02% (31 October 2018 (0.03)%)		
KRW3,000,000,000	South Korean Won v US Dollar Forward Exchange Contract	30	0.02
		30	0.02
	Swedish Krona 0.01% (31 October 2018 (0.01)%)		
	Swedish Krona Denominated Forward Exchange Contracts 0.01% (31 October 2018 (0.01)%)		
SEK16,100,000	Swedish Krone v Japanese Yen Forward Exchange Contract	11	0.01
SEK1,400,000	Swedish Krone v US Dollar Forward Exchange Contract	-	-
		11	0.01
	Swiss Franc 0.00% (31 October 2018 0.03%)		
	Swiss Franc Denominated Forward Exchange Contracts 0.00% (31 October 2018 0.04%)		
	Swiss Franc Interest Rate Swap 0.00% (31 October 2018 (0.01)%)		
	Turkish Lira 0.00% (31 October 2018 0.00%)		
	Turkish Lira Denominated Forward Exchange Contracts 0.00% (31 October 2018 0.00%)		
TRY4,830,000	Turkish Lira v US Dollar Forward Exchange Contract	6	-
		6	-
	Uruguayan Peso 0.09% (31 October 2018 0.08%)		
	Uruguayan Peso Denominated Fixed Rate Government Bonds 0.09% (31 October 2018 0.08%)		
UYU5,600,000	Uruguay Government Bond 9.875% 20/06/2022	113	0.09
		113	0.09
	US Dollar 36.35% (31 October 2018 58.27%)		
	US Dollar Denominated Fixed Rate Corporate Bonds 2.61% (31 October 2018 2.01%)		
\$1,150,000	BP Capital Markets 3.506% 17/03/2025	945	0.73
\$600,000	Cooperatieve Rabobank 4% 10/04/2029	482	0.37
\$300,000	Philip Morris 1.875% 25/02/2021	231	0.18
\$800,000	Phoenix 5.375% 06/07/2027	637	0.49
\$1,300,000	Sky 3.75% 16/09/2024	1,077	0.84
		3,372	2.61

Portfolio statement (continued)

as at 31 October 2019

Holding	Investment	Market Value £'000	Percentage of total net assets %
US Dollar Denominated Fixed Rate Government Bonds 25.89% (31 October 2018 49.44%)			
\$1,550,000	Angolan Government Bond 9.375% 08/05/2048	1,263	0.98
\$700,000	Ghana Government International Bond 8.95% 26/03/2051	546	0.42
\$400,000	Indonesia Government International Bond 3.7% 30/10/2049	313	0.24
\$1,000,000	Ivory Coast Government International Bond 6.125% 15/06/2023	756	0.59
\$2,000,000	Nigeria Government Bond 7.875% 16/02/2032	1,591	1.23
\$830,000	Republic of South Africa Government International Bond 4.85% 30/09/2029	635	0.49
\$825,000	Republic of South Africa Government International Bond 5.75% 30/09/2049	615	0.48
\$3,250,000	United States Treasury Inflation Indexed Bonds 0.25% 15/07/2029	2,529	1.96
\$11,250,000	United States Treasury Inflation Indexed Bonds 0.875% 15/01/2029	9,337	7.23
\$100,000	United States Treasury Notes 1.75% 31/07/2024	78	0.06
\$50,000	United States Treasury Notes 2.375% 15/05/2029	41	0.03
\$1,700,000	United States Treasury Notes 2.5% 15/02/2046	1,388	1.07
\$3,286,500	US Treasury Inflation Indexed 0.375% 15/07/2027	2,697	2.09
\$14,094,000	US Treasury Inflation Indexed 0.75% 15/07/2028	11,647	9.02
		33,436	25.89
US Dollar Denominated Floating Rate Corporate Bonds 2.78% (31 October 2018 2.82%)			
\$400,000	Barclays 3.6345% 10/01/2023	314	0.24
\$1,800,000	Royal Bank of Scotland 3.62813% 15/05/2023	1,405	1.09
\$2,400,000	UBS Group Funding 3.36763% 23/05/2023	1,875	1.45
		3,594	2.78
US Dollar Denominated Variable Rate Corporate Bonds 0.00% (31 October 2018 0.91%)			
Collective Investment Schemes 5.04% (31 October 2018 3.53%)			
806,567	Merian Financials Contingent Capital Fund - F Income (USD)	6,511	5.04
		6,511	5.04
US Dollar Denominated Forward Exchange Contracts (0.02)% (31 October 2018 0.44%)			
\$1,206,791	US Dollar v Brazilian Real Forward Exchange Contract	(36)	(0.03)
\$683,949	US Dollar v Canadian Dollar Forward Exchange Contract	-	-
\$1,601,126	US Dollar v Chilean Peso Forward Exchange Contract	22	0.02
\$834,533	US Dollar v Euro Forward Exchange Contract	(2)	-
\$995,414	US Dollar v Euro Forward Exchange Contract	(7)	(0.01)
\$3,065,348	US Dollar v Indonesian Rupiah Forward Exchange Contract	(30)	(0.02)
\$2,441,952	US Dollar v Japanese Yen Forward Exchange Contract	(8)	(0.01)
\$1,574,149	US Dollar v South African Rand Forward Exchange Contract	45	0.04
\$1,009,825	US Dollar v South African Rand Forward Exchange Contract	18	0.02
\$1,685,062	US Dollar v Sterling Forward Exchange Contract	(1)	-
\$1,675,974	US Dollar v Sterling Forward Exchange Contract	(8)	(0.01)
\$1,542,348	US Dollar v Sterling Forward Exchange Contract	(11)	(0.01)
\$250,000	US Dollar v Sterling Forward Exchange Contract	(11)	(0.01)
		(29)	(0.02)
US Dollar Denominated Futures Contracts (0.10)% (31 October 2018 0.13%)			
148	US 2 Year Treasury Note Futures December 2019	8	0.01
257	US 5 Year Treasury Note Futures December 2019	(13)	(0.01)
(154)	US 10 Year Treasury Note Futures December 2019	34	0.03
80	US 10 Year Ultra Bond Futures December 2019	(194)	(0.15)
29	US Long Bond Futures December 2019	(96)	(0.08)
(74)	US Ultra Bond Futures December 2019	131	0.10
		(130)	(0.10)

Portfolio statement (continued)

as at 31 October 2019

Holding	Investment	Market Value £'000	Percentage of total net assets %
	US Dollar Credit Default Swap 0.00% (31 October 2018 (0.97)%)		
	US Dollar Interest Rate Swap 0.15% (31 October 2018 (0.04)%)		
	Interest Rate Swap Pay - USD 3M LIBOR, Receive - USD 2.748%		
\$20,000,000	08/05/2020 Morgan Stanley	195	0.15
		195	0.15
	Investment assets**	122,984	95.23
	Net other assets	6,165	4.77
	Total net assets	129,149	100.00

* Market value less than £500.

** Including investment liabilities.

All investments (excluding OTC derivatives) are approved securities being either officially listed in a member state or traded on or under the rules of an eligible securities market, unless otherwise stated.

Statement of total return

for the year from 1 November 2018 to 31 October 2019

		01.11.18 to 31.10.19 £'000	01.11.18 to 31.10.19 £'000	01.11.17 to 31.10.18 £'000	01.11.17 to 31.10.18 £'000
	Note				
Income					
Net capital gains/(losses)	2		13,919		(9,505)
Revenue	3	4,540		4,428	
Expenses	4	(1,015)		(1,122)	
Interest payable and similar charges	5	(24)		(39)	
Net revenue before taxation		3,501		3,267	
Taxation	6	(132)		(47)	
Net revenue after taxation			3,369		3,220
Total return before distributions			17,288		(6,285)
Distributions	7		(3,388)		(3,206)
Change in net assets attributable to shareholders from investment activities			13,900		(9,491)

Statement of change in net assets attributable to shareholders

for the year from 1 November 2018 to 31 October 2019

	01.11.18 to 31.10.19 £'000	01.11.18 to 31.10.19 £'000	01.11.17 to 31.10.18 £'000	01.11.17 to 31.10.18 £'000
Opening net assets attributable to shareholders		155,187		138,807
Amounts transferred from Quilter Investors Foundation 4 Fund	-		38,176	
Amounts received on issue of shares	6,625		10,954	
Amounts paid on cancellation of shares	(49,282)		(25,804)	
		(42,657)		23,326
Dilution adjustment		-		8
Change in net assets attributable to shareholders from investment activities		13,900		(9,491)
Retained distribution on accumulation shares		2,719		2,537
Closing net assets attributable to shareholders		129,149		155,187

The notes on pages 121 to 132 form an integral part of these financial statements.

Balance sheet

as at 31 October 2019

	Note	31.10.19 £'000	31.10.18 £'000
Assets			
Fixed assets			
Investments	13	124,515	146,213
Current assets			
Debtors	8	5,155	11,816
Cash and bank balances	9	3,486	8,161
Total assets		133,156	166,190
Liabilities			
Investment liabilities		(1,531)	(6,920)
Creditors			
Bank overdrafts	10	(2,101)	(555)
Distribution payable		(67)	(177)
Other creditors	11	(308)	(3,351)
Total liabilities		(4,007)	(11,003)
Net assets attributable to shareholders		129,149	155,187

The notes on pages 121 to 132 form an integral part of these financial statements.

Notes to the financial statements

for the year from 1 November 2018 to 31 October 2019

1 Accounting policies

The applicable accounting policies adopted by the Merian Global Strategic Bond Fund are included on pages 167 to 168.

2 Net capital gains/(losses)

	01.11.18 to 31.10.19 £'000	01.11.17 to 31.10.18 £'000
The net capital gains/(losses) on investments comprise:		
Gains/(losses) on non-derivative securities	9,147	(2,512)
Gains/(losses) on derivative contracts	4,326	(1,570)
Gains/(losses) on forward currency contracts	5,085	(6,606)
(Losses)/gains on currency contracts	(4,631)	1,191
Handling charges	(8)	(8)
Net capital gains/(losses) on investments	13,919	(9,505)

3 Revenue

	01.11.18 to 31.10.19 £'000	01.11.17 to 31.10.18 £'000
Authorised corporate director capitalised fee rebate	34	31
Bank interest	42	17
Interest on debt securities	3,968	3,991
Taxable distributions on Offshore Funds	496	389
Total revenue	4,540	4,428

4 Expenses

	01.11.18 to 31.10.19 £'000	01.11.17 to 31.10.18 £'000
Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:		
Fixed Ongoing Charge*	1,015	790
Authorised Corporate Director's periodic charge**	-	274
Fixed expenses**	-	58
Total expenses	1,015	1,122

* This figure represents the Fixed Ongoing Charge that was introduced from 1 March 2018, which covers all fees payable by the sub-fund to the Authorised Corporate Director, Investment adviser, Depositary (including associates etc.) and other expenses.

** These figures represent the charges to 28 February 2018, which have now been replaced by the Fixed Ongoing Charge. The Audit fee for the year, excluding VAT, was £9,000 (31 October 2018: £9,800). As a result of the change to a Fixed Ongoing Charge basis, this expense is split between other expenses and Fixed Ongoing Charge in the prior year.

Notes to the financial statements (continued)

for the year from 1 November 2018 to 31 October 2019

5 Interest payable and similar charges

	01.11.18 to 31.10.19 £'000	01.11.17 to 31.10.18 £'000
Bank overdraft interest	24	39
Total interest payable and similar charges	24	39

6 Taxation

a) Analysis of tax charge in the year

	01.11.18 to 31.10.19 £'000	01.11.17 to 31.10.18 £'000
Overseas capital gains tax	30	17
Overseas tax suffered	102	30
Total current tax charge for the year	132	47
Deferred tax charge for the year (see note 6(c))	-	-
Total taxation for the year (see note 6(b))	132	47

b) Factors affecting current tax charge for the year

	01.11.18 to 31.10.19 £'000	01.11.17 to 31.10.18 £'000
The taxation assessed for the year is lower than the standard rate of corporation tax in the UK for an open-ended investment company (20%). The differences are explained below:		
Net revenue before taxation	3,501	3,267
Corporation tax at 20% (31 October 2018: 20%)	700	653
Effects of:		
Double taxation relief	(27)	(12)
Overseas tax suffered	102	30
Overseas tax expensed	30	17
Tax deductible interest distributions	(673)	(641)
Total tax charge for the year (see note 6(a))	132	47

OEICs are exempt from tax on capital gains, therefore, any capital return is not included in the above reconciliation.

Notes to the financial statements (continued)

for the year from 1 November 2018 to 31 October 2019

6 Taxation (continued)

c) Movement in deferred tax liability

	01.11.18 to 31.10.19 £'000	01.11.17 to 31.10.18 £'000
Deferred tax liability at the start of the year	-	-
Deferred tax charge for the year (see note 6(a))	-	-
Deferred tax liability at the end of the year	-	-

At 31 October 2019 the sub-fund had no surplus management expenses (31 October 2018: £Nil).

7 Distributions

The distributions take account of revenue received on the issue of shares and revenue deducted on the cancellation of shares, and comprise:

	01.11.18 to 31.10.19 £'000	01.11.17 to 31.10.18 £'000
First Interim – Accumulation shares (31 January)	784	316
First Interim – Income shares (31 January)	194	125
Second Interim – Accumulation shares (30 April)	833	563
Second Interim – Income shares (30 April)	140	150
Third Interim – Accumulation shares (31 July)	702	964
Third Interim – Income shares (31 July)	113	254
Final – Accumulation shares (31 October)	400	694
Final – Income shares (31 October)	67	177
	3,233	3,243
Revenue deducted on cancellation of shares	167	47
Revenue received on issue of shares	(12)	(84)
Distributions	3,388	3,206
Reconciliation of distributions:		
Net revenue after taxation	3,369	3,220
Authorised Corporate Director's capitalised fee rebates	(34)	(31)
Equalisation on Collective Investment Schemes	23	-
Overseas capital gains tax	30	17
Distributions	3,388	3,206

Details of the interim and final distributions per share are set out in the tables on pages 133 to 136.

8 Debtors

	31.10.19 £'000	31.10.18 £'000
Accrued Authorised Corporate Director's fee rebates	19	2
Accrued revenue	928	580
Amounts receivable for issue of shares	7	81
Overseas tax recoverable	46	43
Sales awaiting settlement	4,155	11,110
Total debtors	5,155	11,816

Notes to the financial statements (continued)

for the year from 1 November 2018 to 31 October 2019

9 Cash and bank balances

	31.10.19 £'000	31.10.18 £'000
Amounts held at futures clearing houses and brokers	2,727	5,804
Cash and bank balances	759	2,357
Total cash and bank balances	3,486	8,161

10 Bank overdrafts

	31.10.19 £'000	31.10.18 £'000
Amounts held at futures clearing houses and brokers	2,101	555
Total overdrafts	2,101	555

11 Other creditors

	31.10.19 £'000	31.10.18 £'000
Accrued expenses	91	97
Amounts payable for cancellation of shares	217	533
Purchases awaiting settlement	-	2,721
Total other creditors	308	3,351

12 Related party transactions

Quilter Investors Limited were ACD until 31 March 2019, thereafter, Merian Investment Management Limited, were ACD, thus both were a related party during the year, and acted as principal in respect of all transactions of shares in each sub-fund. The aggregate monies received on issue and paid on cancellation are disclosed in the Statement of change in net assets attributable to shareholders on page 119. Any amounts due to or from Merian Investment Management Limited at the end of the accounting year in respect of transactions of shares in each sub-fund are disclosed in notes 8 and 11. Other amounts paid to the ACD are disclosed in note 4 and amounts due to it at the year end are disclosed in note 11.

The sub-fund held the following related fund at 31 October 2019 and received the noted income from this fund during the year to 31 October 2019.

Shares	Security Name	Market Value £'000	Gross Income Earned £'000
806,567	Merian Financials Contingent Capital Fund - F Income (USD)	6,511	496

13 Derivatives and other financial instruments

a) Financial instrument risk

The sub-fund, in pursuing its investment objective, may hold a range of financial instruments in line with its investment policy.

The ACD has established a risk management policy and permanent risk management function to identify, measure, monitor and manage all risks relevant to the sub-fund. This is designed to meet the key requirements of investor protection and to ensure compliance with the FCA's regulatory requirements.

Adherence to the investment guidelines and the investment and borrowing powers as set out in the Prospectus and in the rules of the Regulations also mitigates the risk of excessive exposure to any particular type of security or issuer. Further information on the investment portfolio is set out in the Investment Manager's review and the Portfolio statement of each sub-fund.

The main risks arising from financial instruments are interest rate risk, foreign currency risk, credit risk, counterparty risk, liquidity risk and market risk which are summarised below.

Notes to the financial statements (continued)

for the year from 1 November 2018 to 31 October 2019

13 Derivatives and other financial instruments (continued)

b) Foreign currency risk

A proportion of the sub-fund's financial assets and liabilities are invested overseas. As a result, movements in exchange rates may affect the market price of investments and, due to timing differences between the transaction dates of investment sales, purchases and income, and actual cash settlement, create currency exchange gains/losses. The Investment Manager does seek to reduce some of this risk by using forward currency contracts.

The direct foreign currency exposure of the sub-fund as at 31 October 2019 (31 October 2018) was as follows:

Currency	Net foreign currency assets/(liabilities)			Net foreign currency assets/(liabilities)		
	Monetary exposures*	Non-monetary exposures	Total	Monetary exposures*	Non-monetary exposures	Total
	31.10.19	31.10.19	31.10.19	31.10.18	31.10.18	31.10.18
	£'000	£'000	£'000	£'000	£'000	£'000
Australian Dollar	(125)	103	(22)	(135)	4,707	4,572
Brazilian Real	-	1,059	1,059	-	(724)	(724)
Canadian Dollar	200	(2,713)	(2,513)	22	(1,588)	(1,566)
Chilean Peso	-	97	97	-	-	-
China Renminbi	-	-	-	-	(56)	(56)
Czech Koruna	1	-	1	2	-	2
Euro	4,402	415	4,817	3,330	1,671	5,001
Indian Rupee	3	806	809	3	721	724
Indonesian Rupiah	83	3,506	3,589	-	42	42
Japanese Yen	177	(1,896)	(1,719)	(44)	366	322
Mexican Peso	155	2,461	2,616	3	(4,640)	(4,637)
New Zealand Dollar	8	1,237	1,245	95	(84)	11
Norwegian Krone	2	-	2	3	(34)	(31)
Polish Zloty	-	-	-	2	(53)	(51)
Russian Ruble	33	2,077	2,110	184	-	184
Singapore Dollar	24	-	24	2	(2,891)	(2,889)
South Africa Rand	81	1,607	1,688	3	126	129
South Korean Won	-	1,980	1,980	-	(3,108)	(3,108)
Swedish Krona	(103)	112	9	35	3,142	3,177
Swiss Franc	30	-	30	16	(1,329)	(1,313)
Taiwan Dollar	-	-	-	-	(3,196)	(3,196)
Turkish Lira	3	651	654	1	-	1
Uruguay Peso	4	113	117	5	131	136
US Dollar	2,762	(21,869)	(19,107)	5,630	(5,545)	85
Total	7,740	(10,254)	(2,514)	9,157	(12,342)	(3,185)

* For the purpose of the above disclosure, monetary is taken to include only cash or near-cash items.

Notes to the financial statements (continued)

for the year from 1 November 2018 to 31 October 2019

13 Derivatives and other financial instruments (continued)

c) Interest rate risk

Interest rate risk is the risk of movements in the value of financial instruments as a result of fluctuations in interest rates.

The interest rate risk profile of the sub-fund's financial assets and liabilities at 31 October 2019 (31 October 2018) was as follows:

Currency	Variable rate financial assets £'000	Fixed rate financial assets £'000	Financial assets not carrying interest £'000	Total £'000
31.10.19				
Australian Dollar	20	-	1,465	1,485
Brazilian Real	-	-	2,026	2,026
Canadian Dollar	181	10,151	2,730	13,062
Chilean Peso	-	-	1,309	1,309
Czech Koruna	1	-	-	1
Euro	2,706	27,729	9,159	39,594
Indian Rupee	-	806	3	809
Indonesian Rupiah	-	3,470	2,642	6,112
Japanese Yen	9,035	-	1,409	10,444
Mexican Peso	18	6,022	1,441	7,481
New Zealand Dollar	8	-	1,237	1,245
Norwegian Krone	2	-	-	2
Russian Ruble	-	2,077	33	2,110
Singapore Dollar	24	-	-	24
South Africa Rand	1	2,322	1,333	3,656
South Korean Won	-	-	1,980	1,980
Sterling	175	6,012	136,432	142,619
Swedish Krona	2	-	1,398	1,400
Swiss Franc	18	-	12	30
Turkish Lira	3	-	651	654
Uruguay Peso	-	113	4	117
US Dollar	32,368	10,598	21,491	64,457
Total	44,562	69,300	186,755	300,617

Notes to the financial statements (continued)

for the year from 1 November 2018 to 31 October 2019

13 Derivatives and other financial instruments (continued)

c) Interest rate risk (continued)

Currency	Variable rate financial assets £'000	Fixed rate financial assets £'000	Financial assets not carrying interest £'000	Total £'000
31.10.18				
Australian Dollar	28	-	9,411	9,439
Brazilian Real	-	-	6,325	6,325
Canadian Dollar	22	-	7,385	7,407
China Renminbi	-	-	9,283	9,283
Czech Koruna	2	-	-	2
Euro	337	32,351	20,888	53,576
Indian Rupee	-	721	3	724
Indonesian Rupiah	-	-	5,672	5,672
Japanese Yen	3	12,293	19,940	32,236
Mexican Peso	3	-	120	123
New Zealand Dollar	95	-	3,812	3,907
Norwegian Krone	3	-	3,131	3,134
Polish Zloty	2	-	-	2
Russian Ruble	184	-	-	184
Singapore Dollar	2	-	1,526	1,528
South Africa Rand	3	-	4,749	4,752
South Korean Won	-	-	19,246	19,246
Sterling	7,429	6,876	156,945	171,250
Swedish Krona	35	-	5,456	5,491
Swiss Franc	3	-	8,180	8,183
Turkish Lira	1	-	-	1
Uruguay Peso	-	131	5	136
US Dollar	5,796	79,840	82,969	168,605
Total	13,948	132,212	365,046	511,206

Notes to the financial statements (continued)

for the year from 1 November 2018 to 31 October 2019

13 Derivatives and other financial instruments (continued)

c) Interest rate risk (continued)

Currency	Variable rate financial liabilities £'000	Financial liabilities not carrying interest £'000	Total £'000
31.10.19			
Australian Dollar	(145)	(1,362)	(1,507)
Brazilian Real	-	(967)	(967)
Canadian Dollar	-	(15,575)	(15,575)
Chilean Peso	-	(1,212)	(1,212)
Euro	(344)	(34,433)	(34,777)
Indonesian Rupiah	-	(2,523)	(2,523)
Japanese Yen	-	(12,163)	(12,163)
Mexican Peso	-	(4,865)	(4,865)
South Africa Rand	-	(1,968)	(1,968)
Sterling	(1,507)	(9,449)	(10,956)
Swedish Krona	(105)	(1,286)	(1,391)
US Dollar	-	(83,564)	(83,564)
Total	(2,101)	(169,367)	(171,468)

Currency	Variable rate financial liabilities £'000	Financial liabilities not carrying interest £'000	Total £'000
31.10.18			
Australian Dollar	(163)	(4,704)	(4,867)
Brazilian Real	-	(7,049)	(7,049)
Canadian Dollar	-	(8,973)	(8,973)
China Renminbi	-	(9,339)	(9,339)
Euro	-	(48,575)	(48,575)
Indonesian Rupiah	-	(5,630)	(5,630)
Japanese Yen	(53)	(31,861)	(31,914)
Mexican Peso	-	(4,760)	(4,760)
New Zealand Dollar	-	(3,896)	(3,896)
Norwegian Krone	-	(3,165)	(3,165)
Polish Zloty	-	(53)	(53)
Singapore Dollar	-	(4,417)	(4,417)
South Africa Rand	-	(4,623)	(4,623)
South Korean Won	-	(22,354)	(22,354)
Sterling	-	(12,878)	(12,878)
Swedish Krona	-	(2,314)	(2,314)
Swiss Franc	-	(9,496)	(9,496)
Taiwan Dollar	-	(3,196)	(3,196)
US Dollar	(339)	(168,181)	(168,520)
Total	(555)	(355,464)	(356,019)

Notes to the financial statements (continued)

for the year from 1 November 2018 to 31 October 2019

13 Derivatives and other financial instruments (continued)

d) Credit risk

Credit risk is the risk of suffering loss due to another party not meeting its financial obligation. The risk is managed by the Investment Adviser who monitors the credit profile of financial instruments in accordance with the objective and policy of the sub-fund.

Adherence to the investment guidelines and the investment and borrowing powers as set out in the Prospectus and in the rules of the Regulations also mitigates the risk of excessive exposure to any particular type of security or issuer. Further information on the investment portfolio is set out in the Investment Manager's review and the Portfolio statement.

As at 31 October 2019 the sub-fund's exposure to investment grade rated bonds was 67.79% (Source: Merian Global Investors (UK) Limited/Factsheet).

Analysis of bonds	£'000	%
Investment Grade	87,556	67.79
Below Investment Grade	21,218	16.44
Unrated	1,602	1.24
	110,376	85.47

As at 31 October 2018 the sub-fund's exposure to investment grade rated bonds was 78.28% (Source: Merian Global Investors (UK) Limited/Factsheet).

Analysis of bonds	£'000	%
Investment Grade	121,476	78.28
Below Investment Grade	2,634	1.70
Unrated	13,889	8.95
	137,999	88.93

e) Counterparty risk

Certain transactions in financial instruments that a sub-fund enters into have the risk that the counterparty will not meet its financial obligations, i.e. the investment (purchase) or cash (sale) after the sub-fund has fulfilled its responsibilities.

The sub-fund will only buy and sell investments through brokers which have been approved by the ACD and Investment Adviser as an acceptable counterparty. This is overseen by the Depositary to ensure that the exposure to any counterparty remains appropriate for investors.

Exposure Table 31.10.19	Credit default swaps exposure	Interest rate swaps exposure	Futures and options exposure	Forward foreign exchange contracts exposure	Collateral held
Counterparty	£'000	£'000	£'000	£'000	£'000
Barclays	-	-	-	-	-
Goldman Sachs	-	-	-	74	658
HSBC	-	44	-	-	-
JP Morgan	-	-	-	55	-
Morgan Stanley	-	183	-	-	689
RBS	-	-	-	97	-
Societe Generale	-	-	-	17	10
State Street	-	-	-	5,096	4,760
Toronto Dominion Bank Australia	-	-	-	1,165	970

Exposure Table 31.10.18

Counterparty	£'000	£'000	£'000	£'000	£'000
Bank of America Merrill Lynch	-	-	93	83	-
JPMorgan	-	-	-	652	-
Nomura	-	-	-	75	-
Societe Generale	-	-	-	274	180
Toronto Dominion Bank Toronto	-	-	-	71	-

Notes to the financial statements (continued)

for the year from 1 November 2018 to 31 October 2019

13 Derivatives and other financial instruments (continued)

e) Counterparty risk (continued)

Positive exposure represents the sub-fund's exposure to that counterparty and not the sub-fund's holdings with that counterparty.

For futures contracts, variation margin in the form of cash is pledged by the counterparty to mitigate the credit risk arising from positive balances. Where the sub-fund is in a liability position, the fund pledges variation margin in the form of cash.

Collateral arrangements with counterparties require assets of an agreed type and quality to be pledged where exposures are above a certain magnitude. At the year end, collateral of £5,808,000 in the form of cash was held for the sub-fund on behalf of counterparties (2018: £180,000 in the form of cash). Collateral of £Nil was pledged by the sub-fund to counterparties in the form of cash (2018: £4,410,000 in the form of cash). Collateral of £1,279,000 in the form of treasury bonds was held for the sub-fund on behalf of counterparties (2018: £Nil). Collateral of £Nil was pledged by the sub-fund to counterparties in the form of Treasury bonds (2018: £423,000 in the form of Treasury bonds).

f) Market risk

Market risk arises from uncertainty about future prices of financial instruments held. The main source of risk to the sub-fund is the potential movement in the value of financial instruments held as a result of price fluctuations. Stock market prices can move erratically and be unpredictably affected by diverse factors including political and economic events but also rumours and sentiment. The ACD adheres to the investment guidelines and borrowing powers set out within the Prospectus and the COLL Sourcebook. In this way the ACD monitors and controls the exposure to risk from any type of security, sector or issuer. The sub-fund may also use derivative instruments to mitigate risk and reduce cost.

g) Fair value of financial assets and liabilities

There is no material difference between the carrying value of the financial assets and liabilities, as shown in the Balance Sheet, and their fair value.

Basis of valuation	31.10.19		31.10.18	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
Level 1: Quoted prices	62,634	(423)	108,524	(389)
Level 2: Observable market data	61,881	(1,108)	37,689	(6,531)
Level 3: Unobservable data	-	-	-	-
Total	124,515	(1,531)	146,213	(6,920)

h) Sensitivity analysis

The Investment Adviser assesses the market risk of the Merian Global Strategic Bond Fund, including any derivative exposures, using an Absolute Value at Risk ('VaR') methodology. VaR is a process that provides the Investment Adviser with an estimate of the maximum potential loss that could be expected to occur as a result of changes in market prices over a given period of time in all but a given percentage of circumstances. As the sub-fund adopts an absolute VaR Model to measure the global market risk, the daily VaR limit for the sub-fund cannot be greater than 20 per cent of the Net Asset Value of the sub-fund. The VaR is calculated using a one-tailed 99 per cent confidence level, a one month holding period and the historical period of one year (250 Business Days). Derivatives are used to efficiently manage the tactical asset allocation positioning of the sub-fund, Merian Global Strategic Bond Fund. The sub-fund uses absolute methodology to measure Value at Risk (VaR). The VaR for the sub-fund at 31 October 2019 was 1.48% (31 October 2018: 1.92%).

The minimum, average and maximum VaR of the sub-fund over the year was 1.43%, 2.55%, 3.49% (31 October 2018: 0.60%, 1.00% and 2.80%).

The Gross sum of notionals (GSON) leverage figures are prepared with no hedging or netting of any asset class. Across the range of asset classes exposures are treated differently. For instance currency forwards are treated by valuing both legs of the underlying and expressing them as a percentage of the NAV. Physical assets are excluded to get the incremental exposure resulting from derivatives. The sub-fund is limited to 800% gross leverage (2018: 789%), and this limit has not been exceeded over the year. Using the "gross sum of notionals" methodology, the average leverage for the year ended 31 October 2019 was 207.80% (31 October 2018: 310%) and the leverage at the year end was 136% (31 October 2018: 143%).

14 Contingent liabilities

The sub-fund had no contingent liabilities at the Balance sheet date (31 October 2018: £Nil).

Notes to the financial statements (continued)

for the year from 1 November 2018 to 31 October 2019

15 Portfolio transaction costs

Analysis of total purchase costs

31.10.19

Bonds	482,866
Collective investment schemes	10,233
Total	493,099
Total purchase including transaction costs	493,099

Value £'000	Commissions £'000		Other costs £'000	
		%		%
482,866	-	-	-	-
10,233	-	-	-	-
493,099	-	-	-	-
493,099	-	-	-	-

Analysis of total purchase costs

31.10.18

Bonds	523,786
Collective investment schemes	9,652
Total	533,438
Total purchase including transaction costs	533,438

Value £'000	Commissions £'000		Other costs £'000	
		%		%
523,786	-	-	-	-
9,652	-	-	-	-
533,438	-	-	-	-
533,438	-	-	-	-

Analysis of total sale costs

31.10.19

Bonds	519,351
Collective investment schemes	10,071
Total	529,422
Total sale including transaction costs	529,422

Value £'000	Commissions £'000		Other costs £'000	
		%		%
519,351	-	-	-	-
10,071	-	-	-	-
529,422	-	-	-	-
529,422	-	-	-	-

Analysis of total sale costs

31.10.18

Bonds	515,398
Collective investment schemes	11,148
Corporate actions	28
Total	526,574
Total sale including transaction costs	526,574

Value £'000	Commissions £'000		Other costs £'000	
		%		%
515,398	-	-	-	-
11,148	-	-	-	-
28	-	-	-	-
526,574	-	-	-	-
526,574	-	-	-	-

Transaction costs as a percentage of average Net Assets*

	31.10.19	31.10.18
Commissions:	0.00%	0.00%
Other costs:	0.00%	0.00%

* Includes commission on derivative transactions of £45,667 (31 October 2018: £32,896). There were no taxes on derivative transactions (31 October 2018: Nil).

In the case of shares, transaction costs are paid by the sub-fund on each transaction. Commissions relate to those paid to agents, advisers, brokers and dealers in the buying and selling of securities. Other costs include any additional fees that may be paid to agents, advisers, brokers and dealers as well as levies by regulatory agencies and security exchanges and any transfer taxes or duties. In addition, there is a dealing spread between the buying and selling prices of the underlying investments. Unlike shares, other types of investments have no separately identifiable transaction costs; these costs form part of the dealing spread. Dealing spreads may vary considerably depending on the transaction value and market sentiment. At the balance sheet date the dealing spread was 0.17% (31 October 2018: 0.13%).

Notes to the financial statements (continued)

for the year from 1 November 2018 to 31 October 2019

16 Shareholders' funds

The sub-fund currently has seven share classes; Accumulation 'A', Income 'A', Accumulation 'P', Income 'P', Accumulation 'U1', Income 'U1' and Income 'U2'. The net asset value of each share class, net asset value per share and the number of shares in issue are given in the information pages for each sub-fund.

The share classes currently in issue and the Fixed Ongoing Charge of each share class are shown below.

	31.10.19	31.10.18
- Accumulation 'A'	1.15%	1.15%
- Income 'A'	1.15%	1.15%
- Accumulation 'P'	0.65%	0.65%
- Income 'P'	0.65%	0.65%
- Accumulation 'U1'	0.60%	0.60%
- Income 'U1'	0.60%	0.60%
- Income 'U2'	0.55%	0.55%

Share class movement reconciliation

	Opening	Issued	Redeemed	Converted	Closing
- Accumulation 'A'	6,913,279	164,699	(1,898,194)	(159,045)	5,020,739
- Income 'A'	2,963,572	66,747	(1,143,753)	(38,145)	1,848,421
- Accumulation 'P'	72,586,291	3,776,633	(17,355,095)	392,721	59,400,550
- Income 'P'	21,744,672	489,372	(12,029,629)	83,538	10,287,953
- Accumulation 'U1'	20,818,685	788,663	(6,211,716)	36,935	15,432,567
- Income 'U1'	4,863,940	156,965	(1,545,941)	-	3,474,964
- Income 'U2'	8,370	13,049	-	-	21,419

17 Post balance sheet date events

There are no post balance sheet events requiring disclosure.

Distribution table

Final distribution

Group 1: Shares purchased prior to 1 August 2019
 Group 2: Shares purchased from 1 August 2019 to 31 October 2019

	Revenue pence per share	Equalisation pence per share*	Distribution paid 31.12.19 pence per share	Distribution paid 31.12.18 pence per share
Accumulation 'A' Shares				
Group 1	0.8843	-	0.8843	1.3908
Group 2	0.6043	0.2800	0.8843	1.3908
Income 'A' Shares				
Group 1	0.5265	-	0.5265	0.8513
Group 2	0.3965	0.1300	0.5265	0.8513
Accumulation 'P' Shares				
Group 1	0.4832	-	0.4832	0.6533
Group 2	0.3132	0.1700	0.4832	0.6533
Income 'P' Shares				
Group 1	0.4132	-	0.4132	0.5736
Group 2	0.2232	0.1900	0.4132	0.5736
Accumulation 'U1' Shares				
Group 1	0.4444	-	0.4444	0.5937
Group 2	0.2444	0.2000	0.4444	0.5937
Income 'U1' Shares				
Group 1	0.4107	-	0.4107	0.5620
Group 2	0.2507	0.1600	0.4107	0.5620
Income 'U2' Shares				
Group 1	0.4194	-	0.4194	0.5688
Group 2	0.2194	0.2000	0.4194	0.5688

Distribution table (continued)

Third Interim distribution

Group 1: Shares purchased prior to 1 May 2019
 Group 2: Shares purchased from 1 May 2019 to 31 July 2019

	Revenue pence per share	Equalisation pence per share*	Distribution paid 30.09.19 pence per share	Distribution paid 30.09.18 pence per share
Accumulation 'A' Shares				
Group 1	1.6917	-	1.6917	2.0515
Group 2	1.2038	0.4879	1.6917	2.0515
Income 'A' Shares				
Group 1	1.0124	-	1.0124	1.2562
Group 2	0.4246	0.5878	1.0124	1.2562
Accumulation 'P' Shares				
Group 1	0.7714	-	0.7714	0.8916
Group 2	0.4795	0.2919	0.7714	0.8916
Income 'P' Shares				
Group 1	0.6637	-	0.6637	0.7887
Group 2	0.3696	0.2941	0.6637	0.7887
Accumulation 'U1' Shares				
Group 1	0.7004	-	0.7004	0.8064
Group 2	0.3058	0.3946	0.7004	0.8064
Income 'U1' Shares				
Group 1	0.6513	-	0.6513	0.7715
Group 2	0.3214	0.3299	0.6513	0.7715
Income 'U2' Shares				
Group 1	0.6562	-	0.6562	0.7758
Group 2	0.3603	0.2959	0.6562	0.7758

Distribution table (continued)

Second Interim distribution

Group 1: Shares purchased prior to 1 February 2019
 Group 2: Shares purchased from 1 February 2019 to 30 April 2019

	Revenue pence per share	Equalisation pence per share*	Distribution paid 30.06.19 pence per share	Distribution paid 30.06.18 pence per share
Accumulation 'A' Shares				
Group 1	2.0191	-	2.0191	1.0414
Group 2	1.4286	0.5905	2.0191	1.0414
Income 'A' Shares				
Group 1	1.2154	-	1.2154	0.6391
Group 2	0.9782	0.2372	1.2154	0.6391
Accumulation 'P' Shares				
Group 1	0.8805	-	0.8805	0.5215
Group 2	0.6607	0.2198	0.8805	0.5215
Income 'P' Shares				
Group 1	0.7631	-	0.7631	0.4629
Group 2	0.5090	0.2541	0.7631	0.4629
Accumulation 'U1' Shares				
Group 1	0.7966	-	0.7966	0.4762
Group 2	0.4646	0.3320	0.7966	0.4762
Income 'U1' Shares				
Group 1	0.7463	-	0.7463	0.4576
Group 2	0.4051	0.3412	0.7463	0.4576
Accumulation 'U2' Shares†				
Group 1	-	-	-	0.4868
Group 2	-	-	-	0.4868
Income 'U2' Shares				
Group 1	0.7518	-	0.7518	0.4640
Group 2	0.3736	0.3782	0.7518	0.4640

Distribution table (continued)

First Interim distribution

Group 1: Shares purchased prior to 1 November 2018
 Group 2: Shares purchased from 1 November 2018 to 31 January 2019

	Revenue pence per share	Equalisation pence per share*	Distribution paid 31.03.19 pence per share	Distribution paid 31.03.18 pence per share
Accumulation 'A' Shares				
Group 1	1.8595	-	1.8595	0.7722
Group 2	0.8256	1.0339	1.8595	0.7722
Income 'A' Shares				
Group 1	1.1261	-	1.1261	0.4750
Group 2	0.7853	0.3408	1.1261	0.4750
Accumulation 'P' Shares				
Group 1	0.8215	-	0.8215	0.4279
Group 2	0.3605	0.4610	0.8215	0.4279
Income 'P' Shares				
Group 1	0.7169	-	0.7169	0.3817
Group 2	0.3339	0.3830	0.7169	0.3817
Accumulation 'U1' Shares				
Group 1	0.7440	-	0.7440	0.3937
Group 2	0.2843	0.4597	0.7440	0.3937
Income 'U1' Shares				
Group 1	0.7021	-	0.7021	0.3798
Group 2	0.2665	0.4356	0.7021	0.3798
Accumulation 'U2' Shares†				
Group 1	-	-	-	0.4062
Group 2	-	-	-	0.4062
Income 'U2' Shares				
Group 1	0.7058	-	0.7058	0.3864
Group 2	0.7058	0.0000	0.7058	0.3864

† Closed on 15 June 2018.

*Equalisation only applies to shares purchased during the period (Group 2 shares). It is the average amount of revenue included in the purchase price of all Group 2 shares and is refunded to holders as a return of capital. Being capital, it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

Merian North American Equity Fund

Launch date	6 April 1985
IA Sector	North American
Investment adviser	Merian Global Investors (UK) Limited
Net asset value	£ 2,651,671,659

Investment Objective and Policy

To seek to achieve capital growth by delivering a return, net of fees, greater than that of the MSCI North America Index with net dividends reinvested over rolling 3 year periods.

The sub-fund primarily invests (at least 70%) in a diversified portfolio of North American equities. North American equities are those of companies that are domiciled, incorporated or listed in North America, or that conduct a significant part of their business in North America.

The sub-fund may also invest in other transferable securities, units in collective investment schemes (including those managed or operated by the ACD or an associate of the ACD), warrants, money market instruments, deposits and derivatives, and may hold cash.

The sub-fund may use derivatives for Efficient Portfolio Management purposes. The ACD considers that the use of derivatives for this purpose is not likely to affect the volatility or risk profile of the sub-fund. The sub-fund may use derivatives for purposes other than Efficient Portfolio Management, provided it has given shareholders 60 days' notice of such change. If the sub-fund did use derivatives for investment purposes, it may therefore at times increase the volatility of the sub-fund's NAV and change the risk profile of the sub-fund.

Investment Manager's review

The S&P 500 posted a 12.0% price gain over the period (in US Dollar terms). Investors were drawn to equities in their quest for income in an increasingly negative yield environment. Slowing global growth forced global central banks to keep monetary policy loose. Defensive sectors were strong drivers of equity returns as investors saw them as proxies for long duration bonds and as resilient against economic woes.

Performance

The fund underperformed its benchmark during the period. The returns to factors such as value, quality, momentum and growth were weak over the period. There was inconsistency in many factor returns, and intermittent spikes in correlation between factors. Overcrowding in medium-term factors contributed to this effect, which was accentuated by capital outflows and liquidity being withdrawn from strategies using these factors. Many of the medium-term factors employed by the team overlapped with some of these overcrowded areas. In turn this contributed to a period of extended softer performance.

At a portfolio level, for example, it has proven challenging to blend value with a series of our other factor sets. The nature of the relationship between value and momentum, as well as between value and company management, detracted from returns, as evidenced by the weaker contribution from the market dynamics and company management factor sets. Their long track record of success validates the benefits of such an approach. However, there will be episodes when it struggles. We believe that model enhancements we have proposed making will mitigate such effects going forward.

Outlook

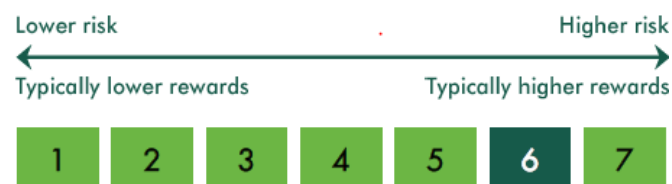
In an effort to meet these challenges, we are incorporating downside risk into our dynamic weighting scheme. In particular, we are looking at the Sortino ratio of the factor sets relative to the other factors we can have in a specific region. Our dynamic valuation factor set will now take account of the demand from investors for each individual style (value and quality). We believe this will allow the investment process to mitigate downside risk better in periods where both are out of favour, by decreasing the weights in both. Finally, we will adopt a secondary risk model, given its ability to capture periods of higher correlation between factors and other transitory risks informing equity pricing, such as sensitivity to Fed rate hikes or the price of oil. These enhancements would have generated similar returns over long historic back test periods (last 15 and 25 years) but with lower risk, thus resulting in higher historic Sharpe and Sortino ratios.

Value assessment for the year ended 31 October 2019

For further details on the value assessment report please refer to pages 8 to 12.

Merian North American Equity Fund

Risk and Reward Profile



The calculated risk and reward category, as shown above, uses a method of calculation derived from EU rules. It is based on the rate at which the returns of the sub-fund have moved up and down in the past (i.e. volatility) and is not a guide to the future risk and reward category of the sub-fund. The category shown is not a target or guarantee and may shift over time. Even the lowest category 1 does not mean a risk-free investment. The seven-category scale is nonlinear, for example, 2 is not twice as risky as 1.

Sub-funds in category 6 have in the past shown moderately high volatility. With a sub-fund of category 6, you have a moderately high risk of losing money but your chance for gains is also moderately high.

Investment risk - there is no guarantee that the sub-fund will achieve its objective. A capital loss of some or all of the amount invested may occur.

Geographic concentration risk - a fall in the US and Canadian markets may have a significant impact on the value of the sub-fund because it primarily invests in these markets.

Currency risk - the sub-fund is denominated in British Pounds but holds assets denominated in other currencies. The value of your shares may rise and fall as a result of exchange rate movements between these currencies.

Derivative risk - the sub-fund uses derivatives to reduce costs and/or the overall risk of the sub-fund (i.e. Efficient Portfolio Management (EPM)). Derivatives involve a level of risk, however, for EPM they should not increase the overall riskiness of the sub-fund. Derivatives also involve counterparty risk where the institutions acting as counterparty to derivatives may not meet their contractual obligations.

Capital erosion risk - the sub-fund takes its charges from the income of the sub-fund in the first instance. The impact of sub-fund charges may be material on the value of any income you receive from your investment. There is potential for capital erosion if insufficient income is generated by the sub-fund to cover these charges. Capital erosion may have the effect of reducing the level of income generated.

For a more detailed explanation of risks, please refer to the "Risk" section of the prospectus.

Performance Records

Comparative Tables

Accumulation 'A'	1 November 2018 to 31 October 2019 pence per share	1 November 2017 to 31 October 2018 pence per share	1 November 2016 to 31 October 2017 pence per share
Change in net assets per share			
Opening net asset value per share	1,124.74	1,089.81	919.14
Return before operating charges*	117.99	54.24	187.99
Operating charges**	(20.12)	(19.31)	(17.32)
Return after operating charges*	97.87	34.93	170.67
Distributions	-	-	-
Retained distributions	-	-	-
Closing net asset value per share	1,222.61	1,124.74	1,089.81
* after direct transaction costs of***	0.77	0.83	0.73
Performance			
Return after charges	8.70%	3.21%	18.57%
Other information			
Closing net asset value (£)	107,575,724	131,267,589	157,635,681
Closing number of shares	8,798,885	11,670,904	14,464,548
Operating charges****	1.70%	1.70%	1.70%
Direct transaction costs***	0.06%	0.07%	0.07%
Prices	pence per share	pence per share	pence per share
Highest share price	1,305.00	1,262.00	1,140.49
Lowest share price	1,028.00	1,024.00	881.41
Income 'E'†	24 January 2019 to 31 October 2019 pence per share	1 November 2017 to 31 October 2018 pence per share	1 November 2016 to 31 October 2017 pence per share
Change in net assets per share			
Opening net asset value per share	100.00	-	-
Return before operating charges*	11.96	-	-
Operating charges**	(0.51)	-	-
Return after operating charges*	11.45	-	-
Distributions	(0.71)	-	-
Retained distributions	-	-	-
Closing net asset value per share	110.74	-	-
* after direct transaction costs of***	0.06	-	-
Performance			
Return after charges	11.45%	-	-
Other information			
Closing net asset value (£)	79,547,441	-	-
Closing number of shares	71,831,584	-	-
Operating charges****	0.60%	-	-
Direct transaction costs***	0.06%	-	-
Prices	pence per share	pence per share	pence per share
Highest share price	118.60	-	-
Lowest share price	103.30	-	-

Comparative Tables (continued)

Accumulation 'P'	1 November 2018 to 31 October 2019 pence per share	1 November 2017 to 31 October 2018 pence per share	1 November 2016 to 31 October 2017 pence per share
Change in net assets per share			
Opening net asset value per share	388.39	374.46	314.25
Return before operating charges*	40.86	18.63	64.40
Operating charges**	(4.92)	(4.70)	(4.19)
Return after operating charges*	35.94	13.93	60.21
Distributions	(1.03)	-	-
Retained distributions	1.03	-	-
Closing net asset value per share	424.33	388.39	374.46
* after direct transaction costs of***	0.27	0.29	0.25
Performance			
Return after charges	9.25%	3.72%	19.16%
Other information			
Closing net asset value (£)	5,216,274	6,151,683	6,636,071
Closing number of shares	1,229,285	1,583,890	1,772,173
Operating charges****	1.20%	1.20%	1.20%
Direct transaction costs***	0.06%	0.07%	0.07%
Prices	pence per share	pence per share	pence per share
Highest share price	452.40	435.40	391.87
Lowest share price	355.10	352.50	301.37
Accumulation 'R'	1 November 2018 to 31 October 2019 pence per share	1 November 2017 to 31 October 2018 pence per share	1 November 2016 to 31 October 2017 pence per share
Change in net assets per share			
Opening net asset value per share	286.49	275.52	230.64
Return before operating charges*	30.17	13.71	47.32
Operating charges**	(2.88)	(2.74)	(2.44)
Return after operating charges*	27.29	10.97	44.88
Distributions	(1.52)	(0.21)	(0.54)
Retained distributions	1.52	0.21	0.54
Closing net asset value per share	313.78	286.49	275.52
* after direct transaction costs of***	0.20	0.21	0.18
Performance			
Return after charges	9.53%	3.98%	19.46%
Other information			
Closing net asset value (£)	1,067,959,715	1,060,072,614	910,580,051
Closing number of shares	340,347,164	370,020,698	330,493,746
Operating charges****	0.95%	0.95%	0.95%
Direct transaction costs***	0.06%	0.07%	0.07%
Prices	pence per share	pence per share	pence per share
Highest share price	334.40	321.10	277.24
Lowest share price	262.10	259.60	221.19

Comparative Tables (continued)

Accumulation 'U1'	1 November 2018 to 31 October 2019 pence per share	1 November 2017 to 31 October 2018 pence per share	1 November 2016 to 31 October 2017 pence per share
Change in net assets per share			
Opening net asset value per share	210.15	201.96	168.93
Return before operating charges*	22.14	10.05	34.68
Operating charges**	(1.94)	(1.86)	(1.65)
Return after operating charges*	20.20	8.19	33.03
Distributions	(1.28)	(0.31)	(0.53)
Retained distributions	1.28	0.31	0.53
Closing net asset value per share	230.35	210.15	201.96
* after direct transaction costs of***	0.14	0.15	0.14
Performance			
Return after charges	9.61%	4.06%	19.55%
Other information			
Closing net asset value (£)	855,883,822	1,082,887,912	951,614,079
Closing number of shares	371,563,135	515,289,424	471,196,015
Operating charges****	0.875%	0.875%	0.875%
Direct transaction costs***	0.06%	0.07%	0.07%
Prices	pence per share	pence per share	pence per share
Highest share price	245.40	235.50	203.22
Lowest share price	192.30	190.40	162.01

Accumulation 'U2'	1 November 2018 to 31 October 2019 pence per share	1 November 2017 to 31 October 2018 pence per share	1 November 2016 to 31 October 2017 pence per share
Change in net assets per share			
Opening net asset value per share	213.45	204.96	171.31
Return before operating charges*	22.49	10.22	35.18
Operating charges**	(1.81)	(1.73)	(1.53)
Return after operating charges*	20.68	8.49	33.65
Distributions	(1.47)	(0.48)	(0.68)
Retained distributions	1.47	0.48	0.68
Closing net asset value per share	234.13	213.45	204.96
* after direct transaction costs of***	0.15	0.16	0.14
Performance			
Return after charges	9.69%	4.14%	19.64%
Other information			
Closing net asset value (£)	535,488,683	571,744,301	319,149,592
Closing number of shares	228,709,700	267,861,539	155,712,475
Operating charges****	0.80%	0.80%	0.80%
Direct transaction costs***	0.06%	0.07%	0.07%
Prices	pence per share	pence per share	pence per share
Highest share price	249.40	239.10	206.24
Lowest share price	195.30	193.20	164.30

Comparative Tables (continued)

Accumulation 'W'††	1 November 2018 to 31 October 2019 pence per share	1 November 2017 to 31 October 2018 pence per share	1 November 2016 to 31 October 2017 pence per share
Change in net assets per share			
Opening net asset value per share	-	100.00	-
Return before operating charges*	-	11.54	-
Operating charges**	-	(0.12)	-
Return after operating charges*	-	11.42	-
Distributions	-	-	-
Retained distributions	-	-	-
Closing net asset value per share	-	111.42	-
* after direct transaction costs of***	-	-	-
Performance			
Return after charges	-	-	-
Other information			
Closing net asset value (£)	-	-	-
Closing number of shares	-	-	-
Operating charges****	-	0.80%	-
Direct transaction costs***	-	-	-
Prices	pence per share	pence per share	pence per share
Highest share price	-	112.60	-
Lowest share price	-	100.00	-

† Launched 24 January 2019.

†† From 10 April 2018 and to 1 June 2018.

** The operating charges include all costs borne by the sub-fund, except for direct transaction costs.

*** The direct transaction costs are made up of fees and commissions paid to agents, advisers, brokers and dealers, levies by regulatory agencies and securities exchanges as well as transfer taxes and duties. They do not include any difference between the quoted bid and offer prices or internal administrative or holding costs. These costs arise as a result of transactions undertaken both for efficient portfolio management and the meeting of the sub-fund's objectives. These costs exclude any effect of dilution adjustments used to offset the costs.

**** The operating charges percentage is the ratio of the sub-fund's ongoing charges (excluding interest on borrowings) to the average net assets of the sub-fund. If the share class launched during the year the operating charges are annualised.

Portfolio statement

as at 31 October 2019

Holding	Investment	Market Value £'000	Percentage of total net assets %
	Europe 1.31% (31 October 2018 0.00%)		
	Ireland Equities 0.90% (31 October 2018 0.00%)		
	Health Care Equipment & Services 0.54% (31 October 2018 0.00%)		
171,691	Medtronic (US Listing)	14,382	0.54
		14,382	0.54
	Pharmaceuticals & Biotechnology 0.17% (31 October 2018 0.00%)		
46,051	Alkermes	710	0.03
39,158	Jazz Pharmaceuticals	3,814	0.14
		4,524	0.17
	Support Services 0.19% (31 October 2018 0.00%)		
35,005	Accenture	5,040	0.19
		5,040	0.19
	Israel Equities 0.03% (31 October 2018 0.00%)		
	Alternative Energy 0.03% (31 October 2018 0.00%)		
11,427	SolarEdge Technologies	747	0.03
		747	0.03
	Switzerland Equities 0.38% (31 October 2018 0.00%)		
	Leisure Goods 0.34% (31 October 2018 0.00%)		
122,649	Garmin	9,119	0.34
		9,119	0.34
	Nonlife Insurance 0.04% (31 October 2018 0.00%)		
9,204	Chubb (US Listing)	1,089	0.04
		1,089	0.04
	United Kingdom 0.28% (31 October 2018 0.09%)		
	United Kingdom Equities 0.28% (31 October 2018 0.09%)		
	General Industrials 0.27% (31 October 2018 0.00%)		
965,935	Amcor	7,126	0.27
		7,126	0.27
	Industrial Engineering 0.00% (31 October 2018 0.09%)		
	Oil Equipment, Services & Distribution 0.01% (31 October 2018 0.00%)		
17,083	TechnipFMC (USD Listing)	260	0.01
		260	0.01
	North America 98.99% (31 October 2018 95.87%)		
	Bermuda Equities 0.84% (31 October 2018 1.03%)		
	Nonlife Insurance 0.84% (31 October 2018 1.03%)		
36,066	Axis Capital	1,648	0.06
98,743	Everest Re	19,399	0.73
8,208	RenaissanceRe	1,175	0.05
		22,222	0.84

Portfolio statement (continued)

as at 31 October 2019

Holding	Investment	Market Value £'000	Percentage of total net assets %
	Canada Equities 5.42% (31 October 2018 5.18%)		
	Banks 0.30% (31 October 2018 0.01%)		
183,932	Toronto-Dominion	8,107	0.30
		<u>8,107</u>	<u>0.30</u>
	Chemicals 0.29% (31 October 2018 0.37%)		
168,965	Methanex	4,925	0.19
70,658	Nutrien	2,660	0.10
		<u>7,585</u>	<u>0.29</u>
	Electricity 0.21% (31 October 2018 0.00%)		
213,172	Hydro One	3,032	0.11
165,954	Northland Power	2,510	0.10
		<u>5,542</u>	<u>0.21</u>
	Financial Services 0.22% (31 October 2018 0.09%)		
71,092	CI Financial	801	0.03
90,627	Genworth MI Canada	2,805	0.11
28,830	Home Capital	457	0.02
37,582	Onex	1,689	0.06
		<u>5,752</u>	<u>0.22</u>
	Forestry & Paper 0.00% (31 October 2018 0.52%)		
	General Retailers 0.04% (31 October 2018 0.18%)		
43,068	Dollarama	1,121	0.04
		<u>1,121</u>	<u>0.04</u>
	Industrial Metals & Mining 0.07% (31 October 2018 0.00%)		
45,263	Labrador Iron Ore Royalty	601	0.02
108,097	Teck Resources	1,365	0.05
		<u>1,966</u>	<u>0.07</u>
	Industrial Transportation 0.55% (31 October 2018 0.10%)		
176,254	Canadian National Railway	12,286	0.46
13,377	Canadian Pacific Railway	2,361	0.09
		<u>14,647</u>	<u>0.55</u>
	Leisure Goods 0.00% (31 October 2018 0.09%)		
	Life Insurance 1.81% (31 October 2018 1.72%)		
75,370	Great-West Lifeco	1,376	0.05
2,487,361	Manulife Financial	35,995	1.36
308,693	Sun Life Financial	10,718	0.40
		<u>48,089</u>	<u>1.81</u>
	Media 0.24% (31 October 2018 0.00%)		
120,178	Thomson Reuters	6,273	0.24
		<u>6,273</u>	<u>0.24</u>
	Mining 0.12% (31 October 2018 0.00%)		
351,823	B2Gold	911	0.04
167,190	Barrick Gold (CAD Listing)	2,184	0.08
		<u>3,095</u>	<u>0.12</u>

Portfolio statement (continued)

as at 31 October 2019

Holding	Investment	Market Value £'000	Percentage of total net assets %
	Mobile Telecommunications 0.00% (31 October 2018 0.06%)		
	Nonlife Insurance 0.02% (31 October 2018 0.00%)		
2,110	Fairfax Financial	686	0.02
		686	0.02
	Oil & Gas Producers 0.91% (31 October 2018 0.75%)		
140,732	Canadian Natural Resources	2,758	0.10
878,804	Crescent Point Energy	2,662	0.10
588,322	Imperial Oil	11,289	0.43
493,846	Parex Resources	5,223	0.20
92,428	Suncor Energy	2,148	0.08
		24,080	0.91
	Personal Goods 0.33% (31 October 2018 1.04%)		
211,888	Gildan Activewear	4,195	0.16
28,375	Lululemon Athletica	4,506	0.17
		8,701	0.33
	Real Estate Investment & Services 0.00% (31 October 2018 0.02%)		
	Real Estate Investment Trusts 0.23% (31 October 2018 0.02%)		
43,045	Dream Office Real Estate Investment Trust Units Series 'A'	737	0.03
31,106	Granite Real Estate Investment Trust Stapled Units	1,175	0.04
113,355	H&R Real Estate Investment Trust	1,484	0.06
129,382	RioCan Real Estate Investment Trust	1,993	0.07
36,967	Smart Real Estate Investment Trust	688	0.03
		6,077	0.23
	Software & Computer Services 0.00% (31 October 2018 0.19%)		
	Travel & Leisure 0.08% (31 October 2018 0.02%)		
62,897	Air Canada	1,715	0.06
24,281	IMAX	393	0.02
		2,108	0.08
	Puerto Rico Equities 0.00% (31 October 2018 0.22%)		
	Banks 0.00% (31 October 2018 0.22%)		
	United States 92.73% (31 October 2018 89.44%)		
	United States Equities 92.73% (31 October 2018 89.43%)		
	Aerospace & Defence 1.79% (31 October 2018 3.19%)		
15,238	Axon Enterprise	617	0.02
10,304	General Dynamics	1,417	0.05
13,280	HEICO	1,236	0.05
16,167	Huntington Ingalls Industries	2,807	0.11
76,682	Lockheed Martin	22,400	0.85
46,008	Northrop Grumman	12,572	0.47
23,641	Spirit AeroSystems	1,442	0.06
135,685	Textron	4,886	0.18
		47,377	1.79

Portfolio statement (continued)

as at 31 October 2019

Holding	Investment	Market Value £'000	Percentage of total net assets %
	Alternative Energy 0.10% (31 October 2018 0.00%)		
94,081	Enphase Energy	1,360	0.05
31,708	First Solar	1,269	0.05
		<u>2,629</u>	<u>0.10</u>
	Automobiles & Parts 0.45% (31 October 2018 0.00%)		
758,550	Ford Motor	4,993	0.19
236,447	General Motors	6,917	0.26
		<u>11,910</u>	<u>0.45</u>
	Banks 1.45% (31 October 2018 1.74%)		
234,820	Bank of America	5,729	0.22
17,962	CIT Group	613	0.02
97,588	Citigroup	5,497	0.21
51,700	Fifth Third Bancorp	1,168	0.04
235,719	JPMorgan Chase	22,873	0.86
134,921	New York Community Bancorp	1,232	0.05
42,014	Synovus Financial	1,114	0.04
8,692	Western Alliance Bank	337	0.01
		<u>38,563</u>	<u>1.45</u>
	Beverages 1.71% (31 October 2018 1.43%)		
11,495	Boston Beer	3,295	0.12
158,162	Coca-Cola	6,583	0.25
288,001	Monster Beverage	12,478	0.47
217,151	PepsiCo	22,936	0.87
		<u>45,292</u>	<u>1.71</u>
	Chemicals 0.66% (31 October 2018 2.61%)		
200,025	DuPont de Nemours	10,137	0.38
9,643	Ecolab	1,442	0.05
6,728	NewMarket	2,516	0.10
45,913	Scotts Miracle-Gro	3,492	0.13
		<u>17,587</u>	<u>0.66</u>
	Construction & Materials 0.21% (31 October 2018 3.61%)		
21,262	Continental Building Products	496	0.02
13,520	Lennox International	2,587	0.10
38,867	Simpson Manufacturing	2,475	0.09
		<u>5,558</u>	<u>0.21</u>
	Electricity 2.87% (31 October 2018 0.60%)		
1,963,230	AES	26,056	0.98
15,337	Black Hills	933	0.04
284,770	DTE Energy Co	27,896	1.05
58,970	Edison International	2,829	0.11
24,704	Eversource	1,214	0.05
276,023	Exelon	9,936	0.37
79,601	NRG Energy	2,502	0.09
14,252	Pinnacle West Capital	1,032	0.04
19,923	Portland General Electric	874	0.03
132,936	Vistra Energy	2,794	0.11
		<u>76,066</u>	<u>2.87</u>

Portfolio statement (continued)

as at 31 October 2019

Holding	Investment	Market Value £'000	Percentage of total net assets %
Electronic & Electrical Equipment 0.41% (31 October 2018 0.04%)			
172,399	GrafTech International	1,689	0.06
4,754	Mettler-Toledo International	2,599	0.10
22,806	Universal Display	3,056	0.12
15,792	Waters	2,620	0.10
4,592	Zebra Technologies	846	0.03
		10,810	0.41
Financial Services 5.61% (31 October 2018 5.10%)			
193,464	Ally Financial	4,658	0.18
87,489	American Express	7,969	0.30
18,625	Ameriprise Financial	2,185	0.08
90,685	Athene	3,072	0.12
98,006	Capital One Financial	7,150	0.27
170,172	Discover Financial Services	10,652	0.40
26,209	Essent	1,047	0.04
33,222	Evercore	1,889	0.07
23,479	Federated Investors	575	0.02
32,439	Franklin Resources	702	0.03
73,857	Goldman Sachs	12,299	0.46
136,513	Invesco	1,777	0.07
1,147	MarketAxess	318	0.01
104,646	Mastercard	22,388	0.84
31,573	Morgan Stanley	1,127	0.04
44,663	MSCI	7,875	0.30
104,946	Navient	1,126	0.04
106,586	OneMain	3,330	0.13
45,616	Radian	867	0.03
6,933	SEI Investments	326	0.01
57,658	Synchrony Financial	1,583	0.06
87,466	T Rowe Price	7,934	0.30
325,714	Visa	45,051	1.70
66,019	Voya Financial	2,779	0.11
		148,679	5.61
Fixed Line Telecommunications 0.95% (31 October 2018 2.10%)			
420,486	AT&T	12,394	0.47
274,793	Verizon Communications	12,898	0.48
		25,292	0.95
Food & Drug Retailers 0.60% (31 October 2018 0.28%)			
59,147	AmerisourceBergen	3,919	0.15
72,176	McKesson	7,621	0.28
104,109	Walgreens Boots Alliance	4,487	0.17
		16,027	0.60
Food Producers 0.43% (31 October 2018 0.62%)			
257,019	Corteva	5,456	0.21
9,009	Medifast	784	0.03
39,189	Mondelez International	1,573	0.06
31,672	Tyson Foods	1,999	0.07
29,518	USANA Health Sciences	1,718	0.06
		11,530	0.43

Portfolio statement (continued)

as at 31 October 2019

Holding	Investment	Market Value £'000	Percentage of total net assets %
	Forestry & Paper 0.00% (31 October 2018 0.11%)		
	Gas, Water & Multiutilities 1.39% (31 October 2018 1.45%)		
177,447	Ameren	10,621	0.40
51,607	American Water Works	4,810	0.18
151,158	National Fuel Gas	5,287	0.20
46,666	New Jersey Resources	1,579	0.06
80,776	NiSource	1,714	0.06
349,888	UGI	12,959	0.49
		36,970	1.39
	General Industrials 1.84% (31 October 2018 0.00%)		
65,985	3M	8,571	0.32
140,677	Arconic	2,987	0.11
42,807	Danaher	4,567	0.17
1,527,233	General Electric	11,914	0.45
103,131	Honeywell International	13,898	0.53
207,080	Sealed Air	6,805	0.26
		48,742	1.84
	General Retailers 6.78% (31 October 2018 4.60%)		
50,375	Amazon.com	69,190	2.61
11,818	AutoZone	10,474	0.40
28,456	Best Buy	1,596	0.06
24,550	Cargurus	632	0.02
102,116	Copart	6,619	0.25
1,013,231	eBay	28,037	1.06
115,231	Home Depot	21,006	0.79
94,728	IAA	2,808	0.11
615,597	KAR Auction Services	11,989	0.45
88,890	L Brands	1,156	0.04
65,477	Lowe's	5,623	0.21
19,391	Macy's	226	0.01
44,130	Netflix	9,924	0.37
109,164	Rent-A-Center	2,209	0.08
22,312	ServiceMaster Global	710	0.03
91,326	Target	7,607	0.29
		179,806	6.78
	Health Care Equipment & Services 2.94% (31 October 2018 10.10%)		
10,309	ABIOMED	1,446	0.05
50,346	Anthem	10,626	0.40
15,396	Baxter International	913	0.03
61,189	Bruker	2,104	0.08
14,595	Cigna	1,987	0.07
18,090	Cooper	4,078	0.15
19,148	Edwards Lifesciences	3,533	0.13
33,187	HCA Healthcare	3,451	0.13
36,394	Henry Schein	1,762	0.07
21,018	Humana	4,771	0.18
58,951	IDEXX Laboratories	12,440	0.47
6,554	Intuitive Surgical	2,812	0.11
27,141	Masimo	3,094	0.12
7,377	Molina Healthcare	705	0.03

Portfolio statement (continued)

as at 31 October 2019

Holding	Investment	Market Value £'000	Percentage of total net assets %
Health Care Equipment & Services (continued)			
17,788	Thermo Fisher Scientific	4,144	0.16
67,147	UnitedHealth	13,207	0.50
64,887	Varian Medical Systems	6,130	0.23
6,467	West Pharmaceutical Services	721	0.03
		77,924	2.94
Household Goods & Home Construction 2.16% (31 October 2018 0.46%)			
56,545	Edgewell Personal Care	1,562	0.06
2,487	NVR	6,944	0.26
395,818	Procter & Gamble	38,160	1.44
180,161	PulteGroup	5,500	0.21
16,404	Sleep Number	620	0.02
5,644	Spectrum Brands	219	0.01
50,239	Tempur Sealy International	3,173	0.12
8,752	Whirlpool	1,045	0.04
		57,223	2.16
Industrial Engineering 0.45% (31 October 2018 1.73%)			
322,926	Allison Transmission	11,594	0.44
3,943	Oshkosh	272	0.01
		11,866	0.45
Industrial Transportation 1.02% (31 October 2018 1.74%)			
50,335	CSX	2,760	0.11
1,834	Expeditors International of Washington	105	-
134,724	Landstar System	11,969	0.45
93,906	Union Pacific	12,170	0.46
		27,004	1.02
Leisure Goods 0.95% (31 October 2018 0.00%)			
12,057	Activision Blizzard	520	0.02
52,689	Electronic Arts	3,933	0.15
140,146	Glu Mobile	663	0.02
49,028	Hasbro	3,756	0.14
8,338	McDonald's	1,267	0.05
220,790	Starbucks	14,354	0.54
8,732	Yum! Brands	696	0.03
		25,189	0.95
Life Insurance 2.33% (31 October 2018 2.68%)			
596,717	AXA Equitable	10,125	0.38
134,070	Brighthouse Financial	3,981	0.15
12,019	Lincoln National	571	0.02
853,198	MetLife	30,475	1.15
200,955	Principal Financial	8,422	0.32
98,996	Prudential Financial	7,051	0.27
53,395	Unum	1,131	0.04
		61,756	2.33
Media 1.45% (31 October 2018 1.03%)			
220,827	CBS	6,063	0.23
59,098	Comcast	2,038	0.08
43,625	FactSet Research Systems	8,537	0.32
171,154	MSG Networks	2,180	0.08
119,081	Nielsen	1,855	0.07

Portfolio statement (continued)

as at 31 October 2019

Holding	Investment	Market Value £'000	Percentage of total net assets %
	Media (continued)		
234,783	Qurate	1,748	0.07
2,510	Sinclair Broadcast	78	-
643,764	Sirius XM	3,209	0.12
87,264	Walt Disney	8,732	0.33
150,469	Yelp	4,048	0.15
		38,488	1.45
	Mining 0.26% (31 October 2018 0.88%)		
68,351	Arch Coal	4,327	0.16
85,255	Newmont Mining	2,568	0.10
		6,895	0.26
	Nonlife Insurance 3.37% (31 October 2018 1.84%)		
183,058	Allstate	14,825	0.56
19,822	American Financial	1,582	0.06
359,872	American International	14,609	0.55
127,316	Cincinnati	11,078	0.42
1,896	Erie Indemnity	277	0.01
27,198	Hanover Insurance	2,706	0.10
216,790	Hartford Financial Services	9,525	0.36
29,239	Loews	1,110	0.04
147,372	Mercury General	5,398	0.20
228,801	Progressive	12,249	0.46
160,089	Travelers	16,032	0.61
		89,391	3.37
	Oil & Gas Producers 2.37% (31 October 2018 4.61%)		
143,049	Cabot Oil & Gas	2,041	0.08
229,211	Chevron	20,575	0.77
290,354	ConocoPhillips	12,329	0.46
103,810	Continental Resources	2,289	0.09
106,793	EOG Resources	5,739	0.22
91,163	EQT	698	0.03
354,883	Exxon Mobil	18,550	0.70
5,534	Pioneer Natural Resources	523	0.02
		62,744	2.37
	Oil Equipment, Services & Distribution 0.64% (31 October 2018 0.39%)		
507,143	OGE Energy	16,866	0.64
		16,866	0.64
	Personal Goods 3.45% (31 October 2018 3.99%)		
467,262	Colgate-Palmolive	24,723	0.93
31,814	Columbia Sportswear	2,287	0.09
50,461	Deckers Outdoor	5,882	0.22
128,586	Estee Lauder	19,211	0.73
57,251	Hanesbrands	709	0.03
42,136	Kimberly-Clark	4,346	0.16
217,963	Nike	15,167	0.57
107,801	Ralph Lauren	8,034	0.30
245,214	Under Armour	3,936	0.15
113,208	VF	7,191	0.27
		91,486	3.45

Portfolio statement (continued)

as at 31 October 2019

Holding	Investment	Market Value £'000	Percentage of total net assets %
Pharmaceuticals & Biotechnology 6.23% (31 October 2018 5.64%)			
169,516	Abbott Laboratories	10,989	0.41
115,218	AbbVie	7,086	0.27
62,514	Alexion Pharmaceuticals	5,125	0.19
89,127	Amgen	14,502	0.55
59,707	Biogen	13,817	0.52
14,600	BioMarin Pharmaceutical	829	0.03
113,173	Eli Lilly	9,845	0.37
134,662	Gilead Sciences	6,562	0.25
62,483	Incyte	4,034	0.15
264,531	Innoviva	2,286	0.09
368,080	Johnson & Johnson	37,724	1.42
34,914	Medpace	2,019	0.08
627,912	Merck (US Listing)	41,795	1.58
20,203	Pfizer	600	0.02
51,307	Vertex Pharmaceuticals	7,889	0.30
		165,102	6.23
Real Estate Investment & Services 0.29% (31 October 2018 1.72%)			
12,672	CBRE	526	0.02
62,245	Jones Lang LaSalle	7,139	0.27
		7,665	0.29
Real Estate Investment Trusts 5.97% (31 October 2018 2.56%)			
55,424	American Tower	9,292	0.35
195,110	Apple Hospitality REIT	2,469	0.09
40,708	AvalonBay Communities	6,875	0.26
49,947	Columbia Property Trust	796	0.03
130,480	CorePoint Lodging	991	0.04
138,916	Crown Castle	14,925	0.56
14,441	CubeSmart	354	0.01
36,777	Equity Residential	2,521	0.10
198,476	Extra Space Storage	16,975	0.64
145,719	Host Hotels & Resorts	1,872	0.07
92,903	Macerich	1,961	0.07
467,916	Paramount	4,928	0.19
669,629	Park Hotels & Resorts	12,189	0.46
118,733	Piedmont Office Realty Trust	1,968	0.08
202,032	Public Storage	34,811	1.31
4,013	Rayonier	91	-
41,461	SBA Communications Class A	7,734	0.29
136,924	Simon Property	15,973	0.60
8,059	Ventas	403	0.02
411,050	Vornado Realty Trust	21,156	0.80
		158,284	5.97
Software & Computer Services 13.91% (31 October 2018 12.67%)			
22,725	Adobe	4,881	0.18
40,735	Alphabet 'A'	39,625	1.49
40,376	Alphabet 'C'	39,290	1.48
107,470	Aspen Technology	9,850	0.37
241,397	Cadence Design Systems	12,467	0.47
327,683	Cerner	17,219	0.65
107,198	Cognizant Technology Solutions	4,955	0.19

Portfolio statement (continued)

as at 31 October 2019

Holding	Investment	Market Value £'000	Percentage of total net assets %
Software & Computer Services (continued)			
54,037	Dell Technologies	2,242	0.09
21,211	Dropbox	328	0.01
380,772	Facebook	55,285	2.09
124,754	Fortinet	7,950	0.30
99,262	Intuit	19,914	0.75
118,477	Manhattan Associates	7,169	0.27
851,749	Microsoft	95,004	3.58
372,422	Oracle	15,762	0.60
156,470	Progress Software	4,863	0.18
10,960	ServiceNow	2,113	0.08
112,014	Snap	1,284	0.05
195,081	Symantec	3,461	0.13
150,589	Teradata	3,536	0.13
169,955	Twitter	3,916	0.15
9,682	Veeva Systems	1,100	0.04
113,139	VeriSign	16,732	0.63
		368,946	13.91
Support Services 2.69% (31 October 2018 4.00%)			
8,714	Alliance Data Systems	691	0.03
7,353	Automatic Data Processing	931	0.03
14,362	Cintas	3,062	0.12
2,211	CoStar	938	0.04
8,749	FTI Consulting	735	0.03
22,785	Insperty	1,854	0.07
817,134	Johnson Controls	27,251	1.03
62,067	Kforce	1,930	0.07
152,429	PayPal	12,526	0.47
41,918	Republic Services	2,870	0.11
279,853	Robert Half International	12,549	0.47
32,782	Tetra Tech	2,252	0.08
27,397	TriNet	1,081	0.04
19,605	Waste Management	1,704	0.06
41,033	Xerox	1,080	0.04
		71,454	2.69
Technology Hardware & Equipment 13.55% (31 October 2018 5.35%)			
39,721	Advanced Micro Devices	1,016	0.04
536,422	Apple	100,686	3.80
134,298	Applied Materials	5,721	0.21
58,433	Broadcom	13,087	0.49
301,010	Ciena	8,541	0.32
51,209	Cirrus Logic	2,308	0.09
1,133,656	Cisco Systems	41,595	1.57
124,137	F5 Networks	13,772	0.52
154,255	HP	2,097	0.08
12,915	Inphi	707	0.03
775,100	Intel	33,852	1.28
151,827	Juniper Networks	2,921	0.11
68,768	L3 Harris Technologies	11,026	0.42
21,042	Lam Research	4,506	0.17
68,115	Lattice Semiconductor	1,035	0.04
67,696	Maxim Integrated Products	3,074	0.12

Portfolio statement (continued)

as at 31 October 2019

Holding	Investment	Market Value £'000	Percentage of total net assets %
	Technology Hardware & Equipment (continued)		
318,216	Micron Technology	11,757	0.44
16,088	Monolithic Power Systems	1,882	0.07
154,756	Motorola Solutions	19,733	0.74
66,796	NetApp	2,905	0.11
13,133	NETGEAR	278	0.01
66,027	NVIDIA	10,344	0.39
59,061	Qorvo	3,639	0.14
270,094	QUALCOMM	16,967	0.64
73,679	Skyworks Solutions	5,170	0.19
57,295	Teradyne	2,774	0.10
265,351	Texas Instruments	24,114	0.91
20,533	Viavi Solutions	236	0.01
191,787	Xilinx	13,503	0.51
		359,246	13.55
	Tobacco 0.05% (31 October 2018 0.00%)		
19,684	Philip Morris International	1,234	0.05
		1,234	0.05
	Travel & Leisure 1.40% (31 October 2018 0.56%)		
2,255	Booking	3,563	0.14
466,527	Delta Air Lines	19,918	0.75
201,410	Southwest Airlines	8,865	0.33
156,220	TripAdvisor	4,852	0.18
		37,198	1.40
	United States Derivatives 0.00% (31 October 2018 0.01%)		
	US Dollar Denominated Futures Contracts 0.00% (31 October 2018 0.01%)		
(83)	S&P 500 E-Mini Futures December 2019	(1)	-
		(1)	-
	Investment assets*	2,667,136	100.58
	Net other liabilities	(15,464)	(0.58)
	Total net assets	2,651,672	100.00

* Including investment liabilities.

All investments are approved securities being either officially listed in a member state or traded on or under the rules of an eligible securities market.

All investments are in ordinary shares.

Statement of total return

for the year from 1 November 2018 to 31 October 2019

		01.11.18 to 31.10.19 £'000	01.11.18 to 31.10.19 £'000	01.11.17 to 31.10.18 £'000	01.11.17 to 31.10.18 £'000
	Note				
Income					
Net capital gains	2		247,267		113,430
Revenue	3	47,598		33,600	
Expenses	4	(25,910)		(26,408)	
Interest payable and similar charges	5	(17)		(8)	
Net revenue before taxation		21,671		7,184	
Taxation	6	(6,701)		(4,834)	
Net revenue after taxation			14,970		2,350
Total return before distributions			262,237		115,780
Distributions	7		(15,280)		(3,423)
Change in net assets attributable to shareholders from investment activities			246,957		112,357

Statement of change in net assets attributable to shareholders

for the year from 1 November 2018 to 31 October 2019

	01.11.18 to 31.10.19 £'000	01.11.18 to 31.10.19 £'000	01.11.17 to 31.10.18 £'000	01.11.17 to 31.10.18 £'000
Opening net assets attributable to shareholders		2,852,124		2,345,615
Amounts received on issue of shares	371,123		848,659	
Amounts paid on cancellation of shares	(831,843)		(458,294)	
		(460,720)		390,365
Dilution adjustment		-		132
Change in net assets attributable to shareholders from investment activities		246,957		112,357
Retained distribution on accumulation shares		13,311		3,655
Closing net assets attributable to shareholders		2,651,672		2,852,124

The notes on pages 157 to 165 form an integral part of these financial statements.

Balance sheet

as at 31 October 2019

	Note	31.10.19 £'000	31.10.18 £'000
Assets			
Fixed assets			
Investments	13	2,667,137	2,736,941
Current assets			
Debtors	8	1,441	75,233
Cash and bank balances	9	3,232	68,977
Total assets		2,671,810	2,881,151
Liabilities			
Investment liabilities		(1)	-
Creditors			
Bank overdrafts	10	(458)	-
Distribution payable		(507)	-
Other creditors	11	(19,172)	(29,027)
Total liabilities		(20,138)	(29,027)
Net assets attributable to shareholders		2,651,672	2,852,124

The notes on pages 157 to 165 form an integral part of these financial statements.

Notes to the financial statements

for the year from 1 November 2018 to 31 October 2019

1 Accounting policies

The applicable accounting policies adopted by the Merian North American Equity Fund are included on pages 167 to 168.

2 Net capital gains

The net capital gains on investments comprise:

Gains on non-derivative securities

Gains on derivative contracts

Losses on forward currency contracts

Gains on currency contracts

Handling charges

Net capital gains on investments

01.11.18 to 31.10.19 £'000	01.11.17 to 31.10.18 £'000
242,395	107,051
6,761	5,328
(1,866)	(436)
-	1,510
(23)	(23)
247,267	113,430

3 Revenue

Bank interest

Non-taxable overseas dividends

Taxable overseas dividends

UK Dividends

Total revenue

01.11.18 to 31.10.19 £'000	01.11.17 to 31.10.18 £'000
126	18
42,558	32,039
4,858	1,384
56	159
47,598	33,600

4 Expenses

Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:

Fixed Ongoing Charge*

Authorised Corporate Director's periodic charge**

Fixed expenses**

Total expenses

01.11.18 to 31.10.19 £'000	01.11.17 to 31.10.18 £'000
25,910	18,395
-	6,332
-	1,681
25,910	26,408

* This figure represents the Fixed Ongoing Charge that was introduced from 1 March 2018, which covers all fees payable by the sub-fund to the Authorised Corporate Director, Investment adviser, Depositary (including associates etc.) and other expenses.

** These figures represent the charges to 28 February 2018, which have now been replaced by the Fixed Ongoing Charge. The Audit fee for the year, excluding VAT, was £6,500 (31 October 2018: £7,100). As a result of the change to a Fixed Ongoing Charge basis, this expense is split between other expenses and Fixed Ongoing Charge in the prior year.

Notes to the financial statements (continued)

for the year from 1 November 2018 to 31 October 2019

5 Interest payable and similar charges

	01.11.18 to 31.10.19 £'000	01.11.17 to 31.10.18 £'000
Bank overdraft interest	17	8
Total interest payable and similar charges	17	8

6 Taxation

a) Analysis of tax charge in the year

	01.11.18 to 31.10.19 £'000	01.11.17 to 31.10.18 £'000
Overseas tax suffered	6,701	4,834
Total current tax charge for the year	6,701	4,834
Deferred tax charge for the year (see note 6(c))	-	-
Total taxation for the year (see note 6(b))	6,701	4,834

b) Factors affecting current tax charge for the year

	01.11.18 to 31.10.19 £'000	01.11.17 to 31.10.18 £'000
The taxation assessed for the year is higher than the standard rate of corporation tax in the UK for an open-ended investment company (20%). The differences are explained below:		
Net revenue before taxation	21,671	7,184
Corporation tax at 20% (31 October 2018: 20%)	4,334	1,437
Effects of:		
Excess management expenses for which no relief is taken	4,336	5,030
Revenue not subject to taxation – UK	(11)	(32)
Non-taxable overseas dividends	(8,512)	(6,408)
Overseas tax expensed	(147)	(27)
Overseas tax suffered	6,701	4,834
Total tax charge for the year (see note 6 (a))	6,701	4,834

OEICs are exempt from tax in capital gains, therefore, any capital return is not included in the above reconciliation.

Notes to the financial statements (continued)

for the year from 1 November 2018 to 31 October 2019

6 Taxation (continued)

c) Movement in deferred tax liability

	01.11.18 to 31.10.19 £'000	01.11.17 to 31.10.18 £'000
Deferred tax liability at the start of the year	-	-
Deferred tax charge for the year (see note 6(a))	-	-
Deferred tax liability at the end of the year	-	-

As at 31 October 2019, the sub-fund had surplus management expenses of £98,684,498 (31 October 2018: £76,994,975) which can be utilised against profits chargeable to corporation tax in future periods. It is unlikely that the sub-fund will generate sufficient taxable profits in the future to utilise these expenses and, therefore, no deferred tax asset has been recognised.

7 Distributions

The distributions take account of revenue received on the issue of shares and revenue deducted on the cancellation of shares, and comprise:

	01.11.18 to 31.10.19 £'000	01.11.17 to 31.10.18 £'000
Final – Accumulation shares (31 October)	13,311	3,655
Final – Income shares (31 October)	507	-
	13,818	3,655
Revenue deducted on cancellation of shares	1,891	480
Revenue received on issue of shares	(429)	(712)
Distributions	15,280	3,423
Reconciliation of distributions:		
Net revenue after taxation	14,970	2,350
Equalisation on conversion	13	87
Revenue deficit reimbursed from capital	300	986
Undistributed revenue carried forward	(3)	-
Distributions	15,280	3,423

Details of the final distributions per share are set out in the table on page 166.

8 Debtors

	31.10.19 £'000	31.10.18 £'000
Accrued revenue	1,212	1,226
Amounts receivable for issue of shares	229	51,511
Sales awaiting settlement	-	22,495
Overseas tax recoverable	-	1
Total debtors	1,441	75,233

Notes to the financial statements (continued)

for the year from 1 November 2018 to 31 October 2019

9 Cash and bank balances

	31.10.19 £'000	31.10.18 £'000
Amounts held at futures clearing houses and brokers	196	4,497
Cash and bank balances	3,036	64,480
Total cash and bank balances	3,232	68,977

10 Bank overdrafts

	31.10.19 £'000	31.10.18 £'000
Amounts held at futures clearing houses and brokers	458	-
Total overdrafts	458	-

11 Other creditors

	31.10.19 £'000	31.10.18 £'000
Accrued expenses	2,100	2,298
Amounts payable for cancellation of shares	17,072	4,756
Purchases awaiting settlement	-	21,973
Total other creditors	19,172	29,027

12 Related party transactions

Quilter Investors Limited were ACD until 31 March 2019, thereafter, Merian Investment Management Limited, were ACD, thus both were a related party during the year, and acted as principal in respect of all transactions of shares in each sub-fund. The aggregate monies received on issue and paid on cancellation are disclosed in the Statement of change in net assets attributable to shareholders on page 155. Any amounts due to or from Merian Investment Management Limited at the end of the accounting year in respect of transactions of shares in each sub-fund are disclosed in notes 8 and 11. Other amounts paid to the ACD are disclosed in note 4 and amounts due to it at the year end are disclosed in note 11.

13 Derivatives and other financial instruments

a) Financial instrument risk

The sub-fund, in pursuing its investment objective, may hold a range of financial instruments in line with its investment policy.

The Manager has appointed specialist managers to manage the sub-fund, and continuously monitors this appointment.

The ACD has established a risk management policy and permanent risk management function to identify, measure, monitor and manage all risks relevant to the sub-fund. This is designed to meet the key requirements of investor protection and to ensure compliance with the FCA's regulatory requirements.

Adherence to the investment guidelines and the investment and borrowing powers as set out in the Prospectus and in the COLL sourcebook also mitigates the risk of excessive exposure to any particular type of security or issuer. Further information on the investment portfolio is set out in the Investment Manager's review and the Portfolio statement of each sub-fund.

The main risks arising from financial instruments are interest rate risk, foreign currency risk, credit risk, counterparty risk, liquidity risk and market risk which are summarised below.

Notes to the financial statements (continued)

for the year from 1 November 2018 to 31 October 2019

13 Derivatives and other financial instruments (continued)

b) Foreign currency risk

A significant proportion of the sub-fund's financial assets and liabilities are invested overseas. As a result, movements in exchange rates may affect the market price of investments and, due to timing differences between the transaction dates of investment sales, purchases and income, and actual cash settlement, create currency exchange gains/losses. The Investment Manager does seek to reduce some of this risk by using forward currency contracts.

The direct foreign currency exposure of the sub-fund as at 31 October 2019 (31 October 2018) was as follows:

Currency	Net foreign currency assets			Net foreign currency assets		
	Monetary exposures*	Non-monetary exposures	Total	Monetary exposures*	Non-monetary exposures	Total
	31.07.19 £'000	31.07.19 £'000	31.07.19 £'000	31.07.18 £'000	31.07.18 £'000	31.07.18 £'000
Canadian Dollar	1,258	138,929	140,187	10,822	117,560	128,382
US Dollar	3,186	2,528,207	2,531,393	56,127	2,619,381	2,675,508
Total	4,444	2,667,136	2,671,580	66,949	2,736,941	2,803,890

* For the purpose of the above disclosure, monetary is taken to include only cash or near-cash items.

Currency sensitivity

A 5% increase in the value of the sub-fund's foreign currency exposure would have the effect of increasing the return and net assets as at 31 October 2019 by £133,578,987 or 5.04% (31 October 2018: £140,194,505 or 4.92%). A 5% decrease would have an equal and opposite effect.

c) Interest rate risk

Interest rate risk is the risk of movements in the value of financial instruments as a result of fluctuations in interest rates.

The interest rate risk profile of the sub-fund's financial assets and liabilities at 31 October 2019 (31 October 2018) was as follows:

Currency	Variable rate financial assets	Fixed rate financial assets	Financial assets not carrying interest	Total
31.10.19	£'000	£'000	£'000	£'000
Canadian Dollar	1,233	-	138,954	140,187
Sterling	-	-	229	229
US Dollar	2,000	-	2,529,394	2,531,394
Total	3,233	-	2,668,577	2,671,810

Currency	Variable rate financial assets	Fixed rate financial assets	Financial assets not carrying interest	Total
31.10.18	£'000	£'000	£'000	£'000
Canadian Dollar	10,981	-	119,267	130,248
Sterling	3,777	-	51,511	55,288
US Dollar	54,219	-	2,641,396	2,695,615
Total	68,977	-	2,812,174	2,881,151

Notes to the financial statements (continued)

for the year from 1 November 2018 to 31 October 2019

13 Derivatives and other financial instruments (continued)

c) Interest rate risk (continued)

Currency	Variable rate financial liabilities £'000	Financial liabilities not carrying interest £'000	Total £'000
31.10.19			
Sterling	(458)	(19,679)	(20,137)
US Dollar	-	(1)	(1)
Total	(458)	(19,680)	(20,138)

Currency	Variable rate financial liabilities £'000	Financial liabilities not carrying interest £'000	Total £'000
31.10.18			
Canadian Dollar	-	(1,866)	(1,866)
Sterling	-	(7,054)	(7,054)
US Dollar	-	(20,107)	(20,107)
Total	-	(29,027)	(29,027)

Interest rate risk sensitivity

In the event of changes in interest rates, there would be no material impact upon the assets of the sub-fund.

d) Credit risk

Credit risk is the risk of suffering loss due to another party not meeting its financial obligation. The risk is managed by the Investment Adviser who monitors the credit profile of financial instruments in accordance with the objective and policy of the sub-fund.

Adherence to the investment guidelines and the investment and borrowing powers as set out in the Prospectus and in the COLL sourcebook also mitigates the risk of excessive exposure to any particular type of security or issuer. Further information on the investment portfolio is set out in the Investment Manager's review and the Portfolio statement.

e) Counterparty risk

Certain transactions in financial instruments that a sub-fund enters into have the risk that the counterparty will not meet its financial obligations, i.e. the investment (purchase) or cash (sale) after the sub-fund has fulfilled its responsibilities.

The sub-fund will only buy and sell investments through brokers which have been approved by the ACD and Investment Adviser as an acceptable counterparty. This is overseen by the Depositary to ensure that the exposure to any counterparty remains appropriate for investors.

Exposure Table 31.10.19	Futures and options exposure £'000	Forward foreign exchange contracts exposure £'000	Collateral held £'000
Counterparty	£'000	£'000	£'000
No uncollateralised counterparty exposure	-	-	-

Exposure Table 31.10.18	£'000	£'000	£'000
Counterparty	£'000	£'000	£'000
Bank of America Merrill Lynch	376	-	-

Positive exposure represents the sub-fund's exposure to that counterparty and not the sub-fund's holdings with that counterparty.

For futures contracts, variation margin in the form of cash is pledged by the counterparty to mitigate the credit risk arising from positive balances. Where the sub-fund is in a liability position, the fund pledges variation margin in the form of cash.

Notes to the financial statements (continued)

for the year from 1 November 2018 to 31 October 2019

13 Derivatives and other financial instruments (continued)

f) Liquidity risk

The sub-fund's assets comprise mainly of readily realisable securities which can be sold promptly to meet liquidity requirements. The main source of this risk comes from the obligation to shareholders to meet any cancellation of shares. Assets from the sub-fund may need to be sold to meet any redemption proceeds. As part of its operating duties the ACD regularly monitors the liquidity levels held on the sub-fund (cash and underlying securities) to ensure any redemption can be readily met. Some investments may be less liquid than other securities and can be more sensitive to economic factors. The rules of the Regulations mitigate the risk of excessive exposure to assets which are not readily realisable.

g) Market risk

Market risk arises from uncertainty about future prices of financial instruments held. The main source of risk to the sub-fund is the potential movement in the value of financial instruments held as a result of price fluctuations. Stock market prices can move erratically and be unpredictably affected by diverse factors including political and economic events but also rumours and sentiment. The ACD adheres to the investment guidelines and borrowing powers set out within the Prospectus and the COLL Sourcebook. In this way the ACD monitors and controls the exposure to risk from any type of security, sector or issuer. The sub-fund may also use derivative instruments to mitigate risk and reduce cost.

Market price risk sensitivity

A 5% market movement in the price of investments held by the sub-fund, with all other variables remaining constant, would result in an increase or decrease on net asset value of the sub-fund by approximately £133,356,780 or 5.03% (31 October 2018: £136,847,044 or 4.80%).

h) Fair value of financial assets and liabilities

There is no material difference between the carrying value of the financial assets and liabilities, as shown in the Balance Sheet, and their fair value.

Basis of valuation	31.10.19		31.10.18	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
Level 1: Quoted prices	2,667,137	(1)	2,736,941	-
Level 2: Observable market data	-	-	-	-
Level 3: Unobservable data	-	-	-	-
Total	2,667,137	(1)	2,736,941	-

i) Global exposure

The Investment Adviser assesses the market risk of the Merian North American Equity Fund, including any derivative exposures, using a commitment approach. All exposure arising through the investment in financial derivative instruments will be covered by the underlying assets of the sub-fund. The sub-fund will use the commitment approach methodology to measure, monitor and manage the "leverage" effect produced by the use of financial derivative instruments and for the calculation of global exposure. As the sub-fund uses the commitment approach it must ensure that its global exposure does not exceed its total net asset value and sub-fund may not therefore be leveraged in excess of 100% of its net asset value. In using the commitment approach for the calculation of global exposure, the sub-fund will convert each derivative position into the market value of an equivalent position in the underlying asset of that derivative. Using the commitment approach the global exposure is 0.00% (31 October 2018: 0.00%).

14 Contingent Liabilities

There are no contingent liabilities or commitments at the Balance sheet date (31 October 2018: £Nil).

Notes to the financial statements (continued)

for the year from 1 November 2018 to 31 October 2019

15 Portfolio transaction costs

Analysis of total purchase costs

31.10.19

Equities

Total

Total purchases including transaction costs

Value £'000	Commissions £'000		Other costs £'000	%
5,198,797	850	0.02%	-	-
5,198,797	850		-	
5,199,647				

31.10.18

Equities

Total

Total purchases including transaction costs

Value £'000	Commissions £'000		Other costs £'000	%
5,473,776	1,005	0.02%	-	-
5,473,776	1,005		-	
5,474,781				

Analysis of total sale costs

31.10.19

Equities

Total

Total sales including transaction costs

Value £'000	Commissions £'000		Other costs £'000	%
5,511,390	891	0.02%	93	-
5,511,390	891		93	
5,510,406				

31.10.18

Equities

Corporate actions

Total

Total sales including transaction costs

Value £'000	Commissions £'000		Other costs £'000	%
5,145,136	952	0.02%	86	-
4,014	-	-	-	-
5,149,150	952		86	
5,148,112				

Transaction costs as a percentage of average Net Assets*

	31.10.19	31.10.18
Commissions:	0.06%	0.06%
Other costs:	0.00%	0.00%

* Includes commissions on derivative transactions of £24,338 (31 October 2018: £37,183). There were no taxes on derivative transactions (31 October 2018: £Nil).

In the case of shares, transaction costs are paid by the sub-fund on each transaction. Commissions relate to those paid to agents, advisers, brokers and dealers in the buying and selling of securities. Other costs include any additional fees that may be paid to agents, advisers, brokers and dealers as well as levies by regulatory agencies and security exchanges and any transfer taxes or duties. In addition, there is a dealing spread between the buying and selling prices of the underlying investments. Unlike shares, other types of investments have no separately identifiable transaction costs; these costs form part of the dealing spread. Dealing spreads may vary considerably depending on the transaction value and market sentiment. At the balance sheet date the dealing spread was 0.03% (31 October 2018: 0.04%).

Notes to the financial statements (continued)

for the year from 1 November 2018 to 31 October 2019

16 Shareholders' funds

The sub-fund currently has six share classes; Accumulation 'A', Income 'E'†, Accumulation 'P', Accumulation 'R', Accumulation 'U1' and Accumulation 'U2'. The net asset value of each share class, net asset value per share and the number of shares in issue are given in the information pages for each sub-fund.

The share classes currently in issue and the Fixed Ongoing Charge of each share class are shown below.

	31.10.19	31.10.18
- Accumulation 'A'	1.70%	1.70%
- Income 'E'†	0.60%	-
- Accumulation 'P'	1.20%	1.20%
- Accumulation 'R'	0.95%	0.95%
- Accumulation 'U1'	0.875%	0.875%
- Accumulation 'U2'	0.80%	0.80%

Share class movement reconciliation

	Opening	Issued	Redeemed	Converted	Closing
- Accumulation 'A'	11,670,904	9,224,435	(11,756,615)	(339,839)	8,798,885
- Income 'E'†	-	71,831,584	-	-	71,831,584
- Accumulation 'P'	1,583,890	143,206	(500,476)	2,665	1,229,285
- Accumulation 'R'	370,020,698	32,279,011	(63,827,882)	1,875,337	340,347,164
- Accumulation 'U1'	515,289,424	8,178,497	(151,943,500)	38,714	371,563,135
- Accumulation 'U2'	267,861,539	32,338,094	(70,713,221)	(776,712)	228,709,700

†Launched 24 January 2019.

17 Post balance sheet date events

There are no post balance sheet events requiring disclosure.

Distribution table

Final distribution

Group 1: Shares purchased prior to 1 November 2018
 Group 2: Shares purchased from 1 November 2018 to 31 October 2019

	Revenue pence per share	Equalisation pence per share*	Distribution paid 31.12.19 pence per share	Distribution paid 31.12.18 pence per share
Accumulation 'A' Shares				
Group 1	0.0000	-	0.0000	0.0000
Group 2	0.0000	0.0000	0.0000	0.0000
Income 'E'† Shares				
Group 1	0.7059	-	0.7059	-
Group 2	0.5808	0.1251	0.7059	-
Accumulation 'P' Shares				
Group 1	1.0285	-	1.0285	0.0000
Group 2	0.6888	0.3397	1.0285	0.0000
Accumulation 'R' Shares				
Group 1	1.5187	-	1.5187	0.2084
Group 2	0.8681	0.6506	1.5187	0.2084
Accumulation 'U1' Shares				
Group 1	1.2816	-	1.2816	0.3115
Group 2	0.7175	0.5641	1.2816	0.3115
Accumulation 'U2' Shares				
Group 1	1.4722	-	1.4722	0.4773
Group 2	0.8445	0.6277	1.4722	0.4773

†Launched 24 January 2019.

*Equalisation only applies to shares purchased during the period (Group 2 shares). It is the average amount of revenue included in the purchase price of all Group 2 shares and is refunded to holders as a return of capital. Being capital, it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

Accounting policies

a) Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of investments, in compliance with FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland and in accordance with the Statement of Recommended Practice for Authorised Funds (SORP) issued by the Investment Management Association in May 2014.

b) Recognition of revenue

Dividends on quoted ordinary shares, preference shares and distributions on holdings in Collective Investment Schemes are recognised when the securities are quoted ex-dividend. Where such securities are not quoted, dividends are recognised when they are declared. Nominal interest on interest bearing securities and bank interest are recognised on an accruals basis. Accrued interest purchased and sold on interest bearing securities is excluded from the capital cost of these securities and dealt with as part of the revenue of the sub-fund. Revenue arising on debt securities that are purchased at a discount/premium to the maturity value is amortised or accumulated over the life of such securities and recognised at a consistent rate over the life of the instrument (effective yield basis). This basis uses the effective interest rate of the security to discount exactly the expected stream of future cash flows to the current net carrying value of the security. All distributions from accumulation holdings in Collective Investment Schemes are treated as revenue. The equalisation component of collective investment scheme distributions has been recognised as capital.

c) Treatment of stock dividends

Ordinary stock dividends are recognised wholly as revenue and are based on the market value of the shares on the dates they are quoted ex-dividend. Where an enhancement is offered, the amount by which the market value of the shares (on the date they are quoted ex-dividend) exceeds the cash dividend is taken to capital. The ordinary element of stock dividends is treated as revenue but does not form part of the distribution.

d) Special dividends and share buy backs

The underlying circumstances behind both special dividends and share buy backs are reviewed on a case by case basis in determining whether the amount is revenue or capital in nature. Amounts recognised as revenue will form part of the distribution. Any tax treatment will follow the accounting treatment of the principal amount.

e) Underwriting commissions

Underwriting commission is wholly recognised as revenue when the issue takes place, except where the sub-fund is required to take up some or all of the shares underwritten, in which case an appropriate proportion of the commission received is deducted from the cost of those shares.

f) Treatment of expenses

All expenses, except those relating to the purchase and sale of investments, are included in expenses, in the Statement of Total Return. Expenses are recognised on an accruals basis and include irrecoverable VAT where appropriate.

g) Revenue allocation to share classes

Revenue is allocated to the share classes of each sub-fund based on the proportion of assets held within each share class.

h) Rebate of Authorised Corporate Director's fees from underlying instruments

The sub-funds may be entitled to a rebate of Authorised Corporate Director's charge, or is sometimes paid as renewal commission, when it holds underlying investments in Collective Investment Schemes. This is accrued daily and treated as revenue or capital depending on the treatment of the ACD charge in the underlying investment.

i) Taxation and deferred tax

Provision is made for corporation tax at the current rate on the excess of taxable revenue over allowable expenses. Provision is made on all material timing differences arising from the different treatment of items for accounting and tax purposes. A deferred tax asset is recognised only to the extent that there will be taxable profits in the future against which the asset can be offset.

j) Distribution policy

All of the net revenue available for distribution at the end of interim and final distribution periods will be distributed to shareholders. Any share class in deficit of revenue will be made-up from the capital attributable to that share class. Should taxation and expenses taken together exceed revenue, there will be no distribution and the shortfall will be met from capital. The sub-funds distribute revenue on debt securities on an effective yield basis. Equalisation received on collective investment scheme distributions will be distributed.

For all sub-funds, some or all of any charges and expenses (including the charges of the ACD, the Depositary and the Administrator) may be treated as a capital expense in accordance with the Sourcebook, which may have the effect of constraining capital growth, as the Company may treat the generation of income as a higher priority than capital growth or (as the case may be) place equal emphasis on the generation of income and on capital growth.

Accounting policies (continued)

k) Basis of valuation of investments

The investments of the sub-fund are valued at noon bid prices on the last business day of the accounting year. Any unquoted or suspended investments are valued at the ACD's valuation taking into account, where appropriate, latest dealing prices, valuations from reliable sources, financial performance and other relevant factors.

The ACD may apply a fair value price determined in accordance with the COLL Sourcebook if it has reasonable grounds for believing that no reliable price exists for a security at a valuation point or the most recent price available does not reflect the ACD's best estimate of the value at the valuation point.

Where a sub-fund invests in securities markets that are closed for trading (including planned stock exchange closures) at the sub-fund's valuation point, there is a risk that the price calculated is not representative of the markets in which it invests due to developments since the market's closure. Potentially this could lead to gains or losses on the sub-fund as it opens a window for investors or market timers to buy or sell at stale prices. An example would be when a sub-fund is priced using end of day prices from a market which closed for trading for a material period prior to the sub-fund's valuation point, for example, a UK fund which is invested in US stocks, valuing at 12 noon UK time and using US asset prices from the previous day close of the US market within the sub-fund valuation. During this period it may be concluded that prices may change significantly when the market re-opens, based on a global event or on indications from the global futures markets. In this scenario, the ACD has the power to invoke a fair value price to give our best estimate of the value of the market or asset in question using a reliable source. A delegated committee is responsible for the monitoring and approval of any fair value pricing decisions.

The fair value pricing policy for the Merian Investment Funds Series II differs dependant on the type of instruments held within the Portfolio and their economic exposure and the materiality of any fair value adjustment. Our fair value pricing policy is regularly reviewed by the Depositary of the sub-fund to ensure adherence to the COLL Sourcebook.

Authorised unit trusts and collective investment schemes operated by Merian have been valued at cancellation price, for all other such funds they have been valued at bid price. Single priced authorised trusts, open ended investment companies and collective investment schemes have been valued at the latest available dealing price.

l) Exchange rates

Assets and liabilities in foreign currencies are translated into sterling at the exchange rates ruling at noon on the last business day of the accounting year. Revenue items in foreign currencies are translated into sterling at the exchange rates ruling when the revenue is received.

m) Financial instruments

Where appropriate, certain permitted financial instruments such as derivatives or forward currency contracts are used for efficient portfolio management and investment purposes on Merian Global Strategic Bond Fund and for efficient portfolio management purposes in all other sub-funds. Where such financial instruments are used to protect or enhance revenue, the revenue and expenses derived therefrom are included in "revenue" or "expenses" in the statement of total return. Where such financial instruments are used to protect or enhance capital, the gains and losses derived there from are included in "Net capital gains/(losses)" in the statement of total return. Any positions on such financial instruments open at the year end are reflected in the Balance sheet at their market value at the close of business on the last business day of the accounting year. Assets and liabilities in foreign currencies are translated into sterling at the exchange rates ruling at close of business on the last business day of the accounting year.

n) Dilution policy

The ACD has discretion to require a dilution adjustment to the price of a share on the purchase or redemption of shares in the sub-fund. The ACD's policy is to make a dilution adjustment when the ACD believes it is in the interest of the shareholders to do so.