

Merian Investment Funds Series II

Annual Report and Financial Statements
For the year ended 31 October 2018

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Company Information

Authorised Corporate Director ("ACD")

Quilter Investors Limited (formerly Old Mutual Investment Management Limited)
Millennium Bridge House
2 Lambeth Hill
London
EC4V 4AJ

Authorised and regulated by the Financial Conduct Authority.

Investment Adviser

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

Authorised and regulated by the Financial Conduct Authority.

Legal Adviser

Macfarlanes LLP
20 Cursitor Street
London
EC4A 1LT

Auditor

KPMG LLP
Saltire Court
20 Castle Terrace
Edinburgh
EH1 2EG

Administrator

Citibank Europe plc
1, North Wall Quay
Dublin 1
Ireland

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

Registrar

DST Financial Services International Ltd (formerly International Financial Data Services)
DST House
Saint Nicholas Lane
Basildon
Essex
SS15 5FS

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

Directors of the ACD

M Dean
P Simpson
J Brescia (resigned 29 June 2018)
J Little (appointed 14 February 2018) – Non-Executive Director
C Turner (appointed 14 February 2018) – Non-Executive Director

Depository

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

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

Report of the Directors of Merian Investment Funds Series II

Directors' report

The Directors present the report and financial statements for the Merian Investment Funds Series II (the "Company") for the year from 1 November 2017 to 31 October 2018.

Authorised status

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

Liability

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

Pricing

From 29 January 2018 sub-funds in the Merian Investment Funds Series II changed from dual pricing basis to single price basis.

Director changes

Jonathan Little and Catherine Turner were appointed as Non-Executive Directors of the Company effective 14 February 2018.

Jessica Brescia resigned as a Director of the Company effective 29 June 2018.

Old Mutual reorganisation

On 19 December 2017, Quilter plc (previously Old Mutual Wealth Management Limited) announced it had agreed to sell its single strategy asset management business to the single strategy management team and funds managed by TA Associates, the global growth private equity firm. The transaction completed on 29 June 2018, and the business was formally renamed Merian Global Investors on 28 September 2018.

On 25 April 2018, Old Mutual Investment Management Limited ceased to be part of the Old Mutual Global Investors Group and became a direct subsidiary of Quilter plc.

On 29 June 2018, Old Mutual Investment Management Limited changed its name to Quilter Investors Limited.

Additional information

On 28 September 2018, the Company changed its name from Old Mutual Investment Funds Series II to Merian Investment Funds Series II and each of its sub-funds changed their names as set out below.

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

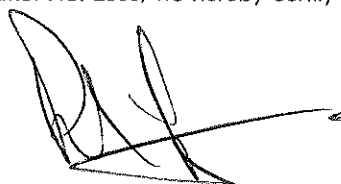
The Company is an umbrella scheme which complies with the Financial Conduct Authority's Collective Investment Schemes Sourcebook (COLL) and as at 31 October 2018 had six sub-funds (listed below). Additional sub-funds may be launched in the future.

New sub-fund name	Old sub-fund name	Launch date
Merian Asia Pacific Fund	Old Mutual Asia Pacific Fund	14 September 1994
Merian European Equity (ex UK) Fund	Old Mutual European Equity (ex UK) Fund	29 April 1998
Merian Global Equity Fund	Old Mutual Global Equity Fund	15 July 1998
Merian Global Strategic Bond Fund	Old Mutual Global Strategic Bond Fund	26 November 1991
Merian North American Equity Fund	Old Mutual North American Equity Fund	6 April 1985
Merian UK Equity Fund	Old Mutual UK Equity Fund	29 March 1971

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



M Dean
For and on behalf of Quilter Investors Limited
Director



P Simpson
For and on behalf of Quilter Investors Limited
Director

31 January 2019

31 January 2019

Authorised Corporate Director's report

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

Net asset value of the sub-funds

	31 October 2018			31 October 2017		
	Net asset value of sub-fund by share class	Shares in issue	Net asset value per share	Net asset value of sub-fund by share class	Shares in issue	Net asset value per share
Merian Asia Pacific Fund						
Accumulation 'A'	£38,009,106	7,838,382	484.91p	£45,126,349	8,160,732	552.97p
Accumulation 'P'	£721,943	427,556	168.85p	£286,308	149,437	191.59p
Accumulation 'R'	£149,522,766	74,042,340	201.94p	£118,021,663	51,637,289	228.56p
Accumulation 'U1'	£210,313,270	128,110,225	164.17p	£123,323,995	66,424,734	185.66p
Accumulation 'U2'	£70,393,209	39,805,915	176.84p	£59,856,210	29,938,118	199.93p
Merian European Equity (ex UK) Fund						
Accumulation 'A'	£31,612,953	14,352,815	220.26p	£47,180,020	18,507,107	254.93p
Accumulation 'A' USD	£79,542	105,219	75.60p	£20,562	23,501	87.50p
Accumulation 'P'	£123,775	75,249	164.49p	£129,100	68,152	189.43p
Accumulation 'R'	£64,800,513	39,471,552	164.17p	£17,386,468	9,219,496	188.58p
Accumulation 'U1'	£1,187,488	929,683	127.73p	£1,655,145	1,128,851	146.62p
Accumulation 'U2'	£78,683,775	65,550,600	120.04p	£54,947,925	39,908,832	137.68p
Merian Global Equity Fund						
Accumulation 'A'	£70,768,018	18,798,993	376.45p	£61,217,046	16,340,380	374.64p
Accumulation 'P'	£6,671,567	3,098,287	215.33p	£5,375,307	2,520,976	213.22p
Accumulation 'R'	£413,889,016	162,293,284	255.03p	£355,802,514	141,248,729	251.90p
Accumulation 'U1'	£393,631,691	206,878,074	190.27p	£336,740,727	179,309,737	187.80p
Accumulation 'U2'	£125,750,995	65,244,666	192.74p	£24,604,739	12,944,877	190.07p
Merian Global Strategic Bond Fund						
Accumulation 'A'	£21,317,250	6,913,279	308.35p	£27,300,191	8,477,125	322.05p
Income 'A'	£5,534,151	2,963,572	186.74p	£10,604,308	5,347,068	198.32p
Accumulation 'P'	£81,581,493	72,586,291	112.39p	£44,771,540	38,326,843	116.82p
Income 'P'	£21,327,747	21,744,672	98.08p	£23,940,598	22,982,241	104.17p
Accumulation 'U1'	£20,826,872	20,818,685	100.04p	£25,605,398	24,641,608	103.91p
Income 'U1'	£4,591,642	4,863,940	94.40p	£6,275,650	6,259,660	100.26p
Accumulation 'U2'	-	-	-	£301,293	290,640	103.67p
Income 'U2'	£7,830	8,370	93.54p	£8,316	8,370	99.35p
Merian North American Equity Fund						
Accumulation 'A'	£131,267,589	11,670,904	1,124.74p	£157,635,681	14,464,548	1,089.81p
Accumulation 'P'	£6,151,683	1,583,890	388.39p	£6,636,071	1,772,173	374.46p
Accumulation 'R'	£1,060,072,614	370,020,698	286.49p	£910,580,051	330,493,746	275.52p
Accumulation 'U1'	£1,082,887,912	515,289,424	210.15p	£951,614,079	471,196,015	201.96p
Accumulation 'U2'	£571,744,301	267,861,539	213.45p	£319,149,592	155,712,475	204.96p
Merian UK Equity Fund						
Accumulation 'A'	£77,740,976	14,040,138	553.71p	£99,551,010	16,351,562	608.82p
Income 'A'	£5,973,514	1,870,093	319.42p	£8,884,147	2,469,537	359.75p
Accumulation 'P'	£52,946	21,431	247.05p	£49,023	18,138	270.28p
Income 'P'	£13,192	10,980	120.15p	£86,996	64,295	135.31p
Accumulation 'R'	£25,810,628	17,108,287	150.87p	£36,277,830	22,034,299	164.64p
Income 'R'	£18,911,211	10,893,309	173.60p	£26,811,299	13,704,160	195.64p
Accumulation 'U1'	£18,522,826	15,147,121	122.29p	£31,434,042	23,572,125	133.35p
Income 'U1'	£11,920,690	11,422,280	104.36p	£37,974,828	32,286,866	117.62p
Accumulation 'U2'	£1,762,062	1,520,783	115.87p	£2,572,810	2,037,840	126.25p
Income 'U2'	£7,924,305	7,545,964	105.01p	£75,706,407	63,874,179	118.52p

Authorised Corporate Director's report (continued)

Cross Holdings

There were no cross holdings held by the sub-funds throughout the year to 31 October 2018.

Securities Financing Transactions Regulation Disclosure

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

Statement of the Authorised Corporate Director's responsibilities

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

In preparing the financial statements the ACD is responsible for:

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

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

Remuneration Policy

Remuneration Disclosure Annual Report and Accounts

Remuneration Policy

Funds under the Merian Investment Funds Series II umbrella are managed by Quilter Investors Limited, a wholly owned subsidiary of Quilter plc.

The board of Quilter Investors Limited has established a Remuneration Policy encompassing the specific requirements of the UCITS Directive. This policy applies to Quilter Investors Limited and the sub-funds it manages.

Remuneration philosophy and alignment with risk management

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

Remuneration is comprised of fixed pay, variable pay (cash bonus with deferral and LTIP), non-contributory defined contribution pension and other market competitive benefits. A proportion of the annual bonus is deferred into approved funds or Quilter plc shares. The deferral rates applied increase in line with the amount of the annual bonus and are applied on a tax table basis. For Quilter Investors Limited 'Identified Staff', where variable remuneration amounts to more than £500,000 (or local currency equivalent) a deferral rate of 60% is applied.

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

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

An LTIP is offered in the form of a Joint Share Ownership Plan which is designed to align senior management reward to the success of the company in achieving its strategic priorities and growing the value of the business. Awards under the plan have a vesting period of 3 years. At vesting, the participant's interest is exchanged for Quilter plc shares of equal value, of which 50% of the net amount are subject to a 12 month restricted period.

A copy of the Remuneration Policy is available upon request.

Financial and non-financial criteria

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

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

Conflicts of interest

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

- Guidance is provided to managers to assist them in determining appropriate remuneration recommendations for their staff. Remuneration proposals are subject to approval by department or functional heads. For senior employees these proposals are subject to moderation as part of a broader Quilter Investors Limited process. No employee may determine their own remuneration.
- Employees engaged in control functions (e.g. Risk, Compliance and Internal Audit) have functional line management structures outside of the business units they oversee, to ensure that remuneration decisions are not directly determined by the business units they oversee. Variable remuneration for control function employees is determined on the achievement of meeting their own functional objectives as set in their appraisal. The Quilter Investors Limited Remuneration Committee signs off the remuneration of higher paid staff.
- Personal hedging strategies which may undermine the risk alignment of variable remuneration are not permissible (e.g. entering into an arrangement with a third party under which payments will be linked to the person's remuneration or deferred consideration). Personal Account dealing policies are in place, which prohibit dealing on a personal basis or by any connected party without prior consent from Compliance.

Employee remuneration disclosure

The table below provides an overview of the following:

- Aggregate total remuneration of Quilter Investors Limited entire staff; and
- Aggregate total remuneration of Quilter Investors Limited 'Identified Staff'

The 'Identified Staff' of Quilter Investors Limited are those employees who are considered could have a material impact on the risk profile of Quilter Investors Limited or the funds it manages (including funds under the Merian Investment Funds Series II). This broadly includes senior management, risk takers and control functions. For the purposes of this disclosure, 'Identified Staff' does not include employees of entities to which activities have been delegated.

Amounts shown reflect payments made during the financial reporting period of Quilter Investors Limited.

Remuneration Policy (continued)

Remuneration Table as at 31 December 2017

	Headcount	Total Remuneration	Proportion ³
OMIML Staff¹	338	£16,514,242	£2,982,106
of which			
Fixed remuneration		£6,012,464	£1,085,718
Variable remuneration		£10,501,778	£1,896,388
Carried interest		Nil	Nil
OMIML 'Identified Staff'²	5	£1,052,466	£190,052
of which			
Senior Management	4	£989,487	£178,679
Other Identified Staff	1	£62,979	£11,373

Old Mutual Investment Management Limited (OMIML) was a part of Old Mutual plc as at 31 December 2017. OMIML name changed to Quilter Investors Limited and Old Mutual Wealth Management Limited name has changed to Quilter plc.

1. Total remuneration costs represent an apportioned amount of OMGI's total remuneration costs for fixed and variable pay, apportioned to OMIML based on average time allocation, and to sub-fund activity on an AUM basis (as at 31 December 2017). The Headcount figure provided represents an apportioned amount of the OMGI's total FTE headcount as at 31 December 2017, apportioned to OMIML on the basis of average time allocation.
2. The Identified Staff disclosure represents total compensation of OMIML Code Staff, apportioned to the estimated time relevant to the activity. Across the Identified Staff, the average time allocation per individual based on work undertaken for OMIML was 20%.
3. This figure represents an apportioned amount of the total remuneration attributable to the sub-fund allocated on an AUM basis (as at 31 December 2017).

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

for the year from 1 November 2017 to 31 October 2018

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

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

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

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

Citibank Europe plc, UK Branch
Depositary
31 January 2019

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

Opinion

We have audited the financial statements of the Company for the year ended 31 October 2018 which comprise the Statements of Total Return, the Statements of Changes in Net Assets Attributable to Shareholders, the Balance Sheets, the Related Notes and Distribution Tables for each of the Company's sub-funds listed on page 5 and the accounting policies set out on pages 171 to 172.

In our opinion the financial statements:

- give a true and fair view, in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*, of the financial position of each of the sub-funds as at 31 October 2018 and of the net revenue and the net capital gains/(losses) on the property of each of the sub-funds for the year then ended; and
- have been properly prepared in accordance with the Instrument of Incorporation, the Statement of Recommended Practice relating to Authorised Funds, and the COLL Rules.

Basis for opinion

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

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

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

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

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

Going concern

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

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

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

Other information

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

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

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

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

Matters on which we are required to report by exception

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

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

Authorised Corporate Director's responsibilities

As explained more fully in their statement set out on page 8 the Authorised Corporate Director is responsible for: the preparation of financial statements which give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Company and its sub-funds' ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Company or its sub-funds or to cease operations, or have no realistic alternative but to do so.

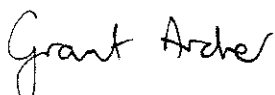
Auditor's responsibilities

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

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

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

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



Grant Archer
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
Saltire Court
20 Castle Terrace
Edinburgh
EH1 2EG

01 February 2019

Merian Asia Pacific Fund

Launch date	14 September 1994
IA Sector	Asia Pacific excluding Japan
Investment adviser	Merian Global Investors (UK) Limited
Net asset value	£468,960,294

Investment Objective and Policy

To achieve long term capital growth through the active management of a diversified portfolio of securities. There will be no geographic or economic restrictions but principally, investment will be in securities traded on Asian and Australasian stockmarkets.

Subject to the regulations, the property of the sub-fund may include transferable securities, units in collective investment schemes (including those managed or operated by the ACD or an associate of the ACD), warrants, money market instruments, deposits and derivatives.

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

The sub-fund is not a feeder UCITS scheme and will not hold units or shares in a feeder UCITS scheme.

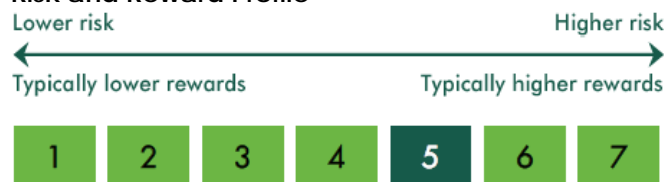
Investment Manager's review

The poor performance of shares in the Asia Pacific region in general over the period served as a reminder of the ongoing dislocations prevalent throughout the investment universe. Reasons for it included ongoing trade tension between the US and China, and the US Federal Reserve's raising interest rates, which had the effect of reducing liquidity to markets, strengthening the US dollar and making trading conditions tougher for Asian exporters. Our proprietary risk appetite measure showed a general deterioration during a period notable for sharp, short-lived fluctuations.

Our dynamic valuation stock selection criteria had the largest negative impact on performance during the period, despite having moved away from cheaper risky stocks earlier in the year. The company management criterion further impacted negatively on performance. Our analyst sentiment component criterion made a small positive contribution. This price arbitrage technique identifies companies whose share price has not fully priced in most salient and recently available corporate information. We have consistently emphasised how the investment process may become challenged during periods when investor risk appetite switches rapidly between risk-on and risk-off. While these instances are infrequent, they can nevertheless vary in duration.

Our established investment process has responded to the increasingly depressed levels of investor risk appetite by adopting a more defensive general profile, with a tilt towards higher quality stocks. In addition, we have continued to squeeze out stock level momentum positions as the volatility profile of all underlying regions has remained more elevated over the period. At a market level, the constant churn in leadership between industries and sectors has resulted in the portfolio adopting less pronounced industry and sector positions. This is consistent with previous similar market environments throughout the sub-fund's history.

Risk and Reward Profile



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

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

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

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

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

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

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

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

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

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

Performance Records

Comparative Tables

Accumulation 'A'	1 November 2017 to 31 October 2018 p/share	1 November 2016 to 31 October 2017 p/share	1 November 2015 to 31 October 2016 p/share
Change in net assets per share			
Opening net asset value per share	552.97	434.25	304.17
Return before operating charges*	(58.39)	127.10	136.11
Operating charges**	(9.67)	(8.38)	(6.03)
Return after operating charges*	(68.06)	118.72	130.08
Distributions	(3.00)	(3.85)	(3.28)
Retained distributions	3.00	3.85	3.28
Closing net asset value per share	484.91	552.97	434.25
* after direct transaction costs of***	1.91	1.85	1.60
Performance			
Return after charges	(12.31)%	27.34%	42.77%
Other information			
Closing net asset value (£)	38,009,106	45,126,349	33,736,235
Closing number of shares	7,838,382	8,160,732	7,768,928
Operating charges****	1.75%	1.75%	1.75%
Direct transaction costs***	0.35%	0.39%	0.46%
Prices	pence per share	pence per share	pence per share
Highest share price	612.07	583.73	463.09
Lowest share price	473.60	400.16	282.92
Accumulation 'P'	1 November 2017 to 31 October 2018 p/share	1 November 2016 to 31 October 2017 p/share	1 November 2015 to 31 October 2016 p/share
Change in net assets per share			
Opening net asset value per share	191.59	149.71	104.35
Return before operating charges*	(20.35)	44.02	46.78
Operating charges**	(2.39)	(2.14)	(1.42)
Return after operating charges*	(22.74)	41.88	45.36
Distributions	(2.05)	(2.15)	(1.71)
Retained distributions	2.05	2.15	1.71
Closing net asset value per share	168.85	191.59	149.71
* after direct transaction costs of***	0.66	0.66	0.53
Performance			
Return after charges	(11.87)%	27.97%	43.47%
Other information			
Closing net asset value (£)	721,943	286,308	82,392
Closing number of shares	427,556	149,437	55,036
Operating charges****	1.25%	1.25%	1.25%
Direct transaction costs***	0.35%	0.39%	0.46%
Prices	pence per share	pence per share	pence per share
Highest share price	212.27	202.22	159.64
Lowest share price	164.90	138.02	97.20

Comparative Tables (continued)

Accumulation 'R'	1 November 2017 to 31 October 2018 p/share	1 November 2016 to 31 October 2017 p/share	1 November 2015 to 31 October 2016 p/share
Change in net assets per share			
Opening net asset value per share	228.56	178.14	123.85
Return before operating charges*	(24.33)	52.43	55.71
Operating charges**	(2.29)	(2.01)	(1.42)
Return after operating charges*	(26.62)	50.42	54.29
Distributions	(2.98)	(3.06)	(2.40)
Retained distributions	2.98	3.06	2.40
Closing net asset value per share	201.94	228.56	178.14
* after direct transaction costs of***	0.79	0.78	0.66
Performance			
Return after charges	(11.65)%	28.30%	43.84%
Other information			
Closing net asset value (£)	149,522,766	118,021,663	47,055,503
Closing number of shares	74,042,340	51,637,289	26,414,199
Operating charges****	1.00%	1.00%	1.00%
Direct transaction costs***	0.35%	0.39%	0.46%
Prices	pence per share	pence per share	pence per share
Highest share price	244.10	231.93	182.65
Lowest share price	197.10	164.28	115.44
Accumulation 'U1'	1 November 2017 to 31 October 2018 p/share	1 November 2016 to 31 October 2017 p/share	1 November 2015 to 31 October 2016 p/share
Change in net assets per share			
Opening net asset value per share	185.66	144.60	100.45
Return before operating charges*	(19.77)	42.58	45.23
Operating charges**	(1.72)	(1.52)	(1.08)
Return after operating charges*	(21.49)	41.06	44.15
Distributions	(2.56)	(2.61)	(2.03)
Retained distributions	2.56	2.61	2.03
Closing net asset value per share	164.17	185.66	144.60
* after direct transaction costs of***	0.64	0.63	0.54
Performance			
Return after charges	(11.57)%	28.40%	43.95%
Other information			
Closing net asset value (£)	210,313,270	123,323,995	39,691,917
Closing number of shares	128,110,225	66,424,734	27,449,356
Operating charges****	0.93%	0.93%	0.93%
Direct transaction costs***	0.35%	0.39%	0.46%
Prices	pence per share	pence per share	pence per share
Highest share price	198.40	188.39	148.26
Lowest share price	160.30	133.36	93.66

Comparative Tables (continued)

Accumulation 'U2'	1 November 2017 to 31 October 2018 p/share	1 November 2016 to 31 October 2017 p/share	1 November 2015 to 31 October 2016 p/share
Change in net assets per share			
Opening net asset value per share	199.93	155.60	108.01
Return before operating charges*	(21.39)	45.91	48.63
Operating charges**	(1.70)	(1.58)	(1.04)
Return after operating charges*	(23.09)	44.33	47.59
Distributions	(2.89)	(2.94)	(2.28)
Retained distributions	2.89	2.94	2.28
Closing net asset value per share	176.84	199.93	155.60
* after direct transaction costs of***	0.69	0.72	0.57
Performance			
Return after charges	(11.55)%	28.49%	44.06%
Other information			
Closing net asset value (£)	70,393,209	59,856,210	325,809
Closing number of shares	39,805,915	29,938,118	209,394
Operating charges****	0.85%	0.85%	0.85%
Direct transaction costs***	0.35%	0.39%	0.46%
Prices	pence per share	pence per share	pence per share
Highest share price	213.60	202.87	158.38
Lowest share price	172.60	143.51	101.39
Accumulation 'W'†	1 November 2017 to 31 October 2018 p/share	1 November 2016 to 31 October 2017 p/share	1 November 2015 to 31 October 2016 p/share
Change in net assets per share			
Opening net asset value per share	100.00	-	-
Return before operating charges*	5.60	-	-
Operating charges**	(0.13)	-	-
Return after operating charges*	5.47	-	-
Distributions	-	-	-
Retained distributions	-	-	-
Closing net asset value per share	105.47	-	-
* after direct transaction costs of***	-	-	-
Performance			
Return after charges	5.47%	-	-
Other information			
Closing net asset value (£)	-	-	-
Closing number of shares	-	-	-
Operating charges****	0.85%	-	-
Direct transaction costs***	-	-	-
Prices	pence per share	pence per share	pence per share
Highest share price	106.40	-	-
Lowest share price	97.49	-	-

† From 10 April 2018 to 1 June 2018.

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

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

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

Performance

	6 months to 31 October 2018	1 year to 31 October 2018	3 years to 31 October 2018	5 years to 31 October 2018
Merian Asia Pacific Fund*	(12.26)%	(11.23)%	63.85%	67.80%
MSCI AC Asia Pacific ex Japan (benchmark)	(8.99)%	(8.62)%	46.52%	41.93%
IA Asia Pacific excluding Japan (sector average)	(10.03)%	(9.86)%	41.92%	41.85%
Quartile ranking	3	3	1	1

* Accumulation 'R' shares

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

Asset allocation		Major holdings	Percentage of portfolio
Equities	98.92%	Tencent	2.83%
Derivatives	(0.03)%	Samsung Electronics	2.47%
		Taiwan Semiconductor Manufacturing	2.39%
Net other assets	1.11%	Alibaba ADR	2.14%
		CSL	1.66%
Total	100.00%	Infosys	1.56%
		Ping An Insurance China	1.45%
Portfolio allocation		Bank Central Asia	1.42%
China	25.85%	CSPC Pharmaceutical	1.37%
Australia	15.90%	NCSOFT	1.36%
South Korea	13.20%		
Hong Kong	12.56%	Number of holdings	244
Taiwan	9.09%		
India	6.91%		
Thailand	4.32%		
Indonesia	3.99%		
Singapore	2.73%		
Malaysia	1.78%		
Philippines	1.39%		
New Zealand	1.20%		
Derivatives	(0.03)%		
Net other assets	1.11%		
Total	100.00%		

Portfolio statement

as at 31 October 2018

Holding	Investment	Market Value £'000	Percentage of total net assets %
Asia Pacific (excluding Japan) 98.92% (31 October 2017 96.45%)			
Australia Equities 15.90% (31 October 2017 15.17%)			
317,026	Accent	219	0.05
433,278	ALS	1,952	0.42
288,010	Altium	3,489	0.74
402,726	Alumina	567	0.12
51,974	Aristocrat Leisure	763	0.16
10,115	Australia & New Zealand Banking	146	0.03
471,486	Australian Pharmaceutical Industries	395	0.08
2,631,813	Beach Energy	2,547	0.54
129,470	BHP Billiton (Australian Listing)	2,319	0.49
79,686	Caltex Australia	1,246	0.27
279,795	Charter Hall	1,063	0.23
163,181	CIMIC	4,210	0.90
36,258	Cochlear	3,550	0.76
40,286	Commonwealth Bank of Australia	1,532	0.33
146,806	Credit Corp	1,551	0.33
74,851	CSL	7,796	1.66
666,848	CSR	1,302	0.28
113,224	Elders	441	0.09
960,156	Genworth Mortgage Insurance Australia	1,196	0.26
67,405	Goodman	385	0.08
397,238	Iluka Resources	1,779	0.38
175,437	IPH	523	0.11
336,820	Magellan Financial	4,849	1.03
63,228	McMillan Shakespeare	566	0.12
2,618,252	Medibank	4,034	0.86
138,756	Mineral Resources	1,094	0.23
368,803	Nanosonics	603	0.13
312,275	Navitas	827	0.18
508,002	NIB Holdings (Australia)	1,515	0.32
247,979	Northern Star Resources	1,193	0.25
230,720	Pendal	1,033	0.22
98,484	Pinnacle Investment Management	301	0.06
569,337	Platinum Asset Management	1,549	0.33
649,642	Primary Health Care	950	0.20
6,587	Pro Medicus	33	0.01
961,437	Regis Resources	2,235	0.48
408,178	Sandfire Resources	1,499	0.32
964,488	Santos	3,530	0.75
266,488	Shopping Centres Australasia Property	377	0.08
481,563	South32	964	0.21
990,210	St Barbara	2,275	0.49
530,976	Viva Energy REIT	641	0.14
49,118	Westpac Banking	732	0.16
819,455	Whitehaven Coal	2,193	0.47
293,826	WiseTech Global	2,602	0.55
		74,566	15.90

Portfolio statement (continued)

as at 31 October 2018

Holding	Investment	Market Value £'000	Percentage of total net assets %
China Equities 25.85% (31 October 2017 25.46%)			
48,200	51job ADR	2,143	0.46
94,100	Alibaba ADR	10,037	2.14
584,000	A-Living Services	551	0.12
1,348,500	Anhui Conch Cement	5,443	1.16
1,732,000	ANTA Sports Products	5,548	1.18
75,500	Autohome	4,008	0.85
700	Baidu ADR	101	0.02
11,847,000	China CITIC Bank 'H'	5,710	1.22
15,208,000	China Coal Energy	5,312	1.13
2,626,000	China Communications Services	1,659	0.35
1,339,000	China Conch Venture	2,940	0.63
1,645,000	China Construction Bank	1,019	0.22
3,089,000	China Life Insurance 'H'	4,809	1.03
18,200	China Literature	76	0.02
1,486,000	China Medical System	1,379	0.29
48,000	China Oriental	30	0.01
2,120,000	China Pacific Insurance	6,167	1.33
59,000	China Railway Construction 'H'	58	0.01
1,284,000	China Railway Group 'H'	896	0.19
4,801,000	China Reinsurance	709	0.15
1,980,000	China Shenhua Energy	3,509	0.75
1,390,000	China Shineway Pharmaceutical	1,266	0.27
2,490,000	CNOOC (HK Listing)	3,340	0.71
375,000	Country Garden Services	378	0.08
3,894,000	CSPC Pharmaceutical	6,419	1.37
9,000	Dongyue	4	-
22,300	ENN Energy	148	0.03
354,000	Guangzhou Baiyunshan Pharmaceutical	1,005	0.21
7,074,500	Li Ning	5,182	1.10
213,500	Luye Pharma	128	0.03
2,060,000	Maanshan Iron & Steel	861	0.18
1,426,000	Microport Scientific	1,331	0.28
120,900	Momo	2,900	0.62
768,400	New China Life Insurance	2,806	0.60
254,000	PICC Property & Casualty	192	0.04
926,500	Ping An Insurance China	6,823	1.45
1,252,000	Sany Heavy Equipment International	281	0.06
1,752,000	Shandong Weigao 'H'	1,224	0.26
397,000	Shenzhou	3,429	0.73
225,000	Sinopec Engineering 'H'	164	0.03
4,894,000	Sinopec Shanghai Petrochemical	1,675	0.36
2,156,000	Sinotruk Hong Kong	2,418	0.52
499,700	Tencent	13,274	2.83
6,120	Weibo ADR	264	0.06
5,163,700	Yangzijiang Shipbuilding	3,620	0.77
		121,236	25.85
Hong Kong Equities 12.56% (31 October 2017 11.94%)			
818,200	AIA	4,846	1.03
2,003,000	Bank of East Asia	5,067	1.08
324,500	Beijing Enterprises	1,371	0.29
505,000	Champion REIT	266	0.06
1,552,000	China Resources Beer	4,213	0.90
3,338,000	China Resources Cement	2,298	0.49
494,000	China Resources Gas	1,474	0.31
1,397,000	China Taiping Insurance	3,639	0.78

Portfolio statement (continued)

as at 31 October 2018

Holding	Investment	Market Value £'000	Percentage of total net assets %
Hong Kong Equities (continued)			
179,500	CK Asset	912	0.19
209,500	CK Infrastructure	1,197	0.26
375,000	CLP	3,286	0.70
428,800	Dah Sing Banking	633	0.14
162,000	Dah Sing Financial	678	0.14
327,000	Galaxy Entertainment	1,382	0.29
332,600	Hang Seng Bank	6,090	1.30
192,000	Health and Happiness (H&H) International	853	0.18
360,500	HK Electric Investments & HK Electric Investments	268	0.06
327,000	Hopewell	790	0.17
512,000	Hysan Development	1,878	0.40
102,000	Kunlun Energy	90	0.02
1,020,500	MTR	3,865	0.82
215,000	Power Assets	1,122	0.24
2,202,000	Sa Sa International	659	0.14
852,000	Shougang Fushan Resources	134	0.03
7,198,000	Sino Biopharmaceutical	5,042	1.08
286,500	SmarTone Telecommunications	310	0.07
3,506,000	SSY Group	2,302	0.49
821,000	Sun Hung Kai	289	0.06
381,000	Swire Pacific 'A'	3,091	0.66
70,000	Techtronic Industries	256	0.05
1,088,000	United Laboratories International	591	0.13
		58,892	12.56
India Equities 6.91% (31 October 2017 5.99%)			
13,283	ACC	193	0.04
63,871	Asian Paints	832	0.18
23,296	Bata India	240	0.05
110,917	Coal India	312	0.07
9,939	Colgate-Palmolive	118	0.03
15,401	Dabur India	63	0.01
84,597	Divi's Laboratories	1,324	0.28
2,378	Dr Reddy's Laboratories	64	0.01
298,602	Escorts	1,982	0.42
447,896	GAIL India	1,778	0.38
170,738	Gujarat Narmada Valley Fertilizers & Chemicals	602	0.13
28,836	Havells	197	0.04
129,716	HCL Technologies	1,458	0.31
38,429	Hindustan Unilever	658	0.14
274,305	ICICI Bank	1,026	0.22
2,674	ICICI Lombard General Insurance	23	0.01
1,011,011	Infosys	7,333	1.56
8,375	Mphasis	87	0.02
7,127	Nestle	764	0.16
156,552	NHPC	41	0.01
14,017	Oil & Natural Gas	23	0.01
373	Page Industries	116	0.03
35,479	Petronet LNG	85	0.02
311,774	Power Finance	315	0.07
234,451	REC	289	0.06
594,090	Reliance Infrastructure	2,255	0.48
326,092	Sterlite Technologies	1,319	0.28
70,227	Sun TV Network	485	0.10

Portfolio statement (continued)

as at 31 October 2018

Holding	Investment	Market Value £'000	Percentage of total net assets %
India Equities (continued)			
286,993	Tata Consultancy Services	5,878	1.25
204,436	Tech Mahindra	1,609	0.34
263,206	Wipro	924	0.20
		32,393	6.91
Indonesia Equities 3.99% (31 October 2017 1.45%)			
5,480,600	Bank Central Asia	6,668	1.42
311,900	Bank Negara Indonesia	117	0.03
12,485,600	Bank Rakyat Indonesia	2,025	0.43
25,653,200	Bukit Asam	5,601	1.20
7,414,400	Charoen Pokphand Indonesia	2,090	0.45
583,200	Harum Energy	59	0.01
532,000	Indo Tambangraya Megah	682	0.15
1,361,300	Matahari Department Store	339	0.07
5,085,500	Perusahaan Gas Negara	579	0.12
4,891,300	Ramayana Lestari Sentosa	293	0.06
3,133,600	Surya Citra Media	253	0.05
		18,706	3.99
Malaysia Equities 1.78% (31 October 2017 2.86%)			
1,152,300	Alliance Financial	852	0.18
71,300	Carlsberg Brewery	237	0.05
1,593,300	Hengyuan Refining	1,750	0.38
141,000	Hong Leong Financial	483	0.10
17,750,100	My EG Services	3,985	0.85
590,600	Petronas Chemicals	1,032	0.22
		8,339	1.78
New Zealand Equities 1.20% (31 October 2017 0.22%)			
96,306	a2 Milk	510	0.11
687,395	Fisher & Paykel Healthcare	4,778	1.02
101,796	Summerset	348	0.07
		5,636	1.20
Philippines Equities 1.39% (31 October 2017 2.03%)			
2,902,500	Alliance	481	0.10
1,686,600	Bloomerry Resorts	205	0.04
14,866,200	DMCI	2,688	0.57
35,180	First Philippine	33	0.01
3,338,100	LT	696	0.15
5,895,600	Semirara Mining & Power	2,411	0.52
		6,514	1.39
Singapore Equities 2.73% (31 October 2017 4.48%)			
46,300	Best World International	47	0.01
1,699,800	ComfortDelGro	2,152	0.46
416,800	Oversea-Chinese Banking	2,530	0.54
855,200	Sheng Siong	522	0.11
1,294,000	Singapore Technologies Engineering	2,589	0.55
361,500	United Overseas Bank	4,982	1.06
		12,822	2.73

Portfolio statement (continued)

as at 31 October 2018

Holding	Investment	Market Value £'000	Percentage of total net assets %
South Korea Equities 13.20% (31 October 2017 13.96%)			
41,125	Daelim Industrial	2,147	0.46
5,366	Doosan Bobcat	130	0.03
577,919	Doosan Infracore	3,057	0.65
55,227	GS Engineering & Construction	1,582	0.34
936,236	Hanwha Life Insurance	2,881	0.61
89,945	Hotel Shilla	4,406	0.94
18,492	Hyundai Marine & Fire Insurance	530	0.11
1,104	Hyundai Motor (Preference shares 2nd)	54	0.01
463	Hyundai Motor (Preference shares)	21	0.00
18,440	KEPCO Plant Service & Engineering	348	0.07
20,005	Korean Reinsurance	131	0.03
42,594	Kumho Petrochemical	2,516	0.54
32,453	LF	488	0.10
193	LG Chem (Preference shares)	26	0.01
1,799	LG Household & Health Care	1,288	0.27
449,520	LG Uplus	4,987	1.06
109,883	LOTTE Fine Chemical	3,076	0.66
21,609	NCSOFT	6,361	1.36
35,953	NHN Entertainment	1,132	0.24
44,798	Orange Life Insurance	942	0.20
23,064	Pearl Abyss	3,250	0.69
397,582	Samsung Electronics	11,567	2.47
93,500	Samsung Electronics (Preference shares)	2,264	0.48
37,787	Samsung SDS	4,997	1.07
19,325	SK Telecom	3,551	0.76
180	Taekwang Industrial	182	0.04
		61,914	13.20
Taiwan Equities 9.09% (31 October 2017 8.88%)			
114,000	Accton Technology	245	0.05
1,474,000	Acer	809	0.17
643,000	Asia Cement	532	0.11
1,245,000	Cathay Financial	1,540	0.33
20,846,000	China Development Financial	5,232	1.12
5,746,260	China Life Insurance	4,267	0.91
6,696,000	China Petrochemical Development	1,914	0.41
27,000	Eclat Textile	250	0.05
480,000	Far Eastern Department Stores	187	0.04
441,000	Feng TAY Enterprise	2,075	0.44
1,613,000	Formosa Petrochemical	4,958	1.06
129,000	Global Unichip	682	0.15
4,738,000	HannStar Display	815	0.17
823,000	Hua Nan Financial	362	0.08
653,000	Novatek Microelectronics	2,247	0.48
2,297,000	Oriental Union Chemical	1,624	0.35
50,000	Phison Electronics	256	0.05
127,000	President Chain Store	1,117	0.24
4,899,557	Shin Kong Financial	1,252	0.27
274,000	Sino-American Silicon Products	399	0.09
2,232,000	Taiwan Business Bank	573	0.12
65,000	Taiwan Cement	57	0.01
1,902,000	Taiwan Semiconductor Manufacturing	11,212	2.39
		42,605	9.09

Portfolio statement (continued)

as at 31 October 2018

Holding	Investment	Market Value £'000	Percentage of total net assets %
	Thailand Equities 4.32% (31 October 2017 4.01%)		
773,200	Central Pattana	1,438	0.31
382,800	Kasikornbank	1,799	0.38
102,300	Kasikornbank (Foreign Reg)	481	0.10
11,799,700	Krung Thai Bank	5,573	1.19
271,500	MK Restaurants	430	0.09
1,412,500	PTT Exploration & Production	4,637	0.99
388,200	PTT Global Chemical	708	0.15
13,052,000	Star Petroleum Refining	4,315	0.92
181,000	Thai Oil	360	0.08
424,900	Thanachart Capital	527	0.11
		20,268	4.32
	United Kingdom 0.00% (31 October 2017 0.36%)		
	United Kingdom Equities 0.00% (31 October 2017 0.36%)		
	North America (0.03)% (31 October 2017 0.31%)		
	United States Equities 0.00% (31 October 2017 0.30%)		
	US Dollar Denominated Futures Contracts (0.03)% (31 October 2017 0.01%)		
47	S&P 500 E-Mini Futures December 2018	(125)	(0.03)
		(125)	(0.03)
	Investment assets*	463,766	98.89
	Net other assets	5,194	1.11
	Total net assets	468,960	100.00

* Including investment liabilities.

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

All investments are in ordinary shares unless otherwise stated.

Statement of total return

for the year from 1 November 2017 to 31 October 2018

	Note	01.11.17 to 31.10.18 £'000	01.11.17 to 31.10.18 £'000	01.11.16 to 31.10.17 £'000	01.11.16 to 31.10.17 £'000
Income					
Net capital (losses)/gains	2		(72,384)		49,706
Revenue	3	12,138		5,460	
Expenses	4	(4,742)		(2,163)	
Interest payable and similar charges	5	(2)		(4)	
Net revenue before taxation		7,394		3,293	
Taxation	6	(1,243)		(354)	
Net revenue after taxation			6,151		2,939
Total return before distributions			(66,233)		52,645
Distributions	7		(6,395)		(2,945)
Change in net assets attributable to shareholders from investment activities			(72,628)		49,700

Statement of change in net assets attributable to shareholders

for the year from 1 November 2017 to 31 October 2018

	01.11.17 to 31.10.18 £'000	01.11.17 to 31.10.18 £'000	01.11.16 to 31.10.17 £'000	01.11.16 to 31.10.17 £'000
Opening net assets attributable to shareholders		346,615		120,892
Amounts received on issue of shares	248,375		188,627	
Amounts paid on cancellation of shares	(60,478)		(17,617)	
		187,897		171,010
Dilution adjustment		192		503
Change in net assets attributable to shareholders from investment activities		(72,628)		49,700
Retained distribution on accumulation shares		6,884		4,510
Closing net assets attributable to shareholders		468,960		346,615

The notes on pages 27 to 37 form an integral part of these financial statements.

Balance sheet

as at 31 October 2018

	Note	31.10.18 £'000	31.10.17 £'000
Assets			
Fixed assets			
Investments		463,891	336,631
Current assets			
Debtors	8	9,002	6,874
Cash and bank balances	9	7,766	6,499
Total assets		480,659	350,004
Liabilities			
Investment liabilities		(125)	-
Creditors			
Other creditors	10	(11,574)	(3,389)
Total liabilities		(11,699)	(3,389)
Net assets attributable to shareholders		468,960	346,615

The notes on pages 27 to 37 form an integral part of these financial statements.

Notes to the financial statements

for the year from 1 November 2017 to 31 October 2018

1 Accounting policies

The applicable accounting policies adopted by the Merian Asia Pacific Fund are included on pages 171 to 172.

2 Net capital (losses)/gains

	01.11.17 to 31.10.18 £'000	01.11.16 to 31.10.17 £'000
The net capital (losses)/gains on investments comprise:		
(Losses)/gains on non-derivative securities	(72,064)	50,627
Gains on derivative contracts	838	830
Losses on forward currency contracts	-	(37)
Losses on currency contracts	(1,113)	(1,669)
Handling charges	(45)	(45)
Net capital (losses)/gains on investments	(72,384)	49,706

3 Revenue

	01.11.17 to 31.10.18 £'000	01.11.16 to 31.10.17 £'000
Bank interest	7	3
Non-taxable overseas dividends	11,937	5,293
Taxable overseas dividends	156	56
UK dividends	38	108
Total revenue	12,138	5,460

4 Expenses

	01.11.17 to 31.10.18 £'000	01.11.16 to 31.10.17 £'000
Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:		
Fixed Ongoing Charge*	3,420	-
Authorised Corporate Director's periodic charge**	1,036	1,705
Fixed expenses**	286	458
Total expenses	4,742	2,163

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

** These figures represent the charges to 28 February 2018, which have now been replaced by the Fixed Ongoing Charge. The Audit fee for the year, excluding VAT, was £9,000 (31 October 2017: £8,850). As a result of the change to a Fixed Ongoing Charge basis, this expense is split between Fixed expenses and Fixed Ongoing Charge.

Notes to the financial statements (continued)

for the year from 1 November 2017 to 31 October 2018

5 Interest payable and similar charges

	01.11.17 to 31.10.18 £'000	01.11.16 to 31.10.17 £'000
Bank overdraft interest	2	4
Total interest payable and similar charges	2	4

6 Taxation

a) Analysis of tax charge in the year

	01.11.17 to 31.10.18 £'000	01.11.16 to 31.10.17 £'000
Overseas capital gains tax	240	4
Overseas tax suffered	1,003	350
Total current tax charge for the year	1,243	354
Deferred tax charge for the year (see note 6(c))	-	-
Total taxation for the year (see note 6(b))	1,243	354

b) Factors affecting current tax charge for the year

	01.11.17 to 31.10.18 £'000	01.11.16 to 31.10.17 £'000
The taxation assessed for the year is lower than the standard rate of corporation tax in the UK for an open-ended investment company (20%). The differences are explained below:		
Net revenue before taxation	7,394	3,293
Corporation tax at 20% (31 October 2017: 20%)	1,479	659
Effects of:		
Overseas capital gains tax	240	4
Excess management expenses for which no relief taken	919	422
Revenue not subject to taxation – UK	(8)	(21)
Non-taxable overseas dividends	(2,387)	(1,059)
Overseas tax expensed	(3)	(1)
Overseas tax suffered	1,003	350
Total tax charge for the year (see note 6 (a))	1,243	354

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

Notes to the financial statements (continued)

for the year from 1 November 2017 to 31 October 2018

6 Taxation (continued)

c) Movement in deferred tax liability

	01.11.17 to 31.10.18 £'000	01.11.16 to 31.10.17 £'000
Deferred tax liability at the start of the year	-	-
Deferred tax charge for the year (see note 6(a))	-	-
Deferred tax liability at the end of the year	-	-

At 31 October 2018, the sub-fund had surplus management expenses of £12,865,327 (31 October 2017: £8,272,340) which can be utilised against profits chargeable to corporation tax in future periods. It is unlikely that the sub-fund will generate sufficient taxable profits in the future to utilise these expenses and, therefore, no deferred tax asset has been recognised.

7 Distributions

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

	01.11.17 to 31.10.18 £'000	01.11.16 to 31.10.17 £'000
Final – Accumulation shares (31 October)	6,884	4,510
	6,884	4,510
Revenue deducted on cancellation of shares	549	85
Revenue received on issue of shares	(1,038)	(1,650)
Distributions	6,395	2,945
Reconciliation of distributions:		
Net revenue after taxation	6,151	2,939
Overseas capital gains tax	240	4
Equalisation on conversion	4	2
Distributions	6,395	2,945

Details of the final distributions per share are set out in the table on page 38.

8 Debtors

	31.10.18 £'000	31.10.17 £'000
Accrued revenue	242	224
Amounts receivable for issue of shares	1,540	3,529
Sales awaiting settlement	7,220	3,106
Overseas tax recoverable	-	15
Total debtors	9,002	6,874

Notes to the financial statements (continued)

for the year from 1 November 2017 to 31 October 2018

9 Cash and bank balances

	31.10.18 £'000	31.10.17 £'000
Amounts held at futures clearing houses and brokers	384	281
Cash and bank balances	7,382	6,218
Total cash and bank balances	7,766	6,499

10 Other creditors

	31.10.18 £'000	31.10.17 £'000
Accrued Authorised Corporate Director's periodic charge	-	227
Accrued expenses	415	71
Amounts payable for cancellation of shares	2,983	16
Purchases awaiting settlement	8,176	3,075
Total other creditors	11,574	3,389

11 Related party transactions

Quilter Investors Limited, as ACD, is a related party, and acts as principal in respect of all transactions of shares in each sub-fund. The aggregate monies received on issue and paid on cancellation are disclosed in the Statement of change in net assets attributable to shareholders on page 25. Any amounts due to or from Quilter Investors Limited at the end of the accounting year in respect of transactions of shares in each sub-fund are disclosed in notes 8 and 10. Other amounts paid to the ACD are disclosed in note 4 and amounts due to it at the year end are disclosed in note 10.

12 Derivatives and other financial instruments

a) Financial instrument risk

The sub-fund, in pursuing its objective, holds a number of financial instruments, which may comprise of the following:

Equity shares and equity related shares.

The sub-fund will also hold cash and other short term debtors and creditors that arise directly from its operations.

In addition, the sub-fund may hold derivatives in the form of forward foreign exchange contracts and/or futures contracts for the purpose of efficient portfolio management in accordance with the COLL Sourcebook.

The financial instruments are held in line with the sub-fund's investment policy.

Each Investment Adviser is responsible for monitoring the portfolio of his/her sub-fund in accordance with its investment objective and seeks to ensure that individual assets also meet a risk reward profile that is acceptable. The ACD has appointed specialist managers to manage the sub-fund, and continuously monitors this appointment.

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

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

Notes to the financial statements (continued)

for the year from 1 November 2017 to 31 October 2018

12 Derivatives and other financial instruments (continued)

b) Foreign currency risk

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

The direct foreign currency exposure of the sub-fund as at 31 October 2018 (31 October 2017) was as follows:

Currency	Net foreign currency assets/(liabilities)			Net foreign currency assets/(liabilities)		
	Monetary exposures*	Non-monetary exposures	Total	Monetary exposures*	Non-monetary exposures	Total
	31.10.18 £'000	31.10.18 £'000	31.10.18 £'000	31.10.17 £'000	31.10.17 £'000	31.10.17 £'000
Australian Dollar	(186)	74,566	74,380	193	53,626	53,819
Chinese Renminbi	53	-	53	10	-	10
Euro	6	-	6	6	-	6
Hong Kong Dollar	(1,794)	157,055	155,261	1,992	103,619	105,611
Indian Rupee	143	32,393	32,536	105	18,557	18,662
Indonesian Rupiah	28	18,706	18,734	257	5,028	5,285
Malaysian Ringgit	914	8,339	9,253	271	9,925	10,196
New Zealand Dollar	275	5,636	5,911	168	760	928
Philippine Peso	99	6,514	6,613	(81)	7,034	6,953
Singapore Dollar	1,475	16,442	17,917	463	18,282	18,745
South Korean Won	(153)	61,914	61,761	(534)	48,385	47,851
Taiwan Dollar	519	42,605	43,124	434	30,770	31,204
Thailand Baht	(452)	20,268	19,816	49	13,898	13,947
US Dollar	2,827	19,328	22,155	252	26,747	26,999
Total	3,754	463,766	467,520	3,585	336,631	340,216

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

Currency sensitivity

A 5% increase in the value of the sub-fund's foreign currency exposure would have the effect of increasing the return and net assets as at 31 October 2018 by £23,376,027 or 4.98% (31 October 2017: £17,010,803 or 4.91%). A 5% decrease would have an equal and opposite effect.

Notes to the financial statements (continued)

for the year from 1 November 2017 to 31 October 2018

12 Derivatives and other financial instruments (continued)

c) Interest rate risk

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

The interest rate risk profile of the sub-fund's financial assets and liabilities at 31 October 2018 (31 October 2017) was as follows:

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

Currency	Variable rate financial assets £'000	Fixed rate financial assets £'000	Financial assets not carrying interest £'000	Total £'000
31.10.17				
Australian Dollar	222	-	54,450	54,672
Chinese Renminbi	-	-	10	10
Euro	6	-	-	6
Hong Kong Dollar	1,508	-	104,176	105,684
Indian Rupee	108	-	18,583	18,691
Indonesian Rupiah	-	-	5,383	5,383
Malaysian Ringgit	246	-	10,147	10,393
New Zealand Dollar	190	-	760	950
Philippine Peso	-	-	7,034	7,034
Singapore Dollar	299	-	18,531	18,830
South Korean Won	-	-	48,386	48,386
Sterling	3,184	-	3,529	6,713
Taiwan Dollar	435	-	31,810	32,245
Thailand Baht	-	-	13,947	13,947
US Dollar	301	-	26,759	27,060
Total	6,499	-	343,505	350,004

Notes to the financial statements (continued)

for the year from 1 November 2017 to 31 October 2018

12 Derivatives and other financial instruments (continued)

c) Interest rate risk (continued)

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

Currency	Variable rate financial liabilities £'000	Financial liabilities not carrying interest £'000	Total £'000
31.10.17			
Australian Dollar	-	(853)	(853)
Hong Kong Dollar	-	(73)	(73)
Indian Rupee	-	(29)	(29)
Indonesian Rupiah	-	(98)	(98)
Malaysian Ringgit	-	(197)	(197)
New Zealand Dollar	-	(22)	(22)
Philippines Peso	-	(81)	(81)
Singapore Dollar	-	(85)	(85)
South Korean Won	-	(535)	(535)
Sterling	-	(314)	(314)
Taiwan Dollar	-	(1,041)	(1,041)
US Dollar	-	(61)	(61)
Total	-	(3,389)	(3,389)

Interest rate risk sensitivity

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

d) Credit risk

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

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

Notes to the financial statements (continued)

for the year from 1 November 2017 to 31 October 2018

12 Derivatives and other financial instruments (continued)

e) Counterparty risk

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

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

Exposure Table 31.10.18	Credit default swaps exposure	Interest rate swaps exposure	Futures and options exposure	Forward foreign exchange contracts exposure	Collateral held
Counterparty	£'000	£'000	£'000	£'000	£'000
No uncollateralised counterparty exposure	-	-	-	-	-

Exposure Table 31.10.17

Counterparty	£'000	£'000	£'000	£'000	£'000
Bank of America Merrill Lynch	-	-	43	-	-

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

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

f) Liquidity risk

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

g) Market risk

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

Market price risk sensitivity

A 5% market movement in the price of investments held by the sub-fund, with all other variables remaining constant, would result in an increase or decrease on net asset value of the sub-fund by approximately £23,188,304 or 4.94% (31 October 2017: £16,831,562 or 4.86%).

h) Fair value of financial assets and liabilities

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

Basis of valuation	31.10.18		31.10.17	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
Level 1: Quoted prices	463,891	(125)	336,631	-
Level 2: Observable market data	-	-	-	-
Level 3: Unobservable data	-	-	-	-
Total	463,891	(125)	336,631	-

Notes to the financial statements (continued)

for the year from 1 November 2017 to 31 October 2018

12 Derivatives and other financial instruments (continued)

i) Global exposure

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

13 Contingent liabilities

The sub-fund had no contingent liabilities at the Balance sheet date (31 October 2017: £Nil).

Notes to the financial statements (continued)

for the year from 1 November 2017 to 31 October 2018

14 Portfolio transaction costs

Analysis of total purchase costs

31.10.18

	Value £'000	Commissions £'000	%	Other costs £'000	%
Equities	979,453	248	0.03%	450	0.05%
Collective investment schemes	3,236	1	0.02%	-	-
Corporate actions	286	-	-	-	-
Total	982,975	249		450	
Total purchase including transaction costs	983,674				

31.10.17

	Value £'000	Commissions £'000	%	Other costs £'000	%
Equities	482,672	130	0.03%	205	0.04%
Collective investment schemes	1,237	-	-	-	-
Corporate actions	22	-	-	-	-
Total	483,931	130		205	
Total purchase including transaction costs	484,266				

Analysis of total sale costs

31.10.18

	Value £'000	Commissions £'000	%	Other costs £'000	%
Equities	783,306	194	0.02%	871	0.11%
Collective investment schemes	2,024	-	0.02%	-	-
Corporate actions	42	-	-	-	-
Total	785,372	194		871	
Total sale including transaction costs	784,307				

31.10.17

	Value £'000	Commissions £'000	%	Other costs £'000	%
Equities	314,052	86	0.03%	354	0.11%
Collective investment schemes	1,205	-	0.02%	-	-
Corporate actions	250	-	-	-	-
Total	315,507	86		354	
Total sale including transaction costs	315,067				

Transaction costs as a percentage of average Net Assets*

	31.10.18	31.10.17
Commissions:	0.09%	0.11%
Other costs:	0.26%	0.28%

* Includes commissions on derivative transactions of £8,606 (31 October 2017: £6,656). There were no taxes on derivative transactions (31 October 2017: £Nil).

In the case of shares, transaction costs are paid by the sub-fund on each transaction. Commissions relate to those paid to agents, advisers, brokers and dealers in the buying and selling of securities. Other costs include any additional fees that may be paid to agents, advisers, brokers and dealers as well as levies by regulatory agencies and security exchanges and any transfer taxes or duties. In addition, there is a dealing spread between the buying and selling prices of the underlying investments. Unlike shares, other types of investments have no separately identifiable transaction costs; these costs form part of the dealing spread. Dealing spreads may vary considerably depending on the transaction value and market sentiment. At the balance sheet date the dealing spread was 0.52% (31 October 2017: 0.33%).

Notes to the financial statements (continued)

for the year from 1 November 2017 to 31 October 2018

15 Shareholders' funds

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

The share classes currently in issue and the Fixed Ongoing Charge of each share class are shown below. The comparative figure at the 31 October 2017, was the Authorised Corporate Directors' Fee, which is now included within the Fixed Ongoing Charge.

	31.10.18	31.10.17
- Accumulation 'A'	1.75%	1.50%
- Accumulation 'P'	1.25%	1.00%
- Accumulation 'R'	1.00%	0.75%
- Accumulation 'U1'	0.925%	0.675%
- Accumulation 'U2'	0.85%	0.60%
- Accumulation 'W'†	0.85%	-

Share class movement reconciliation

	Opening	Issued	Redeemed	Converted	Closing
- Accumulation 'A'	8,160,732	1,578,013	(1,816,382)	(83,981)	7,838,382
- Accumulation 'P'	149,437	436,201	(156,795)	(1,287)	427,556
- Accumulation 'R'	51,637,289	39,769,940	(17,585,919)	221,030	74,042,340
- Accumulation 'U1'	66,424,734	65,119,087	(3,412,393)	(21,203)	128,110,225
- Accumulation 'U2'	29,938,118	11,830,357	(3,226,796)	1,264,236	39,805,915
- Accumulation 'W'†	-	2,487,921	-	(2,487,921)	-

† From 10 April 2018 to 1 June 2018.

16 Post balance sheet date events

There are no post balance sheet events requiring disclosure.

Distribution table

Final distribution

Group 1: Shares purchased prior to 1 November 2017
 Group 2: Shares purchased from 1 November 2017 to 31 October 2018

	Revenue pence per share	Equalisation pence per share*	Distribution paid 31.12.18 pence per share	Distribution paid 31.12.17 pence per share
Accumulation 'A' Shares				
Group 1	3.0002	-	3.0002	3.8490
Group 2	2.2231	0.7771	3.0002	3.8490
Accumulation 'P' Shares				
Group 1	2.0466	-	2.0466	2.1544
Group 2	1.5557	0.4909	2.0466	2.1544
Accumulation 'R' Shares				
Group 1	2.9797	-	2.9797	3.0631
Group 2	1.9726	1.0071	2.9797	3.0631
Accumulation 'U1' Shares				
Group 1	2.5623	-	2.5623	2.6070
Group 2	1.6307	0.9316	2.5623	2.6070
Accumulation 'U2' Shares				
Group 1	2.8914	-	2.8914	2.9357
Group 2	1.5315	1.3599	2.8914	2.9357

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

Merian European Equity (ex UK) Fund

Launch date	29 April 1998
IA Sector	Europe Excluding UK
Investment adviser	Merian Global Investors (UK) Limited
Net asset value	£176,488,046

Objective

To achieve long term capital growth through the active management of a diversified portfolio invested primarily in European stock markets excluding the United Kingdom.

Policy

Subject to the regulations, the property of the sub-fund may include transferable securities, units in collective investment schemes (including those managed or operated by the ACD or an associate of the ACD), warrants, money market instruments, deposits and derivatives.

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

Investment Manager's review

The last twelve months have proven to be difficult for European equity markets, with the MSCI Europe (Ex UK) Index declining 6.2% in sterling terms. Economically sensitive sectors like financials, consumer discretionary and industrials have been particularly weak; while energy, IT, health care and consumer staples sectors have held up relatively well. Regional return dispersion has also been quite elevated, with sharply negative returns from Italian, Spanish and German equity markets standing in contrast to relative resilience in French markets and a strong positive return from Swiss equities. While European macroeconomic data has remained pretty robust, the Italian elections in the spring of 2018 marked a turning point for market sentiment and equity market leadership. Spreads on Italian government bonds have widened substantially in recent months amid fears of a renewed Eurozone crisis. When combined with emerging market currency volatility and ongoing concerns over the potential negative impact of President Trump's protectionist policies on global economic activity, the widespread optimism around synchronised economic expansion that was so prevalent at the beginning of the year quickly eroded over the summer months.

The sub-fund underperformed the benchmark index and peer group median over the twelve months. Market leadership at both a sector and country level was unhelpful – particularly in the second half of the period – with the MSCI Europe (Ex UK) Value index underperforming the MSCI Europe (Ex UK) Growth index by over 3% since 1 May 2018. The sub-fund's overweight position in financials (particularly banks) and underweight exposure to energy and health care sectors hurt relative performance, as did the underweight exposure to Swiss equities relative to the benchmark. That being said, stock specific factors have been by far the most a material driver of underperformance during the period.

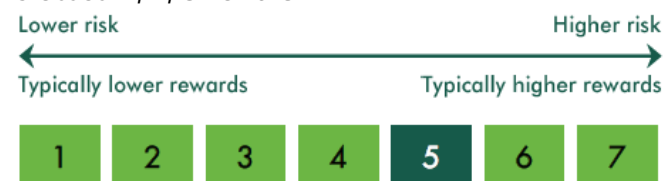
Large declines in DIA, Atresmedia and Technicolor were particularly painful. DIA suffered a major decline in profitability this year on the back of both a collapse in key Latin American currencies and heightened competition in Iberia; but the real share price pain has been borne more recently with the departure of the CEO in October and subsequent revelation that prior year profits would have to be restated to correct for overly aggressive accounting practices. Disappointing TV advertising growth in Spain had a material negative impact on Atresmedia's share price, while Technicolor (sold in February 2018) fell sharply on the back of both weak operating results and disappointing proceeds from the disposal of their technology licensing business. Key positive highlights came from contrarian positions in Ahold Delhaize, Ericsson and Kappahl.

We continue to trust in our process and focus on identifying attractive bottom-up investment opportunities. In a market that has become increasingly crowded with quality/growth strategies, we take considerable comfort from the fact the portfolio trades at a substantial valuation discount to the broader equity market on a range of measures; and maintain our conviction that building a well-diversified portfolio of conservatively valued businesses will both protect and grow capital in the long-run. If we continue to see increasing real interest rates in the US and a resulting normalisation of the global cost of capital, it could well prove to be a key catalyst for value outperformance, particularly given the extent to which growth as a style has outperformed in recent years against a backdrop of ultra-low discount rates.

Merian European Equity (ex UK) Fund

Risk and Reward Profile

Classes A, R, U1 and U2



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

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

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

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

Concentration risk (number of investments) - the sub-fund may at times hold a smaller number of investments, and therefore a fall in the value of a single investment may have a greater impact on the sub-fund's value than if it held a larger number of investments.

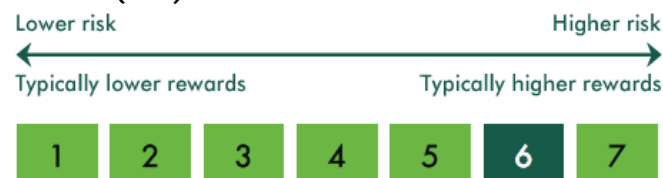
Currency risk (GBP share class) - the sub-fund is denominated in British Pounds but holds assets denominated in other currencies. The value of your shares may rise and fall as a result of exchange rate movements between these currencies.

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

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

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

Class A (USD)



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

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

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

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

Concentration risk (number of investments) - the sub-fund may at times hold a smaller number of investments, and therefore a fall in the value of a single investment may have a greater impact on the sub-fund's value than if it held a larger number of investments.

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

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

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

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

Performance Records

Comparative Tables

Accumulation 'A'	1 November 2017 to 31 October 2018 p/share	1 November 2016 to 31 October 2017 p/share	1 November 2015 to 31 October 2016 p/share
Change in net assets per share			
Opening net asset value per share	254.93	217.18	191.13
Return before operating charges*	(30.63)	41.71	29.26
Operating charges**	(4.04)	(3.96)	(3.21)
Return after operating charges*	(34.67)	37.75	26.05
Distributions	(4.61)	(3.31)	(1.83)
Retained distributions	4.61	3.31	1.83
Closing net asset value per share	220.26	254.93	217.18
* after direct transaction costs of***	0.26	0.57	0.64
Performance			
Return after charges	(13.60)%	17.38%	13.63%
Other information			
Closing net asset value (£)	31,612,953	47,180,020	44,713,519
Closing number of shares	14,352,815	18,507,107	20,588,620
Operating charges****	1.65%	1.65%	1.65%
Direct transaction costs***	0.11%	0.24%	0.33%
Prices	pence per share	pence per share	pence per share
Highest share price	277.74	274.02	228.25
Lowest share price	213.50	203.68	170.51
Accumulation 'A' EUR†	1 November 2017 to 31 October 2018 p/share	1 November 2016 to 31 October 2017 p/share	1 November 2015 to 31 October 2016 p/share
Change in net assets per share			
Opening net asset value per share	-	88.59	78.59
Return before operating charges*	-	11.08	10.79
Operating charges**	-	(0.75)	(0.79)
Return after operating charges*	-	10.33	10.00
Distributions	-	-	(0.74)
Retained distributions	-	-	0.74
Closing net asset value per share	-	98.92	88.59
* after direct transaction costs of***	-	0.23	0.16
Performance			
Return after charges	-	11.66%	12.72%
Other information			
Closing net asset value (£)	-	-	886
Closing number of shares	-	-	1,000
Operating charges****	-	1.65%	1.65%
Direct transaction costs***	-	0.24%	0.33%
Prices	cents per share	cents per share	cents per share
Highest share price	-	122.55	103.34
Lowest share price	-	94.85	90.54

Comparative Tables (continued)

Accumulation 'A' USD	1 November 2017 to 31 October 2018 p/share	1 November 2016 to 31 October 2017 p/share	1 November 2015 to 31 October 2016 p/share
Change in net assets per share			
Opening net asset value per share	87.50	74.54	65.56
Return before operating charges*	(10.53)	14.36	10.08
Operating charges**	(1.37)	(1.40)	(1.10)
Return after operating charges*	(11.90)	12.96	8.98
Distributions	(1.61)	(1.29)	(0.63)
Retained distributions	1.61	1.29	0.63
Closing net asset value per share	75.60	87.50	74.54
* after direct transaction costs of***	0.09	0.20	0.22
Performance			
Return after charges	(13.60)%	17.39%	13.70%
Other information			
Closing net asset value (£)	79,542	20,562	4,473
Closing number of shares	105,219	23,501	6,000
Operating charges****	1.65%	1.65%	1.65%
Direct transaction costs***	0.11%	0.24%	0.33%
Prices	cents per share	cents per share	cents per share
Highest share price	133.11	122.63	101.91
Lowest share price	93.73	88.10	84.24
Accumulation 'P'	1 November 2017 to 31 October 2018 p/share	1 November 2016 to 31 October 2017 p/share	1 November 2015 to 31 October 2016 p/share
Change in net assets per share			
Opening net asset value per share	189.43	160.57	140.60
Return before operating charges*	(22.85)	30.90	21.62
Operating charges**	(2.09)	(2.04)	(1.65)
Return after operating charges*	(24.94)	28.86	19.97
Distributions	(4.35)	(3.30)	(2.10)
Retained distributions	4.35	3.30	2.10
Closing net asset value per share	164.49	189.43	160.57
* after direct transaction costs of***	0.19	0.42	0.47
Performance			
Return after charges	(13.17)%	17.97%	14.20%
Other information			
Closing net asset value (£)	123,775	129,100	162,528
Closing number of shares	75,249	68,152	101,219
Operating charges****	1.15%	1.15%	1.15%
Direct transaction costs***	0.11%	0.24%	0.33%
Prices	pence per share	pence per share	pence per share
Highest share price	206.60	203.38	168.71
Lowest share price	159.40	150.66	125.62

Comparative Tables (continued)

Accumulation 'R'	1 November 2017 to 31 October 2018 p/share	1 November 2016 to 31 October 2017 p/share	1 November 2015 to 31 October 2016 p/share
Change in net assets per share			
Opening net asset value per share	188.58	159.46	139.28
Return before operating charges*	(22.81)	30.72	21.46
Operating charges**	(1.60)	(1.60)	(1.28)
Return after operating charges*	(24.41)	29.12	20.18
Distributions	(4.79)	(3.78)	(2.44)
Retained distributions	4.79	3.78	2.44
Closing net asset value per share	164.17	188.58	159.46
* after direct transaction costs of***	0.19	0.42	0.47
Performance			
Return after charges	(12.94)%	18.26%	14.49%
Other information			
Closing net asset value (£)	64,800,513	17,386,468	14,649,459
Closing number of shares	39,471,552	9,219,496	9,187,195
Operating charges****	0.90%	0.90%	0.90%
Direct transaction costs***	0.11%	0.24%	0.33%
Prices	pence per share	pence per share	pence per share
Highest share price	197.87	194.57	161.08
Lowest share price	159.10	149.65	124.52
Accumulation 'U1'	1 November 2017 to 31 October 2018 p/share	1 November 2016 to 31 October 2017 p/share	1 November 2015 to 31 October 2016 p/share
Change in net assets per share			
Opening net asset value per share	146.62	123.88	108.12
Return before operating charges*	(17.73)	23.88	16.69
Operating charges**	(1.16)	(1.14)	(0.93)
Return after operating charges*	(18.89)	22.74	15.76
Distributions	(3.83)	(3.05)	(1.98)
Retained distributions	3.83	3.05	1.98
Closing net asset value per share	127.73	146.62	123.88
* after direct transaction costs of***	0.15	0.33	0.37
Performance			
Return after charges	(12.88)%	18.36%	14.58%
Other information			
Closing net asset value (£)	1,187,488	1,655,145	1,463,147
Closing number of shares	929,683	1,128,851	1,181,089
Operating charges****	0.825%	0.825%	0.825%
Direct transaction costs***	0.11%	0.24%	0.33%
Prices	pence per share	pence per share	pence per share
Highest share price	153.87	151.25	125.13
Lowest share price	123.80	116.27	96.69

Comparative Tables (continued)

Accumulation 'U2'	1 November 2017 to 31 October 2018 p/share	1 November 2016 to 31 October 2017 p/share	1 November 2015 to 31 October 2016 p/share
Change in net assets per share			
Opening net asset value per share	137.68	116.24	101.38
Return before operating charges*	(16.65)	22.42	15.64
Operating charges**	(0.99)	(0.98)	(0.78)
Return after operating charges*	(17.64)	21.44	14.86
Distributions	(3.70)	(2.96)	(1.93)
Retained distributions	3.70	2.96	1.93
Closing net asset value per share	120.04	137.68	116.24
* after direct transaction costs of***	0.14	0.31	0.34
Performance			
Return after charges	(12.81)%	18.44%	14.66%
Other information			
Closing net asset value (£)	78,683,775	54,947,925	30,416,954
Closing number of shares	65,550,600	39,908,832	26,166,827
Operating charges****	0.75%	0.75%	0.75%
Direct transaction costs***	0.11%	0.24%	0.33%
Prices	pence per share	pence per share	pence per share
Highest share price	144.51	142.01	117.41
Lowest share price	116.30	109.11	90.68

† From 31 March 2016 to 18 May 2017

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

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

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

Performance

	6 months to 31 October 2018	1 year to 31 October 2018	3 years to 31 October 2018	5 years to 31 October 2018
Merian European Equity (ex UK) Fund*	(12.10)%	(12.82)%	18.08%	21.95%
MSCI Europe ex UK (benchmark)	(3.85)%	(6.17)%	32.05%	36.63%
IA Europe excluding UK (sector average)	(5.62)%	(6.93)%	32.57%	40.69%
Quartile ranking	4	4	4	4

* Accumulation 'R' shares

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

Asset allocation		Major holdings	Percentage of portfolio
Equities	93.78%	Sanofi	2.99%
		Carrefour	2.91%
Net other assets	6.22%	Pandora	2.91%
		Koninklijke Ahold Delhaize	2.88%
Total	100.00%	Signify	2.77%
		Societe Generale	2.73%
Portfolio allocation		EVS Broadcast Equipment	2.70%
France	26.28%	Total	2.67%
Netherlands	12.64%	Yara	2.65%
Switzerland	10.20%	Orange	2.65%
Italy	8.51%		
Germany	8.46%	Number of holdings	41
Spain	7.51%		
Denmark	5.49%		
Norway	5.24%		
Belgium	3.93%		
Greece	2.53%		
Finland	1.98%		
Sweden	1.01%		
Net other assets	6.22%		
Total	100.00%		

Portfolio statement

as at 31 October 2018

Holding	Investment	Market Value £'000	Percentage of total net assets %
Europe 93.78% (31 October 2017 97.21%)			
Belgium Equities 3.93% (31 October 2017 0.00%)			
182,000	bpost	2,177	1.23
264,300	EVS Broadcast Equipment	4,765	2.70
		6,942	3.93
Denmark Equities 5.49% (31 October 2017 6.03%)			
4,570	AP Moller - Maersk	4,562	2.58
104,030	Pandora	5,129	2.91
		9,691	5.49
Finland Equities 1.98% (31 October 2017 2.22%)			
795,799	Nokia	3,501	1.98
		3,501	1.98
France Equities 26.28% (31 October 2017 25.41%)			
231,428	AXA	4,556	2.58
340,100	Carrefour	5,144	2.91
207,610	IPSOS	4,333	2.46
261,500	Metropole Television	3,976	2.25
383,696	Orange	4,672	2.65
98,250	Publicis	4,468	2.53
74,901	Renault	4,432	2.51
75,234	Sanofi	5,277	2.99
167,206	Societe Generale	4,819	2.73
102,148	Total	4,704	2.67
		46,381	26.28
Germany Equities 8.46% (31 October 2017 12.70%)			
31,185	Continental	4,001	2.27
161,763	ProSiebenSat.1 Media	2,942	1.66
46,541	Siemens	4,211	2.39
308,415	Suedzucker	3,782	2.14
		14,936	8.46
Greece Equities 2.53% (31 October 2017 2.44%)			
512,750	Hellenic Telecommunications Organization	4,463	2.53
		4,463	2.53
Italy Equities 8.51% (31 October 2017 10.45%)			
269,254	Buzzi Unicem	4,038	2.29
497,218	Leonardo	4,232	2.40
3,894,370	Telecom Italia	1,787	1.01
1,638,730	Telecom Italia Rsp	642	0.36
427,107	UniCredit	4,322	2.45
		15,021	8.51
Luxembourg Equities 0.00% (31 October 2017 2.40%)			

Portfolio statement (continued)

as at 31 October 2018

Holding	Investment	Market Value £'000	Percentage of total net assets %
	Netherlands Equities 12.64% (31 October 2017 8.09%)		
236,120	ABN AMRO	4,513	2.56
469,827	ING	4,354	2.47
282,780	Koninklijke Ahold Delhaize	5,090	2.88
247,000	Koninklijke Volkerwessels	3,455	1.96
252,220	Signify	4,899	2.77
		22,311	12.64
	Norway Equities 5.24% (31 October 2017 4.47%)		
320,069	DNB	4,566	2.59
140,440	Yara	4,686	2.65
		9,252	5.24
	Spain Equities 7.51% (31 October 2017 9.12%)		
868,440	Atresmedia Corp de Medios de Comunicacion	3,849	2.18
1,321,330	CaixaBank	4,210	2.39
3,100,330	Distribuidora Internacional de Alimentacion	1,845	1.04
778,900	Prosegur Cia de Seguridad	3,346	1.90
		13,250	7.51
	Sweden Equities 1.01% (31 October 2017 4.73%)		
263,670	Telefonaktiebolaget	1,775	1.01
		1,775	1.01
	Switzerland Equities 10.20% (31 October 2017 9.15%)		
418,980	Credit Suisse	4,265	2.42
24,138	Roche	4,584	2.60
64,550	Swiss Re	4,573	2.59
18,810	Zurich Insurance	4,568	2.59
		17,990	10.20
	Investment assets	165,513	93.78
	Net other assets	10,975	6.22
	Total net assets	176,488	100.00

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

All investments are in ordinary shares unless otherwise stated.

Statement of total return

for the year from 1 November 2017 to 31 October 2018

		01.11.17 to 31.10.18 £'000	01.11.17 to 31.10.18 £'000	01.11.16 to 31.10.17 £'000	01.11.16 to 31.10.17 £'000
	Note				
Income					
Net capital (losses)/gains	2		(29,626)		15,875
Revenue	3	6,759		3,709	
Expenses	4	(1,678)		(1,284)	
Interest payable and similar charges	5	(5)		(4)	
Net revenue before taxation		5,076		2,421	
Taxation	6	(362)		(232)	
Net revenue after taxation			4,714		2,189
Total return before distributions			(24,912)		18,064
Distributions	7		(4,715)		(2,190)
Change in net assets attributable to shareholders from investment activities			(29,627)		15,874

Statement of change in net assets attributable to shareholders

for the year from 1 November 2017 to 31 October 2018

	01.11.17 to 31.10.18 £'000	01.11.17 to 31.10.18 £'000	01.11.16 to 31.10.17 £'000	01.11.16 to 31.10.17 £'000
Opening net assets attributable to shareholders		121,319		91,411
Amounts transferred from Quiter Investors Foundation 4 Fund	56,862		-	
Amounts received on issue of shares	36,772		20,375	
Amounts paid on cancellation of shares	(13,886)		(8,584)	
		79,748		11,791
Dilution adjustment		28		65
Change in net assets attributable to shareholders from investment activities		(29,627)		15,874
Retained distribution on accumulation shares		5,020		2,178
Closing net assets attributable to shareholders		176,488		121,319

The notes on pages 50 to 58 form an integral part of these financial statements.

Balance sheet

as at 31 October 2018

	Note	31.10.18 £'000	31.10.17 £'000
Assets			
Fixed assets			
Investments		165,513	117,940
Current assets			
Debtors	8	3,338	458
Cash and bank balances	9	10,078	3,126
Total assets		178,929	121,524
Liabilities			
Creditors			
Other creditors	10	(2,441)	(205)
Total liabilities		(2,441)	(205)
Net assets attributable to shareholders		176,488	121,319

The notes on pages 50 to 58 form an integral part of these financial statements.

Notes to the financial statements

for the year from 1 November 2017 to 31 October 2018

1 Accounting policies

The applicable accounting policies adopted by the Merian European Equity (ex UK) Fund are included on pages 171 to 172.

2 Net capital (losses)/gains

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

	01.11.17 to 31.10.18 £'000	01.11.16 to 31.10.17 £'000
(Losses)/gains on non-derivative securities	(29,489)	15,960
Gains on forward currency contracts	-	1
Losses on currency contracts	(132)	(82)
Handling charges	(5)	(4)
Net capital (losses)/gains on investments	(29,626)	15,875

3 Revenue

	01.11.17 to 31.10.18 £'000	01.11.16 to 31.10.17 £'000
Bank interest	4	1
Non-taxable overseas dividends	6,755	3,708
Total revenue	6,759	3,709

4 Expenses

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

	01.11.17 to 31.10.18 £'000	01.11.16 to 31.10.17 £'000
Fixed Ongoing Charge*	1,228	-
Authorised Corporate Director's periodic charge	392	1,121
Fixed expenses**	58	163
Total expenses	1,678	1,284

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

** These figures represent the charges to 28 February 2018, which have now been replaced by the Fixed Ongoing Charge. The Audit fee for the year, excluding VAT, was £7,100 (31 October 2017: £6,950). As a result of the change to a Fixed Ongoing Charge basis, this expense is split between Fixed expenses and Fixed Ongoing Charge.

Notes to the financial statements (continued)

for the year from 1 November 2017 to 31 October 2018

5 Interest payable and similar charges

	01.11.17 to 31.10.18 £'000	01.11.16 to 31.10.17 £'000
Bank overdraft interest	5	4
Total interest payable and similar charges	5	4

6 Taxation

a) Analysis of tax charge in the year

	01.11.17 to 31.10.18 £'000	01.11.16 to 31.10.17 £'000
Overseas tax suffered	362	232
Total current tax charge for the year	362	232
Deferred tax charge for the year (see note 6(c))	-	-
Total taxation for the year (see note 6(b))	362	232

b) Factors affecting current tax charge for the year

	01.11.17 to 31.10.18 £'000	01.11.16 to 31.10.17 £'000
The taxation assessed for the year is lower than the standard rate of corporation tax in the UK for an open-ended investment company (20%). The differences are explained below:		
Net revenue before taxation	5,076	2,421
Corporation tax at 20% (31 October 2017: 20%)	1,015	484
Effects of:		
Excess management expenses for which no relief taken	336	258
Non-taxable overseas dividends	(1,351)	(742)
Overseas tax suffered	362	232
Total tax charge for the year (see note 6 (a))	362	232

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

Notes to the financial statements (continued)

for the year from 1 November 2017 to 31 October 2018

6 Taxation (continued)

c) Movement in deferred tax liability

	01.11.17 to 31.10.18 £'000	01.11.16 to 31.10.17 £'000
Deferred tax liability at the start of the year	-	-
Deferred tax charge for the year (see note 6(a))	-	-
Deferred tax liability at the end of the year	-	-

As at 31 October 2018, the sub-fund had surplus management expenses of £9,432,526 (31 October 2017: £7,754,082) which can be utilised against profits chargeable to corporation tax in future periods. It is unlikely that the sub-fund will generate sufficient taxable profits in the future to utilise these expenses and, therefore, no deferred tax asset has been recognised.

7 Distributions

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

	01.11.17 to 31.10.18 £'000	01.11.16 to 31.10.17 £'000
Final – Accumulation shares (31 October)	5,020	2,178
	5,020	2,178
Revenue deducted on cancellation of shares	101	75
Revenue received on issue of shares	(406)	(63)
Distributions	4,715	2,190
Reconciliation of distributions:		
Net revenue after taxation	4,714	2,189
Equalisation on conversion	1	1
Distributions	4,715	2,190

Details of the final distributions per share are set out in the table on page 59.

8 Debtors

	31.10.18 £'000	31.10.17 £'000
Accrued revenue	-	38
Amounts receivable for issue of shares	2	12
Overseas tax recoverable	756	408
Sales awaiting settlement	2,580	-
Total debtors	3,338	458

Notes to the financial statements (continued)

for the year from 1 November 2017 to 31 October 2018

9 Cash and bank balances

	31.10.18 £'000	31.10.17 £'000
Cash and bank balances	10,078	3,126
Total cash and bank balances	10,078	3,126

10 Other creditors

	31.10.18 £'000	31.10.17 £'000
Accrued Authorised Corporate Director's periodic charge	-	101
Accrued expenses	147	16
Amounts payable for cancellation of shares	496	88
Purchases awaiting settlement	1,798	-
Total other creditors	2,441	205

11 Related party transactions

Quilter Investors Limited, as ACD, is a related party, and acts as principal in respect of all transactions of shares in each sub-fund. The aggregate monies received on issue and paid on cancellation are disclosed in the Statement of change in net assets attributable to shareholders on page 48. Any amounts due to or from Quilter Investors Limited at the end of the accounting year in respect of transactions of shares in each sub-fund are disclosed in notes 8 and 10. Other amounts paid to the ACD are disclosed in note 4 and amounts due to it at the year end are disclosed in note 10.

12 Derivatives and other financial instruments

a) Financial instrument risk

The sub-fund, in pursuing its objective, holds a number of financial instruments, which may comprise of the following:

Equity shares and equity related shares.

Fixed income securities and variable rate securities.

The sub-fund will also hold cash and other short term debtors and creditors that arise directly from its operations.

In addition, the sub-fund may hold derivatives in the form of forward foreign exchange contracts and/or futures contracts for the purpose of efficient portfolio management in accordance with the COLL Sourcebook.

The financial instruments are held in line with the sub-fund's investment policy.

Each Investment Adviser is responsible for monitoring the portfolio of his/her sub-fund in accordance with its investment objective and seeks to ensure that individual assets also meet a risk reward profile that is acceptable. The ACD has appointed specialist managers to manage the sub-fund, and continuously monitors this appointment.

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

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

Notes to the financial statements (continued)

for the year from 1 November 2017 to 31 October 2018

12 Derivatives and other financial instruments (continued)

b) Foreign currency risk

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

The direct foreign currency exposure of the sub-fund as at 31 October 2018 (31 October 2017) was as follows:

Currency	Net foreign currency assets			Net foreign currency assets		
	Monetary exposures*	Non-monetary exposures	Total	Monetary exposures*	Non-monetary exposures	Total
	31.10.18 £'000	31.10.18 £'000	31.10.18 £'000	31.10.17 £'000	31.10.17 £'000	31.10.17 £'000
Danish Krone	130	9,691	9,821	75	7,312	7,387
Euro	1,033	126,805	127,838	866	88,365	89,231
Norwegian Krone	17	9,252	9,269	18	5,427	5,445
Swedish Krona	18	1,775	1,793	10	5,737	5,747
Swiss Franc	1,053	17,990	19,043	41	11,099	11,140
Total	2,251	165,513	167,764	1,010	117,940	118,950

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

Currency sensitivity

A 5% increase in the value of the sub-fund's foreign currency exposure would have the effect of increasing the return and net assets as at 31 October 2018 by £8,388,205 or 4.75% (31 October 2017: £5,947,483 or 4.90%). A 5% decrease would have an equal and opposite effect.

c) Interest rate risk

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

The interest rate risk profile of the sub-fund's financial assets and liabilities at 31 October 2018 (31 October 2017) was as follows:

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

Notes to the financial statements (continued)

for the year from 1 November 2017 to 31 October 2018

12 Derivatives and other financial instruments (continued)

c) Interest rate risk (continued)

Currency	Variable rate financial assets £'000	Fixed rate financial assets £'000	Financial assets not carrying interest £'000	Total £'000
31.10.17				
Danish Krone	-	-	7,387	7,387
Euro	564	-	88,667	89,231
Norwegian Krone	-	-	5,445	5,445
Sterling	2,562	-	12	2,574
Swedish Krona	-	-	5,747	5,747
Swiss Franc	-	-	11,140	11,140
Total	3,126	-	118,398	121,524

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

Currency	Variable rate financial liabilities £'000	Financial liabilities not carrying interest £'000	Total £'000
31.10.17			
Sterling	-	(205)	(205)
Total	-	(205)	(205)

Interest rate risk sensitivity

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

d) Credit risk

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

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

e) Counterparty risk

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

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

f) Liquidity risk

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

Notes to the financial statements (continued)

for the year from 1 November 2017 to 31 October 2018

12 Derivatives and other financial instruments (continued)

g) Market risk

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

Market price risk sensitivity

A 5% market movement in the price of investments held by the sub-fund, with all other variables remaining constant, would result in an increase or decrease on net asset value of the sub-fund by approximately £8,275,659 or 4.69% (31 October 2017: £5,897,001 or 4.86%).

h) Fair value of financial assets and liabilities

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

Basis of valuation	31.10.18		31.10.17	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
Level 1: Quoted prices	165,513	-	117,940	-
Level 2: Observable market data	-	-	-	-
Level 3: Unobservable data	-	-	-	-
Total	165,513	-	117,940	-

i) Global exposure

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

13 Contingent liabilities

The sub-fund had no contingent liabilities at the Balance sheet date (31 October 2017: £Nil).

Notes to the financial statements (continued)

for the year from 1 November 2017 to 31 October 2018

14 Portfolio transaction costs

Analysis of total purchase costs

31.10.18

Equities

In specie transactions

Corporate actions

Total

Total purchases including transaction costs

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

31.10.17

Equities

Total

Total purchases including transaction costs

Value £'000	Commissions £'000	Other costs %	£'000	%
117,153	97	0.08%	83	0.07%
117,153	97		83	
117,333				

Analysis of total sale costs

31.10.18

Equities

Total

Total sales including transaction costs

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

31.10.17

Equities

Corporate actions

Total

Total sales including transaction costs

Value £'000	Commissions £'000	Other costs %	£'000	%
103,380	87	0.08%	-	-
107	-	-	-	-
103,487	87		-	
103,400				

Transaction costs as a percentage of average Net Assets*

Commissions:

Taxes:

31.10.18	31.10.17
0.05%	0.16%
0.06%	0.08%

In the case of shares, transaction costs are paid by the sub-fund on each transaction. Commissions relate to those paid to agents, advisers, brokers and dealers in the buying and selling of securities. Other costs include any additional fees that may be paid to agents, advisers, brokers and dealers as well as levies by regulatory agencies and security exchanges and any transfer taxes or duties. In addition, there is a dealing spread between the buying and selling prices of the underlying investments. Unlike shares, other types of investments have no separately identifiable transaction costs; these costs form part of the dealing spread. Dealing spreads may vary considerably depending on the transaction value and market sentiment. At the balance sheet date the dealing spread was 0.09% (31 October 2017: 0.08%).

Notes to the financial statements (continued)

for the year from 1 November 2017 to 31 October 2018

15 Shareholders' funds

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

The share classes currently in issue and the Fixed Ongoing Charge of each share class are shown below. The comparative figure at the 31 October 2017, was the Authorised Corporate Directors' Fee, which is now included within the Fixed Ongoing Charge.

	31.10.18	31.10.17
- Accumulation 'A'	1.65%	1.50%
- Accumulation 'A' USD	1.65%	1.50%
- Accumulation 'P'	1.15%	1.00%
- Accumulation 'R'	0.90%	0.75%
- Accumulation 'U1'	0.825%	0.675%
- Accumulation 'U2'	0.75%	0.60%

Share class movement reconciliation

	Opening	Issued	Redeemed	Converted	Closing
- Accumulation 'A'	18,507,107	15,369	(4,022,088)	(147,573)	14,352,815
- Accumulation 'A' USD	23,501	94,445	(12,727)	-	105,219
- Accumulation 'P'	68,152	1,114	(2,370)	8,353	75,249
- Accumulation 'R'	9,219,496	31,935,767	(1,869,789)	186,078	39,471,552
- Accumulation 'U1'	1,128,851	127,669	(332,558)	5,721	929,683
- Accumulation 'U2'	39,908,832	25,773,658	(131,890)	-	65,550,600

16 Post balance sheet date events

There are no post balance sheet events requiring disclosure.

Distribution table

Final distribution

Group 1: Shares purchased prior to 1 November 2017
 Group 2: Shares purchased from 1 November 2017 to 31 October 2018

	Revenue pence per share	Equalisation pence per share*	Distribution paid 31.12.18 pence per share	Distribution paid 31.12.17 pence per share
Accumulation 'A' Shares				
Group 1	4.6126	-	4.6126	3.3124
Group 2	3.3961	1.2165	4.6126	3.3124
Accumulation 'A' USD Shares				
Group 1	2.0602	-	2.0602	1.7021
Group 2	1.6872	0.3730	2.0602	1.7021
Accumulation 'P' Shares				
Group 1	4.3530	-	4.3530	3.3046
Group 2	3.4243	0.9287	4.3530	3.3046
Accumulation 'R' Shares				
Group 1	4.7923	-	4.7923	3.7825
Group 2	4.5296	0.2627	4.7923	3.7825
Accumulation 'U1' Shares				
Group 1	3.8328	-	3.8328	3.0505
Group 2	2.9012	0.9316	3.8328	3.0505
Accumulation 'U2' Shares				
Group 1	3.7000	-	3.7000	2.9557
Group 2	2.4357	1.2643	3.7000	2.9557

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

Merian Global Equity Fund

Launch date	15 July 1998
IA Sector	Global
Investment adviser	Merian Global Investors (UK) Limited
Net asset value	£1,010,711,287

Investment Objective and Policy

To achieve long term capital growth through the active management of a diversified portfolio invested primarily in a broad range of global equities.

Subject to the regulations, the property of the sub-fund may include transferable securities, units in collective investment schemes (including those managed or operated by the ACD or an associate of the ACD), warrants, money market instruments, deposits and derivatives.

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

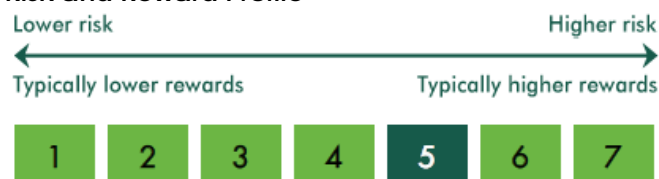
Investment Manager's review

The twelve months under review were far more volatile for global shares than the previous period. Many of the market's moves were positive, led by the US equity market. In October, however, the volatility that had appeared in February and March reasserted itself. Reasons for it included ongoing trade tension between the US and China and the US Federal Reserve's raising interest rates, which had the effect of reducing liquidity to markets. Our proprietary risk appetite measure showed a general deterioration during a period notable for sharp, short-lived fluctuations.

Our market dynamics stock selection criterion had the largest negative impact on performance during the period, as increased market instability impacted negatively on returns to previous winners found within this criterion. The sustainable growth criterion, which isolates high quality growth companies from those offering less sustainable growth prospects, further impacted negatively on performance. Overall, while the sub-fund's underperformance contrasts with its medium and long-term track record, it nonetheless is within the range of expectations and tolerance for the returns structure of the strategy.

Our established investment process has responded to the increasingly depressed levels of investor risk appetite by adopting a more defensive general profile, with a tilt towards higher quality stocks. In addition, we have continued to squeeze out stock level momentum positions as the volatility profile of all underlying regions has remained more elevated over the period. At a market level, the constant churn in leadership between industries and sectors has resulted in the portfolio adopting less pronounced industry and sector positions. This is consistent with previous similar market environments throughout the sub-fund's history.

Risk and Reward Profile



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

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

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

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

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

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

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

Performance Records

Comparative Tables

Accumulation 'A'	1 November 2017 to 31 October 2018 p/share	1 November 2016 to 31 October 2017 p/share	1 November 2015 to 31 October 2016 p/share
Change in net assets per share			
Opening net asset value per share	374.64	312.37	247.02
Return before operating charges*	8.57	68.32	70.01
Operating charges**	(6.76)	(6.05)	(4.66)
Return after operating charges*	1.81	62.27	65.35
Distributions	-	-	-
Retained distributions	-	-	-
Closing net asset value per share	376.45	374.64	312.37
* after direct transaction costs of***	0.68	0.64	0.47
Performance			
Return after charges	0.48%	19.93%	26.46%
Other information			
Closing net asset value (£)	70,768,018	61,217,046	48,734,883
Closing number of shares	18,798,993	16,340,380	15,601,821
Operating charges****	1.75%	1.75%	1.75%
Direct transaction costs***	0.18%	0.18%	0.18%
Prices	pence per share	pence per share	pence per share
Highest share price	419.60	392.30	330.93
Lowest share price	354.30	299.54	220.79
Accumulation 'P'	1 November 2017 to 31 October 2018 p/share	1 November 2016 to 31 October 2017 p/share	1 November 2015 to 31 October 2016 p/share
Change in net assets per share			
Opening net asset value per share	213.22	176.90	139.19
Return before operating charges*	4.87	38.78	39.58
Operating charges**	(2.76)	(2.46)	(1.87)
Return after operating charges*	2.11	36.32	37.71
Distributions	(0.56)	(0.37)	(0.71)
Retained distributions	0.56	0.37	0.71
Closing net asset value per share	215.33	213.22	176.90
* after direct transaction costs of***	0.39	0.36	0.27
Performance			
Return after charges	0.99%	20.53%	27.09%
Other information			
Closing net asset value (£)	6,671,567	5,375,307	3,699,061
Closing number of shares	3,098,287	2,520,976	2,091,096
Operating charges****	1.25%	1.25%	1.25%
Direct transaction costs***	0.18%	0.18%	0.18%
Prices	pence per share	pence per share	pence per share
Highest share price	239.80	223.27	187.36
Lowest share price	202.10	169.64	124.59

Comparative Tables (continued)

Accumulation 'R'	1 November 2017 to 31 October 2018 p/share	1 November 2016 to 31 October 2017 p/share	1 November 2015 to 31 October 2016 p/share
Change in net assets per share			
Opening net asset value per share	251.90	208.46	163.62
Return before operating charges*	5.74	45.77	46.62
Operating charges**	(2.61)	(2.33)	(1.78)
Return after operating charges*	3.13	43.44	44.84
Distributions	(1.30)	(1.01)	(1.28)
Retained distributions	1.30	1.01	1.28
Closing net asset value per share	255.03	251.90	208.46
* after direct transaction costs of***	0.46	0.43	0.32
Performance			
Return after charges	1.24%	20.84%	27.40%
Other information			
Closing net asset value (£)	413,889,016	355,802,514	213,229,961
Closing number of shares	162,293,284	141,248,729	102,287,635
Operating charges****	1.00%	1.00%	1.00%
Direct transaction costs***	0.18%	0.18%	0.18%
Prices	pence per share	pence per share	pence per share
Highest share price	283.90	253.62	212.27
Lowest share price	239.00	199.91	146.56
Accumulation 'U1'	1 November 2017 to 31 October 2018 p/share	1 November 2016 to 31 October 2017 p/share	1 November 2015 to 31 October 2016 p/share
Change in net assets per share			
Opening net asset value per share	187.80	155.30	121.80
Return before operating charges*	4.27	34.11	34.74
Operating charges**	(1.80)	(1.61)	(1.24)
Return after operating charges*	2.47	32.50	33.50
Distributions	(1.11)	(0.88)	(1.06)
Retained distributions	1.11	0.88	1.06
Closing net asset value per share	190.27	187.80	155.30
* after direct transaction costs of***	0.34	0.32	0.24
Performance			
Return after charges	1.32%	20.93%	27.50%
Other information			
Closing net asset value (£)	393,631,691	336,740,727	178,616,474
Closing number of shares	206,878,074	179,309,737	115,015,298
Operating charges****	0.93%	0.93%	0.93%
Direct transaction costs***	0.18%	0.18%	0.18%
Prices	pence per share	pence per share	pence per share
Highest share price	211.80	189.08	158.13
Lowest share price	178.20	148.93	109.13

Comparative Tables (continued)

Accumulation 'U2'	1 November 2017 to 31 October 2018 p/share	1 November 2016 to 31 October 2017 p/share	1 November 2015 to 31 October 2016 p/share
Change in net assets per share			
Opening net asset value per share	190.07	157.06	122.97
Return before operating charges*	4.38	34.54	35.16
Operating charges**	(1.71)	(1.53)	(1.07)
Return after operating charges*	2.67	33.01	34.09
Distributions	(1.27)	(1.03)	(1.19)
Retained distributions	1.27	1.03	1.19
Closing net asset value per share	192.74	190.07	157.06
* after direct transaction costs of***	0.35	0.33	0.22
Performance			
Return after charges	1.40%	21.02%	27.72%
Other information			
Closing net asset value (£)	125,750,995	24,604,739	1,403,243
Closing number of shares	65,244,666	12,944,877	893,455
Operating charges****	0.85%	0.85%	0.85%
Direct transaction costs***	0.18%	0.18%	0.18%
Prices	pence per share	pence per share	pence per share
Highest share price	214.50	191.37	159.91
Lowest share price	180.40	150.62	110.20

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

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

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

Performance

	6 months to 31 October 2018	1 year to 31 October 2018	3 years to 31 October 2018	5 years to 31 October 2018
Merian Global Equity Fund*	0.99%	1.33%	56.09%	94.30%
MSCI World Index (benchmark)	5.46%	5.13%	51.89%	74.75%
IA Global (sector average)	0.66%	1.23%	42.63%	55.21%
Quartile ranking	2	2	1	1

* Accumulation 'R' shares

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

Asset allocation		Major holdings	Percentage of portfolio
Equities	97.47%	Apple	2.04%
Derivatives	(0.03)%	Microsoft	1.33%
		Verizon Communications	1.22%
Net other assets	2.56%	Amazon.com	1.11%
		Visa	1.02%
Total	100.00%	Roche	0.96%
		Mastercard	0.93%
Portfolio allocation		Adobe	0.86%
United States	58.84%	Alphabet 'C'	0.83%
Japan	8.08%	Boeing	0.77%
United Kingdom	6.10%		
Canada	3.86%	Number of holdings	445
France	3.12%		
Germany	2.78%		
Switzerland	2.12%		
Australia	2.11%		
Denmark	1.60%		
Hong Kong	1.28%		
Spain	1.20%		
Italy	1.13%		
Netherlands	0.98%		
Norway	0.91%		
Bermuda	0.55%		
Singapore	0.51%		
Israel	0.48%		
Sweden	0.32%		
Finland	0.32%		
Puerto Rico	0.27%		
Portugal	0.27%		
Ireland	0.24%		
China	0.14%		
New Zealand	0.10%		
Austria	0.10%		
Belgium	0.05%		
Luxembourg	0.01%		
Derivatives	(0.03)%		
Net other assets	2.56%		
Total	100.00%		

Portfolio statement

as at 31 October 2018

Holding	Investment	Market Value £'000	Percentage of total net assets %
Asia Pacific (excluding Japan) 4.14% (31 October 2017 4.69%)			
Australia Equities 2.11% (31 October 2017 2.37%)			
42,849	Altium	519	0.05
820,899	Beach Energy	795	0.08
51,540	BHP Billiton (UK Listing)	801	0.08
68,501	Caltex Australia	1,071	0.11
201,891	Charter Hall	767	0.07
94,034	CIMIC	2,426	0.24
5,262	Cochlear	515	0.05
717,825	CSR	1,401	0.14
265,923	Iluka Resources	1,191	0.12
40,027	Magellan Financial	576	0.06
131,146	McMillan Shakespeare	1,174	0.12
241,031	Medibank	371	0.04
104,127	NIB Holdings (Australia)	310	0.03
318,970	Northern Star Resources	1,535	0.15
460,959	Platinum Asset Management	1,254	0.12
634,398	Regis Resources	1,475	0.14
543,538	Sandfire Resources	1,995	0.20
320,817	Santos	1,174	0.11
571,667	St Barbara	1,313	0.13
188,737	Whitehaven Coal	505	0.05
23,302	WiseTech Global	206	0.02
		21,374	2.11
China Equities 0.14% (31 October 2017 0.03%)			
287,000	Microport Scientific	268	0.03
1,669,700	Yangzijiang Shipbuilding	1,170	0.11
		1,438	0.14
Hong Kong Equities 1.28% (31 October 2017 1.45%)			
158,800	AIA	940	0.09
107,400	Bank of East Asia	272	0.03
46,000	CK Asset	234	0.02
20,000	CK Infrastructure	114	0.01
233,000	CLP	2,041	0.20
217,200	Dah Sing Banking	321	0.03
132,000	Dah Sing Financial	553	0.06
411,000	Galaxy Entertainment	1,737	0.17
55,800	Hang Seng Bank	1,022	0.10
85,500	Health and Happiness (H&H) International	380	0.04
339,500	HK Electric Investments & HK Electric Investments	253	0.03
99,500	Hopewell	240	0.03
116,000	Hysan Development	425	0.04
183,000	MTR	693	0.07
469,000	Power Assets	2,448	0.24
1,028,000	Sa Sa International	308	0.03
180,000	SmarTone Telecommunications	195	0.02
88,000	Swire Pacific 'A'	714	0.07
		12,890	1.28
New Zealand Equities 0.10% (31 October 2017 0.18%)			
180,625	a2 Milk	956	0.10
6,495	Fisher & Paykel Healthcare	45	-
		1,001	0.10

Portfolio statement (continued)

as at 31 October 2018

Holding	Investment	Market Value £'000	Percentage of total net assets %
	Singapore Equities 0.51% (31 October 2017 0.66%)		
2,028,800	ComfortDelGro	2,569	0.25
708,000	Sheng Siong	432	0.04
1,085,100	Singapore Technologies Engineering	2,171	0.22
		5,172	0.51
	Europe 15.13% (31 October 2017 17.16%)		
	Austria Equities 0.10% (31 October 2017 0.52%)		
30,445	Verbund	972	0.10
		972	0.10
	Belgium Equities 0.05% (31 October 2017 0.07%)		
70,133	AGFA-Gevaert	246	0.03
3,568	UCB	234	0.02
		480	0.05
	Denmark Equities 1.60% (31 October 2017 1.40%)		
893	Carlsberg	78	0.01
1,419	DSV	89	0.01
124,135	GN Store Nord	4,142	0.41
5,889	H Lundbeck	217	0.02
210,528	Novo Nordisk	7,142	0.71
3,972	Rockwool	1,063	0.10
52	SimCorp	3	-
133,324	William Demant	3,444	0.34
		16,178	1.60
	Finland Equities 0.32% (31 October 2017 0.17%)		
17,871	Fortum	298	0.03
44,729	Neste	2,895	0.29
		3,193	0.32
	France Equities 3.12% (31 October 2017 2.06%)		
4,628	Airbus	397	0.04
14,516	Alten	1,099	0.11
7,569	Atos	511	0.05
295,126	CGG	565	0.06
88,118	Electricite de France	1,137	0.11
24,500	Gaztransport Et Technigaz	1,456	0.14
5,501	Hermes International	2,467	0.24
4,810	Ipsen	526	0.05
18,277	Kering	6,352	0.63
37,587	L'Oreal	6,642	0.66
30,795	LVMH Moet Hennessy Louis Vuitton	7,314	0.72
78,161	Rexel	774	0.08
23,554	Sartorius Stedim Biotech	2,276	0.23
		31,516	3.12
	Germany Equities 2.78% (31 October 2017 3.63%)		
45,133	Allianz	7,405	0.73
33,272	Bechtle	2,292	0.23
1,522	Beiersdorf	123	0.01
46,331	CompuGroup Medical	2,020	0.20

Portfolio statement (continued)

as at 31 October 2018

Holding	Investment	Market Value £'000	Percentage of total net assets %
Germany Equities (continued)			
96,865	Covestro	4,878	0.48
8,778	Fresenius Medical Care	543	0.06
1,508	Henkel	116	0.01
20,139	HUGO BOSS	1,124	0.11
35,134	Muenchener Rueckversicherungs	5,926	0.59
39,547	Wacker Neuson	691	0.07
20,299	Wirecard	2,951	0.29
		28,069	2.78
Gibraltar Equities 0.00% (31 October 2017 0.02%)			
Ireland Equities 0.24% (31 October 2017 0.99%)			
338,771	Bank of Ireland	1,909	0.19
42,129	C&C Group	124	0.01
48,001	Grafton	344	0.03
3,707	Smurfit Kappa (UK Listing)	97	0.01
		2,474	0.24
Italy Equities 1.13% (31 October 2017 0.28%)			
979,593	A2A	1,237	0.12
6,958	Amplifon	95	0.01
224,464	Eni	3,124	0.31
48,619	ERG	718	0.07
183,816	Moncler	5,020	0.50
63,156	Saras	98	0.01
36,556	Societa Cattolica di Assicurazioni	228	0.02
101,049	Technogym	875	0.09
		11,395	1.13
Luxembourg Equities 0.01% (31 October 2017 0.10%)			
2,702	Solutions 30	92	0.01
		92	0.01
Netherlands Equities 0.98% (31 October 2017 1.52%)			
52,158	ASR Nederland	1,872	0.18
68,548	NN	2,320	0.23
124,552	Royal Dutch Shell 'B'	3,184	0.31
2,335	Wereldhave	63	0.01
56,148	Wolters Kluwer	2,484	0.25
		9,923	0.98
Norway Equities 0.91% (31 October 2017 0.04%)			
505,479	DNO	766	0.08
289,589	Equinor	5,876	0.58
6,272	Salmar	260	0.02
89,038	Telenor	1,281	0.13
39,236	TGS Nopec Geophysical	1,009	0.10
		9,192	0.91
Portugal Equities 0.27% (31 October 2017 0.00%)			
89,600	Altri SGPS	612	0.06
9,381,983	Banco Comercial Portugues	1,963	0.19
43,763	Navigator	172	0.02
		2,747	0.27

Portfolio statement (continued)

as at 31 October 2018

Holding	Investment	Market Value £'000	Percentage of total net assets %
	Russia Equities 0.00% (31 October 2017 0.01%)		
	Spain Equities 1.20% (31 October 2017 0.22%)		
21,678	Amadeus IT	1,361	0.14
390,485	Ence Energia y Celulosa	2,586	0.26
7,521	Endesa	123	0.01
513,633	Mapfre	1,203	0.12
110,622	Mediaset Espana Comunicacion	598	0.06
22,600	Metrovacesa	217	0.02
21,201	Red Electrica	347	0.03
405,628	Repsol	5,663	0.56
		<u>12,098</u>	<u>1.20</u>
	Sweden Equities 0.32% (31 October 2017 1.90%)		
24,289	Elektro	245	0.02
23,311	Paradox Interactive	258	0.03
20,915	Swedish Match	835	0.08
119,071	Swedish Orphan Biovitrum	1,876	0.19
		<u>3,214</u>	<u>0.32</u>
	Switzerland Equities 2.12% (31 October 2017 4.23%)		
10,198	Basilea Pharmaceutica	386	0.04
17,558	Ferguson	922	0.09
11,048	Nestle	728	0.07
50,961	Roche	9,678	0.96
172	Siegfried	54	0.01
15,049	Sonova	1,909	0.19
9,360	Straumann	4,957	0.49
8,572	Swatch	2,274	0.22
1,202	Swissquote	48	-
2,700	Tecan	472	0.05
		<u>21,428</u>	<u>2.12</u>
	Euro Denominated Futures Contracts (0.02)% (31 October 2017 0.00%)		
261	DJ Euro Stoxx 50 Futures December 2018	(180)	(0.02)
		<u>(180)</u>	<u>(0.02)</u>
	Japan 8.08% (31 October 2017 8.69%)		
	Japan Equities 8.08% (31 October 2017 8.68%)		
114,100	77 Bank	1,843	0.18
479,100	Astellas Pharma	5,790	0.57
85,500	Capcom	1,387	0.14
25,000	Daito Trust Construction	2,577	0.25
30,100	Dip Corp	511	0.05
278,100	DMG Mori	3,147	0.31
2,800	En-Japan	87	0.01
52,800	Fuji	577	0.06
73,100	Goldcrest	890	0.09
1,050,600	GungHo Online Entertainment	1,476	0.15
29,900	Haseko	296	0.03
658,200	Hazama Ando	3,540	0.35
62,400	Hitachi	1,494	0.15
49,900	Hoya	2,213	0.22

Portfolio statement (continued)

as at 31 October 2018

Holding	Investment	Market Value £'000	Percentage of total net assets %
Japan Equities (continued)			
18,200	Iwatani	501	0.05
41,600	Japan Post	385	0.04
514,000	Leopalace21	1,668	0.17
304,600	Marubeni	1,931	0.19
232	MCUBS MidCity Investment	139	0.01
7,600	Megmilk Snow Brand	139	0.01
72,400	Mitsubishi	1,592	0.16
134,600	Mitsubishi Gas Chemical	1,770	0.18
138,400	Mixi	2,354	0.23
371	Mori Trust Sogo Reit	411	0.04
49,500	Nippon Carbon	2,189	0.22
68,900	Nippon Sheet Glass	455	0.04
90,600	Ono Pharmaceutical	1,613	0.16
3,700	Open House	113	0.01
7,400	Pigeon	245	0.02
6,100	Pola Orbis	127	0.01
900	Ryohin Keikaku	186	0.02
139,000	Shionogi	6,957	0.69
107,800	Showa	1,165	0.12
159,200	Showa Denko	5,427	0.54
455,500	Sumitomo	5,399	0.53
244,200	Sumitomo Mitsui Construction	1,197	0.12
1,192,600	Suruga Bank	4,391	0.43
43,000	T-Gaia	761	0.08
281,800	Tokai Carbon	3,443	0.34
10,700	Tokio Marine	395	0.04
124,400	Tokuyama	2,179	0.22
90,700	Tsugami	634	0.06
66,700	United Arrows	1,962	0.19
54,000	Universal Entertainment	1,278	0.13
380,700	YA-MAN	4,793	0.47
		81,627	8.08

Japanese Yen Denominated Forward Exchange Contracts 0.00% (31 October 2017 0.01%)

Middle East 0.48% (31 October 2017 0.58%)

Israel Equities 0.48% (31 October 2017 0.58%)

13,363	Check Point Software Technologies	1,122	0.11
24,424	CyberArk Software	1,278	0.13
32,280	Taro Pharmaceutical Industries	2,484	0.24
		4,884	0.48

North America 63.51% (31 October 2017 59.58%)

Bermuda Equities 0.55% (31 October 2017 0.85%)

4,878	Assured Guaranty	150	0.02
26,733	Everest Re	4,592	0.45
118,786	FGL Holdings	723	0.07
7,578	Hiscox	123	0.01
		5,588	0.55

Portfolio statement (continued)

as at 31 October 2018

Holding	Investment	Market Value £'000	Percentage of total net assets %
Canada Equities 3.86% (31 October 2017 3.34%)			
2,554	BRP	79	0.01
9,838	Canada Goose	391	0.04
83,159	Canfor	953	0.09
1,210	Constellation Software	637	0.06
62,763	Dollarama	1,438	0.14
75,975	Dream Office Real Estate Investment Trust Units Series 'A'	1,063	0.10
14,488	Empire	203	0.02
55,920	Genworth MI Canada	1,330	0.13
245,168	Great West Lifeco	4,316	0.43
14,960	H&R Real Estate Investment Trust	177	0.02
20,746	Husky Energy	228	0.02
50,119	Industrial Alliance Insurance & Financial Services	1,388	0.14
91,276	Interfor	779	0.08
8,629	Labrador Iron Ore Royalty	141	0.01
48,775	Lululemon Athletica	5,427	0.54
476,451	Manulife Financial	5,965	0.59
26,066	Methanex	1,316	0.13
80,217	Northland Power	960	0.10
29,214	Nutrien	1,183	0.12
81,581	Parex Resources	921	0.09
160,897	Power of Canada	2,575	0.25
18,816	PrairieSky Royalty	226	0.02
17,643	Resolute Forest Products	154	0.02
33,275	RioCan Real Estate Investment Trust	477	0.05
6,579	Rogers Communications	266	0.03
163,702	Sun Life Financial	4,710	0.47
16,678	Suncor Energy	432	0.04
31,267	West Fraser Timber	1,239	0.12
		38,974	3.86
Cayman Islands Equities 0.00% (31 October 2017 0.00%)			
1,951	Greenlight Capital Re	18	-
		18	-
Puerto Rico Equities 0.27% (31 October 2017 0.15%)			
384,524	First BanCorp	2,751	0.27
		2,751	0.27
United States Equities 58.84% (31 October 2017 55.23%)			
18,292	ABIOMED	4,743	0.47
46,338	Adobe	8,648	0.86
175,645	Aflac	5,930	0.59
26,865	Align Technology	4,691	0.46
126,224	Allison Transmission	4,369	0.43
21,843	Allstate	1,632	0.16
3,040	Alphabet 'A'	2,497	0.25
10,385	Alphabet 'C'	8,422	0.83
9,380	Amazon.com	11,235	1.11
12,006	Amedisys	1,083	0.11
20,377	American Equity Investment Life	499	0.05
1,425	American Financial	114	0.01
45,549	ANSYS	5,213	0.52
113,437	AO Smith	4,059	0.40
123,460	Apple	20,617	2.04

Portfolio statement (continued)

as at 31 October 2018

Holding	Investment	Market Value £'000	Percentage of total net assets %
	United States Equities (continued)		
271,423	Apple Hospitality REIT	3,461	0.34
43,956	Arch Coal	3,201	0.32
61,951	Armstrong World Industries	2,921	0.29
3,003	Ashland Global	173	0.02
79,605	Aspen Technology	5,097	0.50
54,415	athenahealth	5,270	0.52
2,999	Avanos Medical	133	0.01
6,211	Axon Enterprise	282	0.03
78,818	Bank of America	1,652	0.16
110,843	Baxter International	5,960	0.59
103,316	Best Buy	5,703	0.56
27,780	Biogen	6,659	0.66
28,242	Boeing	7,737	0.77
10,507	Boston Beer	2,613	0.26
181,484	Bristol-Myers Squibb	7,102	0.70
87,085	Bruker	2,121	0.21
15,489	Cactus	406	0.04
166,893	Cadence Design Systems	5,800	0.57
2,707	Carnival	114	0.01
157,809	CBRE	4,956	0.49
70,516	Celanese	5,281	0.52
51,136	Celgene	2,896	0.29
189,687	CenterPoint Energy	4,051	0.40
119,620	Cerner	5,380	0.53
22,199	Chemed	5,310	0.53
5,273	Chevron	458	0.05
22,329	Children's Place	2,732	0.27
45,760	Cigna	7,532	0.74
32,499	Citi Trends	684	0.07
68,185	Citrix Systems	5,421	0.54
9,028	Columbia Sportswear	651	0.06
82,557	Comerica	5,219	0.52
57,907	CommVault Systems	2,508	0.25
47,701	Continental Building Products	1,033	0.10
59,382	Copart	2,254	0.22
155,042	CorePoint Lodging	1,950	0.19
204,942	Crocs	3,400	0.34
24,536	Cutera	406	0.04
36,154	Deckers Outdoor	3,651	0.36
19,327	Denbury Resources	51	0.01
4,385	DexCom	430	0.04
2,125	Dillard's	123	0.01
2,625	Eagle Pharmaceuticals	98	0.01
34,737	eBay	747	0.07
38,806	Edwards Lifesciences	4,331	0.43
10,943	Electronic Arts	809	0.08
20,227	Estee Lauder	2,077	0.21
29,044	Evercore	1,865	0.18
195,331	Exelixis	2,161	0.21
17,668	Exelon	614	0.06
86,929	Expeditors International of Washington	4,591	0.45
54,017	Exxon Mobil	3,332	0.33
40,956	F5 Networks	5,497	0.54
35,535	Facebook	4,068	0.40
64,221	Fastenal	2,580	0.26

Portfolio statement (continued)

as at 31 October 2018

Holding	Investment	Market Value £'000	Percentage of total net assets %
United States Equities (continued)			
186,462	Fidelity National Financial	4,801	0.48
92,424	Fortinet	5,712	0.57
45,645	FTI Consulting	2,511	0.25
7,661	FTS International	71	0.01
23,848	Genesco	836	0.08
67,181	Graco	2,118	0.21
25,181	Haemonetics	2,057	0.20
223,236	Halozyme Therapeutics	2,691	0.27
14,257	Hanover Insurance	1,261	0.12
114,450	HD Supply	3,347	0.33
16,111	HFF	453	0.04
15,898	HollyFrontier	787	0.08
25,593	Humana	6,480	0.64
68,984	Huntsman	1,159	0.11
21,573	IDACORP	1,613	0.16
34,429	IDEXX Laboratories	5,665	0.56
114,912	Innoviva	1,339	0.13
22,841	Insperty	1,938	0.19
3,334	Intel	125	0.01
42,592	Intuit	6,762	0.67
17,389	Intuitive Surgical	6,680	0.66
26,819	JB Hunt Transport Services	2,304	0.23
25,313	Johnson & Johnson	2,790	0.28
38,861	Jones Lang LaSalle	4,078	0.40
30,944	JPMorgan Chase	2,585	0.26
15,965	Kelly Services	295	0.03
19,063	Kemper	1,132	0.11
40,714	Kforce	1,121	0.11
63,190	Landstar System	4,983	0.49
151,835	Louisiana-Pacific	2,531	0.25
79,262	LyondellBasell Industries	5,513	0.55
72,241	Manhattan Associates	2,682	0.27
21,925	Marcus & Millichap	554	0.05
56,714	Masco	1,309	0.13
48,323	Masimo	4,372	0.43
63,808	Mastercard	9,375	0.93
215,174	MDU Resources	4,258	0.42
24,678	Medifast	4,133	0.41
8,621	Medpace	322	0.03
56,546	Mercury General	2,720	0.27
186,138	MetLife	5,934	0.59
165,062	Microsoft	13,405	1.33
51,521	Monster Beverage	2,136	0.21
11,124	Movado	351	0.03
170,066	MSG Networks	3,418	0.34
16,968	National Beverage	1,274	0.13
33,847	National Fuel Gas	1,459	0.14
275	National Western Life	58	0.01
91,931	NetApp	5,510	0.54
43,800	Newfield Exploration	666	0.07
4,099	NewMarket	1,243	0.12
4,178	NextEra Energy	568	0.06
99,950	Nike	5,832	0.58
52,430	NMI	785	0.08

Portfolio statement (continued)

as at 31 October 2018

Holding	Investment	Market Value £'000	Percentage of total net assets %
	United States Equities (continued)		
54,400	NorthWestern	2,550	0.25
125,022	NRG Energy	3,496	0.35
37,997	Nu Skin Enterprises	2,055	0.20
1,028	NVR	1,804	0.18
116,068	Occidental Petroleum	6,132	0.61
82,406	OGE Energy	2,381	0.24
12,953	Old Dominion Freight Line	1,280	0.13
52,228	Old Republic	899	0.09
22,467	ONE Gas	1,427	0.14
206,080	Park Hotels & Resorts	4,633	0.46
20,453	Peabody Energy	562	0.06
4,122	Pfizer	138	0.01
77,228	Phillips 66	6,170	0.61
22,879	Plantronics	1,033	0.10
38,083	Portland General Electric	1,361	0.13
12,883	Principal Financial	466	0.05
100,127	Progress Software	2,446	0.24
2,894	PS Business Parks	301	0.03
40,524	Public Storage	6,589	0.65
175,922	QuinStreet	1,888	0.19
7,464	Ralph Lauren	766	0.08
145,044	Rayonier	3,437	0.34
41,812	Raytheon	5,667	0.56
4,711	REX American Resources	267	0.03
985	RH	91	0.01
112,742	Robert Half International	5,261	0.52
2,563	Shoe Carnival	83	0.01
50,275	Simpson Manufacturing	2,194	0.22
1,065,142	Sirius XM	4,878	0.48
76,235	Sleep Number	2,208	0.22
43,721	Spirit AeroSystems	2,823	0.28
12,214	Splunk	913	0.09
83,272	Sprouts Farmers Market	1,801	0.18
3,010	STAAR Surgical	91	0.01
31,636	Sturm Ruger	1,518	0.15
9,008	Surmodics	450	0.04
148,491	Synovus Financial	4,303	0.43
71,641	T Rowe Price	5,395	0.53
59,025	Tailored Brands	999	0.10
96,583	TCF Financial	1,568	0.15
24,015	Teradata	666	0.07
89,095	Terex	2,238	0.22
47,685	Textron	1,996	0.20
63,572	Torchmark	4,219	0.42
71,405	Toro	3,150	0.31
63,552	Travelers	6,261	0.62
62,006	Trex	2,913	0.29
21,263	Tribune Media	630	0.06
8,840	Trinseo	368	0.04
95,880	TripAdvisor	3,802	0.38
49,816	UGI	2,087	0.21
12,130	United Therapeutics	1,165	0.12
27,678	Universal Insurance	939	0.09
113,776	Urban Outfitters	3,589	0.35

Portfolio statement (continued)

as at 31 October 2018

Holding	Investment	Market Value £'000	Percentage of total net assets %
United States Equities (continued)			
61,606	USANA Health Sciences	5,637	0.56
76,628	Valero Energy	5,405	0.53
53,451	Varian Medical Systems	4,696	0.46
271,930	Verizon Communications	12,383	1.22
68,216	Verso 'A'	1,511	0.15
44,134	Vertex Pharmaceuticals	5,925	0.59
86,403	VF	5,580	0.55
99,748	Visa	10,365	1.02
135,261	W&T Offshore	699	0.07
18,743	Weight Watchers International	947	0.09
7,395	WellCare Health Plans	1,633	0.16
14,700	Wells Fargo	606	0.06
25,161	WW Grainger	5,575	0.55
		594,715	58.84
US Dollar Denominated Futures Contracts (0.01)% (31 October 2017 0.01%)			
171	S&P 500 E-Mini Futures December 2018	(48)	(0.01)
		(48)	(0.01)
United Kingdom 6.10% (31 October 2017 7.89%)			
United Kingdom Equities 6.10% (31 October 2017 7.89%)			
95,746	Ashtead	1,845	0.18
48,015	AVEVA	1,237	0.12
644,492	Aviva	2,750	0.27
85,994	Beazley	448	0.04
440,891	BP	2,503	0.25
12,170	British Land	72	0.01
194,945	Burberry	3,512	0.35
1,687,031	Cobham	1,821	0.18
23,500	Coca-Cola European Partners	829	0.08
102,867	Computacenter	1,109	0.11
107,126	Direct Line Insurance	351	0.03
18,394	Drax	74	0.01
171,890	Fevertree Drinks	4,803	0.47
477,321	Great Portland Estates	3,339	0.33
524,965	Gulf Keystone Petroleum	1,173	0.12
296,610	Hays	486	0.05
959,135	Howden Joinery	4,446	0.44
323,702	IG	1,963	0.19
248,979	JD Sports Fashion	1,005	0.10
630,907	Legal & General	1,575	0.16
125,717	Meggitt	660	0.06
214,654	Mitie	304	0.03
539,938	Moneysupermarket.com	1,590	0.16
17,551	Next	907	0.09
497,169	Pagegroup	2,498	0.25
450,023	Pearson	4,066	0.40
12,924	Pentair	403	0.04
73,122	Petrofac	423	0.04
964,376	QinetiQ	2,679	0.26
3,672	Rio Tinto (Australian Listing)	155	0.02
261,474	Rolls-Royce	2,202	0.22
9,869,484	Rolls-Royce C Shares Entitlement (Jan 2019)	10	-

Portfolio statement (continued)

as at 31 October 2018

Holding	Investment	Market Value £'000	Percentage of total net assets %
	United Kingdom Equities (continued)		
62,071	Softcat	395	0.04
16,036	Sports Direct	52	0.01
285,679	SSP	1,903	0.19
874,619	Standard Chartered (UK Listing)	4,859	0.48
93,900	Tate & Lyle	628	0.06
38,412	Unilever	1,602	0.16
391,418	WM Morrison Supermarkets	966	0.10
		61,643	6.10
	Investment assets*	984,818	97.44
	Net other assets	25,893	2.56
	Total net assets	1,010,711	100.00

* Including investment liabilities.

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

All investments are in ordinary shares unless otherwise stated.

Statement of total return

for the year from 1 November 2017 to 31 October 2018

		01.11.17 to 31.10.18 £'000	01.11.17 to 31.10.18 £'000	01.11.16 to 31.10.17 £'000	01.11.16 to 31.10.17 £'000
	Note				
Income					
Net capital (losses)/gains	2		(3,122)		109,177
Revenue	3	15,117		9,783	
Expenses	4	(9,184)		(6,333)	
Interest payable and similar charges	5	(40)		(20)	
Net revenue before taxation		5,893		3,430	
Taxation	6	(1,469)		(986)	
Net revenue after taxation			4,424		2,444
Total return before distributions			1,302		111,621
Distributions	7		(4,577)		(2,617)
Change in net assets attributable to shareholders from investment activities			(3,275)		109,004

Statement of change in net assets attributable to shareholders

for the year from 1 November 2017 to 31 October 2018

	01.11.17 to 31.10.18 £'000	01.11.17 to 31.10.18 £'000	01.11.16 to 31.10.17 £'000	01.11.16 to 31.10.17 £'000
Opening net assets attributable to shareholders		783,740		445,684
Amounts received on issue of shares	299,150		248,346	
Amounts paid on cancellation of shares	(74,225)		(22,737)	
		224,925		225,609
Dilution adjustment		62		287
Change in net assets attributable to shareholders from investment activities		(3,275)		109,004
Retained distribution on accumulation shares		5,259		3,156
Closing net assets attributable to shareholders		1,010,711		783,740

The notes on pages 78 to 88 form an integral part of these financial statements.

Balance sheet

as at 31 October 2018

	Note	31.10.18 £'000	31.10.17 £'000
Assets			
Fixed assets			
Investments		985,046	772,710
Current assets			
Debtors	8	17,734	10,535
Cash and bank balances	9	19,456	7,696
Total assets		1,022,236	790,941
Liabilities			
Investment liabilities		(228)	-
Creditors			
Bank overdrafts	10	-	(1)
Other creditors	11	(11,297)	(7,200)
Total liabilities		(11,525)	(7,201)
Net assets attributable to shareholders		1,010,711	783,740

The notes on pages 78 to 88 form an integral part of these financial statements.

Notes to the financial statements

for the year from 1 November 2017 to 31 October 2018

1 Accounting policies

The applicable accounting policies adopted by the Merian Global Equity Fund are included on pages 171 to 172.

2 Net capital (losses)/gains

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

	01.11.17 to 31.10.18 £'000	01.11.16 to 31.10.17 £'000
(Losses)/gains on non-derivative securities	(3,098)	107,764
(Losses)/gains on derivative contracts	(128)	1,980
Gains on forward currency contracts	154	126
Losses on currency contracts	(7)	(650)
Handling charges	(43)	(43)
Net capital (losses)/gains on investments	(3,122)	109,177

3 Revenue

	01.11.17 to 31.10.18 £'000	01.11.16 to 31.10.17 £'000
Bank interest	2	1
Non-taxable overseas dividends	12,693	8,083
Taxable overseas dividends	716	722
UK dividends	1,706	977
Total revenue	15,117	9,783

4 Expenses

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

	01.11.17 to 31.10.18 £'000	01.11.16 to 31.10.17 £'000
Fixed Ongoing Charge*	6,482	-
Authorised Corporate Director's periodic charge**	2,071	4,840
Fixed expenses**	631	1,493
Total expenses	9,184	6,333

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

** These figures represent the charges to 28 February 2018, which have now been replaced by the Fixed Ongoing Charge. The Audit fee for the year, excluding VAT, was £7,100 (31 October 2017: £6,950). As a result of the change to a Fixed Ongoing Charge basis, this expense is split between Fixed expenses and Fixed Ongoing Charge.

Notes to the financial statements (continued)

for the year from 1 November 2017 to 31 October 2018

5 Interest payable and similar charges

	01.11.17 to 31.10.18 £'000	01.11.16 to 31.10.17 £'000
Bank overdraft interest	40	20
Total interest payable and similar charges	40	20

6 Taxation

a) Analysis of tax charge in the year

	01.11.17 to 31.10.18 £'000	01.11.16 to 31.10.17 £'000
Overseas tax suffered	1,469	986
Total current tax charge for the year	1,469	986
Deferred tax charge for the year (see note 6(c))	-	-
Total taxation for the year (see note 6(b))	1,469	986

b) Factors affecting current tax charge for the year

	01.11.17 to 31.10.18 £'000	01.11.16 to 31.10.17 £'000
The taxation assessed for the year is higher than the standard rate of corporation tax in the UK for an open-ended investment company (20%). The differences are explained below:		
Net revenue before taxation	5,893	3,430
Corporation tax at 20% (31 October 2017: 20%)	1,179	686
Effects of:		
Excess management expenses for which no relief taken	1,714	1,147
Revenue not subject to taxation – UK	(341)	(195)
Non-taxable overseas dividends	(2,539)	(1,617)
Overseas tax expensed	(13)	(21)
Overseas tax suffered	1,469	986
Total tax charge for the year (see note 6 (a))	1,469	986

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

Notes to the financial statements (continued)

for the year from 1 November 2017 to 31 October 2018

6 Taxation (continued)

c) Movement in deferred tax liability

	01.11.17 to 31.10.18 £'000	01.11.16 to 31.10.17 £'000
Deferred tax liability at the start of the year	-	-
Deferred tax charge for the year (see note 6(a))	-	-
Deferred tax liability at the end of the year	-	-

As at 31 October 2018, the sub-fund had surplus management expenses of £23,193,067 (31 October 2017: £14,532,309) which can be utilised against profits chargeable to corporation tax in future periods. It is unlikely that the sub-fund will generate sufficient taxable profits in the future to utilise these expenses and, therefore, no deferred tax asset has been recognised.

7 Distributions

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

	01.11.17 to 31.10.18 £'000	01.11.16 to 31.10.17 £'000
Final – Accumulation shares (31 October)	5,259	3,156
	5,259	3,156
Revenue deducted on cancellation of shares	135	38
Revenue received on issue of shares	(817)	(577)
Distributions	4,577	2,617
Reconciliation of distributions:		
Net revenue after taxation	4,424	2,444
Equalisation on conversion	1	3
Revenue deficit reimbursed from capital	152	170
Distributions	4,577	2,617

Details of the final distributions per share are set out in the table on page 89.

8 Debtors

	31.10.18 £'000	31.10.17 £'000
Accrued revenue	1,130	790
Amounts receivable for issue of shares	6,824	1,995
Overseas tax recoverable	381	169
Sales awaiting settlement	9,399	7,581
Total debtors	17,734	10,535

Notes to the financial statements (continued)

for the year from 1 November 2017 to 31 October 2018

9 Cash and bank balances

	31.10.18 £'000	31.10.17 £'000
Amounts held at futures clearing houses and brokers	1,781	293
Cash and bank balances	17,675	7,403
Total cash and bank balances	19,456	7,696

10 Bank overdrafts

	31.10.18 £'000	31.10.17 £'000
Cash and bank overdrafts	-	1
Total overdrafts	-	1

11 Other creditors

	31.10.18 £'000	31.10.17 £'000
Accrued Authorised Corporate Director's periodic charge	-	500
Accrued expenses	871	161
Amounts payable for cancellation of shares	13	71
Purchases awaiting settlement	10,413	6,468
Total other creditors	11,297	7,200

12 Related party transactions

Quilter Investors Limited, as ACD, is a related party, and acts as principal in respect of all transactions of shares in each sub-fund. The aggregate monies received on issue and paid on cancellation are disclosed in the Statement of change in net assets attributable to shareholders on page 76. Any amounts due to or from Quilter Investors Limited at the end of the accounting year in respect of transactions of shares in each sub-fund are disclosed in notes 8 and 11. Other amounts paid to the ACD are disclosed in note 4 and amounts due to it at the year end are disclosed in note 11.

Notes to the financial statements (continued)

for the year from 1 November 2017 to 31 October 2018

13 Derivatives and other financial instruments

a) Financial instrument risk

The sub-fund, in pursuing its objective, holds a number of financial instruments, which may comprise of the following:

Equity shares and equity related shares.

The sub-fund will also hold cash and other short term debtors and creditors that arise directly from its operations.

In addition, the sub-fund may hold derivatives in the form of forward foreign exchange contracts and/or futures contracts for the purpose of efficient portfolio management in accordance with the COLL Sourcebook.

The financial instruments are held in line with the sub-fund's investment policy.

Each Investment Adviser is responsible for monitoring the portfolio of his/her sub-fund in accordance with its investment objective and seeks to ensure that individual assets also meet a risk reward profile that is acceptable. The ACD has appointed specialist managers to manage the sub-fund, and continuously monitors this appointment.

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

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

b) Foreign currency risk

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

The direct foreign currency exposure of the sub-fund as at 31 October 2018 (31 October 2017) was as follows:

Currency	Net foreign currency assets			Net foreign currency assets		
	Monetary exposures*	Non-monetary exposures	Total	Monetary exposures*	Non-monetary exposures	Total
	31.10.18 £'000	31.10.18 £'000	31.10.18 £'000	31.10.17 £'000	31.10.17 £'000	31.10.17 £'000
Australian Dollar	1,478	20,728	22,206	363	17,984	18,347
Canadian Dollar	3,806	33,393	37,199	273	26,142	26,415
Danish Krone	308	16,178	16,486	1,223	10,974	12,197
Euro	1,686	99,251	100,937	1,032	80,016	81,048
Hong Kong Dollar	793	13,158	13,951	98	10,726	10,824
Israeli Shekel	249	-	249	169	-	169
Japanese Yen	1,104	81,627	82,731	2,515	68,102	70,617
New Zealand Dollar	707	1,001	1,708	72	1,392	1,464
Norwegian Krone	152	9,192	9,344	401	316	717
Singapore Dollar	1,037	6,342	7,379	129	5,418	5,547
Swedish Krona	602	3,214	3,816	1,246	15,072	16,318
Swiss Franc	1,296	20,506	21,802	1,374	20,845	22,219
US Dollar	4,845	614,484	619,329	1,036	458,606	459,642
Total	18,063	919,074	937,137	9,931	715,593	725,524

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

Currency sensitivity

A 5% increase in the value of the sub-fund's foreign currency exposure would have the effect of increasing the return and net assets as at 31 October 2018 by £46,856,870 or 4.64% (31 October 2017: £36,276,191 or 4.63%). A 5% decrease would have an equal and opposite effect.

Notes to the financial statements (continued)

for the year from 1 November 2017 to 31 October 2018

13 Derivatives and other financial instruments (continued)

c) Interest rate risk

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

The interest rate risk profile of the sub-fund's financial assets and liabilities at 31 October 2018 (31 October 2017) was as follows

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

Currency	Variable rate financial assets £'000	Fixed rate financial assets £'000	Financial assets not carrying interest £'000	Total £'000
31.10.17				
Australian Dollar	372	-	18,291	18,663
Canadian Dollar	58	-	26,357	26,415
Danish Krone	1,420	-	11,186	12,606
Euro	893	-	81,266	82,159
Hong Kong Dollar	163	-	10,732	10,895
Israeli Shekel	169	-	-	169
Japanese Yen	895	-	70,044	70,939
New Zealand Dollar	98	-	1,392	1,490
Norwegian Krone	385	-	332	717
Singapore Dollar	129	-	5,418	5,547
Sterling	540	-	59,487	60,027
Swedish Krona	1,073	-	15,300	16,373
Swiss Franc	707	-	21,558	22,265
US Dollar	794	-	461,882	462,676
Total	7,696	-	783,245	790,941

Notes to the financial statements (continued)

for the year from 1 November 2017 to 31 October 2018

13 Derivatives and other financial instruments (continued)

c) Interest rate risk (continued)

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

Currency	Variable rate financial liabilities £'000	Financial liabilities not carrying interest £'000	Total £'000
31.10.17			
Australian Dollar	-	(316)	(316)
Danish Krone	-	(409)	(409)
Euro	-	(1,111)	(1,111)
Hong Kong Dollar	-	(71)	(71)
Japanese Yen	(1)	(321)	(322)
New Zealand Dollar	-	(26)	(26)
Sterling	-	(1,811)	(1,811)
Swedish Krona	-	(55)	(55)
Swiss Franc	-	(46)	(46)
US Dollar	-	(3,034)	(3,034)
Total	(1)	(7,200)	(7,201)

Interest rate risk sensitivity

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

Notes to the financial statements (continued)

for the year from 1 November 2017 to 31 October 2018

13 Derivatives and other financial instruments (continued)

d) Credit risk

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

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

e) Counterparty risk

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

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

	Credit default swaps exposure	Interest rate swaps exposure	Futures and options exposure	Forward foreign exchange contracts exposure	Collateral held
Exposure Table 31.10.18					
Counterparty	£'000	£'000	£'000	£'000	£'000
No uncollateralised counterparty exposure	-	-	-	-	-

Exposure Table 31.10.17

Counterparty	£'000	£'000	£'000	£'000	£'000
Bank of America Merrill Lynch	-	-	133	-	-

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

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

f) Liquidity risk

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

g) Market risk

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

Market price risk sensitivity

A 5% market movement in the price of investments held by the sub-fund, with all other variables remaining constant, would result in an increase or decrease on net asset value of the sub-fund by approximately £49,240,889 or 4.87% (31 October 2017: £38,635,509 or 4.93%).

Notes to the financial statements (continued)

for the year from 1 November 2017 to 31 October 2018

13 Derivatives and other financial instruments (continued)

h) Fair value of financial assets and liabilities

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

Basis of valuation	31.10.18		31.10.17	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
Level 1: Quoted prices	985,036	(228)	772,710	-
Level 2: Observable market data	-	-	-	-
Level 3: Unobservable data	10	-	-	-
Total	985,046	(228)	772,710	-

i) Global exposure

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

14 Contingent Liabilities

The sub-fund had no contingent liabilities at the Balance sheet date (31 October 2017: £Nil).

Notes to the financial statements (continued)

for the year from 1 November 2017 to 31 October 2018

15 Portfolio transaction costs

Analysis of total purchase costs

31.10.18

Equities

Collective investment schemes

Total

Total purchase including transaction costs

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

31.10.17

Equities

Collective investment schemes

Total

Total purchase including transaction costs

Value	Commissions		Other costs	
£'000	£'000	%	£'000	%
1,257,537	198	0.02%	738	0.06%
296	-	0.03%	-	-
1,257,833	198		738	
1,258,769				

Analysis of total sale costs

31.10.18

Equities

Collective investment schemes

Corporate actions

Total

Total sale including transaction costs

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

31.10.17

Equities

Collective investment schemes

Corporate actions

Total

Total sale including transaction costs

Value	Commissions		Other costs	
£'000	£'000	%	£'000	%
1,032,942	161	0.02%	36	-
311	-	-	-	-
325	-	-	-	-
1,033,578	161		36	
1,033,381				

Transaction costs as a percentage of average Net Assets*

	31.10.18	31.10.17
Commissions	0.08%	0.06%
Other costs	0.18%	0.12%

* Includes commissions on derivative transactions of £20,538 (31 October 2017: £19,567). There were no taxes on derivative transactions (31 October 2017: £Nil).

In the case of shares, transaction costs are paid by the sub-fund on each transaction. Commissions relate to those paid to agents, advisers, brokers and dealers in the buying and selling of securities. Other costs include any additional fees that may be paid to agents, advisers, brokers and dealers as well as levies by regulatory agencies and security exchanges and any transfer taxes or duties. In addition, there is a dealing spread between the buying and selling prices of the underlying investments. Unlike shares, other types of investments have no separately identifiable transaction costs; these costs form part of the dealing spread. Dealing spreads may vary considerably depending on the transaction value and market sentiment. At the balance sheet date the dealing spread was 0.12% (31 October 2017: 0.10%).

Notes to the financial statements (continued)

for the year from 1 November 2017 to 31 October 2018

16 Shareholders' funds

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

The share classes currently in issue and the Fixed Ongoing Charge of each share class are shown below. The comparative figure at the 31 October 2017, was the Authorised Corporate Directors fee, which is now included within the Fixed Ongoing Charge.

	31.10.18	31.10.17
- Accumulation 'A'	1.75%	1.50%
- Accumulation 'P'	1.25%	1.00%
- Accumulation 'R'	1.00%	0.75%
- Accumulation 'U1'	0.925%	0.675%
- Accumulation 'U2'	0.85%	0.60%

Share class movement reconciliation

	Opening	Issued	Redeemed	Converted	Closing
- Accumulation 'A'	16,340,380	9,718,559	(7,110,159)	(149,787)	18,798,993
- Accumulation 'P'	2,520,976	943,936	(366,625)	-	3,098,287
- Accumulation 'R'	141,248,729	24,851,626	(3,786,846)	(20,225)	162,293,284
- Accumulation 'U1'	179,309,737	45,967,594	(18,715,757)	316,500	206,878,074
- Accumulation 'U2'	12,944,877	52,604,636	(313,384)	8,537	65,244,666

17 Post balance sheet date events

There are no post balance sheet events requiring disclosure.

Distribution table

Final distribution

Group 1: Shares purchased prior to 1 November 2017
 Group 2: Shares purchased from 1 November 2017 to 31 October 2018

	Revenue pence per share	Equalisation pence per share*	Distribution paid 31.12.18 pence per share	Distribution paid 31.12.17 pence per share
Accumulation 'A' Shares				
Group 1	0.0000	-	0.0000	0.0000
Group 2	0.0000	0.0000	0.0000	0.0000
Accumulation 'P' Shares				
Group 1	0.5552	-	0.5552	0.3694
Group 2	0.3078	0.2474	0.5552	0.3694
Accumulation 'R' Shares				
Group 1	1.2988	-	1.2988	1.0117
Group 2	0.7892	0.5096	1.2988	1.0117
Accumulation 'U1' Shares				
Group 1	1.1127	-	1.1127	0.8838
Group 2	0.5702	0.5425	1.1127	0.8838
Accumulation 'U2' Shares				
Group 1	1.2746	-	1.2746	1.0254
Group 2	0.3910	0.8836	1.2746	1.0254

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

Merian Global Strategic Bond Fund

Launch date	26 November 1991
IA Sector	Global Bonds
Investment adviser	Merian Global Investors (UK) Limited
Net asset value	£155,186,985

Objective

To seek to produce total returns from income and capital growth through investment in a diversified portfolio of fixed and variable rate bond investments, including convertible securities. The sub-fund will vary the currencies in which it invests to enable it to achieve its objective.

Policy

Subject to the regulations, the property of the sub-fund may include transferable securities, units in collective investment schemes (including those managed or operated by the ACD or an associate of the ACD), warrants, money market instruments, deposits and derivatives. More than 35% in value of the property of the sub-fund may consist of Government and other public securities issued by one issuer in accordance with the investment management and borrowing powers of the Company set out in schedule 2 of the prospectus.

The sub-fund will be permitted to use derivatives for investment purposes. The use of derivatives for this purpose may affect the volatility or risk profile of the sub-fund although this is not the ACD's intention.

Investment Manager's review

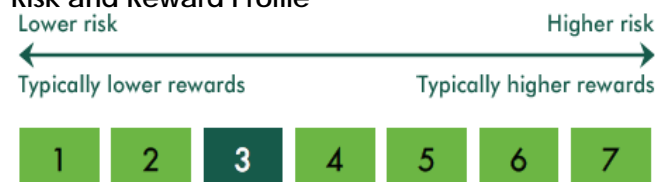
Our long-term strategy has been positioning in anticipation of quantitative tightening, having been short duration to varying degrees since 2016. Quantitative tightening has now begun with developed market central bank balance sheets starting to fall. Major central bank balance sheets are now expected to fall 4% by the end of 2020, and term premia are showing signs of normalisation in response. This will be problematic for global liquidity, but also for dollar funding given the large role of the Fed in normalisation. Three quarters of international credit is dollar denominated and this year's dollar strength highlighted fragilities. A diverse range of economies are now seeing their domestic financial cycles follow the US, regardless of domestic economic conditions. Correcting term premia and dollar funding issues will likely mean increased volatility, making us particularly bearish on carry trades in the coming months. Market sentiment this year was largely a function of the US-China rhetoric after the global growth re-synchronisation story faded. Markets were at points schizophrenic, rapidly switching between bullish optimism and blind pessimism according to the headlines.

As fundamental investors, we are always looking for asymmetries where macroeconomic market pricing is out of line with our thinking. This led us into tactical opportunities when pessimism became excessive and moves looked overdone, such as the Euro periphery and selected emerging markets. Emerging markets are a well-documented casualty of this year's geopolitical recession. Comparisons were made to the taper tantrum of 2013, but with more effective policy makers and significantly larger FX reserves, we believed that this was overdone. Idiosyncratic stories then began to offer significant value for the first time since mid-2017. We saw Argentina as an especially attractive proposition given the under-pricing of its reform story. Despite adding selectively throughout the year, we underperformed our benchmark in what has been an extraordinary year for macro. Rapid changes in sentiment punished nearly all of this year's consensus trades and it was difficult to form a clear perspective. This has been an issue for the performance of global macro strategy funds more broadly, and many of our peers saw large outflows and negative

returns. We have performed well in comparison, but we continue to strive to offer our investors absolute returns.

Going forward we are optimistic for future sub-fund performance. US-China relations seem to be thawing now that the Democrats control the House, with Trump now unable to implement further fiscal stimulus. Brexit is now fast coming to a close and a deal looks set to be passed through parliament by mid-December. Meanwhile, the Italians are softening their rhetoric towards Brussels, helping to move the BTP-Bund spread from the 'brink'. We now believe that the removal of liquidity, both through quantitative tightening and China's turn inwards, will begin to be felt and that competition for capital will become the key focus. The sub-fund is neutral duration, with overweights in the US, the European periphery and local emerging markets, while underweight the UK, core Europe and Japan.

Risk and Reward Profile



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

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

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

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

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

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

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

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

Merian Global Strategic Bond Fund

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

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

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

Performance Records

Comparative Tables

Accumulation 'A'	1 November 2017 to 31 October 2018 p/share	1 November 2016 to 31 October 2017 p/share	1 November 2015 to 31 October 2016 p/share
Change in net assets per share			
Opening net asset value per share	322.05	316.04	302.74
Return before operating charges*	(10.04)	9.75	17.82
Operating charges**	(3.66)	(3.64)	(3.55)
Return after operating charges*	(13.70)	6.11	14.27
Distributions	(5.26)	(3.39)	(4.87)
Retained distributions	5.26	3.29	3.90
Closing net asset value per share	308.35	322.05	316.04
* after direct transaction costs of***	-	0.08	-
Performance			
Return after charges	(4.25)%	1.93%	4.71%
Other information			
Closing net asset value (£)	21,317,250	27,300,191	35,354,596
Closing number of shares	6,913,279	8,477,125	11,186,712
Operating charges****	1.15%	1.15%	1.15%
Direct transaction costs***	-	0.03%	-
Prices	pence per share	pence per share	pence per share
Highest share price	335.50	333.88	334.12
Lowest share price	308.10	312.57	299.77

Income 'A'	1 November 2017 to 31 October 2018 p/share	1 November 2016 to 31 October 2017 p/share	1 November 2015 to 31 October 2016 p/share
Change in net assets per share			
Opening net asset value per share	198.32	196.72	190.38
Return before operating charges*	(6.11)	5.96	11.79
Operating charges**	(2.25)	(2.26)	(2.24)
Return after operating charges*	(8.36)	3.70	9.55
Distributions	(3.22)	(2.10)	(3.21)
Retained distributions	-	-	-
Closing net asset value per share	186.74	198.32	196.72
* after direct transaction costs of***	-	0.05	-
Performance			
Return after charges	(4.22)%	1.88%	5.02%
Other information			
Closing net asset value (£)	5,534,151	10,604,308	13,217,592
Closing number of shares	2,963,572	5,347,068	6,718,873
Operating charges****	1.15%	1.15%	1.15%
Direct transaction costs***	-	0.03%	-
Prices	pence per share	pence per share	pence per share
Highest share price	206.61	206.61	208.90
Lowest share price	187.40	194.58	189.23

Comparative Tables (continued)

Accumulation 'P'	1 November 2017 to 31 October 2018 p/share	1 November 2016 to 31 October 2017 p/share	1 November 2015 to 31 October 2016 p/share
Change in net assets per share			
Opening net asset value per share	116.82	114.10	108.88
Return before operating charges*	(3.68)	3.52	6.45
Operating charges**	(0.75)	(0.74)	(0.73)
Return after operating charges*	(4.43)	2.78	5.72
Distributions	(2.49)	(1.77)	(2.49)
Retained distributions	2.49	1.71	1.99
Closing net asset value per share	112.39	116.82	114.10
* after direct transaction costs of***	-	0.03	-
Performance			
Return after charges	(3.80)%	2.43%	5.25%
Other information			
Closing net asset value (£)	81,581,493	44,771,540	59,098,026
Closing number of shares	72,586,291	38,326,843	51,796,799
Operating charges****	0.65%	0.65%	0.65%
Direct transaction costs***	-	0.03%	-
Prices	pence per share	pence per share	pence per share
Highest share price	121.77	121.11	120.56
Lowest share price	112.30	112.95	107.85
Income 'P'	1 November 2017 to 31 October 2018 p/share	1 November 2016 to 31 October 2017 p/share	1 November 2015 to 31 October 2016 p/share
Change in net assets per share			
Opening net asset value per share	104.17	103.36	100.34
Return before operating charges*	(3.21)	3.08	5.90
Operating charges**	(0.67)	(0.67)	(0.66)
Return after operating charges*	(3.88)	2.41	5.24
Distributions	(2.21)	(1.60)	(2.22)
Retained distributions	-	-	-
Closing net asset value per share	98.08	104.17	103.36
* after direct transaction costs of***	-	0.03	-
Performance			
Return after charges	(3.72)%	2.33%	5.22%
Other information			
Closing net asset value (£)	21,327,747	23,940,598	30,717,435
Closing number of shares	21,744,672	22,982,241	29,719,784
Operating charges****	0.65%	0.65%	0.65%
Direct transaction costs***	-	0.03%	-
Prices	pence per share	pence per share	pence per share
Highest share price	108.59	108.66	109.81
Lowest share price	98.56	102.29	99.39

Comparative Tables (continued)

Accumulation 'U1'	1 November 2017 to 31 October 2018 p/share	1 November 2016 to 31 October 2017 p/share	1 November 2015 to 31 October 2016 p/share
Change in net assets per share			
Opening net asset value per share	103.91	101.44	96.77
Return before operating charges*	(3.25)	3.13	5.72
Operating charges**	(0.62)	(0.61)	(0.60)
Return after operating charges*	(3.87)	2.52	5.12
Distributions	(2.27)	(1.62)	(2.25)
Retained distributions	2.27	1.57	1.80
Closing net asset value per share	100.04	103.91	101.44
* after direct transaction costs of***	-	0.03	-
Performance			
Return after charges	(3.72)%	2.49%	5.29%
Other information			
Closing net asset value (£)	20,826,872	25,605,398	30,810,590
Closing number of shares	20,818,685	24,641,608	30,372,028
Operating charges****	0.60%	0.60%	0.60%
Direct transaction costs***	-	0.03%	-
Prices	pence per share	pence per share	pence per share
Highest share price	104.66	104.09	103.56
Lowest share price	99.94	100.43	95.85

Income 'U1'	1 November 2017 to 31 October 2018 p/share	1 November 2016 to 31 October 2017 p/share	1 November 2015 to 31 October 2016 p/share
Change in net assets per share			
Opening net asset value per share	100.26	99.45	96.58
Return before operating charges*	(3.10)	2.99	5.69
Operating charges**	(0.59)	(0.60)	(0.59)
Return after operating charges*	(3.69)	2.39	5.10
Distributions	(2.17)	(1.58)	(2.23)
Retained distributions	-	-	-
Closing net asset value per share	94.40	100.26	99.45
* after direct transaction costs of***	-	0.03	-
Performance			
Return after charges	(3.68)%	2.40%	5.28%
Other information			
Closing net asset value (£)	4,591,642	6,275,650	7,531,217
Closing number of shares	4,863,940	6,259,660	7,573,055
Operating charges****	0.60%	0.60%	0.60%
Direct transaction costs***	-	0.03%	-
Prices	pence per share	pence per share	pence per share
Highest share price	100.98	101.05	102.14
Lowest share price	94.87	98.38	95.68

Comparative Tables (continued)

Accumulation 'U2'†	1 November 2017 to 31 October 2018 p/share	1 November 2016 to 31 October 2017 p/share	1 November 2015 to 31 October 2016 p/share
Change in net assets per share			
Opening net asset value per share	103.67	101.16	96.49
Return before operating charges*	(1.22)	3.13	5.71
Operating charges**	(0.55)	(0.56)	(0.55)
Return after operating charges*	(1.77)	2.57	5.16
Distributions	(0.89)	(1.68)	(2.45)
Retained distributions	0.89	1.62	1.96
Closing net asset value per share	101.90	103.67	101.16
* after direct transaction costs of***	-	0.03	-
Performance			
Return after charges	(1.71)%	2.54%	5.35%
Other information			
Closing net asset value (£)	-	301,293	252,258
Closing number of shares	-	290,640	249,367
Operating charges****	0.55%	0.55%	0.55%
Direct transaction costs***	-	0.03%	-
Prices	pence per share	pence per share	pence per share
Highest share price	104.42	103.84	103.29
Lowest share price	101.70	100.16	95.58

Income 'U2'	1 November 2017 to 31 October 2018 p/share	1 November 2016 to 31 October 2017 p/share	1 November 2015 to 31 October 2016 p/share
Change in net assets per share			
Opening net asset value per share	99.35	98.48	95.70
Return before operating charges*	(3.07)	2.81	5.62
Operating charges**	(0.54)	(0.54)	(0.54)
Return after operating charges*	(3.61)	2.27	5.08
Distributions	(2.20)	(1.40)	(2.30)
Retained distributions	-	-	-
Closing net asset value per share	93.54	99.35	98.48
* after direct transaction costs of***	-	0.03	-
Performance			
Return after charges	(3.63)%	2.31%	5.31%
Other information			
Closing net asset value (£)	7,830	8,316	108,076
Closing number of shares	8,370	8,370	109,740
Operating charges****	0.55%	0.55%	0.55%
Direct transaction costs***	-	0.03%	-
Prices	pence per share	pence per share	pence per share
Highest share price	100.08	100.01	101.21
Lowest share price	94.02	97.38	94.81

† Closed on 15 June 2018.

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

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

**** The operating charges percentage is the ratio of the sub-fund's ongoing charges (including the ongoing charges of any collective investment schemes in which the sub-fund invests but excluding interest on borrowings) to the average net assets of the sub-fund.

Performance

	6 months to 31 October 2018	1 year to 31 October 2018	3 years to 31 October 2018	5 years to 31 October 2018
Merian Global Strategic Bond Fund*	(3.27)%	(3.70)%	3.36%	(2.02)%
IMA-Global Bond (benchmark)	(0.53)%	(1.34)%	4.79%	6.01%
IA Global Bonds (sector average)	1.43%	(0.22)%	19.86%	20.00%
Quartile ranking	4	4	4	4

* Accumulation 'P' Shares

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

Asset allocation		Major holdings	Percentage of portfolio
North America	58.71%	US Treasury 2.875% 15/08/2028	11.60%
Europe	20.85%	US Treasury 2.875% 30/09/2023	10.09%
Japan	7.92%	US Treasury 2.75% 15/09/2021	6.73%
United Kingdom	4.43%	US Treasury Inflation Indexed 0.625% 15/04/2023	6.10%
Asia Pacific (excluding Japan)	0.46%	Japanese CPI Linked Bond 0.1% 10/03/2026	5.47%
South America	0.08%	US Treasury 3% 30/09/2025	4.16%
Derivatives	(2.69)%	Cyprus Government Bond 2.375% 25/09/2028	3.75%
Net other assets	10.24%	Merian Financials Contingent Capital Fund - F Income (USD)	3.53%
Total	100.00%	US Treasury Bill 0% 03/01/2019	3.01%
		US Treasury 2.875% 15/05/2028	2.96%
Portfolio allocation		Number of holdings	73
US Dollar Debt Securities	55.18%		
Euro Debt Securities	20.85%		
Japanese Yen Debt Securities	7.92%		
Sterling Debt Securities	4.43%		
Collective Investment Schemes	3.53%		
Indian Rupee Debt Securities	0.46%		
Uruguayan Peso Debt Securities	0.08%		
Overseas Derivatives	(0.55)%		
United Kingdom Derivatives	(2.14)%		
Net other assets	10.24%		
Total	100.00%		

Portfolio statement

as at 31 October 2018

Holding	Investment	Market Value £'000	Percentage of total net assets %
	Sterling 2.29% (31 October 2017 5.18%)		
	Sterling Denominated Corporate Bonds 4.04% (31 October 2017 4.09%)		
	Sterling Denominated Fixed Rate Corporate Bonds 4.04% (31 October 2017 4.09%)		
£700,000	Admiral 5.5% 25/07/2024	760	0.49
£950,000	Close Brothers 4.25% 24/01/2027	986	0.63
£900,000	Coventry Building Society 1.875% 24/10/2023	881	0.57
£500,000	Digital Stout 3.3% 19/07/2029	496	0.32
£800,000	TP ICAP 5.25% 26/01/2024	765	0.49
£850,000	TSB Banking Group 5.75% 06/05/2026	878	0.57
£650,000	Walgreens Boots Alliance 2.875% 20/11/2020	666	0.43
£800,000	Western Power Distribution 3.625% 06/11/2023	835	0.54
		<u>6,267</u>	<u>4.04</u>
	Sterling Denominated Government Bonds 0.39% (31 October 2017 0.48%)		
	Sterling Denominated Fixed Rate Government Bonds 0.39% (31 October 2017 0.48%)		
£590,000	United Kingdom Gilt 1.75% 07/09/2022	609	0.39
		<u>609</u>	<u>0.39</u>
	Sterling Denominated Forward Exchange Contracts (2.07)% (31 October 2017 0.61%)		
£7,281,254	Sterling v Canadian Dollar Forward Exchange Contract	(100)	(0.06)
£1,550,000	Sterling v Euro Forward Exchange Contract	(13)	(0.01)
£35,886,277	Sterling v Euro Forward Exchange Contract	(333)	(0.22)
£6,324,991	Sterling v Japanese Yen Forward Exchange Contract	(114)	(0.07)
£217,650	Sterling v Mexican Peso Forward Exchange Contract	8	0.01
£55,015	Sterling v New Zealand Dollar Forward Exchange Contract	(1)	-
£3,177,834	Sterling v Norwegian Krone Forward Exchange Contract	13	0.01
£53,212	Sterling v Polish Zloty Forward Exchange Contract	-	-
£127,380	Sterling v Singapore Dollar Forward Exchange Contract	(3)	-
£1,640,042	Sterling v South African Rand Forward Exchange Contract	7	-
£34,991	Sterling v Swedish Krona Forward Exchange Contract	-	-
£352,403	Sterling v US Dollar Forward Exchange Contract	1	-
£99,961,925	Sterling v US Dollar Forward Exchange Contract	(2,685)	(1.73)
		<u>(3,220)</u>	<u>(2.07)</u>
	Sterling Denominated Futures Contracts (0.07)% (31 October 2017 0.00%)		
(107)	Long Gilt Futures December 2018	(106)	(0.07)
		<u>(106)</u>	<u>(0.07)</u>
	Overseas 87.47% (31 October 2017 93.86%)		
	Argentine Peso 0.00% (31 October 2017 1.50%)		
	Argentine Peso Denominated Floating Rate Government Bonds 0.00% (31 October 2017 1.50%)		

Portfolio statement (continued)

as at 31 October 2018

Holding	Investment	Market Value £'000	Percentage of total net assets %
Australian Dollar 0.02% (31 October 2017 5.78%)			
Australian Dollar Denominated Fixed Rate Government Bonds 0.00% (31 October 2017 5.82%)			
Australian Dollar Denominated Forward Exchange Contracts 0.02% (31 October 2017 0.00%)			
AU\$4,185,000	Australian Dollar v Japanese Yen Forward Exchange Contract	5	-
AU\$1,100,000	Australian Dollar v Sterling Forward Exchange Contract	15	0.01
AU\$4,185,000	Australian Dollar v Sterling Forward Exchange Contract	(3)	-
AU\$5,630,000	Australian Dollar v US Dollar Forward Exchange Contract	21	0.01
AU\$1,900,000	Australian Dollar v US Dollar Forward Exchange Contract	(5)	-
		<u>33</u>	<u>0.02</u>
Australian Dollar Denominated Futures Contracts 0.00% (31 October 2017 (0.04)%)			
Brazilian Real 0.43% (31 October 2017 0.00%)			
Brazilian Real Denominated Forward Exchange Contracts 0.43% (31 October 2017 0.00%)			
R\$10,280,000	Brazilian Real v Japanese Yen Forward Exchange Contract	165	0.11
R\$11,100,000	Brazilian Real v US Dollar Forward Exchange Contract	258	0.16
R\$8,300,000	Brazilian Real v US Dollar Forward Exchange Contract	190	0.12
R\$3,756,123	Brazilian Real v US Dollar Forward Exchange Contract	55	0.04
		<u>668</u>	<u>0.43</u>
Canadian Dollar 0.01% (31 October 2017 (0.01)%)			
Canadian Dollar Denominated Forward Exchange Contracts 0.00% (31 October 2017 (0.04)%)			
C\$4,317,487	Canadian dollar v South Korean Won Forward Exchange Contract	32	0.02
C\$200,000	Canadian dollar v US Dollar Forward Exchange Contract	(1)	-
C\$5,300,000	Canadian dollar v US Dollar Forward Exchange Contract	(13)	(0.01)
C\$2,655,000	Canadian dollar v US Dollar Forward Exchange Contract	(13)	(0.01)
		<u>5</u>	<u>-</u>
Canadian Dollar Denominated Futures Contracts 0.01% (31 October 2017 0.03%)			
50	Canada 10 Year Bond Futures December 2018	12	0.01
		<u>12</u>	<u>0.01</u>
Chinese Yuan (0.02)% (31 October 2017 (0.01)%)			
Chinese Yuan Denominated Forward Exchange Contract (0.02)% (31 October 2017 (0.01)%)			
CNY28,200,000	Chinese Yuan v US Dollar Forward Exchange Contract	(8)	-
CNY56,000,000	Chinese Yuan v US Dollar Forward Exchange Contract	(29)	(0.02)
		<u>(37)</u>	<u>(0.02)</u>

Portfolio statement (continued)

as at 31 October 2018

Holding	Investment	Market Value £'000	Percentage of total net assets %
Euro 20.33% (31 October 2017 28.83%)			
Euro Denominated Fixed Rate Corporate Bonds 3.55% (31 October 2017 2.14%)			
€1,700,000	Cemex Finance 4.625% 15/06/2024	1,580	1.02
€1,250,000	Credit Suisse 1.25% 17/07/2025	1,094	0.70
€1,270,000	Intesa Sanpaolo 7.75% Perpetual	1,153	0.74
€300,000	Lehman Brothers 4.625% 14/03/2019 (Defaulted)*	-	-
€1,040,000	Royal Bank of Scotland 5.5% Perpetual	929	0.60
€900,000	Volkswagen International Finance 3.875% Perpetual	755	0.49
		5,511	3.55
Euro Denominated Fixed Rate Government Bonds 17.30% (31 October 2017 27.73%)			
€3,100,000	Bundesrepublik Deutschland Bundesanleihe 0.25% 15/08/2028	2,718	1.75
€6,570,000	Cyprus Government Bond 2.375% 25/09/2028	5,818	3.75
€3,215,000	Deutsche Bundesrepublik Inflation Linked Bond 0.1% 15/04/2026	3,282	2.11
€2,690,000	French Republic Bond 0.1% 01/03/2025	2,640	1.70
€410,000	French Republic Bond 0.1% 01/03/2028	402	0.26
€2,500,000	French Republic Government Bond 0% 25/03/2024	2,208	1.43
€1,235,000	French Republic Government Bond 1.25% 25/05/2034	1,112	0.72
€2,930,000	French Republic Government Bond 1.85% 25/07/2027	3,591	2.31
€1,800,000	Italy Buoni Poliennali Del Tesoro 1.3% 15/05/2028	1,515	0.98
€2,360,000	Italy Buoni Poliennali Del Tesoro 2.8% 01/12/2028	1,990	1.28
€1,721,000	Spain Index Linked Bond 0.7% 30/11/2033	1,564	1.01
		26,840	17.30
Euro Denominated Forward Exchange Contracts (0.06)% (31 October 2017 0.01%)			
€ 1,749,876	Euro v Chinese Yuan Forward Exchange Contract	(27)	(0.02)
€ 3,520,000	Euro v Japanese Yen Forward Exchange Contract	9	0.01
€ 3,500,000	Euro v US Dollar Forward Exchange Contract	(10)	(0.01)
€ 5,000,000	Euro v US Dollar Forward Exchange Contract	(33)	(0.02)
€ 3,250,000	Euro v US Dollar Forward Exchange Contract	(35)	(0.02)
		(96)	(0.06)
Euro Denominated Futures Contracts 0.00% (31 October 2017 (0.14)%)			
86	Euro-Bobl Futures December 2018	75	0.05
(53)	Euro-BTP Futures December 2018	16	0.01
110	Euro-Bund Futures December 2018	153	0.10
(56)	Euro-Buxl 30 Year Bond Futures December 2018	(249)	(0.16)
		(5)	-
Euro Credit Default Swap (0.46)% (31 October 2017 (0.91)%)			
8,835,000	Buy Protection on ITRAXX-XOVERS30V1 5Years 20/12/2023 JP Morgan	(721)	(0.46)
		(721)	(0.46)
Indian Rupee 0.46% (31 October 2017 3.06%)			
Indian Rupee Denominated Fixed Rate Government Bonds 0.46% (31 October 2017 3.06%)			
INR75,000,000	Asian Development Bank 6.2% 06/10/2026	721	0.46
		721	0.46

Portfolio statement (continued)

as at 31 October 2018

Holding	Investment	Market Value £'000	Percentage of total net assets %
	Indonesian Rupiah 0.04% (31 October 2017 2.89%)		
	Indonesian Rupiah Denominated Fixed Rate Government Bonds 0.00% (31 October 2017 2.89%)		
	Indonesian Rupiah Denominated Forward Exchange Contracts 0.04% (31 October 2017 0.00%)		
IDR30,500,000,000	Indonesian Rupiah v US Dollar Forward Exchange Contract	35	0.02
IDR47,500,000,000	Indonesian Rupiah v US Dollar Forward Exchange Contract	21	0.01
IDR31,700,000,000	Indonesian Rupiah v US Dollar Forward Exchange Contract	7	0.01
IDR354,500,000	Indonesian Rupiah v US Dollar Forward Exchange Contract	-	-
		63	0.04
	Japanese Yen 7.88% (31 October 2017 19.61%)		
	Japanese Yen Denominated Fixed Rate Government Bonds 7.92% (31 October 2017 19.65%)		
¥100,000,000	Japan Twenty Year Bond 1.6% 20/06/2030	802	0.52
¥1,168,000,000	Japanese CPI Linked Bond 0.1% 10/03/2026	8,494	5.47
¥411,000,000	Japanese Government CPI Linked Bond 0.1% 10/03/2027	2,997	1.93
		12,293	7.92
	Japanese Yen Denominated Forward Exchange Contracts (0.02)% (31 October 2017 (0.01)%)		
¥222,132,480	Japanese Yen v New Zealand Dollar Forward Exchange Contract	2	-
¥ 337,391,140	Japanese Yen v New Zealand Dollar Forward Exchange Contract	(19)	(0.01)
¥ 747,037,089	Japanese Yen v South Korean Won Forward Exchange Contract	95	0.06
¥ 467,023,700	Japanese Yen v Taiwan Dollar Forward Exchange Contract	(56)	(0.04)
¥ 30,000,000	Japanese Yen v US Dollar Forward Exchange Contract	(1)	-
¥1,114,500,000	Japanese Yen v US Dollar Forward Exchange Contract	(46)	(0.03)
		(25)	(0.02)
	Japanese Yen Denominated Futures Contracts 0.00% (31 October 2017 (0.01)%)		
(2)	Japan 10 Year Bond Futures December 2018	(4)	-
		(4)	-
	Japanese Yen Interest Rate Swap (0.02)% (31 October 2017 (0.02)%)		
126,400,000	Interest Rate Swap Pay - JPY 6M LIBOR, Receive - JPY 0.426% 19/04/2036 HSBC	(37)	(0.02)
		(37)	(0.02)
	Mexican Peso 0.00% (31 October 2017 0.00%)		
	Mexican Peso Denominated Forward Exchange Contracts 0.00% (31 October 2017 0.00%)		
MXN3,000,000	Mexican Peso v US Dollar Denominated Forward Exchange Contract	(6)	-
		(6)	-
	New Zealand Dollar 0.00% (31 October 2017 7.24%)		
	New Zealand Dollar Denominated Fixed Rate Government Bonds 0.00% (31 October 2017 7.24%)		
	New Zealand Dollar Denominated Forward Exchange Contracts 0.00% (31 October 2017 0.00%)		
NZ\$7,500,000	New Zealand Dollar v US Dollar Forward Exchange Contract	1	-
		1	-

Portfolio statement (continued)

as at 31 October 2018

Holding	Investment	Market Value £'000	Percentage of total net assets %
	Norwegian Krone 0.00% (31 October 2017 0.00%)		
	Norwegian Krone Denominated Forward Exchange Contracts 0.00% (31 October 2017 0.00%)		
NOK16,750,000	Norwegian Krone v US Dollar Forward Exchange Contract	(17)	(0.01)
NOK17,000,000	Norwegian Krone v South Korean Won Forward Exchange Contract	16	0.01
		(1)	-
	Polish Zloty 0.00% (31 October 2017 (0.02)%)		
	Polish Zloty Denominated Forward Exchange Contracts 0.00% (31 October 2017 (0.02)%)		
	Singapore Dollar 0.00% (31 October 2017 0.00%)		
	Singapore Dollar Denominated Forward Exchange Contracts 0.00% (31 October 2017 0.00%)		
\$2700000	Singapore Dollar v US Dollar Forward Exchange Contract	(5)	-
		(5)	-
	South African Rand (0.02)% (31 October 2017 0.01%)		
	South African Rand Denominated Forward Exchange Contracts (0.02)% (31 October 2017 0.01%)		
ZAR1,000,000	South African Rand v US Dollar Forward Exchange Contract	(1)	-
ZAR29,250,000	South African Rand v US Dollar Forward Exchange Contract	(9)	(0.01)
ZAR58,500,000	South African Rand v US Dollar Forward Exchange Contract	(21)	(0.01)
		(31)	(0.02)
	South Korean Won (0.03)% (31 October 2017 0.04%)		
	South Korean Won Denominated Forward Exchange Contracts (0.03)% (31 October 2017 0.04%)		
₩ 7,060,000,000	South Korean Won v Euro Forward Exchange Contract	(6)	-
₩ 6,000,000,000	South Korean Won v Japanese Yen Forward Exchange Contract	35	0.02
₩ 4,600,000,000	South Korean Won v Japanese Yen Forward Exchange Contract	(6)	-
₩ 4,620,000,000	South Korean Won v Japanese Yen Forward Exchange Contract	(10)	(0.01)
₩ 2,300,000,000	South Korean Won v US Dollar Forward Exchange Contract	3	-
₩ 3,450,000,000	South Korean Won v US Dollar Forward Exchange Contract	(65)	(0.04)
		(49)	(0.03)
	Swedish Krona (0.01)% (31 October 2017 (0.12)%)		
	Swedish Krona Denominated Forward Exchange Contracts (0.01)% (31 October 2017 (0.12)%)		
SEK27,500,000	Swedish Krone v Euro Forward Exchange Contract	(15)	(0.01)
SEK36,500,000	Swedish Krone v Japanese Yen Forward Exchange Contract	3	-
		(12)	(0.01)
	Swiss Franc 0.03% (31 October 2017 0.00%)		
	Swiss Franc Denominated Forward Exchange Contracts 0.04% (31 October 2017 0.00%)		
CHF8,480,000	Swiss Franc v Sterling Forward Exchange Contract	90	0.05
CHF2,025,000	Swiss Franc v US Dollar Forward Exchange Contract	(17)	(0.01)
		73	0.04

Portfolio statement (continued)

as at 31 October 2018

Holding	Investment	Market Value £'000	Percentage of total net assets %
Swiss Franc Interest Rate Swap (0.01)% (31 October 2017 0.00%)			
20,020,000	Interest Rate Swap Pay - CHF 6M LIBOR, Receive - CHF -0.357%		
	21/09/2018 Morgan Stanley	(10)	(0.01)
		(10)	(0.01)
Uruguayan Peso 0.08% (31 October 2017 0.09%)			
Uruguayan Peso Denominated Fixed Rate Government Bonds 0.08% (31 October 2017 0.09%)			
UYU5,600,000	Uruguay Government Bond 9.875% 20/06/2022	131	0.08
		131	0.08
US Dollar 58.27% (31 October 2017 24.97%)			
US Dollar Denominated Fixed Rate Corporate Bonds 2.01% (31 October 2017 4.29%)			
\$1,150,000	BP Capital Markets 3.506% 17/03/2025	877	0.56
\$600,000	Cooperatieve Rabobank 4% 10/04/2029	449	0.29
\$300,000	Phillip Morris 1.875% 25/02/2021	227	0.15
\$800,000	Phoenix 5.375% 06/07/2027	564	0.36
\$1,300,000	Sky 3.75% 16/09/2024	1,005	0.65
		3,122	2.01
US Dollar Denominated Fixed Rate Government Bonds 49.44% (31 October 2017 12.59%)			
\$760,000	Lebanon Government Bond 6.85% 23/03/2027	484	0.31
\$800,000	Nigeria Government Bond 7.625% 28/11/2047	552	0.36
\$13,400,000	US Treasury 2.75% 15/09/2021	10,439	6.73
\$6,000,000	US Treasury 2.875% 15/05/2028	4,594	2.96
\$23,520,000	US Treasury 2.875% 15/08/2028	18,001	11.60
\$20,100,000	US Treasury 2.875% 30/09/2023	15,661	10.09
\$8,285,000	US Treasury 3% 30/09/2025	6,460	4.16
\$6,000,000	US Treasury Bill 0% 03/01/2019	4,679	3.01
\$4,186,500	US Treasury Inflation Indexed 0.375% 15/07/2027	3,186	2.05
\$12,120,000	US Treasury Inflation Indexed 0.625% 15/04/2023	9,458	6.10
\$4,200,000	US Treasury Inflation Indexed 0.75% 15/07/2028	3,204	2.07
		76,718	49.44
US Dollar Denominated Floating Rate Corporate Bonds 2.82% (31 October 2017 2.46%)			
\$400,000	Barclays 4.03925% 10/01/2023	319	0.21
\$2,700,000	JPMorgan Chase 3.71738% 24/10/2023	2,151	1.39
\$2,400,000	UBS Group Funding 3.53025% 23/05/2023	1,901	1.22
		4,371	2.82
US Dollar Denominated Variable Rate Corporate Bonds 0.91% (31 October 2017 0.77%)			
\$1,800,000	Royal Bank of Scotland 3.78375% 15/05/2023	1,416	0.91
		1,416	0.91
Collective Investment Schemes 3.53% (31 October 2017 4.94%)			
735,068	Merian Financials Contingent Capital Fund - F Income (USD)	5,484	3.53
		5,484	3.53

Portfolio statement (continued)

as at 31 October 2018

Holding	Investment	Market Value £'000	Percentage of total net assets %
US Dollar Denominated Forward Exchange Contracts 0.44% (31 October 2017 0.11%)			
\$2,051,688	US Dollar v Australian Dollar Forward Exchange Contract	9	-
\$4,045,716	US Dollar v Australian Dollar Forward Exchange Contract	(4)	-
\$1,594,035	US Dollar v Brazilian Real Forward Exchange Contract	(1)	-
\$1,000,000	US Dollar v Brazilian Real Forward Exchange Contract	(63)	(0.04)
\$831,215	US Dollar v Brazilian Real Forward Exchange Contract	(69)	(0.05)
\$1,018,928	US Dollar v Brazilian Real Forward Exchange Contract	(98)	(0.06)
\$2,022,705	US Dollar v Brazilian Real Forward Exchange Contract	(109)	(0.07)
\$1,988,922	US Dollar v Brazilian Real Forward Exchange Contract	(114)	(0.07)
\$2,076,363	US Dollar v Canadian Dollar Forward Exchange Contract	15	0.01
\$3,071,523	US Dollar v Chinese Yuan Forward Exchange Contract	49	0.03
\$3,103,473	US Dollar v Chinese Yuan Forward Exchange Contract	29	0.02
\$4,039,122	US Dollar v Chinese Yuan Forward Exchange Contract	21	0.01
\$2,568,072	US Dollar v Indonesian Rupiah Forward Exchange Contract	51	0.03
\$1,957,050	US Dollar v Indonesian Rupiah Forward Exchange Contract	43	0.03
\$2,791,126	US Dollar v Indonesian Rupiah Forward Exchange Contract	(4)	-
\$5,932,653	US Dollar v Japanese Yen Forward Exchange Contract	(2)	-
\$1,997,644	US Dollar v Mexican Peso Forward Exchange Contract	52	0.03
\$1,996,668	US Dollar v Mexican Peso Forward Exchange Contract	51	0.03
\$1,966,193	US Dollar v Mexican Peso Forward Exchange Contract	(2)	-
\$4,967,248	US Dollar v Singapore Dollar Forward Exchange Contract	206	0.13
\$1,360,045	US Dollar v Singapore Dollar Forward Exchange Contract	56	0.04
\$4,042,148	US Dollar v South African Rand Forward Exchange Contract	88	0.06
\$2,811,305	US Dollar v South Korean Won Forward Exchange Contract	134	0.09
\$851,364	US Dollar v South Korean Won Forward Exchange Contract	43	0.03
\$2,071,941	US Dollar v South Korean Won Forward Exchange Contract	41	0.02
\$3,037,369	US Dollar v South Korean Won Forward Exchange Contract	41	0.03
\$2,065,729	US Dollar v South Korean Won Forward Exchange Contract	37	0.02
\$2,080,779	US Dollar v South Korean Won Forward Exchange Contract	31	0.02
\$762,072	US Dollar v South Korean Won Forward Exchange Contract	12	0.01
\$4,093,346	US Dollar v South Korean Won Forward Exchange Contract	9	-
\$3,081,611	US Dollar v Sterling Forward Exchange Contract	60	0.04
\$3,080,275	US Dollar v Swedish Krona Forward Exchange Contract	67	0.04
\$4,007,442	US Dollar v Swiss Franc Forward Exchange Contract	14	0.01
\$140,371	US Dollar v Swiss Franc Forward Exchange Contract	1	-
\$7,972,050	US Dollar v Swiss Franc Forward Exchange Contract	(5)	-
		689	0.44
US Dollar Denominated Futures Contracts 0.13% (31 October 2017 (0.17)%)			
106	US 2 Year Treasury Note Futures December 2018	1	-
304	US 5 Year Treasury Note Futures December 2018	28	0.02
185	US 10 Year Ultra Bond Futures December 2018	(16)	(0.01)
23	US Long Bond Futures December 2018	(15)	(0.01)
(131)	US Ultra Bond Futures December 2018	198	0.13
		196	0.13
US Dollar Credit Default Swap (0.97)% (31 October 2017 (0.02)%)			
23,850,000	Buy Protection on CDX-NAIGS30V1 5Years 20/06/2023 JP Morgan	(296)	(0.19)
6,000,000	Buy Protection on CDX-NAHYS31V1 5Years 20/12/2023 JP Morgan	(248)	(0.16)
13,160,000	Buy Protection on CDX-NAHYS30V1 5Years 20/06/2023 Barclays	(618)	(0.40)
8,215,000	Buy Protection on CDX-NAHYS31V1 5Years 20/12/2023 Goldman Sachs	(339)	(0.22)
		(1,501)	(0.97)

Portfolio statement (continued)

as at 31 October 2018

Holding	Investment	Market Value £'000	Percentage of total net assets %
20,000,000	US Dollar Interest Rate Swap (0.04)% (31 October 2017 0.00%)		
	Interest Rate Swap Pay - USD 3M LIBOR, Receive - USD 2.748%		
	08/05/2020 Morgan Stanley	(64)	(0.04)
		(64)	(0.04)
	Investment assets*	139,293	89.76
	Net other assets	15,894	10.24
	Total net assets	155,187	100.00

* Including investment liabilities.

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

Statement of total return

for the year from 1 November 2017 to 31 October 2018

		01.11.17 to 31.10.18 £'000	01.11.17 to 31.10.18 £'000	01.11.16 to 31.10.17 £'000	01.11.16 to 31.10.17 £'000
	Notes				
Income					
Net capital (losses)/gains	2		(9,505)		990
Revenue	3	4,428		3,504	
Expenses	4	(1,122)		(1,196)	
Interest payable and similar charges	5	(39)		(39)	
Net revenue before taxation		3,267		2,269	
Taxation	6	(47)		(46)	
Net revenue after taxation			3,220		2,223
Total return before distributions			(6,285)		3,213
Distributions	7		(3,206)		(2,219)
Change in net assets attributable to shareholders from investment activities			(9,491)		994

Statement of change in net assets attributable to shareholders

for the year from 1 November 2017 to 31 October 2018

	01.11.17 to 31.10.18 £'000	01.11.17 to 31.10.18 £'000	01.11.16 to 31.10.17 £'000	01.11.16 to 31.10.17 £'000
Opening net assets attributable to shareholders		138,807		177,090
Amounts transferred from Quilter Investors Foundation 4 Fund	38,176		-	
Amounts received on issue of shares	10,954		4,660	
Amounts paid on cancellation of shares	(25,804)		(45,448)	
		23,326		(40,788)
Dilution adjustment		8		48
Change in net assets attributable to shareholders from investment activities		(9,491)		994
Retained distribution on accumulation shares		2,537		1,462
Unclaimed distributions		-		1
Closing net assets attributable to shareholders		155,187		138,807

The notes on pages 107 to 118 form an integral part of these financial statements.

Balance sheet

as at 31 October 2018

	Note	31.10.18 £'000	31.10.17 £'000
Assets			
Fixed assets			
Investments		146,213	140,186
Current assets			
Debtors	8	11,816	1,516
Cash and bank balances	9	8,161	4,875
Total assets		166,190	146,577
Liabilities			
Investment liabilities		(6,920)	(2,705)
Creditors			
Bank overdrafts	10	(555)	-
Distribution payable		(177)	(239)
Other creditors	11	(3,351)	(4,826)
Total liabilities		(11,003)	(7,770)
Net assets attributable to shareholders		155,187	138,807

The notes on pages 107 to 118 form an integral part of these financial statements.

Notes to the financial statements

for the year from 1 November 2017 to 31 October 2018

1 Accounting policies

The applicable accounting policies adopted by the Merian Global Strategic Bond Fund are included on pages 171 to 172.

2 Net capital (losses)/gains

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

	01.11.17 to 31.10.18 £'000	01.11.16 to 31.10.17 £'000
Losses on non-derivative securities	(2,512)	(7,884)
Losses on derivative contracts	(1,570)	(1,227)
(Losses)/gains on forward currency contracts	(6,606)	7,829
Gains on currency contracts	1,191	2,280
Handling charges	(8)	(8)
Net capital (losses)/gains on investments	(9,505)	990

3 Revenue

	01.11.17 to 31.10.18 £'000	01.11.16 to 31.10.17 £'000
Authorised corporate director capitalised fee rebate	31	4
Bank interest	17	8
Interest on debt securities	3,991	3,445
Taxable distributions on Offshore Funds	389	47
Total revenue	4,428	3,504

4 Expenses

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

	01.11.17 to 31.10.18 £'000	01.11.16 to 31.10.17 £'000
Fixed Ongoing Charge*	790	-
Authorised Corporate Director's periodic charge	274	972
Fixed expenses**	58	224
Total expenses	1,122	1,196

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

** These figures represent the charges to 28 February 2018, which have now been replaced by the Fixed Ongoing Charge. The Audit fee for the year, excluding VAT, was £9,800 (31 October 2017: £9,650). As a result of the change to a Fixed Ongoing Charge basis, this expense is split between Fixed expenses and Fixed Ongoing Charge.

Notes to the financial statements (continued)

for the year from 1 November 2017 to 31 October 2018

5 Interest payable and similar charges

	01.11.17 to 31.10.18 £'000	01.11.16 to 31.10.17 £'000
Bank overdraft interest	39	39
Total interest payable and similar charges	39	39

6 Taxation

a) Analysis of tax charge in the year

	01.11.17 to 31.10.18 £'000	01.11.16 to 31.10.17 £'000
Overseas capital gains tax	17	-
Overseas tax suffered	30	46
Total current tax charge for the year	47	46
Deferred tax charge for the year (see note 6(c))	-	-
Total taxation for the year (see note 6(b))	47	46

b) Factors affecting current tax charge for the year

	01.11.17 to 31.10.18 £'000	01.11.16 to 31.10.17 £'000
The taxation assessed for the year is lower than the standard rate of corporation tax in the UK for an open-ended investment company (20%). The differences are explained below:		
Net revenue before taxation	3,267	2,269
Corporation tax at 20% (31 October 2017: 20%)	653	454
Effects of:		
Double taxation relief	(12)	(10)
Non-taxable overseas dividends	-	(10)
Overseas tax suffered	30	46
Overseas capital gains tax	17	-
Tax deductible interest distributions	(641)	(434)
Total tax charge for the year (see note 6(a))	47	46

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

Notes to the financial statements (continued)

for the year from 1 November 2017 to 31 October 2018

6 Taxation (continued)

c) Movement in deferred tax liability

	01.11.17 to 31.10.18 £'000	01.11.16 to 31.10.17 £'000
Deferred tax liability at the start of the year	-	-
Deferred tax charge for the year (see note 6(a))	-	-
Deferred tax liability at the end of the year	-	-

At 31 October 2018 the sub-fund had no surplus management expenses (31 October 2017: £Nil).

7 Distributions

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

	01.11.17 to 31.10.18 £'000	01.11.16 to 31.10.17 £'000
First Interim – Accumulation shares (31 January)	316	331
First Interim – Income shares (31 January)	125	141
Second Interim – Accumulation shares (30 April)	563	150
Second Interim – Income shares (30 April)	150	63
Third Interim – Accumulation shares (31 July)	964	482
Third Interim – Income shares (31 July)	254	201
Final – Accumulation shares (31 October)	694	567
Final – Income shares (31 October)	177	239
	3,243	2,174
Revenue deducted on cancellation of shares	47	51
Revenue received on issue of shares	(84)	(6)
Distributions	3,206	2,219
Reconciliation of distributions:		
Net revenue after taxation	3,220	2,223
Authorised Corporate Director's capitalised fee rebates	(31)	(4)
Overseas capital gains tax	17	-
Distributions	3,206	2,219

Details of the interim and final distributions per share are set out in the tables on pages 119 to 122.

8 Debtors

	31.10.18 £'000	31.10.17 £'000
Accrued Authorised Corporate Director's fee rebates	2	4
Accrued revenue	580	827
Amounts receivable for issue of shares	81	18
Compensation receivable	-	55
Overseas tax recoverable	43	12
Sales awaiting settlement	11,110	600
Total debtors	11,816	1,516

Notes to the financial statements (continued)

for the year from 1 November 2017 to 31 October 2018

9 Cash and bank balances

	31.10.18 £'000	31.10.17 £'000
Amounts held at futures clearing houses and brokers	5,804	2,397
Cash and bank balances	2,357	2,478
Total cash and bank balances	8,161	4,875

10 Bank overdrafts

	31.10.18 £'000	31.10.17 £'000
Amounts held at futures clearing houses and brokers	555	-
Total overdrafts	555	-

11 Other creditors

	31.10.18 £'000	31.10.17 £'000
Accrued Authorised Corporate Director's periodic charge	-	75
Accrued expenses	97	18
Amounts payable for cancellation of shares	533	570
Purchases awaiting settlement	2,721	4,163
Total other creditors	3,351	4,826

12 Related party transactions

Quilter Investors Limited, as ACD, is a related party, and acts as principal in respect of all transactions of shares in each sub-fund. The aggregate monies received on issue and paid on cancellation are disclosed in the Statement of change in net assets attributable to shareholders on page 105. Any amounts due to or from Quilter Investors Limited at the end of the accounting year in respect of transactions of shares in each sub-fund are disclosed in notes 8 and 11. Other amounts paid to the ACD are disclosed in note 4 and amounts due to it at the year end are disclosed in note 11.

The sub-fund held the following securities and received the noted income in related funds throughout the year to 31 October 2018:

Shares	Security Name	Market Value £'000	Gross Income Earned £'000
735,068	Merian Financials Contingent Capital Fund - F Income (USD)	5,484	389

13 Derivatives and other financial instruments

a) Financial instrument risk

The sub-fund, in pursuing its objective, holds a number of financial instruments, which may comprise of the following:

Equity related shares and derivatives.

Fixed income securities and variable rate securities.

The sub-fund will also hold cash and other short term debtors and creditors that arise directly from its operations.

In addition, the sub-fund may hold derivatives in the form of forward foreign exchange contracts and/or futures contracts for the purpose of efficient portfolio management in accordance with the COLL Sourcebook.

The financial instruments are held in line with the sub-fund's investment policy.

Notes to the financial statements (continued)

for the year from 1 November 2017 to 31 October 2018

13 Derivatives and other financial instruments (continued)

a) Financial instrument risk (continued)

Each Investment Adviser is responsible for monitoring the portfolio of his/her sub-fund in accordance with its investment objective and seeks to ensure that individual assets also meet a risk reward profile that is acceptable. The Manager has appointed specialist managers to manage the sub-fund, and continuously monitors this appointment.

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

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

b) Foreign currency risk

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

The direct foreign currency exposure of the sub-fund as at 31 October 2018 (31 October 2017) was as follows:

Currency	Net foreign currency assets/(liabilities)			Net foreign currency assets/(liabilities)		
	Monetary	Non-	Total	Monetary	Non-	Total
	exposures* 31.10.18 £'000	monetary exposures 31.10.18 £'000	31.10.18 £'000	exposures* 31.10.17 £'000	monetary exposures 31.10.17 £'000	31.10.17 £'000
Argentine Peso	-	-	-	55	2,083	2,138
Australian Dollar	(135)	4,707	4,572	295	(260)	35
Brazilian Real	-	(724)	(724)	817	-	817
Canadian Dollar	22	(1,588)	(1,566)	141	65	206
China Renminbi	-	(56)	(56)	-	2,067	2,067
Czech Koruna	2	-	2	39	-	39
Euro	3,330	1,671	5,001	988	962	1,950
Indian Rupee	3	721	724	202	2,667	2,869
Indonesian Rupiah	-	42	42	(4,050)	4,016	(34)
Japanese Yen	(44)	366	322	59	(4,917)	(4,858)
Mexican Peso	3	(4,640)	(4,637)	25	14	39
New Zealand Dollar	95	(84)	11	172	(150)	22
Norwegian Krone	3	(34)	(31)	77	-	77
Polish Zloty	2	(53)	(51)	2	(120)	(118)
Russian Ruble	184	-	184	103	-	103
Singapore Dollar	2	(2,891)	(2,889)	-	(1,554)	(1,554)
South Africa Rand	3	126	129	-	(29)	(29)
South Korean Won	-	(3,108)	(3,108)	-	11	11
Swedish Krona	35	3,142	3,177	8	2,897	2,905
Swiss Franc	16	(1,329)	(1,313)	19	(5,779)	(5,760)
Taiwan Dollar	-	(3,196)	(3,196)	-	(78)	(78)
Turkish Lira	1	-	1	13	-	13
Uruguay Peso	5	131	136	4	121	125
US Dollar	5,630	(5,545)	85	895	(3,088)	(2,193)
Total	9,157	(12,342)	(3,185)	(136)	(1,072)	(1,208)

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

Notes to the financial statements (continued)

for the year from 1 November 2017 to 31 October 2018

13 Derivatives and other financial instruments (continued)

c) Interest rate risk

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

The interest rate risk profile of the sub-fund's financial assets and liabilities at 31 October 2018 (31 October 2017) was as follows:

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

Notes to the financial statements (continued)

for the year from 1 November 2017 to 31 October 2018

13 Derivatives and other financial instruments (continued)

c) Interest rate risk (continued)

Currency	Variable rate financial assets £'000	Fixed rate financial assets £'000	Financial assets not carrying interest £'000	Total £'000
31.10.17				
Argentina Peso	2,083	-	55	2,138
Australian Dollar	198	8,077	2,203	10,478
Brazilian Real	817	-	-	817
Canadian Dollar	141	-	3,574	3,715
China Renminbi	-	-	4,867	4,867
Czech Koruna	39	-	-	39
Euro	801	41,476	5,826	48,103
Indian Rupee	162	4,243	2,957	7,362
Indonesian Rupiah	-	4,016	116	4,132
Japanese Yen	55	27,276	2,738	30,069
Mexican Peso	25	-	2,067	2,092
New Zealand Dollar	25	10,049	1,310	11,384
Norwegian Krone	77	-	-	77
Polish Zloty	2	-	4,113	4,115
Russian Ruble	103	-	-	103
South Africa Rand	-	-	1,319	1,319
South Korean Won	-	-	5,199	5,199
Sterling	1,697	6,336	146,080	154,113
Swedish Krona	8	-	6,351	6,359
Swiss Franc	6	-	12	18
Taiwan Dollar	-	-	3,008	3,008
Turkish Lira	13	-	-	13
Uruguay Peso	-	121	4	125
US Dollar	5,187	23,435	36,827	65,449
Total	11,439	125,029	228,626	365,094

Notes to the financial statements (continued)

for the year from 1 November 2017 to 31 October 2018

13 Derivatives and other financial instruments (continued)

c) Interest rate risk (continued)

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

Currency	Variable rate financial liabilities £'000	Financial liabilities not carrying interest £'000	Total £'000
31.10.17			
Australian Dollar	-	(10,443)	(10,443)
Canadian Dollar	-	(3,509)	(3,509)
Chinese Renminbi	-	(2,800)	(2,800)
Euro	-	(46,153)	(46,153)
Indian Rupee	-	(4,493)	(4,493)
Indonesian Rupiah	-	(4,166)	(4,166)
Japanese Yen	-	(34,927)	(34,927)
Mexican Peso	-	(2,053)	(2,053)
New Zealand Dollar	-	(11,362)	(11,362)
Polish Zloty	-	(4,233)	(4,233)
Singapore Dollar	-	(1,554)	(1,554)
South Africa Rand	-	(1,348)	(1,348)
South Korean Won	-	(5,188)	(5,188)
Swedish Krona	-	(3,454)	(3,454)
Swiss Franc	-	(5,778)	(5,778)
Sterling	-	(14,098)	(14,098)
Taiwan Dollar	-	(3,086)	(3,086)
US Dollar	-	(67,642)	(67,642)
Total	-	(226,287)	(226,287)

Notes to the financial statements (continued)

for the year from 1 November 2017 to 31 October 2018

13 Derivatives and other financial instruments (continued)

d) Credit risk

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

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

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

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

As at 31 October 2017 the sub-fund's exposure to investment grade rated bonds was 83.52% (Source: Quilter Investors Limited/Factsheet).

Analysis of bonds	£'000	%
Investment Grade	115,940	83.52
Below Investment Grade	12,742	9.18
Unrated	2,911	2.10
	131,593	94.80

e) Counterparty risk

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

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

Exposure Table 31.10.18	Credit default swaps exposure	Interest rate swaps exposure	Futures and options exposure	Forward foreign exchange contracts exposure	Collateral held
Counterparty	£'000	£'000	£'000	£'000	£'000
Bank of America Merrill Lynch	-	-	93	83	-
JPMorgan	-	-	-	652	-
Nomura	-	-	-	75	-
Societe Generale	-	-	-	274	180
Toronto Dominion Bank Toronto	-	-	-	71	-

Exposure Table 31.10.17	£'000	£'000	£'000	£'000	£'000
Counterparty	£'000	£'000	£'000	£'000	£'000
CIBC	-	-	-	52	20
Citi	-	-	-	46	-
JPMorgan	-	-	-	352	-
Nomura	-	-	-	25	-
RBS	-	-	-	77	-
Toronto Dominion Bank Toronto	-	-	-	440	-

Notes to the financial statements (continued)

for the year from 1 November 2017 to 31 October 2018

13 Derivatives and other financial instruments (continued)

e) Counterparty risk (continued)

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

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

Collateral arrangements with counterparties require assets of an agreed type and quality to be pledged where exposures are above a certain magnitude. At the year end, collateral of £180,000 in the form of cash was held for the sub-fund on behalf of counterparties (2017: £20,000 in the form of cash). Collateral of £4,410,000 was pledged by the sub-fund to counterparties in the form of cash (2017: £1,173,000 in the form of cash). Collateral of £423,000 was pledged by the sub-fund to counterparties in the form of Treasury bonds (2017: £Nil in the form of Treasury bonds).

f) Market risk

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

g) Fair value of financial assets and liabilities

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

Basis of valuation	31.10.18		31.10.17	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
Level 1: Quoted prices	108,524	(389)	78,665	(684)
Level 2: Observable market data	37,689	(6,531)	61,521	(2,021)
Level 3: Unobservable data	-	-	-	-
Total	146,213	(6,920)	140,186	(2,705)

h) Sensitivity analysis

The Investment Adviser assesses the market risk of the Merian Global Strategic Bond Fund, including any derivative exposures, using an Absolute Value at Risk ("VaR") methodology. VaR is a process that provides the Investment Adviser with an estimate of the maximum potential loss that could be expected to occur as a result of changes in market prices over a given period of time in all but a given percentage of circumstances. As the sub-fund adopts an absolute VaR Model to measure the global market risk, the daily VaR limit for the sub-fund cannot be greater than 20 per cent of the Net Asset Value of the sub-fund. The VaR is calculated using a one-tailed 99 per cent confidence level, a one month holding period and the historical period of one year (250 Business Days). Derivatives are used to efficiently manage the tactical asset allocation positioning of the sub-fund, Merian Global Strategic Bond Fund. The sub-fund uses absolute methodology to measure Value at Risk (VaR). The VaR for the sub-fund at 31 October 2018 was 1.92% (31 October 2017: 2.70%).

The minimum, average and maximum VaR of the sub-fund over the year was 0.60%, 1.00%, 2.80% (31 October 2017 1.90%, 3.10% and 3.60%).

The Gross sum of notionals (GSON) leverage figures are prepared with no hedging or netting of any asset class. Across the range of asset classes exposures are treated differently. For instance currency forwards are treated by valuing both legs of the underlying and expressing them as a percentage of the NAV. Physical assets are excluded to get the incremental exposure resulting from derivatives. The sub-fund is limited to 789% gross leverage, and this limit has not been exceeded over the year. Using the "gross sum of notionals" methodology, the average leverage for the year ended 31 October 2018 was 310% (31 October 2017: 225%).

14 Contingent liabilities

The sub-fund had no contingent liabilities at the Balance sheet date (31 October 2017: £Nil).

Notes to the financial statements (continued)

for the year from 1 November 2017 to 31 October 2018

15 Portfolio transaction costs

Analysis of total purchase costs	Value	Commissions		Other costs	
31.10.18	£'000	£'000	%	£'000	%
Bonds	523,786	-	-	-	-
Collective investment schemes	9,652	-	-	-	-
Total	533,438	-		-	
Total purchase including transaction costs	533,438				

Analysis of total purchase costs	Value	Commissions		Other costs	
31.10.17	£'000	£'000	%	£'000	%
Bonds	340,516	-	-	-	-
Collective investment schemes	6,907	-	-	-	-
Total	347,423	-		-	
Total purchase including transaction costs	347,423				

Analysis of total sale costs	Value	Commissions		Other costs	
31.10.18	£'000	£'000	%	£'000	%
Bonds	515,398	-	-	-	-
Collective investment schemes	11,148	-	-	-	-
Corporate actions	28	-	-	-	-
Total	526,574	-		-	
Total sale including transaction costs	526,574				

Analysis of total sale costs	Value	Commissions		Other costs	
31.10.17	£'000	£'000	%	£'000	%
Bonds	350,971	-	-	40	0.01%
Total	350,971	-		40	
Total sale including transaction costs	350,931				

Transaction costs as a percentage of average Net Assets*	31.10.18	31.10.17
Commissions:	0.00%	0.00%
Other costs:	0.00%	0.03%

* Includes commission on derivative transactions of £32,896 (31 October 2017: £20,987). There were no taxes on derivative transactions (31 October 2017: Nil).

In the case of shares, transaction costs are paid by the sub-fund on each transaction. Commissions relate to those paid to agents, advisers, brokers and dealers in the buying and selling of securities. Other costs include any additional fees that may be paid to agents, advisers, brokers and dealers as well as levies by regulatory agencies and security exchanges and any transfer taxes or duties. In addition, there is a dealing spread between the buying and selling prices of the underlying investments. Unlike shares, other types of investments have no separately identifiable transaction costs; these costs form part of the dealing spread. Dealing spreads may vary considerably depending on the transaction value and market sentiment. At the balance sheet date the dealing spread was 0.13% (31 October 2017: 0.16%).

Notes to the financial statements (continued)

for the year from 1 November 2017 to 31 October 2018

16 Shareholders' funds

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

The share classes currently in issue and the Fixed Ongoing Charge of each share class are shown below. The comparative figure at the 31 October 2017, was the Authorised Corporate Directors fee, which is now included within the Fixed Ongoing Charge.

	31.10.18	31.10.17
- Accumulation 'A'	1.15%	1.00%
- Income 'A'	1.15%	1.00%
- Accumulation 'P'	0.65%	0.50%
- Income 'P'	0.65%	0.50%
- Accumulation 'U1'	0.60%	0.45%
- Income 'U1'	0.60%	0.45%
- Accumulation 'U2'†	0.55%	0.40%
- Income 'U2'	0.55%	0.40%

Share class movement reconciliation

	Opening	Issued	Redeemed	Converted	Closing
- Accumulation 'A'	8,477,125	220,211	(1,437,378)	(346,679)	6,913,279
- Income 'A'	5,347,068	281,160	(3,176,423)	511,767	2,963,572
- Accumulation 'P'	38,326,843	39,289,693	(4,084,539)	(945,706)	72,586,291
- Income 'P'	22,982,241	958,731	(3,306,473)	1,110,173	21,744,672
- Accumulation 'U1'	24,641,608	795,174	(3,553,390)	(1,064,707)	20,818,685
- Income 'U1'	6,259,660	381,838	(2,910,563)	1,133,005	4,863,940
- Accumulation 'U2'†	290,640	-	(290,640)	-	-
- Income 'U2'	8,370	20,243	-	(20,243)	8,370

† Closed on 15 June 2018.

17 Post balance sheet date events

There are no post balance sheet events requiring disclosure.

Distribution table

Final distribution

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

	Revenue pence per share	Equalisation pence per share*	Distribution paid 31.12.18 pence per share	Distribution paid 31.12.17 pence per share
Accumulation 'A' Shares				
Group 1	1.3908	-	1.3908	1.5680
Group 2	0.9869	0.4039	1.3908	1.5680
Income 'A' Shares				
Group 1	0.8513	-	0.8513	0.9732
Group 2	0.6644	0.1869	0.8513	0.9732
Accumulation 'P' Shares				
Group 1	0.6533	-	0.6533	0.7136
Group 2	0.3824	0.2709	0.6533	0.7136
Income 'P' Shares				
Group 1	0.5736	-	0.5736	0.6415
Group 2	0.3187	0.2549	0.5736	0.6415
Accumulation 'U1' Shares				
Group 1	0.5937	-	0.5937	0.6471
Group 2	0.4031	0.1906	0.5937	0.6471
Income 'U1' Shares				
Group 1	0.5620	-	0.5620	0.6301
Group 2	0.3692	0.1928	0.5620	0.6301
Accumulation 'U2' Shares†				
Group 1	-	-	-	0.6594
Group 2	-	-	-	0.6594
Income 'U2' Shares				
Group 1	0.5688	-	0.5688	0.4275
Group 2	0.5688	0.0000	0.5688	0.4275

Distribution table (continued)

Third Interim distribution

Group 1: Shares purchased prior to 1 May 2018
 Group 2: Shares purchased from 1 May 2018 to 31 July 2018

	Revenue pence per share	Equalisation pence per share*	Distribution paid 30.09.18 pence per share	Distribution paid 30.09.17 pence per share
Accumulation 'A' Shares				
Group 1	2.0515	-	2.0515	1.1833
Group 2	0.9836	1.0679	2.0515	1.1833
Income 'A' Shares				
Group 1	1.2562	-	1.2562	0.7344
Group 2	0.5610	0.6952	1.2562	0.7344
Accumulation 'P' Shares				
Group 1	0.8916	-	0.8916	0.5758
Group 2	0.3635	0.5281	0.8916	0.5758
Income 'P' Shares				
Group 1	0.7887	-	0.7887	0.5196
Group 2	0.4033	0.3854	0.7887	0.5196
Accumulation 'U1' Shares				
Group 1	0.8064	-	0.8064	0.5257
Group 2	0.3558	0.4506	0.8064	0.5257
Income 'U1' Shares				
Group 1	0.7715	-	0.7715	0.5121
Group 2	0.4374	0.3341	0.7715	0.5121
Accumulation 'U2' Shares†				
Group 1	-	-	-	0.5376
Group 2	-	-	-	0.5376
Income 'U2' Shares				
Group 1	0.7758	-	0.7758	0.5211
Group 2	0.7758	0.0000	0.7758	0.5211

Distribution table (continued)

Second Interim distribution

Group 1: Shares purchased prior to 1 February 2018
 Group 2: Shares purchased from 1 February 2018 to 30 April 2018

	Revenue pence per share	Equalisation pence per share*	Distribution paid 30.06.18 pence per share	Distribution paid 30.06.17 pence per share
Accumulation 'A' Shares				
Group 1	1.0414	-	1.0414	0.1600
Group 2	0.6892	0.3522	1.0414	0.1600
Income 'A' Shares				
Group 1	0.6391	-	0.6391	0.0984
Group 2	0.3435	0.2956	0.6391	0.0984
Accumulation 'P' Shares				
Group 1	0.5215	-	0.5215	0.1938
Group 2	0.3385	0.1830	0.5215	0.1938
Income 'P' Shares				
Group 1	0.4629	-	0.4629	0.1770
Group 2	0.2953	0.1676	0.4629	0.1770
Accumulation 'U1' Shares				
Group 1	0.4762	-	0.4762	0.1828
Group 2	0.3032	0.1730	0.4762	0.1828
Income 'U1' Shares				
Group 1	0.4576	-	0.4576	0.1797
Group 2	0.2601	0.1975	0.4576	0.1797
Accumulation 'U2' Shares				
Group 1	0.4868	-	0.4868	0.2083
Group 2	0.4868	0.0000	0.4868	0.2083
Income 'U2' Shares				
Group 1	0.4640	-	0.4640	0.1881
Group 2	0.2249	0.2391	0.4640	0.1881

Distribution table (continued)

First Interim distribution

Group 1: Shares purchased prior to 1 November 2017

Group 2: Shares purchased from 1 November 2017 to 31 January 2018

	Revenue pence per share	Equalisation pence per share*	Distribution paid 31.03.18 pence per share	Distribution paid 31.03.17 pence per share
Accumulation 'A' Shares				
Group 1	0.7722	-	0.7722	0.4755
Group 2	0.3812	0.3910	0.7722	0.4755
Income 'A' Shares				
Group 1	0.4750	-	0.4750	0.2968
Group 2	0.2122	0.2628	0.4750	0.2968
Accumulation 'P' Shares				
Group 1	0.4279	-	0.4279	0.2859
Group 2	0.2582	0.1697	0.4279	0.2859
Income 'P' Shares				
Group 1	0.3817	-	0.3817	0.2596
Group 2	0.1765	0.2052	0.3817	0.2596
Accumulation 'U1' Shares				
Group 1	0.3937	-	0.3937	0.2645
Group 2	0.2101	0.1836	0.3937	0.2645
Income 'U1' Shares				
Group 1	0.3798	-	0.3798	0.2597
Group 2	0.1672	0.2126	0.3798	0.2597
Accumulation 'U2' Shares				
Group 1	0.4062	-	0.4062	0.2740
Group 2	0.4062	0.0000	0.4062	0.2740
Income 'U2' Shares				
Group 1	0.3864	-	0.3864	0.2669
Group 2	0.3864	0.0000	0.3864	0.2669

† Closed on 15 June 2018.

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

Merian North American Equity Fund

Launch date	6 April 1985
IA Sector	North America
Investment adviser	Merian Global Investors (UK) Limited
Net asset value	£2,852,124,099

Objective

To achieve long term capital growth through the active management of a diversified portfolio invested primarily in North American stock markets.

Policy

Subject to the regulations, the property of the sub-fund may include transferable securities, units in collective investment schemes (including those managed or operated by the ACD or an associate of the ACD), warrants, money market instruments, deposits and derivatives.

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

The sub-fund is not a feeder UCITS scheme and will not hold units or shares in a feeder UCITS scheme.

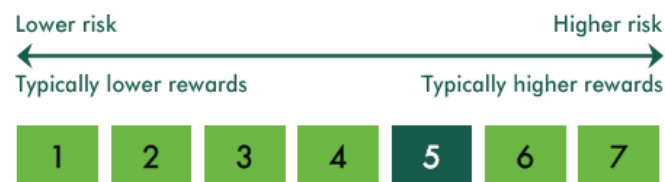
Investment Manager's review

The twelve months under review were far more volatile for North American shares than the previous period. Many of the market's moves were positive. Indeed, in September, the S&P 500 index reached an all-time high. In October, however, the volatility that had appeared in February and March reasserted itself. Reasons for it included ongoing trade tension between the US and China and the US Federal Reserve's raising interest rates, which had the effect of reducing liquidity to markets. Our proprietary risk appetite measure showed a general deterioration during a period notable for sharp, short-lived fluctuations.

Our market dynamics stock selection criterion had the largest negative impact on performance during the period, as increased market instability impacted negatively on returns to previous winners found within this criterion. The sustainable growth criterion, which isolates high quality growth companies from those offering less sustainable growth prospects, further impacted negatively on performance. Our company management criterion made a small positive contribution. This more defensive alpha source, which focuses on isolating conservative management teams, is typically more effective when there is a less favourable environment for the asset class as a whole. Overall, while the sub-fund's underperformance contrasts with its medium and long-term track record, it nonetheless is within the range of expectations and tolerance for the returns structure of the strategy.

Our established investment process has responded to the increasingly depressed levels of investor risk appetite by adopting a more defensive general profile, with a tilt towards higher quality stocks. In addition, we have continued to squeeze out stock level momentum positions as the volatility profile of all underlying regions has remained more elevated over the period. At a market level, the constant churn in leadership between industries and sectors has resulted in the portfolio adopting less pronounced industry and sector positions. This is consistent with previous similar market environments throughout the sub-fund's history.

Risk and Reward Profile



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

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

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

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

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

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

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

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

Performance Records

Comparative Tables

Accumulation 'A'	1 November 2017 to 31 October 2018 p/share	1 November 2016 to 31 October 2017 p/share	1 November 2015 to 31 October 2016 p/share
Change in net assets per share			
Opening net asset value per share	1,089.81	919.14	711.73
Return before operating charges*	54.24	187.99	220.90
Operating charges**	(19.31)	(17.32)	(13.49)
Return after operating charges*	34.93	170.67	207.41
Distributions	-	-	-
Retained distributions	-	-	-
Closing net asset value per share	1,124.74	1,089.81	919.14
* after direct transaction costs of***	0.83	0.73	0.61
Performance			
Return after charges	3.21%	18.57%	29.14%
Other information			
Closing net asset value (£)	131,267,589	157,635,681	142,608,033
Closing number of shares	11,670,904	14,464,548	15,515,431
Operating charges****	1.70%	1.70%	1.74%
Direct transaction costs***	0.07%	0.07%	0.08%
Prices	pence per share	pence per share	pence per share
Highest share price	1,262.00	1,140.49	973.08
Lowest share price	1,024.00	881.41	650.84
Accumulation 'P'	1 November 2017 to 31 October 2018 p/share	1 November 2016 to 31 October 2017 p/share	1 November 2015 to 31 October 2016 p/share
Change in net assets per share			
Opening net asset value per share	374.46	314.25	242.13
Return before operating charges*	18.63	64.40	75.38
Operating charges**	(4.70)	(4.19)	(3.26)
Return after operating charges*	13.93	60.21	72.12
Distributions	-	-	(0.67)
Retained distributions	-	-	0.67
Closing net asset value per share	388.39	374.46	314.25
* after direct transaction costs of***	0.29	0.25	0.21
Performance			
Return after charges	3.72%	19.16%	29.79%
Other information			
Closing net asset value (£)	6,151,683	6,636,071	5,444,741
Closing number of shares	1,583,890	1,772,173	1,732,627
Operating charges****	1.20%	1.20%	1.24%
Direct transaction costs***	0.07%	0.07%	0.08%
Prices	pence per share	pence per share	pence per share
Highest share price	435.40	391.87	332.67
Lowest share price	352.50	301.37	221.73

Comparative Tables (continued)

Accumulation 'R'	1 November 2017 to 31 October 2018 p/share	1 November 2016 to 31 October 2017 p/share	1 November 2015 to 31 October 2016 p/share
Change in net assets per share			
Opening net asset value per	275.52	230.64	177.26
Return before operating charges*	13.71	47.32	55.32
Operating charges**	(2.74)	(2.44)	(1.94)
Return after operating charges*	10.97	44.88	53.38
Distributions	(0.21)	(0.54)	(0.99)
Retained distributions	0.21	0.54	0.99
Closing net asset value per share	286.49	275.52	230.64
* after direct transaction costs of***	0.21	0.18	0.15
Performance			
Return after charges	3.98%	19.46%	30.11%
Other information			
Closing net asset value (£)	1,060,072,614	910,580,051	693,097,067
Closing number of shares	370,020,698	330,493,746	300,512,167
Operating charges****	0.95%	0.95%	0.99%
Direct transaction costs***	0.07%	0.07%	0.08%
Prices	pence per share	pence per share	pence per share
Highest share price	321.10	277.24	234.76
Lowest share price	259.60	221.19	162.44
Accumulation 'U1'	1 November 2017 to 31 October 2018 p/share	1 November 2016 to 31 October 2017 p/share	1 November 2015 to 31 October 2016 p/share
Change in net assets per share			
Opening net asset value per share	201.96	168.93	129.74
Return before operating charges*	10.05	34.68	40.51
Operating charges**	(1.86)	(1.65)	(1.32)
Return after operating charges*	8.19	33.03	39.19
Distributions	(0.31)	(0.53)	(0.83)
Retained distributions	0.31	0.53	0.83
Closing net asset value per share	210.15	201.96	168.93
* after direct transaction costs of***	0.15	0.14	0.11
Performance			
Return after charges	4.06%	19.55%	30.21%
Other information			
Closing net asset value (£)	1,082,887,912	951,614,079	596,352,950
Closing number of shares	515,289,424	471,196,015	353,014,631
Operating charges****	0.875%	0.875%	0.92%
Direct transaction costs***	0.07%	0.07%	0.08%
Prices	pence per share	pence per share	pence per share
Highest share price	235.50	203.22	171.94
Lowest share price	190.40	162.01	118.91

Comparative Tables (continued)

Accumulation 'U2'	1 November 2017 to 31 October 2018 p/share	1 November 2016 to 31 October 2017 p/share	1 November 2015 to 31 October 2016 p/share
Change in net assets per share			
Opening net asset value per	204.96	171.31	131.47
Return before operating charges*	10.22	35.18	41.08
Operating charges**	(1.73)	(1.53)	(1.24)
Return after operating charges*	8.49	33.65	39.84
Distributions	(0.48)	(0.68)	(0.95)
Retained distributions	0.48	0.68	0.95
Closing net asset value per share	213.45	204.96	171.31
* after direct transaction costs of***	0.16	0.14	0.12
Performance			
Return after charges	4.14%	19.64%	30.30%
Other information			
Closing net asset value (£)	571,744,301	319,149,592	202,767,717
Closing number of shares	267,861,539	155,712,475	118,359,627
Operating charges****	0.80%	0.80%	0.83%
Direct transaction costs***	0.07%	0.07%	0.08%
Prices	pence per share	pence per share	pence per share
Highest share price	239.10	206.24	174.37
Lowest share price	193.20	164.30	120.53
Accumulation 'W'†	1 November 2017 to 31 October 2018 p/share	1 November 2016 to 31 October 2017 p/share	1 November 2015 to 31 October 2016 p/share
Change in net assets per share			
Opening net asset value per	100.00	-	-
Return before operating charges*	11.54	-	-
Operating charges**	(0.12)	-	-
Return after operating charges*	11.42	-	-
Distributions	-	-	-
Retained distributions	-	-	-
Closing net asset value per share	111.42	-	-
* after direct transaction costs of***	-	-	-
Performance			
Return after charges	-	-	-
Other information			
Closing net asset value (£)	-	-	-
Closing number of shares	-	-	-
Operating charges****	0.80%	-	-
Direct transaction costs***	-	-	-
Prices	pence per share	pence per share	pence per share
Highest share price	112.60	-	-
Lowest share price	100.00	-	-

† From 10 April 2018 and to 01 June 2018.

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

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

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

Performance

	6 months to 31 October 2018	1 year to 31 October 2018	3 years to 31 October 2018	5 years to 31 October 2018
Merian North American Equity Fund*	3.96%	4.01%	61.75%	113.81%
MSCI North America (benchmark)	10.45%	10.09%	62.86%	101.26%
IA North America (sector average)	7.67%	8.69%	56.52%	91.72%
Quartile ranking	4	4	2	1

* Accumulation 'R' shares

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

Asset allocation

North American Equities	95.86%
United Kingdom Equities	0.09%
Derivatives	0.01%
Net other assets	4.04%
Total	100.00%

Portfolio allocation

Software & Computer Services	12.86%
Health Care Equipment & Services	10.10%
Pharmaceuticals & Biotechnology	5.64%
Oil & Gas Producers	5.36%
Technology Hardware & Equipment	5.35%
Financial Services	5.19%
Personal Goods	5.03%
General Retailers	4.78%
Life Insurance	4.40%
Support Services	4.00%
Construction & Materials	3.61%
Aerospace & Defence	3.19%
Chemicals	2.98%
Nonlife Insurance	2.87%
Real Estate Investment Trusts	2.58%
Fixed Line Telecommunications	2.10%
Banks	1.97%
Industrial Transportation	1.84%
Industrial Engineering	1.82%
Real Estate Investment & Services	1.74%
Gas, Water & Multiutilities	1.45%
Beverages	1.43%
Media	1.03%
Mining	0.88%

Portfolio allocation (continued)

Forestry & Paper	0.63%
Food Producers	0.62%
Electricity	0.60%
Travel & Leisure	0.58%
Household Goods & Home Construction	0.46%
Oil Equipment, Services & Distribution	0.39%
Food & Drug Retailers	0.28%
Leisure Goods	0.09%
Mobile Telecommunications	0.06%
Electronic & Electrical Equipment	0.04%
Derivatives	0.01%
Net other assets	4.04%
Total	100.00%

Major holdings

	Percentage of portfolio
Apple	3.01%
Verizon Communications	2.10%
Boeing	2.01%
Microsoft	1.87%
Mastercard	1.75%
Amazon.com	1.55%
Intuit	1.47%
Visa	1.47%
Nike	1.33%
Bristol-Myers Squibb	1.30%

Number of holdings **214**

Portfolio statement

as at 31 October 2018

Holding	Investment	Market Value £'000	Percentage of total net assets %
	Europe 0.00% (31 October 2017 1.82%)		
	Ireland Equities 0.00% (31 October 2017 1.34%)		
	Support Services 0.00% (31 October 2017 1.34%)		
	Switzerland Equities 0.00% (31 October 2017 0.48%)		
	Oil Equipment, Services & Distribution 0.00% (31 October 2017 0.37%)		
	Technology Hardware & Equipment 0.00% (31 October 2017 0.11%)		
	United Kingdom 0.09% (31 October 2017 1.52%)		
	United Kingdom Equities 0.09% (31 October 2017 1.52%)		
	Automobiles & Parts 0.00% (31 October 2017 0.03%)		
	Industrial Engineering 0.09% (31 October 2017 0.00%)		
79,907	Pentair	2,491	0.09
		2,491	0.09
	Media 0.00% (31 October 2017 0.02%)		
	Nonlife Insurance 0.00% (31 October 2017 1.08%)		
	Personal Goods 0.00% (31 October 2017 0.39%)		
	North America 95.87% (31 October 2017 94.84%)		
	Bermuda Equities 1.03% (31 October 2017 1.16%)		
	Nonlife Insurance 1.03% (31 October 2017 1.16%)		
23,832	Assured Guaranty	733	0.02
167,371	Everest Re	28,752	1.01
		29,485	1.03
	Canada Equities 5.18% (31 October 2017 5.94%)		
	Banks 0.01% (31 October 2017 1.54%)		
5,118	Canadian Imperial Bank of Commerce	346	0.01
		346	0.01
	Chemicals 0.37% (31 October 2017 0.00%)		
111,269	Methanex	5,617	0.19
125,329	Nutrien	5,077	0.18
		10,694	0.37

Portfolio statement (continued)

as at 31 October 2018

Holding	Investment	Market Value £'000	Percentage of total net assets %
	Construction & Materials 0.00% (31 October 2017 0.08%)		
106,773	Financial Services 0.09% (31 October 2017 0.03%) Genworth MI Canada	2,540	0.09
		2,540	0.09
	Food & Drug Retailers 0.00% (31 October 2017 0.02%)		
	Food Producers 0.00% (31 October 2017 0.09%)		
	Forestry & Paper 0.52% (31 October 2017 0.19%)		
265,175	Canfor	3,038	0.11
299,212	West Fraser Timber	11,862	0.41
		14,900	0.52
	General Retailers 0.18% (31 October 2017 0.40%)		
226,828	Dollarama	5,198	0.18
		5,198	0.18
	Industrial Metals & Mining 0.00% (31 October 2017 0.20%)		
	Industrial Transportation 0.10% (31 October 2017 0.00%)		
5,609	Canadian National Railway	373	0.01
16,237	Canadian Pacific Railway	2,577	0.09
		2,950	0.10
	Leisure Goods 0.09% (31 October 2017 0.07%)		
78,870	BRP	2,426	0.09
		2,426	0.09
	Life Insurance 1.72% (31 October 2017 1.02%)		
350,470	Great West Lifeco	6,170	0.22
2,073,814	Manulife Financial	25,962	0.91
18,014	Power Financial	300	0.01
212,480	Power of Canada	3,401	0.12
458,410	Sun Life Financial	13,188	0.46
		49,021	1.72
	Mining 0.00% (31 October 2017 0.71%)		
	Mobile Telecommunications 0.06% (31 October 2017 1.04%)		
39,034	Rogers Communications	1,577	0.06
		1,577	0.06
	Oil & Gas Producers 0.75% (31 October 2017 0.06%)		
433,350	Baytex Energy	667	0.02
127,605	Husky Energy	1,402	0.05
527,030	Parex Resources	5,951	0.21
69,460	PrairieSky Royalty	833	0.03
484,262	Suncor Energy	12,558	0.44
		21,411	0.75

Portfolio statement (continued)

as at 31 October 2018

Holding	Investment	Market Value £'000	Percentage of total net assets %
	Oil Equipment, Services & Distribution 0.00% (31 October 2017 0.47%)		
	Personal Goods 1.04% (31 October 2017 0.00%)		
266,147	Lululemon Athletica	29,613	1.04
		29,613	1.04
	Real Estate Investment & Services 0.02% (31 October 2017 0.00%)		
9,069	Colliers	464	0.02
		464	0.02
	Real Estate Investment Trusts 0.02% (31 October 2017 0.02%)		
43,045	Dream Office Real Estate Investment Trust Units Series 'A'	602	0.02
		602	0.02
	Software & Computer Services 0.19% (31 October 2017 0.00%)		
10,308	Constellation Software	5,431	0.19
		5,431	0.19
	Travel & Leisure 0.02% (31 October 2017 0.00%)		
28,316	IMAX	439	0.02
		439	0.02
	Puerto Rico Equities 0.22% (31 October 2017 0.01%)		
	Banks 0.22% (31 October 2017 0.01%)		
883,712	First BanCorp	6,323	0.22
		6,323	0.22
	United States 89.44% (31 October 2017 87.73%)		
	United States Equities 89.43% (31 October 2017 87.72%)		
	Aerospace & Defence 3.19% (31 October 2017 1.91%)		
209,413	Boeing	57,368	2.01
18,163	Huntington Ingalls Industries	3,045	0.11
126,686	Raytheon	17,170	0.60
207,806	Spirit AeroSystems	13,418	0.47
		91,001	3.19
	Automobiles & Parts 0.00% (31 October 2017 1.04%)		
	Banks 1.74% (31 October 2017 1.86%)		
473,173	Comerica	29,911	1.05
32,517	JPMorgan Chase	2,717	0.10
52,211	Regions Financial	675	0.02
450,508	Synovus Financial	13,056	0.46
197,172	TCF Financial	3,201	0.11
		49,560	1.74
	Beverages 1.43% (31 October 2017 0.29%)		
37,901	Boston Beer	9,425	0.33
720,889	Monster Beverage	29,893	1.05
19,103	National Beverage	1,434	0.05
		40,752	1.43

Portfolio statement (continued)

as at 31 October 2018

Holding	Investment	Market Value £'000	Percentage of total net assets %
	Chemicals 2.61% (31 October 2017 2.38%)		
67,369	Ashland Global	3,879	0.14
25,399	Avery Dennison	1,801	0.06
402,615	Celanese	30,150	1.06
272,221	Huntsman	4,575	0.16
440,646	LyondellBasell Industries	30,649	1.08
77,980	Trinseo	3,245	0.11
		74,299	2.61
	Construction & Materials 3.61% (31 October 2017 1.31%)		
583,316	AO Smith	20,873	0.73
294,173	Armstrong World Industries	13,873	0.49
228,406	Continental Building Products	4,944	0.17
1,158,276	Louisiana-Pacific	19,305	0.68
659,603	Masco	15,228	0.53
639,928	MDU Resources	12,664	0.44
200,227	Simpson Manufacturing	8,739	0.31
158,464	Trex	7,446	0.26
		103,072	3.61
	Electricity 0.60% (31 October 2017 3.03%)		
51,124	Exelon	1,777	0.06
30,420	IDACORP	2,275	0.08
26,156	NorthWestern	1,226	0.05
313,290	NRG Energy	8,761	0.31
82,627	Portland General Electric	2,952	0.10
		16,991	0.60
	Electronic & Electrical Equipment 0.04% (31 October 2017 0.24%)		
23,727	Agilent Technologies	1,183	0.04
		1,183	0.04
	Financial Services 5.10% (31 October 2017 2.40%)		
19,785	Athene	699	0.03
14,912	Discover Financial Services	808	0.03
98,480	Evercore	6,322	0.22
528,107	Fidelity National Financial	13,597	0.48
339,189	Mastercard	49,835	1.75
153,801	NMI	2,303	0.08
395,239	T Rowe Price	29,765	1.04
404,569	Visa	42,040	1.47
		145,369	5.10
	Fixed Line Telecommunications 2.10% (31 October 2017 0.00%)		
1,316,512	Verizon Communications	59,951	2.10
		59,951	2.10
	Food & Drug Retailers 0.28% (31 October 2017 0.58%)		
372,201	Sprouts Farmers Market	8,048	0.28
		8,048	0.28

Portfolio statement (continued)

as at 31 October 2018

Holding	Investment	Market Value £'000	Percentage of total net assets %
	Food Producers 0.62% (31 October 2017 0.40%)		
86,016	Medifast	14,407	0.51
90,452	US Foods	2,095	0.07
12,300	USANA Health Sciences	1,125	0.04
		17,627	0.62
	Forestry & Paper 0.11% (31 October 2017 0.00%)		
136,830	Verso 'A'	3,031	0.11
		3,031	0.11
	Gas, Water & Multiutilities 1.45% (31 October 2017 1.56%)		
1,446,023	CenterPoint Energy	30,881	1.08
41,550	National Fuel Gas	1,791	0.06
19,475	ONE Gas	1,237	0.04
180,846	UGI	7,577	0.27
		41,486	1.45
	General Industrials 0.00% (31 October 2017 0.04%)		
	General Retailers 4.60% (31 October 2017 7.71%)		
36,817	Amazon.com	44,098	1.55
586,183	Best Buy	32,356	1.13
64,085	Children's Place	7,841	0.27
127,754	Copart	4,850	0.17
9,813	Dillard's	567	0.02
273,029	eBay	5,874	0.21
77,225	Genesco	2,706	0.09
300,725	Tailored Brands	5,090	0.18
686,178	Urban Outfitters	21,642	0.76
124,567	Weight Watchers International	6,292	0.22
		131,316	4.60
	Health Care Equipment & Services 10.10% (31 October 2017 9.60%)		
111,139	ABIOMED	28,817	1.01
139,485	Align Technology	24,354	0.85
102,833	Amedisys	9,272	0.33
15,807	Avanos Medical	702	0.02
610,132	Baxter International	32,809	1.15
351,780	Bruker	8,567	0.30
85,597	Chemed	20,474	0.72
73,303	Cigna	12,065	0.42
69,436	Cutera	1,150	0.04
4,682	DexCom	459	0.02
155,430	Edwards Lifesciences	17,346	0.61
106,437	Haemonetics	8,693	0.30
9,169	HCA Healthcare	970	0.03
143,841	Humana	36,419	1.28
147,417	IDEXX Laboratories	24,254	0.85
1,320	Inogen	197	0.01
66,700	Intuitive Surgical	25,624	0.90
101,123	Masimo	9,149	0.32
12,096	ResMed	996	0.04
21,402	STAAR Surgical	645	0.02
284,277	Varian Medical Systems	24,976	0.88
		287,938	10.10

Portfolio statement (continued)

as at 31 October 2018

Holding	Investment	Market Value £'000	Percentage of total net assets %
	Household Goods & Home Construction 0.46% (31 October 2017 1.82%)		
4,865	NVR	8,539	0.30
156,800	Sleep Number	4,542	0.16
		<u>13,081</u>	<u>0.46</u>
	Industrial Engineering 1.73% (31 October 2017 4.65%)		
518,926	Allison Transmission	17,960	0.63
297,916	Graco	9,392	0.33
355,800	Terex	8,938	0.31
297,004	Toro	13,102	0.46
		<u>49,392</u>	<u>1.73</u>
	Industrial Metals & Mining 0.00% (31 October 2017 0.08%)		
	Industrial Transportation 1.74% (31 October 2017 0.08%)		
463,377	Expeditors International of Washington	24,471	0.86
195,084	Landstar System	15,385	0.54
100,135	Old Dominion Freight Line	9,894	0.34
		<u>49,750</u>	<u>1.74</u>
	Leisure Goods 0.00% (31 October 2017 1.27%)		
	Life Insurance 2.68% (31 October 2017 1.67%)		
1,005,422	Aflac	33,947	1.19
44,794	American Equity Investment Life	1,096	0.04
894,863	MetLife	28,526	1.00
73,358	Principal Financial	2,655	0.09
153,581	Torchmark	10,193	0.36
		<u>76,417</u>	<u>2.68</u>
	Media 1.03% (31 October 2017 0.25%)		
16,355	John Wiley & Sons	693	0.02
375,444	MSG Networks	7,545	0.26
4,641,992	Sirius XM	21,259	0.75
		<u>29,497</u>	<u>1.03</u>
	Mining 0.88% (31 October 2017 0.05%)		
242,088	Arch Coal	17,627	0.62
270,676	Peabody Energy	7,431	0.26
		<u>25,058</u>	<u>0.88</u>
	Nonlife Insurance 1.84% (31 October 2017 2.90%)		
59,548	Allstate	4,450	0.15
9,090	First American Financial	318	0.01
37,890	Hanover Insurance	3,351	0.12
123,930	Mercury General	5,962	0.21
118,727	Old Republic	2,043	0.07
370,240	Travelers	36,476	1.28
		<u>52,600</u>	<u>1.84</u>

Portfolio statement (continued)

as at 31 October 2018

Holding	Investment	Market Value £'000	Percentage of total net assets %
	Oil & Gas Producers 4.61% (31 October 2017 0.50%)		
28,955	ConocoPhillips	1,575	0.06
111,596	Continental Resources	4,604	0.16
1,190,050	Denbury Resources	3,130	0.11
32,817	EOG Resources	2,712	0.10
125,468	Exxon Mobil	7,740	0.27
42,379	HollyFrontier	2,099	0.07
261,116	Newfield Exploration	3,972	0.14
630,807	Occidental Petroleum	33,328	1.17
26,094	PBF Energy	830	0.03
429,629	Phillips 66	34,326	1.20
408,350	Valero Energy	28,803	1.01
1,591,498	W&T Offshore	8,223	0.29
		131,342	4.61
	Oil Equipment, Services & Distribution 0.39% (31 October 2017 0.27%)		
92,913	Cactus	2,437	0.09
61,925	National Oilwell Varco	1,799	0.06
233,396	OGE Energy	6,744	0.24
		10,980	0.39
	Personal Goods 3.99% (31 October 2017 2.08%)		
75,753	Colgate-Palmolive	3,569	0.12
10,634	Columbia Sportswear	766	0.03
675,339	Crocs	11,203	0.39
147,522	Deckers Outdoor	14,899	0.52
44,366	Estee Lauder	4,555	0.16
70,792	Fossil	1,305	0.05
6,825	Movado	215	0.01
652,471	Nike	38,068	1.33
194,582	Nu Skin Enterprises	10,521	0.37
443,963	VF	28,670	1.01
		113,771	3.99
	Pharmaceuticals & Biotechnology 5.64% (31 October 2017 6.75%)		
152,417	Biogen	36,535	1.28
949,780	Bristol-Myers Squibb	37,169	1.30
244,939	Celgene	13,873	0.49
3,337	Eli Lilly	283	0.01
1,210,497	Exelixis	13,390	0.47
678,534	Halozyne Therapeutics	8,180	0.29
795,752	Innoviva	9,269	0.32
83,137	Johnson & Johnson	9,162	0.32
41,505	Medpace	1,552	0.05
16,227	Nektar Therapeutics	476	0.02
19,498	United Therapeutics	1,872	0.07
216,165	Vertex Pharmaceuticals	29,018	1.02
		160,779	5.64

Portfolio statement (continued)

as at 31 October 2018

Holding	Investment	Market Value £'000	Percentage of total net assets %
Real Estate Investment & Services 1.72% (31 October 2017 0.82%)			
934,064	CBRE	29,337	1.03
187,515	Jones Lang LaSalle	19,678	0.69
5,944	Marcus & Millichap	150	0.00
		49,165	1.72
Real Estate Investment Trusts 2.56% (31 October 2017 3.45%)			
790,463	Apple Hospitality REIT	10,080	0.35
42,146	CorePoint Lodging	530	0.02
42,831	Gaming and Leisure Properties	1,126	0.04
619,906	Park Hotels & Resorts	13,937	0.49
226,657	Public Storage	36,855	1.29
352,991	Rayonier	8,365	0.29
144,150	Sunstone Hotel Investors	1,622	0.06
26,765	Weyerhaeuser	549	0.02
		73,064	2.56
Software & Computer Services 12.67% (31 October 2017 13.27%)			
161,758	Adobe	30,189	1.06
8,097	Alphabet 'A'	6,651	0.23
43,609	Alphabet 'C'	35,366	1.24
194,030	ANSYS	22,205	0.78
232,600	Aspen Technology	14,893	0.52
179,608	athenahealth	17,396	0.61
1,016,660	Cadence Design Systems	35,329	1.24
676,852	Cerner	30,441	1.07
386,747	Citrix Systems	30,748	1.08
45,915	CommVault Systems	1,989	0.07
92,064	Facebook	10,538	0.37
281,917	Fortinet	17,424	0.61
265,065	Intuit	42,080	1.47
206,626	Manhattan Associates	7,670	0.27
657,547	Microsoft	53,401	1.87
189,192	Progress Software	4,621	0.16
16,502	Teradata	457	0.02
		361,398	12.67
Support Services 4.00% (31 October 2017 0.88%)			
433,564	Fastenal	17,419	0.61
142,222	FTI Consulting	7,823	0.28
715,577	HD Supply	20,928	0.73
60,809	Insperty	5,160	0.18
62,067	Kforce	1,709	0.06
625,049	Robert Half International	29,168	1.02
143,944	WW Grainger	31,897	1.12
		114,104	4.00
Technology Hardware & Equipment 5.35% (31 October 2017 11.65%)			
513,981	Apple	85,832	3.01
249,630	F5 Networks	33,503	1.18
528,525	NetApp	31,677	1.11
33,756	Plantronics	1,524	0.05
		152,536	5.35

Portfolio statement (continued)

as at 31 October 2018

Holding	Investment	Market Value £'000	Percentage of total net assets %
405,938	Travel & Leisure 0.56% (31 October 2017 0.93%)		
	TripAdvisor	16,096	0.56
		16,096	0.56
	United States Derivatives 0.01% (31 October 2017 0.01%)		
885	US Dollar Denominated Futures Contracts 0.01% (31 October 2017 0.01%)		
	S&P 500 E-Mini Futures December 2018	376	0.01
		376	0.01
	Investment assets	2,736,941	95.96
	Net other assets	115,183	4.04
	Total net assets	2,852,124	100.00

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

All investments are in ordinary shares unless otherwise stated.

Statement of total return

for the year from 1 November 2017 to 31 October 2018

	Note	01.11.17 to 31.10.18 £'000	01.11.17 to 31.10.18 £'000	01.11.16 to 31.10.17 £'000	01.11.16 to 31.10.17 £'000
Income					
Net capital gains	2		113,430		337,421
Revenue	3	33,600		26,733	
Expenses	4	(26,408)		(19,171)	
Interest payable and similar charges	5	(8)		(5)	
Net revenue before taxation		7,184		7,557	
Taxation	6	(4,834)		(3,748)	
Net revenue after taxation			2,350		3,809
Total return before distributions			115,780		341,230
Distributions	7		(3,423)		(4,645)
Change in net assets attributable to shareholders from investment activities			112,357		336,585

Statement of change in net assets attributable to shareholders

for the year from 1 November 2017 to 31 October 2018

	01.11.17 to 31.10.18 £'000	01.11.17 to 31.10.18 £'000	01.11.16 to 31.10.17 £'000	01.11.16 to 31.10.17 £'000
Opening net assets attributable to shareholders		2,345,615		1,640,271
Amounts received on issue of shares	848,659		531,218	
Amounts paid on cancellation of shares	(458,294)		(168,069)	
		390,365		363,149
Dilution adjustment		132		255
Change in net assets attributable to shareholders from investment activities		112,357		336,585
Retained distribution on accumulation shares		3,655		5,355
Closing net assets attributable to shareholders		2,852,124		2,345,615

The notes on pages 139 to 147 form an integral part of these financial statements.

Balance sheet

as at 31 October 2018

	Note	31.10.18 £'000	31.10.17 £'000
Assets			
Fixed assets			
Investments		2,736,941	2,303,014
Current assets			
Debtors	8	75,233	30,437
Cash and bank balances	9	68,977	32,464
Total assets		2,881,151	2,365,915
Liabilities			
Creditors			
Other creditors	10	(29,027)	(20,300)
Total liabilities		(29,027)	(20,300)
Net assets attributable to shareholders		2,852,124	2,345,615

The notes on pages 139 to 147 form an integral part of these financial statements.

Notes to the financial statements

for the year from 1 November 2017 to 31 October 2018

1 Accounting policies

The applicable accounting policies adopted by the Merian North American Equity Fund are included on pages 171 to 172.

2 Net capital gains

	01.11.17 to 31.10.18 £'000	01.11.16 to 31.10.17 £'000
The net capital gains on investments comprise:		
Gains on non-derivative securities	107,051	334,727
Gains on derivative contracts	5,328	4,509
Losses on forward currency contracts	(436)	(83)
Gains/(losses) on currency contracts	1,510	(1,709)
Handling charges	(23)	(23)
Net capital gains on investments	113,430	337,421

3 Revenue

	01.11.17 to 31.10.18 £'000	01.11.16 to 31.10.17 £'000
Bank interest	18	10
Non-taxable overseas dividends	32,039	24,370
Taxable overseas dividends	1,384	2,179
UK Dividends	159	174
Total revenue	33,600	26,733

4 Expenses

	01.11.17 to 31.10.18 £'000	01.11.16 to 31.10.17 £'000
Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:		
Fixed Ongoing Charge*	18,395	-
Authorised Corporate Director's periodic charge	6,332	15,203
Fixed expenses**	1,681	3,968
Total expenses	26,408	19,171

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

** These figures represent the charges to 28 February 2018, which have now been replaced by the Fixed Ongoing Charge. The Audit fee for the year, excluding VAT, was £7,100 (31 October 2017: £6,950). As a result of the change to a Fixed Ongoing Charge basis, this expense is split between Fixed expenses and Fixed Ongoing Charge.

Notes to the financial statements (continued)

for the year from 1 November 2017 to 31 October 2018

5 Interest payable and similar charges

	01.11.17 to 31.10.18 £'000	01.11.16 to 31.10.17 £'000
Bank overdraft interest	8	5
Total interest payable and similar charges	8	5

6 Taxation

a) Analysis of tax charge in the year

	01.11.17 to 31.10.18 £'000	01.11.16 to 31.10.17 £'000
Overseas tax suffered	4,834	3,748
Total current tax charge for the year	4,834	3,748
Deferred tax charge for the year (see note 6(c))	-	-
Total taxation for the year (see note 6(b))	4,834	3,748

b) Factors affecting current tax charge for the year

	01.11.17 to 31.10.18 £'000	01.11.16 to 31.10.17 £'000
The taxation assessed for the year is higher than the standard rate of corporation tax in the UK for an open-ended investment company (20%). The differences are explained below:		
Net revenue before taxation	7,184	7,557
Corporation tax at 20% (31 October 2017: 20%)	1,437	1,511
Effects of:		
Excess management expenses for which no relief is taken	5,030	3,453
Revenue not subject to taxation – UK	(32)	(35)
Non-taxable overseas dividends	(6,408)	(4,874)
Overseas tax expensed	(27)	(55)
Overseas tax suffered	4,834	3,748
Total tax charge for the year (see note 6 (a))	4,834	3,748

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

Notes to the financial statements (continued)

for the year from 1 November 2017 to 31 October 2018

6 Taxation (continued)

c) Movement in deferred tax liability

	01.11.17 to 31.10.18 £'000	01.11.16 to 31.10.17 £'000
Deferred tax liability at the start of the year	-	-
Deferred tax charge for the year (see note 6(a))	-	-
Deferred tax liability at the end of the year	-	-

As at 31 October 2018, the sub-fund had surplus management expenses of £76,994,975 (31 October 2017: £51,996,922) which can be utilised against profits chargeable to corporation tax in future periods. It is unlikely that the sub-fund will generate sufficient taxable profits in the future to utilise these expenses and, therefore, no deferred tax asset has been recognised.

7 Distributions

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

	01.11.17 to 31.10.18 £'000	01.11.16 to 31.10.17 £'000
Final – Accumulation shares (31 October)	3,655	5,355
Revenue deducted on cancellation of shares	480	262
Revenue received on issue of shares	(712)	(972)
Distributions	3,423	4,645
Reconciliation of distributions:		
Net revenue after taxation	2,350	3,809
Equalisation on conversion	87	15
Revenue deficit reimbursed from capital	986	821
Distributions	3,423	4,645

Details of the final distributions per share are set out in the table on page 148.

8 Debtors

	31.10.18 £'000	31.10.17 £'000
Accrued revenue	1,226	846
Amounts receivable for issue of shares	51,511	11,095
Sales awaiting settlement	22,495	18,496
Overseas tax recoverable	1	-
Total debtors	75,233	30,437

Notes to the financial statements (continued)

for the year from 1 November 2017 to 31 October 2018

9 Cash and bank balances

	31.10.18 £'000	31.10.17 £'000
Amounts held at futures clearing houses and brokers	4,497	1,275
Cash and bank balances	64,480	31,189
Total cash and bank balances	68,977	32,464

10 Other creditors

	31.10.18 £'000	31.10.17 £'000
Accrued Authorised Corporate Director's periodic charge	-	1,460
Accrued expenses	2,298	389
Amounts payable for cancellation of shares	4,756	18
Purchases awaiting settlement	21,973	18,433
Total other creditors	29,027	20,300

11 Related party transactions

Quilter Investors Limited, as ACD, is a related party, and acts as principal in respect of all transactions of shares in each sub-fund. The aggregate monies received on issue and paid on cancellation are disclosed in the Statement of change in net assets attributable to shareholders on page 137. Any amounts due to or from Quilter Investors Limited at the end of the accounting year in respect of transactions of shares in each sub-fund are disclosed in notes 8 and 10. Other amounts paid to the ACD are disclosed in note 4 and amounts due to it at the year end are disclosed in note 10.

12 Derivatives and other financial instruments

a) Financial instrument risk

The sub-fund, in pursuing its objective, holds a number of financial instruments, which may comprise of the following:

Equity shares and equity related shares.

The sub-fund will also hold cash and other short term debtors and creditors that arise directly from its operations.

In addition, the sub-fund may hold derivatives in the form of forward foreign exchange contracts and/or futures contracts for the purpose of efficient portfolio management in accordance with the COLL Sourcebook.

The financial instruments are held in line with the sub-fund's investment policy.

Each Investment Adviser is responsible for monitoring the portfolio of his/her sub-fund in accordance with its investment objective and seeks to ensure that individual assets also meet a risk reward profile that is acceptable. The ACD has appointed specialist managers to manage the sub-fund, and continuously monitors this appointment.

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

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

Notes to the financial statements (continued)

for the year from 1 November 2017 to 31 October 2018

12 Derivatives and other financial instruments (continued)

b) Foreign currency risk

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

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

Currency	Net foreign currency assets			Net foreign currency assets		
	Monetary exposures*	Non-monetary exposures	Total	Monetary exposures*	Non-monetary exposures	Total
	31.10.18 £'000	31.10.18 £'000	31.10.18 £'000	31.10.17 £'000	31.10.17 £'000	31.10.17 £'000
Canadian Dollar	10,822	117,560	128,382	4,312	139,393	143,705
US Dollar	56,127	2,619,381	2,675,508	23,857	2,163,621	2,187,478
Total	66,949	2,736,941	2,803,890	28,169	2,303,014	2,331,183

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

Currency sensitivity

A 5% increase in the value of the sub-fund's foreign currency exposure would have the effect of increasing the return and net assets as at 31 October 2018 by £140,194,505 or 4.92% (31 October 2017: £116,559,135 or 4.97%). A 5% decrease would have an equal and opposite effect.

c) Interest rate risk

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

The interest rate risk profile of the sub-fund's financial assets and liabilities at 31 October 2018 (31 October 2017) was as follows:

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

Currency	Variable rate financial assets	Fixed rate financial assets	Financial assets not carrying interest	Total
31.10.17	£'000	£'000	£'000	£'000
Canadian Dollar	6,506	-	139,429	145,935
Sterling	5,204	-	11,095	16,299
US Dollar	20,754	-	2,182,927	2,203,681
Total	32,464	-	2,333,451	2,365,915

Notes to the financial statements (continued)

for the year from 1 November 2017 to 31 October 2018

12 Derivatives and other financial instruments (continued)

c) Interest rate risk (continued)

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

Currency	Variable rate financial liabilities £'000	Financial liabilities not carrying interest £'000	Total £'000
31.10.17			
Canadian Dollar	-	(2,230)	(2,230)
Sterling	-	(16,203)	(16,203)
US Dollar	-	(1,867)	(1,867)
Total	-	(20,300)	(20,300)

Interest rate risk sensitivity

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

d) Credit risk

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

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

e) Counterparty risk

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

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

	Credit default swaps exposure £'000	Interest rate swaps exposure £'000	Futures and options exposure £'000	Forward foreign exchange contracts exposure £'000	Collateral held £'000
Exposure Table 31.10.18					
Counterparty	£'000	£'000	£'000	£'000	£'000
Bank of America Merrill Lynch	-	-	376	-	-
Exposure Table 31.10.17					
Counterparty	£'000	£'000	£'000	£'000	£'000
Bank of America Merrill Lynch	-	-	169	-	-

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

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

Notes to the financial statements (continued)

for the year from 1 November 2017 to 31 October 2018

12 Derivatives and other financial instruments (continued)

f) Liquidity risk

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

g) Market risk

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

Market price risk sensitivity

A 5% market movement in the price of investments held by the sub-fund, with all other variables remaining constant, would result in an increase or decrease on net asset value of the sub-fund by approximately £136,847,044 or 4.80% (31 October 2017: £115,150,689 or 4.91%).

h) Fair value of financial assets and liabilities

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

Basis of valuation	31.10.18		31.10.17	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
Level 1: Quoted prices	2,736,941	-	2,303,014	-
Level 2: Observable market data	-	-	-	-
Level 3: Unobservable data	-	-	-	-
Total	2,736,941	-	2,303,014	-

i) Global exposure

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

13 Contingent Liabilities

There are no contingent liabilities or commitments at the Balance sheet date (31 October 2017: ENil).

Notes to the financial statements (continued)

for the year from 1 November 2017 to 31 October 2018

14 Portfolio transaction costs

Analysis of total purchase costs

31.10.18

Equities

Total

Total purchases including transaction costs

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

31.10.17

Equities

Total

Total purchases including transaction costs

Value £'000	Commissions £'000	%	Other costs £'000	%
3,908,133	711	0.02%	-	-
3,908,133	711		-	
3,908,844				

Analysis of total sale costs

31.10.18

Equities

Corporate actions

Total

Total sales including transaction costs

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

31.10.17

Equities

Corporate actions

Total

Total sales including transaction costs

Value £'000	Commissions £'000	%	Other costs £'000	%
3,579,859	647	0.02%	76	-
1,611	-	-	-	-
3,581,470	647		76	
3,580,747				

Transaction costs as a percentage of average Net Assets*

Commissions:

Other costs:

31.10.18

0.06%

0.00%

31.10.17

0.07%

0.00%

* Includes commissions on derivative transactions of £37,183 (31 October 2017: £19,720). There were no taxes on derivative transactions (31 October 2017: £Nil).

In the case of shares, transaction costs are paid by the sub-fund on each transaction. Commissions relate to those paid to agents, advisers, brokers and dealers in the buying and selling of securities. Other costs include any additional fees that may be paid to agents, advisers, brokers and dealers as well as levies by regulatory agencies and security exchanges and any transfer taxes or duties. In addition, there is a dealing spread between the buying and selling prices of the underlying investments. Unlike shares, other types of investments have no separately identifiable transaction costs; these costs form part of the dealing spread. Dealing spreads may vary considerably depending on the transaction value and market sentiment. At the balance sheet date the dealing spread was 0.04% (31 October 2017: 0.04%).

Notes to the financial statements (continued)

for the year from 1 November 2017 to 31 October 2018

15 Shareholders' funds

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

The share classes currently in issue and the Fixed Ongoing Charge of each share class are shown below. The comparative figure at the 31 October 2017, was the Authorised Corporate Directors fee, which is now included within the Fixed Ongoing Charge.

	31.10.18	31.10.17
- Accumulation 'A'	1.70%	1.50%
- Accumulation 'P'	1.20%	1.00%
- Accumulation 'R'	0.95%	0.75%
- Accumulation 'U1'	0.875%	0.675%
- Accumulation 'U2'	0.80%	0.60%
- Accumulation 'W'†	0.80%	-

Share class movement reconciliation

	Opening	Issued	Redeemed	Converted	Closing
- Accumulation 'A'	14,464,548	3,885,536	(6,542,186)	(136,994)	11,670,904
- Accumulation 'P'	1,772,173	461,299	(506,819)	(142,763)	1,583,890
- Accumulation 'R'	330,493,746	108,561,696	(41,383,373)	(27,651,371)	370,020,698
- Accumulation 'U1'	471,196,015	87,850,210	(45,304,824)	1,548,023	515,289,424
- Accumulation 'U2'	155,712,475	143,852,995	(72,063,306)	40,359,375	267,861,539
- Accumulation 'W'†	-	7,350,121	-	(7,350,121)	-

† From 10 April 2018 and to 01 June 2018.

16 Post balance sheet date events

There are no post balance sheet events requiring disclosure.

Distribution table

Final distribution

Group 1: Shares purchased prior to 1 November 2017
 Group 2: Shares purchased from 1 November 2017 to 31 October 2018

	Revenue pence per share	Equalisation pence per share*	Distribution paid 31.12.18 pence per share	Distribution paid 31.12.17 pence per share
Accumulation 'A' Shares				
Group 1	0.0000	-	0.0000	0.0000
Group 2	0.0000	0.0000	0.0000	0.0000
Accumulation 'P' Shares				
Group 1	0.0000	-	0.0000	0.0000
Group 2	0.0000	0.0000	0.0000	0.0000
Accumulation 'R' Shares				
Group 1	0.2084	-	0.2084	0.5359
Group 2	0.0499	0.1585	0.2084	0.5359
Accumulation 'U1' Shares				
Group 1	0.3115	-	0.3115	0.5343
Group 2	0.1129	0.1986	0.3115	0.5343
Accumulation 'U2' Shares				
Group 1	0.4773	-	0.4773	0.6848
Group 2	0.1738	0.3035	0.4773	0.6848

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

Merian UK Equity Fund

Launch date	29 March 1971
IA Sector	UK All Companies
Investment adviser	Merian Global Investors (UK) Limited
Net asset value	£168,632,350

Objective

To achieve long term capital growth through the active management of a diversified portfolio invested primarily in a broad range of UK equities.

Policy

Subject to the regulations, the property of the sub-fund may include transferable securities; units in collective investment schemes (including those managed or operated by the ACD or an associate of the ACD), warrants, money market instruments, deposits and derivatives.

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

Investment Manager's review

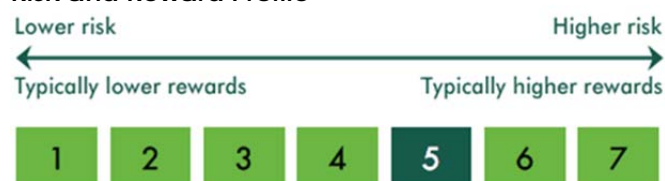
During the period under review, the sub-fund underperformed the peer group and benchmark index. The primary driver of the disappointing return was a number of relatively poor trading updates from some of the portfolio's core stock holdings. Key negative contributors included inter dealer broker TP ICAP, where the anticipated business improvements following the merger have not materialised to the degree we hoped. Legacy software company Micro Focus similarly disappointed on expected improvements post a large-scale acquisition. Other detractors included telecoms group TalkTalk, pharmaceutical group Shire, activist investor Sherborne, industrial groups Weir and Melrose and precious metals companies Randgold Resources and Fresnillo. Key positive contributions came from a variety of holdings including telecoms group BT, payment processing business Worldpay, pharmaceutical groups AstraZeneca and GlaxoSmithKline, hotel and coffee group Whitbread and gaming group GVC. Unfortunately these positive performances were more than offset by the negatives highlighted above.

In terms of sub-fund activity, a variety of new additions included BT, Whitbread, drinks group Diageo, property related businesses Land Securities and Bovis Homes, and specialist insurance group Sabre. We also added to AstraZeneca, GVC and tobacco group Imperial Brands. Sub-fund disposals included the disappointing performers TP ICAP, Micro Focus, TalkTalk and Shire, as well as software group Sage and emerging market asset manager Ashmore. We also took profits in Vodafone.

We have commented previously that we believe the investment environment is gradually changing and becoming more hostile to equity investors and we continue to hold that view currently. The early stages of liquidity withdrawal by central banks appears to be increasing volatility in a wide variety of assets globally, with developed economy equity markets – with the notable exception of the US – starting to be similarly impacted. The latest quarterly data does strongly suggest that global economic activity is indeed slowing, and issues such as the escalating trade dispute between the US and China are likely to accelerate the slowdown.

Other political 'flash points' such as Italian budget proposals and the culmination (or not) of Brexit negotiations have the capacity to cause significant risk aversion moves in markets at any time. Against this backdrop complacency, we believe, remains extremely high and signs of exuberance are evident in, amongst other things, record levels of M&A activity, corporate share buybacks and high levels of new initial public offerings. We have no desire to appear downbeat for the sake of it. However, it remains our strong belief that now is a time to approach the equity markets with increasing caution. Whilst the potential for significant rallies exists at any time, we remain defensively minded and are trying to position the portfolio accordingly.

Risk and Reward Profile



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

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

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

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

Concentration risk (number of investments) - the sub-fund may at times hold a smaller number of investments, and therefore a fall in the value of a single investment may have a greater impact on the sub-fund's value than if it held a larger number of investments.

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

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

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

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

Performance Records

Comparative Tables

Accumulation 'A'	1 November 2017 to 31 October 2018 p/share	1 November 2016 to 31 October 2017 p/share	1 November 2015 to 31 October 2016 p/share
Change in net assets per share			
Opening net asset value per share	608.82	551.02	501.26
Return before operating charges*	(45.32)	67.28	58.08
Operating charges**	(9.79)	(9.48)	(8.32)
Return after operating charges*	(55.11)	57.80	49.76
Distributions	(13.14)	(10.02)	(10.39)
Retained distributions	13.14	10.02	10.39
Closing net asset value per share	553.71	608.82	551.02
* after direct transaction costs of***	1.31	1.75	1.80
Performance			
Return after charges	(9.05)%	10.49%	9.93%
Other information			
Closing net asset value (£)	77,740,976	99,551,010	125,015,226
Closing number of shares	14,040,138	16,351,562	22,687,921
Operating charges****	1.65%	1.65%	1.65%
Direct transaction costs***	0.22%	0.30%	0.36%
Prices	pence per share	pence per share	pence per share
Highest share price	652.33	640.73	588.81
Lowest share price	537.10	521.34	437.75
Income 'A'	1 November 2017 to 31 October 2018 p/share	1 November 2016 to 31 October 2017 p/share	1 November 2015 to 31 October 2016 p/share
Change in net assets per share			
Opening net asset value per share	359.75	331.05	306.94
Return before operating charges*	(26.78)	40.45	35.57
Operating charges**	(5.79)	(5.72)	(5.10)
Return after operating charges*	(32.57)	34.73	30.47
Distributions	(7.76)	(6.03)	(6.36)
Retained distributions	-	-	-
Closing net asset value per share	319.42	359.75	331.05
* after direct transaction costs of***	0.77	1.05	1.10
Performance			
Return after charges	(9.05)%	10.49%	9.93%
Other information			
Closing net asset value (£)	5,973,514	8,884,147	9,643,970
Closing number of shares	1,870,093	2,469,537	2,913,140
Operating charges****	1.65%	1.65%	1.65%
Direct transaction costs***	0.22%	0.30%	0.36%
Prices	pence per share	pence per share	pence per share
Highest share price	385.47	384.95	360.55
Lowest share price	317.40	313.22	268.06

Comparative Tables (continued)

Accumulation 'P'	1 November 2017 to 31 October 2018 p/share	1 November 2016 to 31 October 2017 p/share	1 November 2015 to 31 October 2016 p/share
Change in net assets per share			
Opening net asset value per share	270.28	243.39	220.31
Return before operating charges*	(20.20)	29.81	25.65
Operating charges**	(3.03)	(2.92)	(2.57)
Return after operating charges*	(23.23)	26.89	23.08
Distributions	(7.17)	(5.72)	(5.69)
Retained distributions	7.17	5.72	5.69
Closing net asset value per share	247.05	270.28	243.39
* after direct transaction costs of***	0.58	0.77	0.80
Performance			
Return after charges	(8.59)%	11.05%	10.48%
Other information			
Closing net asset value (£)	52,946	49,023	32,357
Closing number of shares	21,431	18,138	13,294
Operating charges****	1.15%	1.15%	1.15%
Direct transaction costs***	0.22%	0.30%	0.36%
Prices	pence per share	pence per share	pence per share
Highest share price	289.86	284.41	248.33
Lowest share price	239.60	230.38	192.67

Income 'P'	1 November 2017 to 31 October 2018 p/share	1 November 2016 to 31 October 2017 p/share	1 November 2015 to 31 October 2016 p/share
Change in net assets per share			
Opening net asset value per share	135.31	124.48	115.37
Return before operating charges*	(10.04)	15.26	13.45
Operating charges**	(1.53)	(1.50)	(1.36)
Return after operating charges*	(11.57)	13.76	12.09
Distributions	(3.59)	(2.93)	(2.98)
Retained distributions	-	-	-
Closing net asset value per share	120.15	135.31	124.48
* after direct transaction costs of***	0.29	0.40	0.42
Performance			
Return after charges	(8.55)%	11.05%	10.48%
Other information			
Closing net asset value (£)	13,192	86,996	80,020
Closing number of shares	10,980	64,295	64,283
Operating charges****	1.15%	1.15%	1.15%
Direct transaction costs***	0.22%	0.30%	0.36%
Prices	pence per share	pence per share	pence per share
Highest share price	145.11	145.46	136.15
Lowest share price	120.00	117.83	100.89

Comparative Tables (continued)

Accumulation 'R'	1 November 2017 to 31 October 2018 p/share	1 November 2016 to 31 October 2017 p/share	1 November 2015 to 31 October 2016 p/share
Change in net assets per share			
Opening net asset value per share	164.64	147.90	133.53
Return before operating charges*	(12.32)	18.14	15.59
Operating charges**	(1.45)	(1.40)	(1.22)
Return after operating charges*	(13.77)	16.74	14.37
Distributions	(4.77)	(3.87)	(3.79)
Retained distributions	4.77	3.87	3.79
Closing net asset value per share	150.87	164.64	147.90
* after direct transaction costs of***	0.36	0.47	0.48
Performance			
Return after charges	(8.36)%	11.32%	10.76%
Other information			
Closing net asset value (£)	25,810,628	36,277,830	44,177,794
Closing number of shares	17,108,287	22,034,299	29,870,566
Operating charges****	0.90%	0.90%	0.90%
Direct transaction costs***	0.22%	0.30%	0.36%
Prices	pence per share	pence per share	pence per share
Highest share price	169.86	166.58	151.88
Lowest share price	146.30	140.02	116.86
Income 'R'	1 November 2017 to 31 October 2018 p/share	1 November 2016 to 31 October 2017 p/share	1 November 2015 to 31 October 2016 p/share
Change in net assets per share			
Opening net asset value per share	195.64	179.97	166.77
Return before operating charges*	(14.65)	22.08	19.46
Operating charges**	(1.72)	(1.70)	(1.52)
Return after operating charges*	(16.37)	20.38	17.94
Distributions	(5.67)	(4.71)	(4.74)
Retained distributions	-	-	-
Closing net asset value per share	173.60	195.64	179.97
* after direct transaction costs of***	0.42	0.57	0.60
Performance			
Return after charges	(8.37)%	11.32%	10.76%
Other information			
Closing net asset value (£)	18,911,211	26,811,299	31,601,385
Closing number of shares	10,893,309	13,704,160	17,559,004
Operating charges****	0.90%	0.90%	0.90%
Direct transaction costs***	0.22%	0.30%	0.36%
Prices	pence per share	pence per share	pence per share
Highest share price	201.84	202.71	189.68
Lowest share price	173.90	170.39	145.95

Comparative Tables (continued)

Accumulation 'U1'	1 November 2017 to 31 October 2018 p/share	1 November 2016 to 31 October 2017 p/share	1 November 2015 to 31 October 2016 p/share
Change in net assets per share			
Opening net asset value per share	133.35	119.70	107.99
Return before operating charges*	(9.98)	14.68	12.62
Operating charges**	(1.08)	(1.03)	(0.91)
Return after operating charges*	(11.06)	13.65	11.71
Distributions	(3.97)	(3.23)	(3.15)
Retained distributions	3.97	3.23	3.15
Closing net asset value per share	122.29	133.35	119.70
* after direct transaction costs of***	0.29	0.38	0.39
Performance			
Return after charges	(8.29)%	11.40%	10.84%
Other information			
Closing net asset value (£)	18,522,826	31,434,042	39,067,276
Closing number of shares	15,147,121	23,572,125	32,637,647
Operating charges****	0.83%	0.83%	0.83%
Direct transaction costs***	0.22%	0.30%	0.36%
Prices	pence per share	pence per share	pence per share
Highest share price	137.59	134.92	122.91
Lowest share price	118.60	113.33	94.53
Income 'U1'	1 November 2017 to 31 October 2018 p/share	1 November 2016 to 31 October 2017 p/share	1 November 2015 to 31 October 2016 p/share
Change in net assets per share			
Opening net asset value per share	117.62	108.19	100.25
Return before operating charges*	(8.81)	13.28	11.70
Operating charges**	(0.95)	(0.93)	(0.84)
Return after operating charges*	(9.76)	12.35	10.86
Distributions	(3.50)	(2.92)	(2.92)
Retained distributions	-	-	-
Closing net asset value per share	104.36	117.62	108.19
* after direct transaction costs of***	0.25	0.34	0.36
Performance			
Return after charges	(8.30)%	11.42%	10.83%
Other information			
Closing net asset value (£)	11,920,690	37,974,828	56,079,918
Closing number of shares	11,422,280	32,286,866	51,832,979
Operating charges****	0.83%	0.83%	0.83%
Direct transaction costs***	0.22%	0.30%	0.36%
Prices	pence per share	pence per share	pence per share
Highest share price	121.36	121.95	114.10
Lowest share price	104.60	102.44	87.76

Comparative Tables (continued)

Accumulation 'U2'	1 November 2017 to 31 October 2018 p/share	1 November 2016 to 31 October 2017 p/share	1 November 2015 to 31 October 2016 p/share
Change in net assets per share			
Opening net asset value per share	126.25	113.24	102.09
Return before operating charges*	(9.45)	13.90	11.93
Operating charges**	(0.93)	(0.89)	(0.78)
Return after operating charges*	(10.38)	13.01	11.15
Distributions	(3.85)	(3.14)	(3.06)
Retained distributions	3.85	3.14	3.06
Closing net asset value per share	115.87	126.25	113.24
* after direct transaction costs of***	0.27	0.36	0.37
Performance			
Return after charges	(8.22)%	11.49%	10.92%
Other information			
Closing net asset value (£)	1,762,062	2,572,810	3,278,136
Closing number of shares	1,520,783	2,037,840	2,894,828
Operating charges****	0.75%	0.75%	0.75%
Direct transaction costs***	0.22%	0.30%	0.36%
Prices	pence per share	pence per share	pence per share
Highest share price	130.28	127.73	116.28
Lowest share price	112.40	107.23	89.38
Income 'U2'	1 November 2017 to 31 October 2018 p/share	1 November 2016 to 31 October 2017 p/share	1 November 2015 to 31 October 2016 p/share
Change in net assets per share			
Opening net asset value per share	118.52	109.02	101.01
Return before operating charges*	(9.03)	13.39	11.80
Operating charges**	(0.87)	(0.86)	(0.77)
Return after operating charges*	(9.90)	12.53	11.03
Distributions	(3.61)	(3.03)	(3.02)
Retained distributions	-	-	-
Closing net asset value per share	105.01	118.52	109.02
* after direct transaction costs of***	0.26	0.35	0.36
Performance			
Return after charges	(8.35)%	11.49%	10.92%
Other information			
Closing net asset value (£)	7,924,305	75,706,407	98,611,381
Closing number of shares	7,545,964	63,874,179	90,450,078
Operating charges****	0.75%	0.75%	0.75%
Direct transaction costs***	0.22%	0.30%	0.36%
Prices	pence per share	pence per share	pence per share
Highest share price	122.31	122.98	115.05
Lowest share price	105.40	103.23	88.44

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

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

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

Performance

	6 months to 31 October 2018	1 year to 31 October 2018	3 years to 31 October 2018	5 years to 31 October 2018
Merian UK Equity Fund*	(7.31)%	(8.24)%	13.17%	22.57%
FTSE All Share Index (benchmark)	(3.52)%	(1.47)%	25.37%	30.46%
IA UK All Companies (sector average)	(5.34)%	(3.57)%	20.57%	29.83%
Quartile ranking	4	4	4	3

* Accumulation 'R' shares

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

Asset allocation		Major holdings	Percentage of portfolio
Equities	95.50%	British American Tobacco	5.11%
		BP	4.92%
Net other assets	4.50%	Royal Dutch Shell 'B'	4.87%
		AstraZeneca (UK Listing)	4.77%
Total	100.00%	GlaxoSmithKline	4.74%
		Diageo	4.27%
		HSBC (UK Listing)	4.20%
Portfolio allocation		Tesco	3.62%
		GVC	3.02%
Oil & Gas Producers	10.88%	BT	2.91%
Pharmaceuticals & Biotechnology	9.51%		
Tobacco	7.69%	Number of holdings	44
Life Insurance	6.88%		
Banks	6.69%		
Travel & Leisure	6.30%		
Support Services	6.07%		
Mining	5.39%		
Beverages	5.03%		
Food & Drug Retailers	3.62%		
Construction & Materials	3.55%		
Nonlife Insurance	3.49%		
Fixed Line Telecommunications	2.91%		
General Industrials	2.36%		
Financial Services	2.17%		
Chemicals	2.04%		
Health Care Equipment & Services	1.72%		
Mobile Telecommunications	1.68%		
Automobiles & Parts	1.46%		
Real Estate Investment Trusts	1.29%		
Equity Investment Instruments	1.28%		
Household Goods & Home Construction	1.14%		
Industrial Engineering	0.83%		
Personal Goods	0.81%		
Oil Equipment, Services & Distribution	0.71%		
Net other assets	4.50%		
Total	100.00%		

Portfolio statement

as at 31 October 2018

Holding	Investment	Market Value £'000	Percentage of total net assets %
	United Kingdom 82.92% (31 October 2017 77.15%)		
	United Kingdom Equities 82.92% (31 October 2017 77.15%)		
	Automobiles & Parts 1.46% (31 October 2017 0.00%)		
163,775	Aston Martin Lagonda Global	2,457	1.46
		<u>2,457</u>	<u>1.46</u>
	Banks 6.69% (31 October 2017 8.16%)		
857,910	Barclays	1,476	0.88
1,094,878	HSBC (UK Listing)	7,081	4.20
4,740,202	Lloyds Banking	2,716	1.61
		<u>11,273</u>	<u>6.69</u>
	Beverages 5.03% (31 October 2017 0.00%)		
265,276	Diageo	7,206	4.27
45,885	Fevertree Drinks	1,282	0.76
		<u>8,488</u>	<u>5.03</u>
	Chemicals 2.04% (31 October 2017 1.05%)		
776,308	Synthomer	3,445	2.04
		<u>3,445</u>	<u>2.04</u>
	Construction & Materials 1.86% (31 October 2017 2.32%)		
1,856,983	Melrose Industries	3,130	1.86
		<u>3,130</u>	<u>1.86</u>
	Financial Services 2.17% (31 October 2017 6.78%)		
4,969,561	Sherborne Investors	3,653	2.17
		<u>3,653</u>	<u>2.17</u>
	Fixed Line Telecommunications 2.91% (31 October 2017 1.65%)		
2,089,561	BT	4,909	2.91
		<u>4,909</u>	<u>2.91</u>
	Food & Drug Retailers 3.62% (31 October 2017 3.20%)		
2,856,711	Tesco	6,108	3.62
		<u>6,108</u>	<u>3.62</u>
	Gas, Water & Multiutilities 0.00% (31 October 2017 1.11%)		
	General Industrials 2.36% (31 October 2017 1.91%)		
1,001,874	DS Smith	3,971	2.36
		<u>3,971</u>	<u>2.36</u>
	General Retailers 0.00% (31 October 2017 2.00%)		
	Health Care Equipment & Services 1.72% (31 October 2017 1.33%)		
225,759	Smith & Nephew	2,904	1.72
		<u>2,904</u>	<u>1.72</u>

Portfolio statement (continued)

as at 31 October 2018

Holding	Investment	Market Value £'000	Percentage of total net assets %
	Household Goods & Home Construction 1.14% (31 October 2017 0.00%)		
200,778	Bovis Homes	1,925	1.14
		<u>1,925</u>	<u>1.14</u>
	Industrial Engineering 0.83% (31 October 2017 1.16%)		
87,648	Weir	1,399	0.83
		<u>1,399</u>	<u>0.83</u>
	Life Insurance 6.88% (31 October 2017 7.58%)		
675,042	Aviva	2,880	1.71
662,194	Phoenix	3,993	2.37
302,550	Prudential	4,723	2.80
		<u>11,596</u>	<u>6.88</u>
	Mining 3.40% (31 October 2017 4.81%)		
33,171	Randgold Resources	2,057	1.22
96,918	Rio Tinto (UK Listing)	3,683	2.18
		<u>5,740</u>	<u>3.40</u>
	Mobile Telecommunications 1.68% (31 October 2017 4.54%)		
1,917,630	Vodafone	2,832	1.68
		<u>2,832</u>	<u>1.68</u>
	Nonlife Insurance 3.49% (31 October 2017 1.81%)		
619,628	RSA Insurance	3,481	2.06
923,791	Sabre Insurance	2,402	1.43
		<u>5,883</u>	<u>3.49</u>
	Oil & Gas Producers 6.01% (31 October 2017 2.64%)		
1,462,395	BP	8,302	4.92
941,032	Cairn Energy	1,837	1.09
		<u>10,139</u>	<u>6.01</u>
	Oil Equipment, Services & Distribution 0.71% (31 October 2017 0.00%)		
165,449	John Wood	1,198	0.71
		<u>1,198</u>	<u>0.71</u>
	Personal Goods 0.81% (31 October 2017 0.00%)		
171,037	Superdry	1,371	0.81
		<u>1,371</u>	<u>0.81</u>
	Pharmaceuticals & Biotechnology 9.51% (31 October 2017 5.45%)		
133,310	AstraZeneca (UK Listing)	8,041	4.77
515,132	GlaxoSmithKline	7,998	4.74
		<u>16,039</u>	<u>9.51</u>
	Real Estate Investment Trusts 1.29% (31 October 2017 0.00%)		
254,131	Land Securities	2,183	1.29
		<u>2,183</u>	<u>1.29</u>
	Software & Computer Services 0.00% (31 October 2017 4.52%)		

Portfolio statement (continued)

as at 31 October 2018

Holding	Investment	Market Value £'000	Percentage of total net assets %
	Support Services 3.32% (31 October 2017 5.90%)		
783,428	Biffa	1,861	1.10
157,481	HomeServe	1,504	0.89
719,661	Rentokil Initial	2,240	1.33
		<u>5,605</u>	<u>3.32</u>
	Tobacco 7.69% (31 October 2017 6.06%)		
249,173	British American Tobacco	8,613	5.11
161,973	Imperial Brands	4,359	2.58
		<u>12,972</u>	<u>7.69</u>
	Travel & Leisure 6.30% (31 October 2017 3.17%)		
97,816	Compass	1,506	0.90
540,560	GVC Holdings	5,095	3.02
92,323	Whitbread	4,016	2.38
		<u>10,617</u>	<u>6.30</u>
	Overseas 12.58% (31 October 2017 17.00%)		
	Europe 2.97% (31 October 2017 12.68%)		
	Ireland Equities 2.97% (31 October 2017 3.97%)		
	Construction & Materials 1.69% (31 October 2017 3.07%)		
121,495	CRH (Irish Listing)	2,844	1.69
		<u>2,844</u>	<u>1.69</u>
	Equity Investment Instruments 1.28% (31 October 2017 0.90%)		
2,359,745	Greencoat Renewables	2,159	1.28
		<u>2,159</u>	<u>1.28</u>
	Netherlands Equities 4.87% (31 October 2017 4.78%)		
	Oil & Gas Producers 4.87% (31 October 2017 4.78%)		
321,429	Royal Dutch Shell 'B'	8,216	4.87
		<u>8,216</u>	<u>4.87</u>
	Switzerland Equities 3.41% (31 October 2017 3.93%)		
	Mining 1.99% (31 October 2017 2.61%)		
1,058,555	Glencore	3,354	1.99
		<u>3,354</u>	<u>1.99</u>
	Support Services 1.42% (31 October 2017 1.32%)		
45,710	Ferguson	2,401	1.42
		<u>2,401</u>	<u>1.42</u>

Portfolio statement (continued)

as at 31 October 2018

Holding	Investment	Market Value £'000	Percentage of total net assets %
	North America 1.33% (31 October 2017 4.32%)		
	Mexico Equities 0.00% (31 October 2017 1.45%)		
	Mining 0.00% (31 October 2017 1.45%)		
	United States Equities 1.33% (31 October 2017 2.87%)		
	Pharmaceuticals & Biotechnology 0.00% (31 October 2017 2.87%)		
	Support Services 1.33% (31 October 2017 0.00%)		
32,524	Worldpay	2,237	1.33
		<u>2,237</u>	<u>1.33</u>
	Investment assets	<u>161,048</u>	<u>95.50</u>
	Net other assets	<u>7,584</u>	<u>4.50</u>
	Total net assets	<u>168,632</u>	<u>100.00</u>

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

All investments are in ordinary shares unless otherwise stated.

Statement of total return

for the year from 1 November 2017 to 31 October 2018

	Note	01.11.17 to 31.10.18 £'000	01.11.17 to 31.10.18 £'000	01.11.16 to 31.10.17 £'000	01.11.16 to 31.10.17 £'000
Income					
Net capital (losses)/gains	2		(26,590)		30,781
Revenue	3	10,404		12,660	
Expenses	4	(3,009)		(4,005)	
Net revenue before taxation		7,395		8,655	
Taxation	5	(5)		(29)	
Net revenue after taxation			7,390		8,626
Total return before distributions			(19,200)		39,407
Distributions	6		(7,392)		(8,633)
Change in net assets attributable to shareholders from investment activities			(26,592)		30,774

Statement of change in net assets attributable to shareholders

for the year from 1 November 2017 to 31 October 2018

	01.11.17 to 31.10.18 £'000	01.11.17 to 31.10.18 £'000	01.11.16 to 31.10.17 £'000	01.11.16 to 31.10.17 £'000
Opening net assets attributable to shareholders		319,348		407,587
Amounts received on issue of shares	13,640		16,622	
Amounts paid on cancellation of shares	(141,251)		(139,262)	
		(127,611)		(122,640)
Dilution adjustment		163		310
Change in net assets attributable to shareholders from investment activities		(26,592)		30,774
Retained distribution on accumulation shares		3,323		3,316
Unclaimed distributions		1		1
Closing net assets attributable to shareholders		168,632		319,348

The notes on pages 162 to 169 form an integral part of these financial statements.

Balance sheet

as at 31 October 2018

	Note	31.10.18 £'000	31.10.17 £'000
Assets			
Fixed assets			
Investments		161,048	300,657
Current assets			
Debtors	7	613	1,663
Cash and bank balances	8	10,955	23,262
Total assets		172,616	325,582
Liabilities			
Creditors			
Distribution payable		(1,436)	(3,670)
Other creditors	9	(2,548)	(2,564)
Total liabilities		(3,984)	(6,234)
Net assets attributable to shareholders		168,632	319,348

The notes on pages 162 to 169 form an integral part of these financial statements.

Notes to the financial statements

for the year from 1 November 2017 to 31 October 2018

1 Accounting policies

The applicable accounting policies adopted by the Merian UK Equity Fund are included on pages 171 to 172.

2 Net capital (losses)/gains

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

	01.11.17 to 31.10.18 £'000	01.11.16 to 31.10.17 £'000
(Losses)/gains on non-derivative securities	(26,586)	30,743
Gains on forward currency contracts	-	23
(Losses)/gains on currency contracts	(2)	18
Handling charges	(2)	(3)
Net capital (losses)/gains on investments	(26,590)	30,781

3 Revenue

	01.11.17 to 31.10.18 £'000	01.11.16 to 31.10.17 £'000
Bank interest	13	14
Non-taxable overseas dividends	1,439	977
UK dividends	8,811	11,669
UK REIT dividends	141	-
Total revenue	10,404	12,660

4 Expenses

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

	01.11.17 to 31.10.18 £'000	01.11.16 to 31.10.17 £'000
Fixed Ongoing Charge*	1,911	-
Authorised Corporate Director's periodic charge**	951	3,452
Fixed expenses**	147	553
Total expenses	3,009	4,005

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

** These figures represent the charges to 28 February 2018, which have now been replaced by the Fixed Ongoing Charge. The Audit fee for the year, excluding VAT, was £7,100 (31 October 2017: £6,950). As a result of the change to a Fixed Ongoing Charge basis, this expense is split between Fixed expenses and Fixed Ongoing Charge.

Notes to the financial statements (continued)

for the year from 1 November 2017 to 31 October 2018

5 Taxation

a) Analysis of tax charge in the year

	01.11.17 to 31.10.18 £'000	01.11.16 to 31.10.17 £'000
Overseas tax suffered	5	29
Total current tax charge for the year	5	29
Deferred tax charge for the year (see note 5(c))	-	-
Total taxation for the year (see note 5(b))	5	29

b) Factors affecting current tax charge for the year

	01.11.17 to 31.10.18 £'000	01.11.16 to 31.10.17 £'000
The taxation assessed for the year is lower than the standard rate of corporation tax in the UK for an open-ended investment company (20%). The differences are explained below:		
Net revenue before taxation	7,395	8,655
Corporation tax at 20% (31 October 2017: 20%)	1,479	1,731
Effects of:		
Excess management expenses for which no relief taken	571	798
Revenue not subject to taxation – UK	(1,762)	(2,334)
Non-taxable overseas dividends	(288)	(195)
Overseas tax suffered	5	29
Total tax charge for the year (see note 5(a))	5	29

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

Notes to the financial statements (continued)

for the year from 1 November 2017 to 31 October 2018

5 Taxation (continued)

c) Movement in deferred tax liability

	01.11.17 to 31.10.18 £'000	01.11.16 to 31.10.17 £'000
Deferred tax liability at the start of the year	-	-
Deferred tax charge for the year (see note 5(a))	-	-
Deferred tax liability at the end of the year	-	-

As at 31 October 2018, the sub-fund had surplus management expenses of £39,251,788 (31 October 2017: £36,396,262) which can be utilised against profits chargeable to corporation tax in future periods. It is unlikely that the sub-fund will generate sufficient taxable profits in the future to utilise these expenses and, therefore, no deferred tax asset has been recognised.

6 Distributions

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

	01.11.17 to 31.10.18 £'000	01.11.16 to 31.10.17 £'000
Final – Accumulation shares (31 October)	3,323	3,316
Final – Income shares (31 October)	1,436	3,670
	4,759	6,986
Revenue deducted on cancellation of shares	2,804	1,756
Revenue received on issue of shares	(171)	(109)
Distributions	7,392	8,633
Reconciliation of distributions:		
Net revenue after taxation	7,390	8,626
Equalisation on conversion	2	7
Distributions	7,392	8,633

Details of the final distributions per share are set out in the table on page 170.

7 Debtors

	31.10.18 £'000	31.10.17 £'000
Accrued revenue	569	643
Amount receivable for issue of shares	38	21
Sales awaiting settlement	-	999
Overseas tax recoverable	6	-
Total debtors	613	1,663

8 Cash and bank balances

	31.10.18 £'000	31.10.17 £'000
Cash and bank balances	10,955	23,262
Total cash and bank balances	10,955	23,262

Notes to the financial statements (continued)

for the year from 1 November 2017 to 31 October 2018

9 Other creditors

	31.10.18 £'000	31.10.17 £'000
Accrued Authorised Corporate Director's periodic charge	-	263
Accrued expenses	183	41
Amounts payable for cancellation of shares	1,534	2,260
Purchases awaiting settlement	831	-
Total other creditors	2,548	2,564

10 Related party transactions

Quilter Investors Limited, as ACD, is a related party, and acts as principal in respect of all transactions of shares in each sub-fund. The aggregate monies received on issue and paid on cancellation are disclosed in the Statement of change in net assets attributable to shareholders on page 160. Any amounts due to or from Quilter Investors Limited at the end of the accounting year in respect of transactions of shares in each sub-fund are disclosed in notes 7 and 9. Other amounts paid to the ACD are disclosed in note 4 and amounts due to it at the year end are disclosed in note 9.

11 Derivatives and other financial instruments

a) Financial instrument risk

The sub-fund, in pursuing its objective, holds a number of financial instruments, which may comprise of the following:

Equity shares and equity related shares.

The sub-fund will also hold cash and other short term debtors and creditors that arise directly from its operations.

In addition, the sub-fund may hold derivatives in the form of forward foreign exchange contracts and/or futures contracts for the purpose of efficient portfolio management in accordance with the COLL Sourcebook.

The financial instruments are held in line with the sub-fund's investment policy.

Each Investment Adviser is responsible for monitoring the portfolio of his/her sub-fund in accordance with its investment objective and seeks to ensure that individual assets also meet a risk reward profile that is acceptable. The ACD has appointed specialist managers to manage the sub-fund, and continuously monitors this appointment.

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

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

b) Foreign currency risk

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

The direct foreign currency exposure of the sub-fund as at 31 October 2018 (31 October 2017) was as follows:

Currency	Net foreign currency assets			Net foreign currency assets		
	Monetary exposures 31.10.18* £'000	Non-monetary exposures 31.10.18 £'000	Total 31.10.18 £'000	Monetary exposures 31.10.17* £'000	Non-monetary exposures 31.10.17 £'000	Total 31.10.17 £'000
Euro	663	2,159	2,822	60	2,872	2,932
US Dollar	147	-	147	163	-	163
Total	810	2,159	2,969	223	2,872	3,095

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

Notes to the financial statements (continued)

for the year from 1 November 2017 to 31 October 2018

11 Derivatives and other financial instruments (continued)

b) Foreign currency risk (continued)

Currency sensitivity

A 5% increase in the value of the sub-fund's foreign currency exposure would have the effect of increasing the return and net assets as at 31 October 2018 by £148,458 or 0.09% (31 October 2017: £154,765 or 0.05%). A 5% decrease would have an equal and opposite effect.

c) Interest rate risk

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

The interest rate risk profile of the sub-fund's financial assets and liabilities at 31 October 2018 (31 October 2017) was as follows:

Currency	Variable rate financial assets £'000	Fixed rate financial assets £'000	Financial assets not carrying interest £'000	Total £'000
31.10.18				
Euro	663	-	2,159	2,822
Sterling	10,257	-	159,390	169,647
US Dollar	35	-	112	147
Total	10,955	-	161,661	172,616

Currency	Variable rate financial assets £'000	Fixed rate financial assets £'000	Financial assets not carrying interest £'000	Total £'000
31.10.17				
Euro	2	-	2,930	2,932
Sterling	23,260	-	299,227	322,487
US Dollar	-	-	163	163
Total	23,262	-	302,320	325,582

Currency	Variable rate financial liabilities £'000	Financial liabilities not carrying interest £'000	Total £'000
31.10.18			
Sterling	-	(3,984)	(3,984)
Total	-	(3,984)	(3,984)

Currency	Variable rate financial liabilities £'000	Financial liabilities not carrying interest £'000	Total £'000
31.10.17			
Sterling	-	(6,234)	(6,234)
Total	-	(6,234)	(6,234)

Interest rate risk sensitivity

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

d) Credit risk

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

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

Notes to the financial statements (continued)

for the year from 1 November 2017 to 31 October 2018

11 Derivatives and other financial instruments (continued)

e) Counterparty risk

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

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

f) Liquidity risk

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

g) Market risk

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

Market price risk sensitivity

A 5% market movement in the price of investments held by the sub-fund, with all other variables remaining constant, would result in an increase or decrease on net asset value of the sub-fund by approximately £8,052,414 or 4.78% (31 October 2017: £15,032,867 or 4.71%).

h) Fair value of financial assets and liabilities

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

Basis of valuation	31.10.18		31.10.17	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
Level 1: Quoted prices	161,048	-	300,657	-
Level 2: Observable market data	-	-	-	-
Level 3: Unobservable data	-	-	-	-
Total	161,048	-	300,657	-

i) Global exposure

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

12 Contingent liabilities

The sub-fund had no contingent liabilities at the Balance sheet date (31 October 2017: £Nil).

Notes to the financial statements (continued)

for the year from 1 November 2017 to 31 October 2018

13 Portfolio transaction costs

Analysis of total purchase costs

31.10.18

Equities

Corporate actions

Total

Total purchases including transaction costs

Value £'000	Commissions £'000	%	Other costs £'000	%
100,676	44	0.04%	384	0.38%
968	-	-	-	-
101,644	44		384	
102,072				

Analysis of total purchase costs

31.10.17

Equities

Total

Total purchases including transaction costs

Value £'000	Commissions £'000	%	Other costs £'000	%
163,655	183	0.11%	577	0.35%
163,655	183		577	
164,415				

Analysis of total sale costs

31.10.18

Equities

Corporate actions

Total

Total sales including transaction costs

Value £'000	Commissions £'000	%	Other costs £'000	%
214,205	163	0.08%	1	-
220	-	-	-	-
214,425	163		1	
214,261				

Analysis of total sale costs

31.10.17

Equities

Corporate actions

Total

Total sales including transaction costs

Value £'000	Commissions £'000	%	Other costs £'000	%
275,049	364	0.13%	-	-
567	-	-	-	-
275,616	364		-	
275,252				

Transaction costs as a percentage of average Net Assets*

Commissions:

Other costs:

31.10.18	31.10.17
0.08%	0.15%
0.14%	0.16%

In the case of shares, transaction costs are paid by the sub-fund on each transaction. Commissions relate to those paid to agents, advisers, brokers and dealers in the buying and selling of securities. Other costs include any additional fees that may be paid to agents, advisers, brokers and dealers as well as levies by regulatory agencies and security exchanges and any transfer taxes or duties. In addition, there is a dealing spread between the buying and selling prices of the underlying investments. Unlike shares, other types of investments have no separately identifiable transaction costs; these costs form part of the dealing spread. Dealing spreads may vary considerably depending on the transaction value and market sentiment. At the balance sheet date the dealing spread was 0.23% (31 October 2017: 0.13%).

Notes to the financial statements (continued)

for the year from 1 November 2017 to 31 October 2018

14 Shareholders' funds

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

The share classes currently in issue and the Fixed Ongoing Charge of each share class are shown below. The comparative figure at the 31 October 2017, was the Authorised Corporate Directors fee, which is now included within the Fixed Ongoing Charge.

	31.10.18	31.10.17
- Accumulation 'A'	1.65%	1.50%
- Income 'A'	1.65%	1.50%
- Accumulation 'P'	1.15%	1.00%
- Income 'P'	1.15%	1.00%
- Accumulation 'R'	0.90%	0.75%
- Income 'R'	0.90%	0.75%
- Accumulation 'U1'	0.825%	0.675%
- Income 'U1'	0.825%	0.675%
- Accumulation 'U2'	0.75%	0.60%
- Income 'U2'	0.75%	0.60%

Share class movement reconciliation

	Opening	Issued	Redeemed	Converted	Closing
- Accumulation 'A'	16,351,562	70,923	(1,715,178)	(667,169)	14,040,138
- Income 'A'	2,469,537	84,611	(1,645,882)	961,827	1,870,093
- Accumulation 'P'	18,138	-	-	3,293	21,431
- Income 'P'	64,295	17	(34,064)	(19,268)	10,980
- Accumulation 'R'	22,034,299	452,510	(3,763,179)	(1,615,343)	17,108,287
- Income 'R'	13,704,160	514,839	(4,978,642)	1,652,952	10,893,309
- Accumulation 'U1'	23,572,125	255,808	(6,495,565)	(2,185,247)	15,147,121
- Income 'U1'	32,286,866	4,634,948	(28,031,227)	2,531,693	11,422,280
- Accumulation 'U2'	2,037,840	322,861	(844,130)	4,212	1,520,783
- Income 'U2'	63,874,179	4,683,177	(60,988,816)	(22,576)	7,545,964

15 Post balance sheet date events

There are no post balance sheet events requiring disclosure.

Distribution table

Final distribution

Group 1: Shares purchased prior to 1 November 2017
 Group 2: Shares purchased from 1 November 2017 to 31 October 2018

	Revenue pence per share	Equalisation pence per share*	Distribution paid 31.12.18 pence per share	Distribution paid 31.12.17 pence per share
Accumulation 'A' Shares				
Group 1	13.1394	-	13.1394	10.0193
Group 2	7.5981	5.5413	13.1394	10.0193
Income 'A' Shares				
Group 1	7.7641	-	7.7641	6.0271
Group 2	4.2702	3.4939	7.7641	6.0271
Accumulation 'P' Shares				
Group 1	7.1669	-	7.1669	5.7189
Group 2	7.1669	0.0000	7.1669	5.7189
Income 'P' Shares				
Group 1	3.5891	-	3.5891	2.9250
Group 2	2.3276	1.2615	3.5891	2.9250
Accumulation 'R' Shares				
Group 1	4.7748	-	4.7748	3.8683
Group 2	2.4257	2.3491	4.7748	3.8683
Income 'R' Shares				
Group 1	5.6741	-	5.6741	4.7077
Group 2	3.3026	2.3715	5.6741	4.7077
Accumulation 'U1' Shares				
Group 1	3.9667	-	3.9667	3.2267
Group 2	2.4364	1.5303	3.9667	3.2267
Income 'U1' Shares				
Group 1	3.4987	-	3.4987	2.9161
Group 2	1.8642	1.6345	3.4987	2.9161
Accumulation 'U2' Shares				
Group 1	3.8497	-	3.8497	3.1428
Group 2	1.7944	2.0553	3.8497	3.1428
Income 'U2' Shares				
Group 1	3.6140	-	3.6140	3.0255
Group 2	2.2690	1.3450	3.6140	3.0255

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

Accounting policies

a) Basis of accounting

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

b) Recognition of revenue

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

c) Treatment of stock dividends

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

d) Special dividends and share buy backs

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

e) Underwriting commissions

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

f) Treatment of expenses

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

g) Revenue allocation share classes

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

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

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

i) Taxation and deferred tax

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

j) Distribution policy

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

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

Accounting policies (continued)

k) Basis of valuation of investments

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

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

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

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

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

l) Exchange rates

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

m) Financial instruments

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

n) Dilution policy

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