

# Barclays Multi-Manager Fund (UK)



Annual Financial Statements  
for the year ended 28 July 2018

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\*These collectively comprise the Authorised Corporate Directors' Report together with the Investment Objective and Policy, the Investment Report, the Fund Review, the Market/Economic Review, the Outlook, the Portfolio Statement and the Summary of Material Portfolio Changes sections for each Fund.

# Company Information

Barclays Multi-Manager Fund (UK) (the “Company”) is an Open-Ended Investment Company (the “OEIC”) with variable capital, incorporated in England and Wales under registered number IC000412, authorised by the Financial Conduct Authority (the “FCA”) with effect from 18 October 2005.

Barclays Multi-Manager Fund (UK) is structured as an umbrella company with six available sub-funds (“Funds”), which may be increased in the future. The Funds are as follows:

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Barclays Global Core Fund  
Barclays Sterling Corporate Bond Fund  
Barclays UK Alpha Fund  
Barclays UK Core Fund  
Barclays UK Equity Income Fund  
Barclays UK Opportunities Fund

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Each Fund is operated as a separate entity with its own portfolio and investment objective. The objective of each Fund is shown within the pages of this report relating to the Fund.

The Authorised Corporate Director’s Report (“ACD’s”) comprises pages 3 to 5 and 181 to 184 of the Annual Report and Accounts, together with the Investment Objective and Policy, the Investment Report, the Market/Economic Review, the Fund Review, the Outlook, the Portfolio Statement and the Summary of Material Portfolio Changes sections for each Fund.

## Fund Liabilities

In accordance with the requirements of the OEIC Regulations, the assets of each Fund belong exclusively to that Fund and shall not be used to discharge the liabilities of or claims against the Company, any other Fund or any other person or body.

The ACD may, however, allocate assets received or liabilities that it incurs on behalf of the Funds, which are not attributable to a particular Fund, between the Funds in a manner which it considers to be fair to the Shareholders of the Company. The ACD would normally expect any such re-allocation to be effected on a pro-rata basis having regard to the Net Asset Values of the relevant Funds.

Investors should be aware that the concept of segregated liability between the Funds is relatively new. Where claims are brought by local creditors in foreign courts or under foreign law contracts, it is not yet known how those foreign courts will react to the OEIC Regulations regarding the segregated liability the Funds and cross investment between Funds.

Shareholders are not, however, liable for the debts of the Company. A Shareholder is not therefore liable to make any further payment to the Company after paying the purchase price of Shares.

## Cross Holdings

There were no cross holdings between the Funds during the year or as at 28 July 2018.

## Valuation Point and Price Publication

The Funds are valued at 1am daily. Prices are available on the internet at: [www.barclaysinvestments.com](http://www.barclaysinvestments.com).

# Company Information (continued)

## Share Classes

At the balance sheet date, four share classes (A-Class, I-Class, M-Class and R-Class) were available in each Fund with the exception of Barclays Global Core Fund where the share class (M-class) closed in 2009. In addition, a single share class (B-Class), was available in Barclays UK Alpha Fund.

The minimum investment amounts of all classes can be found on pages 181 to 183 of the report. The M-Class shares are only available for purchase by the Investment Manager.

# Company Information (continued)

## Authorised Corporate Director

Barclays Asset Management Limited

Registered office:

1 Churchill Place

London, E14 5HP

Telephone: 0333 300 0093

Registered in England No. 06991560

Authorised and regulated by the Financial Conduct Authority.

## Directors of the Authorised Corporate Director

Philip William Best (resigned 16 January 2018)

Solomon Woldenhaimanot Soquar

Michael Robert Fullalove

Mark Newbery

Karl Arne Ingemar Hassel

## Independent Auditors

PricewaterhouseCoopers LLP

7 More London Riverside

London, SE1 2RT

## Investment Manager

Barclays Bank PLC (until 30 March 2018)

Barclays Investment Solutions Limited (from 1 April 2018)

Acting through its Wealth Management division,

Registered office:

1 Churchill Place

London, E14 5HP

Telephone: 0333 300 0093

Registered in England No. 1026167

Authorised and regulated by the Financial Conduct Authority.

## Registrar

Northern Trust Global Services SE

50 Bank Street

Canary Wharf

London, E14 5NT

Authorised by the Prudential Regulation Authority and regulated by the Prudential Regulation Authority and the Financial Conduct Authority.

Dealing & Enquiries 0333 300 0093

Call charges will vary. We may record and monitor calls.

## Custodian

The Northern Trust Company

50 Bank Street

Canary Wharf

London, E14 5NT

Authorised by the Prudential Regulation Authority and regulated by the Prudential Regulation Authority and the Financial Conduct Authority.

## Depository

Northern Trust Global Services SE

UK Trustee and Depository Services

50 Bank Street

Canary Wharf

London, E14 5NT

Authorised by the Prudential Regulation Authority and regulated by the Prudential Regulation Authority and the Financial Conduct Authority.

# Company Information (continued)

## Counterparties

At the year end, the Funds were entered into Futures contracts and Forward currency contracts with the following counterparties:

Barclays Capital  
5 The North Colonnade  
Canary Wharf  
London, E14 4BB

Citibank International plc  
Citigroup Centre  
33 Canada Square  
Canary Wharf  
London, E14 5LB

Goldman Sachs International  
Peterborough Court  
133 Fleet Street  
London, EC4A 2BB

Morgan Stanley & Co. International plc  
25 Cabot Square  
Canary Wharf  
London, E14 4QA

Société Générale  
S G House  
41 Tower Hill  
London, EC3N 4SG

UBS  
3 Finsbury Avenue  
London, EC2M 2AN

BNP Paribas Paris  
16 Boulevard des Italiens  
75009, Paris

CIBC World Markets PLC  
150, Cheapside  
London, EC2V 6ET

HSBC Bank plc  
8 Canada Square  
London, E14 5HQ

RBC  
Riverbank House  
2 Swan Lane  
London, EC4R 3BF

State Street Global Advisors Limited  
20 Churchill PI  
Canary Wharf  
London, E14 5HJ

# Statement of the Authorised Corporate Director's Responsibilities

The Authorised Corporate Director ("ACD") of the Company is required by the Financial Conduct Authority's Collective Investment Schemes sourcebook ("COLL"), to prepare financial statements for each accounting period which give a true and fair view in accordance with UK Generally Accepted Accounting Practice, of the net revenue and the net capital gains or losses on the scheme property for the accounting period, and the financial position of the Company at the end of that period. In preparing these financial statements, the ACD is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are prudent and reasonable;
- state whether applicable Accounting Standards have been followed, subject to any material departure disclosed and explained in the financial statements; and
- prepare the financial statements on the basis that the Company will continue in operation unless it is inappropriate to presume this.

The ACD is also required to manage the Fund in accordance with the Instrument of Incorporation, the Prospectus and the COLL, maintain proper accounting records to enable them to ensure that the financial statements comply with the Statement of Recommended Practice for UK Authorised Funds issued by the Investment Management Association ("IMA") (now known as the Investment Association) in May 2014 and the COLL and take in these respects reasonable steps for the prevention and detection of fraud and other irregularities.

# Statement of the Depositary's Responsibilities in respect of the Scheme and Report of the Depositary to the Shareholders of Barclays Multi-Manager Fund (UK) (the "Company") for the year ended 28 July 2018

The Depositary must ensure that the Company is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook, the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228), as amended, the Financial Services and Markets Act 2000, as amended, (together the "Regulations"), the Company's Instrument of Incorporation and Prospectus (together the "Scheme documents") as detailed below.

The Depositary must in the context of its role act honestly, fairly, professionally, independently and in the interests of the Company and its investors.

The Depositary is responsible for the safekeeping of all custodial assets and maintaining a record of all other assets of the Company in accordance with the Regulations.

The Depositary must ensure that:

- the Company's cash flows are properly monitored and that cash of the Company is booked into the cash accounts in accordance with the Regulations;
- the sale, issue, repurchase, redemption and cancellation of shares are carried out in accordance with the Regulations;
- the value of shares of the Company are calculated in accordance with the Regulations;
- any consideration relating to transactions in the Company's assets is remitted to the Company within the usual time limits;
- the Company's income is applied in accordance with the Regulations; and
- the instructions of the Authorised Corporate Director (the "ACD"), which is the UCITS Management Company, are carried out (unless they conflict with the Regulations).

The Depositary also has a duty to take reasonable care to ensure that the Company is managed in accordance with the Regulations and Scheme documents in relation to the investment and borrowing powers applicable to the Company.

Having carried out such procedures as we consider necessary to discharge our responsibilities as Depositary of the Company, it is our opinion, based on the information available to us and the explanations provided, that in all material respects the Company, acting through the ACD:

- (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 Regulations and the Scheme documents of the Company; and
- (ii) has observed the investment and borrowing powers and restrictions applicable to the Company.

Northern Trust Global Services SE  
UK Trustee and Depositary Services  
14 November 2018

The Northern Trust Company. Incorporated with limited liability in the U.S. as an Illinois banking corporation under number 2016. Registered office: 50 South LaSalle Street, Chicago, Illinois 60603, USA. UK establishment number BR001960 and UK office at 50 Bank Street, Canary Wharf, London E14 5NT.

Northern Trust Global Services Limited. Registered in England & Wales under number 4795756. Registered office: 50 Bank Street, Canary Wharf, London E14 5NT. Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.



# Independent Auditors' Report to the Shareholders of Barclays Multi-Manager Fund (UK)

## Report on the audit of the financial statements

### Our opinion

In our opinion, Barclays Multi-Manager Fund (UK)'s financial statements:

- give a true and fair view of the financial position of the Company and each of the sub-funds as at 28 July 2018 and of the net revenue and the net capital gains/losses on the scheme property of the Company and each of the sub-funds for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law), the Statement of Recommended Practice for UK Authorised Funds, the Collective Investment Schemes sourcebook and the Instrument of Incorporation.

Barclays Multi-Manager Fund (UK) (the "company") is an Open Ended Investment Company ('OEIC') with 6 sub-funds. The financial statements of the company comprise the financial statements of each of the sub-funds. We have audited the financial statements, included within the Annual Financial Statement (the "Annual Report"), which comprise: the balance sheets as at 28 July 2018; the statements of total return, the statements of change in net assets attributable to shareholders for the year then ended; the distribution tables; the notes applicable to the financial statements of all funds which include a description of the significant accounting policies; and the notes to the financial statements for each of the sub-funds.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

### Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you when:

- the Authorised Corporate Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Authorised Corporate Director has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's or any of the sub-funds' ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's or any of the sub-funds' ability to continue as a going concern.

# Independent auditors' report to the Shareholders of Barclays Multi-Manager Fund (UK) (continued)

## Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The Authorised Corporate Director is responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

## Authorised Corporate Director's Report

In our opinion, the information given in the Authorised Corporate Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

## Responsibilities for the financial statements and the audit

### Responsibilities of the Authorised Corporate Director for the financial statements

As explained more fully in the Statement of the Authorised Corporate Director's Responsibilities set out on page 7, the Authorised Corporate Director is responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Authorised Corporate Director is also responsible for 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.

In preparing the financial statements, the Authorised Corporate Director is responsible for assessing the company's and each of the 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 the Authorised Corporate Director either intends to wind up or terminate the company or individual sub-fund, or has no realistic alternative but to do so.

### Auditors' responsibilities for the audit of the financial statements

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 an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

# Independent auditors' report to the Shareholders of Barclays Multi-Manager Fund (UK) (continued)

## Use of this report

This report, including the opinions, has been prepared for and only for the Company's shareholders as a body in accordance with paragraph 4.5.12 of the Collective Investment Schemes sourcebook as required by paragraph 67(2) of the Open-Ended Investment Companies Regulations 2001 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

## Other required reporting

### Opinion on matter required by the Collective Investment Schemes sourcebook

In our opinion, we have obtained all the information and explanations we consider necessary for the purposes of the audit.

### Collective Investment Schemes sourcebook exception reporting

Under the Collective Investment Schemes sourcebook we are also required to report to you if, in our opinion:

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



PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London  
14 November 2018

# Directors' Statement

We hereby certify that these financial statements have been prepared in accordance with the requirements of the Financial Conduct Authority ("FCA") Collective Investment Schemes sourcebook.



Mike Fullalove  
(Director)  
14 November 2018



Solomon Soquar  
(Director)  
14 November 2018

# Notes applicable to the Financial Statements of all Funds for the year ended 28 July 2018

## 1. Accounting policies

### (a) Basis of accounting

The financial statements of the Company comprise the financial statements of each of the Funds and have been prepared on a going concern basis in accordance with Financial Reporting Standard 102 (“FRS 102”) ‘The Financial Reporting Standard applicable in the UK and Republic of Ireland’ and the Statement of Recommended Practice for UK Authorised Funds issued by the Investment Management Association (“IMA”) (now known as the Investment Association) in May 2014 (the “IMA SORP 2014”).

### (b) Recognition of revenue

Revenue from quoted equities and non equity shares is recognised net of attributable tax credits when the security is quoted ex-dividend. Revenue from unquoted equity investments is recognised net of attributable tax credits when the dividend is declared.

Revenue from distribution and accumulation units in collective investment schemes is recognised when the distribution is quoted ex-dividend.

Bond interest is accounted for on an effective yield basis, calculated with reference to the purchase price.

Overseas revenue received after the deduction of withholding tax is shown gross of taxation, with the taxation consequences shown within the taxation charge.

Special dividends are treated as either revenue or capital depending on the facts in each particular case.

Underwriting commission is taken to revenue and recognised when the issue takes place, except where the Fund is required to take up all or some of the shares underwritten, in which case an appropriate proportion of the commission is deducted from the cost of those shares.

All other revenue is recognised on an accruals basis.

### (c) Treatment of expenses

The ACD's periodic fee is taken from revenue for the Barclays UK Alpha, Barclays UK Core, Barclays UK Opportunities and Barclays Global Core Funds. The Barclays UK Equity Income and Barclays Sterling Corporate Bond Funds have their expenses taken from capital.

# Notes applicable to the Financial Statements of all Funds for the year ended 28 July 2018 (continued)

## 1. Accounting policies (continued)

### (d) Allocation of revenue and expenses to multiple share classes and distribution policy

With the exception of the Authorised Corporate Director's (ACD's) periodic fee and Registration fee, which are directly attributable to individual share classes, all revenue and expenses are allocated to the Fund's share class pro-rata to the value of the net assets of the relevant share class on the day that the revenue or expenses are recognised.

The policy is to distribute all available revenue, after deduction of those expenses which are chargeable in calculating the distribution. In order to conduct a controlled dividend flow, interim distributions will be at the ACD's discretion, up to a maximum of the distributable revenue for the period. All remaining revenue is distributed in accordance with the Collective Investment Scheme sourcebook ('COLL').

The ordinary element of stock dividends is treated as revenue and forms part of the distribution. In the case of an enhanced stock dividend, the value of the enhancement is treated as capital and does not form part of the distribution.

For the purposes of calculating the distribution, the ACD's periodic fee is charged against revenue for the Barclays UK Alpha, Barclays UK Core, Barclays UK Opportunities and Barclays Global Core Funds. The Barclays UK Equity Income Fund and the Barclays Sterling Corporate Bond Fund have their expenses transferred to capital for the purposes of calculating the distribution.

Where the ACD's periodic fee is transferred to capital for the purposes of calculating the distribution, the other charges and expenses for that Fund will also be transferred to capital for the purposes of calculating the distribution, in accordance with the Financial Conduct Authority ('FCA') Rules, which may have the effect of constraining capital growth. Where the ACD's periodic fee is charged against the revenue of a Fund for the purposes of calculating the distribution, all other charges and expenses of that Fund will be treated as a revenue expense.

Distributions which have remained unclaimed by Shareholders for over six years are credited to the capital property of the Fund.

### (e) Basis of valuation of investments

All investments are valued at their fair value as at close of business of 27 July 2018, the valuation point for the Funds' year end.

The fair value for non-derivative securities is bid-market price, excluding any accrued interest and the fair value for derivative instruments is the cost of closing out the contract at the balance sheet date. Where values cannot be readily determined, the securities are valued at the Manager's best assessment of their value.

### (f) Taxation

Provision is made for taxation at current rates on the excess of revenue over expenses, with relief for overseas taxation taken where appropriate.

Deferred tax is provided for on all timing differences that have originated but not reversed by the balance sheet date, other than those differences that are regarded as permanent. Any liability to deferred tax is provided for at the average rate of tax expected to apply. Deferred tax assets and liabilities are not discounted to reflect the time value of money.

### (g) Exchange rates

Transactions in foreign currencies are translated at the rate of exchange prevailing on the date of the transaction. Where applicable, assets and liabilities denominated in foreign currencies are translated into Sterling at the rates of exchange prevailing at close of business of 27 July 2018, being the most appropriate valuation point for the Fund's year end.

# Notes applicable to the Financial Statements of all Funds for the year ended 28 July 2018 (continued)

## 1. Accounting policies (continued)

### (h) Dilution adjustment

The ACD may in its discretion make a dilution adjustment if, in its opinion, the existing Shareholders, in the case of subscriptions, or remaining Shareholders, in the case of redemptions, might otherwise be adversely affected, and making a dilution adjustment is, so far as practicable, fair to all Shareholders and potential Shareholders. In particular, the dilution adjustment may be made in the following circumstances:

- a) where a Fund is expanding or contracting;
- b) where a Fund is experiencing a large net subscription position or a large net redemption position relative to its size on any dealing day; or
- c) in any other case where the ACD is of the opinion that the interests of Shareholders require the imposition of a dilution adjustment.

Please refer to the chapter on “Valuation, subscriptions and redemptions” and the section titled “Single Swinging Pricing” and “Dilution Adjustment” in the Prospectus for more details on dilution adjustments.

# Barclays Global Core Fund

## Investment Objective and Policy

The Fund seeks long-term capital growth primarily through investment in companies throughout the world.

The Fund invests primarily in common stocks, preferred shares and securities convertible into common stock, of companies throughout the world and across a range of industries. The Fund will invest primarily in companies domiciled and listed or traded in developed markets such as the OECD Countries. While the Fund is not subjected to any capitalisation restrictions, the Fund will seek to invest primarily in large, established companies which meet the Investment Manager's and/or sub-investment manager's selection criteria.

The Fund will invest at least 70% of its assets in the common stocks and preferred shares of companies throughout the world. The Fund may, with the remaining portion of the assets (and on an ancillary basis) invest in Investment Grade government and corporate fixed income securities and Convertible Debt Securities (listed or traded on a Regulated Market). Investment in Russian equity securities will not exceed 10% of the Fund's Net Asset Value. Any such investment in Russian equity securities will not be the principal focus of the Fund and will only constitute a sector in the overall Fund.

The Fund may also invest in other transferable securities, money market instruments, cash and near cash, deposits and units in collective investment schemes (use may be made of stocklending, borrowing, cash holdings, hedging and other efficient portfolio management techniques permitted in the applicable FCA Rules).

## Investment Report

During the year under review, the net asset value per share attributable to the A-Class Accumulation shares rose by 8.61%.

## Market/Economic Review

Early on over the period, Europe saw positive economic data with the focus being on the possibility that the ECB could soon reduce its stimulus measures. UK equities also rose over this period. The S&P 500 made positive returns in the midst of supportive economic data and a further weakness in the US dollar. Japan and Emerging Markets equities also registered positive returns with politics dominating headlines in the former as Prime Minister Abe called an election to be held in October. Economic data remained optimistic for Europe but with profit-taking and political risk, the region delivered a negative return.

The start of 2018 saw market volatility pick up as trade tensions rose and the technology sector came under regulatory scrutiny. More recently, trade tensions have escalated and an upward trend in long term interest rates with the Fed appearing to continue on its hiking plan signaling that its baseline forecast for the number of hikes in 2018 would be increased to four from three. The appreciating U.S. dollar and signs of decelerating China economic data drove a steep sell-off in emerging market equities.

In terms of sector performance, using the MSCI World Index, telecommunication services was the main laggard, falling 3.76% over the period followed by consumer staples which delivered 2.49%. There was a marked divergence in sector performance between this and information technology which was the best performer over the period delivering 28.75%. Energy was the next best performing sector with returns of 21.93%, closely followed by consumer discretionary which rose by 18.26%.

(Source: Barclays, Barclays)



# Barclays Global Core Fund<sup>continued</sup>)

## Fund Review

Earlier part of the year was dominated by tech followed by a period seeing a healthier broadening out of the rally with the combination of improving EPS and synchronized economic growth across most parts of the world. The Fund performed relatively well versus the MSCI World benchmark in this environment.

The main contribution to performance was stock selection, mainly within energy and information technology.

Although the strategy outperformed during the market sell-off in March, the portfolio finished the first quarter of 2018 behind the index. Earlier in the quarter the strategy was impacted by an increase in bond yields and the outperformance of growth before recouping some of the relative losses in February and March. Security selection in Information technology and Energy was strong however selection in Consumer Discretionary was a drag on the strategy. An underweight to Consumer Staples and overweight to Consumer Discretionary contributed to performance whilst an overweight in Real Estate detracted.

The second quarter of 2018 saw momentum leading and growth outperforming value. Outperformance came entirely from Technology and the internet end of Consumer Discretionary sectors (e.g. Netflix, Amazon and Tripadvisor are all listed in retailing). Due to the income requirement, the strategy would not hold these stocks. Again, within these industries the FAANGS dominated markets. US equities were actually negative without them. In this environment, the strategy lagged the index. Security selection in Real Estate and Energy was strong however selection in Information Technology was a drag on the strategy. An underweight to Consumer Staples and Industrials contributed to performance whilst an overweight to Financials and underweight to Healthcare detracted.

More recently, global markets have been strong buoyed by generally impressive earnings and easing fears of a global trade war. Having lagged growth earlier on, value outperformed over July with this outperformance broadly based across all regions but particularly notable in Japan. The Fund has a value bias with an exposure to higher dividend stocks which performed relatively well in this environment. Asset allocation was positive mainly within software & services and capital goods.

(Source: Bloomberg, Barclays)

## Outlook

Central banks across the developed economies have become more comfortable with the gradual removal of monetary accommodation. The US is furthest along the path, with others such as the Bank of England and the ECB still more tentative.

Global trade disputes continue to pose risks to market sentiment and growth and we see US-China economic tensions continuing, including restrictions around China investments in the US and transfer of technology to China. The cost of a full blown trade war would be high and our base outlook remains that economic self-interest will ultimately prevail.

This year, emerging market economies have been forced to weather rising US yields and a resurgent USD, with vulnerable economies like Turkey and Argentina being hit the hardest. In our view, the risk of contagion to the wider emerging market universe appears small, owing to improved macroeconomic foundations and lower reliance on foreign capital inflows within the wider emerging market universe.

On the whole, the global economy appears to be maintaining strength, with projected 2018 GDP growth expectations at 4.7% for major advanced economies and 7.3% for emerging market economies. We believe the world economy will continue to grow and still see the cycle as a relatively distant prospect.

# Barclays Global Core Fund (continued)

## Outlook (continued)

Nonetheless an eye should be kept out for signs of cyclical excess. In such a context we welcome moves towards a more normal monetary backdrop in the developed world.

(Source: Barclays, Barclays)

Barclays  
Wealth & Investment Management  
September 2018

# Barclays Global Core Fund (continued)

## Portfolio Statement as at 28 July 2018

All investments are in ordinary shares unless stated otherwise. The percentages in brackets show the equivalent sector holdings at 28 July 2017.

Holding / Nominal Value	Investment	Market Value £'000	% of Net Assets
	<b>ASIA: 8.32% (9.81%)</b>		
	<b>HONG KONG: 0.12% (0.00%)</b>		
25,000	Wharf	63	0.12
	<b>ISRAEL: 0.00% (0.32%)</b>		
	<b>JAPAN: 8.03% (8.55%)</b>		
3,800	Alfresa Holdings	72	0.14
15,500	Astellas Pharma	194	0.37
6,100	Bridgestone	179	0.34
4,200	Brother Industries	65	0.12
4,600	Canon	113	0.21
1,000	Daito Trust Construction	128	0.24
17,000	Daiwa Securities	76	0.14
1,900	East Japan Railway	137	0.26
24,000	Fujitsu	124	0.23
16,000	Hitachi	89	0.17
1,800	Hitachi High-Technologies	57	0.11
4,600	Iida Group Holdings	71	0.13
12,100	ITOCHU	167	0.32
9,700	Japan Tobacco	210	0.40
17,700	JXTG	101	0.19
25,000	Kajima	151	0.29
2,200	Kao	127	0.24
3,500	KDDI	75	0.14
10,700	Konica Minolta	75	0.14
15,000	Marubeni	89	0.17
6,800	Mitsubishi	149	0.28
18,500	Mitsubishi Chemical Holdings	126	0.24
5,200	Mitsui Chemicals	108	0.20
4,400	MS&AD Insurance Group Holdings	104	0.20
1,900	Nippon Telegraph & Telephone	67	0.13
6,800	NTT DOCOMO	135	0.26
12,000	Obayashi	97	0.18
5,200	Osaka Gas	80	0.15
5,500	Panasonic	54	0.10
1,100	Secom	65	0.12
7,900	Sekisui House	103	0.19
1,800	Seven & I	57	0.11
7,000	Subaru	156	0.30
7,200	Sumitomo Mitsui Financial	222	0.42
6,700	Sumitomo Rubber Industries	83	0.16
2,000	Tokio Marine	74	0.14
800	Tokyo Electron	104	0.20
4,500	Tosoh	55	0.10
27,400	Yamada Denki	106	0.20
		4,245	8.03

# Barclays Global Core Fund (continued)

## Portfolio Statement as at 28 July 2018 (continued)

Holding / Nominal Value	Investment	Market Value £'000	% of Net Assets
	<b>ASIA: 8.32% (9.81%) (continued)</b>		
	<b>SINGAPORE: 0.17% (0.94%)</b>		
67,900	ComfortDelGro	90	0.17
	<b>EUROPE EXCLUDING UK: 28.88% (22.69%)</b>		
	<b>AUSTRIA: 0.00% (0.20%)</b>		
	<b>DENMARK: 0.99% (0.00%)</b>		
9,973	Novo Nordisk	387	0.73
2,871	Vestas Wind Systems	138	0.26
		525	0.99
	<b>FINLAND: 0.34% (1.60%)</b>		
6,486	UPM-Kymmene	177	0.34
	<b>FRANCE: 3.08% (2.19%)</b>		
2,453	Atos	252	0.48
6,031	AXA	113	0.22
3,961	BNP Paribas	192	0.36
3,865	Danone	228	0.43
4,736	Klepierre	132	0.25
75,851	Natixis	405	0.77
3,569	Sanofi	235	0.44
821	Sodexo	67	0.13
		1,624	3.08
	<b>GERMANY: 2.14% (2.79%)</b>		
5,051	Covestro	369	0.70
4,920	Daimler	259	0.49
4,666	Siemens	502	0.95
		1,130	2.14
	<b>IRELAND: 11.83% (5.59%)</b>		
11,429	Accenture	1,411	2.67
3,734	Eaton	229	0.43
7,423	Ingersoll-Rand	553	1.05
98,505	iShares Euro Total Market Growth Large UCITS ETF	3,313	6.27
11,225	Johnson Controls International	308	0.58
10,540	Seagate Technology^^	439	0.83
		6,253	11.83
	<b>ITALY: 0.95% (1.05%)</b>		
30,468	Assicurazioni Generali	401	0.76
45,398	Intesa Sanpaolo	101	0.19
		502	0.95
	<b>JERSEY: 0.48% (0.00%)</b>		
21,213	WPP	252	0.48

# Barclays Global Core Fund (continued)

## Portfolio Statement as at 28 July 2018 (continued)

Holding / Nominal Value	Investment	Market Value £'000	% of Net Assets
<b>EUROPE EXCLUDING UK: 28.88% (22.69%) (continued)</b>			
<b>NETHERLANDS: 3.49% (2.27%)</b>			
23,202	Aegon	113	0.21
625	ASML^^	103	0.20
9,500	Koninklijke Ahold	181	0.34
14,684	LyondellBasell Industries	1,225	2.32
6,663	Philips	224	0.42
		1,846	3.49
<b>NORWAY: 0.00% (1.50%)</b>			
<b>SPAIN: 1.88% (1.31%)</b>			
15,329	Banco Bilbao Vizcaya	84	0.16
27,614	Iberdrola	163	0.31
20,963	International Consolidated Airlines Group	145	0.27
12,242	Red Electrica	196	0.37
27,359	Repsol	408	0.77
		996	1.88
<b>SWEDEN: 1.71% (1.07%)</b>			
3,954	Electrolux Class 'B'	70	0.13
58,176	Nordea Bank	471	0.89
16,380	Skanska	233	0.44
7,369	Swedbank	132	0.25
		906	1.71
<b>SWITZERLAND: 1.99% (3.12%)</b>			
2,419	Adecco	112	0.21
2,560	Nestlé	160	0.30
1,339	Novartis	85	0.16
2,747	Roche	513	0.97
325	Swisscom	115	0.22
291	Zurich Insurance	67	0.13
		1,052	1.99
<b>NORTH AMERICA: 49.93% (53.96%)</b>			
<b>BERMUDA: 0.17% (1.26%)</b>			
4,512	Invesco	89	0.17
<b>CANADA: 5.89% (7.76%)</b>			
11,438	Bank of Montreal	694	1.31
8,307	Bank of Nova Scotia	371	0.70
14,224	Canadian Imperial Bank of Commerce	980	1.86
12,437	CI Financial	167	0.32
8,216	IGM Financial	190	0.36
6,326	Inter Pipeline	90	0.17
11,225	Manulife Financial	157	0.30
8,822	National Bank of Canada	328	0.62
4,870	Vermillion Energy	134	0.25
		3,111	5.89

# Barclays Global Core Fund (continued)

## Portfolio Statement as at 28 July 2018 (continued)

Holding / Nominal Value	Investment	Market Value £'000	% of Net Assets
<b>NORTH AMERICA: 49.93% (53.96%) (continued)</b>			
<b>CAYMAN ISLANDS: 0.39% (0.00%)</b>			
9,700	ASM Pacific Technology	88	0.17
7,000	CK Hutchison	57	0.11
98,000	WH Group	60	0.11
		205	0.39
<b>UNITED STATES: 43.48% (44.94%)</b>			
1,098	3M	174	0.33
11,394	Altria	502	0.95
1,596	Ameriprise Financial	181	0.34
2,473	Apple^^	360	0.68
2,809	Archer-Daniels-Midland	102	0.19
36,298	AT&T	859	1.63
14,395	Best Buy	819	1.55
10,453	CA^^	350	0.66
8,275	Cummins	876	1.66
8,375	CVS Health	425	0.80
5,328	Delta Air Lines	221	0.42
1,803	Edison International	91	0.17
6,170	Exxon Mobil	385	0.73
4,225	Fastenal^^	182	0.34
17,933	FNF	553	1.05
51,528	Ford Motor	390	0.74
15,167	Gap	340	0.64
3,839	General Mills	132	0.25
14,068	Gilead Sciences^^	823	1.56
29,389	H&R Block	557	1.05
5,387	HCA Healthcare	510	0.97
45,465	Hewlett Packard Enterprise	540	1.02
16,325	Host Hotels & Resorts Reits	259	0.49
1,268	Humana	304	0.58
17,910	Intel^^	650	1.23
9,595	International Business Machines	1,061	2.01
23,401	Interpublic Group of Cos	400	0.76
1,616	Kimberly-Clark	133	0.25
7,133	Kohl's	394	0.75
748	McDonald's	90	0.17
26,510	Microsoft^^	2,174	4.11
14,194	Morgan Stanley	552	1.04
11,063	OGE Energy	305	0.58
8,485	PepsiCo^^	739	1.40
48,342	Pfizer	1,415	2.68
9,884	Procter & Gamble	607	1.15
6,375	Prudential Financial	480	0.91

# Barclays Global Core Fund (continued)

## Portfolio Statement as at 28 July 2018 (continued)

Holding / Nominal Value	Investment	Market Value £'000	% of Net Assets
<b>NORTH AMERICA: 49.93% (53.96%) (continued)</b>			
<b>UNITED STATES: 43.48% (44.94%) (continued)</b>			
4,856	Public Service Enterprise	190	0.36
3,293	Simon Property	423	0.80
2,148	Starbucks^^	85	0.16
1,708	State Street	113	0.21
2,241	SunTrust Banks	124	0.23
1,724	Target	105	0.20
1,781	Texas Instruments^^	153	0.29
3,033	Union Pacific	343	0.65
1,449	UnitedHealth	283	0.54
678	Vail Resorts	143	0.27
15,551	Valero Energy	1,378	2.61
3,340	Ventas	140	0.26
1,878	Walmart	126	0.24
5,658	Welltower	266	0.50
775	Whirlpool	76	0.14
4,865	Xerox	95	0.18
		22,978	43.48
<b>PACIFIC: 3.27% (3.99%)</b>			
<b>AUSTRALIA: 3.27% (3.84%)</b>			
5,611	AGL Energy	69	0.13
9,299	Amcor	78	0.15
5,603	Australia & New Zealand Bank	93	0.18
3,888	BHP Billiton	75	0.14
7,775	Caltex Australia	140	0.26
3,042	CIMIC	85	0.16
4,782	Commonwealth Bank of Australia	203	0.38
3,075	Flight Centre Travel	116	0.22
27,205	Fortescue Metals	67	0.13
37,396	Insurance Australia	169	0.32
1,952	Macquarie	137	0.26
85,308	Mirvac	110	0.21
7,843	National Australia Bank	126	0.24
1,658	Rio Tinto	76	0.14
44,890	Vicinity Centres	67	0.13
6,999	Westpac Banking	116	0.22
		1,727	3.27

# Barclays Global Core Fund (continued)

## Portfolio Statement as at 28 July 2018 (continued)

Holding / Nominal Value	Investment	Market Value £'000	% of Net Assets
	<b>PACIFIC: 3.27% (3.99%) (continued)</b>		
	<b>NEW ZEALAND: 0.00% (0.15%)</b>		
	<b>UNITED KINGDOM: 5.80% (8.25%)</b>		
10,245	BAE Systems	67	0.13
33,647	Barratt Developments	181	0.34
5,054	Berkeley	188	0.36
65,055	BT	154	0.29
34,557	HSBC	252	0.48
16,105	Imperial Brands	457	0.86
66,846	Marks & Spencer	207	0.39
2,503	Reckitt Benckiser	170	0.32
12,184	Rio Tinto	507	0.96
20,548	Royal Dutch Shell Class 'B'	546	1.03
23,508	Royal Mail	110	0.21
59,514	Taylor Wimpey	105	0.20
2,852	Unilever	123	0.23
		3,067	5.80
	<b>Futures: 0.02% (0.00%)</b>		
15	Russell 1000 Emini Cme Future Expiry September 2018	10	0.02
	<b>Portfolio of investments*</b>	<b>50,848</b>	<b>96.22</b>
	<b>Net other assets</b>	<b>1,995</b>	<b>3.78</b>
	<b>Net assets</b>	<b>52,843</b>	<b>100.00</b>

All investments are listed as transferable securities admitted to an official stock exchange or traded on a regulated market.

\* Includes derivatives.

^^ These securities are quoted on NASDAQ and comprise 11.46% (28 July 2017: 13.76%) of the Net Asset Value.



# Barclays Global Core Fund (continued)

## Summary of Material Portfolio Changes for the year ended 28 July 2018

10 Largest Purchases	Cost £	10 Largest Sales	Proceeds £
iShares Euro Total Market Growth		Aetna	1,482,644
Large UCITS ETF	3,874,948	Cisco Systems	1,054,199
Aetna	775,410	iShares Euro Total Market Growth	
Best Buy	747,441	Large UCITS ETF	826,124
Hanesbrands	736,784	HSBC MSCI World UCITS ETF	779,608
McKesson	723,249	McKesson	739,930
Public Service Enterprise	702,318	Seagate Technology	715,534
Seagate Technology	685,375	Valero Energy	715,360
PepsiCo	682,973	L Brands	670,204
Apple	647,180	Microsoft	618,229
FNF	643,756	Telenor	606,658
			Year to
Portfolio Information			28/07/2018
<b>Total purchases for the year</b>			<b>£39,376,185</b>
<b>Total sales for the year</b>			<b>£42,846,243</b>

# Barclays Global Core Fund (continued)

## Statement of Total Return for the year ended 28 July 2018

		29/07/2017 to 28/07/2018		29/07/2016 to 28/07/2017	
	Notes	£'000	£'000	£'000	£'000
Income					
Net capital gains	2		3,603		5,855
Revenue	3	1,760		1,799	
Expenses	4	(637)		(634)	
Interest payable and similar charges	7	-		(1)	
Net revenue before taxation		1,123		1,164	
Taxation	5	(171)		(177)	
Net revenue after taxation for the year			952		987
Total return before distributions			4,555		6,842
Distributions	6		(952)		(987)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>3,603</b>		<b>5,855</b>

## Statement of Change in Net Assets attributable to Shareholders for the year ended 28 July 2018

		29/07/2017 to 28/07/2018		29/07/2016 to 28/07/2017	
		£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>			<b>51,485</b>		<b>47,447</b>
Amounts receivable on creation of shares		315		290	
Amounts payable on cancellation of shares		(3,481)		(3,067)	
			(3,166)		(2,777)
Change in net assets attributable to shareholders from investment activities			3,603		5,855
Retained distribution on accumulation shares			921		960
<b>Closing net assets attributable to shareholders</b>			<b>52,843</b>		<b>51,485</b>

## Balance Sheet as at 28 July 2018

		28/07/2018		28/07/2017	
	Notes	£'000	£'000	£'000	£'000
<b>Assets</b>					
Fixed Assets					
Investments	13		50,848		50,816
Current Assets					
Debtors	8	109		125	
Amounts held at futures clearing houses and brokers	9	170		-	
Cash and bank balances	9	1,970		694	
Total current assets			2,249		819
<b>Total assets</b>			<b>53,097</b>		<b>51,635</b>
<b>Liabilities</b>					
Creditors					
Distribution payable	10	(2)		(2)	
Other creditors	10	(252)		(148)	
Total creditors			(254)		(150)
<b>Total liabilities</b>			<b>(254)</b>		<b>(150)</b>
<b>Net assets attributable to shareholders</b>			<b>52,843</b>		<b>51,485</b>

# Barclays Global Core Fund (continued)

## Notes to the Financial Statements

### 1. Accounting policies

The accounting policies can be found on pages 13 to 15.

### 2. Net capital gains

	29/07/2017 to 28/07/2018 £'000	29/07/2016 to 28/07/2017 £'000
The net capital gains on investments during the year comprise:		
Non-derivative securities	3,517	5,869
Derivative contracts	109	-
Currency losses	(7)	-
Transaction charges	(16)	(14)
Net capital gains on investments	3,603	5,855

### 3. Revenue

	29/07/2017 to 28/07/2018 £'000	29/07/2016 to 28/07/2017 £'000
Franked UK dividends	178	170
UK REIT dividends	-	9
Non-taxable overseas dividends	1,538	1,532
Taxable overseas dividends	-	61
Overseas fund dividends	43	27
Bank interest	1	-
Total revenue	1,760	1,799

### 4. Expenses

	29/07/2017 to 28/07/2018 £'000	29/07/2016 to 28/07/2017 £'000
Payable to the ACD, associates of the ACD and agents of either of them:		
ACD's periodic fee	483	477
Registration fee	77	76
	560	553
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary fee	8	8
Safe custody fee	2	2
	10	10
Other expenses:		
Administration fee	36	36
Audit fee	12	12
VAT on audit fee	2	2
Printing fee	8	13
FCA fee	1	-
Tax advisory fee	8	8
	67	71
Total expenses	637	634

# Barclays Global Core Fund (continued)

## Notes to the Financial Statements (continued)

### 5. Taxation

#### (a) Analysis of taxation charge for the year

	29/07/2017 to 28/07/2018 £'000	29/07/2016 to 28/07/2017 £'000
Prior years ECJ overseas tax reclaims	-	-
Overseas tax	171	177
Current tax note 5(b)	171	177
Deferred tax note 5(c)	-	-
Total taxation	171	177

#### (b) Factors affecting taxation charge for the year

The tax assessed for the year is lower than (28 July 2017: lower than) the standard rate of corporation tax in the UK for an open-ended investment company (20%). The differences are explained below:

	29/07/2017 to 28/07/2018 £'000	29/07/2016 to 28/07/2017 £'000
Net revenue before taxation	1,123	1,164
Net revenue before taxation multiplied by the appropriate rate of corporation tax at 20% (2017: 20%)	225	233
Effects of:		
Double taxation relief expensed	(2)	-
Overseas tax	171	177
Revenue not subject to taxation	(336)	(348)
Excess management expenses not utilised	113	115
Current tax	171	177

#### (c) Provision for deferred tax

There is no deferred tax provision in the current year (28 July 2017: same).

At the year end, there is a potential deferred tax asset of £1,352,092 (28 July 2017: £1,239,447) due to surplus management expenses. It is unlikely the Fund will generate sufficient taxable profits in the future to utilise these amounts and therefore no deferred tax asset has been recognised (28 July 2017: same).

### 6. Distributions

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

	29/07/2017 to 28/07/2018 £'000	29/07/2016 to 28/07/2017 £'000
Final distribution	923	962
Total distribution	923	962
Add: Revenue deducted on cancellation of shares	31	28
Less: Revenue received on creation of shares	(2)	(3)
Distributions for the year	952	987

The differences between the net revenue after taxation and the distribution for the year are as follows:

	29/07/2017 to 28/07/2018 £'000	29/07/2016 to 28/07/2017 £'000
Net revenue after taxation for the year	952	987
Distributions for the year	952	987

# Barclays Global Core Fund (continued)

## Notes to the Financial Statements (continued)

### 7. Interest payable and similar charges

	29/07/2017 to 28/07/2018 £'000	29/07/2016 to 28/07/2017 £'000
Bank overdraft interest	-	1
	-	1

### 8. Debtors

	28/07/2018 £'000	28/07/2017 £'000
Amounts receivable for creation of shares	-	1
Accrued revenue	60	73
Overseas tax recoverable	49	51
	109	125

### 9. Net uninvested cash

	28/07/2018 £'000	28/07/2017 £'000
Amounts held at futures clearing houses and brokers	170	-
Cash and bank balances	1,970	694
Net uninvested cash	2,140	694

### 10. Creditors

	28/07/2018 £'000	28/07/2017 £'000
(a) Other creditors		
Amounts payable for cancellation of shares	158	58
Accrued expenses	94	90
	252	148
(b) Distributions payable		
Net distributions payable	2	2
	2	2

### 11. Contingent liabilities and outstanding commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date (28 July 2017: same).

# Barclays Global Core Fund (continued)

## Notes to the Financial Statements (continued)

### 12. Risk in relation to the financial instruments (continued)

The Fund's investment objective is stated on page 16. In pursuing its objective, the Fund holds financial instruments which expose it to various types of risk. The main risks, and the ACD's policy for managing these risks are set out below. These were applied consistently throughout the current and preceding year.

#### (a) Credit and liquidity risk

Credit risk is the risk of suffering loss due to another party not meeting its financial obligations. The primary source of this risk to the Fund is for trade counterparties to fail to meet their transaction commitments. This risk is managed by appraising the credit profile of financial instruments and trade counterparties.

Liquidity risk relates to the capacity to meet liabilities. The primary source of this risk to the Fund is the liability to Shareholders for any cancellation of shares. This risk is minimised by holding cash and readily realisable securities and via access to overdraft facilities.

#### (b) Market risk

Market risk arises mainly from uncertainty about future prices. The primary source of this risk to the Fund is the potential movement in the value of financial instruments held as a result of price fluctuations. The ACD adheres to the investment guidelines and borrowing powers established in the Prospectus and the COLL. In this way, the ACD monitors and controls the exposure to risk from any type of security, sector or issuer.

The Fund invests in securities which are issued by smaller companies and therefore there is likely to be increased volatility in price movements. The securities may also be less liquid than securities on larger exchanges which are generally traded more frequently.

The Fund may also use derivative instruments to mitigate risk and/or reduce costs. These instruments are not utilised for speculative purposes. Derivative instruments were utilised during the current and preceding year.

#### (c) Foreign currency risk

Foreign currency risk is the risk of movements in the value of overseas financial instruments as a result of fluctuations in exchange rates. Forward currency contracts can be utilised to manage this risk or to increase exposure to foreign currencies as necessary. The Fund does not aim to hedge foreign currency risk and retains significant foreign currency exposure.

The foreign currency profile of the Fund's net assets at the balance sheet date was:

	Monetary exposure	Non-monetary exposure	Total
28/07/2018	£'000	£'000	£'000
Australian Dollar	-	1,732	1,732
Canadian Dollar	13	3,115	3,128
Danish Krone	-	527	527
Euro	52	5,068	5,120
Hong Kong Dollar	-	269	269
Japanese Yen	-	4,259	4,259
Polish Zlotych	-	2	2
Singapore Dollar	-	90	90
Swedish Krona	-	907	907
Swiss Francs	3	1,078	1,081
US Dollar	186	27,274	27,460
	254	44,321	44,575

# Barclays Global Core Fund (continued)

## Notes to the Financial Statements (continued)

### 12. Risk in relation to the financial instruments (continued)

#### (c) Foreign currency risk (continued)

28/07/2017	Monetary exposure	Non-monetary exposure	Total
Currency	£'000	£'000	£'000
Australian Dollar	5	1,970	1,975
Canadian Dollar	32	3,995	4,027
Danish Krone	1	-	1
Euro	47	4,867	4,914
Hong Kong Dollar	-	72	72
Israeli Shekel	-	167	167
Japanese Yen	12	4,403	4,415
New Zealand Dollar	-	74	74
Norwegian Krone	-	770	770
Polish Zlotych	2	-	2
Singapore Dollar	1	226	227
Swedish Krona	7	551	558
Swiss Francs	49	1,502	1,551
US Dollar	110	27,188	27,298
	266	45,785	46,051

A sensitivity analysis for foreign currency risk is presented below reflecting current and prior year information.

28/07/2018	Net exposure	2018 Max change in currency	Monetary change
Currency	£'000	%	£'000
Australian Dollar	1,732	14	242
Canadian Dollar	3,128	15	469
Danish Krone	527	8	42
Euro	5,120	8	410
Hong Kong Dollar	269	12	32
Japanese Yen	4,259	12	511
Polish Zlotych	2	8	-
Singapore Dollar	90	8	7
Swedish Krona	907	18	163
Swiss Francs	1,081	13	141
US Dollar	27,460	12	3,295
	44,575		5,313

# Barclays Global Core Fund (continued)

## Notes to the Financial Statements (continued)

### 12. Risk in relation to the financial instruments (continued)

#### (c) Foreign currency risk (continued)

28/07/2017	Net exposure	2017 Max change in currency	Monetary change
Currency	£'000	%	£'000
Australian Dollar	1,975	11	217
Canadian Dollar	4,027	12	483
Danish Krone	1	8	-
Euro	4,914	8	393
Hong Kong Dollar	72	11	8
Israeli Shekel	167	14	23
Japanese Yen	4,415	17	751
New Zealand Dollar	74	12	9
Norwegian Krone	770	13	100
Polish Zlotych	2	14	-
Singapore Dollar	227	8	18
Swedish Krona	558	10	56
Swiss Francs	1,551	9	140
US Dollar	27,298	11	3,003
	46,051		5,201

#### (d) 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 Fund's only interest bearing financial instruments were its bank balances and overdraft facilities as disclosed in note 9.

Cash is deposited, and overdraft facilities utilised, on normal commercial terms and earn or bear interest based on LIBOR or its overseas equivalent.

#### (e) Derivatives – sensitivity analysis

The Fund invests in futures to obtain market exposure to enable it to meet the Fund objectives whilst reducing transaction costs.

The effect of these futures is to increase market exposure by 1.62% (28 July 2017: 0.00%) of net assets.

This results in an effective equity exposure at the year end of 97.82% (28 July 2017: 0.00%) of net assets, which means that the gains or losses of the Fund will be 0.9782 (28 July 2017: 0.0000) times the gains or losses if the Fund was fully invested in equities.

#### (f) Fair value

The fair value of a financial instrument is the amount for which it could be exchanged between knowledgeable, willing parties in an arm's length transaction. There is no significant difference between the value of the financial assets and liabilities, as shown in the financial statements, and their fair value.



# Barclays Global Core Fund (continued)

## Notes to the Financial Statements (continued)

### 12. Risk in relation to the financial instruments (continued)

#### (g) Counterparty risk

During the year, the Fund made use of 'Over The Counter' (OTC) derivative instruments. These types of instruments introduce Counterparty Risk, where a counterparty may fail to meet its financial commitments. In order to reduce this risk, a collateral may be held by the Fund.

Exposure to a counterparty is calculated using the positive mark-to-market value of the OTC derivative contracts.

The counterparties to these transactions and any collateral held by the Fund at the balance sheet date are shown below:

28/07/2018	Collateral	Derivatives
Exposures by Counterparty	£'000	£'000
Goldman Sachs International	-	10

28/07/2017	Collateral	Derivatives
Exposures by Counterparty	£'000	£'000
Goldman Sachs International	-	-

### 13. Fair value disclosures

Amendments to FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' - Fair value hierarchy disclosures requires that an analysis of investments and investment liabilities by reference to a fair value hierarchy be disclosed as follows:

Level 1: Fair value based on an unadjusted quoted price in an active market for identical instruments includes exchange-traded instruments unless there is persistently insufficient activity to regard the market as active. Examples typically include equities, depositary receipts, warrants, rights, money market instruments, exchange-traded derivatives, exchange-traded products (including exchange-traded funds) and some highly liquid exchange traded debt securities.

Level 2: Fair value based on a valuation technique using observable market data includes over-the-counter instruments, instruments priced via multi-broker quotes or evaluated pricing techniques, exchange-traded instruments where the market is persistently not active and instruments subject to fair value pricing adjustments made by reference to observable market data. Examples typically include OTC derivatives, debt securities, convertible bonds, mortgage-backed securities, asset-backed securities and open-ended funds.

Level 3: Fair value based on a valuation technique that relies significantly on unobservable data and this typically includes single broker-priced instruments, suspended/unquoted securities, private equity, unlisted closed-ended funds and open-ended funds with restrictions on redemption rights.

It is the responsibility of the Fair Value Forum ('FVF') to ensure pricing sources and methodologies used to value securities are appropriate as delegated by the ACD. Investments classified as using inputs that are not based on observable market data comprise fair value adjusted securities, stale and single sourced bonds. In seeking to value such securities where no liquid market exists, the FVF will gather valuation related information from multiple internal and external sources. These sources include historic trading and pricing information and the views of internal security analysts. Internal security analysts have access to a range of material including, company specific news and earnings, cash flow forecasts, valuations of the underlying portfolio company and competitor company valuations within related industries and sectors to determine a valuation recommendation for each unlisted security.

# Barclays Global Core Fund (continued)

## Notes to the Financial Statements (continued)

### 13. Fair value disclosures (continued)

Generally for fair valued securities, stale and single source bonds, where there is no price source from an active market, the FVF has applied judgement in determining the fair value. This fair value is established by using measures such as; stale priced securities where the last traded price is used. The FVF has the ability to apply discounts to security valuations. Management determines the discount based on its judgement, after considering market liquidity conditions and company specific factors such as the development stage of the portfolio company. Generally unlisted securities are valued at cost, a trade executed by another Barclays Fund, grey market trades or at a nil value where companies have gone into liquidation, administration or are deemed worthless. Single sourced broker prices use data received from a single pricing vendor and stale prices use the most recent broker quote available.

Below is an analysis of the Fund's investments and investment liabilities as at the current and preceding year end.

#### Fair value hierarchy as at 28/07/2018

Financial Assets	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Equities	47,525	-	-	47,525
Collective Investment Schemes	3,313	-	-	3,313
Futures	10	-	-	10
	50,848	-	-	50,848

#### Fair value hierarchy as at 28/07/2017

Financial Assets	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Equities	50,027	-	8	50,035
Collective Investment Schemes	781	-	-	781
Futures	-	-	-	-
	50,808	-	8	50,816

### 14. Portfolio transaction costs

29/07/2017 to 28/07/2018

	Purchases in the year before transaction costs £'000	Commissions £'000	%	Taxes £'000	%	Total purchase costs £'000	Gross purchase costs £'000
<b>Purchases</b>							
Equities	35,477	9	0.03%	15	0.04%	24	35,501
Collective Investment Schemes	3,873	2	0.05%	-	0.00%	2	3,875
<b>Total</b>	<b>39,350</b>	<b>11</b>	<b>0.03%</b>	<b>15</b>	<b>0.04%</b>	<b>26</b>	<b>39,376</b>

# Barclays Global Core Fund (continued)

## Notes to the Financial Statements (continued)

### 14. Portfolio transaction costs (continued)

29/07/2017 to 28/07/2018

	Sales in the year before transaction costs £'000	Commissions £'000	%	Fees £'000	%	Total sales costs £'000	Total sales net of transaction costs £'000
<b>Sales</b>							
Equities	41,253	(11)	(0.03%)	(1)	0.00%	(12)	41,241
Collective Investment Schemes	1,606	(1)	(0.06%)	-	0.00%	(1)	1,605
<b>Total</b>	<b>42,859</b>	<b>(12)</b>	<b>(0.03%)</b>	<b>(1)</b>	<b>0.00%</b>	<b>(13)</b>	<b>42,846</b>

Total transaction costs as a % of the average net assets

23	16
0.04%	0.03%

29/07/2016 to 28/07/2017

	Purchases in the year before transaction costs £'000	Commissions £'000	%	Taxes £'000	%	Total purchase costs £'000	Gross purchase costs £'000
<b>Purchases</b>							
Equities	33,012	9	0.03%	19	0.06%	28	33,040
Collective Investment Schemes	114	-	0.00%	-	0.00%	-	114
<b>Total</b>	<b>33,126</b>	<b>9</b>	<b>0.03%</b>	<b>19</b>	<b>0.06%</b>	<b>28</b>	<b>33,154</b>

	Sales in the year before transaction costs £'000	Commissions £'000	%	Fees £'000	%	Total sales costs £'000	Total sales net of transaction costs £'000
<b>Sales</b>							
Equities	32,996	(9)	(0.03%)	(1)	0.00%	(10)	32,986
Collective Investment Schemes	1,203	-	-	-	0.00%	-	1,203
<b>Total</b>	<b>34,199</b>	<b>(9)</b>	<b>(0.03%)</b>	<b>(1)</b>	<b>0.00%</b>	<b>(10)</b>	<b>34,189</b>

Total transaction costs as a % of the average net assets

18	20
0.04%	0.04%

The above analysis covers any direct transaction costs suffered by the Fund during the year which are separately identifiable. However it is important to understand the nature of other transaction costs associated with different investment classes and instruments types.

# Barclays Global Core Fund (continued)

## Notes to the Financial Statements (continued)

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### 14. Portfolio transaction costs (continued)

Separately identifiable direct transaction costs (commissions and taxes etc.) are attributable to the Fund's purchase and sale of equity shares. Additionally for equity shares, there is a dealing spread cost (the difference between the buying and selling prices) which will be suffered on purchase and sale transactions.

For the Fund's investment transactions in debt and money market instruments any applicable transaction charges form part of the dealing spread for these instruments. Unlike shares other types of investments (such as bonds, money market instruments and derivatives) have no separately identifiable transactions costs, these costs form part of the dealing spread. Transactions in money market instruments to manage the fund's daily liquidity position are excluded from the analysis.

At the balance sheet date, the average portfolio dealing spread was 0.09% (28 July 2017: 0.09%).

This spread represents the difference between the values determined respectively by reference to the bid and offer prices of investments expressed as a percentage of the value determined by reference to the offer price.

### 15. Related party transactions

The ACD is related to the Fund as defined by the Financial Reporting Standard 102.33 'Related Party Disclosures' as a result of it carrying out key management personnel services in relation to the operation of the Fund.

At the year end, the ACD and its associates held 0.00% of the Fund's shares in issue (28 July 2017: 0.00%). Details of all other material related party transactions during the year and any payment amounts outstanding at the balance sheet date are disclosed in notes 4, 8 and 10 to the financial statements. Within note 10, accrued expenses (including amounts due to associates and agents) of £43,374 (28 July 2017: £43,155) are due to the ACD.

# Barclays Global Core Fund (continued)

## Notes to the Financial Statements (continued)

### 16. Shareholder funds

The net asset value of each share class, the net asset value per share, and the number of shares in each share class is given in the performance tables on pages 39 to 40. All Share Classes have the same rights on winding up.

The movement in the number of shares for the years ended 28 July 2018 and 28 July 2017 is shown below:

	29/07/2017 to 28/07/2018	29/07/2016 to 28/07/2017
<b>Number of A-Class Distribution Shares</b>		
<b>Issued and cancelled shares</b>		
Balance at beginning of year	22,334	21,946
Issued during year	305	388
Cancelled during year	(22,334)	-
Conversions during the year	-	-
<b>Total number of A-Class Distribution Shares in issue at end of year</b>	<b>305</b>	<b>22,334</b>
<b>Number of A-Class Accumulation Shares</b>		
<b>Issued and cancelled shares</b>		
Balance at beginning of year	1,797,678	1,934,107
Issued during year	10,240	3,916
Cancelled during year	(103,218)	(140,345)
Conversions during the year	(44,570)	-
<b>Total number of A-Class Accumulation Shares in issue at end of year</b>	<b>1,660,130</b>	<b>1,797,678</b>
<b>Number of R-Class Distribution Shares</b>		
<b>Issued and cancelled shares</b>		
Balance at beginning of year	42,739	26,045
Issued during year	33,210	17,881
Cancelled during year	(6,229)	(1,187)
Conversions during the year	-	-
<b>Total number of R-Class Distribution Shares in issue at end of year</b>	<b>69,720</b>	<b>42,739</b>
<b>Number of R-Class Accumulation Shares</b>		
<b>Issued and cancelled shares</b>		
Balance at beginning of year	24,903,735	26,298,249
Issued during year	122,063	139,541
Cancelled during year	(1,644,346)	(1,534,055)
Conversions during the year	42,890	-
<b>Total number of R-Class Accumulation Shares in issue at end of year</b>	<b>23,424,342</b>	<b>24,903,735</b>

### 17. Events after the Balance Sheet Date

There are no events after the balance sheet date which in the opinion of the ACD requires an adjustment or a disclosure in the financial statements.

# Barclays Global Core Fund (continued)

## Distribution Table for the year ended 28 July 2018

Group 1: Shares purchased prior to a distribution period

Group 2: Shares purchased during a distribution period

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

### Final dividend distribution in pence per share

	Net Revenue	Equalisation	Distribution Paid 28/09/2018	Distribution Paid 28/09/2017
<b>A-Class Distribution</b>				
Group 1	2.3279p	-	2.3279p	2.1634p
Group 2	2.0562p	0.2717p	2.3279p	2.1634p
<b>A-Class Accumulation</b>				
Group 1	2.4682p	-	2.4682p	2.4844p
Group 2	1.7127p	0.7555p	2.4682p	2.4844p
<b>R-Class Distribution</b>				
Group 1	3.1266p	-	3.1266p	3.1207p
Group 2	2.0036p	1.1230p	3.1266p	3.1207p
<b>R-Class Accumulation</b>				
Group 1	3.7578p	-	3.7578p	3.6744p
Group 2	2.0481p	1.7097p	3.7578p	3.6744p

# Barclays Global Core Fund (continued)

## Performance Tables

	A-Class Distribution			A-Class Accumulation		
	29/07/2017 to 28/07/2018	29/07/2016 to 28/07/2017	29/07/2015 to 28/07/2016	29/07/2017 to 28/07/2018	29/07/2016 to 28/07/2017	29/07/2015 to 28/07/2016
	(pps)	(pps)	(pps)	(pps)	(pps)	(pps)
<b>Change in net assets per share</b>						
Opening net asset value per share**:	160.00	142.21	122.82	186.19	163.29	138.58
Return before operating charges*	17.35	22.82	24.28	19.52	26.19	27.39
Operating charges	(2.80)	(2.87)	(2.38)	(3.49)	(3.29)	(2.68)
Return after operating charges*	14.55	19.95	21.90	16.03	22.90	24.71
Distributions	(2.33)	(2.16)	(2.51)	(2.47)	(2.48)	(2.83)
Retained distributions on accumulation shares	-	-	-	2.47	2.48	2.83
Closing net asset value per share**	172.22	160.00	142.21	202.22	186.19	163.29
*after direct transaction costs of:						
	0.12	(0.12)	(0.10)	0.14	(0.14)	(0.11)
<b>Performance</b>						
Return after charges	9.09%	14.03%	17.83%	8.61%	14.02%	17.83%
<b>Other information</b>						
Closing net asset value (£'000)	-	36	31	3,357	3,347	3,158
Closing number of shares ('000)	-	22	22	1,660	1,798	1,934
Operating charges (%)	1.74%	1.84%	1.91%	1.82%	1.84%	1.91%
Direct transaction costs	0.07%	0.08%	0.08%	0.07%	0.08%	0.08%
<b>Prices</b>						
Highest share price	174.90	166.10	145.10	202.50	190.70	163.70
Lowest share price	155.60	140.10	111.00	180.30	160.80	125.20

\*\*Opening and closing net asset values ('NAVs') per share in the above table have been calculated using the NAV and number of shares figures rounded to the nearest £ and shares respectively.

# Barclays Global Core Fund (continued)

## Performance Tables (continued)

	R-Class Distribution			R-Class Accumulation		
	29/07/2017 to 28/07/2018	29/07/2016 to 28/07/2017	29/07/2015 to 28/07/2016	29/07/2017 to 28/07/2018	29/07/2016 to 28/07/2017	29/07/2015 to 28/07/2016
	(pps)	(pps)	(pps)	(pps)	(pps)	(pps)
<b>Change in net assets per share</b>						
Opening net asset value per share**:	160.38	142.54	123.00	192.88	168.15	141.84
Return before operating charges*	16.91	22.90	24.45	20.32	27.02	28.20
Operating charges	(2.04)	(1.94)	(1.64)	(2.45)	(2.29)	(1.89)
Return after operating charges*	14.87	20.96	22.81	17.87	24.73	26.31
Distributions	(3.13)	(3.12)	(3.27)	(3.76)	(3.67)	(3.78)
Retained distributions on accumulation shares	-	-	-	3.76	3.67	3.78
Closing net asset value per share**	172.12	160.38	142.54	210.75	192.88	168.15
*after direct transaction costs of:						
	0.12	(0.12)	(0.10)	0.15	(0.14)	(0.11)
<b>Performance</b>						
Return after charges	9.27%	14.70%	18.54%	9.26%	14.71%	18.55%
<b>Other information</b>						
Closing net asset value (£'000)	120	68	37	49,366	48,034	44,221
Closing number of shares ('000)	70	43	26	23,424	24,904	26,298
Operating charges (%)	1.23%	1.24%	1.31%	1.23%	1.24%	1.31%
Direct transaction costs	0.07%	0.08%	0.08%	0.07%	0.08%	0.08%
<b>Prices</b>						
Highest share price	175.50	167.10	146.20	211.00	197.10	168.60
Lowest share price	155.90	140.40	111.20	187.50	165.60	128.20

The operating charges (%) represents the ongoing charges figures for the year as referred to in the key investor information document ('KIID') and other literature.

\*\*Opening and closing net asset values ('NAVs') per share in the above table have been calculated using the NAV and number of shares figures rounded to the nearest £ and shares respectively.



# Barclays Global Core Fund (continued)

## Risk and Reward Profile

1	2	3	4	5	6	7
<p>The risk and reward category is calculated using historical data which may not be a reliable indicator of the Fund's future risk profile.</p> <p>The risk and reward category may shift over time and is not a target or a guarantee. The lowest category (i.e. Category 1) does not mean a risk-free investment.</p> <p>The Fund is in Category 5 because of the high range and frequency of price movements (volatility) of the underlying investments in which the Fund invests.</p> <p>The following are additional risks not covered by the risk and reward category.</p> <p>The Fund may use derivatives in an attempt to reduce risk (hedging) or for investment purposes. It may be that the use of derivatives causes share prices to fluctuate which may in turn result in loss to the Fund.</p> <p>The Fund relies upon the performance of one or more investment managers. If the investment managers perform poorly, the value of your investment is likely to be adversely affected.</p>				<p>Stock markets can be volatile, meaning that the prices of shares held by the Fund can change quickly and substantially.</p> <p>If you purchase shares in the Fund through a clearing or settlement system, you will be bound by its terms and conditions, which may include the payment of additional fees.</p> <p>The Fund is not guaranteed and your investment is at risk. You may lose some or all of your investment.</p> <p>The Fund may seek to identify and invest in undervalued securities. The identification of investment opportunities in undervalued securities is difficult and there can be no assurance that such opportunities will be successfully identified.</p> <p>Future legal or regulatory change could have a substantial adverse effect on the fund and your investment.</p> <p>The figure for the synthetic risk and reward indicator disclosed in the financial statements is the same as the most up-to-date key investor information document ('KIID').</p> <p>More information in relation to risks in general may be found in the "Risk Factors" section of the Prospectus.</p>		

# Barclays Sterling Corporate Bond Fund

## Investment Objective and Policy

The Fund seeks to achieve total return primarily through investment in Sterling denominated corporate debt securities.

The Fund invests primarily in Sterling denominated fixed income securities issued by corporations and non-government related issuers with an investment grade credit rating from Standard & Poor's and/or Moody's listed or traded on a Regulated Market in the UK or in an OECD country. While the Fund will seek to invest primarily in such securities, it may also make allocations to other investment grade securities and, on an ancillary basis (i.e. not to exceed 10%), to below investment grade securities. The Fund may hold securities of varying maturities.

Whilst the Fund will invest predominantly in Sterling denominated corporate debt securities, it may also, on an ancillary basis, invest in non-Sterling denominated corporate debt securities and other fixed income securities. In such instances, the Investment Manager and/or sub-investment manager(s) may seek to hedge the currency exposure of the non-Sterling denominated holdings to Sterling, although it is not required to do so.

The Fund will invest at least 70% of its assets in corporate debt securities denominated in Sterling.

The Fund may also invest in other transferable securities, money market instruments, cash and near cash, deposits and units in collective investment schemes (use may be made of stocklending, borrowing, cash holdings, hedging and other efficient portfolio management techniques permitted in the applicable FCA Rules).

## Investment Report

During the year under review, the net asset value per share attributable to the A-Class Accumulation shares fell by 0.60%.

## Market/Economic Review

UK corporate bond market delivered a small positive return during the period with the Markit iBoxx Sterling Non-Gilts Index delivering a positive absolute performance of 0.17%. During the first six months, the Sterling Corporate Bond market outperformed equivalent gilts although this was largely reversed during the second half of the period. The reporting period began with the rally in gilt yields continuing throughout August. The 10 year gilt yield fell to just 0.97% in early September. Gilt yields spike higher in September on the back of commentary from the Bank of England which turned more hawkish and led the market to price in the likelihood of a hike in base rates. From here gilt yields remained relatively range bound although ended the period on an up-trend at the highest level for the period 1.65% on the 10 year and ending the period at 1.28%. The yield curve flattened over the course of the period as the 2 year yield increased by 51 basis points to 0.76% whilst the 30 year gilt yield decreased by 12 basis points to 1.73%.

The market began pricing in the possibility of a rate hike from the Bank of England in September which was duly delivered in November. This was the first hike in base rates since 2007 but had relatively limited effect as the hike had been well telegraphed. This was followed by a second rate hike of 25 basis points in August, just after the end of the reporting period. The global environment for risk assets remained supportive throughout the remainder of 2017 and into 2018. For the second half of the reporting period the environment turned less supportive as the market became concerned over a number of macro and idiosyncratic country risks. At the macro the main focus was on escalating trade tensions combined with a stronger US Dollar which was supported by better growth differentials and the tightening of monetary policy. At an idiosyncratic level Turkey and Argentina came under pressure given their imbalances whilst political risk increased in both Italy and Brazil. Finally in the UK, the Brexit negotiations revealed limited progress. This led to some underperformance from corporate credit globally on the back of a flight to quality. Throughout the period industrial and securitized credit outperformed financials and utilities and in general higher quality credit outperformed lower quality credit.

# Barclays Sterling Corporate Bond Fund (continued)

## Market/Economic Review (continued)

Economic data in the UK remained relatively stable throughout the course of the period. Despite concerns over the negotiations between the UK and the European Union real GDP was reported at 1.3% for the 12m to the end of June 2018. Growth in the UK has continued the decline since the post crisis peak at the end of 2014 and has declined from 1.8% for the same period one year earlier. Consumer price inflation increase for the first 6 months of the period but ended the period at 2.5% for the prior 12 months which was the same level recorded 12 months earlier. The market generally expects the inflation rate in the UK to remain close to the central bank's target however, any notable move in Sterling following the Brexit negotiations may have a material impact on future inflation.

(Source: Bloomberg, Barclays)

## Fund Review

Overall the fund benefitted from credit sector and allocation decisions whilst interest rate management and the small cash allocation within the portfolio was a detractor. Throughout the period, the fund has maintained some off benchmark exposure to US corporate credit. This contributed positively during the first half of the period as the US corporate credit market outperformed the UK market and has been reduced as the year progressed.

The fund allocated to some US interest rate risk which detracted from performance however, the overweight to European and Canadian interest rate risk combined with an underweight to the UK Gilts contributed positively to performance. Sector allocation decisions proved marginally positive for performance with the underweight positions in insurance, utilities and the communications sectors all contributing positively. This was offset to some extent by the small overweight to the basic materials sector and the positioning in the consumer cyclical sector.

Sector allocation decisions proved relatively mixed with positive results from security selection. The underweight to the government agency and industrial sectors were the most notable detractors however, selection decisions particularly within industrials more than offset this. Exposure to the securitized sectors through asset backs securities and commercial mortgage backed securities were positive contributors from an allocation perspective.

The fund benefitted from issuer selection across a range of sectors including Lloyds Bank and Yorkshire Building Society in the Banking sector and particularly from HSBC. Admiral Group and Society of Lloyds contributed in the insurance sector. The position in Ladbrokes worked well as did Rowan in the energy sector and Town Centre Securities and SLM Student Loan Trust in the securitized sector.

(Source: Bloomberg, Barclays)

## Outlook

The outlook for the Sterling Bond market remains challenged given the low level of government bond yields. The yield on 10 year gilts remain well below the average over the last 10 years albeit above the all time low levels witnessed following the Brexit referendum in 2017. In addition, the spread between US and UK government bonds yields remains close to the peak from the last 20 years.

# Barclays Sterling Corporate Bond Fund (continued)

## Outlook (continued)

Following the hikes in the Bank rate in 2017 and recently in 2018, the market is currently pricing in one additional hike in 2019 although clearly the continuing Brexit negotiations create a great deal of uncertainty surrounding the economic outlook. Inflation in the UK has been moving back towards target following the spike driven by the meaningful decline in Sterling following the referendum. It is expected that the inflation rate in the UK should remain close to the central bank's target however; any notable move in Sterling following the Brexit negotiations may have a material impact on future inflation.

Barclays  
Wealth & Investment Management  
September 2018

# Barclays Sterling Corporate Bond Fund (continued)

## Portfolio Statement as at 28 July 2018

All investments are in fixed interest securities or ordinary shares unless stated otherwise. The percentages in brackets show the equivalent sector holdings at 28 July 2017.

Holding / Nominal Value	Investment	Market Value £'000	% of Net Assets
<b>Government Bonds: 20.83% (9.06%)</b>			
<b>Short Dated: 10.09% (4.21%)</b>			
£6,000,000	European Investment Bank 1.5% 01/02/2019	6,023	3.27
£2,000,000	United Kingdom Gilt 1.75% 07/09/2022	2,067	1.12
£7,000,000	United Kingdom Gilt 3.75% 07/09/2019	7,236	3.93
£3,000,000	United Kingdom Gilt 3.75% 07/09/2021	3,268	1.77
		18,594	10.09
<b>Medium Dated: 1.19% (1.69%)</b>			
£2,000,000	United Kingdom Gilt 2.75% 07/09/2024	2,195	1.19
<b>Long Dated: 9.55% (3.16%)</b>			
£4,000,000	European Investment Bank 6% 07/12/2028	5,619	3.05
£400,000	United Kingdom Gilt 4.25% 07/03/2036	558	0.30
£300,000	United Kingdom Gilt 4.25% 07/12/2046	467	0.25
£600,000	United Kingdom Gilt 4.25% 07/12/2049	968	0.53
£350,000	United Kingdom Gilt 4.25% 07/12/2055	604	0.33
£2,300,000	United Kingdom Gilt 4.5% 07/12/2042	3,556	1.93
£3,200,000	United Kingdom Gilt 4.75% 07/12/2038	4,882	2.65
\$1,200,000	University of California Revenue 4.858% 15/05/2112	944	0.51
		17,598	9.55
<b>Corporate Bonds: 76.25% (85.10%)</b>			
<b>Short Dated: 18.18% (10.36%)</b>			
£2,654,000	AA Bond 2.875% 31/01/2022	2,587	1.40
£236,000	AA Bond 4.2487% 31/07/2020	244	0.13
£2,242,000	Barclays Bank 10% 21/05/2021	2,677	1.45
€550,000	Blackstone Property Partners Europe 1.4% 06/07/2022	492	0.27
£700,000	Close Brothers Finance 3.875% 27/06/2021	739	0.40
£1,300,000	Daimler International Financial 1.5% 18/08/2021	1,294	0.70
\$425,000	Dell International/EMC 4.42% 15/06/2021	329	0.18
£1,500,000	Deutsche Bank 1.875% 28/02/2020	1,493	0.81
£500,000	Edinburgh Investment Trust 7.75% 30/09/2022^^	604	0.33
£500,000	Firstgroup 5.25% 29/11/2022	551	0.30
£1,860,000	Glencore Finance Europe 5.5% 03/04/2022	2,080	1.13
£1,300,000	HSBC FRN 27/06/2023	1,296	0.70
£650,000	Investec 4.5% 05/05/2022	696	0.38
£10,000,000	KFW 1.375% 01/02/2021	10,081	5.47
\$1,100,000	Korea Development Bank 3% 17/03/2019	838	0.45
\$550,000	Korea Hydro & Nuclear Power 2.875% 02/10/2018	419	0.23
\$850,000	Pershing Square 5.5% 15/07/2022	648	0.35
£250,000	Phoenix 4.125% 20/07/2022	256	0.14
£300,000	Phoenix 5.75% 07/07/2021	331	0.18
£300,000	Provident Financial 7% 04/06/2023	306	0.17
£950,000	RAC Bond 4.565% 06/05/2023	978	0.53
£1,000,000	Santander UK 5.125% 14/04/2021	1,100	0.60

# Barclays Sterling Corporate Bond Fund (continued)

## Portfolio Statement as at 28 July 2018 (continued)

Holding / Nominal Value	Investment	Market Value £'000	% of Net Assets
<b>Corporate Bonds: 76.25% (85.10%) (continued)</b>			
<b>Short Dated: 18.18% (10.36%) (continued)</b>			
\$600,000	Scentre Group Trust 1 / Scentre Group Trust 2 2.375% 05/11/2019	451	0.24
£600,000	Thames Water Utilities Cayman Finance 2.375% 03/05/2023	586	0.32
£1,340,000	UBS 1.25% 10/12/2020	1,333	0.72
£1,050,000	Westpac Banking 5% 21/10/2019	1,098	0.60
		33,507	18.18
<b>Medium Dated: 19.04% (22.92%)</b>			
£550,000	Admiral Group 5.5% 25/07/2024	606	0.33
£400,000	Akelius Residential Property 2.375% 15/08/2025	386	0.21
£550,000	Anheuser-Busch InBev 9.75% 30/07/2024	784	0.43
£350,000	Assura 3% 19/07/2028	351	0.19
£925,000	Bank of Scotland 4.875% 20/12/2024	1,100	0.60
£250,000	Bankers Investment Trust 8% 31/10/2023^^	305	0.17
£1,700,000	Barclays FRN 06/10/2023	1,676	0.91
£198,854	BL Superstores Finance 4.482% 04/10/2025	225	0.12
£130,104	BL Superstores Finance 5.27% 04/10/2025	143	0.08
€950,000	Blackstone Property Partners Europe 2.2% 24/07/2025	838	0.45
£300,000	Close Brothers 4.25% 24/01/2027	312	0.17
£1,000,000	Clydesdale Bank 4.625% 08/06/2026	1,200	0.65
£300,000	CPUK Finance 7.239% 28/02/2024	370	0.20
€450,000	Credit Suisse FRN 18/09/2025	439	0.24
£200,000	CYBG FRN 09/02/2026^	206	0.11
£850,000	Digital Stout 2.75% 19/07/2024	856	0.46
£1,800,000	General Motors Financial 2.25% 06/09/2024	1,747	0.95
£950,000	HSBC FRN 13/11/2026	915	0.50
£553,977	Intu Debenture 5.562% 31/12/2027^^	630	0.34
£678,000	Intu SGS Finance 4.625% 17/03/2028	757	0.41
£900,000	IPIC GMTN 6.875% 14/03/2026	1,174	0.64
£1,045,000	Ladbrokes Group Finance 5.125% 08/09/2023^	1,088	0.59
£300,000	Land Securities Capital Markets 1.974% 08/02/2024	301	0.16
£1,200,000	Lloyds Bank 5.125% 07/03/2025	1,450	0.79
£600,000	Lloyds Bank FRN 09/07/2025	638	0.35
£200,000	London & Quadrant Housing Trust 2.625% 28/02/2028	200	0.11
£450,000	London Merchant Securities 6.5% 16/03/2026	566	0.31
£650,000	Marks & Spencer 3% 08/12/2023	659	0.36
£1,450,000	Newday Partnership Funding 2017-1 FRN 15/12/2027	1,452	0.79
£514,000	NewRiver REIT 3.5% 7/3/2028	503	0.27
£400,000	Northumbrian Water Finance 1.625% 11/10/2026	372	0.20
£1,215,000	Peel South East 10% 30/04/2026^^	1,714	0.93
£100,000	Phoenix 6.625% 18/12/2025	110	0.05
£700,000	Principality Building Society 2.375% 23/11/2023	690	0.37
£200,000	Santander UK 5.75% 02/03/2026	255	0.14
£1,450,000	Society of Lloyd's 4.75% 30/10/2024	1,560	0.85
£650,000	Thames Water Utilities Cayman Finance 2.875% 03/05/2027	626	0.34

# Barclays Sterling Corporate Bond Fund (continued)

## Portfolio Statement as at 28 July 2018 (continued)

Holding / Nominal Value	Investment	Market Value £'000	% of Net Assets
<b>Corporate Bonds: 76.25% (85.10%) (continued)</b>			
<b>Medium Dated: 19.04% (22.92%) (continued)</b>			
£1,150,000	Travis Perkins 4.5% 07/09/2023^	1,182	0.64
£300,000	TSB Banking FRN 05/06/2026	315	0.17
£751,542	Unique Pub Finance 5.659% 30/06/2027^	827	0.45
£200,000	Unite USAF II 3.921% 30/06/2025	221	0.12
£1,500,000	Western Power Distribution 3.625% 06/11/2023	1,575	0.85
£2,400,000	Westpac Banking 2.125% 02/05/2025	2,389	1.30
\$1,875,000	Westpac Banking 3.35% 08/03/2027	1,360	0.74
		35,073	19.04
<b>Long Dated: 39.03% (51.82%)</b>			
£650,000	Annington Funding 3.184% 12/07/2029	647	0.35
£450,000	Annington Funding 3.685% 12/07/2034	459	0.25
£400,000	Annington Funding 3.935% 12/07/2047	412	0.22
£400,000	Apple 3.6% 31/07/2042	468	0.25
\$550,000	Apple 4.65% 23/02/2046	459	0.25
€1,350,000	Argentum Netherlands for Zurich Insurance FRN 01/10/2046	1,294	0.70
£1,200,000	AT&T 4.875% 01/06/2044	1,363	0.74
£400,000	AT&T 7% 30/04/2040	577	0.31
£1,500,000	Aviva FRN 04/06/2050	1,554	0.84
£1,050,000	BAT International Finance 2.25% 09/09/2052	786	0.43
£850,000	BHP Billiton Finance FRN 22/10/2077	966	0.52
£600,000	British Telecommunications 3.125% 21/11/2031	583	0.32
£800,000	British Telecommunications 3.625% 21/11/2047	773	0.42
£900,000	Cadent Finance 2.625% 22/09/2038	824	0.45
£1,500,000	Canary Wharf Finance II 5.952% 22/01/2035	2,133	1.16
£500,000	Cooperatieve Rabobank 5.375% 03/08/2060	758	0.41
\$750,000	Credit Agricole FRN 19/09/2033	574	0.31
£445,939	Delamare Finance 5.546% 19/02/2029^	499	0.27
£140,000	Electricite de France 5.875% 18/07/2031	180	0.10
\$850,000	Electricite de France 6% 22/01/2114	680	0.37
£1,300,000	Electricite de France 6% 23/01/2114	1,690	0.92
£400,000	Electricite de France FRN Perpetual^	402	0.22
£1,200,000	Enel Finance International 5.75% 14/09/2040	1,532	0.83
€700,000	Engie 5.95% 16/03/2111	1,052	0.57
£350,000	Equinor 4.25% 10/04/2041	439	0.24
£850,000	Gatwick Funding 3.125% 28/09/2039	826	0.45
£400,000	GE Capital UK Funding 5.875% 18/01/2033	526	0.29
£400,000	GE Capital UK Funding 6.25% 05/05/2038	568	0.31
£360,000	GE Capital UK Funding 8% 14/01/2039	602	0.33
£2,448,000	GE Capital UK Funding 8% 14/01/2039 - MTN	4,096	2.22
£850,000	Goldman Sachs Group 3.125% 25/07/2029	848	0.46
£350,000	Heathrow Funding 6.45% 10/12/2031	483	0.26
£450,000	Housing & Care 21 3.288% 08/11/2049	455	0.25
£1,100,000	HSBC 2.625% 16/08/2028	1,064	0.58

# Barclays Sterling Corporate Bond Fund (continued)

## Portfolio Statement as at 28 July 2018 (continued)

Holding / Nominal Value	Investment	Market Value £'000	% of Net Assets
<b>Corporate Bonds: 76.25% (85.10%) (continued)</b>			
<b>Long Dated: 39.03% (51.82%) (continued)</b>			
€550,000	HSBC FRN Perpetual	485	0.26
£525,250	Income Contingent Student Loan 'A2' 2.5% 24/07/2056	487	0.26
£100,000	innogy Finance 4.75% 31/01/2034	118	0.06
£350,000	innogy Finance 6.125% 06/07/2039	490	0.27
£500,000	innogy Finance 6.25% 03/06/2030	657	0.36
£600,000	Intu SGS Finance 4.25% 17/09/2030	656	0.36
£1,807,247	Juturna European Loan Conduit No. 16 5.0636% 10/08/2033	2,178	1.18
£300,000	Land Securities Capital Markets 2.399% 08/02/2029	301	0.16
£102,000	Land Securities Capital Markets 2.625% 22/09/2037	100	0.05
£650,000	Land Securities Capital Markets 2.75% 22/09/2057	637	0.35
£750,000	Liberty Living Finance 3.375% 28/11/2029	749	0.41
£2,300,000	Lloyds Bank 6% 08/02/2029	3,138	1.70
£1,200,000	Lloyds Bank 6.5% 17/09/2040	1,805	0.98
£867,000	London & Quadrant Housing Trust 3.125% 28/02/2053	861	0.47
£913,020	Longstone Finance 4.791% 19/04/2030	1,051	0.57
£875,000	Mckesson 3.125% 17/02/2029	865	0.47
£1,080,017	Meadowhall Finance 4.986% 12/01/2032	1,311	0.71
£222,240	Mitchells & Butlers Finance 5.574% 15/12/2030	253	0.14
€300,000	NN Group FRN 13/01/2048	289	0.16
£750,000	Orbit Capital 3.375% 14/06/2048	764	0.41
£1,700,000	Peel Land & Property Investments FRN 30/04/2040^^	2,516	1.37
£400,000	Phoenix FRN Perpetual	366	0.20
£300,000	RHP Finance 3.25% 05/02/2048	302	0.16
£750,000	RL Finance Bonds No. 2 FRN 30/11/2043	834	0.45
\$708,000	Rowan Cos 5.4% 01/12/2042^	383	0.21
£1,000,000	Santander UK 5.25% 16/02/2029	1,292	0.70
£200,000	Shaftesbury Carnaby 2.487% 30/09/2031^^	189	0.11
£1,805,000	SLM Student Loan Trust 2003-10 FRN 15/12/2039	1,732	0.94
£400,000	Society of Lloyd's FRN 07/02/2047	421	0.23
£600,000	Southern Electric Power Distribution 5.5% 07/06/2032	775	0.42
£450,000	Swan Housing Capital 3.625% 05/03/2048	472	0.26
£600,468	Telereal Securitisation 5.5534% 10/12/2031	716	0.39
£500,000	Telereal Securitisation FRN 10/12/2033	521	0.28
£692,785	Tesco Property Finance 2 6.0517% 13/10/2039^	816	0.44
£1,360,000	Thames Water Utilities Cayman Finance 7.738% 09/04/2058	2,545	1.38
£450,000	THFC Funding No 3 5.2% 11/10/2043	594	0.32
£695,286	Together Asset Backed Securitisation 1 FRN 12/03/2049	696	0.38
£1,896,000	Town Centre Securities 5.375% 20/11/2031^^	1,959	1.06
£172,022	Trafford Centre Finance 6.5% 28/07/2033	229	0.12
£1,675,000	Unilever 1.875% 15/09/2029	1,607	0.87
£950,000	University of Cambridge 2.35% 27/06/2078	930	0.50
£1,050,000	University of Cambridge 3.75% 17/10/2052	1,394	0.76
£950,000	Verizon Communications 3.125% 02/11/2035	910	0.49



# Barclays Sterling Corporate Bond Fund (continued)

## Portfolio Statement as at 28 July 2018 (continued)

Holding / Nominal Value	Investment	Market Value £'000	% of Net Assets
<b>Corporate Bonds: 76.25% (85.10%) (continued)</b>			
<b>Long Dated: 39.03% (51.82%) (continued)</b>			
£800,000	Verizon Communications 3.375% 27/10/2036	786	0.43
£331,000	Westfield America 2.625% 30/03/2029	325	0.18
£500,000	WM Treasury 2 3.25% 20/10/2048	502	0.27
£350,000	Yorkshire Building Society FRN 13/09/2028	328	0.18
		71,907	39.03
<b>Non-Equity Investment Instruments: 0.09% (0.23%)</b>			
3,721	West Bromwich Building Society Core Capital Deferred Shares†^	159	0.09
<b>Futures: 0.02% (0.04%)</b>			
44	AUS 10 Year Future Expiry September 2018	1	-
(110)	CAN 10 Year Future Expiry September 2018	30	0.02
(9)	Euro - Bobl Future Expiry September 2018	2	-
5	Euro - Bund Future Expiry September 2018	5	-
(10)	Euro - Buxl 30 Year Bond Future Expiry September 2018	(10)	(0.01)
(3)	Euro - Schatz Future Expiry September 2018	-	-
101	Long Gilt Future Expiry September 2018	69	0.04
21	US 10 Year Note Future Expiry September 2018	(1)	-
12	US 10 Year Note Future Expiry September 2018	(6)	-
(51)	US 2 Year Note Future Expiry September 2018	24	0.01
187	US 5 Year Note Future Expiry September 2018	12	0.01
(40)	US Long Bond Future Expiry September 2018	(41)	(0.02)
(37)	US Ultra Future Expiry September 2018	(54)	(0.03)
		31	0.02
<b>Forward Currency Contracts: (0.13%) ((0.24%))</b>			
\$714,000	Bought US Dollar		
£(523,699)	For Sterling (Expires 16/08/2018)	20	0.01
€(991,000)	Sold Euro		
£884,371	For Sterling (Expires 16/08/2018)	4	-
\$59,000	Bought US Dollar		
£(43,671)	For Sterling (Expires 16/08/2018)	1	-
€290,000	Bought Euro		
£(256,594)	For Sterling (Expires 16/08/2018)	1	-
€52,000	Bought Euro		
£(45,521)	For Sterling (Expires 16/08/2018)	1	-
€100,000	Bought Euro		
£(88,307)	For Sterling (Expires 16/08/2018)	1	-
€61,000	Bought Euro		
£(53,874)	For Sterling (Expires 16/08/2018)	-	-
€(642,000)	Sold Euro		
£568,558	For Sterling (Expires 16/08/2018)	(2)	-
€(4,446,000)	Sold Euro		
£3,916,032	For Sterling (Expires 16/08/2018)	(32)	(0.01)
\$(10,672,000)	Sold US Dollar		
£7,867,132	For Sterling (Expires 16/08/2018)	(259)	(0.14)
		(265)	(0.13)

# Barclays Sterling Corporate Bond Fund (continued)

## Portfolio Statement as at 28 July 2018 (continued)

Holding / Nominal Value	Investment	Market Value £'000	% of Net Assets
	<b>Portfolio of Investments*</b>	<b>178,799</b>	<b>97.05</b>
	<b>Net other assets</b>	<b>5,428</b>	<b>2.95</b>
	<b>Net assets</b>	<b>184,227</b>	<b>100.00</b>

All investments are listed as transferable securities admitted to an official stock exchange or traded on a regulated market except for those denoted with the symbol '†'.

\*Includes derivatives.

† These are unlisted securities and have been valued at the Manager's best assessment of their fair value.

^ These are sub-investment grade securities and represent 2.93% (28 July 2017: 8.66%) of the net assets of the Fund.

^^ These are unrated securities and represent 4.40% (28 July 2017: 4.94%) of the net assets of the Fund.

Investment grade securities represent 89.84% (28 July 2017: 80.79%) of the net assets of the Fund.

# Barclays Sterling Corporate Bond Fund (continued)

## Summary of Material Portfolio Changes for the year ended 28 July 2018

10 Largest Purchases	Cost £	10 Largest Sales	Proceeds £
KFW 1.375% 01/02/2021	10,086,800	United Kingdom Gilt 1.75% 07/09/2022	6,298,982
European Investment Bank 1.5% 01/02/2019	6,097,620	United Kingdom Gilt 4.25% 07/12/2027	5,748,210
United Kingdom Gilt 4.25% 07/12/2027	5,910,075	Apple 3.6% 31/07/2042	2,914,300
European Investment Bank 6% 07/12/2028	5,881,960	Aspire Defence Finance Plc 4.674%	
United Kingdom Gilt 4.75% 07/12/2038	4,798,776	31/03/2040 – Class 'A'	2,895,941 **
United Kingdom Gilt 1.75% 07/09/2022	4,316,729	United Kingdom Gilt 4.25% 07/12/2046	2,391,906
United Kingdom Gilt 4.5% 07/12/2042	3,801,916	AT&T 3.15% 04/09/2036	2,346,654
United Kingdom Gilt 3.75% 07/09/2021	3,306,300	Credit Suisse 6.5% 08/08/2023	2,179,393
United Kingdom Gilt 2.75% 07/09/2024	2,237,560	Direct Line Insurance Group FRN 27/04/2042	2,141,486
General Motors Financial 2.25% 06/09/2024	1,797,030	HSBC 5.75% 20/12/2027	1,868,945
		HSBC FRN 20/03/2023	1,750,000 ***
Portfolio Information			Year to 28/07/2018
<b>Total purchases for the year</b>			<b>£90,576,839</b>
<b>Total sales for the year*</b>			<b>£138,874,592</b>

\* Included within total sales are bond maturities, principal pay downs and calls as these have material effect on the bond portfolio composition.

\*\* This includes transactions relating to principal pay down.

\*\*\* This includes transactions relating to calls.

# Barclays Sterling Corporate Bond Fund (continued)

## Statement of Total Return for the year ended 28 July 2018

		29/07/2017 to 28/07/2018		29/07/2016 to 28/07/2017	
	Notes	£'000	£'000	£'000	£'000
Income					
Net capital (losses)/gains	2		(5,227)		1,922
Revenue	3	6,557		9,004	
Expenses	4	(1,903)		(2,103)	
Interest payable and similar charges	7	(10)		(17)	
Net revenue before taxation		4,644		6,884	
Taxation	5	-		-	
Net revenue after taxation for the year			4,644		6,884
Total return before distributions			(583)		8,806
Distributions	6		(6,547)		(8,987)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>(7,130)</b>		<b>(181)</b>

## Statement of Change in Net Assets attributable to Shareholders for the year ended 28 July 2018

		29/07/2017 to 28/07/2018		29/07/2016 to 28/07/2017	
		£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>			<b>251,311</b>		<b>243,846</b>
Amounts receivable on creation of shares		2,874		32,151	
Amounts payable on cancellation of shares		(68,031)		(30,239)	
			(65,157)		1,912
Dilution adjustment			191		67
Change in net assets attributable to shareholders from investment activities			(7,130)		(181)
Retained distribution on accumulation shares			5,010		5,667
Unclaimed distributions			2		-
<b>Closing net assets attributable to shareholders</b>			<b>184,227</b>		<b>251,311</b>

## Balance Sheet as at 28 July 2018

		28/07/2018		28/07/2017	
	Notes	£'000	£'000	£'000	£'000
<b>Assets</b>					
Fixed Assets					
Investments	13		179,204		238,064
Current Assets					
Debtors	8	2,393		3,463	
Amounts held at futures clearing houses and brokers	9	633		1,378	
Cash and bank balances	9	3,401		11,913	
Total current assets			6,427		16,754
<b>Total assets</b>			<b>185,631</b>		<b>254,818</b>
<b>Liabilities</b>					
Investment liabilities	13		(405)		(1,346)
Creditors					
Overdrafts with futures clearing houses and brokers	9	-		(556)	
Distribution payable	10	(160)		(673)	
Other creditors	10	(839)		(932)	
Total creditors			(999)		(2,161)
<b>Total liabilities</b>			<b>(1,404)</b>		<b>(3,507)</b>
<b>Net assets attributable to shareholders</b>			<b>184,227</b>		<b>251,311</b>

# Barclays Sterling Corporate Bond Fund (continued)

## Notes to the Financial Statements

### 1. Accounting policies

The accounting policies can be found on pages 13 to 15.

### 2. Net capital (losses)/gains

	29/07/2017 to 28/07/2018 £'000	29/07/2016 to 28/07/2017 £'000
The net capital (losses)/gains on investments during the year comprise:		
Non-derivative securities	(5,783)	1,622
Derivative contracts	119	2,018
Forward currency contracts	543	(1,581)
Currency losses	(82)	(111)
Transaction charges	(24)	(26)
Net capital (losses)/gains	(5,227)	1,922

### 3. Revenue

	29/07/2017 to 28/07/2018 £'000	29/07/2016 to 28/07/2017 £'000
Bond interest	6,555	9,001
Bank interest	2	3
Total revenue	6,557	9,004

### 4. Expenses

	29/07/2017 to 28/07/2018 £'000	29/07/2016 to 28/07/2017 £'000
Payable to the ACD, associates of the ACD and agents of either of them:		
ACD's periodic fee	1,484	1,638
Registration fee	282	303
	1,766	1,941
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary fee	33	38
Safe custody fee	8	10
	41	48
Other expenses:		
Administration fee	75	83
Audit fee	13	12
VAT on audit fee	2	2
Printing fee	8	13
Tax advisory fee	(2)	4
	96	114
Total expenses	1,903	2,103

# Barclays Sterling Corporate Bond Fund (continued)

## Notes to the Financial Statements (continued)

### 5. Taxation

#### (a) Analysis of taxation charge for the year

	29/07/2017 to 28/07/2018 £'000	29/07/2016 to 28/07/2017 £'000
Corporation tax	-	-
Current tax note 5(b)	-	-
Total taxation	-	-

#### (b) Factors affecting taxation charge for the year

The tax assessed for the year is lower than (28 July 2017: lower than) the standard rate of corporation tax in the UK for an open-ended investment company (20%). The differences are explained below:

	29/07/2017 to 28/07/2018 £'000	29/07/2016 to 28/07/2017 £'000
Net revenue before taxation	4,644	6,884
Net revenue before taxation multiplied by the appropriate rate of corporation tax at 20% (2017: 20%)	929	1,377
Effects of:		
Interest distribution allowable as a deduction	(929)	(1,377)
Current tax	-	-

#### (c) Provision for Deferred Tax

There is no deferred tax provision in the current year (28 July 2017: same).

At the year end, there was no potential deferred tax asset (28 July 2017: same) due to surplus management expenses as all current and prior management expenses have been utilised against taxable profits.

### 6. Distributions

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

	29/07/2017 to 28/07/2018 £'000	29/07/2016 to 28/07/2017 £'000
First interim distribution	1,917	1,801
Second interim distribution	1,644	1,819
Third interim distribution	1,399	2,221
Final distribution	1,323	2,201
Total distribution	6,283	8,042
Add: Revenue deducted on cancellation of shares	279	87
Less: Revenue received on creation of shares	(15)	(47)
Add: Income tax deducted at source	-	905
<b>Distributions for the year</b>	<b>6,547</b>	<b>8,987</b>

# Barclays Sterling Corporate Bond Fund (continued)

## Notes to the Financial Statements (continued)

### 6. Distributions (continued)

The differences between the net revenue after taxation and the distribution for the year are as follows:

	29/07/2017 to 28/07/2018 £'000	29/07/2016 to 28/07/2017 £'000
Net revenue after taxation for the year	4,644	6,884
Add: Expenses taken to capital	1,903	2,103
<b>Distributions for the year</b>	<b>6,547</b>	<b>8,987</b>

### 7. Interest payable and similar charges

	29/07/2017 to 28/07/2018 £'000	29/07/2016 to 28/07/2017 £'000
Bank overdraft interest	10	17
	10	17

### 8. Debtors

	28/07/2018 £'000	28/07/2017 £'000
Amounts receivable for creation of shares	-	24
Accrued bond revenue	2,393	3,439
	2,393	3,463

### 9. Net uninvested cash

	28/07/2018 £'000	28/07/2017 £'000
Amounts held at futures clearing houses and brokers	633	1,378
Overdrafts with futures clearing houses and brokers	-	(556)
Cash and bank balances	3,401	11,913
<b>Net uninvested cash</b>	<b>4,034</b>	<b>12,735</b>

### 10. Creditors

	28/07/2018 £'000	28/07/2017 £'000
<b>(a) Other creditors</b>		
Amounts payable for cancellation of shares	650	101
Purchases awaiting settlement	-	621
Accrued expenses	189	210
	839	932
<b>(b) Distributions payable</b>		
Net distributions payable	160	673
	160	673

### 11. Contingent liabilities and outstanding commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date (28 July 2017: same).

# Barclays Sterling Corporate Bond Fund (continued)

## Notes to the Financial Statements (continued)

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### 12. Risk in relation to the financial instruments

The Fund's investment objective is stated on page 42. In pursuing its objective, the Fund holds financial instruments which expose it to various types of risk. The main risks, and the ACD's policy for managing these risks are set out below. These were applied consistently throughout the current and preceding year.

#### (a) Credit and liquidity risk

Credit risk is the risk of suffering loss due to another party not meeting its financial obligations. The primary source of this risk to the Fund is for the borrowers to fail to meet their redemption commitments and for trade counterparties to fail to meet their transaction commitments. This risk is managed by appraising the credit profile of financial instruments and trade counterparties.

Securities representing 2.93% (28 July 2017: 8.66%) of the net assets of the Fund are sub-investment grade securities. Securities representing 4.40% (28 July 2017: 4.94%) of the net assets of the Fund are unrated securities.

Fixed interest investments are exposed to credit risk which reflects the ability of the bond issuer to meet its obligations. The majority of bonds in which the Fund invests are investment grade listed bonds or government securities which are lower risk. Generally, the higher the rate of interest, the higher the perceived credit risk of the issuer. The ACD monitors the credit quality and risk of the portfolio as a part of the overall investment process and in accordance with the objective and policy of each sub-fund.

Liquidity risk relates to the capacity to meet liabilities. The primary source of this risk to the Fund is the liability to Shareholders for any cancellation of shares. This risk is minimised by holding cash and readily realisable securities and via access to overdraft facilities.

#### (b) Market risk

Market risk arises mainly from uncertainty about future prices. The primary source of this risk to the Fund is the potential movement in the value of financial instruments held as a result of price fluctuations. The ACD adheres to the investment guidelines and borrowing powers established in the Prospectus and the Collective Investment Scheme sourcebook ('COLL'). In this way, the ACD monitors and controls the exposure to risk from any type of security, sector or issuer.

The Fund may also use derivative instruments to mitigate risk and/or reduce costs. These instruments are not utilised for speculative purposes. Derivative instruments were utilised during the current and preceding year.

#### (c) Foreign currency risk

Foreign currency risk is the risk of movements in the value of overseas financial instruments as a result of fluctuations in exchange rates. This risk may be managed by the utilisation of forward currency contracts as necessary. Forward currency contracts were utilised during the current and preceding year.



# Barclays Sterling Corporate Bond Fund (continued)

## Notes to the Financial Statements (continued)

### 12. Risk in relation to the financial instruments (continued)

#### (c) Foreign currency risk (continued)

The foreign currency profile of the Fund's net assets at the balance sheet date was:

28/07/2018	Monetary exposure	Non-monetary exposure	Total
Currency	£'000	£'000	£'000
Australian Dollar	147	1	148
Canadian Dollar	221	30	251
Euro	(4,669)	4,964	295
US Dollar	(7,039)	7,096	57
	(11,340)	12,091	751

28/07/2017	Monetary exposure	Non-monetary exposure	Total
Currency	£'000	£'000	£'000
Canadian Dollar	(2,216)	2,199	(17)
Euro	(11,882)	12,186	304
US Dollar	(18,460)	17,982	(478)
	(32,558)	32,367	(191)

A sensitivity analysis for foreign currency risk is presented below reflecting current and prior year information.

28/07/2018	Net exposure	2018 Max change in currency	Monetary change
Currency	£'000	%	£'000
Australian Dollar	148	14	21
Canadian Dollar	251	15	38
Euro	295	8	24
US Dollar	57	12	7
	751		89

28/07/2017	Net exposure	2017 Max change in currency	Monetary change
Currency	£'000	%	£'000
Canadian Dollar	(17)	12	(2)
Euro	304	8	24
US Dollar	(478)	11	(53)
	(191)		(31)

# Barclays Sterling Corporate Bond Fund (continued)

## Notes to the Financial Statements (continued)

### 12. Risk in relation to the financial instruments (continued)

#### (d) 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.

This risk is managed by the active monitoring and adjustment of the credit rating of the portfolio.

The interest rate profile of the Fund's net assets at the balance sheet date was:

	Total £'000	Floating rate £'000	Fixed rate £'000	Non-interest £'000
<b>28/07/2018</b>				
Investments	178,799	19,915 **	158,959	(75)
Other assets	6,427	4,034 *	-	2,393
Other liabilities	(999)	- *	-	(999)
<b>Total</b>	<b>184,227</b>	<b>23,949</b>	<b>158,959</b>	<b>1,319</b>

	Total £'000	Floating rate £'000	Fixed rate £'000	Non-interest £'000
<b>28/07/2017</b>				
Investments	236,718	26,557 **	210,083	78
Other assets	16,754	13,291 *	-	3,463
Other liabilities	(2,161)	(556) *	-	(1,605)
<b>Total</b>	<b>251,311</b>	<b>39,292</b>	<b>210,083</b>	<b>1,936</b>

\*The Fund's floating rate current assets and liabilities are represented by its bank balances and overdraft facilities. Cash is deposited, and overdraft facilities utilised, on normal commercial terms and earn or bear interest based on LIBOR or its overseas equivalent.

\*\*The Fund's floating rate investments earn interest which is variable, based on LIBOR or its overseas equivalent.

A rise of 1% in global interest rates is likely to result in 7.71% fall in the Fund's market value (28 July 2017: 8.24%).

#### Fixed Rate Financial Assets

	Weighted average interest rate %	Weighted average year for which rate is fixed Years	Weighted average interest rate %	Weighted average year for which rate is fixed Years
	28/07/2018	28/07/2018	28/07/2017	28/07/2017
Canadian Dollar	-	-	3.76	15.00
Euro	2.53	44.19	3.10	34.27
Sterling	2.41	12.83	2.40	15.65
US Dollar	4.41	29.47	3.84	18.49

# Barclays Sterling Corporate Bond Fund (continued)

## Notes to the Financial Statements (continued)

### 12. Risk in relation to the financial instruments (continued)

#### (e) Derivatives – sensitivity analysis

The Fund invests in futures, to obtain market exposure to enable it to meet the Fund objectives whilst reducing transaction costs.

The effect of these futures is to increase market exposure by 3.78% (28 July 2017: 4.10%) of net assets.

This results in an effective equity exposure at the year end of 100.81% (28 July 2017: 98.25%) of net assets, which means that the gains or losses of the Fund will be 1.0081 (28 July 2017: 0.9825) times the gains or losses if the Fund was fully invested in bonds.

#### (f) Fair value

The fair value of a financial instrument is the amount for which it could be exchanged between knowledgeable, willing parties in an arm's length transaction. There is no significant difference between the value of the financial assets and liabilities, as shown in the financial statements, and their fair value.

#### (g) Counterparty risk

During the year, the Fund made use of 'Over The Counter' (OTC) derivative instruments. These types of instruments introduce Counterparty Risk, where a counterparty may fail to meet its financial commitments. In order to reduce this risk, a collateral may be held by the Fund.

Exposure to a counterparty is calculated using the positive mark-to-market value of the OTC derivative contracts.

The counterparties to these transactions and any collateral held by the Fund at the balance sheet date are shown below:

28/07/2018	Collateral	Derivatives
Exposures by Counterparty	£'000	£'000
Barclays Capital		143
Canadian Imperial Bank of Commerce	-	1
HSBC Bank plc	-	4
Morgan Stanley & Company International	-	20
Societe Generale	-	2
State Street Bank and Trust	-	1

28/07/2017	Collateral	Derivatives
Exposures by Counterparty	£'000	£'000
Barclays Capital	-	390
BNP Paribas Paris	-	43
HSBC Bank plc	-	404
RBC	-	10

# Barclays Sterling Corporate Bond Fund (continued)

## Notes to the Financial Statements (continued)

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### 13. Fair value disclosures

Amendments to FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' – Fair value hierarchy disclosures requires that an analysis of investments and investment liabilities by reference to a fair value hierarchy be disclosed as follows:

Level 1: Fair value based on an unadjusted quoted price in an active market for identical instruments includes exchange-traded instruments unless there is persistently insufficient activity to regard the market as active. Examples typically include equities, depositary receipts, warrants, rights, money market instruments, exchange-traded derivatives, exchange-traded products (including exchange-traded funds) and some highly liquid exchange-traded debt securities.

Level 2: Fair value based on a valuation technique using observable market data includes over-the-counter instruments, instruments priced via multi-broker quotes or evaluated pricing techniques, exchange-traded instruments where the market is persistently not active and instruments subject to fair value pricing adjustments made by reference to observable market data. Examples typically include OTC derivatives, debt securities, convertible bonds, mortgage-backed securities, asset-backed securities and open-ended funds.

Level 3: Fair value based on a valuation technique that relies significantly on unobservable data typically includes single broker-priced instruments, suspended/unquoted securities, private equity, unlisted closed-ended funds and open-ended funds with restrictions on redemption rights.

It is the responsibility of the Fair Value Forum ('FVF') to ensure pricing sources and methodologies used to value securities are appropriate as delegated by the ACD. Investments classified as using inputs that are not based on observable market data comprise fair value adjusted securities, stale and single sourced bonds. In seeking to value such securities where no liquid market exists, the FVF will gather valuation related information from multiple internal and external sources. These sources include historic trading and pricing information and the views of internal security analysts. Internal security analysts have access to a range of material including, company specific news and earnings, cash flow forecasts, valuations of the underlying portfolio company and competitor company valuations within related industries and sectors to determine a valuation recommendation for each unlisted security.

Generally for fair valued securities, stale and single source bonds, where there is no price source from an active market, the FVF has applied judgement in determining the fair value. This fair value is established by using measures such as; stale priced securities where the last traded price is used. The FVF has the ability to apply discounts to security valuations. Management determines the discount based on its judgement, after considering market liquidity conditions and company specific factors such as the development stage of the portfolio company. Generally unlisted securities are valued at cost, a trade executed by another Barclays Fund, grey market trades or at a nil value where companies have gone into liquidation, administration or are deemed worthless. Single sourced broker prices use data received from a single pricing vendor and stale prices use the most recent broker quote available.

# Barclays Sterling Corporate Bond Fund (continued)

## Notes to the Financial Statements (continued)

### 13. Fair value disclosures (continued)

Below is an analysis of the Fund's investments and investment liabilities as at the current and preceding year end.

#### Fair value hierarchy as at 28/07/2018

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
<b>Financial Assets</b>				
Bonds	38,387	140,487	-	178,874
Equities	-	-	159	159
Forward Currency Contracts	-	28	-	28
Futures	143	-	-	143
	38,530	140,515	159	179,204

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
<b>Financial Liabilities</b>				
Forward Currency Contracts	-	(293)	-	(293)
Futures	(112)	-	-	(112)
	(112)	(293)	-	(405)

#### Fair value Hierarchy as at 28/07/2017

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
<b>Financial Assets</b>				
Bonds	22,762	212,961	917	236,640
Equities	-	-	577	577
Forward Currency Contracts	-	457	-	457
Futures	390	-	-	390
	23,152	213,418	1,494	238,064

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
<b>Financial Liabilities</b>				
Forward Currency Contracts	-	(1,060)	-	(1,060)
Futures	(286)	-	-	(286)
	(286)	(1,060)	-	(1,346)

# Barclays Sterling Corporate Bond Fund (continued)

## Notes to the Financial Statements (continued)

### 14. Portfolio transaction costs

#### 29/07/2017 to 28/07/2018

	Purchases in the year before transaction costs £'000	Commissions £'000	%	Taxes £'000	%	Total purchase costs £'000	Gross purchase costs £'000
<b>Purchases</b>							
Bonds	90,577	-	0.00%	-	0.00%	-	90,577
Total	90,577	-	0.00%	-	0.00%	-	90,577

	Sales in the year before transaction costs £'000	Commissions £'000	%	Fees £'000	%	Total sales costs £'000	Total sales net of transaction costs £'000
<b>Sales</b>							
Bonds	138,766	-	0.00%	-	0.00%	-	138,766
Corporate Actions	109	-	0.00%	-	0.00%	-	109
Total	138,875	-	0.00%	-	0.00%	-	138,875

Total transaction costs	-	-
as a % of the average net assets	0.00%	0.00%

#### 29/07/2016 to 28/07/2017

	Purchases in the year before transaction costs £'000	Commissions £'000	%	Taxes £'000	%	Total purchase costs £'000	Gross purchase costs £'000
<b>Purchases</b>							
Bonds	125,642	-	0.00%	-	0.00%	-	125,642
Total	125,642	-	0.00%	-	0.00%	-	125,642

	Sales in the year before transaction costs £'000	Commissions £'000	%	Fees £'000	%	Total sales costs £'000	Total sales net of transaction costs £'000
<b>Sales</b>							
Bonds	121,418	-	0.00%	-	0.00%	-	121,418
Total	121,418	-	0.00%	-	0.00%	-	121,418

Total transaction costs	-	-
as a % of the average net assets	0.00%	0.00%

The above analysis covers any direct transaction costs suffered by the Fund during the year which are separately identifiable. However, it is important to understand the nature of other transaction costs associated with different investment classes and instruments types.

# Barclays Sterling Corporate Bond Fund (continued)

## Notes to the Financial Statements (continued)

### 14. Portfolio transaction costs (continued)

Separately identifiable direct transaction costs (commissions and taxes etc.) are attributable to the Fund's purchase and sale of equity shares where in existence. Additionally for equity shares, there is a dealing spread cost (the difference between the buying and selling prices) which will be suffered on purchase and sale transactions. The Fund did not hold any equity shares at 28 July 2018 (28 July 2017: Same).

For the Fund's investment transactions in debt and money market instruments, any applicable transaction charges form part of the dealing spread for these instruments. Unlike shares, other types of investments (such as bonds, money market instruments and derivatives) have no separately identifiable transactions costs which form part of the dealing spread. Transactions in money market instruments to manage the fund's daily liquidity position are excluded from the analysis.

At the balance sheet date, the average portfolio dealing spread was 0.76% (28 July 2017: 0.65%).

This spread represents the difference between the values determined respectively by reference to the bid and offer prices of investments expressed as a percentage of the value determined by reference to the offer price.

### 15. Related party transactions

The ACD is related to the Fund as defined by the Financial Reporting Standard 102.33 'Related Party Disclosures' as a result of it carrying out key management personnel services in relation to the operation of the Fund.

At the year end, the ACD and its associates held 0.00% of the Fund's shares in issue (28 July 2017: 0.00%).

Details of all other material related party transactions during the year and any payment amounts outstanding at the balance sheet date are disclosed in notes 4, 8 and 10 to the financial statements. Within note 10, accrued expenses (including amounts due to associates and agents) of £122,455 (28 July 2017: £148,177) are due to the ACD.

### 16. Shareholder funds

The net asset value of each share class, the net asset value per share, and the number of shares in each share class is given in the performance tables on pages 67 to 69. All Share Classes have the same rights on winding up.

The movement in the number of shares for the years ended 28 July 2018 and 28 July 2017 is shown below:

	29/07/2017 to 28/07/2018	29/07/2016 to 28/07/2017
<b>Number of A-Class Distribution Shares</b>		
<b>Issued and cancelled shares</b>		
Balance at beginning of year	2,692,528	2,769,431
Issued during year	13,608	453,314
Cancelled during year	(462,496)	(530,217)
Conversions during the year	93,620	-
<b>Total number of A-Class Distribution Shares</b>		
<b>in issue at end of year</b>	<b>2,337,260</b>	<b>2,692,528</b>

# Barclays Sterling Corporate Bond Fund (continued)

## Notes to the Financial Statements (continued)

### 16. Shareholder funds (continued)

	29/07/2017 to 28/07/2018	29/07/2016 to 28/07/2017
<b>Number of A-Class Accumulation Shares</b>		
<b>Issued and cancelled shares</b>		
Balance at beginning of year	17,800,888	19,456,461
Issued during year	1,404,167	113,718
Cancelled during year	(1,891,335)	(1,769,291)
Conversions during the year	(152,763)	-
<b>Total number of A-Class Accumulation Shares in issue at end of year</b>	<b>17,160,957</b>	<b>17,800,888</b>
<b>Number of M-Class Distribution Shares</b>		
<b>Issued and cancelled shares</b>		
Balance at beginning of year	121,883,545	93,798,129
Issued during year	-	60,557,301
Cancelled during year	(99,557,492)	(32,471,885)
Conversions during the year	-	-
<b>Total number of M-Class Distribution Shares in issue at end of year</b>	<b>22,326,053</b>	<b>121,883,545</b>
<b>Number of R-Class Distribution Shares</b>		
<b>Issued and cancelled shares</b>		
Balance at beginning of year	18,946,007	20,956,332
Issued during year	2,138,166	115,894
Cancelled during year	(1,714,283)	(2,126,219)
Conversions during the year	-	-
<b>Total number of R-Class Distribution Shares in issue at end of year</b>	<b>19,369,890</b>	<b>18,946,007</b>
<b>Number of R-Class Accumulation Shares</b>		
<b>Issued and cancelled shares</b>		
Balance at beginning of year	125,378,501	133,425,976
Issued during year	114,021	97,957
Cancelled during year	(9,681,469)	(8,145,432)
Conversions during the year	111,049	-
<b>Total number of R-Class Accumulation Shares in issue at end of year</b>	<b>115,922,102</b>	<b>125,378,501</b>

### 17. Events after the Balance Sheet Date

There are no events after the balance sheet date which in the opinion of the ACD requires an adjustment or a disclosure in the financial statements.



# Barclays Sterling Corporate Bond Fund (continued)

## Distribution Tables for the year ended 28 July 2018

Distribution Tables for the year ended 28 July 2018

Group 1: Shares purchased prior to a distribution period

Group 2: Shares purchased during a distribution period

Equalisation applies only to shares purchased during a 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 the holders of these shares 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.

### First interim interest distribution in pence per share

	Net Revenue	Equalisation	Distribution Paid 28/12/2017	Distribution Paid 28/12/2016
<b>A-Class Distribution</b>				
Group 1	0.3806p	-	0.3806p	0.3716p
Group 2	0.1696p	0.2110p	0.3806p	0.3716p
<b>A-Class Accumulation</b>				
Group 1	0.9247p	-	0.9247p	0.8737p
Group 2	0.3684p	0.5563p	0.9247p	0.8737p
<b>M-Class Distribution</b>				
Group 1	0.4162p	-	0.4162p	0.4034p
Group 2	0.4162p	-	0.4162p	0.4034p
<b>R-Class Distribution</b>				
Group 1	0.3881p	-	0.3881p	0.3776p
Group 2	0.3044p	0.0837p	0.3881p	0.3776p
<b>R-Class Accumulation</b>				
Group 1	0.9495p	-	0.9495p	0.8941p
Group 2	0.4444p	0.5051p	0.9495p	0.8941p

### Second interim interest distribution in pence per share

	Net Revenue	Equalisation	Distribution Paid 28/03/2018	Distribution Paid 24/03/2017
<b>A-Class Distribution</b>				
Group 1	0.3661p	-	0.3661p	0.3499p
Group 2	0.1718p	0.1943p	0.3661p	0.3499p
<b>A-Class Accumulation</b>				
Group 1	0.8963p	-	0.8963p	0.8294p
Group 2	0.1668p	0.7295p	0.8963p	0.8294p
<b>M-Class Distribution</b>				
Group 1	0.4011p	-	0.4011p	0.3806p
Group 2	0.4011p	-	0.4011p	0.3806p
<b>R-Class Distribution</b>				
Group 1	0.3735p	-	0.3735p	0.3560p
Group 2	0.0568p	0.3167p	0.3735p	0.3560p
<b>R-Class Accumulation</b>				
Group 1	0.9209p	-	0.9209p	0.8496p
Group 2	0.3840p	0.5369p	0.9209p	0.8496p

# Barclays Sterling Corporate Bond Fund (continued)

## Distribution Tables for the year ended 28 July 2018 (continued)

### Third interim interest distribution in pence per share

	Net Revenue	Equalisation	Distribution Paid 28/06/2018	Distribution Paid 28/06/2017
<b>A-Class Distribution</b>				
Group 1	0.3561p	-	0.3561p	0.4333p
Group 2	0.1687p	0.1874p	0.3561p	0.4333p
<b>A-Class Accumulation</b>				
Group 1	0.8785p	-	0.8785p	1.0343p
Group 2	0.1205p	0.7580p	0.8785p	1.0343p
<b>M-Class Distribution</b>				
Group 1	0.3908p	-	0.3908p	0.4721p
Group 2	0.3908p	-	0.3908p	0.4721p
<b>R-Class Distribution</b>				
Group 1	0.3635p	-	0.3635p	0.4410p
Group 2	0.1722p	0.1913p	0.3635p	0.4410p
<b>R-Class Accumulation</b>				
Group 1	0.9034p	-	0.9034p	1.0607p
Group 2	0.4328p	0.4706p	0.9034p	1.0607p

### Final interest distribution in pence per share

	Net Revenue	Equalisation	Distribution Paid 28/09/2018	Distribution Paid 28/09/2017
<b>A-Class Distribution</b>				
Group 1	0.3432p	-	0.3432p	0.4338p
Group 2	0.1638p	0.1794p	0.3432p	0.4338p
<b>A-Class Accumulation</b>				
Group 1	0.8527p	-	0.8527p	1.0444p
Group 2	0.1708p	0.6819p	0.8527p	1.0444p
<b>M-Class Distribution</b>				
Group 1	0.3773p	-	0.3773p	0.4735p
Group 2	0.3773p	-	0.3773p	0.4735p
<b>R-Class Distribution</b>				
Group 1	0.3507p	-	0.3507p	0.4418p
Group 2	0.0703p	0.2804p	0.3507p	0.4418p
<b>R-Class Accumulation</b>				
Group 1	0.8772p	-	0.8772p	1.0715p
Group 2	0.4453p	0.4319p	0.8772p	1.0715p

# Barclays Sterling Corporate Bond Fund (continued)

## Performance Tables

	A-Class Distribution			A-Class Accumulation		
	29/07/2017 to 28/07/2018	29/07/2016 to 28/07/2017	29/07/2015 to 28/07/2016	29/07/2017 to 28/07/2018	29/07/2016 to 28/07/2017	29/07/2015 to 28/07/2016
	(pps)	(pps)	(pps)	(pps)	(pps)	(pps)
<b>Change in net assets per share</b>						
Opening net asset value per share**:	49.18	49.50	47.13	119.46	116.40	107.49
Return before operating charges*	0.30	2.05	4.77	0.74	4.92	11.09
Operating charges	(0.59)	(0.60)	(0.58)	(1.46)	(1.43)	(1.34)
Return after operating charges*	(0.29)	1.45	4.19	(0.72)	3.49	9.75
Distributions***	(1.45)	(1.77)	(1.82)	(3.55)	(4.21)	(4.19)
Retained distributions on accumulation shares	-	-	-	3.55	3.78	3.35
Closing net asset value per share**	47.44	49.18	49.50	118.74	119.46	116.40
*after direct transaction costs of:	(0.04)	-	-	(0.10)	-	-
<b>Performance</b>						
Return after charges	(0.59%)	2.93%	8.89%	(0.60%)	3.00%	9.07%
<b>Other information</b>						
Closing net asset value (£'000)	1,109	1,324	1,371	20,376	21,266	22,648
Closing number of shares ('000)	2,337	2,693	2,769	17,161	17,801	19,456
Operating charges (%)	1.22%	1.22%	1.23%	1.22%	1.22%	1.23%
Direct transaction costs	(0.09%)	0.00%	0.00%	(0.09%)	0.00%	0.00%
<b>Prices</b>						
Highest share price	50.14	51.24	49.95	121.80	121.10	116.60
Lowest share price	47.50	47.71	45.78	117.90	113.10	106.00

\*\*Opening and closing net asset values ('NAVs') per share in the above table have been calculated using the NAV and number of shares figures rounded to the nearest £ and shares respectively.

\*\*\*These numbers are being shown gross in line with disclosure updates to comparative tables within the IMA SORP 2014 which was issued by the Investment Association in October 2016. Consequently, the figures for the prior years have been updated with relevant changes also impacting Return before operating charges, Return after operating charges and the Return after charges percentage. The Return after charges percentage in the performance table is calculated using methods prescribed in the IMA SORP 2014 which may differ slightly from returns shown in the Investment Report.

# Barclays Sterling Corporate Bond Fund (continued)

## Performance Tables (continued)

	M-Class Distribution			R-Class Distribution		
	29/07/2017 to 28/07/2018 (pps)	29/07/2016 to 28/07/2017 (pps)	29/07/2015 to 28/07/2016 (pps)	29/07/2017 to 28/07/2018 (pps)	29/07/2016 to 28/07/2017 (pps)	29/07/2015 to 28/07/2016 (pps)
<b>Change in net assets per share</b>						
Opening net asset value per share**:	53.74	53.69	50.75	50.12	50.29	47.73
Return before operating charges*	0.33	2.25	5.15	0.31	2.09	4.84
Operating charges	(0.27)	(0.27)	(0.25)	(0.46)	(0.46)	(0.44)
Return after operating charges*	0.06	1.98	4.90	(0.15)	1.63	4.40
Distributions***	(1.59)	(1.93)	(1.96)	(1.48)	(1.80)	(1.84)
Retained distributions on accumulation shares	-	-	-	-	-	-
Closing net asset value per share**	52.21	53.74	53.69	48.49	50.12	50.29
*after direct transaction costs of:	(0.05)	-	-	(0.04)	-	-
<b>Performance</b>						
Return after charges	0.11%	3.69%	9.66%	(0.30%)	3.24%	9.22%
<b>Other information</b>						
Closing net asset value (£'000)	11,656	65,495	50,362	9,393	9,495	10,539
Closing number of shares ('000)	22,326	121,884	93,798	19,370	18,946	20,956
Operating charges (%)	0.50%	0.50%	0.50%	0.92%	0.92%	0.92%
Direct transaction costs	(0.09%)	0.00%	0.00%	(0.09%)	0.00%	0.00%
<b>Prices</b>						
Highest share price	54.82	55.59	54.18	51.11	52.06	50.75
Lowest share price	52.20	51.87	49.50	48.52	48.52	46.45

\*\*Opening and closing net asset values ('NAVs') per share in the above table have been calculated using the NAV and number of shares figures rounded to the nearest £ and shares respectively.

\*\*\*These numbers are being shown gross in line with disclosure updates to comparative tables within the IMA SORP 2014 which was issued by the Investment Association in October 2016. Consequently, the figures for the prior years have been updated with relevant changes also impacting Return before operating charges, Return after operating charges and the Return after charges percentage. The Return after charges percentage in the performance table is calculated using methods prescribed in the IMA SORP 2014 which may differ slightly from returns shown in the Investment Report.

# Barclays Sterling Corporate Bond Fund (continued)

## Performance Tables (continued)

	R-Class Accumulation		
	29/07/2017 to 28/07/2018	29/07/2016 to 28/07/2017	29/07/2015 to 28/07/2016
	(pps)	(pps)	(pps)
<b>Change in net assets per share</b>			
Opening net asset value per share**:	122.61	119.11	109.66
Return before operating charges*	0.75	5.04	11.33
Operating charges	(1.13)	(1.11)	(1.02)
Return after operating charges*	(0.38)	3.93	10.31
Distributions***	(3.65)	(4.31)	(4.29)
Retained distributions on accumulation shares	3.65	3.88	3.43
Closing net asset value per share**	122.23	122.61	119.11

\*after direct transaction costs of: (0.11)                      -                      -

### Performance

Return after charges                      (0.31%)                      3.30%                      9.40%

### Other information

Closing net asset value (£'000)	141,693	153,731	158,926
Closing number of shares ('000)	115,922	125,379	133,426
Operating charges (%)	0.92%	0.92%	0.92%
Direct transaction costs	(0.09%)	0.00%	0.00%

### Prices

Highest share price	125.00	124.30	119.30
Lowest share price	121.20	115.80	108.40

The operating charges (%) represents the ongoing charges figures for the year as referred to in the key investor information document ('KIID') and other literature.

\*\*Opening and closing net asset values ('NAVs') per share in the above table have been calculated using the NAV and number of shares figures rounded to the nearest £ and shares respectively.

\*\*\*These numbers are being shown gross in line with disclosure updates to comparative tables within the IMA SORP 2014 which was issued by the Investment Association in October 2016. Consequently, the figures for the prior years have been updated with relevant changes also impacting Return before operating charges, Return after operating charges and the Return after charges percentage. The Return after charges percentage in the performance table is calculated using methods prescribed in the IMA SORP 2014 which may differ slightly from returns shown in the Investment Report.

# Barclays Sterling Corporate Bond Fund (continued)

## Risk and Reward Profile

1	2	3	4	5	6	7
<p>The risk and reward category is calculated using historical data which may not be a reliable indicator of the Fund's future risk profile.</p> <p>The risk and reward category may shift over time and is not a target or a guarantee.</p> <p>The lowest category (i.e. Category 1) does not mean a risk-free investment.</p> <p>The Fund is in Category 3 because of the low range and frequency of price movements (volatility) of the underlying investments in which the Fund invests.</p> <p>The following are additional risks not covered by the risk and reward category.</p> <p>The Fund may invest in bonds, the return on which depends on the issuer's ability to make its payments. There is a risk that the issuer will fail to do so. Although the Fund generally invests in bonds with high ratings, these ratings are subjective and a high rating does not guarantee an issuer's ability to pay.</p> <p>The Fund may use derivatives in an attempt to reduce risk (hedging) or for investment purposes. It may be that the use of derivatives causes share prices to fluctuate which may in turn result in loss to the Fund. Fluctuations in interest rates may affect the value of your investment.</p>			<p>The Fund relies upon the performance of one or more investment managers. If the investment managers perform poorly, the value of your investment is likely to be adversely affected.</p> <p>Tradable debt (bonds) are interest rate sensitive, meaning that the range and frequency of price movements may be significant due to various factors, including changes in interest rates, the creditworthiness of the issuer and the ease with which similar investments may be bought or sold (liquidity). Future legal or regulatory change could have a substantial adverse effect on the Fund and your investment.</p> <p>The Fund is not guaranteed and your investment is at risk. You may lose some or all of your investment.</p> <p>The figure for the synthetic risk and reward indicator disclosed in the financial statements is the same as the most up-to-date key investor information document ('KIID').</p> <p>More information in relation to risks in general may be found in the "Risk Factors" section of the Prospectus.</p>			

# Barclays UK Alpha Fund

## Investment Objective and Policy

The Fund seeks superior long-term capital growth primarily through investment in UK companies.

The Fund invests primarily in common stock, preferred shares and securities convertible into common stock of companies across a range of industries, domiciled in the UK or having significant operations in the UK, and listed or traded on a Regulated Market in the UK or in an OECD Country. The Investment Manager and/or sub-investment manager(s) will use stock selection techniques which aim to generate superior long-term capital growth. The allocation to individual companies within the portfolio will be actively managed.

The Fund is not subject to any capitalisation restrictions.

The Fund will invest at least 70% of its assets in the common stocks and preferred shares of UK companies. The Fund may, with any remaining portion of the assets (and on an ancillary basis), invest in non-UK Equity securities, Investment Grade government and corporate fixed income securities and Convertible Debt Securities (listed or traded on a Regulated Market).

The Fund may also invest in other transferable securities, money market instruments, cash and near cash, deposits and units in collective investment schemes (use may be made of stocklending, borrowing, cash holdings, hedging and other efficient portfolio management techniques permitted in the applicable FCA Rules).

## Investment Report

During the year under review, the net asset value per share attributable to the A-Class Accumulation shares rose by 6.62%.

## Market/Economic Review

The UK market traded was range bound in the first half of this reporting period, and only found some momentum in December. Investors are, and remain, somewhat hamstrung over the significant uncertainty about the potential outcome of the UK's withdrawal from the European Union in March 2019. This was in contrast to the UK economy which continued to perform well despite the doom laden predictions that failed to materialise prior to the actual referendum, and have not ceased since. This saw better performance from medium and small sized companies than large caps, despite the weakness of Sterling.

December saw some reversal of this. Commodity and oil prices rose in December and the shares of companies in those appreciated strongly up until Christmas. This reversal caught out many active UK managers who were underweight in natural resources.

In contrast to recent years, there was no significant benefit for UK investors to be invested in a particular style or size bias over the reporting period. Mid sized companies marginally outperformed the wider market over, and value outperformed growth. But this was not a consistent feature of the year. The start of 2018 saw a market correction, the growth style underperform within UK equities, and large companies underperform small and mid cap indices. This reversed in the second quarter of the year.

A notable feature was the number of mergers and acquisitions that were announced or took place. The weakness of Sterling and the significant degree to which the UK equity market is out of favour with global investors has made some companies very attractive to overseas buyers with a long term view. Within the largest companies, the likes of Shire Pharmaceuticals and Sky were bid for by Japanese and US suitors respectively. Other activity was seen in the financial sector, where dealer NEX Group was purchased by CME, and Fidessa by Ion. GKN was purchased by Melrose in the UK which attracted headlines over concerns of potential 'asset stripping'. Some deals did not consummate, with Hammerson rejecting a deal by French property company Klepierre. The speed at which drinks company Conviviality declined into administration was shocking, but as a relatively small listed company, failed to place too much of a dent in investor confidence.

# Barclays UK Alpha Fund (continued)

## Market/Economic Review (continued)

The period saw a rising oil price and US Dollar as the US economy was boosted by tax reform. In the absence of any technology sector of note within the UK market, the energy sector was the standout best performing part of the market over this period, rising over thirty percent. Given the size of the likes of BP and Shell in the index, any manager who was underweight the sector found this a material headwind to being able to generate outperformance. Materials was the next best performing sector but only managed to generate around a sixteen percent return. The worst performing sector over the entire period was Telecommunication Services. The market struggles to see value in the likes of BT and Vodafone, both of whom face individual challenges about how to grow their business. Whilst both pay attractive dividends and are lowly priced, there remains huge uncertainty about what will see them become more attractive investments.

The period was also interesting for how company share prices reacted to bad news. In contrast to previous years where disappointing announcements were sometimes ignored, share prices often fell sharply on a profit warning over the period. The most notable of this was Micro Focus. A FTSE 100 company and darling of many growth investors, announcing management change and difficulty integrating a recent purchase saw a 50% fall in its share price in a few days. This type of behaviour is challenging for many investors, but is helpful to those who either invest in companies that are exceptionally well managed or have already gone through their most difficult periods and are already lowly priced by the market.

## Fund Review

The Fund marginally lagged the index over the period. The four underlying managers all produced performance in or around that of the benchmark, with none producing significant out or underperformance. Majedie and Old Mutual both managed to exceed the benchmark return, Jupiter and particularly Artemis lagged.

Majedie's mainly value, contrarian style has seen them build big positions in some out of favour shares and sectors in recent years. This has held back performance, but owning Tesco, BP and Pearson were all helpful during this reporting period. It remains a holder of Centrica despite it being the mandate's biggest performance detractor. It generally showed good stock selection in the consumer staples and energy sectors.

Old Mutual also showed good stock selection in consumer staples, with Tesco its best pick in the sector doing well after its Booker acquisition and ongoing performance improvement. Ladbrokes Coral was its best performing share over the period as it was taken over by GVC towards the end of 2017. TP ICAP and Pets at Home and Merlin Entertainment were the biggest detractors.

Jupiter enjoyed a recovery in the Pearson share price, and the improvement in Tesco's operations saw it produce good returns. Anglo American and South32 were two mining shares that also performed well. But the manager had difficulty with some of the more challenging, turnaround situations within the portfolio. Capita, TP ICAP and Centrica had disappointing periods, although both Capita and Centrica are seeing renewed interest with other managers as they progress with their improvement programs.

Artemis continued to find markets hard to navigate successfully. Capita, SIG, and Interserve were three shares that Derek Stuart owned and held back performance. Companies owned that started to meet the manager's expectations included Tesco, British American Tobacco, and Computacenter. But losers outweighed winners and the portfolio lagged the market.



# Barclays UK Alpha Fund (continued)

## Outlook

The next year will continue to be dominated politically by the impact and implications of the UK's agreement to leave the European Union. The 'base case' for most UK equity managers is that a deal will be done, and few if any have positioned their portfolio for an extreme outcome. This is perhaps a reaction to how the industry was positioned going into the referendum, incorrectly in hindsight.

Looking more broadly, and more longer term, UK equities are desperately out of favour, almost the most unwanted asset class globally in some surveys. The economy is – probably – nearer the end than the beginning of its cycle, there is some wage inflation, interest rates have started to rise, and unemployment is low. The UK stock market has little exposure to technology, the sector that has driven the performance of other large markets over recent years. Banks, oil and mining and pharmaceutical companies dominate the index, all of which face their own challenges. The retail sector is under huge pressure as online sales see long established high street brand names struggle.

But we see opportunity for the patient. It was only a few years ago when European equities were similarly unloved, and they are now widely appreciated by global investors. A resolution to the Brexit debate would be exceptionally helpful for sentiment. Sterling would likely appreciate, boosting returns for overseas investors. Clearly, no deal would be very bad for the market, in the medium to short term. But if panic is averted, we think long term investors – particularly those who believe that market valuations and sentiment revert to the mean – should not forget about UK equities just yet.

Barclays Bank PLC  
Savings, Wealth and Investment Management  
(Investment Adviser)  
September 2018

# Barclays UK Alpha Fund (continued)

## Portfolio Statement as at 28 July 2018

All investments are in ordinary shares unless stated otherwise. The percentages in brackets show the equivalent sector holdings at 28 July 2017.

Holding / Nominal Value	Investment	Market Value £'000	% of Net Assets
252,691	<b>AFRICA: 0.12% (0.10%)</b>		
	<b>SOUTH AFRICA: 0.12% (0.10%)</b>		
	<b>Mining: 0.12% (0.10%)</b>		
	Gold Fields ADR	705	0.12
4,677	<b>ASIA: 0.04% (0.18%)</b>		
	<b>HONG KONG: 0.00% (0.11%)</b>		
	<b>Software &amp; Computer Services: 0.00% (0.11%)</b>		
	Kao	270	0.04
12,592	<b>EUROPE EXCLUDING UK: 7.77% (4.85%)</b>		
	<b>BELGIUM: 0.09% (0.13%)</b>		
	<b>Food &amp; Drug Retailers: 0.09% (0.13%)</b>		
	Colruyt	555	0.09
26,389	<b>DENMARK: 0.00% (0.05%)</b>		
	<b>Industrial Transportation: 0.00% (0.05%)</b>		
	<b>FINLAND: 0.18% (0.00%)</b>		
	Kone	1,112	0.18
480,391	<b>FRANCE: 1.14% (0.98%)</b>		
	Orange	6,235	1.03
10,100	<b>Pharmaceuticals &amp; Biotechnology: 0.11% (0.00%)</b> Sanofi	664	0.11
9,781	<b>GERMANY: 0.00% (0.02%)</b>		
	<b>Mobile Telecommunications: 0.00% (0.02%)</b>		
	<b>GREECE: 0.00% (0.28%)</b>		
	<b>Banks: 0.00% (0.28%)</b> Piraeus Bank	22	-
182,756	<b>IRELAND: 1.63% (1.61%)</b>		
	<b>Construction &amp; Materials: 0.79% (0.44%)</b> CRH	4,810	0.79
57,671	<b>Financial Services: 0.05% (0.10%)</b> Malin	282	0.05
7,967 323,108	<b>Household Goods &amp; Home Construction: 0.00% (0.18%)</b>		
	<b>Travel &amp; Leisure: 0.79% (0.89%)</b>		
	Paddy Power Betfair	658	0.11
	Ryanair	4,135	0.68
		4,793	0.79
482,186	<b>ISLE OF MAN: 0.87% (0.00%)</b>		
	<b>Travel &amp; Leisure: 0.87% (0.00%)</b> CVC	5,275	0.87

# Barclays UK Alpha Fund (continued)

## Portfolio Statement as at 28 July 2018 (continued)

Holding / Nominal Value	Investment	Market Value £'000	% of Net Assets
	<b>EUROPE EXCLUDING UK: 7.77% (4.85%) (continued)</b>		
	<b>ITALY: 0.08% (0.32%)</b>		
	<b>Aerospace &amp; Defense: 0.00% (0.02%)</b>		
	<b>Fixed Line Telecommunications: 0.08% (0.30%)</b>		
808,138	Telecom Italia	470	0.08
	<b>JERSEY: 2.14% (0.00%)</b>		
	<b>Media: 0.82% (0.00%)</b>		
420,000	WPP	4,988	0.82
	<b>Mining: 0.79% (0.00%)</b>		
1,473,156	Glencore	4,801	0.79
	<b>Support Services: 0.53% (0.00%)</b>		
169,014	Experian	3,208	0.53
	<b>NETHERLANDS: 0.25% (0.34%)</b>		
	<b>Fixed Line Telecommunications: 0.25% (0.28%)</b>		
668,771	Koninklijke KPN	1,508	0.25
	<b>Industrial Engineering: 0.00% (0.06%)</b>		
	<b>SPAIN: 1.23% (1.12%)</b>		
	<b>Travel &amp; Leisure: 1.23% (1.12%)</b>		
1,084,595	International Airlines Group	7,495	1.23
	<b>SWITZERLAND: 0.16% (0.00%)</b>		
	<b>Pharmaceuticals &amp; Biotechnology: 0.16% (0.00%)</b>		
15,399	Novartis	981	0.16
	<b>NORTH AMERICA: 1.57% (1.03%)</b>		
	<b>CANADA: 0.57% (0.89%)</b>		
	<b>Mining: 0.57% (0.89%)</b>		
2,305	Agnico Eagle Mines	73	0.01
266,379	Barrick Gold	2,279	0.37
122,670	Goldcorp	1,168	0.19
		3,520	0.57
	<b>CAYMAN ISLANDS: 0.19% (0.00%)</b>		
	<b>Life Insurance: 0.14% (0.00%)</b>		
122,937	Phoenix	842	0.14
	<b>Software &amp; Computer Services: 0.05% (0.00%)</b>		
13,571	Sohu.com^^	316	0.05
	<b>UNITED STATES: 0.81% (0.14%)</b>		
	<b>Banks: 0.06% (0.05%)</b>		
5,193	First Republic Bank	394	0.06
	<b>General Retailers: 0.07% (0.00%)</b>		
15,999	Ebay	412	0.07
	<b>Oil Equipment, Services &amp; Distribution: 0.06% (0.00%)</b>		
13,418	Diamond Offshore Drilling	195	0.03
10,513	Oceaneering International	208	0.03
		403	0.06

# Barclays UK Alpha Fund (continued)

## Portfolio Statement as at 28 July 2018 (continued)

Holding / Nominal Value	Investment	Market Value £'000	% of Net Assets
	<b>UNITED STATES: 0.81% (0.14%) (continued)</b>		
	<b>Software &amp; Computer Services: 0.00% (0.09%)</b>		
	<b>Support Services 0.62% (0.00%)</b>		
59,710	Worldpay	3,792	0.62
	<b>PACIFIC: 0.78% (0.77%)</b>		
	<b>AUSTRALIA: 0.78% (0.77%)</b>		
	<b>Mining: 0.78% (0.77%)</b>		
2,300,000	South32	4,715	0.78
	<b>UNITED KINGDOM: 84.39% (88.05%)</b>		
	<b>Aerospace &amp; Defense: 1.63% (1.92%)</b>		
264,895	BAE Systems	1,731	0.28
2,208,721	Cobham	2,721	0.45
1,995,509	QinetiQ	5,468	0.90
		9,920	1.63
	<b>Banks: 8.38% (10.48%)</b>		
7,282,701	Barclays	13,903	2.29
1,858,812	HSBC	13,528	2.22
12,946,942	Lloyds Banking	8,102	1.33
3,269,284	Royal Bank of Scotland	8,160	1.34
1,038,572	Standard Chartered	7,298	1.20
		50,991	8.38
	<b>Beverages: 0.70% (0.56%)</b>		
186,896	Britvic	1,510	0.25
77,384	Fevertree Drinks^	2,745	0.45
		4,255	0.70
	<b>Chemicals: 0.35% (0.86%)</b>		
409,902	Synthomer	2,133	0.35
	<b>Construction &amp; Materials: 2.32% (2.59%)</b>		
1,807,706	Balfour Beatty	5,273	0.87
83,897	Keller	903	0.15
791,352	Marshalls	3,428	0.56
2,096,194	Melrose Industries	4,509	0.74
		14,113	2.32
	<b>Electricity: 0.47% (0.43%)</b>		
798,989	Drax	2,832	0.47
	<b>Electronic &amp; Electrical Equipment: 0.20% (0.24%)</b>		
54,437	Spectris	1,243	0.20

# Barclays UK Alpha Fund (continued)

## Portfolio Statement as at 28 July 2018 (continued)

Holding / Nominal Value	Investment	Market Value £'000	% of Net Assets
<b>UNITED KINGDOM: 84.39% (88.05%) (continued)</b>			
<b>Financial Services: 2.78% (3.40%)</b>			
158,506	3i	1,498	0.25
700,000	Ashmore	2,500	0.41
228,104	IG	2,044	0.34
28,747	London Stock Exchange	1,291	0.21
300,000	NEX	3,114	0.51
656,012	Quilter	1,011	0.17
1,115,297	Sherborne Investors (Guernsey)	1,004	0.16
1,568,375	TP ICAP	4,454	0.73
		16,916	2.78
<b>Fixed Line Telecommunications: 1.71% (1.85%)</b>			
4,417,207	BT	10,425	1.71
<b>Food &amp; Drug Retailers: 7.28% (5.65%)</b>			
1,164,454	J Sainsbury	3,798	0.62
12,750,023	Tesco	32,844	5.40
2,987,448	WM Morrison Supermarkets	7,660	1.26
		44,302	7.28
<b>Food Producers: 1.07% (0.38%)</b>			
188,577	Associated British Foods	4,663	0.77
289,820	Tate & Lyle	1,828	0.30
		6,491	1.07
<b>Forestry &amp; Paper: 0.21% (0.22%)</b>			
61,990	Mondi	1,289	0.21
<b>Funds investing in UK Equities: 1.54% (1.58%)</b>			
2,626,681	Majedie Asset Management Investment Fund - Majedie UK Smaller Companies Fund**	9,372	1.54
<b>Gas, Water &amp; Multiutilities: 2.39% (2.48%)</b>			
9,520,394	Centrica	14,509	2.39
<b>General Industrials: 1.20% (1.39%)</b>			
598,762	DS Smith	3,009	0.49
270,000	Smiths	4,335	0.71
		7,344	1.20
<b>General Retailers: 4.44% (4.11%)</b>			
1,248,891	Card Factory	2,593	0.43
538,213	Dixons Carphone	964	0.16
18,293	Dunelm	96	0.02
384,948	Footasylum^	266	0.04
600,000	Halfords	2,009	0.33
1,663,317	Kingfisher	5,130	0.84
2,824,831	Marks & Spencer	8,760	1.44
54,682	Next	3,208	0.53
1,294,612	Pets at Home	1,585	0.26
1,934,296	Saga	2,344	0.39
		26,955	4.44

# Barclays UK Alpha Fund (continued)

## Portfolio Statement as at 28 July 2018 (continued)

Holding / Nominal Value	Investment	Market Value £'000	% of Net Assets
<b>UNITED KINGDOM: 84.39% (88.05%) (continued)</b>			
<b>Health Care Equipment &amp; Services: 1.02% (1.20%)</b>			
436,062	Smith & Nephew	6,000	0.99
63,863	Spire Healthcare	159	0.03
		6,159	1.02
<b>Household Goods &amp; Home Construction: 0.00% (0.36%)</b>			
<b>Industrial Engineering: 0.54% (0.31%)</b>			
203,332	Bodycote	2,068	0.34
62,912	Weir Group	1,220	0.20
		3,288	0.54
<b>Industrial Transportation: 0.31% (0.00%)</b>			
400,000	Royal Mail	1,874	0.31
<b>Life Insurance: 5.51% (6.39%)</b>			
3,312,040	Aviva	16,212	2.67
1,474,423	Legal & General	3,875	0.64
531,399	Prudential	9,430	1.55
332,934	St James's Place	3,957	0.65
		33,474	5.51
<b>Media: 3.71% (2.95%)</b>			
861,713	Daily Mail & General Trust	6,411	1.05
2,226,763	ITV	3,700	0.61
1,303,849	Pearson	12,483	2.05
		22,594	3.71
<b>Mining: 1.94% (4.12%)</b>			
93,227	Acacia Mining	110	0.02
136,945	Anglo American	2,316	0.38
157,356	BHP Billiton	2,686	0.44
687,828	Hochschild Mining	1,237	0.20
85,738	KAZ Minerals	712	0.12
252,408	Lonmin	97	0.02
110,863	Rio Tinto	4,611	0.76
		11,769	1.94
<b>Mobile Telecommunications: 2.26% (2.22%)</b>			
7,630,160	Vodafone	13,734	2.26
<b>Nonlife Insurance: 0.40% (0.73%)</b>			
103,229	Direct Line Insurance	342	0.06
23,008	Jardine Lloyd Thompson	317	0.05
285,913	RSA Insurance	1,786	0.29
		2,445	0.40
<b>Oil &amp; Gas Producers: 11.24% (9.70%)</b>			
6,588,362	BP	37,369	6.15
160,000	Royal Dutch Shell Class 'A'	4,158	0.68
944,012	Royal Dutch Shell Class 'B'	25,101	4.13
747,787	Tullow Oil	1,690	0.28
		68,318	11.24

# Barclays UK Alpha Fund (continued)

## Portfolio Statement as at 28 July 2018 (continued)

Holding / Nominal Value	Investment	Market Value £'000	% of Net Assets
<b>UNITED KINGDOM: 84.39% (88.05%) (continued)</b>			
<b>Oil Equipment, Services &amp; Distribution: 0.20% (0.62%)</b>			
220,286	Enesco Class 'A'	1,188	0.20
<b>Personal Goods: 0.76% (0.36%)</b>			
111,462	Burberry	2,355	0.39
166,173	Superdry	2,046	0.34
4,266	Unilever	184	0.03
		4,585	0.76
<b>Pharmaceuticals &amp; Biotechnology: 5.27% (4.32%)</b>			
116,728	AstraZeneca	6,692	1.10
1,596,613	GlaxoSmithKline	24,792	4.08
362,991	PureTech Health	566	0.09
		32,050	5.27
<b>Real Estate Investment &amp; Services: 0.22% (0.03%)</b>			
131,434	British Land	854	0.14
52,089	Shaftesbury	481	0.08
		1,335	0.22
<b>Software &amp; Computer Services: 2.16% (3.19%)</b>			
193,250	Computacenter	3,049	0.50
48,827	FDM	467	0.08
92,422	Micro Focus International	1,206	0.20
857,522	Sage	5,538	0.91
577,726	SDL	2,854	0.47
		13,114	2.16
<b>Support Services: 5.65% (5.78%)</b>			
400,000	Aggreko	2,949	0.49
3,459,232	Capita	5,580	0.92
166,159	De La Rue	846	0.14
590,382	Electrocomponents	4,258	0.70
511,879	Essentra	2,567	0.42
444,818	Hays	893	0.15
533,375	Howden Joinery	2,563	0.42
104,669	Mears	340	0.06
501,933	Northgate	2,147	0.35
1,837,769	Rentokil Initial	6,311	1.04
911,805	Serco	907	0.15
2,377,180	SIG	2,960	0.49
2,704,852	Speedy Hire	1,666	0.27
22,944	Travis Perkins	307	0.05
		34,294	5.65
<b>Technology Hardware &amp; Equipment: 0.41% (0.63%)</b>			
2,096,428	Spirent Communications	2,482	0.41

# Barclays UK Alpha Fund (continued)

## Portfolio Statement as at 28 July 2018 (continued)

Holding / Nominal Value	Investment	Market Value £'000	% of Net Assets
<b>UNITED KINGDOM: 84.39% (88.05%) (continued)</b>			
<b>Tobacco: 1.32% (0.82%)</b>			
57,109	British American Tobacco	2,350	0.39
200,000	Imperial Brands	5,678	0.93
		8,028	1.32
<b>Travel &amp; Leisure: 4.80% (6.18%)</b>			
405,993	888 Holdings	988	0.16
121,005	easyJet	1,955	0.32
244,409	Ei Group	382	0.06
4,731,010	FirstGroup	4,260	0.70
82,153	Greene King	425	0.07
5,175,491	Ladbrokes Rights†	588	0.10
820,377	Merlin Entertainments	3,294	0.54
703,273	Rank	1,318	0.22
834,095	The Restaurant Group	2,172	0.36
832,536	SSP Group	5,647	0.93
1,700,000	Stagecoach	2,768	0.46
95,261	Whitbread	3,736	0.61
556,052	William Hill	1,653	0.27
		29,186	4.80
<b>Futures: 0.00% ((0.02%))</b>			
15	FTSE 100 Index Future Expiry September 2018	(1)	-
	<b>Portfolio of Investments*</b>	<b>575,574</b>	<b>94.67</b>
	<b>Net other assets</b>	<b>32,428</b>	<b>5.33</b>
	<b>Net assets</b>	<b>608,002</b>	<b>100.00</b>

All investments are listed as transferable securities admitted to an official stock exchange or traded on a regulated market except for those denoted with a double asterisk (\*\*).

\*Includes derivatives.

†These are stale price securities.

^These securities are quoted on an Alternative Investment Market (AIM) and comprise 0.49% (28 July 2017: 0.65%) of the Net Asset Value.

^^These securities are quoted on NASDAQ and comprise 0.05% (28 July 2017: 0.09%) of the Net Asset Value.



# Barclays UK Alpha Fund (continued)

## Summary of Material Portfolio Changes for the year ended 28 July 2018

10 Largest Purchases	Cost £	10 Largest Sales	Proceeds £
GlaxoSmithKline	8,839,738	HSBC	10,259,881
Barclays	7,793,849	Anglo American	9,456,410
Capita	7,258,257	BP	6,839,237
Vodafone	6,969,911	Aviva	5,757,507
BT	5,573,490	Ladbroke's Coral	5,562,030
WPP	5,293,211	Tesco	5,321,341
Aviva	4,763,963	Barclays	5,090,829
Associated British Foods	4,716,210	Johnson Matthey	4,833,726
Centrica	4,628,174	Pearson	4,077,899
ITV	3,767,139	Computacenter	4,012,382

Portfolio Information	Year to 28/07/2018
<b>Total purchases for the year</b>	<b>£155,608,273</b>
<b>Total sales for the year</b>	<b>£186,423,803</b>

# Barclays UK Alpha Fund (continued)

## Statement of Total Return for the year ended 28 July 2018

		29/07/2017 to 28/07/2018		29/07/2016 to 28/07/2017	
	Notes	£'000	£'000	£'000	£'000
Income					
Net capital gains	2		27,798		73,812
Revenue	3	21,511		20,065	
Expenses	4	(7,704)		(7,746)	
Interest payable and similar charges	7	(3)		(14)	
Net revenue before taxation		13,804		12,305	
Taxation	5	(203)		(95)	
Net revenue after taxation for the year			13,601		12,210
Total return before distributions			41,399		86,022
Distributions	6		(13,601)		(12,210)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>27,798</b>		<b>73,812</b>

## Statement of Change in Net Assets attributable to Shareholders for the year ended 28 July 2018

		29/07/2017 to 28/07/2018		29/07/2016 to 28/07/2017	
		£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>			<b>610,576</b>		<b>572,467</b>
Amounts receivable on creation of shares		3,397		3,218	
Amounts payable on cancellation of shares		(44,481)		(48,519)	
			(41,084)		(45,301)
Dilution adjustment			-		8
Change in net assets attributable to shareholders from investment activities			27,798		73,812
Retained distribution on accumulation shares			10,696		9,590
Unclaimed distributions			16		-
<b>Closing net assets attributable to shareholders</b>			<b>608,002</b>		<b>610,576</b>

## Balance Sheet as at 28 July 2018

		28/07/2018		28/07/2017	
	Notes	£'000	£'000	£'000	£'000
<b>Assets</b>					
Fixed Assets					
Investments	13		575,575		579,953
Current Assets					
Debtors	8	4,093		1,383	
Amounts held at futures clearing houses and brokers	9	1,112		1,666	
Cash and bank balances	9	32,453		34,114	
Total current assets			37,658		37,163
<b>Total assets</b>			<b>613,233</b>		<b>617,116</b>
<b>Liabilities</b>					
Investment liabilities	13		(1)		(132)
Creditors					
Bank overdrafts	9	-		(3,462)	
Distribution payable	10	(1,706)		(1,448)	
Other creditors	10	(3,524)		(1,498)	
Total creditors			(5,230)		(6,408)
<b>Total liabilities</b>			<b>(5,231)</b>		<b>(6,540)</b>
<b>Net assets attributable to shareholders</b>			<b>608,002</b>		<b>610,576</b>

# Barclays UK Alpha Fund (continued)

## Notes to the Financial Statements

### 1. Accounting policies

The accounting policies can be found on pages 13 to 15.

### 2. Net capital gains

	29/07/2017 to 28/07/2018 £'000	29/07/2016 to 28/07/2017 £'000
The net capital gains on investments during the year comprise:		
Non-derivative securities	27,201	72,627
Derivative contracts	632	1,263
Forward currency contracts	3	(33)
Currency losses	(17)	(16)
Transaction charges	(21)	(29)
Net capital gains	27,798	73,812

### 3. Revenue

	29/07/2017 to 28/07/2018 £'000	29/07/2016 to 28/07/2017 £'000
Franked UK dividends	19,355	18,178
Non-taxable overseas dividends	1,942	1,683
UK PID Income	12	-
Franked UK fund dividends	202	204
Total revenue	21,511	20,065

### 4. Expenses

	29/07/2017 to 28/07/2018 £'000	29/07/2016 to 28/07/2017 £'000
Payable to the ACD, associates of the ACD and agents of either of them:		
ACD's periodic fee	6,523	6,557
Registration fee	883	884
	7,406	7,441
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary fee	91	91
Safe custody fee	13	13
	104	104
Other expenses:		
Administration fee	163	160
Audit fee	12	12
VAT on audit fee	2	2
Printing fee	8	15
FCA fee	1	-
Tax advisory fee	8	12
	194	201
Total expenses	7,704	7,746

# Barclays UK Alpha Fund (continued)

## Notes to the Financial Statements (continued)

### 5. Taxation

#### (a) Analysis of taxation charge for the year

	29/07/2017 to 28/07/2018 £'000	29/07/2016 to 28/07/2017 £'000
Prior year adjustment	21	-
Overseas tax	182	95
Current tax note 5(b)	203	95
Deferred tax note 5(c)	-	-
<b>Total taxation</b>	<b>203</b>	<b>95</b>

#### (b) Factors affecting taxation charge for the year

The tax assessed for the year is lower than (2017: lower than) the standard rate of corporation tax in the UK for an open-ended investment company (20%). The differences are explained below:

	29/07/2017 to 28/07/2018 £'000	29/07/2016 to 28/07/2017 £'000
Net revenue before taxation	13,804	12,305
Net revenue before taxation multiplied by the appropriate rate of corporation tax at 20% (2017: 20%)	2,761	2,461
Effects of:		
Overseas tax	182	95
Taxation due to timing difference	2	-
Revenue not subject to taxation	(4,304)	(4,013)
Prior year adjustment	21	-
Non trade loan relationship deficit not utilised	1	3
Excess management expenses not utilised	1,540	1,549
<b>Current tax</b>	<b>203</b>	<b>95</b>

#### (c) Provision for Deferred Tax

There is no deferred tax provision in the current year (28 July 2017: same).

At the year end, there is a potential deferred tax asset of £47,993,111 (28 July 2017: £46,452,973) due to surplus management expenses. It is unlikely the Funds will generate sufficient taxable profits in the future to utilise these amounts and therefore no deferred tax asset has been recognised (28 July 2017: same).

### 6. Distributions

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

	29/07/2017 to 28/07/2018 £'000	29/07/2016 to 28/07/2017 £'000
Interim distribution	4,938	4,684
Final distribution	8,360	7,213
<b>Total Distribution</b>	<b>13,298</b>	<b>11,897</b>
Add: Revenue deducted on cancellation of shares	322	330
Less: Revenue received on creation of shares	(19)	(17)
<b>Distributions for the year</b>	<b>13,601</b>	<b>12,210</b>

# Barclays UK Alpha Fund (continued)

## Notes to the Financial Statements (continued)

### 6. Distributions (continued)

The differences between the net revenue after taxation and the distribution for the year are as follows:

	29/07/2017 to 28/07/2018 £'000	29/07/2016 to 28/07/2017 £'000
Net revenue after taxation for the year	13,601	12,210
Add: Equalisation uplift	-	-
Distributions for the year	13,601	12,210

### 7. Interest payable and similar charges

	29/07/2017 to 28/07/2018 £'000	29/07/2016 to 28/07/2017 £'000
Bank overdraft interest	3	14
	3	14

### 8. Debtors

	28/07/2018 £'000	28/07/2017 £'000
Amounts receivable for creation of shares	12	17
Sales awaiting settlement	2,749	249
Accrued revenue	1,308	1,015
Overseas tax recoverable	24	81
UK tax recoverable on PID income	-	21
	4,093	1,383

### 9. Net uninvested cash

	28/07/2018 £'000	28/07/2017 £'000
Amounts held at futures clearing houses and brokers	1,112	1,666
Bank overdrafts	-	(3,462)
Cash and bank balances	32,453	34,114
Net uninvested cash	33,565	32,318

# Barclays UK Alpha Fund (continued)

## Notes to the Financial Statements (continued)

### 10. Creditors

	28/07/2018 £'000	28/07/2017 £'000
<b>(a) Other creditors</b>		
Amounts payable for cancellation of shares	879	505
Purchases awaiting settlement	1,962	333
Amounts payable on FX contracts	1	-
Accrued expenses	682	660
	3,524	1,498
<b>(b) Distributions payable</b>		
Net distributions payable	1,706	1,448
	1,706	1,448

### 11. Contingent liabilities and outstanding commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date (28 July 2017: same).

### 12. Risk in relation to the financial instruments

The Fund's investment objective is stated on page 71. In pursuing its objective, the Fund holds financial instruments which expose it to various types of risk. The main risks, and the ACD's policy for managing these risks are set out below. These were applied consistently throughout the current and preceding year.

#### (a) Credit and liquidity risk

Credit risk is the risk of suffering loss due to another party not meeting its financial obligations. The primary source of this risk to the Fund is for trade counterparties to fail to meet their transaction commitments. This risk is managed by appraising the credit profile of financial instruments and trade counterparties.

Liquidity risk relates to the capacity to meet liabilities. The primary source of this risk to the Fund is the liability to Shareholders for any cancellation of shares. This risk is minimised by holding cash and readily realisable securities and via access to overdraft facilities.

#### (b) Market risk

Market risk arises mainly from uncertainty about future prices. The primary source of this risk to the Fund is the potential movement in the value of financial instruments held as a result of price fluctuations. The ACD adheres to the investment guidelines and borrowing powers established in the Prospectus and the Collective Investment Scheme sourcebook ('COLL'). In this way, the ACD monitors and controls the exposure to risk from any type of security, sector or issuer.

The Fund invests in securities which are issued by smaller companies and therefore there is likely to be increased volatility in price movements. The securities may also be less liquid than securities on larger exchanges which are generally traded more frequently.

The Fund may also use derivative instruments to mitigate risk and/or reduce costs. These instruments are not utilised for speculative purposes. Derivative instruments were utilised during the current and preceding year.

# Barclays UK Alpha Fund (continued)

## Notes to the Financial Statements (continued)

### 12. Risk in relation to the financial instruments (continued)

#### (c) Foreign currency risk

Foreign currency risk is the risk of movements in the value of overseas financial instruments as a result of fluctuations in exchange rates. This risk may be managed by the utilisation of forward currency contracts as necessary. Forward currency contracts were utilised during the current and preceding year. At 28 July 2018, the Fund did not hold any investments in forward currency contracts (28 July 2017: Same).

The foreign currency profile of the Fund's net assets at the balance sheet date was:

28/07/2018	Monetary exposure	Non-monetary exposure	Total
Currency	£'000	£'000	£'000
Danish Krone	-	1	1
Euro	278	14,926	15,204
Japanese Yen	-	271	271
Swiss Francs	-	981	981
US Dollar	-	6,520	6,520
	278	22,699	22,977

28/07/2017	Monetary exposure	Non-monetary exposure	Total
Currency	£'000	£'000	£'000
Danish Krone	-	333	333
Euro	184	19,840	20,024
Hong Kong Dollar	-	648	648
Japanese Yen	(234)	636	402
US Dollar	-	6,977	6,977
	(50)	28,434	28,384

A sensitivity analysis for foreign currency risk is presented below reflecting current and prior year information.

28/07/2018	Net exposure	2018 Max change in currency	Monetary change
Currency	£'000	%	£'000
Danish Krone	1	8	-
Euro	15,204	8	1,216
Japanese Yen	271	12	33
Swiss Francs	981	13	128
US Dollar	6,520	12	782
	22,977		2,159

28/07/2017	Net exposure	2017 Max change in currency	Monetary change
Currency	£'000	%	£'000
Danish Krone	333	8	27
Euro	20,024	8	1,602
Hong Kong Dollar	648	11	71
Japanese Yen	402	17	68
US Dollar	6,977	11	767
	28,384		2,535

# Barclays UK Alpha Fund (continued)

## Notes to the Financial Statements (continued)

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### 12. Risk in relation to the financial instruments (continued)

#### (d) 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 Fund's only interest bearing financial instruments were its bank balances and overdraft facilities as disclosed in note 9.

Cash is deposited, and overdraft facilities utilised, on normal commercial terms and earn or bear interest based on LIBOR or its overseas equivalent.

#### (e) Derivatives - sensitivity analysis

The Fund invests in futures to obtain market exposure to enable it to meet the Fund objectives whilst reducing transaction costs.

The effect of these futures is to increase market exposure by 0.20% (28 July 2017: 1.00%) of net assets.

This results in an effective equity exposure at the year end of 94.87% (28 July 2017: 95.98%) of net assets, which means that the gains or losses of the Fund will be 0.9487 (28 July 2017: 0.9598) times the gains or losses if the Fund was fully invested in equities.

#### (f) Fair value

The fair value of a financial instrument is the amount for which it could be exchanged between knowledgeable, willing parties in an arm's length transaction. There is no significant difference between the value of the financial assets and liabilities, as shown in the financial statements, and their fair value.

#### (g) Counterparty risk

During the year, the Fund made use of 'Over The Counter' (OTC) derivative instruments. These types of instruments introduce Counterparty Risk, where a counterparty may fail to meet its financial commitments. In order to reduce this risk, a collateral may be held by the Fund.

Exposure to a counterparty is calculated using the positive mark-to-market value of the OTC derivative contracts. As at the balance sheet date, the sub-fund is not exposed to any counterparty risk.

### 13. Fair value disclosures

Amendments to FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' - Fair value hierarchy disclosures requires that an analysis of investments and investment liabilities by reference to a fair value hierarchy be disclosed as follows:

Level 1: Fair value based on an unadjusted quoted price in an active market for identical instruments includes exchange-traded instruments unless there is persistently insufficient activity to regard the market as active. Examples typically include equities, depositary receipts, warrants, rights, money market instruments, exchange-traded derivatives, exchange-traded products (including exchange-traded funds) and some highly liquid exchange traded debt securities.

Level 2: Fair value based on a valuation technique using observable market data includes over-the-counter instruments, instruments priced via multi-broker quotes or evaluated pricing techniques, exchange-traded instruments where the market is persistently not active and instruments subject to fair value pricing adjustments made by reference to observable market data. Examples typically include OTC derivatives, debt securities, convertible bonds, mortgage-backed securities, asset-backed securities and open-ended funds.

Level 3: Fair value based on a valuation technique that relies significantly on unobservable data and this typically includes single broker-priced instruments, suspended/unquoted securities, private equity, unlisted closed-ended funds and open-ended funds with restrictions on redemption rights.



# Barclays UK Alpha Fund (continued)

## Notes to the Financial Statements (continued)

### 13. Fair value disclosures (continued)

It is the responsibility of the Fair Value Forum ('FVF') to ensure pricing sources and methodologies used to value securities are appropriate as delegated by the ACD. Investments classified as using inputs that are not based on observable market data comprise fair value adjusted securities, stale and single sourced bonds. In seeking to value such securities where no liquid market exists, the FVF will gather valuation related information from multiple internal and external sources. These sources include historic trading and pricing information and the views of internal security analysts. Internal security analysts have access to a range of material including, company specific news and earnings, cash flow forecasts, valuations of the underlying portfolio company and competitor company valuations within related industries and sectors to determine a valuation recommendation for each unlisted security.

Generally for fair valued securities, stale and single source bonds, where there is no price source from an active market, the FVF has applied judgement in determining the fair value. This fair value is established by using measures such as; stale priced securities where the last traded price is used. The FVF has the ability to apply discounts to security valuations. Management determines the discount based on its judgement, after considering market liquidity conditions and company specific factors such as the development stage of the portfolio company. Generally unlisted securities are valued at cost, a trade executed by another Barclays Fund, grey market trades or at a nil value where companies have gone into liquidation, administration or are deemed worthless. Single sourced broker prices use data received from a single pricing vendor and stale prices use the most recent broker quote available.

Below is an analysis of the Fund's investments and investment liabilities as at the current and preceding year end.

#### Fair value hierarchy as at 28/07/2018

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
<b>Financial Assets</b>				
Equities	565,615	-	588	566,203
Collective Investment Schemes	-	9,372	-	9,372
	565,615	9,372	588	575,575
<b>Financial Liabilities</b>				
Futures	(1)	-	-	(1)
	(1)	-	-	(1)

#### Fair value hierarchy as at 28/07/2017

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
<b>Financial Assets</b>				
Equities	570,308	-	-	570,308
Collective Investment Schemes	-	9,645	-	9,645
	570,308	9,645	-	579,953
<b>Financial Liabilities</b>				
Futures	(132)	-	-	(132)
	(132)	-	-	(132)

# Barclays UK Alpha Fund (continued)

## Notes to the Financial Statements (continued)

### 14. Portfolio transaction costs

29/07/2017 to 28/07/2018

	Purchases in the year before transaction costs £'000	Commissions £'000	%	Taxes £'000	%	Total purchase costs £'000	Gross purchase costs £'000
<b>Purchases</b>							
Equities	154,614	83	0.05%	707	0.46%	790	155,404
Collective Investment Schemes	204	-	0.00%	-	0.00%	-	204
<b>Total</b>	<b>154,818</b>	<b>83</b>	<b>0.05%</b>	<b>707</b>	<b>0.46%</b>	<b>790</b>	<b>155,608</b>

	Sales in the year before transaction costs £'000	Commissions £'000	%	Fees £'000	%	Total sales costs £'000	Total sales net of transaction costs £'000
<b>Sales</b>							
Equities	185,803	(95)	(0.05%)	(3)	0.00%	(98)	185,705
Collective Investment Schemes	719	-	0.00%	-	0.00%	-	719
<b>Total</b>	<b>186,522</b>	<b>(95)</b>	<b>(0.05%)</b>	<b>(3)</b>	<b>0.00%</b>	<b>(98)</b>	<b>186,424</b>

Total transaction costs	178	710
as a % of the average net assets	0.03%	0.12%

29/07/2016 to 28/07/2017

	Purchases in the year before transaction costs £'000	Commissions £'000	%	Taxes £'000	%	Total purchase costs £'000	Gross purchase costs £'000
<b>Purchases</b>							
Equities	211,851	167	0.08%	911	0.43%	1,078	212,929
<b>Total</b>	<b>211,851</b>	<b>167</b>	<b>0.08%</b>	<b>911</b>	<b>0.43%</b>	<b>1,078</b>	<b>212,929</b>

	Sales in the year before transaction costs £'000	Commissions £'000	%	Fees £'000	%	Total sales costs £'000	Total sales net of transaction costs £'000
<b>Sales</b>							
Equities	246,270	(186)	(0.08%)	(2)	0.00%	(188)	246,082
Collective Investment Schemes	806	-	0.00%	-	0.00%	-	806
<b>Total</b>	<b>247,076</b>	<b>(186)</b>	<b>(0.08%)</b>	<b>(2)</b>	<b>0.00%</b>	<b>(188)</b>	<b>246,888</b>

Total transaction costs	353	913
as a % of the average net assets	0.07%	0.16%

# Barclays UK Alpha Fund (continued)

## Notes to the Financial Statements (continued)

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### 14. Portfolio transaction costs (continued)

The above analysis covers any direct transaction costs suffered by the Fund during the year which are separately identifiable. However, it is important to understand the nature of other transaction costs associated with different investment classes and instruments types.

Separately identifiable direct transaction costs (commissions and taxes etc.) are attributable to the Fund's purchase and sale of equity shares. Additionally for equity shares, there is a dealing spread cost (the difference between the buying and selling prices) which will be suffered on purchase and sale transactions.

For the Fund's investment transactions in debt and money market instruments any applicable transaction charges form part of the dealing spread for these instruments. Unlike shares, other types of investments (such as bonds, money market instruments and derivatives) have no separately identifiable transactions costs which form part of the dealing spread. Transactions in money market instruments to manage the fund's daily liquidity position are excluded from the analysis.

Direct transaction costs comprise commissions and taxes, principally applicable to collective investment scheme holdings' purchases and sales. In addition, as a result of the Fund's investment in collective investment scheme holdings, there will potentially be dealing spread costs applicable to their purchases and sales.

Also, there will be indirect transaction costs suffered within those underlying collective investment scheme holdings, throughout the Fund's holding period of the investments, which are not separately identifiable and do not form part of the analysis above.

At the balance sheet date, the average portfolio dealing spread was 0.14% (28 July 2017: 0.15%).

This spread represents the difference between the values determined respectively by reference to the bid and offer prices of investments expressed as a percentage of the value determined by reference to the offer price.

### 15. Related party transactions

The ACD is related to the Fund as defined by the Financial Reporting Standard 102.33 'Related Party Disclosures' as a result of it carrying out key management personnel services in relation to the operation of the Fund.

At the year end, the ACD and its associates held 0.00% of the Fund's shares in issue (28 July 2017: 0.00%). Details of all other material related party transactions during the year and any payment amounts outstanding at the balance sheet date are disclosed in notes 4, 8 and 10 to the financial statements. Within note 10, accrued expenses (including amounts due to associates and agents) of £575,155 (28 July 2017: £505,473) are due to the ACD.

# Barclays UK Alpha Fund (continued)

## Notes to the Financial Statements (continued)

### 16. Shareholder funds

The net asset value of each share class, the net asset value per share, and the number of shares in each share class is given in the performance tables on pages 96 to 99. All Share Classes have the same rights on winding up.

The movement in the number of shares for the years ended 28 July 2018 and 28 July 2017 is shown below:

	29/07/2017 to 28/07/2018	29/07/2016 to 28/07/2017
<b>Number of A-Class Distribution Shares</b>		
<b>Issued and cancelled shares</b>		
Balance at beginning of year	35,343,217	37,399,660
Issued during year	412,920	421,398
Cancelled during year	(2,206,241)	(2,489,026)
Conversions during the year	(49,284)	11,185
<b>Total number of A-Class Distribution Shares in issue at end of year</b>	<b>33,500,612</b>	<b>35,343,217</b>
<b>Number of A-Class Accumulation Shares</b>		
<b>Issued and cancelled shares</b>		
Balance at beginning of year	10,530,075	11,386,450
Issued during year	13,660	29,044
Cancelled during year	(602,753)	(799,268)
Conversions during the year	(5,735)	(86,151)
<b>Total number of A-Class Accumulation Shares in issue at end of year</b>	<b>9,935,247</b>	<b>10,530,075</b>
<b>Number of B-Class Distribution Shares</b>		
<b>Issued and cancelled shares</b>		
Balance at beginning of year	3,481,349	3,951,817
Issued during year	23,057	4,486
Cancelled during year	(520,433)	(474,954)
Conversions during the year	-	-
<b>Total number of B-Class Distribution Shares in issue at end of year</b>	<b>2,983,973</b>	<b>3,481,349</b>
<b>Number of B-Class Accumulation Shares</b>		
<b>Issued and cancelled shares</b>		
Balance at beginning of year	516,725	594,206
Issued during year	-	29
Cancelled during year	(38,740)	(77,510)
Conversions during the year	-	-
<b>Total number of B-Class Accumulation Shares in issue at end of year</b>	<b>477,985</b>	<b>516,725</b>

# Barclays UK Alpha Fund (continued)

## Notes to the Financial Statements (continued)

### 16. Shareholder funds (continued)

	29/07/2017 to 28/07/2018	29/07/2016 to 28/07/2017
<b>Number of M-Class Distribution Shares</b>		
<b>Issued and cancelled shares</b>		
Balance at beginning of year	702,613	2,235,609
Issued during year	-	8,379
Cancelled during year	(95,329)	(1,556,621)
Conversions during the year	-	15,246
<b>Total number of M-Class Distribution Shares in issue at end of year</b>	<b>607,284</b>	<b>702,613</b>
<b>Number of M-Class Accumulation Shares</b>		
<b>Issued and cancelled shares</b>		
Balance at beginning of year	4,932,041	5,440,326
Issued during year	-	-
Cancelled during year	(759,922)	(508,285)
Conversions during the year	-	-
<b>Total number of M-Class Accumulation Shares in issue at end of year</b>	<b>4,172,118</b>	<b>4,932,041</b>
<b>Number of R-Class Distribution Shares</b>		
<b>Issued and cancelled shares</b>		
Balance at beginning of year	716,263	751,009
Issued during year	30,234	98,845
Cancelled during year	(154,452)	(157,868)
Conversions during the year	46,806	24,277
<b>Total number of R-Class Distribution Shares in issue at end of year</b>	<b>638,851</b>	<b>716,263</b>
<b>Number of R-Class Accumulation Shares</b>		
<b>Issued and cancelled shares</b>		
Balance at beginning of year	77,793,026	83,009,409
Issued during year	303,669	265,838
Cancelled during year	(5,311,148)	(5,528,869)
Conversions during the year	7,196	46,648
<b>Total number of R-Class Accumulation Shares in issue at end of year</b>	<b>72,792,743</b>	<b>77,793,026</b>

### 17. Events after the Balance Sheet Date

There are no events after the balance sheet date which in the opinion of the ACD requires an adjustment or a disclosure in the financial statements.

# Barclays UK Alpha Fund (continued)

## Distribution Tables for the year ended 28 July 2018

Group 1: Shares purchased prior to a distribution period

Group 2: Shares purchased during a distribution period

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

### Interim dividend distribution in pence per share

	Net Revenue	Equalisation	Distribution Paid 28/03/2018	Distribution Paid 24/03/2017
<b>A-Class Distribution</b>				
Group 1	2.2205p	-	2.2205p	1.9853p
Group 2	0.7642p	1.4563p	2.2205p	1.9853p
<b>A-Class Accumulation</b>				
Group 1	3.0186p	-	3.0186p	2.6571p
Group 2	0.3862p	2.6324p	3.0186p	2.6571p
<b>B-Class Distribution</b>				
Group 1	2.6608p	-	2.6608p	2.4002p
Group 2	0.1088p	2.5520p	2.6608p	2.4002p
<b>B-Class Accumulation</b>				
Group 1	3.7297p	-	3.7297p	3.2949p
Group 2	3.7297p	-	3.7297p	3.2949p
<b>M-Class Distribution</b>				
Group 1	3.7954p	-	3.7954p	3.4364p
Group 2	3.7954p	-	3.7954p	3.4364p
<b>M-Class Accumulation</b>				
Group 1	4.0491p	-	4.0491p	3.5940p
Group 2	4.0491p	-	4.0491p	3.5940p
<b>R-Class Distribution</b>				
Group 1	3.3160p	-	3.3160p	3.0039p
Group 2	1.0019p	2.3141p	3.3160p	3.0039p
<b>R-Class Accumulation</b>				
Group 1	4.6695p	-	4.6695p	4.1411p
Group 2	1.3131p	3.3564p	4.6695p	4.1411p

# Barclays UK Alpha Fund (continued)

## Distribution Tables for the year ended 28 July 2018 (continued)

### Final dividend distribution in pence per share

	Net Revenue	Equalisation	Distribution Paid 28/09/2018	Distribution Paid 28/09/2017
<b>A-Class Distribution</b>				
Group 1	4.4413p	-	4.4413p	3.5130p
Group 2	3.1683p	1.2730p	4.4413p	3.5130p
<b>A-Class Accumulation</b>				
Group 1	6.0735p	-	6.0735p	4.7299p
Group 2	3.9142p	2.1593p	6.0735p	4.7299p
<b>B-Class Distribution</b>				
Group 1	4.8887p	-	4.8887p	3.9517p
Group 2	3.7795p	1.1092p	4.8887p	3.9517p
<b>B-Class Accumulation</b>				
Group 1	6.8868p	-	6.8868p	5.4661p
Group 2	6.8868p	-	6.8868p	5.4661p
<b>M-Class Distribution</b>				
Group 1	6.0360p	-	6.0360p	5.0709p
Group 2	6.0360p	-	6.0360p	5.0709p
<b>M-Class Accumulation</b>				
Group 1	6.5043p	-	6.5043p	5.3353p
Group 2	6.5043p	-	6.5043p	5.3353p
<b>R-Class Distribution</b>				
Group 1	5.5545p	-	5.5545p	4.6015p
Group 2	3.5982p	1.9563p	5.5545p	4.6015p
<b>R-Class Accumulation</b>				
Group 1	7.8935p	-	7.8935p	6.3964p
Group 2	3.6625p	4.2310p	7.8935p	6.3964p

# Barclays UK Alpha Fund (continued)

## Performance Tables

	A-Class Distribution			A-Class Accumulation		
	29/07/2017 to 28/07/2018	29/07/2016 to 28/07/2017	29/07/2015 to 28/07/2016	29/07/2017 to 28/07/2018	29/07/2016 to 28/07/2017	29/07/2015 to 28/07/2016
	(pps)	(pps)	(pps)	(pps)	(pps)	(pps)
<b>Change in net assets per share</b>						
Opening net asset value per share**:	358.84	317.07	324.55	487.81	424.47	426.92
Return before operating charges*	29.90	53.20	3.10	40.78	71.31	4.40
Operating charges	(6.23)	(5.93)	(5.22)	(8.49)	(7.97)	(6.85)
Return after operating charges*	23.67	47.27	(2.12)	32.29	63.34	(2.45)
Distributions	(6.66)	(5.50)	(5.36)	(9.09)	(7.39)	(7.08)
Retained distributions on accumulation shares	-	-	-	9.09	7.39	7.08
Closing net asset value per share**	375.85	358.84	317.07	520.10	487.81	424.47
*after direct transaction costs of :	0.54	(0.73)	(0.70)	0.73	(0.98)	(0.92)
<b>Performance</b>						
Return after charges	6.60%	14.91%	(0.65%)	6.62%	14.92%	(0.57%)
<b>Other information</b>						
Closing net asset value (£'000)	125,912	126,827	118,582	51,673	51,367	48,332
Closing number of shares ('000)	33,501	35,343	37,400	9,935	10,530	11,386
Operating charges (%)	1.70%	1.70%	1.71%	1.70%	1.70%	1.70%
Direct transaction costs	0.15%	0.21%	0.23%	0.15%	0.21%	0.23%
<b>Prices</b>						
Highest share price	391.10	370.40	331.40	534.80	498.70	436.00
Lowest share price	341.70	312.40	269.90	467.20	418.20	357.40

\*\*Opening and closing net asset values ('NAVs') per share in the above table have been calculated using the NAV and number of shares figures rounded to the nearest £ and shares respectively.



# Barclays UK Alpha Fund (continued)

## Performance Tables (continued)

	B-Class Distribution			B-Class Accumulation		
	29/07/2017 to 28/07/2018	29/07/2016 to 28/07/2017	29/07/2015 to 28/07/2016	29/07/2017 to 28/07/2018	29/07/2016 to 28/07/2017	29/07/2015 to 28/07/2016
	(pps)	(pps)	(pps)	(pps)	(pps)	(pps)
<b>Change in net assets per share</b>						
Opening net asset value per share**:	357.76	316.09	323.56	500.31	434.27	435.67
Return before operating charges*	29.83	53.07	3.09	41.89	73.00	4.61
Operating charges	(5.30)	(5.05)	(4.45)	(7.44)	(6.96)	(6.01)
Return after operating charges*	24.53	48.02	(1.36)	34.45	66.04	(1.40)
Distributions	(7.55)	(6.35)	(6.11)	(10.62)	(8.76)	(8.27)
Retained distributions on accumulation shares	-	-	-	10.62	8.76	8.27
Closing net asset value per share**	374.74	357.76	316.09	534.76	500.31	434.27
*after direct transaction costs of :	0.54	(0.73)	(0.70)	0.75	(1.01)	(0.95)
<b>Performance</b>						
Return after charges	6.86%	15.19%	(0.42%)	6.89%	15.21%	(0.32%)
<b>Other information</b>						
Closing net asset value (£'000)	11,182	12,455	12,491	2,556	2,585	2,580
Closing number of shares ('000)	2,984	3,481	3,952	478	517	594
Operating charges (%)	1.45%	1.45%	1.46%	1.45%	1.45%	1.46%
Direct transaction costs	0.15%	0.21%	0.23%	0.15%	0.21%	0.23%
<b>Prices</b>						
Highest share price	390.20	369.60	330.50	549.60	511.30	444.90
Lowest share price	340.80	311.40	269.10	480.00	427.90	365.20

\*\*Opening and closing net asset values ('NAVs') per share in the above table have been calculated using the NAV and number of shares figures rounded to the nearest £ and shares respectively.

# Barclays UK Alpha Fund (continued)

## Performance Tables (continued)

	M-Class Distribution			M-Class Accumulation		
	29/07/2017 to 28/07/2018	29/07/2016 to 28/07/2017	29/07/2015 to 28/07/2016	29/07/2017 to 28/07/2018	29/07/2016 to 28/07/2017	29/07/2015 to 28/07/2016
	(pps)	(pps)	(pps)	(pps)	(pps)	(pps)
<b>Change in net assets per share</b>						
Opening net asset value per share**:	357.89	316.16	323.65	381.81	329.36	328.36
Return before operating charges*	29.92	53.13	3.06	32.09	55.48	3.58
Operating charges	(3.04)	(2.89)	(2.53)	(3.26)	(3.03)	(2.58)
Return after operating charges*	26.88	50.24	0.53	28.83	52.45	1.00
Distributions	(9.83)	(8.51)	(8.02)	(10.55)	(8.93)	(8.19)
Retained distributions on accumulation shares	-	-	-	10.55	8.93	8.19
Closing net asset value per share**	374.94	357.89	316.16	410.64	381.81	329.36
*after direct transaction costs of :	0.54	(0.73)	(0.70)	0.57	(0.77)	(0.72)
<b>Performance</b>						
Return after charges	7.51%	15.89%	0.16%	7.55%	15.92%	0.30%
<b>Other information</b>						
Closing net asset value (£'000)	2,277	2,515	7,068	17,132	18,831	17,918
Closing number of shares ('000)	607	703	2,236	4,172	4,932	5,440
Operating charges (%)	0.83%	0.83%	0.83%	0.83%	0.83%	0.83%
Direct transaction costs	0.15%	0.21%	0.23%	0.15%	0.21%	0.23%
<b>Prices</b>						
Highest share price	391.20	370.50	330.60	421.60	391.00	335.41
Lowest share price	341.30	311.50	269.20	367.80	336.00	276.21

\*\*Opening and closing net asset values ('NAVs') per share in the above table have been calculated using the NAV and number of shares figures rounded to the nearest £ and shares respectively.

# Barclays UK Alpha Fund (continued)

## Performance Tables (continued)

	R-Class Distribution			R-Class Accumulation		
	29/07/2017 to 28/07/2018	29/07/2016 to 28/07/2017	29/07/2015 to 28/07/2016	29/07/2017 to 28/07/2018	29/07/2016 to 28/07/2017	29/07/2015 to 28/07/2016
	(pps)	(pps)	(pps)	(pps)	(pps)	(pps)
<b>Change in net assets per share</b>						
Opening net asset value per share**:	359.11	317.26	324.76	505.73	437.43	437.29
Return before operating charges*	29.99	53.31	3.08	42.43	73.63	4.74
Operating charges	(4.04)	(3.85)	(3.37)	(5.71)	(5.33)	(4.60)
Return after operating charges*	25.95	49.46	(0.29)	36.72	68.30	0.14
Distributions	(8.87)	(7.61)	(7.21)	(12.56)	(10.54)	(9.78)
Retained distributions on accumulation shares	-	-	-	12.56	10.54	9.78
Closing net asset value per share**	376.19	359.11	317.26	542.45	505.73	437.43
*after direct transaction costs of :	0.54	(0.73)	(0.70)	0.76	(1.02)	(0.95)
<b>Performance</b>						
Return after charges	7.23%	15.59%	(0.09%)	7.26%	15.61%	0.03%
<b>Other information</b>						
Closing net asset value (£'000)	2,403	2,572	2,383	394,867	393,424	363,113
Closing number of shares ('000)	639	716	751	72,793	77,793	83,009
Operating charges (%)	1.10%	1.10%	1.10%	1.10%	1.10%	1.11%
Direct transaction costs	0.15%	0.21%	0.23%	0.15%	0.21%	0.23%
<b>Prices</b>						
Highest share price	392.10	371.50	331.70	557.20	516.50	446.60
Lowest share price	342.30	312.60	270.10	486.30	431.00	367.30

The operating charges (%) represents the ongoing charges figures for the year as referred to in the key investor information document ('KIID') and other literature.

\*\*Opening and closing net asset values ('NAVs') per share in the above table have been calculated using the NAV and number of shares figures rounded to the nearest £ and shares respectively.

# Barclays UK Alpha Fund (continued)

## Risk and Reward Profile

1	2	3	4	5	6	7
<p>The risk and reward category is calculated using historical data which may not be a reliable indicator of the Fund's future risk profile.</p> <p>The risk and reward category may shift over time and is not a target or a guarantee.</p> <p>The lowest category (i.e. Category 1) does not mean a risk-free investment.</p> <p>The Fund is in Category 5 because of the high range and frequency of price movements (volatility) of the underlying investments in which the Fund invests.</p> <p>The following are additional risks not covered by the risk and reward category.</p> <p>The Fund relies upon the performance of one or more investment managers. If the investment managers perform poorly, the value of your investment is likely to be adversely affected.</p> <p>Future legal or regulatory change could have a substantial adverse effect on the fund and your investment.</p> <p>The Fund may use financial contracts (known as derivatives) in an attempt to reduce risk (hedging) or for investment purposes. It may be that the use of derivatives causes share prices to fluctuate which may in turn result in loss to the Fund.</p>				<p>If you purchase shares in the Fund through a clearing or settlement system, you will be bound by its terms and conditions, which may include the payment of additional fees.</p> <p>The Fund may be exposed to stock market movements in a single country or region which may be adversely affected by political or economic developments, government action or natural events that do not affect a fund investing in broader markets.</p> <p>Stock markets can be volatile, meaning that the prices of shares held by the Fund can change quickly and substantially.</p> <p>The Fund may seek to identify and invest in undervalued securities. The identification of investment opportunities in undervalued securities is difficult and there can be no assurance that such opportunities will be successfully identified.</p> <p>The Fund is not guaranteed and your investment is at risk. You may lose some or all of your investment.</p> <p>The figure for the synthetic risk and reward indicator disclosed in the financial statements is the same as the most up-to-date key investor information document ('KIID').</p> <p>More information in relation to risks in general may be found in the "Risk Factors" section of the Prospectus.</p>		

# Barclays UK Core Fund

## Investment Objective and Policy

The Fund seeks long-term total return through capital growth and income primarily through investment in UK companies.

The Fund invests primarily in common stock, preferred shares and securities convertible into common stock of companies across a range of industries, domiciled in the UK or having significant operations in the UK, and listed or traded on a Regulated Market in the UK or in an OECD country. While the Fund is not subject to any capitalisation restrictions, the Fund will seek to invest primarily in large, established companies which meet the Investment Manager's and/or sub-investment manager's selection criteria.

The Fund will invest at least 70% of its assets in the common stocks and preferred shares of UK companies. The Fund may, with any remaining portion of the assets (and on an ancillary basis), invest in non-UK equity securities, investment grade government and corporate fixed income securities and convertible debt securities (listed or traded on a Regulated Market).

The Fund may also invest in other transferable securities, money market instruments, cash and near cash, deposits and units in collective investment schemes (use may be made of stocklending, borrowing, cash holdings, hedging and other efficient portfolio management techniques permitted in the applicable FCA Rules).

## Investment Report

During the year under review, the net asset value per share attributable to the A-Class Accumulation shares rose by 7.62%.

## Market/Economic Review

The UK market traded was range bound in the first half of this reporting period, and only found some momentum in December. Investors are, and remain, somewhat hamstrung over the significant uncertainty about the potential outcome of the UK's withdrawal from the European Union in March 2019. This was in contrast to the UK economy which continued to perform well despite the doom laden predictions that failed to materialise prior to the actual referendum, and have not ceased since. This saw better performance from medium and small sized companies than large caps, despite the weakness of Sterling.

December saw some reversal of this. Commodity and oil prices rose in December and the shares of companies in those appreciated strongly up until Christmas. This reversal caught out many active UK managers who were underweight in natural resources.

In contrast to recent years, there was no significant benefit for UK investors to be invested in a particular style or size bias over the reporting period. Mid sized companies marginally outperformed the wider market over, and value outperformed growth. But this was not a consistent feature of the year. The start of 2018 saw a market correction, the growth style underperform within UK equities, and large companies underperform small and mid cap indices. This reversed in the second quarter of the year.

A notable feature was the number of mergers and acquisitions that were announced or took place. The weakness of Sterling and the significant degree to which the UK equity market is out of favour with global investors has made some companies very attractive to overseas buyers with a long term view. Within the largest companies, the likes of Shire Pharmaceuticals and Sky were bid for by Japanese and US suitors respectively. Other activity was seen in the financial sector, where dealer NEX Group was purchased by CME, and Fidessa by Ion. GKN was purchased by Melrose in the UK which attracted headlines over concerns of potential 'asset stripping'. Some deals did not consummate, with Hammerson rejecting a deal by French property company Klepierre. The speed at which drinks company Conviviality declined into administration was shocking, but as a relatively small listed company, failed to place too much of a dent in investor confidence.

# Barclays UK Core Fund (continued)

## Market/Economic Review (continued)

The period saw a rising oil price and US Dollar as the US economy was boosted by tax reform. In the absence of any technology sector of note within the UK market, the energy sector was the standout best performing part of the market over this period, rising over thirty percent. Given the size of the likes of BP and Shell in the index, any manager who was underweight the sector found this a material headwind to being able to generate outperformance. Materials was the next best performing sector but only managed to generate around a sixteen percent return. The worst performing sector over the entire period was Telecommunication Services. The market struggles to see value in the likes of BT and Vodafone, both of whom face individual challenges about how to grow their business. Whilst both pay attractive dividends and are lowly priced, there remains huge uncertainty about what will see them become more attractive investments.

The period was also interesting for how company share prices reacted to bad news. In contrast to previous years where disappointing announcements were sometimes ignored, share prices often fell sharply on a profit warning over the period. The most notable of this was Micro Focus. A FTSE 100 company and darling of many growth investors, announcing management change and difficulty integrating a recent purchase saw a 50% fall in its share price in a few days. This type of behaviour is challenging for many investors, but is helpful to those who either invest in companies that are exceptionally well managed or have already gone through their most difficult periods and are already lowly priced by the market.

## Fund Review

The Fund's performance was driven by strong returns from the portion of the Fund managed by Liontrust. Accounting for just under a third of the total assets, the Liontrust investment style enjoyed very favourable market conditions, particularly at the start and the end of the reporting period. The mandates managed by Threadneedle and Jupiter had a more muted period, performing either in line or just behind the FTSE All Share index.

Liontrust were well positioned during the year. It owned Fidessa and Nex Group, both acquired during the year, as well as a healthy weight in the oil majors. Exposure to the UK industrial sector was helpful through the likes of Rotork and Renishaw. In the debit column, the AA and TP ICAP held back returns to some extent but did not manage to dampen down a good period for the manager.

Jupiter enjoyed a recovery in the Pearson share price, and the improvement in Tesco's operations saw it produce good returns. Anglo American and South32 were two mining shares that also performed well. But the manager had difficulty with some of the more challenging, turnaround situations within the portfolio. Capita, TP ICAP and Centrica had disappointing periods, although both Capita and Centrica are seeing renewed interest with other managers as they progress with their improvement programs.

Threadneedle lagged the FTSE All Share over the period. Underweight the oil sector was unhelpful, as were holdings in Crest Nicholson, Imperial Brands and BT. Owning Johnson Matthey and bid target GKN were two of the manager's successful decisions over what was a disappointing period for the manager.

# Barclays UK Core Fund (continued)

## Outlook

The next year will continue to be dominated politically by the impact and implications of the UK's agreement to leave the European Union. The 'base case' for most UK equity managers is that a deal will be done, and few if any have positioned their portfolio for an extreme outcome. This is perhaps a reaction to how the industry was positioned going into the referendum, incorrectly in hindsight.

Looking more broadly, and more longer term, UK equities are desperately out of favour, almost the most unwanted asset class globally in some surveys. The economy is – probably – nearer the end than the beginning of its cycle, there is some wage inflation, interest rates have started to rise, and unemployment is low. The UK stock market has little exposure to technology, the sector that has driven the performance of other large markets over recent years. Banks, oil and mining and pharmaceutical companies dominate the index, all of which face their own challenges. The retail sector is under huge pressure as online sales see long established high street brand names struggle.

But we see opportunity for the patient. It was only a few years ago when European equities were similarly unloved, and they are now widely appreciated by global investors. A resolution to the Brexit debate would be exceptionally helpful for sentiment. Sterling would likely appreciate, boosting returns for overseas investors. Clearly, no deal would be very bad for the market, in the medium to short term. But if panic is averted, we think long term investors – particularly those who believe that market valuations and sentiment revert to the mean – should not forget about UK equities just yet.

Barclays Bank PLC  
Savings, Wealth and Investment Management  
(Investment Adviser)  
September 2018

# Barclays UK Core Fund (continued)

## Portfolio Statement as at 28 July 2018

All investments are in ordinary shares unless stated otherwise. The percentages in brackets show the equivalent sector holdings at 28 July 2017.

Holding / Nominal Value	Investment	Market Value £'000	% of Net Assets
	<b>PACIFIC: 1.01% (1.02%)</b>		
	<b>AUSTRALIA: 1.01% (1.02%)</b>		
	<b>Industrial Metals &amp; Mining: 1.01% (1.02%)</b>		
1,600,000	South32	3,280	1.01
	<b>EUROPE EXCLUDING UK: 1.34% (0.74%)</b>		
	<b>IRELAND: 0.71% (0.74%)</b>		
	<b>Construction &amp; Materials: 0.71% (0.74%)</b>		
87,862	CRH	2,313	0.71
	<b>JERSEY, CHANNEL ISLANDS: 0.63% (0.00%)</b>		
	<b>Support Services: 0.63% (0.00%)</b>		
33,822	Ferguson	2,054	0.63
	<b>UNITED KINGDOM: 93.76% (95.50%)</b>		
	<b>Aerospace &amp; Defense: 3.39% (3.20%)</b>		
445,504	BAE Systems	2,911	0.90
1,473,228	Cobham	1,815	0.57
1,258,493	QinetiQ	3,448	1.06
186,915	Rolls-Royce	1,858	0.57
54,372	Ultra Electronics	918	0.29
		10,950	3.39
	<b>Automobiles &amp; Parts: 0.00% (0.62%)</b>		
	<b>Banks: 5.38% (6.17%)</b>		
3,221,616	Barclays	6,150	1.90
100,000	HSBC	728	0.23
1,500,000	Royal Bank of Scotland	3,744	1.16
963,622	Standard Chartered	6,771	2.09
		17,393	5.38
	<b>Beverages: 2.60% (2.46%)</b>		
296,761	Diageo	8,412	2.60
	<b>Chemicals: 1.02% (0.84%)</b>		
87,935	Johnson Matthey	3,296	1.02
	<b>Construction &amp; Materials: 1.37% (1.81%)</b>		
350,000	Balfour Beatty	1,021	0.32
1,577,832	Breedon^	1,278	0.39
996,615	Melrose Industries	2,144	0.66
		4,443	1.37
	<b>Electronic &amp; Electrical Equipment: 2.34% (2.09%)</b>		
208,247	Halma	2,926	0.90
47,903	Renishaw	2,704	0.83
85,124	Spectris	1,943	0.61
		7,573	2.34



# Barclays UK Core Fund (continued)

## Portfolio Statement as at 28 July 2018 (continued)

Holding / Nominal Value	Investment	Market Value £'000	% of Net Assets
<b>UNITED KINGDOM: 93.76% (95.50%) (continued)</b>			
<b>Financial Services: 4.49% (6.26%)</b>			
470,000	Ashmore	1,679	0.52
100,203	Hargreaves Lansdown	2,076	0.64
166,356	Intermediate Capital	1,778	0.55
64,881	London Stock Exchange	2,914	0.90
150,000	NEX	1,557	0.48
44,162	Schroders - SDRC	1,051	0.32
1,231,099	TP ICAP	3,496	1.08
		14,551	4.49
<b>Fixed Line Telecommunications: 1.79% (2.12%)</b>			
2,452,451	BT	5,788	1.79
<b>Food &amp; Drug Retailers: 2.31% (1.92%)</b>			
2,509,053	Tesco	6,463	2.00
399,651	WM Morrison Supermarkets	1,025	0.31
		7,488	2.31
<b>Gas, Water &amp; Multiutilities: 1.24% (1.25%)</b>			
2,625,000	Centrica	4,001	1.24
<b>General Industrials: 2.21% (2.46%)</b>			
368,544	DS Smith	1,852	0.57
330,259	Smiths	5,302	1.64
		7,154	2.21
<b>General Retailers: 4.19% (2.62%)</b>			
850,000	Card Factory	1,765	0.54
650,000	Halfords	2,176	0.67
166,566	Inchcape	1,211	0.39
800,000	Kingfisher	2,467	0.76
1,235,000	Marks & Spencer	3,830	1.18
109,696	WH Smith	2,112	0.65
		13,561	4.19
<b>Health Care Equipment &amp; Services: 0.60% (0.62%)</b>			
141,461	Smith & Nephew	1,947	0.60
<b>Household Goods &amp; Home Construction: 2.28% (3.21%)</b>			
371,691	Crest Nicholson	1,410	0.44
115,154	Headlam	541	0.16
79,734	Reckitt Benckiser	5,430	1.68
		7,381	2.28
<b>Industrial Engineering: 2.74% (1.74%)</b>			
909,029	Rotork	3,224	1.00
40,690	Spirax-Sarco Engineering	2,804	0.87
147,243	Weir Group	2,854	0.87
		8,882	2.74

# Barclays UK Core Fund (continued)

## Portfolio Statement as at 28 July 2018 (continued)

Holding / Nominal Value	Investment	Market Value £'000	% of Net Assets
<b>UNITED KINGDOM: 93.76% (95.50%) (continued)</b>			
<b>Industrial Transportation: 0.82% (0.94%)</b>			
566,432	Royal Mail	2,654	0.82
<b>Life Insurance: 4.54% (5.24%)</b>			
1,050,000	Aviva	5,140	1.59
1,097,081	Legal & General	2,883	0.89
245,953	Prudential	4,364	1.35
196,221	St James's Place	2,332	0.71
		14,719	4.54
<b>Media: 8.15% (6.12%)</b>			
489,075	Daily Mail & General Trust	3,639	1.12
238,554	Informa	1,908	0.59
1,385,662	ITV	2,302	0.71
682,142	Pearson	6,531	2.02
355,312	RELX	6,005	1.85
49,988	Rightmove	2,466	0.76
300,000	WPP	3,563	1.10
		26,414	8.15
<b>Mining: 1.16% (2.16%)</b>			
10,000	Anglo American	169	0.05
86,652	Rio Tinto Plc	3,604	1.11
		3,773	1.16
<b>Mobile Telecommunications: 0.56% (0.68%)</b>			
1,000,000	Vodafone	1,800	0.56
<b>Nonlife Insurance: 0.40% (0.49%)</b>			
209,588	RSA Insurance	1,309	0.40
<b>Oil &amp; Gas Producers: 8.67% (7.12%)</b>			
2,063,539	BP	11,704	3.62
615,734	Royal Dutch Shell Class B	16,372	5.05
		28,076	8.67
<b>Oil Equipment, Services &amp; Distribution: 1.62% (1.65%)</b>			
81,507	Hunting	629	0.19
101,920	Petrofac	616	0.19
611,782	Wood Group	4,012	1.24
		5,257	1.62
<b>Personal Goods: 2.68% (3.57%)</b>			
40,483	Burberry	855	0.26
164,329	PZ Cussons	373	0.12
172,734	Unilever	7,452	2.30
		8,680	2.68
<b>Pharmaceuticals &amp; Biotechnology: 6.84% (6.93%)</b>			
114,859	AstraZeneca	6,585	2.03
835,861	GlaxoSmithKline	12,979	4.01
198,617	Indivior	625	0.19
45,146	Shire	1,967	0.61
		22,156	6.84

# Barclays UK Core Fund (continued)

## Portfolio Statement as at 28 July 2018 (continued)

Holding / Nominal Value	Investment	Market Value £'000	% of Net Assets
<b>UNITED KINGDOM: 93.76% (95.50%) (continued)</b>			
<b>Real Estate Investment &amp; Services: 0.89% (0.91%)</b>			
367,631	Grainger	1,121	0.35
200,340	Savills	1,759	0.54
		2,880	0.89
<b>Real Estate Investment Trusts: 0.67% (0.81%)</b>			
31,369	Derwent London	969	0.30
131,508	Land Securities	1,213	0.37
		2,182	0.67
<b>Software &amp; Computer Services: 2.14% (2.18%)</b>			
160,800	EMIS^	1,492	0.46
129,704	FDM	1,241	0.38
55,367	Fidessa	2,137	0.66
320,677	Sage	2,071	0.64
		6,941	2.14
<b>Support Services: 5.13% (5.60%)</b>			
767,799	AA	896	0.28
375,111	Aggreko	2,765	0.85
1,250,000	Capita	2,016	0.62
237,906	Howden Joinery	1,143	0.35
42,550	Intertek	2,547	0.79
306,048	PageGroup	1,861	0.57
144,154	PayPoint	1,345	0.42
441,918	Rentokil Initial	1,518	0.47
538,099	RWS^	2,524	0.78
		16,615	5.13
<b>Tobacco: 5.52% (4.79%)</b>			
229,252	British American Tobacco	9,433	2.91
297,381	Imperial Brands	8,443	2.61
		17,876	5.52
<b>Travel &amp; Leisure: 6.02% (6.92%)</b>			
53,482	Carnival	2,328	0.72
339,095	Compass Group	5,476	1.69
556,764	Domino's Pizza	1,828	0.56
1,600,000	FirstGroup	1,441	0.44
115,411	Greene King	597	0.18
39,368	Intercontinental Hotels	1,852	0.57
1,460,000	Ladbrokes Rights†	166	0.06
362,916	Merlin Entertainments	1,457	0.45
1,721,741	Stagecoach	2,803	0.87
13,162	Wembley†	-	-
39,700	Whitbread	1,557	0.48
		19,505	6.02

# Barclays UK Core Fund (continued)

## Portfolio Statement as at 28 July 2018 (continued)

Holding / Nominal Value	Investment	Market Value £'000	% of Net Assets
	<b>Futures: 0.03% ((0.01%))</b>		
42	FTSE 100 Index Future Expiry September 2018	86	0.03
	<b>Portfolio of investments*</b>	<b>311,390</b>	<b>96.14</b>
	<b>Net other assets</b>	<b>12,511</b>	<b>3.86</b>
	<b>Net assets</b>	<b>323,901</b>	<b>100.00</b>

All investments are listed as transferable securities admitted to an official stock exchange or traded on a regulated market.

\*Includes derivatives.

†These are delisted securities and have been valued at the manager's best assessment of their value.

^These securities are quoted on an Alternative Investment Market (AIM) and comprise 1.63% (28 July 2017: 1.74%) of the Net Asset Value.

# Barclays UK Core Fund (continued)

## Summary of Material Portfolio Changes for the year ended 28 July 2018

10 Largest Purchases	Cost £	10 Largest Sales	Proceeds £
Barclays	4,163,815	Anglo American	5,050,722
WPP	3,827,803	HSBC	4,065,467
British American Tobacco	3,286,664	Ladbrokes Coral	2,861,892
Imperial Brands	2,765,441	AstraZeneca	2,690,535
Kingfisher	2,410,980	NEX	2,442,928
Capita	2,399,297	TalkTalk Telecom	2,024,152
BT	2,354,111	Balfour Beatty	1,952,749
Weir Group	2,043,553	TP ICAP	1,861,363
Card Factory	1,885,128	Unilever	1,743,870
Stagecoach	1,859,820	Smiths	1,689,719

Portfolio Information	Year to 28/07/2018
<b>Total purchases for the year</b>	<b>£46,702,508</b>
<b>Total sales for the year</b>	<b>£67,079,368</b>

# Barclays UK Core Fund (continued)

## Statement of Total Return for the year ended 28 July 2018

		29/07/2017 to 28/07/2018		29/07/2016 to 28/07/2017	
	Notes	£'000	£'000	£'000	£'000
Income					
Net capital gains	2		18,458		30,927
Revenue	3	10,925		10,911	
Expenses	4	(5,475)		(5,528)	
Interest payable and similar charges	7	(4)		(13)	
Net revenue before taxation		5,446		5,370	
Taxation	5	(84)		(17)	
Net revenue after taxation for the year			5,362		5,353
Total return before distributions			23,820		36,280
Distributions	6		(5,362)		(5,353)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>18,458</b>		<b>30,927</b>

## Statement of Change in Net Assets attributable to Shareholders for the year ended 28 July 2018

		29/07/2017 to 28/07/2018		29/07/2016 to 28/07/2017	
	Notes	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>			<b>322,578</b>		<b>312,715</b>
Amounts receivable on creation of shares		4,737		4,563	
Amounts payable on cancellation of shares		(22,097)		(25,812)	
			(17,360)		(21,249)
Change in net assets attributable to shareholders from investment activities			18,458		30,927
Retained distribution on accumulation shares			192		185
Unclaimed distributions			33		-
<b>Closing net assets attributable to shareholders</b>			<b>323,901</b>		<b>322,578</b>

The difference between the opening net assets and the comparative closing net assets is due to movements in the second half of the year.

## Balance Sheet as at 28 July 2018

		28/07/2018		28/07/2017	
	Notes	£'000	£'000	£'000	£'000
<b>Assets</b>					
Fixed Assets					
Investments	13		311,390		313,754
Current Assets					
Debtors	8	793		341	
Amounts held at futures clearing houses and brokers	9	363		174	
Cash and bank balances	9	15,174		12,497	
Total current assets			16,330		13,012
<b>Total assets</b>			<b>327,720</b>		<b>326,766</b>
<b>Liabilities</b>					
Investment liabilities	13		-		(41)
Distribution payable	10	(3,024)		(3,032)	
Other creditors	10	(795)		(1,115)	
Total creditors			(3,819)		(4,147)
<b>Total liabilities</b>			<b>(3,819)</b>		<b>(4,188)</b>
<b>Net assets attributable to shareholders</b>			<b>323,901</b>		<b>322,578</b>

# Barclays UK Core Fund (continued)

## Notes to the Financial Statements

### 1. Accounting policies

The accounting policies can be found on pages 13 to 15.

### 2. Net capital gains

	29/07/2017 to 28/07/2018 £'000	29/07/2016 to 28/07/2017 £'000
The net capital gains on investments during the year comprise:		
Non-derivative securities	18,348	30,802
Derivative contracts	117	131
Currency gains	2	5
Transaction charges	(9)	(11)
Net capital gains	18,458	30,927

### 3. Revenue

	29/07/2017 to 28/07/2018 £'000	29/07/2016 to 28/07/2017 £'000
Franked UK dividends	10,276	10,568
UK REIT dividends	67	20
UK PID income	42	71
Non-taxable overseas dividends	537	250
Bank interest	3	2
Total revenue	10,925	10,911

### 4. Expenses

	29/07/2017 to 28/07/2018 £'000	29/07/2016 to 28/07/2017 £'000
Payable to the ACD, associates of the ACD and agents of either of them:		
ACD's periodic fee	4,808	4,845
Registration fee	483	487
	5,291	5,332
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary fee	48	49
Safe custody fee	7	6
	55	55
Other expenses:		
Administration fee	107	106
Audit fee	12	12
VAT on audit fee	2	2
FCA fee	1	-
Other professional fees	(1)	5
Printing fee	8	16
	129	141
Total expenses	5,475	5,528

# Barclays UK Core Fund (continued)

## Notes to the Financial Statements (continued)

### 5. Taxation

#### (a) Analysis of taxation charge for the year

	29/07/2017 to 28/07/2018 £'000	29/07/2016 to 28/07/2017 £'000
Overseas tax	84	17
Current tax note 5(b)	84	17
Deferred tax note 5(c)	-	-
Total taxation	84	17

#### (b) Factors affecting taxation charge for the year

The tax assessed for the year is lower than (28 July 2017: lower than) the standard rate of corporation tax in the UK for an open-ended investment company (20%). The differences are explained below:

	28/07/2018 £'000	28/07/2017 £'000
Net revenue before taxation	5,446	5,370
Net revenue before taxation multiplied by the appropriate rate of corporation tax at 20% (2017: 20%)	1,089	1,074
Effects of:		
Overseas tax	84	17
Revenue not subject to taxation	(2,171)	(2,168)
Non-trade loan relationship deficit not utilised	-	2
Excess management expenses not utilised	1,082	1,092
Current tax	84	17

#### (c) Provision for deferred tax

There is no deferred tax provision in the current year (28 July 2017: same).

At the year end there is a potential deferred tax asset of £29,543,131 (28 July 2017: £28,458,077) due to surplus management expenses. It is unlikely the Funds will generate sufficient taxable profits in the future to utilise these amounts and therefore no deferred tax asset has been recognised (28 July 2017: same).



# Barclays UK Core Fund (continued)

## Notes to the Financial Statements (continued)

### 6. Distributions

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

	29/07/2017 to 28/07/2018 £'000	29/07/2016 to 28/07/2017 £'000
Interim distribution	2,117	2,083
Final distribution	3,139	3,144
Total Distribution	5,256	5,227
Add: Revenue deducted on cancellation of shares	129	148
Less: Revenue received on creation of shares	(23)	(22)
<b>Distributions for the year</b>	<b>5,362</b>	<b>5,353</b>

The differences between the net revenue after taxation and the distribution for the year are as follows:

	29/07/2017 to 28/07/2018 £'000	29/07/2016 to 28/07/2017 £'000
Net revenue after taxation for the year	5,362	5,353
Distributions for the year	5,362	5,353

### 7. Interest payable and similar charges

	29/07/2017 to 28/07/2018 £'000	29/07/2016 to 28/07/2017 £'000
Bank overdraft interest	4	13
	4	13

### 8. Debtors

	28/07/2018 £'000	28/07/2017 £'000
Amounts receivable for creation of shares	2	6
Sales awaiting settlement	156	-
Accrued revenue	635	330
UK tax recoverable on PID income	-	5
	793	341

### 9. Net uninvested cash

	28/07/2018 £'000	28/07/2017 £'000
Amounts held at futures clearing houses and brokers	363	174
Cash and bank balances	15,174	12,497
Net uninvested cash	15,537	12,671

# Barclays UK Core Fund (continued)

## Notes to the Financial Statements (continued)

### 10. Creditors

	28/07/2018 £'000	28/07/2017 £'000
<b>(a) Other creditors</b>		
Amounts payable for cancellation of shares	305	638
Accrued expenses	490	477
	795	1,115
<b>(b) Distributions payable</b>		
Net distributions payable	3,024	3,032
	3,024	3,032

### 11. Contingent liabilities and outstanding commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date (28 July 2017: same).

### 12. Risk in relation to the financial instruments

The Fund's investment objective is stated on page 101. In pursuing its objective, the Fund holds financial instruments which expose it to various types of risk. The main risks, and the ACD's policy for managing these risks are set out below. These were applied consistently throughout the current and preceding year.

#### (a) Credit and liquidity risk

Credit risk is the risk of suffering loss due to another party not meeting its financial obligations. The primary source of this risk to the Fund is for trade counterparties to fail to meet their transaction commitments. This risk is managed by appraising the credit profile of financial instruments and trade counterparties.

Liquidity risk relates to the capacity to meet liabilities. The primary source of this risk to the Fund is the liability to Shareholders for any cancellation of shares. This risk is minimised by holding cash and readily realisable securities and via access to overdraft facilities.

#### (b) Market risk

Market risk arises mainly from uncertainty about future prices. The primary source of this risk to the Fund is the potential movement in the value of financial instruments held as a result of price fluctuations. The ACD adheres to the investment guidelines and borrowing powers established in the Prospectus and the Collective Investment Scheme sourcebook ('COLL'). In this way, the ACD monitors and controls the exposure to risk from any type of security, sector or issuer.

The Fund may also use derivative instruments to mitigate risk and/or reduce costs. These instruments are not utilised for speculative purposes. Derivative instruments were utilised during the current and preceding year.

# Barclays UK Core Fund (continued)

## Notes to the Financial Statements (continued)

### 12. Risk in relation to the financial instruments (continued)

#### (c) Foreign currency risk

Foreign currency risk is the risk of movements in the value of overseas financial instruments as a result of fluctuations in exchange rates. This risk may be managed by the utilisation of forward currency contracts as necessary. Forward currency contracts were utilised during the current and preceding year.

As the majority of the Fund's assets and liabilities are denominated in Sterling in the current and preceding year, there is no significant exposure to risk from exchange rate movements.

The foreign currency profile of the Fund's net assets at the balance sheet date was:

	Monetary exposure	Non-monetary exposure	Total
28/07/2018	£'000	£'000	£'000
Currency			
Euro	4	-	4
US Dollar	19	-	19
	23	-	23

	Monetary exposure	Non-monetary exposure	Total
28/07/2017	£'000	£'000	£'000
Currency			
Euro	60	-	60
US Dollar	19	-	19
	79	-	79

A sensitivity analysis for foreign currency risk is presented below reflecting current and prior year information.

	Net exposure	2018 Max change in currency	Monetary change
28/07/2018	£'000	%	£'000
Currency			
Euro	4	8	-
US Dollar	19	12	2
	23		2

	Net exposure	2017 Max change in currency	Monetary change
28/07/2017	£'000	£'000	£'000
Currency			
Euro	60	8	5
US Dollar	19	11	2
	79		7

#### (d) 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 Fund's only interest bearing financial instruments were its bank balances and overdraft facilities as disclosed in note 9.

Cash is deposited, and overdraft facilities utilised, on normal commercial terms and earn or bear interest based on LIBOR or its overseas equivalent.

# Barclays UK Core Fund (continued)

## Notes to the Financial Statements (continued)

### 12. Risk in relation to the financial instruments (continued)

#### (e) Derivatives – sensitivity analysis

The Fund invests in futures to obtain market exposure to enable it to meet the Fund objectives whilst reducing transaction costs.

The effect of these futures is to increase market exposure by 0.99% (28 July 2017: 0.59%) of net assets.

This results in an effective equity exposure at the year end of 97.10% (28 July 2017: 97.85%) of net assets, which means that the gains or losses of the Fund will be 0.9710 (28 July 2017: 0.9785) times the gains or losses if the Fund was fully invested in equities.

#### (f) Fair value

The fair value of a financial instrument is the amount for which it could be exchanged between knowledgeable, willing parties in an arm's length transaction. There is no significant difference between the value of the financial assets and liabilities, as shown in the financial statements, and their fair value.

#### (g) Counterparty risk

During the year, the Fund made use of 'Over The Counter' (OTC) derivative instruments. These types of instruments introduce Counterparty Risk, where a counterparty may fail to meet its financial commitments. In order to reduce this risk, a collateral may be held by the Fund.

Exposure to a counterparty is calculated using the positive mark-to-market value of the OTC derivative contracts. The counterparties to these transactions and any collateral held by the Fund at the balance sheet date are shown below:

28/07/2018	Collateral	Derivatives
Exposures by Counterparty	£'000	£'000
Goldman Sachs International	-	86

  

28/07/2017	Collateral	Derivatives
Exposures by Counterparty	£'000	£'000
Goldman Sachs International	-	86

### 13. Fair value disclosures

Amendments to FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' - Fair value hierarchy disclosures requires that an analysis of investments and investment liabilities by reference to a fair value hierarchy be disclosed as follows:

Level 1: Fair value based on an unadjusted quoted price in an active market for identical instruments includes exchange-traded instruments unless there is persistently insufficient activity to regard the market as active. Examples typically include equities, depositary receipts, warrants, rights, money market instruments, exchange-traded derivatives, exchange-traded products (including exchange-traded funds) and some highly liquid exchange traded debt securities.

Level 2: Fair value based on a valuation technique using observable market data includes over-the-counter instruments, instruments priced via multi-broker quotes or evaluated pricing techniques, exchange-traded instruments where the market is persistently not active and instruments subject to fair value pricing adjustments made by reference to observable market data. Examples typically include OTC derivatives, debt securities, convertible bonds, mortgage-backed securities, asset-backed securities and open-ended funds.

# Barclays UK Core Fund (continued)

## Notes to the Financial Statements (continued)

### 13. Fair value disclosures (continued)

Level 3: Fair value based on a valuation technique that relies significantly on unobservable data and this typically includes single broker-priced instruments, suspended/unquoted securities, private equity, unlisted closed-ended funds and open-ended funds with restrictions on redemption rights.

It is the responsibility of the Fair Value Forum ('FVF') to ensure pricing sources and methodologies used to value securities are appropriate as delegated by the ACD. Investments classified as using inputs that are not based on observable market data comprise fair value adjusted securities, stale and single sourced bonds. In seeking to value such securities where no liquid market exists, the FVF will gather valuation related information from multiple internal and external sources. These sources include historic trading and pricing information and the views of internal security analysts. Internal security analysts have access to a range of material including, company specific news and earnings, cash flow forecasts, valuations of the underlying portfolio company and competitor company valuations within related industries and sectors to determine a valuation recommendation for each unlisted security.

Generally for fair valued securities, stale and single source bonds, where there is no price source from an active market, the FVF has applied judgement in determining the fair value. This fair value is established by using measures such as; stale priced securities where the last traded price is used. The FVF has the ability to apply discounts to security valuations. Management determines the discount based on its judgement, after considering market liquidity conditions and company specific factors such as the development stage of the portfolio company. Generally unlisted securities are valued at cost, a trade executed by another Barclays Fund, grey market trades or at a nil value where companies have gone into liquidation, administration or are deemed worthless. Single sourced broker prices use data received from a single pricing vendor and stale prices use the most recent broker quote available.

Below is an analysis of the Fund's investments and investment liabilities as at the current and preceding year end.

#### Fair value hierarchy as at 28/07/2018

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
<b>Financial Assets</b>				
Equities	311,304	-	-	311,304
Derivatives	86	-	-	86
	311,390	-	-	311,390

#### Fair value hierarchy as at 28/07/2017

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
<b>Financial Assets</b>				
Equities	313,754	-	-	313,754
	313,754	-	-	313,754
<b>Financial Liabilities</b>				
Derivatives	(41)	-	-	(41)
	(41)	-	-	(41)

# Barclays UK Core Fund (continued)

## Notes to the Financial Statements (continued)

### 14. Portfolio transaction costs

29/07/2017 to 28/07/2018

	Purchases in the year before transaction costs £'000	Commissions £'000	%	Taxes £'000	%	Total Purchase costs £'000	Gross Purchase Costs £'000
<b>Purchases</b>							
Equities	46,470	27	0.06%	206	0.44%	233	46,703
Total	46,470	27	0.06%	206	0.44%	233	46,703

	Sales in the year before transaction costs £'000	Commissions £'000	%	Fees £'000	%	Total sales costs £'000	Total sales net of transaction costs £'000
<b>Sales</b>							
Equities	67,079	(31)	(0.05%)	(1)	0.00%	(32)	67,047
Total	67,079	(31)	(0.05%)	(1)	0.00%	(32)	67,047

Total transaction costs 58  
as a % of the average net assets 0.02%

207  
0.06%

29/07/2016 to 28/07/2017

	Purchases in the year before transaction costs £'000	Commissions £'000	%	Taxes £'000	%	Total Purchase costs £'000	Gross Purchase Costs £'000
<b>Purchases</b>							
Equities	47,937	31	0.06%	235	0.49%	266	48,203
Total	47,937	31	0.06%	235	0.49%	266	48,203

	Sales in the year before transaction costs £'000	Commissions £'000	%	Fees £'000	%	Total sales costs £'000	Total sales net of transaction costs £'000
<b>Sales</b>							
Equities	70,406	(39)	(0.06%)		0.00%	(39)	70,367
Total	70,406	(39)	(0.06%)		0.00%	(39)	70,367

Total transaction costs 70  
as a % of the average net assets 0.02%

235  
0.07%

The above analysis covers any direct transaction costs suffered by the Fund during the year which are separately identifiable. However it is important to understand the nature of other transaction costs associated with different investment classes and instruments types.

# Barclays UK Core Fund (continued)

## Notes to the Financial Statements (continued)

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### 14. Portfolio transaction costs (continued)

Separately identifiable direct transaction costs (commissions and taxes etc.) are attributable to the Fund's purchase and sale of equity shares. Additionally for equity shares, there is a dealing spread cost (the difference between the buying and selling prices) which will be suffered on purchase and sale transactions.

For the Fund's investment transactions in debt and money market instruments, any applicable transaction charges form part of the dealing spread for these instruments. Unlike shares, other types of investments (such as bonds, money market instruments and derivatives) have no separately identifiable transactions costs which form part of the dealing spread. Transactions in money market instruments to manage the fund's daily liquidity position are excluded from the analysis.

At the balance sheet date, the average portfolio dealing spread was 0.12% (28 July 2017: 0.08%).

This spread represents the difference between the values determined respectively by reference to the bid and offer prices of investments expressed as a percentage of the value determined by reference to the offer price.

### 15. Related party transactions

The ACD is related to the Fund as defined by the Financial Reporting Standard 102.33 'Related Party Disclosures' as a result of it carrying out key management personnel services in relation to the operation of the Fund.

At the year end, the ACD and its associates held 0.00% of the Fund's shares in issue (28 July 2017: 0.00%).

Details of all other material related party transactions during the year and any payment amounts outstanding at the balance sheet date are disclosed in notes 4, 8 and 10 to the financial statements. Within note 10, accrued expenses (including amounts due to associates and agents) of £412,184 (28 July 2017: £412,680) are due to the ACD.

# Barclays UK Core Fund (continued)

## Notes to the Financial Statements (continued)

### 16. Shareholder funds

The net asset value of each share class, the net asset value per share, and the number of shares in each share class is given in the performance tables on pages 122 to 124. All Share Classes have the same rights on winding up.

The movement in the number of shares for the years ended 28 July 2018 and 28 July 2017 is shown below:

	29/07/2017 to 28/07/2018	29/07/2016 to 28/07/2017
<b>Number of A-Class Distribution Shares</b>		
<b>Issued and cancelled shares</b>		
Balance at beginning of year	44,884,133	47,899,286
Issued during year	670,440	678,146
Cancelled during year	(2,982,956)	(3,654,832)
Conversions during the year	(46,799)	(38,467)
<b>Total number of A-Class Distribution Shares in issue at end of year</b>	<b>42,524,818</b>	<b>44,884,133</b>
<b>Number of A-Class Accumulation Shares</b>		
<b>Issued and cancelled shares</b>		
Balance at beginning of year	1,357,416	1,463,139
Issued during year	17,546	6,852
Cancelled during year	(85,659)	(113,439)
Conversions during the year	3,633	864
<b>Total number of A-Class Accumulation Shares in issue at end of year</b>	<b>1,292,936</b>	<b>1,357,416</b>
<b>Number of R-Class Distribution Shares</b>		
<b>Issued and cancelled shares</b>		
Balance at beginning of year	437,941	488,923
Issued during year	7,977	2,933
Cancelled during year	(79,636)	(91,255)
Conversions during the year	42,240	37,340
<b>Total number of R-Class Distribution Shares in issue at end of year</b>	<b>408,522</b>	<b>437,941</b>
<b>Number of R-Class Accumulation Shares</b>		
<b>Issued and cancelled shares</b>		
Balance at beginning of year	21,238	18,047
Issued during year	4,285	6,817
Cancelled during year	(2,071)	(3,626)
Conversions during the year	-	-
<b>Total number of R-Class Accumulation Shares in issue at end of year</b>	<b>23,452</b>	<b>21,238</b>

### 17. Events after the Balance Sheet Date

There are no events after the balance sheet date which in the opinion of the ACD requires an adjustment or a disclosure in the financial statements.



# Barclays UK Core Fund (continued)

## Distribution Tables for the year ended 28 July 2018

Group 1: Shares purchased prior to a distribution period

Group 2: Shares purchased during a distribution period

Equalisation applies only to shares purchased during a 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 the holders of these shares 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.

### Interim dividend distribution in pence per share

	Net Revenue	Equalisation	Distribution Paid 28/03/2018	Distribution Paid 24/03/2017
<b>A-Class Distribution</b>				
Group 1	4.5876p	-	4.5876p	4.2609p
Group 2	1.0582p	3.5294p	4.5876p	4.2609p
<b>A-Class Accumulation</b>				
Group 1	5.6382p	-	5.6382p	5.1541p
Group 2	0.3450p	5.2932p	5.6382p	5.1541p
<b>R-Class Distribution</b>				
Group 1	6.6921p	-	6.6921p	6.2060p
Group 2	0.4231p	6.2690p	6.6921p	6.2060p
<b>R-Class Accumulation</b>				
Group 1	8.5320p	-	8.5320p	7.7342p
Group 2	2.0745p	6.4575p	8.5320p	7.7342p

### Final dividend distribution in pence per share

	Net Revenue	Equalisation	Distribution Paid 28/09/2018	Distribution Paid 28/09/2017
<b>A-Class Distribution</b>				
Group 1	7.0239p	-	7.0239p	6.6700p
Group 2	4.1051p	2.9188p	7.0239p	6.6700p
<b>A-Class Accumulation</b>				
Group 1	8.6938p	-	8.6938p	8.1248p
Group 2	4.4692p	4.2246p	8.6938p	8.1248p
<b>R-Class Distribution</b>				
Group 1	9.1557p	-	9.1557p	8.7553p
Group 2	8.1973p	0.9584p	9.1557p	8.7553p
<b>R-Class Accumulation</b>				
Group 1	11.7766p	-	11.7766p	11.0571p
Group 2	5.1160p	6.6606p	11.7766p	11.0571p

# Barclays UK Core Fund (continued)

## Performance Tables

	A-Class Distribution			A-Class Accumulation		
	29/07/2017 to 28/07/2018	29/07/2016 to 28/07/2017	29/07/2015 to 28/07/2016	29/07/2017 to 28/07/2018	29/07/2016 to 28/07/2017	29/07/2015 to 28/07/2016
	(pps)	(pps)	(pps)	(pps)	(pps)	(pps)
<b>Change in net assets per share</b>						
Opening net asset value per share**:	686.07	623.17	586.37	843.48	753.96	697.24
Return before operating charges*	64.13	85.26	56.69	79.12	103.39	68.42
Operating charges	(12.02)	(11.43)	(9.80)	(14.83)	(13.87)	(11.70)
Return after operating charges*	52.11	73.83	46.89	64.29	89.52	56.72
Distributions	(11.61)	(10.93)	(10.09)	(14.33)	(13.28)	(12.05)
Retained distributions on accumulation shares	-	-	-	14.33	13.28	12.05
Closing net asset value per share**	726.57	686.07	623.17	907.77	843.48	753.96
*after direct transaction costs of:	0.58	(0.60)	(0.97)	0.71	(0.73)	(1.16)
<b>Performance</b>						
Return after charges	7.60%	11.85%	8.00%	7.62%	11.87%	8.13%
<b>Other information</b>						
Closing net asset value (£'000)	308,971	307,936	298,493	11,737	11,449	11,033
Closing number of shares ('000)	42,525	44,884	47,899	1,293	1,357	1,463
Operating charges (%)	1.71%	1.71%	1.71%	1.71%	1.71%	1.71%
Direct transaction costs	0.08%	0.09%	0.17%	0.08%	0.09%	0.17%
<b>Prices</b>						
Highest share price	746.10	713.90	629.90	923.20	869.40	754.70
Lowest share price	655.10	613.50	512.10	810.60	742.20	613.50

\*\*Opening and closing net asset values ('NAVs') per share in the above table have been calculated using the NAV and number of shares figures rounded to the nearest £ and shares respectively.

# Barclays UK Core Fund (continued)

## Performance Tables (continued)

	M-Class Distribution <sup>(1)</sup>			R-Class Distribution		
	29/07/2017 to 28/07/2018 (pps)	29/07/2016 to 28/07/2017 (pps)	29/07/2015 to 28/07/2016 (pps)	29/07/2017 to 28/07/2018 (pps)	29/07/2016 to 28/07/2017 (pps)	29/07/2015 to 28/07/2016 (pps)
<b>Change in net assets per share</b>						
Opening net asset value per share**:	-	-	587.64	686.63	623.61	586.76
Return before operating charges*	-	-	(35.82)	64.32	85.41	56.78
Operating charges	-	-	(3.60)	(7.82)	(7.43)	(6.37)
Return after operating charges*	-	-	(39.42)	56.50	77.98	50.41
Distributions	-	-	(548.22)***	(15.85)	(14.96)	(13.56)
Retained distributions on accumulation shares	-	-	-	-	-	-
Closing net asset value per share**	-	-	-	727.28	686.63	623.61
*after direct transaction costs of:	-	-	(0.97)	0.58	(0.60)	(0.98)
<b>Performance</b>						
Return after charges	0.00%	0.00%	(6.71%)	8.23%	12.50%	8.59%
<b>Other information</b>						
Closing net asset value (£'000)	-	-	-	2,971	3,007	3,049
Closing number of shares ('000)	-	-	-	409	438	489
Operating charges (%)	0.00%	0.00%	0.63%	1.11%	1.11%	1.11%
Direct transaction costs	0.00%	0.00%	0.17%	0.08%	0.09%	0.17%
<b>Prices</b>						
Highest share price	-	-	604.30	748.20	716.00	632.20
Lowest share price	-	-	528.70	656.30	614.00	512.50

<sup>(1)</sup> M-Class Distribution shares closed on 22 January 2016. Figures disclosed are actual and not annualised.

\*\*Opening and closing net asset values ('NAVs') per share in the above table have been calculated using the NAV and number of shares figures rounded to the nearest £ and shares respectively.

\*\*\* This is not related to distributions but rather the liquidation NAV per Share.

# Barclays UK Core Fund (continued)

## Performance Tables (continued)

	R-Class Accumulation		
	29/07/2017 to 28/07/2018 (pps)	29/07/2016 to 28/07/2017 (pps)	29/07/2015 to 28/07/2016 (pps)
<b>Change in net assets per share</b>			
Opening net asset value per share**:	874.79	777.29	714.46
Return before operating charges*	82.38	106.81	70.63
Operating charges	(10.02)	(9.31)	(7.80)
Return after operating charges*	72.36	97.50	62.83
Distributions	(20.31)	(18.79)	(16.63)
Retained distributions on accumulation shares	20.31	18.79	16.63
Closing net asset value per share**	947.15	874.79	777.29
*after direct transaction costs of:	0.74	(0.76)	(1.19)
<b>Performance</b>			
Return after charges	8.27%	12.54%	8.79%
<b>Other information</b>			
Closing net asset value (£'000)	222	186	140
Closing number of shares ('000)	23	21	18
Operating charges (%)	1.11%	1.11%	1.11%
Direct transaction costs	0.08%	0.09%	0.17%
<b>Prices</b>			
Highest share price	962.20	900.80	778.10
Lowest share price	844.00	765.30	630.70

The operating charges (%) represents the ongoing charges figures for the year as referred to in the key investor information document ('KIID') and other literature.

\*\*Opening and closing net asset values ('NAVs') per share in the above table have been calculated using the NAV and number of shares figures rounded to the nearest £ and shares respectively.

# Barclays UK Core Fund (continued)

## Risk and Reward Profile

1	2	3	4	5	6	7
<p>The risk and reward category is calculated using historical data which may not be a reliable indicator of the Fund's future risk profile.</p> <p>The risk and reward category may shift over time and is not a target or a guarantee.</p> <p>The lowest category (i.e. Category 1) does not mean a risk-free investment.</p> <p>The Fund is in Category 5 because of the high range and frequency of price movements (volatility) of the underlying investments in which the Fund invests.</p> <p>The following are additional risks not covered by the risk and reward category.</p> <p>The Fund may use derivatives in an attempt to reduce risk (hedging) or for investment purposes. It may be that the use of derivatives causes share prices to fluctuate which may in turn result in loss to the Fund.</p> <p>The Fund may be exposed to stock market movements in a single country or region which may be adversely affected by political or economic developments, government action or natural events that do not affect a fund investing in broader markets.</p>				<p>The Fund relies upon the performance of one or more investment managers. If the investment managers perform poorly, the value of your investment is likely to be adversely affected.</p> <p>Future legal or regulatory change could have a substantial adverse effect on the fund and your investment.</p> <p>Stock markets can be volatile, meaning that the prices of shares held by the Fund can change quickly and substantially.</p> <p>The Fund is not guaranteed and your investment is at risk. You may lose some or all of your investment. If you purchase shares in the Fund through a clearing or settlement system, you will be bound by its terms and conditions, which may include the payment of additional fees.</p> <p>The figure for the synthetic risk and reward indicator disclosed in the financial statements is the same as the most up-to-date key investor information document ("KIID").</p> <p>More information in relation to risks in general may be found in the "Risk Factors" section of the Prospectus.</p>		

# Barclays UK Equity Income Fund

## Investment Objective and Policy

The Fund seeks to provide investors with a reasonable level of income, together with the prospect of growth in both income and capital. It aims to achieve a yield in line with, or in excess of, the yield of the FTSE All-Share Index.

The Fund invests primarily in common stock, preferred shares and securities convertible into common stock of established companies across a range of industries, domiciled in the UK or having significant operations in the UK, and listed on a Regulated Market in the UK or in an OECD Country. This Fund is not subject to any capitalisation restrictions.

The Fund will invest at least 70% of its assets in the common stocks and preferred shares of UK companies. The Fund may, with the remaining portion of the assets (and on an ancillary basis), invest in non-UK equity securities, Investment Grade government and corporate fixed income securities and Convertible Debt Securities (listed or traded on a Regulated Market).

The Fund may also invest in other transferable securities, money market instruments, cash and near cash, deposits and units in collective investment schemes (use may be made of stocklending, borrowing, cash holdings, hedging and other efficient portfolio management techniques permitted in the applicable FCA Rules).

## Investment Report

During the year under review, the net asset value per share attributable to the A-Class Accumulation shares rose by 7.67%.

## Market/Economic Review

The UK market traded was range bound in the first half of this reporting period, and only found some momentum in December. Investors are, and remain, somewhat hamstrung over the significant uncertainty about the potential outcome of the UK's withdrawal from the European Union in March 2019. This was in contrast to the UK economy which continued to perform well despite the doom laden predictions that failed to materialise prior to the actual referendum, and have not ceased since. This saw better performance from medium and small sized companies than large caps, despite the weakness of Sterling.

December saw some reversal of this. Commodity and oil prices rose in December and the shares of companies in those appreciated strongly up until Christmas. This reversal caught out many active UK managers who were underweight in natural resources.

In contrast to recent years, there was no significant benefit for UK investors to be invested in a particular style or size bias over the reporting period. Mid sized companies marginally outperformed the wider market over, and value outperformed growth. But this was not a consistent feature of the year. The start of 2018 saw a market correction, the growth style underperform within UK equities, and large companies underperform small and mid cap indices. This reversed in the second quarter of the year.

A notable feature was the number of mergers and acquisitions that were announced or took place. The weakness of Sterling and the significant degree to which the UK equity market is out of favour with global investors has made some companies very attractive to overseas buyers with a long term view. Within the largest companies, the likes of Shire Pharmaceuticals and Sky were bid for by Japanese and US suitors respectively. Other activity was seen in the financial sector, where dealer NEX Group was purchased by CME, and Fidessa by Ion. GKN was purchased by Melrose in the UK which attracted headlines over concerns of potential 'asset stripping'. Some deals did not consummate, with Hammerson rejecting a deal by French property company Klepierre. The speed at which drinks company Conviviality declined into administration was shocking, but as a relatively small listed company, failed to place too much of a dent in investor confidence.

# Barclays UK Equity Income Fund (continued)

## Market/Economic Review (continued)

The period saw a rising oil price and US Dollar as the US economy was boosted by tax reform. In the absence of any technology sector of note within the UK market, the energy sector was the standout best performing part of the market over this period, rising over thirty percent. Given the size of the likes of BP and Shell in the index, any manager who was underweight the sector found this a material headwind to being able to generate outperformance. Materials was the next best performing sector but only managed to generate around a sixteen percent return. The worst performing sector over the entire period was Telecommunication Services. The market struggles to see value in the likes of BT and Vodafone, both of whom face individual challenges about how to grow their business. Whilst both pay attractive dividends and are lowly priced, there remains huge uncertainty about what will see them become more attractive investments.

The period was also interesting for how company share prices reacted to bad news. In contrast to previous years where disappointing announcements were sometimes ignored, share prices often fell sharply on a profit warning over the period. The most notable of this was Micro Focus. A FTSE 100 company and darling of many growth investors, announcing management change and difficulty integrating a recent purchase saw a 50% fall in its share price in a few days. This type of behaviour is challenging for many investors, but is helpful to those who either invest in companies that are exceptionally well managed or have already gone through their most difficult periods and are already lowly priced by the market.

## Fund Review

The Fund outperformed over the period. Majedie had a very strong period, and Artemis managed to modestly outperform. Lazard were broadly in line with the index return.

Majedie's outperformance was driven by its exposure to the strong share price returns in the oil and gas sector. Genel Energy contributed over one and a half percent of outperformance alone, BP and Shell one percent each. Centrica was the biggest detractor over the period; the managers remain convinced in the merits of that particular business. The decision of the manager to leave Majedie to return to academia was a disappointing news item in early 2018. We are considering the future of the holding.

Artemis outperformed with its holdings in property company Segro and Dutch information business Walters Kluwer leading the list of outperformers. Consumer staples were the mandate's best sector, the manager owning Tesco. Standard Life Aberdeen has been a disappointing holding for the manager, who was not keen on the merger of the two businesses at the time of its announcement. Saga and Inmarsat were other laggards.

Lazard performed in line with the index. Computacenter led the way within Information technology, the best sector for the manager of the period. But reasonably sized positions in BT and Vodafone held back returns in the telecoms sector, as did a holding in specialist clothing company N Brown.

# Barclays UK Equity Income Fund (continued)

## Outlook

The next year will continue to be dominated politically by the impact and implications of the UK's agreement to leave the European Union. The 'base case' for most UK equity managers is that a deal will be done, and few if any have positioned their portfolio for an extreme outcome. This is perhaps a reaction to how the industry was positioned going into the referendum, incorrectly in hindsight.

Looking more broadly, and more longer term, UK equities are desperately out of favour, almost the most unwanted asset class globally in some surveys. The economy is – probably – nearer the end than the beginning of its cycle, there is some wage inflation, interest rates have started to rise, and unemployment is low. The UK stock market has little exposure to technology, the sector that has driven the performance of other large markets over recent years. Banks, oil and mining and pharmaceutical companies dominate the index, all of which face their own challenges. The retail sector is under huge pressure as online sales see long established high street brand names struggle.

But we see opportunity for the patient. It was only a few years ago when European equities were similarly unloved, and they are now widely appreciated by global investors. A resolution to the Brexit debate would be exceptionally helpful for sentiment. Sterling would likely appreciate, boosting returns for overseas investors. Clearly, no deal would be very bad for the market, in the medium to short term. But if panic is averted, we think long term investors – particularly those who believe that market valuations and sentiment revert to the mean – should not forget about UK equities just yet.

Barclays Bank PLC  
Savings, Wealth and Investment Management  
(Investment Adviser)  
September 2018



# Barclays UK Equity Income Fund (continued)

## Portfolio Statement as at 28 July 2018

All investments are in ordinary shares unless stated otherwise. The percentages in brackets show the equivalent sector holdings at 28 July 2017.

Holding / Nominal Value	Investment	Market Value £'000	% of Net Assets
	<b>ASIA: 0.14% (0.16%)</b>		
	<b>SINGAPORE: 0.14% (0.16%)</b>		
	<b>Electronic &amp; Electrical Equipment: 0.14% (0.16%)</b>		
5,190	XP Power	185	0.14
	<b>PACIFIC: 0.00% (0.35%)</b>		
	<b>AUSTRALIA: 0.00% (0.35%)</b>		
	<b>Industrials Metal &amp; Mining :0.00% (0.27%)</b>		
	<b>Mining: 0.00% (0.08%)</b>		
	<b>EUROPE EXCLUDING UK: 0.00% (8.37%)</b>		
	<b>FRANCE: 0.56% (0.93%)</b>		
	<b>Electronic &amp; Electrical Equipment: 0.00% (0.19%)</b>		
	<b>Media 0.26% (0.00%)</b>		
18,707	Vivendi	346	0.26
	<b>Oil &amp; Gas Producers: 0.30% (0.27%)</b>		
8,432	TOTAL	409	0.30
	<b>Support Services: 0.00% (0.47%)</b>		
	<b>GERMANY: 2.52% (2.54%)</b>		
	<b>General Retailers: 0.49% (0.27%)</b>		
14,519	Delivery Hero	657	0.49
	<b>Pharmaceuticals &amp; Biotechnology: 0.85% (1.41%)</b>		
13,336	Bayer	1,142	0.85
	<b>Software &amp; Computer Services: 0.59% (0.00%)</b>		
8,741	SAP	800	0.59
	<b>Travel &amp; Leisure: 0.59% (0.86%)</b>		
49,362	TUI	797	0.59
	<b>GREECE: 0.00% (0.22%)</b>		
	<b>Banks: 0.00% (0.22%)</b>		
2,130	Piraeus Bank	5	-
	<b>IRELAND: 0.61% (0.28%)</b>		
	<b>Food Producers: 0.30% (0.00%)</b>		
76,806	Origin enterprises^	409	0.30
	<b>Mining: 0.31% (0.28%)</b>		
190,248	Kenmare Resources	419	0.31
	<b>ITALY: 0.57% (0.00%)</b>		
	<b>Oil &amp; Gas Producers : 0.57% (0.00%)</b>		
53,408	Eni	768	0.57
	<b>NETHERLANDS: 0.21% (1.26%)</b>		
	<b>Food producers: 0.21% (0.00%)</b>		
10,835	Corbion	282	0.21
	<b>Media: 1.41% (1.26%)</b>		
26,468	RELX	445	0.33
31,656	Wolters Kluwer	1,455	1.08
		1,900	1.41

# Barclays UK Equity Income Fund (continued)

## Portfolio Statement as at 28 July 2018 (continued)

Holding / Nominal Value	Investment	Market Value £'000	% of Net Assets
	<b>EUROPE EXCLUDING UK: 0.00% (8.37%) (continued)</b>		
	<b>NORWAY: 0.60% (0.46%)</b>		
	<b>Food Producers: 0.60% (0.46%)</b>		
50,641	Marine Harvest	808	0.60
	<b>SPAIN: 0.00% (1.04%)</b>		
	<b>Gas, Water, &amp; Multiutilities: 0.00% (0.35%)</b>		
	<b>Travel &amp; Leisure: 0.00% (0.69%)</b>		
	<b>SWEDEN: 0.64% (0.87%)</b>		
	<b>Banks: 0.64% (0.87%)</b>		
107,028	Nordea Bank	866	0.64
	<b>SWITZERLAND: 0.52% (0.77%)</b>		
	<b>Pharmaceuticals &amp; Biotechnology: 0.52% (0.77%)</b>		
5,602	Novartis	357	0.26
1,912	Roche	357	0.26
		714	0.52
	<b>NORTH AMERICA: 0.00% (0.71%)</b>		
	<b>CANADA: 0.00% (0.20%)</b>		
	<b>Industrials Metal &amp; Mining: 0.00% (0.20%)</b>		
	<b>UNITED STATES: 0.88% (0.31%)</b>		
	<b>Aerospace &amp; Defense: 0.11% (0.00%)</b>		
579	Lockheed Martin	143	0.11
	<b>Banks: 0.10% (0.00%)</b>		
3,092	Wells Fargo	138	0.10
	<b>Pharmaceuticals &amp; Biotechnology: 0.63% (0.31%)</b>		
6,781	Gilead Sciences^^	397	0.29
15,900	Pfizer	465	0.34
		862	0.63
	<b>Software &amp; Computer Services: 0.04% (0.00%)</b>		
889	Cognizant Technologies Solutions^^	55	0.04
	<b>VIRGIN ISLANDS: 0.00% (0.20%)</b>		
	<b>Electronic &amp; Electrical Equipment: 0.00% (0.17%)</b>		
	<b>Real Estate Investment &amp; Services: 0.00% (0.03%)</b>		
	<b>UNITED KINGDOM: 87.87% (88.23%)</b>		
	<b>Aerospace &amp; Defense: 0.84% (1.06%)</b>		
90,800	BAE Systems	593	0.44
438,335	Cobham	540	0.40
		1,133	0.84
	<b>Automobiles &amp; Parts: 0.00% (0.26%)</b>		
	<b>Banks: 8.03% (9.00%)</b>		
873,624	Barclays	1,668	1.24
718,123	HSBC	5,226	3.87
4,416,164	Lloyds Banking	2,764	2.05
187,563	Royal Bank of Scotland	468	0.35
99,849	Standard Chartered	702	0.52
		10,828	8.03

# Barclays UK Equity Income Fund (continued)

## Portfolio Statement as at 28 July 2018 (continued)

Holding / Nominal Value	Investment	Market Value £'000	% of Net Assets
<b>UNITED KINGDOM: 87.87% (88.23%) (continued)</b>			
<b>Beverages: 0.22% (0.21%)</b>			
37,524	Britvic	303	0.22
<b>Construction &amp; Materials: 1.21% (1.61%)</b>			
56,769	Balfour Beatty	166	0.13
591,024	Melrose Industries	1,271	0.94
87,003	Norcros	190	0.14
		1,627	1.21
<b>Electricity: 0.74% (0.68%)</b>			
99,679	Drax	353	0.26
51,257	SSE	648	0.48
		1,001	0.74
<b>Electronic &amp; Electrical Equipment: 0.15% (0.09%)</b>			
48,616	Discoverie	202	0.15
<b>Equity Investment Instruments: 0.41% (0.42%)</b>			
512,504	NextEnergy Solar Fund**	554	0.41
<b>Financial Services: 6.16% (6.62%)</b>			
305,859	3i	2,890	2.14
76,190	Arrow Global	194	0.14
94,015	Brewin Dolphin	330	0.24
113,772	IG	1,019	0.76
23,399	Intermediate Capital	250	0.19
29,945	London Stock Exchange	1,345	1.00
195,013	Man	337	0.25
130,127	Morses Club^	219	0.16
32,211	Mortgage Advice Bureau^	213	0.16
166,358	Quilter	256	0.19
343,185	Standard Life	1,056	0.78
115,652	Xafinity	202	0.15
		8,311	6.16
<b>Fixed Line Telecommunications: 1.06% (1.76%)</b>			
604,389	BT	1,426	1.06
<b>Food &amp; Drug Retailers: 2.45% (1.23%)</b>			
26,682	Conviviality	27	0.02
1,270,813	Tesco	3,274	2.43
		3,301	2.45
<b>Food Producers: 0.43% (0.00%)</b>			
90,984	Tate & Lyle	574	0.43
<b>Forestry &amp; Paper: 0.31% (0.00%)</b>			
19,796	Mondi	412	0.31
<b>Gas, Water &amp; Multiutilities: 1.26% (2.08%)</b>			
873,960	Centrica	1,332	0.99
48,543	Penon	367	0.27
		1,699	1.26

# Barclays UK Equity Income Fund (continued)

## Portfolio Statement as at 28 July 2018 (continued)

Holding / Nominal Value	Investment	Market Value £'000	% of Net Assets
<b>UNITED KINGDOM: 87.87% (88.23%) (continued)</b>			
<b>General Industrials: 0.93% (0.26%)</b>			
25,008	RPC	201	0.15
261,579	Low & Bonar	130	0.10
56,807	Smiths	912	0.68
		1,243	0.93
<b>General Retailers: 0.82% (2.84%)</b>			
228,274	Card Factory	474	0.35
213,437	Lookers	224	0.17
89,382	Marks & Spencer	277	0.21
86,351	N Brown	128	0.09
		1,103	0.82
<b>Health Care Equipment and Services: 0.27% (0.00%)</b>			
26,220	Smith & Nephew	361	0.27
<b>Household Goods &amp; Home Construction: 0.76% (1.08%)</b>			
11,456	Berkeley	427	0.32
55,656	Headlam	262	0.19
191,866	Taylor Wimpey	337	0.25
		1,026	0.76
<b>Industrial Engineering: 0.26% (0.00%)</b>			
17,988	Weir	349	0.26
<b>Industrial Transportation: 1.37% (1.45%)</b>			
223,316	BBA Aviation	781	0.58
171,601	Eddie Stobart Logistics^	232	0.17
178,282	Royal Mail	835	0.62
		1,848	1.37
<b>Leisure Goods: 0.00% (0.10%)</b>			
<b>Life Insurance: 9.43% (10.18%)</b>			
872,206	Aviva	4,269	3.16
1,691,183	Legal & General	4,444	3.29
448,589	Phoenix	3,073	2.28
53,512	Prudential	950	0.70
		12,736	9.43
<b>Media: 6.35% (5.34%)</b>			
44,856	Daily Mail & General Trust	334	0.25
346,116	Informa	2,769	2.05
622,159	ITV	1,034	0.77
143,481	NAHL^	164	0.12
189,521	Pearson	1,814	1.34
133,501	RELX	2,256	1.67
64,971	Tarsus	201	0.15
		8,572	6.35

# Barclays UK Equity Income Fund (continued)

## Portfolio Statement as at 28 July 2018 (continued)

Holding / Nominal Value	Investment	Market Value £'000	% of Net Assets
<b>UNITED KINGDOM: 87.87% (88.23%) (continued)</b>			
<b>Mining: 4.61% (3.71%)</b>			
50,772	Anglo American	859	0.64
66,521	BHP Billiton	1,135	0.84
134,738	Central Asia Metals^	317	0.24
54,990	Hochschild Mining	99	0.07
91,570	Rio Tinto	3,809	2.82
		6,219	4.61
<b>Mobile Telecommunications: 3.70% (3.37%)</b>			
187,744	Inmarsat	1,066	0.79
2,179,818	Vodafone	3,924	2.91
		4,990	3.70
<b>Nonlife Insurance: 2.71% (3.46%)</b>			
603,229	Direct Line Insurance	2,000	1.48
123,305	Randall & Quilter Investment^	195	0.14
234,909	RSA Insurance	1,467	1.09
		3,662	2.71
<b>Oil &amp; Gas Producers: 13.09% (10.30%)</b>			
1,349,734	BP	7,656	5.67
185,492	Cairn Energy	450	0.33
522,934	EnQuest	187	0.14
203,111	Genel Energy	545	0.40
637,583	Lekoil Class D^	125	0.09
586,192	Ophir Energy	255	0.19
305,493	Royal Dutch Shell Class 'B'	8,123	6.02
342,393	Soco International	336	0.25
		17,677	13.09
<b>Oil Equipment, Services &amp; Distribution: 0.00% (0.04%)</b>			
<b>Personal Goods: 0.85% (0.97%)</b>			
26,464	Unilever	1,142	0.85
<b>Pharmaceuticals &amp; Biotechnology: 5.88% (5.29%)</b>			
32,050	AstraZeneca	1,837	1.36
323,838	GlaxoSmithKline	5,029	3.73
213,520	Indivior	672	0.50
8,953	Shire	390	0.29
		7,928	5.88
<b>Real Estate Investment &amp; Services: 0.28% (0.13%)</b>			
182,620	Belvoir Lettings^	190	0.14
52,987	Palace Capital	182	0.13
204,883	Speymill Deutsche Immobilien†	11	0.01
		383	0.28

# Barclays UK Equity Income Fund (continued)

## Portfolio Statement as at 28 July 2018 (continued)

Holding / Nominal Value	Investment	Market Value £'000	% of Net Assets
<b>UNITED KINGDOM: 87.87% (88.23%) (continued)</b>			
<b>Real Estate Investment Trusts: 4.46% (4.08%)</b>			
1,820,660	Assura	1,038	0.77
101,685	British Land	661	0.49
59,795	Hammerson	305	0.23
232,599	Hansteen	253	0.19
414,197	Secure Income^	1,574	1.17
326,025	Segro	2,171	1.61
		6,002	4.46
<b>Software &amp; Computer Services: 0.60% (0.35%)</b>			
15,590	Computacenter	246	0.18
23,007	FDM	220	0.16
54,192	Sage	350	0.26
		816	0.60
<b>Support Services: 2.11% (2.47%)</b>			
65,548	Essentra	329	0.24
7,067	Ferguson	429	0.32
115,030	Gateley^	191	0.14
59,217	Hays	119	0.09
160,120	Lakehouse^	66	0.05
48,472	Northgate	207	0.15
356,984	Rentokil Initial	1,226	0.91
82,737	SThree	285	0.21
		2,852	2.11
<b>Technology Hardware &amp; Equipment: 0.11% (0.79%)</b>			
133,613	Vianet^	151	0.11
<b>Tobacco: 3.29% (4.42%)</b>			
64,064	British American Tobacco	2,636	1.96
63,445	Imperial Brands	1,801	1.33
		4,437	3.29
<b>Travel &amp; Leisure: 2.73% (2.58%)</b>			
143,973	888 Holdings	350	0.26
34,254	Compass	553	0.41
70,696	Greene King	365	0.27
30,627	GVC Holdings	335	0.25
55,968	Hostelworld	165	0.12
173,568	SSP	1,177	0.87
251,329	William Hill	747	0.55
		3,692	2.73

# Barclays UK Equity Income Fund (continued)

## Portfolio Statement as at 28 July 2018 (continued)

Holding / Nominal Value	Investment	Market Value £'000	% of Net Assets
<b>Futures: 0.01% ((0.03%))</b>			
40	Fut Sep 18 FTSE 100	10	0.01
<b>FORWARD CURRENCY CONTRACTS: (0.04%) ((0.12%))</b>			
€(535,000)	Sold Euro		
£477,421	For Sterling (Expires 10/09/2018)	2	-
CHF 29,800	Bought Swiss Franc		
£(29,786)	For Sterling (Expires 10/09/2018)	-	-
CHF(30,200)	Sold Swiss Franc		
£22,837	For Sterling (Expires 10/09/2018)	-	-
€(305,000)	Sold Euro		
£266,963	For Sterling (Expires 10/09/2018)	(4)	-
CHF(407,000)	Sold Swiss Franc		
£308,112	For Sterling (Expires 10/09/2018)	(4)	-
SEK(8,563,000)	Sold Swedish Krona		
£732,843	For Sterling (Expires 10/09/2018)	(7)	(0.01)
€(5,011,000)	Sold Euro		
£4,407,024	For Sterling (Expires 10/09/2018)	(47)	(0.03)
		(60)	(0.04)
<b>Portfolio of investments*</b>		<b>130,215</b>	<b>96.51</b>
<b>Net other assets</b>		<b>4,706</b>	<b>3.49</b>
<b>Net assets</b>		<b>134,921</b>	<b>100.00</b>

All investments are listed as transferable securities admitted to an official stock exchange or traded on a regulated market except for those denoted with an asterisk (\*\*).

\*Includes derivatives.

†This is a delisted security and has been valued at the manager's best assessment of its fair value.

^These securities are quoted on an Alternative Investment Market (AIM) and comprise 2.99% (2017: 2.50%) of the Net Asset Value.

^^These securities are quoted on NASDAQ and comprise 0.33% (2017: 2.76%) of the Net Asset Value.

# Barclays UK Equity Income Fund (continued)

## Summary of Material Portfolio Changes for the year ended 28 July 2018

10 Largest Purchases	Cost £	10 Largest Sales	Proceeds £
Vodafone	1,535,778	BP	2,878,110
Royal Dutch Shell Class 'B'	1,485,023	Royal Dutch Shell Class 'B'	2,485,204
Tesco	1,456,010	HSBC	2,311,176
GlaxoSmithKline	1,343,171	Lloyds Banking	2,087,793
BHP Billiton	1,119,333	Saga	1,956,766
BP	1,053,993	RELX	1,616,606
Legal & General	981,912	Rio Tinto	1,527,404
Smiths	941,597	Ashmore	1,463,809
Direct Line Insurance	922,342	Laird	1,458,123
ITV	904,399	Aviva	1,284,701

Portfolio Information	Year to 28/07/2018
<b>Total purchases for the year</b>	<b>£40,867,354</b>
<b>Total sales for the year</b>	<b>£73,015,232</b>



# Barclays UK Equity Income Fund (continued)

## Statement of Total Return for the year ended 28 July 2018

		29/07/2017 to 28/07/2018		29/07/2016 to 28/07/2017	
	Notes	£'000	£'000	£'000	£'000
Income					
Net capital gains	2		6,965		17,767
Revenue	3	6,324		7,705	
Expenses	4	(1,437)		(1,677)	
Interest payable and similar charges	7	(2)		(4)	
Net revenue before taxation		4,885		6,024	
Taxation	5	(40)		(60)	
Net revenue after taxation for the year			4,845		5,964
Total return before distributions			11,810		23,731
Distributions	6		(6,244)		(7,611)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>5,566</b>		<b>16,120</b>

## Statement of Change in Net Assets attributable to Shareholders for the year ended 28 July 2018

		29/07/2017 to 28/07/2018		29/07/2016 to 28/07/2017	
		£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>			<b>159,170</b>		<b>206,557</b>
Amounts receivable on creation of shares		9,068		12,686	
Amounts payable on cancellation of shares		(39,084)		(76,498)	
			(30,016)		(63,812)
Dilution adjustment			25		99
Change in net assets attributable to shareholders from investment activities			5,566		16,120
Retained distribution on accumulation shares			169		206
Unclaimed distributions			7		-
<b>Closing net assets attributable to shareholders</b>			<b>134,921</b>		<b>159,170</b>

# Barclays UK Equity Income Fund (continued)

## Balance Sheet as at 28 July 2018

		28/07/2018		28/07/2017	
	Notes	£'000	£'000	£'000	£'000
<b>Assets</b>					
Fixed Assets					
Investments	13		130,277		155,736
Current Assets					
Debtors	8	689		673	
Amounts held at futures clearing houses and brokers	9	244		307	
Cash and bank balances	9	5,271		4,581	
Total current assets			6,204		5,561
<b>Total assets</b>			<b>136,481</b>		<b>161,297</b>
<b>Liabilities</b>					
Investment liabilities	13		(62)		(282)
Creditors					
Bank overdrafts	9	-		(65)	
Distribution payable	10	(1,089)		(1,314)	
Other creditors	10	(409)		(466)	
Total creditors			(1,498)		(1,845)
<b>Total liabilities</b>			<b>(1,560)</b>		<b>(2,127)</b>
<b>Net assets attributable to shareholders</b>			<b>134,921</b>		<b>159,170</b>

# Barclays UK Equity Income Fund (continued)

## Notes to the Financial Statements

### 1. Accounting policies

The accounting policies can be found on pages 13 to 15.

### 2. Net capital gains/(losses)

	29/07/2017 to 28/07/2018 £'000	29/07/2016 to 28/07/2017 £'000
The net capital gains on investments during the year comprise:		
Non-derivative securities	6,715	17,688
Derivative contracts	73	527
Forward currency contracts	269	(486)
Currency (losses)/gains	(71)	59
Transaction charges	(21)	(21)
Net capital gains	6,965	17,767

### 3. Revenue

	29/07/2017 to 28/07/2018 £'000	29/07/2016 to 28/07/2017 £'000
Franked UK dividends	5,452	6,438
UK REIT dividends	26	91
UK PID income	190	153
Non-taxable overseas dividends	653	1,023
Bank interest	3	-
Total revenue	6,324	7,705

### 4. Expenses

	29/07/2017 to 28/07/2018 £'000	29/07/2016 to 28/07/2017 £'000
Payable to the ACD, associates of the ACD and agents of either of them:		
ACD's periodic fee	1,251	1,466
Registration fee	71	81
	1,322	1,547
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary fee	23	26
Safe custody fee	4	5
	27	31
Other expenses:		
Administration fee	60	65
Audit fee	12	12
VAT on audit fee	2	2
Printing fee	8	14
FCA fee	1	-
Tax advisory fee	5	6
	88	99
Total expenses	1,437	1,677

# Barclays UK Equity Income Fund (continued)

## Notes to the Financial Statements (continued)

### 5. Taxation

#### (a) Analysis of taxation charge for the year

	29/07/2017 to 28/07/2018 £'000	29/07/2016 to 28/07/2017 £'000
Overseas tax	40	60
Current tax note 5(b)	40	60
Deferred tax note 5(c)	-	-
Total taxation	40	60

#### (b) Factors affecting taxation charge for the year

The tax assessed for the year is lower than (2017 lower than) the standard rate of corporation tax in the UK for an open-ended investment company (20%). The differences are explained below:

	29/07/2017 to 28/07/2018 £'000	29/07/2016 to 28/07/2017 £'000
Net revenue before taxation	4,885	6,024
Net revenue before taxation multiplied by the appropriate rate of corporation tax at 20% (2017: 20%)	977	1,205
Effects of:		
Overseas tax	40	60
Revenue not subject to taxation	(1,226)	(1,509)
Non-trade loan relationship deficit not utilised	-	1
Movement in taxation due to accruals	3	-
Excess management expenses not utilised	246	303
Current tax	40	60

#### (c) Provision for deferred tax

There is no deferred tax provision in the current year (28 July 2017: same).

At the year end there is a potential deferred tax asset of £6,782,401 (28 July 2017: £6,535,522) due to surplus management expenses. It is unlikely the Funds will generate sufficient taxable profits in the future to utilise these amounts and therefore no deferred tax asset has been recognised (28 July 2017: same).

### 6. Distributions

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

	29/07/2017 to 28/07/2018 £'000	29/07/2016 to 28/07/2017 £'000
First interim distribution	1,781	2,524
Second interim distribution	912	944
Third interim distribution	2,318	2,601
Final distribution	1,121	1,356
Total Distribution	6,131	7,425
Add: Revenue deducted on cancellation of shares	123	243
Less: Revenue received on creation of shares	(11)	(57)
<b>Distributions for the year</b>	<b>6,244</b>	<b>7,611</b>

# Barclays UK Equity Income Fund (continued)

## Notes to the Financial Statements (continued)

### 6. Distributions (continued)

The differences between the net revenue after taxation and the distribution for the year are as follows:

	29/07/2017 to 28/07/2018 £'000	29/07/2016 to 28/07/2017 £'000
Net revenue after taxation for the year	4,845	5,964
Add: Expenses taken to capital	1,437	1,677
Less: Tax relief on expenses taken to capital	(38)	(30)
<b>Distributions for the year</b>	<b>6,244</b>	<b>7,611</b>

### 7. Interest payable and similar charges

	29/07/2017 to 28/07/2018 £'000	29/07/2016 to 28/07/2017 £'000
Bank overdraft interest	2	4
	2	4

### 8. Debtors

	28/07/2018 £'000	28/07/2017 £'000
Amounts receivable for creation of shares	6	6
Sales awaiting settlement	230	200
Accrued revenue	373	280
Overseas tax recoverable	52	82
UK tax recoverable on PID income	2	17
Amounts receivable on FX contracts	26	88
	689	673

### 9. Net uninvested cash

	28/07/2018 £'000	28/07/2017 £'000
Amounts held at futures clearing houses and brokers	244	307
Bank overdrafts	-	(65)
Cash and bank balances	5,271	4,581
<b>Net uninvested cash</b>	<b>5,515</b>	<b>4,823</b>

### 10. Creditors

	28/07/2018 £'000	28/07/2017 £'000
<b>(a) Other creditors</b>		
Amounts payable for cancellation of shares	24	128
Purchases awaiting settlement	205	88
Accrued expenses	154	162
Amounts payable on FX contracts	26	88
	409	466
<b>(b) Distributions payable</b>		
Net distributions payable	1,089	1,314
	1,089	1,314

# Barclays UK Equity Income Fund (continued)

## Notes to the Financial Statements (continued)

### 11. Contingent liabilities and outstanding commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date (28 July 2017: same).

### 12. Risk in relation to the financial instruments

The Fund's investment objective is stated on page 126. In pursuing its objective, the Fund holds financial instruments which expose it to various types of risk. The main risks, and the ACD's policy for managing these risks are set out below. These were applied consistently throughout the current and preceding year.

#### (a) Credit and liquidity risk

Credit risk is the risk of suffering loss due to another party not meeting its financial obligations. The primary source of this risk to the Fund is for trade counterparties to fail to meet their transaction commitments. This risk is managed by appraising the credit profile of financial instruments and trade counterparties.

Liquidity risk relates to the capacity to meet liabilities. The primary source of this risk to the Fund is the liability to Shareholders for any cancellation of shares. This risk is minimised by holding cash and readily realisable securities and via access to overdraft facilities.

#### (b) Market risk

Market risk arises mainly from uncertainty about future prices. The primary source of this risk to the Fund is the potential movement in the value of financial instruments held as a result of price fluctuations. The ACD adheres to the investment guidelines and borrowing powers established in the Prospectus and the Collective Investment Scheme sourcebook ('COLL'). In this way, the ACD monitors and controls the exposure to risk from any type of security, sector or issuer.

The Fund may also use derivative instruments to mitigate risk and/or reduce costs. These instruments are not utilised for speculative purposes. Derivative instruments were utilised during the current and preceding year.

#### (c) Foreign currency risk

Foreign currency risk is the risk of movements in the value of overseas financial instruments as a result of fluctuations in exchange rates. This risk may be managed by the utilisation of forward currency contracts as necessary. Forward currency contracts were utilised during the current and preceding year.

The foreign currency profile of the Fund's net assets at the balance sheet date was:

	Monetary exposure	Non-monetary exposure	Total
28/07/2018	£'000	£'000	£'000
Currency			
Euro	(5,191)	7,521	2,330
Norwegian Krone	-	357	357
Swedish Krona	(740)	3	(737)
Swiss Francs	(313)	392	79
US Dollar	-	678	678
	(6,244)	8,951	2,707

# Barclays UK Equity Income Fund (continued)

## Notes to the Financial Statements (continued)

### 12. Risk in relation to the financial instruments (continued)

#### (c) Foreign currency risk (continued)

	Monetary exposure	Non-monetary exposure	Total
28/07/2017	£'000	£'000	£'000
Currency			
Australian Dollar	-	129	129
Canadian Dollar	-	317	317
Euro	(5,250)	7,089	1,839
Norwegian Krone	-	733	733
Swedish Krona	(1,266)	1,381	115
Swiss Francs	(557)	1,214	657
US Dollar	-	767	767
	(7,073)	11,630	4,557

A sensitivity analysis for foreign currency risk is presented below reflecting current and prior year information.

	Net exposure	2018 Max change in currency	Monetary change
28/07/2018	£'000	%	£'000
Currency			
Euro	2,317	8	185
Norwegian Krone	357	12	43
Swedish Krona	(740)	18	(133)
Swiss Francs	44	13	6
US Dollar	678	12	81
	2,656		182

	Net exposure	2017 Max change in currency	Monetary change
28/07/2017	£'000	%	£'000
Currency			
Australian Dollar	129	11	14
Canadian Dollar	317	12	38
Euro	1,839	8	147
Norwegian Krone	1,466	13	191
Swedish Krona	115	10	12
Swiss Francs	657	9	59
US Dollar	767	11	84
	5,290		545

#### (d) 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 Fund's only interest bearing financial instruments were its bank balances and overdraft facilities as disclosed in note 9.

Cash is deposited, and overdraft facilities utilised, on normal commercial terms and earn or bear interest based on LIBOR or its overseas equivalent.

# Barclays UK Equity Income Fund (continued)

## Notes to the Financial Statements (continued)

### 12. Risk in relation to the financial instruments (continued)

#### (e) Derivatives - sensitivity analysis

The Fund invests in futures to obtain market exposure to enable it to meet the Fund objectives whilst reducing transaction costs.

The effect of these futures is to increase market exposure by 2.27% (28 July 2017: 2.61%) of net assets.

This results in an effective equity exposure at the year end of 98.77% (28 July 2017: 100.31%) of net assets, which means that the gains or losses of the Fund will be 0.9877 (28 July 2017: 1.0031) times the gains or losses if the Fund was fully invested in equities.

#### (f) Fair value

The fair value of a financial instrument is the amount for which it could be exchanged between knowledgeable, willing parties in an arm's length transaction. There is no significant difference between the value of the financial assets and liabilities, as shown in the financial statements, and their fair value.

#### (g) Counterparty risk

During the year, the Fund made use of 'Over The Counter' (OTC) derivative instruments. These types of instruments introduce Counterparty Risk, where a counterparty may fail to meet its financial commitments. In order to reduce this risk, a collateral may be held by the Fund.

Exposure to a counterparty is calculated using the positive mark-to-market value of the OTC derivative contracts. The counterparties to these transactions and any collateral held by the Fund at the balance sheet date are shown below:

28/07/2018	Collateral	Derivatives
Exposures by Counterparty	£'000	£'000
Goldman Sachs International	-	10
UBS	-	2

  

28/07/2017	Collateral	Derivatives
Exposures by Counterparty	£'000	£'000
Goldman Sachs International	-	-
UBS	-	30

### 13. Fair value disclosures

Amendments to FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' - Fair value hierarchy disclosures requires that an analysis of investments and investment liabilities by reference to a fair value hierarchy be disclosed as follows:

Level 1: Fair value based on an unadjusted quoted price in an active market for identical instruments includes exchange-traded instruments unless there is persistently insufficient activity to regard the market as active. Examples typically include equities, depositary receipts, warrants, rights, money market instruments, exchange-traded derivatives, exchange-traded products (including exchange-traded funds) and some highly liquid exchange traded debt securities.

Level 2: Fair value based on a valuation technique using observable market data includes over-the-counter instruments, instruments priced via multi-broker quotes or evaluated pricing techniques, exchange-traded instruments where the market is persistently not active and instruments subject to fair value pricing adjustments made by reference to observable market data. Examples typically include OTC derivatives, debt securities, convertible bonds, mortgage-backed securities, asset-backed securities and open-ended funds.



# Barclays UK Equity Income Fund (continued)

## Notes to the Financial Statements (continued)

### 13. Fair value disclosures (continued)

Level 3: Fair value based on a valuation technique that relies significantly on unobservable data and this typically includes single broker-priced instruments, suspended/unquoted securities, private equity, unlisted closed-ended funds and open-ended funds with restrictions on redemption rights.

It is the responsibility of the Fair Value Forum ('FVF') to ensure pricing sources and methodologies used to value securities are appropriate as delegated by the ACD. Investments classified as using inputs that are not based on observable market data comprise fair value adjusted securities, stale and single sourced bonds. In seeking to value such securities where no liquid market exists, the FVF will gather valuation related information from multiple internal and external sources. These sources include historic trading and pricing information and the views of internal security analysts. Internal security analysts have access to a range of material including, company specific news and earnings, cash flow forecasts, valuations of the underlying portfolio company and competitor company valuations within related industries and sectors to determine a valuation recommendation for each unlisted security.

Generally for fair valued securities, stale and single source bonds, where there is no price source from an active market, the FVF has applied judgement in determining the fair value. This fair value is established by using measures such as; stale priced securities where the last traded price is used. The FVF has the ability to apply discounts to security valuations. Management determines the discount based on its judgement, after considering market liquidity conditions and company specific factors such as the development stage of the portfolio company. Generally unlisted securities are valued at cost, a trade executed by another Barclays Fund, grey market trades or at a nil value where companies have gone into liquidation, administration or are deemed worthless. Single sourced broker prices use data received from a single pricing vendor and stale prices use the most recent broker quote available.

Below is an analysis of the Fund's investments and investment liabilities as at the current and preceding year end.

#### Fair value hierarchy as at 28/07/2018

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
<b>Financial Assets</b>				
Equities	130,254	-	11	130,265
Forward Currency Contracts	-	2	-	2
Futures	10	-	-	10
	130,264	2	11	130,277
<b>Financial Liabilities</b>				
Forward Currency Contracts	-	(62)	-	(62)
	-	(62)	-	(62)

# Barclays UK Equity Income Fund (continued)

## Notes to the Financial Statements (continued)

### 13. Fair value disclosures (continued)

Fair value hierarchy as at 28/07/2017

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
<b>Financial Assets</b>				
Equities	155,694	-	12	155,706
Forward Currency Contracts	-	30	-	30
	155,694	30	12	155,736
<b>Financial Liabilities</b>				
Forward Currency Contracts	(55)	-	-	(55)
Futures	-	(227)	-	(227)
	(55)	(227)	-	(282)

### 14. Portfolio transaction costs

29/07/2017 to 28/07/2018

	Purchases in the year before transaction costs £'000	Commissions £'000	%	Taxes £'000	%	Total Purchase costs £'000	Gross Purchase Costs £'000
<b>Purchases</b>							
Equities	40,683	21	0.05%	164	0.40%	185	40,868
Total	40,683	21	0.05%	164	0.40%	185	40,868

	Sales in the year before transaction costs £'000	Commissions £'000	%	Fees £'000	%	Total sales costs £'000	Total sales net of transaction costs £'000
<b>Sales</b>							
Equities	73,049	(33)	(0.05%)	(1)	0.00%	(34)	73,015
Total	73,049	(33)	(0.05%)	(1)	0.00%	(34)	73,015

Total transaction costs	54	165
as a % of the average net assets	0.04%	0.11%

29/07/2016 to 28/07/2017

	Purchases in the year before transaction costs £'000	Commissions £'000	%	Taxes £'000	%	Total Purchase costs £'000	Gross Purchase Costs £'000
<b>Purchases</b>							
Equities	54,710	46	0.08%	189	0.35%	235	54,945
Total	54,710	46	0.08%	189	0.35%	235	54,945

# Barclays UK Equity Income Fund (continued)

## Notes to the Financial Statements (continued)

### 14. Portfolio transaction costs (continued)

29/07/2016 to 28/07/2017

	Sales in the year before transaction costs £'000	Commissions £'000	%	Fees £'000	%	Total sales costs £'000	Total sales net of transaction costs £'000
<b>Sales</b>							
Equities	114,461	(81)	(0.07%)	(1)	0.00%	(82)	114,379
Total	114,461	(81)	(0.07%)	(1)	0.00%	(82)	114,379
Total transaction costs as a % of the average net assets		127 0.07%		190 0.11%			

The above analysis covers any direct transaction costs suffered by the Fund during the year which are separately identifiable. However it is important to understand the nature of other transaction costs associated with different investment classes and instruments types.

Separately identifiable direct transaction costs (commissions and taxes etc.) are attributable to the Fund's purchase and sale of equity shares. Additionally for equity shares, there is a dealing spread cost (the difference between the buying and selling prices) which will be suffered on purchase and sale transactions.

For the Fund's investment transactions in debt and money market instruments any applicable transaction charges form part of the dealing spread for these instruments. Unlike shares other types of investments (such as bonds, money market instruments and derivatives) have no separately identifiable transactions costs, these costs form part of the dealing spread. Transactions in money market instruments to manage the fund's daily liquidity position are excluded from the analysis.

At the balance sheet date, the average portfolio dealing spread was 0.18% (28 July 2017: 0.49%).

This spread represents the difference between the values determined respectively by reference to the bid and offer prices of investments expressed as a percentage of the value determined by reference to the offer price.

### 15. Related party transactions

The ACD is related to the Fund as defined by the Financial Reporting Standard 102.33 'Related Party Disclosures' as a result of it carrying out key management personnel services in relation to the operation of the Fund.

At the year end, the ACD and its associates held 0.00% of the Fund's shares in issue (28 July 2017: 0.00%).

Details of all other material related party transactions during the year and any payment amounts outstanding at the balance sheet date are disclosed in notes 4, 8 and 10 to the financial statements. Within note 10, accrued expenses (including amounts due to associates and agents) of £94,302 (28 July 2017: £108,635) are due to the ACD.

# Barclays UK Equity Income Fund (continued)

## Notes to the Financial Statements (continued)

### 16. Shareholder funds

The net asset value of each share class, the net asset value per share, and the number of shares in each share class is given in the performance tables on pages 152 to 154. All Share Classes have the same rights on winding up.

The movement in the number of shares for the years ended 28 July 2018 and 28 July 2017 is shown below:

	29/07/2017 to 28/07/2018	29/07/2016 to 28/07/2017
<b>Number of A-Class Distribution Shares</b>		
<b>Issued and cancelled shares</b>		
Balance at beginning of year	3,580,412	3,777,438
Issued during year	86,820	87,722
Cancelled during year	(314,074)	(276,885)
Conversions during the year	11,470	(7,863)
<b>Total number of A-Class Distribution Shares in issue at end of year</b>	<b>3,364,628</b>	<b>3,580,412</b>
<b>Number of A-Class Accumulation Shares</b>		
<b>Issued and cancelled shares</b>		
Balance at beginning of year	103,323	105,612
Issued during year	876	2,705
Cancelled during year	(11,406)	(4,994)
Conversions during the year	(6,989)	-
<b>Total number of A-Class Accumulation Shares in issue at end of year</b>	<b>85,804</b>	<b>103,323</b>
<b>Number of M-Class Distribution Shares</b>		
<b>Issued and cancelled shares</b>		
Balance at beginning of year	27,168,379	40,161,523
Issued during year	1,698,417	2,542,058
Cancelled during year	(7,126,903)	(15,783,168)
Conversions during the year	-	247,966
<b>Total number of M-Class Distribution Shares in issue at end of year</b>	<b>21,739,893</b>	<b>27,168,379</b>
<b>Number of R-Class Distribution Shares</b>		
<b>Issued and cancelled shares</b>		
Balance at beginning of year	383,270	502,099
Issued during year	26,632	37,784
Cancelled during year	(55,672)	(43,442)
Conversions during the year	803	(113,171)
<b>Total number of R-Class Distribution Shares in issue at end of year</b>	<b>355,033</b>	<b>383,270</b>

# Barclays UK Equity Income Fund (continued)

## Notes to the Financial Statements (continued)

### 16. Shareholder funds (continued)

	29/07/2017 to 28/07/2018	29/07/2016 to 28/07/2017
<b>Number of R-Class Accumulation Shares</b>		
<b>Issued and cancelled shares</b>		
Balance at beginning of year	515,577	761,145
Issued during year	6,512	47,698
Cancelled during year	(155,021)	(203,551)
Conversions during the year	-	(89,715)
<b>Total number of R-Class Accumulation Shares</b>		
<b>in issue at end of year</b>	<b>367,068</b>	<b>515,577</b>

### 17. Events after the Balance Sheet Date

There are no events after the balance sheet date which in the opinion of the ACD requires an adjustment or a disclosure in the financial statements.

# Barclays UK Equity Income Fund (continued)

## Distribution Tables for the year ended 28 July 2018

Group 1: Shares purchased prior to a distribution period

Group 2: Shares purchased during a distribution period

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

### First interim dividend distribution in pence per share

	Net Revenue	Equalisation	Distribution Paid 28/12/2017	Distribution Paid 28/12/2016
<b>A-Class Distribution</b>				
Group 1	5.1427p	-	5.1427p	5.1643p
Group 2	1.3122p	3.8305p	5.1427p	5.1643p
<b>A-Class Accumulation</b>				
Group 1	8.7559p	-	8.7559p	8.4284p
Group 2	4.9910p	3.7649p	8.7559p	8.4284p
<b>M-Class Distribution</b>				
Group 1	5.7332p	-	5.7332p	5.7074p
Group 2	1.8264p	3.9068p	5.7332p	5.7074p
<b>R-Class Distribution</b>				
Group 1	5.3160p	-	5.3160p	5.3063p
Group 2	1.2433p	4.0727p	5.3160p	5.3063p
<b>R-Class Accumulation</b>				
Group 1	9.0356p	-	9.0356p	8.6478p
Group 2	0.9745p	8.0611p	9.0356p	8.6478p

### Second interim dividend distribution in pence per share

	Net Revenue	Equalisation	Distribution Paid 28/03/2018	Distribution Paid 24/03/2017
<b>A-Class Distribution</b>				
Group 1	2.6505p	-	2.6505p	2.4135p
Group 2	0.7322p	1.9183p	2.6505p	2.4135p
<b>A-Class Accumulation</b>				
Group 1	4.5635p	-	4.5635p	3.9867p
Group 2	1.3847p	3.1788p	4.5635p	3.9867p
<b>M-Class Distribution</b>				
Group 1	2.9611p	-	2.9611p	2.6727p
Group 2	1.5994p	1.3617p	2.9611p	2.6727p
<b>R-Class Distribution</b>				
Group 1	2.7439p	-	2.7439p	2.4834p
Group 2	1.5690p	1.1749p	2.7439p	2.4834p
<b>R-Class Accumulation</b>				
Group 1	4.7173p	-	4.7173p	4.0962p
Group 2	2.4626p	2.2547p	4.7173p	4.0962p

# Barclays UK Equity Income Fund (continued)

## Distribution Tables for the year ended 28 July 2018 (continued)

### Third interim dividend distribution in pence per share

	Net Revenue	Equalisation	Distribution Paid 28/06/2018	Distribution Paid 28/06/2017
<b>A-Class Distribution</b>				
Group 1	7.6212p	-	7.6212p	7.2243p
Group 2	3.8712p	3.7500p	7.6212p	7.2243p
<b>A-Class Accumulation</b>				
Group 1	13.1915p	-	13.1915p	12.0007p
Group 2	7.8113p	5.3802p	13.1915p	12.0007p
<b>M-Class Distribution</b>				
Group 1	8.5411p	-	8.5411p	8.0222p
Group 2	7.4680p	1.0731p	8.5411p	8.0222p
<b>R-Class Distribution</b>				
Group 1	7.9045p	-	7.9045p	7.4474p
Group 2	4.4976p	3.4069p	7.9045p	7.4474p
<b>R-Class Accumulation</b>				
Group 1	13.6845p	-	13.6845p	12.3535p
Group 2	10.6021p	3.0824p	13.6845p	12.3535p

### Final dividend distribution in pence per share

	Net Revenue	Equalisation	Distribution Paid 28/09/2018	Distribution Paid 28/09/2017
<b>A-Class Distribution</b>				
Group 1	3.8738p	-	3.8738p	3.8431p
Group 2	0.7259p	3.1479p	3.8738p	3.8431p
<b>A-Class Accumulation</b>				
Group 1	6.8179p	-	6.8179p	6.4884p
Group 2	2.2012p	4.6167p	6.8179p	6.4884p
<b>M-Class Distribution</b>				
Group 1	4.3447p	-	4.3447p	4.2747p
Group 2	2.0638p	2.2809p	4.3447p	4.2747p
<b>R-Class Distribution</b>				
Group 1	4.0232p	-	4.0232p	3.9664p
Group 2	2.7824p	1.2408p	4.0232p	3.9664p
<b>R-Class Accumulation</b>				
Group 1	7.0687p	-	7.0687p	6.6867p
Group 2	0.6120p	6.4567p	7.0687p	6.6867p

# Barclays UK Equity Income Fund (continued)

## Performance Tables

	A-Class Distribution			A-Class Accumulation		
	29/07/2017 to 28/07/2018	29/07/2016 to 28/07/2017	29/07/2015 to 28/07/2016	29/07/2017 to 28/07/2018	29/07/2016 to 28/07/2017	29/07/2015 to 28/07/2016
	(pps)	(pps)	(pps)	(pps)	(pps)	(pps)
<b>Change in net assets per share</b>						
Opening net asset value per share**:	450.61	412.38	425.87	767.16	672.98	665.47
Return before operating charges*	42.03	64.41	11.27	72.61	106.67	18.68
Operating charges	(7.97)	(7.53)	(7.03)	(13.77)	(12.49)	(11.17)
Return after operating charges*	39.58	56.88	4.24	58.84	94.18	7.51
Distributions	(19.29)	(18.65)	(17.73)	(33.33)	(30.90)	(28.14)
Retained distributions on accumulation shares	-	-	-	33.33	30.90	28.14
Closing net asset value per share**	465.38	450.61	412.38	826.00	767.16	672.98
*after direct transaction costs of:	0.59	(0.78)	(0.94)	1.03	(1.30)	(1.49)
<b>Performance</b>						
Return after charges	7.56%	13.79%	1.00%	7.67%	13.99%	1.13%
<b>Other information</b>						
Closing net asset value (£'000)	15,658	16,134	15,577	709	793	711
Closing number of shares ('000)	3,365	3,580	3,777	86	103	106
Operating charges (%)	1.74%	1.73%	1.73%	1.74%	1.73%	1.73%
Direct transaction costs	0.13%	0.18%	0.23%	0.13%	0.18%	0.23%
<b>Prices</b>						
Highest share price	483.70	461.00	439.60	851.30	778.20	686.90
Lowest share price	431.00	408.50	362.60	746.40	668.00	576.30

\*\*Opening and closing net asset values ('NAVs') per share in the above table have been calculated using the NAV and number of shares figures rounded to the nearest £ and shares respectively.



# Barclays UK Equity Income Fund (continued)

## Performance Tables (continued)

	M-Class Distribution			R-Class Distribution		
	29/07/2017 to 28/07/2018	29/07/2016 to 28/07/2017	29/07/2015 to 28/07/2016	29/07/2017 to 28/07/2018	29/07/2016 to 28/07/2017	29/07/2015 to 28/07/2016
	(pps)	(pps)	(pps)	(pps)	(pps)	(pps)
<b>Change in net assets per share</b>						
Opening net asset value per share**:	501.97	455.38	466.17	465.55	423.49	434.70
Return before operating charges*	47.03	71.42	12.50	43.56	66.33	11.60
Operating charges	(4.46)	(4.15)	(3.80)	(5.41)	(5.07)	(4.66)
Return after operating charges*	42.57	67.27	8.70	38.15	61.26	6.94
Distributions	(21.58)	(20.68)	(19.49)	(19.99)	(19.20)	(18.15)
Retained distributions on accumulation shares	-	-	-	-	-	-
Closing net asset value per share**	522.96	501.97	455.38	483.71	465.55	423.49
*after direct transaction costs of:	0.66	(0.87)	(1.03)	0.62	(0.80)	(0.95)
<b>Performance</b>						
Return after charges	8.48%	14.77%	1.87%	8.19%	14.47%	1.60%
<b>Other information</b>						
Closing net asset value (£'000)	113,690	136,378	182,890	1,717	1,784	2,126
Closing number of shares ('000)	21,740	27,168	40,162	355	383	502
Operating charges (%)	0.87%	0.86%	0.85%	1.14%	1.13%	1.12%
Direct transaction costs	0.13%	0.18%	0.23%	0.13%	0.18%	0.23%
<b>Prices</b>						
Highest share price	542.70	512.80	481.30	502.20	475.80	448.80
Lowest share price	482.40	452.10	398.80	446.80	420.20	371.30

\*\*Opening and closing net asset values ('NAVs') per share in the above table have been calculated using the NAV and number of shares figures rounded to the nearest £ and shares respectively.

# Barclays UK Equity Income Fund (continued)

## Performance Tables (continued)

	R-Class Accumulation		
	29/07/2017 to 28/07/2018 (pps)	29/07/2016 to 28/07/2017 (pps)	29/07/2015 to 28/07/2016 (pps)
<b>Change in net assets per share</b>			
Opening net asset value per share**:	791.43	690.12	678.29
Return before operating charges*	75.12	109.70	19.22
Operating charges	(9.32)	(8.39)	(7.39)
Return after operating charges*	65.80	101.31	11.83
Distributions	(34.51)	(31.78)	(28.77)
Retained distributions on accumulation shares	34.51	31.78	28.77
Closing net asset value per share**	857.23	791.43	690.12
*after direct transaction costs of:	1.06	(1.34)	(1.52)
<b>Performance</b>			
Return after charges	8.31%	14.68%	1.74%
<b>Other information</b>			
Closing net asset value (£'000)	3,147	4,081	5,253
Closing number of shares ('000)	367	516	761
Operating charges (%)	1.14%	1.13%	1.12%
Direct transaction costs	0.13%	0.18%	0.23%
<b>Prices</b>			
Highest share price	882.50	802.10	700.20
Lowest share price	772.50	685.10	589.30

The operating charges (%) represents the ongoing charges figures for the year as referred to in the key investor information document ('KIID') and other literature.

\*\*Opening and closing net asset values ('NAVs') per share in the above table have been calculated using the NAV and number of shares figures rounded to the nearest £ and shares respectively.

# Barclays UK Equity Income Fund (continued)

## Risk and Reward Profile

1	2	3	4	5	6	7
<p>The risk and reward category is calculated using historical data which may not be a reliable indicator of the Fund's future risk profile.</p> <p>The risk and reward category may shift over time and is not a target or a guarantee.</p> <p>The lowest category (i.e. Category 1) does not mean a risk-free investment.</p> <p>The Fund is in Category 5 because of the high range and frequency of price movements (volatility) of the underlying investments in which the Fund invests.</p> <p>The following are additional risks not covered by the risk and reward category.</p> <p>The Fund may be exposed to stock market movements in a single country or region which may be adversely affected by political or economic developments, government action or natural events that do not affect a fund investing in broader markets.</p>				<p>The Fund relies upon the performance of one or more investment managers. If the investment managers perform poorly, the value of your investment is likely to be adversely affected.</p> <p>Future legal or regulatory change could have a substantial adverse effect on the fund and your investment.</p> <p>Stock markets can be volatile, meaning that the prices of shares held by the Fund can change quickly and substantially.</p> <p>The Fund is not guaranteed and your investment is at risk. You may lose some or all of your investment.</p> <p>The underlying funds into which the Fund invests may seek to identify and invest in undervalued securities. The identification of investment opportunities in undervalued securities is difficult and there can be no assurance that such opportunities will be successfully identified.</p> <p>The figure for the synthetic risk and reward indicator disclosed in the financial statements is the same as the most up-to-date key investor information document ('KIID').</p> <p>More information in relation to risks in general may be found in the "Risk Factors" section of the Prospectus.</p>		

# Barclays UK Opportunities Fund

## Investment Objective and Policy

The Fund seeks to maximise long-term total return primarily through investment in UK companies with strong prospects for growth.

The Fund invests primarily in common stocks, preferred shares and securities convertible into common stock of companies across a range of industries, domiciled in the UK or having significant operations in the UK, and listed on a UK Regulated Market or Regulated Market of an OECD country.

The Fund will seek to invest in UK companies which the Investment Manager and/or sub-investment manager(s) believe(s) to possess strong growth prospects and may be undervalued. As higher growth rates are often achieved by small to medium sized companies, a portion of the Fund's assets may be invested in the securities of such companies.

The Fund will invest at least 70% of its assets in the common stocks and preferred shares of UK companies that are believed to offer better than average growth. The Fund may, with the remaining portion of the assets (and on an ancillary basis), invest in non-UK equity securities, Investment Grade government and corporate fixed income securities and Convertible Debt Securities (listed or traded on a Regulated Market).

The Fund may also invest in other transferable securities, money market instruments, cash and near cash, deposits and units in collective investment schemes (use may be made of stocklending, borrowing, cash holdings, hedging and other efficient portfolio management techniques permitted in the applicable FCA Rules).

## Investment Report

During the year under review, the net asset value per share attributable to the A-Class Accumulation shares rose by 9.51%.

## Market/Economic Review

The UK market traded was range bound in the first half of this reporting period, and only found some momentum in December. Investors are, and remain, somewhat hamstrung over the significant uncertainty about the potential outcome of the UK's withdrawal from the European Union in March 2019. This was in contrast to the UK economy which continued to perform well despite the doom laden predictions that failed to materialise prior to the actual referendum, and have not ceased since. This saw better performance from medium and small sized companies than large caps, despite the weakness of Sterling.

December saw some reversal of this. Commodity and oil prices rose in December and the shares of companies in those appreciated strongly up until Christmas. This reversal caught out many active UK managers who were underweight in natural resources.

In contrast to recent years, there was no significant benefit for UK investors to be invested in a particular style or size bias over the reporting period. Mid sized companies marginally outperformed the wider market over, and value outperformed growth. But this was not a consistent feature of the year. The start of 2018 saw a market correction, the growth style underperform within UK equities, and large companies underperform small and mid cap indices. This reversed in the second quarter of the year.

# Barclays UK Opportunities Fund (continued)

## Market/Economic Review (continued)

A notable feature was the number of mergers and acquisitions that were announced or took place. The weakness of Sterling and the significant degree to which the UK equity market is out of favour with global investors has made some companies very attractive to overseas buyers with a long term view. Within the largest companies, the likes of Shire Pharmaceuticals and Sky were bid for by Japanese and US suitors respectively. Other activity was seen in the financial sector, where dealer NEX Group was purchased by CME, and Fidessa by Ion. GKN was purchased by Melrose in the UK which attracted headlines over concerns of potential 'asset stripping'. Some deals did not consummate, with Hammerson rejecting a deal by French property company Klepierre. The speed at which drinks company Conviviality declined into administration was shocking, but as a relatively small listed company, failed to place too much of a dent in investor confidence.

The period saw a rising oil price and US Dollar as the US economy was boosted by tax reform. In the absence of any technology sector of note within the UK market, the energy sector was the standout best performing part of the market over this period, rising over thirty percent. Given the size of the likes of BP and Shell in the index, any manager who was underweight the sector found this a material headwind to being able to generate outperformance. Materials was the next best performing sector but only managed to generate around a sixteen percent return. The worst performing sector over the entire period was Telecommunication Services. The market struggles to see value in the likes of BT and Vodafone, both of whom face individual challenges about how to grow their business. Whilst both pay attractive dividends and are lowly priced, there remains huge uncertainty about what will see them become more attractive investments.

The period was also interesting for how company share prices reacted to bad news. In contrast to previous years where disappointing announcements were sometimes ignored, share prices often fell sharply on a profit warning over the period. The most notable of this was Micro Focus. A FTSE 100 company and darling of many growth investors, announcing management change and difficulty integrating a recent purchase saw a 50% fall in its share price in a few days. This type of behaviour is challenging for many investors, but is helpful to those who either invest in companies that are exceptionally well managed or have already gone through their most difficult periods and are already lowly priced by the market.

## Fund Review

The Fund outperformed over the period. Lindsell Train and JO Hambro produced very strong outperformance over the reporting period, a pleasing result given they manage money using very different processes. Heronbridge had a better start to 2018 than it had end of 2017, and performed broadly in line with the FTSE All Share index.

Lindsell Train's strong period was led by its holdings in Hargreaves Lansdown and Fidessa. Burberry and the London Stock Exchange also made strong contributions. Schroders, Sage and Rathbones were the only meaningful detractors; Greene King struggled but was a smaller holding in the portfolio.

Heronbridge saw strong performance from Fenner, which was taken over by Michelin during the reporting period. Recruitment companies Page Group and Hays also performed well, as did UBM, which was acquired by Informa. But performance was held back by not owning Royal Dutch Shell and BP, as well as active positions in Mitie and Mears Group.

JO Hambro demonstrated good stock selection in a variety of sectors. Miner Anglo American, stock broker Numis, and electrical component distributor Electrocomponents led the manager's list of winners. The manager looks for turnaround situations, so names like SDL and Restaurant Group are held in anticipation of a reversal of fortunes. Whilst SDL is a more recent disappointment, Restaurant Group remains a more challenging turnaround although the manager retains his faith in the business.

# Barclays UK Opportunities Fund (continued)

## Outlook

The next year will continue to be dominated politically by the impact and implications of the UK's agreement to leave the European Union. The 'base case' for most UK equity managers is that a deal will be done, and few if any have positioned their portfolio for an extreme outcome. This is perhaps a reaction to how the industry was positioned going into the referendum, incorrectly in hindsight.

Looking more broadly, and more longer term, UK equities are desperately out of favour, almost the most unwanted asset class globally in some surveys. The economy is – probably – nearer the end than the beginning of its cycle, there is some wage inflation, interest rates have started to rise, and unemployment is low. The UK stock market has little exposure to technology, the sector that has driven the performance of other large markets over recent years. Banks, oil and mining and pharmaceutical companies dominate the index, all of which face their own challenges. The retail sector is under huge pressure as online sales see long established high street brand names struggle.

But we see opportunity for the patient. It was only a few years ago when European equities were similarly unloved, and they are now widely appreciated by global investors. A resolution to the Brexit debate would be exceptionally helpful for sentiment. Sterling would likely appreciate, boosting returns for overseas investors. Clearly, no deal would be very bad for the market, in the medium to short term. But if panic is averted, we think long term investors – particularly those who believe that market valuations and sentiment revert to the mean – should not forget about UK equities just yet.

Barclays Bank PLC  
Savings, Wealth and Investment Management  
(Investment Adviser)  
September 2018

# Barclays UK Opportunities Fund (continued)

## Portfolio Statement as at 28 July 2018

All investments are in ordinary shares unless stated otherwise. The percentages in brackets show the equivalent sector holdings at 28 July 2017.

Holding / Nominal Value	Investment	Market Value £'000	% of Net Assets
	<b>EUROPE EXCLUDING UK: 1.34% (1.39%)</b>		
	<b>NETHERLANDS: 1.34% (1.39%)</b>		
	<b>Beverages: 1.34% (1.39%)</b>		
14,651	Heineken	1,106	1.34
	<b>NORTH AMERICA: 1.54% (1.46%)</b>		
	<b>CAYMAN ISLANDS: 0.19% (0.15%)</b>		
	<b>Travel &amp; Leisure: 0.19% (0.15%)</b>		
10,107	Manchester United	159	0.19
	<b>UNITED STATES: 1.35% (1.31%)</b>		
	<b>Food Producers: 1.35% (1.31%)</b>		
34,112	Mondelez International^^	1,115	1.35
	<b>UNITED KINGDOM: 94.85% (95.22%)</b>		
	<b>Aerospace &amp; Defense: 6.84% (5.92%)</b>		
190,600	BAE Systems	1,245	1.50
151,230	Chemring	335	0.40
870,125	Cobham	1,072	1.30
332,587	QinetiQ	911	1.10
263,107	Senior	799	0.97
77,144	Ultra Electronics	1,302	1.57
		5,664	6.84
	<b>Banks: 3.80% (4.33%)</b>		
462,030	Barclays	882	1.07
171,469	HSBC	1,248	1.51
1,616,678	Lloyds Banking	1,012	1.22
		3,142	3.80
	<b>Beverages: 4.78% (5.52%)</b>		
52,282	A.G.BARR	360	0.43
41,715	Britvic	337	0.41
93,049	Diageo	2,637	3.18
279,826	Stock Spirits	625	0.76
		3,959	4.78
	<b>Chemicals: 0.43% (0.58%)</b>		
139,214	Elementis	359	0.43
	<b>Construction &amp; Materials: 0.43% (0.00%)</b>		
165,614	Melrose Industries	356	0.43
	<b>Electronic &amp; Electrical Equipment: 1.18% (2.04%)</b>		
27,591	Spectris	630	0.76
152,719	TT Electronics	347	0.42
		977	1.18

# Barclays UK Opportunities Fund (continued)

## Portfolio Statement as at 28 July 2018 (continued)

Holding / Nominal Value	Investment	Market Value £'000	% of Net Assets
<b>UNITED KINGDOM: 94.85% (95.22%) (continued)</b>			
<b>Financial Services: 12.27% (13.28%)</b>			
117,061	3i	1,106	1.34
64,362	CMC Markets	122	0.15
99,664	Hargreaves Lansdown	2,065	2.49
39,379	London Stock Exchange	1,769	2.14
251,866	Man	435	0.53
46,929	Numis^	201	0.24
69,925	Rathbone Brothers	1,723	2.08
53,343	Schroders	1,270	1.53
47,703	Schroders VTC	1,466	1.77
		10,157	12.27
<b>Food &amp; Drug Retailers: 3.23% (2.42%)</b>			
333,917	Tesco	860	1.04
707,472	WM Morrison Supermarkets	1,814	2.19
		2,674	3.23
<b>Food Producers: 0.06% (0.00%)</b>			
25,755	Devro	52	0.06
<b>General Industrials: 1.86% (1.97%)</b>			
72,486	DS Smith	364	0.44
73,240	Smiths	1,176	1.42
		1,540	1.86
<b>General Retailers: 0.67% (1.26%)</b>			
43,650	Majestic Wine^	200	0.24
113,133	Marks & Spencer	351	0.43
		551	0.67
<b>Household Goods &amp; Home Construction: 2.66% (2.04%)</b>			
147,553	Headlam	693	0.84
196,739	McBride	280	0.34
179,579	McCarthy & Stone	189	0.23
15,250	Reckitt Benckiser	1,039	1.25
		2,201	2.66
<b>Industrial Engineering: 2.11% (3.64%)</b>			
117,257	IMI	1,345	1.62
32,733	Vitec	403	0.49
		1,748	2.11
<b>Industrial Transportation: 0.97% (0.95%)</b>			
31,598	Clarkson	806	0.97
<b>Life Insurance: 1.11% (1.46%)</b>			
187,259	Aviva	917	1.11
<b>Media: 12.13% (10.84%)</b>			
44,404	Ascential	182	0.23
383,635	Daily Mail & General Trust	2,854	3.45



# Barclays UK Opportunities Fund (continued)

## Portfolio Statement as at 28 July 2018 (continued)

Holding / Nominal Value	Investment	Market Value £'000	% of Net Assets
<b>UNITED KINGDOM: 94.85% (95.22%) (continued)</b>			
<b>Media: 12.13% (10.84%) (continued)</b>			
135,788	Euromoney Institutional Investor	1,868	2.26
12,494	Informa	100	0.12
479,317	ITE	393	0.47
194,279	ITV	323	0.39
119,704	Moneysupermarket.com	365	0.44
186,810	Pearson	1,789	2.16
128,083	RELX	2,165	2.61
		10,039	12.13
<b>Mining: 3.88% (3.76%)</b>			
47,249	Anglo American	799	0.97
57,919	Rio Tinto	2,409	2.91
		3,208	3.88
<b>Mobile Telecommunications: 1.06% (1.25%)</b>			
485,215	Vodafone	873	1.06
<b>Oil &amp; Gas Producer: 3.67% (3.66%)</b>			
275,983	BP	1,565	1.89
55,525	Royal Dutch Shell Class 'B'	1,476	1.78
		3,041	3.67
<b>Oil Equipment, Services &amp; Distribution: 0.47% (0.00%)</b>			
50,760	Hunting	392	0.47
<b>Personal Goods: 5.27% (4.67%)</b>			
82,636	Burberry	1,746	2.11
176,793	PZ Cussons	401	0.48
51,325	Unilever	2,214	2.68
		4,361	5.27
<b>Pharmaceuticals &amp; Biotechnology: 2.59% (3.79%)</b>			
5,996	AstraZeneca	344	0.42
115,853	GlaxoSmithKline	1,799	2.17
		2,143	2.59
<b>Real Estate Investment &amp; Services: 2.17% (1.62%)</b>			
90,000	Savills	790	0.95
118,524	St. Modwen Properties	468	0.57
177,982	Urban & Civic	541	0.65
		1,799	2.17
<b>Real Estate Investment Trusts - 0.03% (0.00%)</b>			
28,095	Empiric Student Property	27	0.03
<b>Software &amp; Computer Services: 3.93% (3.74%)</b>			
46,339	EMIS^	430	0.52
32,695	Fidessa	1,262	1.52
215,415	Sage	1,391	1.68
34,992	SDL	173	0.21
		3,256	3.93

# Barclays UK Opportunities Fund (continued)

## Portfolio Statement as at 28 July 2018 (continued)

Holding / Nominal Value	Investment	Market Value £'000	% of Net Assets
<b>UNITED KINGDOM: 94.85% (95.22%) (continued)</b>			
<b>Support Services: 12.18% (12.37%)</b>			
176,143	Aggreko	1,299	1.57
29,799	De La Rue	152	0.18
145,830	Electrocomponents	1,052	1.27
344,125	Essentra	1,726	2.08
597,549	Hays	1,200	1.45
169,071	iEnergizer^	85	0.10
148,977	Mears	484	0.58
518,944	Mitie	800	0.97
279,867	PageGroup	1,702	2.06
264,473	SIG	329	0.40
358,118	Speedy Hire	221	0.27
77,625	Travis Perkins	1,037	1.25
		10,087	12.18
<b>Tobacco: 3.53% (1.96%)</b>			
27,031	British American Tobacco	1,112	1.34
63,771	Imperial Brands	1,810	2.19
		2,922	3.53
<b>Travel &amp; Leisure: 1.54% (2.15%)</b>			
101,615	National Express	416	0.50
220,377	Restaurant	574	0.69
16,569	Young & Co's Brewery VTG^	287	0.35
		1,277	1.54
<b>Futures: 0.00% ((0.01%))</b>			
26	FTSE 100 Index Future Expiry September 2018	(2)	-
<b>Portfolio of investments*</b>		<b>80,906</b>	<b>97.73</b>
<b>Net other assets</b>		<b>1,883</b>	<b>2.27</b>
<b>Net assets</b>		<b>82,789</b>	<b>100.00</b>

All investments are listed as transferable securities admitted to an official stock exchange or traded on a regulated market.

\*Includes derivatives

^These securities are quoted on an Alternative Investment Market ('AIM') and comprise 1.45% (28 July 2017: 1.18%) of the Net Asset Value.

^^These securities are quoted on NASDAQ and comprise 1.35% (28 July 2017: 1.31%) of the Net Asset Value.

# Barclays UK Opportunities Fund (continued)

## Summary of Material Portfolio Changes for the year ended 28 July 2018

10 Largest Purchases	Cost £	10 Largest Sales	Proceeds £
Imperial Brands	1,082,770	AstraZeneca	1,312,387
Essentra	880,210	London Stock Exchange	1,074,111
Reckitt Benckiser	644,862	Diageo	924,737
Ultra Electronics	558,310	Fenner	814,622
Tesco	537,626	Rotork	701,865
British American Tobacco	434,916	Pearson	701,814
3i	414,100	Hargreaves Lansdown	673,480
PZ Cussons	395,954	Electrocomponents	669,175
Daily Mail & General Trust	383,368	Anglo American	664,157
Moneysupermarket.com	379,712	BP	639,179

Portfolio Information	Year to 28/07/2018
<b>Total purchases for the year</b>	<b>£14,753,185</b>
<b>Total sales for the year</b>	<b>£25,929,472</b>

# Barclays UK Opportunities Fund (continued)

## Statement of Total Return for the year ended 28 July 2018

		29/07/2017 to 28/07/2018		29/07/2016 to 28/07/2017	
	Notes	£'000	£'000	£'000	£'000
Income					
Net capital gains	2		6,548		13,323
Other					
Revenue	3	2,818		2,831	
Expenses	4	(1,106)		(1,098)	
Interest payable and similar charges	7	-		(2)	
Net revenue before taxation		1,712		1,731	
Taxation	5	(5)		(7)	
Net revenue after taxation for the year			1,707		1,724
Total return before distributions			8,255		15,047
Distributions	6		(1,707)		(1,724)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>6,548</b>		<b>13,323</b>

## Statement of Change in Net Assets attributable to Shareholders for the year ended 28 July 2018

		29/07/2017 to 28/07/2018		29/07/2016 to 28/07/2017	
		£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>			<b>87,400</b>		<b>83,460</b>
Amounts receivable on creation of shares		5,166		863	
Amounts payable on cancellation of shares		(16,931)		(10,791)	
			(11,765)		(9,928)
Dilution adjustment			11		-
Change in net assets attributable to shareholders from investment activities			6,548		13,323
Retained distribution on accumulation shares			595		545
<b>Closing net assets attributable to shareholders</b>			<b>82,789</b>		<b>87,400</b>

## Balance Sheet as at 28 July 2018

		28/07/2018		28/07/2017	
	Notes	£'000	£'000	£'000	£'000
<b>ASSETS</b>					
Fixed Assets					
Investments	13		80,908		85,713
Current Assets					
Debtors	8	178		271	
Amounts held at futures clearing houses and brokers	9	237		133	
Cash and bank balances	9	2,429		2,593	
Total other assets			2,844		2,997
<b>Total assets</b>			<b>83,752</b>		<b>88,710</b>
<b>LIABILITIES</b>					
Investment liabilities	13		(1)		(11)
Creditors					
Distribution payable	10	(563)		(649)	
Other creditors	10	(399)		(650)	
Total other liabilities			(962)		(1,299)
<b>Total liabilities</b>			<b>(963)</b>		<b>(1,310)</b>
<b>Net assets attributable to shareholders</b>			<b>82,789</b>		<b>87,400</b>

# Barclays UK Opportunities Fund (continued)

## Notes to the Financial Statements

### 1. Accounting policies

The accounting policies can be found on pages 13 to 15.

### 2. Net capital gains

	29/07/2017 to 28/07/2018 £'000	29/07/2016 to 28/07/2017 £'000
The net capital gains on investments during the year comprise:		
Non-derivative securities	6,447	13,060
Derivative contracts	114	277
Currency gains	4	1
Transaction charges	(17)	(15)
Net capital gains	6,548	13,323

### 3. Revenue

	29/07/2017 to 28/07/2018 £'000	29/07/2016 to 28/07/2017 £'000
Franked UK dividends	2,751	2,757
UK PID income	-	3
Non-taxable overseas dividends	65	71
Bank interest	2	-
Total revenue	2,818	2,831

### 4. Expenses

	29/07/2017 to 28/07/2018 £'000	29/07/2016 to 28/07/2017 £'000
Payable to the ACD, associates of the ACD and agents of either of them:		
ACD's periodic fee	929	917
Registration fee	76	73
	1,005	990
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary fee	13	13
Safe custody fee	2	2
	15	15
Other expenses:		
Administration fee	56	56
Audit fee	12	12
VAT on audit fee	2	2
Printing fee	8	13
FCA fee	1	-
Tax advisory fee	7	10
	86	93
Total expenses	1,106	1,098

# Barclays UK Opportunities Fund (continued)

## Notes to the Financial Statements (continued)

### 5. Taxation

#### (a) Analysis of taxation charge for the year

	29/07/2017 to 28/07/2018 £'000	29/07/2016 to 28/07/2017 £'000
Overseas tax	5	7
Current tax note 5(b)	5	7
Deferred tax note 5(c)	-	-
Total taxation	5	7

#### (b) Factors affecting taxation charge for the year

The tax assessed for the year is lower than (28 July 2017: lower than) the standard rate of corporation tax in the UK for an open-ended investment company (20%). The differences are explained below:

	29/07/2017 to 28/07/2018 £'000	29/07/2016 to 28/07/2017 £'000
Net revenue before taxation	1,712	1,731
Net revenue before taxation multiplied by the appropriate rate of corporation tax at 20% (2017: 20%)	342	346
Effects of:		
Overseas tax	5	7
Revenue not subject to taxation	(563)	(566)
Excess management expenses not utilised	221	220
Current tax	5	7

#### (c) Provision for deferred tax

There is no deferred tax provision in the current year (28 July 2017: same).

At the year end there is a potential deferred tax asset of £3,256,425 (28 July 2017: £3,035,727) due to surplus management expenses. It is unlikely the Funds will generate sufficient taxable profits in the future to utilise these amounts and therefore no deferred tax asset has been recognised (28 July 2017: same).

### 6. Distributions

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

	29/07/2017 to 28/07/2018 £'000	29/07/2016 to 28/07/2017 £'000
Interim distribution	664	649
Final distribution	945	1,005
Total Distribution	1,609	1,654
Add: Revenue deducted on cancellation of shares	103	75
Less: Revenue received on creation of shares	(5)	(5)
<b>Distributions for the year</b>	<b>1,707</b>	<b>1,724</b>

# Barclays UK Opportunities Fund (continued)

## Notes to the Financial Statements (continued)

### 6. Distributions (continued)

The differences between the net revenue after taxation and the distribution for the year are as follows:

	29/07/2017 to 28/07/2018 £'000	29/07/2016 to 28/07/2017 £'000
Net revenue after taxation for the year	1,707	1,724
<b>Distributions for the year</b>	<b>1,707</b>	<b>1,724</b>

### 7. Interest payable and similar charges

	29/07/2017 to 28/07/2018 £'000	29/07/2016 to 28/07/2017 £'000
Bank overdraft interest	-	2
	-	2

### 8. Debtors

	28/07/2018 £'000	28/07/2017 £'000
Amounts receivable for creation of shares	5	9
Sales awaiting settlement	55	167
Accrued revenue	117	88
Overseas tax recoverable	1	3
UK tax recoverable on PID income	-	4
	178	271

### 9. Net uninvested cash

	28/07/2018 £'000	28/07/2017 £'000
Amounts held at futures clearing houses and brokers	237	133
Cash and bank balances	2,429	2,593
<b>Net uninvested cash</b>	<b>2,666</b>	<b>2,726</b>

### 10. Creditors

	28/07/2018 £'000	28/07/2017 £'000
<b>(a) Other creditors</b>		
Amounts payable for cancellation of shares	68	235
Purchases awaiting settlement	197	287
Accrued expenses	134	128
	399	650
<b>(b) Distributions payable</b>		
Net distributions payable	563	649
	563	649

# Barclays UK Opportunities Fund (continued)

## Notes to the Financial Statements (continued)

### 11. Contingent liabilities and outstanding commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date (28 July 2017: same).

### 12. Risk in relation to the financial instruments

The Fund's investment objective is stated on page 156. In pursuing its objective, the Fund holds financial instruments which expose it to various types of risk. The main risks, and the ACD's policy for managing these risks are set out below. These were applied consistently throughout the current and preceding year.

#### (a) Credit and liquidity risk

Credit risk is the risk of suffering loss due to another party not meeting its financial obligations. The primary source of this risk to the Fund is for trade counterparties to fail to meet their transaction commitments. This risk is managed by appraising the credit profile of financial instruments and trade counterparties.

Liquidity risk relates to the capacity to meet liabilities. The primary source of this risk to the Fund is the liability to Shareholders for any cancellation of shares. This risk is minimised by holding cash and readily realisable securities and via access to overdraft facilities.

#### (b) Market risk

Market risk arises mainly from uncertainty about future prices. The primary source of this risk to the Fund is the potential movement in the value of financial instruments held as a result of price fluctuations. The ACD adheres to the investment guidelines and borrowing powers established in the Prospectus and the Collective Investment Scheme sourcebook ('COLL'). In this way, the ACD monitors and controls the exposure to risk from any type of security, sector or issuer.

The Fund may also use derivative instruments to mitigate risk and/or reduce costs. These instruments are not utilised for speculative purposes. Derivative instruments were utilised during the current and preceding year.

#### (c) Foreign currency risk

Foreign currency risk is the risk of movements in the value of overseas financial instruments as a result of fluctuations in exchange rates. This risk may be managed by the utilisation of forward currency contracts as necessary. Forward currency contracts were utilised during the current and preceding year. At 28 July 2018, the Fund did not hold any investments in forward currency contracts (28 July 2017: same).

The foreign currency profile of the Fund's net assets at the balance sheet date was:

	Monetary exposure £'000	Non-monetary exposure £'000	Total £'000
<b>28/07/2018</b>			
Currency			
Euro	6	1,107	1,113
US Dollar	1	1,274	1,275
	7	2,381	2,388
<b>28/07/2017</b>			
Currency			
Euro	6	1,219	1,225
US Dollar	36	1,274	1,310
	42	2,493	2,535



# Barclays UK Opportunities Fund (continued)

## Notes to the Financial Statements (continued)

### 12. Risk in relation to the financial instruments (continued)

#### (c) Foreign currency risk (continued)

A sensitivity analysis for foreign currency risk is presented below reflecting current and prior year information.

28/07/2018	Net exposure £'000	2018 Max change in currency %	Monetary change £'000
Currency			
Euro	1,111	8	89
US Dollar	1,275	12	153
	2,386		242

  

28/07/2017	Net exposure £'000	2017 Max change in currency %	Monetary change £'000
Currency			
Euro	1,225	8	98
US Dollar	1,310	11	144
	2,535		242

#### (d) 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 Fund's only interest bearing financial instruments were its bank balances and overdraft facilities as disclosed in note 9.

Cash is deposited, and overdraft facilities utilised, on normal commercial terms and earn or bear interest based on LIBOR or its overseas equivalent.

#### (e) Derivatives – sensitivity analysis

The Fund invests in futures to obtain market exposure to enable it to meet the Fund objectives whilst reducing transaction costs.

The effect of these futures is to increase market exposure by 2.40% (28 July 2017: 2.67%) of net assets.

This results in an effective equity exposure at the year end of 100.13% (28 July 2017: 100.74%) of net assets, which means that the gains or losses of the Fund will be 1.0013 (28 July 2017: 1.0074) times the gains or losses if the Fund was fully invested in equities.

#### (f) Fair value

The fair value of a financial instrument is the amount for which it could be exchanged between knowledgeable, willing parties in an arm's length transaction. There is no significant difference between the value of the financial assets and liabilities, as shown in the financial statements, and their fair value.

# Barclays UK Opportunities Fund (continued)

## Notes to the Financial Statements (continued)

### 13. Fair value disclosures

Below is an analysis of the Fund's investments and investment liabilities as at the current and preceding year end.

#### Fair value hierarchy as at 28/07/2018

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
<b>Financial Assets</b>				
Equities	80,906	-	-	80,906
	80,906	-	-	80,906
<b>Financial Liabilities</b>				
Futures	(2)	-	-	(2)
	(2)	-	-	(2)

#### Fair value hierarchy as at 28/07/2017

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
<b>Financial Assets</b>				
Equities	85,713	-	-	85,713
	85,713	-	-	85,713
<b>Financial Liabilities</b>				
Futures	(11)	-	-	(11)
	(11)	-	-	(11)

### 14. Portfolio transaction costs

#### 29/07/2017 to 28/07/2018

	Purchases in the year before transaction costs £'000	Commissions £'000	%	Taxes £'000	%	Total purchase costs £'000	Gross purchase costs £'000
<b>Purchases</b>							
Equities	14,673	10	0.07%	70	0.48%	80	14,753
Total	14,673	10	0.07%	70	0.48%	80	14,753

	Sales in the year before transaction costs £'000	Commissions £'000	%	Fees £'000	%	Total sales costs £'000	Total sales net of transaction costs £'000
<b>Sales</b>							
Equities	25,945	(15)	(0.06%)	(1)	0.00%	(16)	25,929
Total	25,945	(15)	(0.06%)	(1)	0.00%	(16)	25,929

Total transaction costs as a % of the average net assets	25 0.03%	71 0.08%
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# Barclays UK Opportunities Fund (continued)

## Notes to the Financial Statements (continued)

### 14. Portfolio transaction costs (continued)

29/07/2016 to 28/07/2017

	Purchases in the year before transaction costs £'000	Commissions £'000	%	Taxes £'000	%	Total purchase costs £'000	Gross purchase costs £'000
<b>Purchases</b>							
Equities	16,657	16	0.10%	80	0.48%	96	16,753
Total	16,657	16	0.10%	80	0.48%	96	16,753

	Sales in the year before transaction costs £'000	Commissions £'000	%	Fees £'000	%	Total sales costs £'000	Total sales net of transaction costs £'000
<b>Sales</b>							
Equities	25,085	(21)	(0.08%)	(1)	0.00%	(22)	25,063
Total	25,085	(21)	(0.08%)	(1)	0.00%	(22)	25,063

Total transaction costs	37	81
as a % of the average net assets	0.04%	0.09%

The above analysis covers any direct transaction costs suffered by the Fund during the year which are separately identifiable. However it is important to understand the nature of other transaction costs associated with different investment classes and instruments types.

Separately identifiable direct transaction costs (commissions and taxes etc.) are attributable to the Fund's purchase and sale of equity shares. Additionally for equity shares, there is a dealing spread cost (the difference between the buying and selling prices) which will be suffered on purchase and sale transactions.

For the Fund's investment transactions in debt and money market instruments any applicable transaction charges form part of the dealing spread for these instruments. Unlike shares other types of investments (such as bonds, money market instruments and derivatives) have no separately identifiable transactions costs, these costs form part of the dealing spread. Transactions in money market instruments to manage the fund's daily liquidity position are excluded from the analysis.

At the balance sheet date, the average portfolio dealing spread was 0.28% (28 July 2017: 0.33%).

This spread represents the difference between the values determined respectively by reference to the bid and offer prices of investments expressed as a percentage of the value determined by reference to the offer price.

# Barclays UK Opportunities Fund (continued)

## Notes to the Financial Statements (continued)

### 15. Related party transactions

The ACD is related to the Fund as defined by the Financial Reporting Standard 102.33 'Related Party Disclosures' as a result of it carrying out key management personnel services in relation to the operation of the Fund.

At the year end, the ACD and its associates held 0.00% of the Fund's shares in issue (28 July 2017: 0.00%).

Details of all other material related party transactions during the year and any payment amounts outstanding at the balance sheet date are disclosed in notes 4, 8 and 10 to the financial statements. Within note 10, accrued expenses (including amounts due to associates and agents) of £77,064 (28 July 2017: £77,997) are due to the ACD.

### 16. Shareholder funds

The net asset value of each share class, the net asset value per share, and the number of shares in each share class is given in the performance tables on pages 175 to 177. All Share Classes have the same rights on winding up.

The movement in the number of shares for the years ended 28 July 2018 and 28 July 2017 is shown below:

	29/07/2017 to 28/07/2018	29/07/2016 to 28/07/2017
<b>Number of A-Class Distribution Shares</b>		
<b>Issued and cancelled shares</b>		
Balance at beginning of year	984,827	1,017,841
Issued during year	29,001	28,039
Cancelled during year	(60,585)	(61,053)
Conversions during the year	-	-
<b>Total number of A-Class Distribution Shares in issue at end of year</b>	<b>953,243</b>	<b>984,827</b>
<b>Number of A-Class Accumulation Shares</b>		
<b>Issued and cancelled shares</b>		
Balance at beginning of year	14,211,977	15,017,863
Issued during year	242,880	267,074
Cancelled during year	(859,912)	(1,072,960)
Conversions during the year	(7,920)	-
<b>Total number of A-Class Accumulation Shares in issue at end of year</b>	<b>13,587,025</b>	<b>14,211,977</b>
<b>Number of M-Class Distribution Shares</b>		
<b>Issued and cancelled shares</b>		
Balance at beginning of year	22,281,196	26,363,068
Issued during year	1,974,839	-
Cancelled during year	(6,622,403)	(4,081,872)
Conversions during the year	-	-
<b>Total number of M-Class Distribution Shares in issue at end of year</b>	<b>17,633,632</b>	<b>22,281,196</b>

# Barclays UK Opportunities Fund (continued)

## Notes to the Financial Statements (continued)

### 16. Shareholder funds (continued)

	29/07/2017 to 28/07/2018	29/07/2016 to 28/07/2017
<b>Number of R-Class Distribution Shares</b>		
<b>Issued and cancelled shares</b>		
Balance at beginning of year	26,954	15,552
Issued during year	18,758	16,956
Cancelled during year	(13,141)	(5,554)
Conversions during the year	-	-
<b>Total number of R-Class Distribution Shares</b>		
<b>in issue at end of year</b>	<b>32,571</b>	<b>26,954</b>
<b>Number of R-Class Accumulation Shares</b>		
<b>Issued and cancelled shares</b>		
Balance at beginning of year	169,548	157,711
Issued during year	72,128	38,058
Cancelled during year	(40,657)	(26,221)
Conversions during the year	7,580	-
<b>Total number of R-Class Accumulation Shares</b>		
<b>in issue at end of year</b>	<b>208,599</b>	<b>169,548</b>

### 17. Events after the Balance Sheet Date

There are no events after the balance sheet date which in the opinion of the ACD requires an adjustment or a disclosure in the financial statements.

# Barclays UK Opportunities Fund (continued)

## Distribution Tables for the year ended 28 July 2018

Group 1: Shares purchased prior to a distribution period

Group 2: Shares purchased during a distribution period

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

### Interim dividend distribution in pence per share

	Net Revenue	Equalisation	Distribution Paid 28/03/2018	Distribution Paid 24/03/2017
<b>A-Class Distribution</b>				
Group 1	1.1270p	-	1.1270p	0.9797p
Group 2	0.1257p	1.0013p	1.1270p	0.9797p
<b>A-Class Accumulation</b>				
Group 1	1.4873p	-	1.4873p	1.2746p
Group 2	0.0876p	1.3997p	1.4873p	1.2746p
<b>M-Class Distribution</b>				
Group 1	2.1004p	-	2.1004p	1.8305p
Group 2	2.1004p	-	2.1004p	1.8305p
<b>R-Class Distribution</b>				
Group 1	1.7639p	-	1.7639p	1.5381p
Group 2	0.9418p	0.8221p	1.7639p	1.5381p
<b>R-Class Accumulation</b>				
Group 1	2.4277p	-	2.4277p	2.0698p
Group 2	0.6164p	1.8113p	2.4277p	2.0698p

### Final dividend distribution in pence per share

	Net Revenue	Equalisation	Distribution Paid 28/09/2018	Distribution Paid 28/09/2017
<b>A-Class Distribution</b>				
Group 1	2.0787p	-	2.0787p	1.8857p
Group 2	0.7447p	1.3340p	2.0787p	1.8857p
<b>A-Class Accumulation</b>				
Group 1	2.7569p	-	2.7569p	2.4659p
Group 2	1.1319p	1.6250p	2.7569p	2.4659p
<b>M-Class Distribution</b>				
Group 1	3.0738p	-	3.0738p	2.8265p
Group 2	2.9637p	0.1101p	3.0738p	2.8265p
<b>R-Class Distribution</b>				
Group 1	2.7143p	-	2.7143p	2.5048p
Group 2	1.2424p	1.4719p	2.7143p	2.5048p
<b>R-Class Accumulation</b>				
Group 1	3.7870p	-	3.7870p	3.4034p
Group 2	2.1796p	1.6074p	3.7870p	3.4034p

# Barclays UK Opportunities Fund (continued)

## Performance Tables

	A-Class Distribution			A-Class Accumulation		
	29/07/2017 to 28/07/2018	29/07/2016 to 28/07/2017	29/07/2015 to 28/07/2016	29/07/2017 to 28/07/2018	29/07/2016 to 28/07/2017	29/07/2015 to 28/07/2016
	(pps)	(pps)	(pps)	(pps)	(pps)	(pps)
<b>Change in net assets per share</b>						
Opening net asset value per share**:	206.59	176.93	172.18	272.64	230.22	219.80
Return before operating charges*	23.39	35.99	10.92	30.95	46.93	14.23
Operating charges	(3.80)	(3.46)	(2.97)	(5.03)	(4.51)	(3.81)
Return after operating charges*	19.59	32.53	7.95	25.92	42.42	10.42
Distributions	(3.21)	(2.87)	(3.20)	(4.24)	(3.74)	(4.11)
Retained distributions on accumulation shares	-	-	-	4.24	3.74	4.11
Closing net asset value per share**	222.97	206.59	176.93	298.56	272.64	230.22
*after direct transaction costs of:						
	0.21	(0.25)	(0.40)	0.28	(0.33)	(0.51)
<b>Performance</b>						
Return after charges	9.48%	18.39%	4.62%	9.51%	18.43%	4.74%
<b>Other information</b>						
Closing net asset value (£'000)	2,125	2,034	1,801	40,565	38,747	34,574
Closing number of shares ('000)	953	985	1,018	13,587	14,212	15,018
Operating charges (%)	1.78%	1.79%	1.79%	1.78%	1.79%	1.79%
Direct transaction costs	0.10%	0.13%	0.24%	0.10%	0.13%	0.24%
<b>Prices</b>						
Highest share price	227.10	212.40	179.10	301.20	277.70	230.40
Lowest share price	200.80	174.50	147.60	266.30	227.00	189.80

\*\*Opening and closing net asset values ('NAVs') per share in the above table have been calculated using the NAV and number of shares figures rounded to the nearest £ and shares respectively.

# Barclays UK Opportunities Fund (continued)

## Performance Tables (continued)

	M-Class Distribution			R-Class Distribution		
	29/07/2017 to 28/07/2018	29/07/2016 to 28/07/2017	29/07/2015 to 28/07/2016	29/07/2017 to 28/07/2018	29/07/2016 to 28/07/2017	29/07/2015 to 28/07/2016
	(pps)	(pps)	(pps)	(pps)	(pps)	(pps)
<b>Change in net assets per share</b>						
Opening net asset value per share**:	206.81	177.07	172.31	206.80	177.09	172.33
Return before operating charges*	23.47	36.09	10.96	23.49	36.05	10.95
Operating charges	(1.83)	(1.69)	(1.45)	(2.53)	(2.30)	(1.98)
Return after operating charges*	21.64	34.40	9.51	20.96	33.75	8.97
Distributions	(5.17)	(4.66)	(4.75)	(4.48)	(4.04)	(4.21)
Closing net asset value per share**	223.28	206.81	177.07	223.28	206.80	177.09
*after direct transaction costs of:						
	0.21	(0.25)	(0.40)	0.21	(0.25)	(0.40)
<b>Performance</b>						
Return after charges	10.46%	19.43%	5.52%	10.14%	19.06%	5.21%
<b>Other information</b>						
Closing net asset value (£'000)	39,372	46,080	46,680	73	56	28
Closing number of shares ('000)	17,634	22,281	26,363	33	27	16
Operating charges (%)	0.86%	0.87%	0.87%	1.18%	1.19%	1.19%
Direct transaction costs	0.10%	0.13%	0.24%	0.10%	0.13%	0.24%
<b>Prices</b>						
Highest share price	228.10	213.20	180.10	227.90	213.00	179.80
Lowest share price	201.30	174.60	147.70	201.20	174.70	147.70

\*\*Opening and closing net asset values ('NAVs') per share in the above table have been calculated using the NAV and number of shares figures rounded to the nearest £ and shares respectively.



# Barclays UK Opportunities Fund (continued)

## Performance Tables (continued)

	R-Class Accumulation		
	29/07/2017 to 28/07/2018 (pps)	29/07/2016 to 28/07/2017 (pps)	29/07/2015 to 28/07/2016 (pps)
<b>Change in net assets per share</b>			
Opening net asset value per share**:	284.63	238.92	226.72
Return before operating charges*	32.44	48.83	14.82
Operating charges	(3.50)	(3.12)	(2.62)
Return after operating charges*	28.94	45.71	12.20
Distributions	(6.21)	(5.47)	(5.59)
Retained distributions on accumulation shares	6.21	5.47	5.59
Closing net asset value per share**	313.57	284.63	238.92
*after direct transaction costs of:			
	0.29	(0.34)	(0.53)
<b>Performance</b>			
Return after charges	10.17%	19.13%	5.38%
<b>Other information</b>			
Closing net asset value (£'000)	654	483	377
Closing number of shares ('000)	209	170	158
Operating charges (%)	1.18%	1.19%	1.19%
Direct transaction costs	0.10%	0.13%	0.24%
<b>Prices</b>			
Highest share price	316.20	289.70	239.10
Lowest share price	279.20	235.60	196.40

The operating charges (%) represents the ongoing charges figures for the year as referred to in the key investor information document ('KIID') and other literature.

\*\*Opening and closing net asset values ('NAVs') per share in the above table have been calculated using the NAV and number of shares figures rounded to the nearest £ and shares respectively.

# Barclays UK Opportunities Fund (continued)

## Risk and Reward Profile

1	2	3	4	5	6	7
<p>The risk and reward category is calculated using historical data (and in the case of insufficient historical fund performance data, using the historical returns of a representative benchmark) which may not be a reliable indicator of the Fund's future risk profile.</p> <p>The risk and reward category may shift over time and is not a target or a guarantee.</p> <p>The lowest category (i.e. Category 1) does not mean a riskfree investment.</p> <p>The Fund is in Category 5 because of the high range and frequency of price movements (volatility) of the underlying investments in which the Fund invests.</p> <p>The following are additional risks not covered by the risk and reward category.</p> <p>The Fund relies upon the performance of one or more investment managers. If the investment managers perform poorly, the value of your investment is likely to be adversely affected.</p> <p>Future legal or regulatory change could have a substantial adverse effect on the fund and your investment.</p> <p>The Fund may use derivatives in an attempt to reduce risk (hedging) or for investment purposes. It may be that the use of derivatives causes share prices to fluctuate which may in turn result in loss to the Fund.</p>				<p>If you purchase shares in the Fund through a clearing or settlement system, you will be bound by its terms and conditions, which may include the payment of additional fees.</p> <p>The Fund may be exposed to stock market movements in a single country or region which may be adversely affected by political or economic developments, government action or natural events that do not affect a fund investing in broader markets.</p> <p>Stock markets can be volatile, meaning that the prices of shares held by the Fund can change quickly and substantially.</p> <p>The Fund is not guaranteed and your investment is at risk. You may lose some or all of your investment.</p> <p>The Fund may seek to identify and invest in undervalued securities. The identification of investment opportunities in undervalued securities is difficult and there can be no assurance that such opportunities will be successfully identified.</p> <p>The figure for the synthetic risk and reward indicator disclosed in the financial statements is the same as the most up-to-date key investor information document ('KIID').</p> <p>More information in relation to risks in general may be found in the "Risk Factors" section of the Prospectus.</p>		

# UCITS V Remuneration Disclosures (Unaudited)

The UCITS V Directive requires the Financial Statements of the Company to include some remuneration-related information applicable to delegates of a self managed UCITS including the requirement to establish a remuneration policy which aligns with the interests of the UCITS.

The UCITS V Directive requires that delegates of a UCITS self managed company have a remuneration policy which is consistent with, and promotes, sound and effective risk management and which discourages excessive risk taking. The policy must address the manner in which variable remuneration is paid to “identified staff” (which includes senior management, risk takers and control functions).

The Investment Manager has in place a remuneration policy to ensure that the interests of the Investment Manager and the Shareholders are aligned. Such remuneration policy imposes remuneration rules on staff and senior management within the Investment Manager whose activities have an impact on the risk profile of the Company.

The Investment Manager will ensure that such remuneration policies and practices will be consistent with sound and effective risk management and will not encourage risk-taking which is inconsistent with the risk profile and Articles of the Company and will be consistent with UCITS V and ESMA’s remuneration guidelines.

The Investment Manager will ensure the remuneration policy will at all times be consistent with the business strategy, objectives, values and interests of each Fund and the Shareholders and includes measures to ensure that all relevant conflicts of interest can be managed appropriately at all times to avoid conflicts of interests.

## Remuneration and performance

Our remuneration philosophy applies to all employees across the whole of Barclays. It ensures that all employees are aligned with and support the achievement of Barclays’ Group priorities.

This is achieved by linking remuneration to a broad assessment of performance, based on expected standards of delivery and behaviour, which are discussed with employees at the start of and throughout the performance year. Under the Barclays’ performance management approach, employees are encouraged to align each of their objectives to business and team goals and behavioural expectations are set in relation to our values. This ensures that clear expectations are set for not only ‘what’ employees are expected to deliver, but also ‘how’ they are expected to go about it.

Individual performance is then evaluated against both the ‘what’ (performance against objectives) and the ‘how’ (demonstration of our values). This evaluation takes into account various factors including:

- (i) Performance against agreed objectives (both financial and non-financial) and core job responsibilities.
- (ii) Adherence to relevant risk policies and procedures and control frameworks.
- (iii) Behaviour in line with Barclays’ values.
- (iv) Colleague and stakeholder feedback.
- (v) Input from the risk and compliance functions where there are concerns about the behaviour of any individuals or the risk of the business undertaken.

# UCITS V Remuneration Disclosures (Unaudited)<sup>(continued)</sup>

## Remuneration and performance (continued)

There is no specific weighting between the financial and non-financial considerations for employees because all of them are important to the determination of the overall performance assessment.

Linking individual performance assessment and remuneration decisions to both the Barclays' business strategy and our values in this way promotes the delivery of sustainable individual and business performance, and establishes clear alignment between remuneration policy and Barclays' strategy.

The table below outlines the quantitative remuneration information of the Investment Manager relevant to the Company as required under the UCITS V Directive:

### Year ended 28 July 2018

	Head Count	Total Remuneration £
<b>Investment Manager staff of which:</b>	<b>13</b>	<b>64,443</b>
Fixed remuneration	13	36,729
Variable remuneration	11	27,714
<b>Investment Manager Remuneration Code Staff of which:</b>	<b>11</b>	<b>59,975</b>
<b>Senior Management *</b>	<b>5</b>	<b>42,384</b>
<b>Other Code Staff</b>	<b>6</b>	<b>17,592</b>

\*Chief Risk Officer and Chief Compliance Officer included here as they are Board Members but also have Control Function responsibilities. Non Executive Director fees are also included.

Other Code Staff includes an individual who left during the period (hence the small number reported).

Fixed and variable pay determined by reference to the amount of time that an individual is dedicated to the Investment Manager vis a vis work carried out on the Company.

# General Information

## Barclays Global Core Fund

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### Constitution

Launch date:	26 May 2006
Period end dates for distributions:	28 July
Distribution dates:	28 September
Minimum initial lump sum investment:	A Class - £500 R-Class - £2,000,000
Minimum additional investment:	A Class - £100 R-Class - £500
Valuation point:	1 am
Annual management charges:	A-Class - 1.50% R-Class - 0.90%
Initial charges:	A-Class - 4.50% R-Class - 2.00%

## Barclays Sterling Corporate Bond Fund

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### Constitution

Launch date:	26 May 2006
Period end dates for distributions:	28 January, 28 April, 28 July, 28 October
Distribution dates:	28 March, 28 June, 28 September, 28 December
Minimum initial lump sum investment:	A Class - £500 M-Class - N/A R-Class - £2,000,000
Minimum additional investment:	A Class - £100 M-Class - N/A R-Class - £500
Valuation point:	1 am
Annual management charges:	A-Class - 1.00% M-Class - Capped at 0.90% R-Class - 0.70%
Initial charges:	A-Class - 4.00% M-Class - N/A R-Class - 2.00%

## General Information (continued)

### Barclays UK Alpha Fund

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#### Constitution

Launch date:	8 December 2005
Period end dates for distributions:	28 January, 28 July
Distribution dates:	28 March, 28 September
Minimum initial lump sum investment:	A Class - £500 B-Class - £100,000 M-Class - N/A R-Class - £2,000,000
Minimum additional investment:	A Class - £100 B-Class - £1,000 M-Class - N/A R-Class - £500
Valuation point:	1 am
Annual management charges:	A-Class - 1.50% B-Class - 1.25% M-Class - Capped at 0.90% R-Class - 0.90%
Initial charges:	A-Class - 4.50% B-Class - 2.50% M-Class - N/A R-Class - 2.00%

### Barclays UK Core Fund

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#### Constitution

Launch date:	8 December 2005
Period end dates for distributions:	28 January, 28 July
Distribution dates:	28 March, 28 September
Minimum initial lump sum investment:	A Class - £500 M-Class* - N/A R-Class - £2,000,000
Minimum additional investment:	A Class - £100 M-Class - N/A R-Class - £500
Valuation point:	1 am
Annual management charges:	A-Class - 1.50% M-Class - Capped at 0.90% R-Class - 0.90%
Initial charges:	A-Class - 4.50% M-Class - N/A R-Class - 2.00%

\*M-Class Distribution shares closed on 22 January 2016.

# General Information (continued)

## Barclays UK Equity Income Fund

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### Constitution

Launch date:	8 December 2005
Period end dates for distributions:	28 January, 28 April, 28 July, 28 October
Distribution dates:	28 March, 28 June, 28 September, 28 December
Minimum initial lump sum investment:	A Class - £500 M-Class - N/A R-Class - £2,000,000
Minimum additional investment:	A Class - £100 M-Class - N/A R-Class - £500
Valuation point:	1 am
Annual management charges:	A-Class - 1.50% M-Class - Capped at 0.90% R-Class - 0.90%
Initial charges:	A-Class - 4.50% M-Class - N/A R-Class - 2.00%

## Barclays UK Opportunities Fund

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### Constitution

Launch date:	8 December 2005
Period end dates for distributions:	28 January, 28 July
Distribution dates:	28 March, 28 September
Minimum initial lump sum investment:	A Class - £500 M-Class - N/A R-Class - £2,000,000
Minimum additional investment:	A Class - £100 M-Class - N/A R-Class - £500
Valuation point:	1 am
Annual management charges:	A-Class - 1.50% M-Class - Capped at 0.90% R-Class - 0.90%
Initial charges:	A-Class - 4.50% M-Class - N/A R-Class - 2.00%

# General Information (continued)

## Pricing and Dealing

The Funds are valued at 1am daily. Prices are available on the internet at: [www.barclaysinvestments.com](http://www.barclaysinvestments.com).

Dealing in shares takes place on a forward pricing basis, from 9:00am to 5:30pm, Monday to Friday, excluding Bank Holidays.

## Buying and Selling Shares

Shares may be bought on any business day from the ACD or through financial adviser by telephoning or by completing an application form. Shares may normally be sold back to the ACD on any business day at the price calculated at the following valuation point.

## Prospectus and ACD's Reports

Copies of the Prospectus and the most recent annual or interim reports are available on [www.barclaysinvestments.com](http://www.barclaysinvestments.com).

Do you have difficulty in reading information in print because of a disability? If so, we can help. We are able to produce information for our clients in large print and braille. If you would like to discuss your particular requirements, please contact us on 0333 300 0093.

Calls charges will vary. We may record and monitor calls.



This item can be provided in Braille, large print or audio by calling +44(0)1624 684 444\* (or via TextDirect if appropriate).

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