

Investec Funds Series iv Annual Report and Accounts

For the year ended 31 May 2019



Investec Funds Series iv

Report and Accounts

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* The above information collectively forms the Authorised Corporate Director's Report

Diversified Growth Fund

Summary of the Fund's investment objective and policy

The Fund aims to provide long-term real returns (through a combination of income and capital growth). Real returns are returns in excess of UK inflation (currently measured by the increase in the UK Consumer Price Index). The Fund targets a return of UK CPI +5% (gross of fees) per annum over rolling 5-year periods. The Fund's real returns and its performance target are not guaranteed over the long term or over any period of time and you may get back less than you invested.

The Fund invests around the world in shares of companies; bonds (contracts to repay borrowed money which typically pay interest at fixed times); property; commodities; other funds (which may be managed by the Investment Manager, other companies in the same group as the Investment Manager or a third party); derivatives (financial contracts whose value is linked to the price of an underlying asset) and cash. Exposure to shares may be up to 85%. The bonds invested in are issued by governments or companies.

Derivatives may be used for investment purposes (i.e. in order to achieve the Fund's investment objectives) or for efficient portfolio management purposes e.g. with the aim of either managing the Fund risks or reducing the costs of managing the Fund.

Investments may be directly in the assets themselves (excluding property and commodities) or indirectly through other investments and other funds (up to 100%).

The Investment Manager is free to choose how the Fund is invested and does not manage it with reference to an index.

Performance record

12 Months (%)

Investec Diversified Growth Fund 'I' accumulation shares	-1.82*
Performance comparison index	7.22**
Peer group sector average	Not applicable**

Past performance is not a reliable indicator of future results, losses may be made.

Performance review

The Fund delivered a negative return during the period under review and underperformed the performance comparison index.

Factors hindering performance

Much of the underperformance came from the Fund's positioning within Growth assets (securities that react positively to economic strength). The majority of losses were endured in the final quarter of 2018 when markets sold off significantly. Our holdings of Japanese companies, mainly those offering strong restructuring stories or high shareholder returns, detracted from returns in a period where Japan overall underperformed other developed markets. The Fund's spin-off selections (companies that have been sold by the parent company to create an independent entity) also detracted given they are typically more cyclical in nature. Our allocation to China 'H shares' (Chinese mainland companies traded on the Hong Kong stock exchange) detracted over the period. Chinese shares were impacted by concerns over slowing growth and trade war concerns with the US. We were also negatively affected by the US oil companies versus US equity relative value position, with a fall in oil prices over the period hurting relative returns to the broader market.

Defensive holdings are securities that react positively to economic weakness or are safe havens in market crises. Within these, the emerging market protection strategy detracted given the recovery of sentiment in the region in the beginning of 2019. The Japanese yen vs US dollar position also detracted over the period, depreciating due to the 'dovish' rhetoric from the Bank of Japan – where it indicated that it is more likely to lower interest rates – and worsening economic data in Japan. However, this position did help to mitigate returns over the fourth quarter of 2018.

Factors helping performance

Within Growth assets, our total return equity basket added to returns. It proved to be relatively resilient over this period, outperforming the broader market partly because of its relatively high allocation to technology and industrial companies. Insurance equity holdings and a basket of selective emerging market debt and currency holdings also contributed positively.

Within Defensive holdings, the long developed market duration positions (meaning we have expectations about the sensitivity of the price of these bonds to a change in interest rates) – comprised of allocations to US, Australian, New Zealand and Korean bonds – generated material returns as investors sought safety in government bonds due to concerns about slowing global growth. The short Korean won position also contributed with investors fretting about the impact of potential trade tariffs putting downward pressure on the currency.

Within Uncorrelated assets (that have a variable relationship with economic growth or independent returns to equities), the Sweden yield 'curve flattener', designed to benefit when the front of the yield curve rises relative to the long end, contributed to returns as the market continued to price in future interest rate hikes after a strong period for the Swedish economy.

Portfolio activity

Investment positions initiated

Bundesrepublik Deutschland Government Bond 0.5% 15/02/2028; Russian Federal Bond - OFZ 6.5% 28/02/2024; Russian Federal Bond - OFZ 8.15% 03/02/2027; Indonesia Treasury Bond 8.125% 15/05/2024; iShares Physical Gold ETC; United States Treasury Bond 3% 15/05/2047; Indonesia Treasury Bond 8.25% 15/05/2029; Ares Capital.

Investment positions closed

United Kingdom Gilt 2% 22/07/2020; United States Treasury Bond 3% 15/05/2047; New Zealand Government Bond 3% 20/04/2029; John Laing Infrastructure Fund; Dr Pepper Snapple; Indonesia Treasury Bond 7.5% 15/05/2038; Ares Capital; Indonesia Treasury Bond 8.25% 15/05/2036.

Outlook

Global growth data remains somewhat weak and continues to surprise negatively, with increased tensions between the US and China adding to downside risks.

The good news is that this weakness has yet to impact employment significantly, limiting the prospects of a near-term recession. Government bond markets are now pricing in a material policy easing by the US Federal Reserve, helped by still soft inflation. Equity markets appear to believe that this will be enough to avoid a more pronounced economic slowdown and that President Trump will ultimately step back from a trade war given his desire to be re-elected in 2020.

Unfortunately, both assumptions may be tested even if they ultimately are proven correct and a cautious approach to risk looks to be warranted for now, given only moderate support from valuations in many markets. The dollar appears to have begun to weaken reducing some of the pressure on emerging market borrowers and helping safe havens such as the yen to do relatively well.

*Source: Morningstar, total return, income reinvested, no initial charge, accumulation (acc) share class, net of fees in GBP.

**Index (UK CPI + 5% p.a. (gross) over rolling 5 years) shown for performance comparison purposes only. For this Fund, there is no relevant Investment Association peer group sector average against which to measure Fund performance.

The opinions expressed herein are as at end of May 2019.

Risk and Reward profile*



This indicator is based on historical data and may not be a reliable indication of the future risk profile of the Fund. The risk and reward category shown is not guaranteed to remain unchanged and may shift over time. The lowest category does not mean 'risk free'.

The value of your investment and any income from it can fall as well as rise and you are not certain of making profits; losses may be made.

The Fund appears towards the middle of the risk and reward indicator scale. This is because the mix of assets it invests in tends to produce returns which fluctuate more than those of cash funds but less than those of funds which solely invest in the shares of companies.

The following risks may not be fully captured by the Risk and Reward Indicator:

Currency exchange: Changes in the relative values of different currencies may adversely affect the value of investments and any related income.

Default: There is a risk that the issuers of fixed income investments (e.g. bonds) may not be able to meet interest payments nor repay the money they have borrowed. The worse the credit quality of the issuer, the greater the risk of default and therefore investment loss.

Derivatives: The use of derivatives may increase overall risk by magnifying the effect of both gains and losses leading to large changes in value and potentially large financial loss. A counterparty to a derivative transaction may fail to meet its obligations which may also lead to a financial loss.

Emerging market: These markets carry a higher risk of financial loss than more developed markets as they may have less developed legal, political, economic or other systems.

Equity investment: The value of equities (e.g. shares) and equity-related investments may vary according to company profits and future prospects as well as more general market factors. In the event of a company default (e.g. insolvency), the owners of their equity rank last in terms of any financial payment from that company.

Government securities exposure: The Fund may invest more than 35% of its assets in securities issued or guaranteed by a permitted sovereign entity, as defined in the definitions section of the Fund's prospectus.

Interest rate: The value of fixed income investments (e.g. bonds) tends to decrease when interest rates rise.

*The Risk and Reward profile is taken from the Key Investor Information Document. Please note that, the Risk and Reward profile section is based on Sterling 'I' Class Accumulation shares.

The full list of the Fund's risks are contained in Appendix VII of the Investec Funds Series Omnibus prospectus.

Emerging Markets Blended Debt Fund

Summary of the Fund's investment objective and policy

The Fund aims to provide income and long-term capital growth.

The Fund invests primarily in bonds (contracts to repay borrowed money which typically pay interest at fixed times) issued by governments, institutions or companies in emerging markets (countries that are in economic terms less developed than the major Western countries). These bonds are issued in either the currency of the country in which they are issued or in hard currencies (globally traded major currencies).

The Fund uses a currency hedging strategy that aims to reduce the impact of exchange rate movements between US dollars (USD) and the currency that the Fund's investments are valued in, sterling (GBP), consistent with the currency hedging in the Fund's performance comparison index*. This strategy will be implemented regardless of whether the rate of exchange between GBP and USD is increasing or decreasing. It uses derivatives for efficient portfolio management and investment purposes. The currency hedging in the Fund seeks to reduce, but is not intended to remove, currency risk between GBP and USD. The Fund's actual exposure to USD at any time may be higher or lower than the USD exposure hedged to GBP in the performance comparison index, depending on the Investment Manager's investment view on currency returns and/or volatility (wide fluctuations in price). Where higher, this will result in additional currency exposure to USD. Where lower, this will result in additional currency exposure to GBP.

The Fund may invest in other assets such as cash, money market instruments (tradable securities where money can be invested for short periods), other funds (which may be managed by the Investment Manager, other companies in the same group as the Investment Manager or a third party) and derivatives (financial contracts whose value is linked to the price of an underlying asset).

Derivatives may be used for investment purposes (i.e. in order to achieve the Fund's investment objectives) or for efficient portfolio management purposes e.g. with the aim of either managing the Fund risks or reducing the costs of managing the Fund.

The Investment Manager is free to choose how the Fund is invested. However, a composite index (* 50% JPMorgan GBI-EM Global Diversified/ 30% JPMorgan EBMI Global Diversified GBP Hedged / 20% JPMorgan CEMBI Broad Diversified GBP Hedged) is currently taken into account when the Fund's investments are selected.

Performance record

12 Months (%)

Investec Emerging Markets Local Currency Debt Fund 'I' accumulation shares	2.70%*
Performance comparison index	9.69%**
Peer group sector average	5.39%**

Past performance is not a reliable indicator of future results, losses may be made.

Total deemed income distributions per 'I' accumulation share

12 months to May 2019	6.52 pence
12 months to May 2018	7.47 pence

The amount of income payable may rise or fall.

Performance review

The Fund produced a positive return over the period but underperformed its performance comparison index and peer group sector average.

Factors hindering performance

Our overweight positioning in the Argentinian peso, which we entered in July last year, was a key driver of underperformance. We had taken the view that with the IMF programme in place and USD flows more balanced, this would provide enough stability to the currency. However, a variety of negative news flow affected the country in 2018, including Argentina's request to accelerate IMF disbursements. More recently, uncertainty over upcoming elections has dominated market moves. The currency subsequently rallied in May when opposition leader Cristina Kirchner said she wouldn't stand as president opting instead for a vice presidential role, with the more market-friendly Fernandez leading the tickets. With the election still too close to call, we have moved neutral in the peso.

Our short positioning in (a bet against) Indian local currency bonds and the rupee, which had supported relative returns for much of 2018, detracted towards the end of last year to become a negative contributor. The sudden plunge in oil prices strengthened the rupee and local bonds, given India is one of the largest oil importers. We have closed our short position and are neutrally positioned in rupee and local bonds.

We also held an underweight position in Mexican local bonds, which meant we missed out on some of the rally which resulted from lower-than-expected inflation data and a more general appetite to take on more risk so far this year. We are now neutral on Mexican local bonds.

Factors helping performance

Egypt was, and continues to be, an important contributor to Fund performance. The Egyptian pound continues to represent an attractive opportunity, allowing us to look to take advantage of potential interest rate differentials to generate positive returns. This position was supported by the marginal strength in the Egyptian pound relative to the US dollar and positive investor sentiment generated by the success of the country's reform programme. More recently, the currency was boosted by increased foreign inflows and improvement in major economic indicators.

We were conservatively positioned in some of the weaker markets which provided downside protection. For example, having an underweight positioning in the Turkish lira helped protect the strategy from the sharp decline in the currency last year as Erdogan's new cabinet and central bank announcements disappointed market participants.

Our short exposure to the Taiwan dollar also contributed positively to returns, with the currency's weakness partly attributable to the strength of the US dollar and concerns over demand for technology exports.

Portfolio activity

Significant purchases

Brazil Letras do Tesouro Nacional 01/01/2020; Mexican Bonos 7.5% 03/06/2027; Brazil Letras do Tesouro Nacional 01/10/2020; Mexican Bonos 6.5% 09/06/2022; Thailand Government Bond 2.125% 17/12/2026; Hungary Government Bond 3% 27/10/2027; Brazil Notas do Tesouro Nacional Serie F 10% 01/01/2023; Russian Federal Bond - OFZ 7.7% 23/03/2033; Brazil Notas do Tesouro Nacional Serie F 10% 01/01/2021; Brazil Notas do Tesouro Nacional Serie F 10% 01/01/2025.

Significant sales

Russian Federal Bond - OFZ 7.7% 23/03/2033; Brazil Notas do Tesouro Nacional Serie F 10% 01/01/2025; Brazil Letras do Tesouro Nacional 01/01/2020; Brazil Letras do Tesouro Nacional 01/10/2020; Mexican Bonos 6.5% 09/06/2022; Malaysia Government Bond 3.62% 30/11/2021; Mexican Bonos 10% 20/11/2036; Colombian TES 6% 28/04/2028; Brazil Notas do Tesouro Nacional Serie F 10% 01/01/2023; Indonesia Government International Bond 5.875% 15/01/2024.

Outlook

While we retain a positive longer-term outlook for the asset class, the nearer-term outlook for emerging markets has softened since the start of the year and we have tactically shifted to a more neutral overall risk exposure.

The more accommodative stance of monetary policymakers has boosted investor sentiment, however the recent reigniting of trade tensions between the US and China has muddled the waters in the near term.

In the medium-term we believe emerging economies have the potential to pick up and outperform developed market economies. Emerging markets on aggregate are early in the cycle with plenty of slack in many economies which provides room for growth to accelerate without stoking inflation or causing a deterioration in trade balances.

Tactically, we are neutral risk. Given the trade tensions mentioned above and the fact that initial signs of global growth bottoming out were premature, EM FX looks less attractive and we have moved underweight. This is offset by our overweight risk allocation to local bonds (which should be helped by more sluggish growth outlook) and sovereign credit (where we still see value).

*Source: Morningstar, total return, income reinvested, no initial charge, accumulation (acc) share class, net of fees in GBP.

**Index (JPMorgan GBI-EM Global Diversified Index) and peer group sector average (Investment Association Global Emerging Markets Bond sector) shown for performance comparison purposes only.

The opinions expressed herein are as at end of May 2019.

Risk and Reward profile*



This indicator is based on historical data and may not be a reliable indication of the future risk profile of the Fund. The risk and reward category shown is not guaranteed to remain unchanged and may shift over time. The lowest category does not mean 'risk free'.

The value of your investment and any income from it can fall as well as rise and you are not certain of making profits; losses may be made.

The Fund appears towards the middle of the risk and reward indicator scale. This is because the mix of assets it invests in tends to produce returns which fluctuate more than those of cash funds but less than those of funds which solely invest in the shares of companies.

The following risks may not be fully captured by the Risk and Reward Indicator:

Currency exchange: Changes in the relative values of different currencies may adversely affect the value of investments and any related income.

Default: There is a risk that the issuers of fixed income investments (e.g. bonds) may not be able to meet interest payments nor repay the money they have borrowed. The worse the credit quality of the issuer, the greater the risk of default and therefore investment loss.

Derivatives: The use of derivatives may increase overall risk by magnifying the effect of both gains and losses leading to large changes in value and potentially large financial loss. A counterparty to a derivative transaction may fail to meet its obligations which may also lead to a financial loss.

Emerging market: These markets carry a higher risk of financial loss than more developed markets as they may have less developed legal, political, economic or other systems.

Government securities exposure: The Fund may invest more than 35% of its assets in securities issued or guaranteed by a permitted sovereign entity, as defined in the definitions section of the Fund's prospectus.

Interest rate: The value of fixed income investments (e.g. bonds) tends to decrease when interest rates rise.

*The Risk and Reward profile is taken from the Key Investor Information Document. Please note that, the Risk and Reward profile section is based on Sterling 'I' Class Accumulation shares.

The full list of the Fund's risks are contained in Appendix VII of the Investec Funds Series Omnibus prospectus.

Emerging Markets Equity Fund

Summary of the Fund's investment objective and policy

The Fund aims to grow the value of your investment over the long term.

The Fund invests primarily in the shares of companies either in emerging markets (countries that are in economic terms less developed than the major Western countries) or with material links to these markets.

The Fund may invest in other assets such as cash, money market instruments (tradable securities where money can be invested for short periods), other funds (which may be managed by the Investment Manager, other companies in the same group as the Investment Manager or a third party) and derivatives (financial contracts whose value is linked to the price of an underlying asset).

Derivatives may be used for investment purposes (i.e. in order to achieve the Fund's investment objectives) or for efficient portfolio management purposes e.g. with the aim of either managing the Fund risks or reducing the costs of managing the Fund.

The Investment Manager is free to choose how the Fund is invested. However, the MSCI Emerging Markets Net Total Return Index is currently taken into account when the Fund's investments are selected.

Performance	12 Months (%)
Emerging Markets Equity Fund 'I' accumulation shares	-5.77*
Performance comparison index	-3.61**
Peer group sector average	-2.77**

Past performance is not a reliable indicator of future results, losses may be made.

Performance review

The Fund delivered a negative return during the period under review and underperformed the performance comparison index and peer sector group average.

Factors hindering performance

Stock in the consumer discretionary sector weighed most heavily on returns. The most significant detractor in the sector was Chinese web portal Alibaba, which became entangled in the recent trade tensions between the US and China. This overshadowed otherwise positive developments, including Alibaba's latest earnings update, in which the firm reported a 2% rise in revenues and 24% surge in profits. We remain invested as we believe that the company will continue to monetise its core user base, which will enable it to grow profits in the near term. An investment in Swiss watchmaker Swatch also held back returns as Chinese consumers curtailed luxury purchases amid the recent spike in trade tensions. We continue to hold a position in Swatch on a valuation basis.

In the materials sector, South African chemicals firm Sasol was hit by falling margins at its US specialty chemicals business, while Latin American steelmaker Ternium retreated after reporting falling demand in several key end-markets. We have reduced our exposure to Ternium to reflect a lower conviction, but remain invested in Sasol as we believe the firm could soon reap the rewards of its recent capital discipline.

Chinese pharmaceutical company CSPC was the most significant stock-level detractor as it was swept up in a sector-wide sell-off after Chinese policymakers announced plans to centralise public sector drug purchases through a tender system.

This triggered concerns that the sector's margins could be negatively affected. However, we believe that CSPC won't be materially impacted by these developments and remain invested.

Factors helping performance

Technology was the most significant sector-level performance contributor, due to strong stock picking. Foremost among the contributors in the sector was Indian business service provider Infosys, which reported several positive trading updates over the year and announced a well-received overhaul of its buyback programme. The portfolio also benefited from having no exposure to underperforming South Korean chipmaker SK Hynix, which sold off amid investor concerns surrounding memory chip demand.

The consumer staples sector added to returns as Chinese distiller Wuliangye rallied after reporting several positive earnings upgrades. The market warmed to the company's plans to focus on premium brands, which is expected to accelerate both revenue and profit growth soon. Also in the sector, Brazilian supermarket firm Atacadao rallied after investors warmed to the Brazilian market after the latest presidential election.

The recent Brazilian rally likewise raised the utilities sector, where ENGIE Brasil Energia and Cia de Transmissao de Energia Eletrica Paulista were both significant return contributors.

Portfolio activity

Significant purchases

Alibaba ADR; Petroleo Brasileiro ADR; Samsung Electronics; China Resources Land; Bid; China Telecom; Sasol; Wal-Mart de Mexico; Indorama Ventures; Astra International.

Significant sales

Baidu ADR; Tencent; Vale ADR; Alibaba ADR; CNOOC; WH; China Petroleum & Chemical; ENN Energy; Anhui Conch Cement; China Overseas Land & Investment.

Outlook

The major uncertainty remains the US-China trade negotiations, where heightened American frustration with the slow pace of progress has led to more heated rhetoric and threats to ratchet up tariffs significantly. How much of this is a muscular negotiating stance and how much grounded in real disagreements between the two parties remains uncertain. We believe the interests of both parties are best served by reaching a compromise agreement, however there are not inconsiderable risks that a breakdown in talks bring market volatility with it.

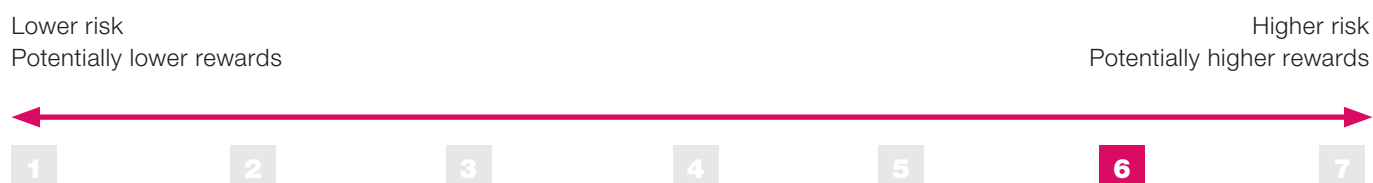
Often one of the most difficult things in fund management is to separate the 'signal' from the 'noise'. Our investing discipline remains intensely focused on seeking out 'signals' around company quality, valuation and operational momentum. We also accept that we cannot rely – particularly at this time – on positive macro-economic tailwinds. Thus, our focus is on idiosyncratic corporate situations that we believe may deliver superior returns in the near-term. While continuing, as always, to manage risk effectively, we hope to build broadly diversified portfolios with risk widely distributed across a range of individual corporate circumstances.

*Source: Morningstar, total return, income reinvested, no initial charge, accumulation (acc) share class, net of fees in GBP.

Index (MSCI)* Emerging Markets NDR Index) and peer group sector average (Investment Association Global Emerging Markets) shown for performance comparison purposes only.

***Source: MSCI. The MSCI data is comprised of a custom index calculated by MSCI for, and as requested by, Investec Asset Management Limited. The MSCI data is for internal use only and may not be redistributed or used in connection with creating or offering any securities, financial products or indices. Neither MSCI nor any other third party involved in or related to compiling, computing or creating the MSCI data (the "MSCI Parties") makes any express or implied warranties or representations with respect to such data (or the results to be obtained by the use thereof), and the MSCI Parties hereby expressly disclaim all warranties of originality, accuracy, completeness, merchantability or fitness for a particular purpose with respect to such data. Without limiting any of the foregoing, in no event shall any of the MSCI Parties have any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages. The opinions expressed herein are as at end of May 2019.

Risk and Reward profile*



This indicator is based on historical data and may not be a reliable indication of the future risk profile of the Fund. The risk and reward category shown is not guaranteed to remain unchanged and may shift over time. The lowest category does not mean 'risk free'.

The value of your investment and any income from it can fall as well as rise and you are not certain of making profits; losses may be made.

The Fund appears towards the higher end of the Risk and Reward Indicator scale. This is because it invests in the shares of companies, whose values tend to fluctuate more widely.

The following risks may not be fully captured by the Risk and Reward Indicator:

Currency exchange: Changes in the relative values of different currencies may adversely affect the value of investments and any related income.

Derivatives: The use of derivatives is not intended to increase the overall level of risk. However, the use of derivatives may still lead to large changes in value and includes the potential for large financial loss. A counterparty to a derivative transaction may fail to meet its obligations which may also lead to a financial loss.

Emerging market: These markets carry a higher risk of financial loss than more developed markets as they may have less developed legal, political, economic or other systems.

Equity investment: The value of equities (e.g. shares) and equity-related investments may vary according to company profits and future prospects as well as more general market factors. In the event of a company default (e.g. insolvency), the owners of their equity rank last in terms of any financial payment from that company.

*The Risk and Reward profile is taken from the Key Investor Information Document. Please note that, the Risk and Reward profile section is based on Sterling 'I' Class Accumulation shares.

The full list of the Fund's risks are contained in Appendix VII of the Investec Funds Series Omnibus prospectus.

Global Dividend Fund

Summary of the Fund's investment objective and policy

The Fund aims to provide income and long-term capital growth.

The Fund invests primarily in the shares of companies from around the world with a focus on those that pay an attractive dividend.

The Fund may invest in other assets such as cash, money market instruments (tradable securities where money can be invested for short periods), other funds (which may be managed by the Investment Manager, other companies in the same group as the Investment Manager or a third party) and derivatives (financial contracts whose value is linked to the price of an underlying asset).

Derivatives may be used for investment purposes (i.e. in order to achieve the Fund's investment objectives) or for efficient portfolio management purposes e.g. with the aim of either managing the Fund risks or reducing the costs of managing the Fund.

The Investment Manager is free to choose how the Fund is invested and does not manage it with reference to an index.

Performance record

12 Months (%)

Investec Global Dividend Fund 'I' accumulation shares	2.59*
Performance comparison index	4.21**
Peer group sector average	4.17**

Past performance is not a reliable indicator of future results, losses may be made.

Total deemed income distributions per 'I' accumulation share

12 months to May 2019	4.41 pence
12 months to May 2018	3.37 pence

The amount of income payable may rise or fall.

Performance review

The Fund delivered a positive return but underperformed its performance comparison index and peer group sector average.

Factors hindering performance

The financials sector was the largest drag on relative performance over the period. A large part of this was due to Danish bank Danske, which became embroiled in a money laundering scandal at one of its subsidiaries. Although the scandal has so far remained isolated to the bank's subsidiary, it opened the prospects of large fines against the firm, as well as a possibility of being barred from accessing dollar funding. This uncertainty prompted us to sell our investments. Holdings elsewhere in the sector were also impacted by a fall in long-term interest rate expectations in the wake of recent economic uncertainty.

The portfolio experienced a setback in the consumer discretionary sector, where casino operator Las Vegas Sands sold off on concerns surrounding falling gambling from high-rolling VIP gamblers in Asian markets. We remain invested in the firm as we believe that the decline of the Asian gambling market has been overblown by the market. US clothing manufacturer Hanesbrands detracted as it announced that retailer Target had chosen not to renew a contract for an exclusive line of its Champion brand. As this contract was already excluded from the company's earnings forecast, we remained invested in Hanesbrands, and note that demand for Champion has been tracking ahead of expectations in recent earnings updates.

Tobacco firm British American Tobacco was the most significant stock-level performance detractor, retreating amid sector-wide concerns about falling global tobacco consumption and the upheaval posed by next-generation heat not burn products. We remain invested in the firm as we believe its current valuation properly accounts for recent uncertainty, while noting recent progress the firm has made with the rollout of its next generation products.

Factors helping performance

The healthcare sector was a significant return contributor as US pharmaceutical firms Johnson & Johnson, Merck and Pfizer each reported positive earnings momentum. This was also the case with German firm Novartis, the portfolio's best performing holding in the sector.

In technology, the portfolio benefited from holding industry giant Microsoft and chipmaker Broadcom. The former's performance is due to the strong revenue momentum triggered by the company's success in cloud computing. Meanwhile, Broadcom rallied after clarifying its strategic plan in the wake of its recent acquisition of software firm Computer Associates.

The risk-off environment helped the utilities sector, which is considered a more defensive part of the market, to outperform, and the portfolio benefited from holding Spanish firm Iberdrola and US peer Public Services Enterprise Group. The former further capitalised on the sector's improving investor sentiment by releasing several positive earning updates.

Portfolio activity

Significant purchases

Unilever; CK Asset; Iberdrola; Gilead Sciences; International Business Machines; Interpublic; Merck; Imperial Tobacco; Hanesbrands; Cisco Systems.

Significant sales

PepsiCo; Broadcom; Altria; Las Vegas Sands; Danske Bank; Taiwan Semiconductor Manufacturing; SalMar; Nippon Telegraph & Telephone; Novartis; United Overseas Bank.

Outlook

Geopolitics have re-established themselves as the prime determinant of market direction. With this uncertainty it is not surprising that economic indicators have sagged again. However, we have seen little in the way of trade-war induced cuts to corporate profit expectations so far.

Company managements have made plenty of references to "uncertainties" in their recent earnings calls, but they have mainly held off on reducing guidance. It's still too early to tell whether this reflects expectations of trade deals being struck soon or confidence in the underlying business environment.

The market, on the other hand, clearly sees risks going forward. The precipitous decline in bond yields epitomises these concerns as market participants have thrown the ball back into central bankers' court in expectation of an imminent US rate cut.

*Source: Morningstar, total return, income reinvested, no initial charge, accumulation (acc) share class, net of fees in GBP. Fund launch date: 28.05.2015

Index (MSCI* All Country World Index NDR) and peer group sector average (Investment Association Global Equity Income sector) shown for performance comparison purposes only.

***Source: MSCI. The MSCI data is comprised of a custom index calculated by MSCI for, and as requested by, Investec Asset Management Limited. The MSCI data is for internal use only and may not be redistributed or used in connection with creating or offering any securities, financial products or indices. Neither MSCI nor any other third party involved in or related to compiling, computing or creating the MSCI data (the "MSCI Parties") makes any express or implied warranties or representations with respect to such data (or the results to be obtained by the use thereof), and the MSCI Parties hereby expressly disclaim all warranties of originality, accuracy, completeness, merchantability or fitness for a particular purpose with respect to such data. Without limiting any of the foregoing, in no event shall any of the MSCI Parties have any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages.

The opinions expressed herein are as at end of May 2019.

Risk and Reward profile*



This indicator is based on historical data and may not be a reliable indication of the future risk profile of the Fund. The risk and reward category shown is not guaranteed to remain unchanged and may shift over time. The lowest category does not mean 'risk free'.

The value of your investment and any income from it can fall as well as rise and you are not certain of making profits; losses may be made.

The Fund appears towards the middle of the Risk and Reward Indicator scale. This is because it invests in the shares of companies, whose values tend to fluctuate more widely.

The following risks may not be fully captured by the Risk and Reward Indicator:

Currency exchange: Changes in the relative values of different currencies may adversely affect the value of investments and any related income.

Derivatives: The use of derivatives may increase overall risk by magnifying the effect of both gains and losses leading to large changes in value and potentially large financial loss. A counterparty to a derivative transaction may fail to meet its obligations which may also lead to a financial loss.

Equity investment: The value of equities (e.g. shares) and equity-related investments may vary according to company profits and future prospects as well as more general market factors. In the event of a company default (e.g. insolvency), the owners of their equity rank last in terms of any financial payment from that company.

The full list of the Fund's risks are contained in the appendices of the Investec Funds Series omnibus prospectus.

*The Risk and Reward profile is taken from the Key Investor Information Document. Please note that, the Risk and Reward profile section is based on Sterling 'I' Class Accumulation shares.

The full list of the Fund's risks are contained in Appendix VII of the Investec Funds Series Omnibus prospectus.

Global Franchise Fund

Summary of the Fund's investment objective and policy

The Fund aims to provide long-term capital growth.

The Fund invests around the world primarily in the shares of companies.

The Fund focuses investment on companies deemed by the Investment Manager to be of high quality i.e. companies which have provided sustainably high levels of return on invested capital and free cash flow (a company's cash earnings after its capital expenditures have been accounted for), typically those associated with global brands or franchises.

The Fund may invest in other assets such as cash, money market instruments (tradable securities where money can be invested for short periods), other funds (which may be managed by the Investment Manager, other companies in the same group as the Investment Manager or a third party) and derivatives (financial contracts whose value is linked to the price of an underlying asset).

Derivatives may be used for investment purposes (i.e. in order to achieve the Fund's investment objectives) or for efficient portfolio management purposes e.g. with the aim of either managing the Fund risks or reducing the costs of managing the Fund.

The Investment Manager is free to choose how the Fund is invested and does not manage it with reference to an index.

Performance record

12 Months (%)

Investec Global Franchise Fund 'I' accumulation shares	14.80*
Performance comparison index	4.21**
Peer group sector average	2.56**

Past performance is not a reliable indicator of future results, losses may be made.

Performance review

The Fund delivered a positive return during the period under review, outperforming its performance comparison index and peer group sector average.

Factors helping performance

Stalling global growth and trade-war tensions dominated the headlines for most of the period, although trade-war negotiations turned from headwind to tailwind in the first quarter (Q1) of 2019. The portfolio proved more defensive, faring much better than the wider market and experienced less volatility compared to the index. The portfolio is carefully constructed with the aim of delivering a more defensive return profile versus the market (by carrying fewer riskier stocks), which can often result in outperformance in down or mixed markets. This was particularly true in the volatile market environment in October and December last year and again in May 2019. The portfolio also outperformed the market recovery in Q1 2019.

Our technology sector holdings proved the primary driver of relative outperformance, with significant relative returns attributable to Microsoft, Verisign and Visa. Our position in internet domain registration company Verisign performed well, enjoying strong quarterly numbers for much of the year. Overall, domain name registrations and revenues data has been positive. The shares rallied more recently, following the news that it had been given permission to raise prices on .com domain names. Software company Microsoft released strong results throughout last year, mainly attributed to the healthy growth from its cloud offering, Azure, and from its gaming platforms. Global payment provider Visa also added to performance, underpinned by strong financial results.

Factors hindering performance

More negatively, there were certain stocks which dragged on relative returns, including IT stock Booking Holdings, financial services firm Charles Schwab and consumer stocks Samsung Electronics, Japan Tobacco and Imperial Brands.

Online reservation company Booking Holdings reported weak numbers in its second-quarter update in August 2018, which unnerved investors. More recently, it reported good quarterly earnings for the final quarter of 2018 but guided to weak bookings growth for the first quarter of this year. We believe the current valuation accounts for the recent slowdown, and remain optimistic from here. Charles Schwab sold off after the more dovish rhetoric from the US Federal Reserve (Fed) – it benefits in a higher interest rate environment due to its large cash float. We remain invested in Schwab due to its commitment to keep reinvesting to improve the customer experience, which we believe should reinforce its competitive position and deliver growth over the long term. Consumer electronics company Samsung has been affected by weakness in emerging markets through much of 2018. The company was also impacted by governance issues earlier last year, but there has been significant improvement in this area. The shares have recovered well so far in 2019 and we continue to hold the shares.

Towards the end of last year, tobacco companies were impacted by talk of a widespread ban being introduced on all menthol cigarettes. In addition to this, there were various data points that pointed to weaker uptake in the alternative ‘heat not burn’ product segment, which also impacted the tobacco companies. More recently, various producers posted slowing sales in conventional cigarette volumes which unsettled the market further. We have since consolidated our tobacco exposure – focusing on companies best placed to compete in the alternatives space.

Portfolio activity

Significant purchases

Visa; ASML; Booking; Charles Schwab; Walt Disney; Beiersdorf; Microsoft; Philip Morris International; VeriSign; Reckitt Benckiser.

Significant sales

Twenty-First Century Fox; Paypal; Japan Tobacco; GlaxoSmithKline; Pepsico; VeriSign; Intuit; Anheuser-Busch InBev ADR; Visa; Microsoft.

Outlook

The significant drawdown and subsequent strong recovery in equities within the last year serves as a stark reminder of where we are in the current market cycle. Equity markets are starting to look more vulnerable than they have for some time, especially given that valuations have recovered somewhat this year to date.

Additionally, there remains a long list of factors which are eroding investor confidence: global economic activity is slowing, caused in part by regulatory tightening in China, trade tensions between China and the US, weakened consumer and business confidence in Europe. This has increased the likelihood of rate cuts in the US, sending yields on 10-year US Treasuries below 2%, a level last seen prior to Trump’s election win victory in November 2016. Additionally, political risks have increased, and debt levels remain elevated across government, corporate and household sectors.

We believe that in the face of these headwinds and exogenous risks, portfolio resilience is now more important than ever. As we saw in the fourth quarter of 2018, focusing on structural rather than cyclical growth is generally key to defensive performance. The fortunes of external factors, such as commodity prices, interest rates, or the economy, cannot be relied upon to sustain growth. We maintain discipline by aiming to invest in high-quality companies at reasonable valuations, which continue to compound cashflows at attractive rates over time. Nothing has changed in terms of how quality companies can provide long-term outperformance, and thus we believe the opportunities provided by quality stocks remain attractive.

*Source: Morningstar, total return, income reinvested, no initial charge, accumulation (Acc) share class, net of fees in GBP.

Index (MSCI* All Countries World Index NR Index) and peer group sector average (Investment Association Global sector) shown for performance comparison purposes only.

***Source: MSCI. The MSCI data is comprised of a custom index calculated by MSCI for, and as requested by, Investec Asset Management Limited. The MSCI data is for internal use only and may not be redistributed or used in connection with creating or offering any securities, financial products or indices. Neither MSCI nor any other third party involved in or related to compiling, computing or creating the MSCI data (the "MSCI Parties") makes any express or implied warranties or representations with respect to such data (or the results to be obtained by the use thereof), and the MSCI Parties hereby expressly disclaim all warranties of originality, accuracy, completeness, merchantability or fitness for a particular purpose with respect to such data. Without limiting any of the foregoing, in no event shall any of the MSCI Parties have any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages.

The opinions expressed herein are as at end of May 2019.

Risk and Reward profile*



This indicator is based on historical data and may not be a reliable indication of the future risk profile of the Fund. The risk and reward category shown is not guaranteed to remain unchanged and may shift over time. The lowest category does not mean 'risk free'.

The value of your investment and any income from it can fall as well as rise and you are not certain of making profits; losses may be made.

The Fund appears towards the middle of the risk and reward indicator scale. This is because it invests in the shares of companies, whose values tend to fluctuate more widely.

The following risks may not be fully captured by the Risk and Reward Indicator:

Concentrated portfolio: The portfolio invests in a relatively small number of individual holdings. This may mean wider fluctuations in value than more broadly invested portfolios.

Currency exchange: Changes in the relative values of different currencies may adversely affect the value of investments and any related income.

Derivatives: The use of derivatives is not intended to increase the overall level of risk. However, the use of derivatives may still lead to large changes in value and includes the potential for large financial loss. A counterparty to a derivative transaction may fail to meet its obligations which may also lead to a financial loss.

Equity investment: The value of equities (e.g. shares) and equity-related investments may vary according to company profits and future prospects as well as more general market factors. In the event of a company default (e.g. insolvency), the owners of their equity rank last in terms of any financial payment from that company.

*The Risk and Reward profile is taken from the Key Investor Information Document. Please note that, the Risk and Reward profile section is based on Sterling 'I' Class Accumulation shares.

The full list of the Fund's risks are contained in Appendix VII of the Investec Funds Series Omnibus prospectus.

Global Quality Equity Income Fund

Summary of the Fund's investment objective and policy

The Fund aims to provide income and long-term capital growth.

The Fund invests primarily in the shares of companies around the world with a focus on companies deemed by the Investment Manager to be of high quality i.e. companies which have provided sustainably high levels of return on invested capital and free cash flow (a company's cash earnings after its capital expenditures have been accounted for). The Fund may, at times, invest in a relatively small number of companies.

The Fund may invest in other assets such as cash, money market instruments (tradable securities where money can be invested for short periods), other funds (which may be managed by the Investment Manager, other companies in the same group as the Investment Manager or a third party) and derivatives (financial contracts whose value is linked to the price of an underlying asset).

Derivatives may be used for investment purposes (i.e. in order to achieve the Fund's investment objectives) or for efficient portfolio management purposes e.g. with the aim of either managing the Fund risks or reducing the costs of managing the Fund.

The Investment Manager is free to choose how the Fund is invested and does not manage it with reference to an index.

Performance record

12 Months (%)

Investec Global Quality Equity Income Fund 'I' income-2 shares	12.48%*
Performance comparison index	4.21%**
Peer group sector average	4.17%**

Past performance is not a reliable indicator of future results, losses may be made.

Total deemed income distributions per 'I' income-2 share

12 months to 31 May 2019	3.14 pence
12 months to 31 May 2018	3.18 pence

The amount of income payable may rise or fall.

Performance review

The Fund delivered a positive return during the period under review, outperforming its performance comparison index and peer group sector average.

Factors helping performance

Stalling global growth and trade-war tensions dominated the headlines for most of the period, although trade-war negotiations turned from headwind to tailwind in the first quarter (Q1) of 2019. The portfolio proved more defensive, faring much better than the wider market and experienced less volatility compared to the index. The portfolio is carefully constructed with the aim of delivering a more defensive return profile versus the market (by carrying fewer riskier stocks), which can often result in outperformance in down/mixed markets. This was particularly true in the volatile market environment in October and December last year and again in May 2019. The portfolio also outperformed the market recovery in Q1 2019.

The Fund's exposure to technology and healthcare stocks drove relative returns over the period. In IT, the main contributors were Microsoft and Visa. Software company Microsoft released strong results throughout last year, mainly attributed to the healthy growth from its cloud offering, Azure, and from its gaming platforms. Global payment provider Visa also added to performance, underpinned by strong financial results.

The portfolio also benefited from strong stock picking in healthcare, especially during the periods of heightened volatility, where investors sought to reduce risk and opt instead for more defensive sectors. Holdings in Novartis, Roche Holdings and Medtronic all contributed positively.

Factors hindering performance

Towards the end of last year, tobacco companies were impacted by talk of a widespread ban being introduced on all menthol cigarettes. In addition to this, there were various data points that pointed to weaker uptake in the alternative 'heat not burn' product segment, which also impacted the tobacco companies. More recently, various producers posted slowing sales in conventional cigarette volumes which unsettled the market further. This hurt our positions in Imperial Brands and British American Tobacco. We have since consolidated our tobacco exposure – focusing on companies best placed to compete in the alternatives space.

At a stock level, our position in financial services firm Charles Schwab also hurt performance. The shares sold off after the more dovish (likelihood that interest rates will fall) rhetoric from the US Federal Reserve – it benefits in a higher interest rate environment due to its large cash float. We remain invested in Schwab due to its commitment to keep reinvesting to improve the customer experience, which we believe should reinforce its competitive position and deliver growth over the long term. Consumer electronics company Samsung has been affected by weakness in emerging markets through much of 2018. The company was also impacted by governance issues earlier last year, but there has been significant improvement in this area. The shares have recovered well so far in 2019 and we continue to hold the shares.

Portfolio activity

Significant purchases

Charles Schwab; Swedish Match; ASML; Booking; Coloplast; Becton Dickinson; Reckitt Benckiser; Broadridge Financial Solutions; Rockwell Automation; Samsung Electronics Preference.

Significant sales

Twenty-First Century Fox; GlaxoSmithKline; Japan Tobacco; Microsoft; Coca Cola; Oracle; Imperial Tobacco; Johnson & Johnson; PepsiCo; 3M.

Outlook

The significant drawdown and the subsequent strong recovery in equities within the last year serves as a stark reminder of where we are in the current market cycle. Equity markets are starting to look more vulnerable than they have for some time, especially given that valuations have recovered somewhat this year to date.

Additionally, there remains a long list of factors which are eroding investor confidence: global economic activity is slowing, caused in part by regulatory tightening in China, trade tensions between China and the US, weakened consumer and business confidence in Europe. This has increased the likelihood of rate cuts in the US, sending yields on 10-year US Treasuries below 2%, a level last seen prior to Trump's election win victory in November 2016. Additionally, political risks have increased, and debt levels remain elevated across government, corporate and household sectors.

We believe that in the face of these headwinds and exogenous risks, portfolio resilience is now more important than ever. As we saw in the fourth quarter of 2018, focusing on structural rather than cyclical growth is generally key to defensive performance. The fortunes of external factors, such as commodity prices, interest rates, or the economy, cannot be relied

upon to sustain growth. We maintain discipline by aiming to invest in high quality companies at reasonable valuations, which continue to compound cashflows at attractive rates over time, while providing dividends to shareholders which are well covered by free cash flow. Nothing has changed in terms of how quality companies can provide long-term outperformance, and thus we believe the opportunities provided by quality stocks remain attractive.

*Source: Morningstar, total return, income reinvested, no initial charge, income (inc-2) share class, net of fees in GBP. Fund Launch date: 31 May 2016.

**Index (MSCI ACWI NR Index) and peer group sector average (Investment Association Global sector) shown for performance comparison purposes only.

The opinions expressed herein are as at end of May 2019.

Risk and Reward profile*



This indicator is based on historical data and may not be a reliable indication of the future risk profile of the Fund. The risk and reward category shown is not guaranteed to remain unchanged and may shift over time. The lowest category does not mean 'risk free'.

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The Fund appears towards the middle of the Risk and Reward Indicator scale. This is because it invests in the shares of companies, whose values tend to fluctuate more widely.

The following risks may not be fully captured by the Risk and Reward Indicator:

Concentrated portfolio: The portfolio invests in a relatively small number of individual holdings. This may mean wider fluctuations in value than more broadly invested portfolios.

Currency exchange: Changes in the relative values of different currencies may adversely affect the value of investments and any related income.

Derivatives: The use of derivatives may increase overall risk by magnifying the effect of both gains and losses leading to large changes in value and potentially large financial loss. A counterparty to a derivative transaction may fail to meet its obligations which may also lead to a financial loss.

Equity investment: The value of equities (e.g. shares) and equity-related investments may vary according to company profits and future prospects as well as more general market factors. In the event of a company default (e.g. insolvency), the owners of their equity rank last in terms of any financial payment from that company.

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The full list of the Fund's risks are contained in Appendix VII of the Investec Funds Series Omnibus prospectus.

Global Special Situations Fund

Summary of the Fund's investment objective and policy

The Fund aims to provide income and long-term capital growth.

The Fund invests around the world primarily in the shares of companies and currently uses a value-based, contrarian approach (investing in companies seen as undervalued where market sentiment is believed to be generally weak) in selecting investments.

The Fund may invest in other assets such as cash, money market instruments (tradable securities where money can be invested for short periods), other funds (which may be managed by the Investment Manager, other companies in the same group as the Investment Manager or a third party) and derivatives (financial contracts whose value is linked to the price of an underlying asset).

Derivatives may be used for investment purposes (i.e. in order to achieve the Fund's investment objectives) or for efficient portfolio management purposes e.g. with the aim of either managing the Fund risks or reducing the costs of managing the Fund.

The Investment Manager is free to choose how the Fund is invested and does not manage it with reference to an index.

Performance

12 Months (%)

Investec Global Special Situations Fund 'I' accumulation shares	-8.07*
Performance comparison index	4.21**
Peer group sector average	2.56**

Past performance is not a reliable indicator of future results, losses may be made.

Performance review

The Fund delivered a negative return during the period under review, underperforming its performance comparison index and peer group sector average.

Factors hindering performance

The portfolio underperformed the MSCI ACWI over the period for a number of reasons. The market appears to be pricing in a recession in several sectors, from cyclical sectors (tends to perform in line with economic growth) such as industrials and financials (discussed in more detail below), to UK domestic stocks. Two examples of stocks in that list include Conduent (an IT outsourcer) and Welbilt (a supplier of professional kitchen equipment). These are businesses whose industries we consider to be both predictable and not particularly cyclical, and whose valuations we consider cheap. Each issued relatively minor profit warnings early in November, but their stocks dropped over 30% in a matter of days. These moves are difficult to relate to the fundamentals of the businesses or to the content of the announcements. Rather, we think that the market currently places a particularly high premium on predictability and the perception of safety, with a corresponding discount applied to anything that does not fit this description. We still hold both stocks.

Two other examples of depressed cyclicals are our two auto parts suppliers, Adient and Delphi Technologies, which make, respectively, seats and propulsion systems (for internal combustion, hybrid and electric vehicles). Despite us only having bought into these stocks after they'd severely underperformed and trading cheaply, they continued their downward slide and are currently being priced as if they are in terminal decline. We maintain our holding in both stocks. Finally, Brazilian payments processor Cielo also detracted as liberalisation and de-regulation in its industry is attracting aggressive competition – we believe we will do well out of this stock in the longer term, but negative news flow and momentum tend to prevail in the shorter term.

Factors helping performance

Our holdings in Brazilian water companies helped to offset some losses elsewhere, boosted by the governments efforts to consolidate water regulation at a federal level. Currently regulation is at state-level and is variable, inconsistent and somewhat unsophisticated. The federal government wants to increase commonality and transparency. This is viewed as a first step to then privatising these companies (currently they are majority government-owned), which could improve their efficiency.

Houston based oil & gas services firm NOW, Inc and Scotland-based power generator firm Aggreko both advanced after reporting earnings results well ahead of expectations over the period. Results from Advance Auto Parts were also well received by the market, particularly the positive same store sales growth when expectations were for this figure to be flat or even negative. The firm's turnaround is still in its early stages but is increasingly being priced into its shares, leading us to sell the holding.

Portfolio activity

Significant purchases

Cielo; American Express; Delphi Technologies; Bank of America; TAV Havalimanlari; Deere; Kangwon Land; Citigroup; SKF; Adient.

Significant sales

Microsoft, Aggreko, Advance Auto Parts, WorleyParsons; Vistra Energy; Centrica; Japan Airlines; Deere; Yara International; Signet Jewelers.

Outlook

Since the beginning of the year the MSCI AC World Index has risen strongly. After the decline of the fourth quarter of 2018, this latest rebound has unusually been driven by growth and defensive stocks. This appears to be a result of investor fears of potentially losing money in more economically-sensitive sectors, such as industrials and financials. There is, however, such a thing as overpaying for safety, and we think that the valuations that are being currently attributed to stocks traditionally perceived as safe, paradoxically make them unsafe. Conversely, some of the more volatile, cyclical stocks that we are currently buying, despite operating in economically sensitive sectors, are today trading at such low valuations that they could be considered safer than investors usually view them.

History shows that when Value rebounds, the resulting rally is long and significant. The market appears to be at the point of maximum pessimism regarding this investment approach, with commentators and experts proclaiming the "death of Value", or that "markets have changed". We think that purchasing good businesses at a discount to intrinsic value still makes sense, and that if we pick the correct stocks eventually the market should recognise their true worth. Our portfolio remains positioned firmly in Value territory, with a high exposure to financials, out-of-favour industrials and consumer discretionary stocks. The Fund retains an overweight exposure to UK domestic stocks, which we believe continue to be punished by investors due to political worries. We are finding an increasing number of interesting ideas in emerging markets.

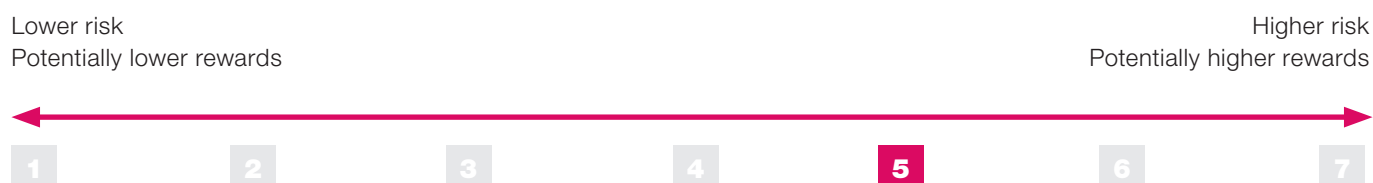
*Source: Morningstar, total return, income reinvested, no initial charge, accumulation (Acc) share class, net of fees in GBP.

Index (MSCI* All Countries World NR Index) and peer group sector average (Investment Association Global sector) shown for performance comparison purposes only.

***Source: MSCI. The MSCI data is comprised of a custom index calculated by MSCI for, and as requested by, Investec Asset Management Limited. The MSCI data is for internal use only and may not be redistributed or used in connection with creating or offering any securities, financial products or indices. Neither MSCI nor any other third party involved in or related to compiling, computing or creating the MSCI data (the "MSCI Parties") makes any express or implied warranties or representations with respect to such data (or the results to be obtained by the use thereof), and the MSCI Parties hereby expressly disclaim all warranties of originality, accuracy, completeness, merchantability or fitness for a particular purpose with respect to such data. Without limiting any of the foregoing, in no event shall any of the MSCI Parties have any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages.

The opinions expressed herein are as at end of May 2019.

Risk and Reward profile*



This indicator is based on historical data and may not be a reliable indication of the future risk profile of the Fund. The risk and reward category shown is not guaranteed to remain unchanged and may shift over time. The lowest category does not mean 'risk free'.

The value of your investment and any income from it can fall as well as rise and you are not certain of making profits; losses may be made.

The Fund appears towards the middle of the Risk and Reward Indicator scale. This is because it invests in the shares of companies, whose values tend to fluctuate more widely.

The following risks may not be fully captured by the Risk and Reward Indicator:

Concentrated portfolio: The portfolio invests in a relatively small number of individual holdings. This may mean wider fluctuations in value than more broadly invested portfolios.

Currency exchange: Changes in the relative values of different currencies may adversely affect the value of investments and any related income.

Derivatives: The use of derivatives is not intended to increase the overall level of risk. However, the use of derivatives may still lead to large changes in value and includes the potential for large financial loss. A counterparty to a derivative transaction may fail to meet its obligations which may also lead to a financial loss.

Equity investment: The value of equities (e.g. shares) and equity-related investments may vary according to company profits and future prospects as well as more general market factors. In the event of a company default (e.g. insolvency), the owners of their equity rank last in terms of any financial payment from that company.

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The full list of the Fund's risks are contained in Appendix VII of the Investec Funds Series Omnibus prospectus.

Multi-Asset Protector Fund

Summary of the Fund's investment objective and policy

The Fund aims to provide long-term capital growth and provide protection (the minimum amount you can expect to get back from your investment) at 80% of the Fund's highest ever share price.

The Fund invests around the world in shares of companies (up to 85%); bonds (contracts to repay borrowed money which typically pay interest at fixed times); property; commodities; cash (up to 100%); and derivatives (financial contracts whose value is linked to the price of an underlying asset).

Investment may be directly in the assets themselves (excluding property and commodities) or indirectly through other funds (up to 100%).

The Fund may invest in other assets such as cash, money market instruments (tradable securities where money can be invested for short periods) and other funds (which may be managed by the Investment Manager, other companies in the same group as the Investment Manager or a third party).

Derivatives may be used for investment purposes (i.e. in order to achieve the Fund's investment objectives) or for efficient portfolio management purposes e.g. with the aim of either managing the Fund risks or reducing the costs of managing the Fund.

The Fund aims to provide the 80% protection by gradually switching from the investment portfolio to a cash portfolio when markets fall. As a further level of security the Fund will invest in a derivative contract with a single counterparty. Where this arrangement fails to support the protection level, the Fund will only be relying on its cash allocation policy to provide the protection.

The costs of providing the protection are between 0.15-0.5% and are charged to the Fund. These costs are in addition to the ongoing charge set out in the charges section.

The Investment Manager is free to choose how the Fund is invested and does not manage it with reference to an index.

Performance

12 Months (%)

Multi-Asset Protector Fund 'A' accumulation shares	0.57*
Performance comparison index	1.88**
Peer group sector average	Not applicable**

Past performance is not a reliable indicator of future results, losses may be made.

Performance review

The Fund delivered a positive return during the period under review, but underperformed its performance comparison index.

Factors hindering performance

The Fund's position in emerging market equities detracted from returns during the period as growth slowed across emerging nations and US dollar liquidity conditions tightened. We maintain these positions given their attractive valuations, and expect them to provide strong positive returns over the medium term.

Japanese equity exposure detracted from performance as slowing global growth and rising protectionism challenged the earnings of Japanese companies. We remain invested the Japanese equity market given the attractive risk premium on offer at current valuations.

A modest position in Chinese equities also detracted from performance as regulatory policies aimed at de-risking the Chinese economy weighed on growth and investor sentiment. We maintain these positions due to the prospect of material Chinese reform boosting corporate profit growth in the coming years.

Factors helping performance

A number of positions in emerging market debt added value over the period, with additional exposure being added at attractive entry points also assisting. Bond yields fell (prices rose) generally across the board as a function of perceived risks about slowing global growth and investors seeking out perceived safe-haven assets. We maintain these positions, particularly in several local currency bonds where we see potential for central banks to cut interest rates in these markets.

UK equity exposure added to returns after being introduced following last year's sell off where we purchased them at discounted prices. We took profits on these positions following a strong rebound in their performance.

Longer-dated US Treasuries produced positive returns over the period as growth slowed and the US Federal Reserve bank moved from monetary tightening (hiking interest rates) towards an easing bias (through lowering interest rates). We will look to maintain these positions until we believe that valuations are no longer supportive.

Portfolio activity

Significant purchases

United Kingdom Gilt 1.5% 22/01/2021; United Kingdom Gilt 2% 22/07/2020; iShares MSCI Emerging Markets UCITS ETF; United Kingdom Gilt 0.5% 22/07/2022; iShares Core FTSE 100 UCITS ETF; Investec GSF Asian Equity Fund; United States Treasury Note 3% 15/05/2047; United States Treasury Note 3% 15/05/2045; United States Treasury Note 3% 15/02/2047; Investec GSF All China Equity Fund.

Significant sales

iShares USD Treasury Bond 20 Years UCITS ETF; iShares UK Gilts 0-5 Years UCITS ETF; iShares MSCI Japan UCITS ETF; Investec GSF Global Endurance Equity Fund; iShares Core FTSE 100 UCITS ETF; iShares MSCI Emerging Markets UCITS ETF; iShares MSCI Emerging Markets UCITS ETF; Investec Global Equity Fund; Vanguard S&P 500 UCITS ETF; Investec UK Alpha Fund.

Outlook

Though we have held a more constructive view on the outlook for growth assets (that benefit from economic strength and are correlated with equity markets), we also believe there is a major question mark over the outlook for the US economy. As a result, we had positioned the portfolio to benefit from a recovery in equity markets while maintaining healthy exposure to defensive assets to protect the portfolio from the risk of a more pronounced US slowdown.

In May, trade talks between the US and China broke down, increasing downside risks for the global economy and equity markets. It is not yet clear whether this is a negotiating tactic to tighten terms and force a deal over the line or if it is a full about turn in the direction of talks and a sustained move towards rising protectionism. This should become clearer in the coming months and we will adjust portfolio positioning accordingly. In the meantime, we have taken profits on several of the strategy's equity positions to reflect the higher probability attached to our downside scenario.

*Source: Morningstar, total return, income reinvested, no initial charge, accumulation (acc) share class, net of fees in GBP.

Index (32% MSCI* All Countries World Index NR; 18% FTSE All Share; 35% Merrill Lynch Gilt; 15% 3 month Treasury Bills) shown for comparison purposes only. For this Fund, there is no relevant peer group sector average against which to measure Fund performance.

***Source: MSCI. The MSCI data is comprised of a custom index calculated by MSCI for, and as requested by, Investec Asset Management Limited. The MSCI data is for internal use only and may not be redistributed or used in connection with creating or offering any securities, financial products or indices. Neither MSCI nor any other third party involved in or related to compiling, computing or creating the MSCI data (the "MSCI Parties") makes any express or implied warranties or representations with respect to such data (or the results to be obtained by the use thereof), and the MSCI Parties hereby expressly disclaim all warranties of originality, accuracy, completeness, merchantability or fitness for a particular purpose with respect to such data. Without limiting any of the foregoing, in no event shall any of the MSCI Parties have any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages.

The opinions expressed herein are as at end of May 2019.

Risk and Reward profile*



This indicator is based on historical data and may not be a reliable indication of the future risk profile of the Fund. The risk and reward category shown is not guaranteed to remain unchanged and may shift over time. The lowest category does not mean 'risk free'.

The value of your investment and any income from it can fall as well as rise and you are not certain of making profits; losses may be made.

The Fund appears towards the middle of the risk and reward indicator scale. This is because the mix of assets it invests in tends to produce returns which fluctuate more than those of cash funds but less than those of funds which solely invest in the shares of companies.

The following risks may not be fully captured by the Risk and Reward Indicator:

Currency exchange: Changes in the relative values of different currencies may adversely affect the value of investments and any related income.

Derivatives: The use of derivatives is not intended to increase the overall level of risk. However, the use of derivatives may still lead to large changes in value and includes the potential for large financial loss. A counterparty to a derivative transaction may fail to meet its obligations which may also lead to a financial loss.

Equity investment: The value of equities (e.g. shares) and equity-related investments may vary according to company profits and future prospects as well as more general market factors. In the event of a company default (e.g. insolvency), the owners of their equity rank last in terms of any financial payment from that company.

Fund closure: Where the Fund is unable to find a suitable counterparty to enable at least 80% of the value of the Fund to be protected or where only allocation to cash is feasible, the Fund may have to be closed with the proceeds returned to investors.

Government securities exposure: The Fund may invest more than 35% of its assets in securities issued or guaranteed by a permitted sovereign entity, as defined in the definitions section of the Fund's prospectus. Currently, it is expected that the Fund will exceed this limit in securities issued by the UK government.

Interest rate: The value of fixed income investments (e.g. bonds) tends to decrease when interest rates rise.

Large cash holding: There is a risk that the Fund may hold large proportions of cash for considerable periods of time. This may lead to the Fund underperforming those markets where it is usually expected to invest.

Protected value: Whilst the Fund will endeavour to protect at least 80% of its value at all times this is not guaranteed.

*The Risk and Reward profile is taken from the Key Investor Information Document. Please note that, the Risk and Reward profile section is based on Sterling 'A' Class Accumulation shares.

The full list of the Fund's risks are contained in Appendix VII of the Investec Funds Series Omnibus prospectus.

Multi-Asset Protector Fund 2

Summary of the Fund's investment objective and policy

The Fund aims to provide long-term capital growth and provide protection (the minimum amount you can expect to get back from your investment) at 80% of the Fund's highest ever share price.

The Fund invests around the world in shares of companies (up to 85%); bonds (contracts to repay borrowed money which typically pay interest at fixed times); property; commodities; cash (up to 100%); and derivatives (financial contracts whose value is linked to the price of an underlying asset).

Investment may be directly in the assets themselves (excluding property and commodities) or indirectly through other funds (up to 100%).

The Fund may invest in other assets such as cash, money market instruments (tradable securities where money can be invested for short periods) and other funds (which may be managed by the Investment Manager, other companies in the same group as the Investment Manager or a third party).

Derivatives may be used for investment purposes (i.e. in order to achieve the Fund's investment objectives) or for efficient portfolio management purposes e.g. with the aim of either managing the Fund risks or reducing the costs of managing the Fund.

The Fund aims to provide the 80% protection by gradually switching from the investment portfolio to a cash portfolio when markets fall. As a further level of security the Fund will invest in a derivative contract with a single counterparty. Where this arrangement fails to support the protection level, the Fund will only be relying on its cash allocation policy to provide the protection.

The costs of providing the protection are between 0.15-0.5% and are charged to the Fund. These costs are in addition to the ongoing charge set out in the charges section.

The Investment Manager is free to choose how the Fund is invested and does not manage it with reference to an index.

Performance record

12 Months (%)

Investec Multi-Asset Protector Fund 2 'I' accumulation shares	1.26*
Performance comparison index	1.88**
Peer group sector average	Not applicable**

Past performance is not a reliable indicator of future results, losses may be made.

Performance review

The Fund delivered a positive return during the period under review, but underperformed its performance comparison index.

Factors hindering performance

The Fund's position in emerging market equities detracted from returns during the period as growth slowed across emerging nations and US dollar liquidity conditions tightened. We maintain these positions given their attractive valuations, and expect them to provide strong positive returns over the medium term.

Japanese equity exposure detracted from performance as slowing global growth and rising protectionism challenged the earnings of Japanese companies. We remain invested the Japanese equity market given the attractive risk premium on offer at current valuations.

A modest position in Chinese equities also detracted from performance as regulatory policies aimed at de-risking the Chinese economy weighed on growth and investor sentiment. We maintain these positions due to the prospect of material Chinese reform boosting corporate profit growth in the coming years.

Factors helping performance

A number of positions in emerging market debt added value over the period, with additional exposure being added at attractive entry points also assisting. Bond yields fell (prices rose) generally across the board as a function of perceived risks about slowing global growth and investors seeking out perceived safe-haven assets. We maintain these positions, particularly in several local currency bonds where we see potential for central banks to cut interest rates in these markets.

UK equity exposure added to returns after being introduced following last year's sell off where we purchased them at discounted prices. We took profits on these positions following a strong rebound in their performance.

Longer-dated US Treasuries produced positive returns over the period as growth slowed and the US Federal Reserve bank moved from monetary tightening (hiking interest rates) towards an easing bias (through lowering interest rates). We will look to maintain these positions until we believe that valuations are no longer supportive.

Portfolio activity

Significant purchases

United Kingdom Gilt 1.5% 22/01/2021; United Kingdom Gilt 2% 22/07/2020; United Kingdom Gilt 0.5% 22/07/2022; iShares Core FTSE 100 UCITS ETF; iShares MSCI Emerging Markets UCITS ETF; Investec GSF Asian Equity Fund; United Kingdom Gilt 3% 15/05/2047; United Kingdom Gilt 3% 15/05/2045; United Kingdom Gilt 3% 15/02/2047; Investec GSF All China Equity Fund.

Significant sales

iShares USD Treasury Bond 20 Years UCITS ETF; iShares UK Gilts 0-5 Years UCITS ETF; iShares Core FTSE 100 UCITS ETF; iShares MSCI Japan UCITS ETF; Investec GSF Global Endurance Equity Fund; Vanguard S&P 500 UCITS ETF; iShares MSCI Emerging Markets UCITS ETF; Investec Global Equity Fund; iShares Core MSCI Emerging Markets UCITS ETF; Investec UK Alpha Fund.

Outlook

Though we have held a more constructive view on the outlook for growth assets (that benefit from economic strength and are correlated with equity markets), we also believe there is a major question mark over the outlook for the US economy. As a result, we had positioned the portfolio to benefit from a recovery in equity markets while maintaining healthy exposure to defensive assets to protect the portfolio from the risk of a more pronounced US slowdown.

In May, trade talks between the US and China broke down, increasing downside risks for the global economy and equity markets. It is not yet clear whether this is a negotiating tactic to tighten terms and force a deal over the line or if it is a full about turn in the direction of talks and a sustained move towards rising protectionism. This should become clearer in the coming months and we will adjust portfolio positioning accordingly. In the meantime, we have taken profits on several of the strategy's equity positions to reflect the higher probability attached to our downside scenario.

*Source: Morningstar, total return, income reinvested, no initial charge, accumulation (acc) share class, net of fees in GBP.

Index (32% MSCI* All Countries World Index NR; 18% FTSE All Share; 35% Merrill Lynch Gilt; 15% 3 month Treasury Bills) shown for comparison purposed only. For this Fund, there is no relevant peer group sector average against which to measure Fund performance.

***Source: MSCI. The MSCI data is comprised of a custom index calculated by MSCI for, and as requested by, Investec Asset Management Limited. The MSCI data is for internal use only and may not be redistributed or used in connection with creating or offering any securities, financial products or indices. Neither MSCI nor any other third party involved in or related to compiling, computing or creating the MSCI data (the "MSCI Parties") makes any express or implied warranties or representations with respect to such data (or the results to be obtained by the use thereof), and the MSCI Parties hereby expressly disclaim all warranties of originality, accuracy, completeness, merchantability or fitness for a particular purpose with respect to such data. Without limiting any of the foregoing, in no event shall any of the MSCI Parties have any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages.

The opinions expressed herein are as at end of May 2019.

Risk and Reward profile*



This indicator is based on historical data and may not be a reliable indication of the future risk profile of the Fund. The risk and reward category shown is not guaranteed to remain unchanged and may shift over time. The lowest category does not mean 'risk free'.

The value of your investment and any income from it can fall as well as rise and you are not certain of making profits; losses may be made.

The Fund appears towards the middle of the risk and reward indicator scale. This is because the mix of assets it invests in tends to produce returns which fluctuate more than those of cash funds but less than those of funds which solely invest in the shares of companies.

The following risks may not be fully captured by the Risk and Reward Indicator:

Currency exchange: Changes in the relative values of different currencies may adversely affect the value of investments and any related income.

Derivatives: The use of derivatives is not intended to increase the overall level of risk. However, the use of derivatives may still lead to large changes in value and includes the potential for large financial loss. A counterparty to a derivative transaction may fail to meet its obligations which may also lead to a financial loss.

Equity investment: The value of equities (e.g. shares) and equity-related investments may vary according to company profits and future prospects as well as more general market factors. In the event of a company default (e.g. insolvency), the owners of their equity rank last in terms of any financial payment from that company.

Fund closure: Where the Fund is unable to find a suitable counterparty to enable at least 80% of the value of the Fund to be protected or where only allocation to cash is feasible, the Fund may have to be closed with the proceeds returned to investors.

Government securities exposure: The Fund may invest more than 35% of its assets in securities issued or guaranteed by a permitted sovereign entity, as defined in the definitions section of the Fund's prospectus. Currently, it is expected that the Fund will exceed this limit in securities issued by the UK government.

Interest rate: The value of fixed income investments (e.g. bonds) tends to decrease when interest rates rise.

Large cash holding: There is a risk that the Fund may hold large proportions of cash for considerable periods of time. This may lead to the Fund underperforming those markets where it is usually expected to invest.

Protected value: Whilst the Fund will endeavour to protect at least 80% of its value at all times this is not guaranteed.

*The Risk and Reward profile is taken from the Key Investor Information Document. Please note that, the Risk and Reward profile section is based on Sterling 'I' Class Accumulation shares.

The full list of the Fund's risks are contained in Appendix VII of the Investec Funds Series Omnibus prospectus.

Target Return Bond Fund

Summary of the Fund's investment objective and policy

The Fund aims to produce a positive return above overnight GBP LIBOR over rolling 3 year periods regardless of market conditions by investing primarily in interest bearing assets and related derivatives. While the Fund aims to achieve a positive return there is no guarantee it will be achieved over rolling three year periods or over any period of time. There is no guarantee that all capital invested in the Fund will be returned.

The Fund invests around the world primarily in a wide range of bonds (contracts to repay borrowed money which typically pay interest at fixed times) issued by companies, institutions or governments and in their related derivatives (financial contracts whose value is linked to the price of an underlying asset). The Fund will not invest in shares or in their related derivatives.

The Fund may invest in other assets such as cash, money market instruments (tradable securities where money can be invested for short periods), other funds (which may be managed by the Investment Manager, other companies in the same group as the Investment Manager or a third party) and other derivatives.

Derivatives may be used for investment purposes (i.e. in order to achieve the Fund's investment objectives) or for efficient portfolio management purposes e.g. with the aim of either managing the Fund risks or reducing the costs of managing the Fund.

Returns could be from income or growth or a combination of the two.

The Investment Manager is free to choose how the Fund is invested and does not manage it with reference to an index.

Performance record

12 Months (%)

Investec Target Return Fund 'I' accumulation shares	-1.96%*
Performance comparison index	2.96%**
Peer group sector average	Not applicable**

Past performance is not a reliable indicator of future results, losses may be made.

Total deemed income distributions per 'I' accumulation share

12 months to 31 May 2019	1.30 pence
12 months to 31 May 2018	1.57 pence

The amount of income payable may rise or fall.

Performance review

The Fund delivered a negative return and underperformed its performance comparison index during the period under review.

Factors hindering performance

Central banks in 2018 were in tightening mode, reflected in monetary policy via interest rate hikes and quantitative tightening (decreasing the amount of liquidity within the economy). As a result, last year was a challenging period as government bonds did not exhibit their historically defensive properties in the face of trade war uncertainty and slowing growth. Respite came in December when the US Federal Reserve (Fed) signalled a more dovish stance (more likely to lower interest rates), which has continued throughout this year.

Our position in US government bonds versus German government bonds detracted against this backdrop as the Fed tightened monetary policy. More generally, foreign exchange weighed on returns, with positions in the Chinese renminbi, Indian rupee and Norwegian krona all declining in value over the twelve-month period. There were a number of smaller drawdowns over the period, none of which were notable. This was a deliberate policy that resulted from an investment process review, which saw us cutting losing active positions much more quickly than we might have historically.

Factors helping performance

Positions in short-dated government bonds added value throughout the review period. We were positioned for higher interest rates in Canada and Norway, which worked well later in 2018. We then switched to positions that benefited from lower rates at the beginning of 2019, with New Zealand government bonds performing particularly well. As bond markets rallied, the difference in yield between short and long-dated bonds narrowed in many markets. Our position that aims to make money during this trend, so-called a 'yield curve flattener', worked very well in Sweden. We took the opposite view in the US, where we expected longer-dated bonds to underperform as interest rates reached their cyclical peak. This position is called a 'yield curve steepener,' which also aided performance.

Corporate bond positioning has also added value over the period, with an increase in exposure at the beginning of 2019 more than offsetting a market-wide drawdown at the end of 2018.

In foreign exchange, an active short position in Turkish lira was a notable performer, while our systematic model-driven process also aided performance.

Portfolio activity

Significant purchases

Israel Government Bond 1.25% 30/11/2022; United States Treasury Note 2.75% 31/07/2023; Bonos de la Tesoreria de la Republica en pesos 4.5% 01/03/2021; United States Treasury Note 2.875% 30/11/2023; Bundesrepublik Deutschland Bundesanleihe 0.25% 15/02/2027; Republic of South Africa Government Bond 10.5% 21/12/2026; United States Treasury Note 3.125% 15/11/2028; Ukraine Government International Bond 7.75% 01/09/2027; Russian Federal Bond – OFZ 7.7% 23/03/2033; Ukraine Government International Bond 9.75% 01/11/2028.

Significant sales

Israel Government Bond 1.25% 30/11/2022; Canadian Government Bond 1.25% 01/02/2020; Canadian Government Bond 1.5% 01/03/2020; United States Treasury Note 2.75% 31/07/2023; Bonos de la Tesoreria de la Republica en pesos 4.5% 01/03/2021; United Kingdom Treasury 4.25% 07/12/2027; United States Treasury Note 2.75% 15/11/2047; Bundesrepublik Deutschland Bundesanleihe 0.25% 15/02/2027; Republic of South Africa Government Bond 10.5% 21/12/2026; United States Treasury Bond 3.125% 15/11/2028.

Outlook

The global economy is being haunted by the prospect of a global trade war, the effect of which will be to raise the cost of Chinese and possibly euro-zone exports. These cost increases will act like a tax increase on business and consumers, thereby undermining economic growth. Fortunately, central banks have kept, and will continue to keep, interest rates low and fiscal policy will be eased where possible, offsetting the worst effects. This will support higher-yielding fixed income assets. So, despite well publicised concerns about a more pernicious slowdown in the global economy, it could be a reasonable year for corporate and emerging market debt, as well as developed market government bonds. The outlook for foreign exchange is less certain. There are several country-specific political stories that increase volatility, while the US dollar remains firm despite large fiscal and trade deficits and the prospect of lower interest rates. In such an environment, we would expect active currency risk management to focus on relative value opportunities rather than large outright directional views.

*Source: Morningstar, total return, income reinvested, no initial charge, accumulation (acc) share class, net of fees in GBP.

**Index (LIBOR GBP Overnight Rate) shown for performance comparison purposes only. For this Fund, there is no relevant investment association peer group sector against which to measure Fund performance.

The opinions expressed herein are as at end of May 2019.

Risk and Reward profile*



This indicator is based on historical data and may not be a reliable indication of the future risk profile of the Fund. The risk and reward category shown is not guaranteed to remain unchanged and may shift over time. The lowest category does not mean 'risk free'.

The value of your investment and any income from it can fall as well as rise and you are not certain of making profits; losses may be made.

The Fund appears towards the middle of the risk and reward indicator scale. This is because the mix of assets it invests in tends to produce returns which fluctuate more than those of cash funds but less than those of funds which solely invest in the shares of companies.

The following risks may not be fully captured by the Risk and Reward Indicator:

Currency exchange: Changes in the relative values of different currencies may adversely affect the value of investments and any related income.

Default: There is a risk that the issuers of fixed income investments (e.g. bonds) may not be able to meet interest payments nor repay the money they have borrowed. The worse the credit quality of the issuer, the greater the risk of default and therefore investment loss.

Derivatives: The use of derivatives may increase overall risk by magnifying the effect of both gains and losses leading to large changes in value and potentially large financial loss. A counterparty to a derivative transaction may fail to meet its obligations which may also lead to a financial loss.

Emerging market: These markets carry a higher risk of financial loss than more developed markets as they may have less developed legal, political, economic or other systems.

Government securities exposure: The Fund may invest more than 35% of its assets in securities issued or guaranteed by a permitted sovereign entity, as defined in the definitions section of the Fund's prospectus.

Interest rate: The value of fixed income investments (e.g. bonds) tends to decrease when interest rates rise.

*The Risk and Reward profile is taken from the Key Investor Information Document. Please note that, the Risk and Reward profile section is based on Sterling 'I' Class Accumulation shares.

The full list of the Fund's risks are contained in Appendix VII of the Investec Funds Series Omnibus prospectus.

UK Total Return Fund

Summary of the Fund's investment objective and policy

The Fund aims to provide long-term capital growth.

While the Fund aims to achieve a positive return this is not guaranteed over any period of time, and you may get back less than you invested.

The Fund invests primarily in equities (e.g. shares of companies) and related derivatives (financial contracts whose value is linked to the price of an underlying asset). At least 80% of the Fund's equity investments will be priced in sterling.

The Fund seeks to achieve its objectives by holding investments which, in combination, are considered over the long term to offer a level of risk lower than that of the FTSE All-Share Index (an index representing a broad spread of companies listed on the London Stock Exchange).

The Fund may invest in other assets such as cash, money market instruments (tradable securities where money can be invested for short periods), other funds (which may be managed by the Investment Manager, other companies in the same group as the Investment Manager or a third party) and other derivatives.

Derivatives may be used for investment purposes (i.e. in order to achieve the Fund's investment objectives) or for efficient portfolio management purposes e.g. with the aim of either managing the Fund risks or reducing the costs of managing the Fund.

Performance

12 Months (%)

UK Total Return Fund 'I' accumulation shares	-2.94*
Performance comparison index	-3.17**
Peer group sector average	Not applicable**

Past performance is not a reliable indicator of future results, losses may be made.

Performance review

The Fund delivered a negative return but performed slightly better than the comparison index during the period under review.

Factors hindering performance

The biggest drag on Fund performance was the UK estate agent, Countrywide. Activity in the UK housing market remains depressed, making for a difficult environment for estate agents such as Countrywide. In addition to this cyclical (follows the market cycle) effect, the group has also been mismanaged and carried too much debt. This combination required an emergency equity raise (selling additional shares) last year, which hurt the share price. It's also not clear that Countrywide has raised enough new money, as recent trading has been much worse than expected. We continue to hold the shares as we believe Countrywide is well placed to benefit from an upturn in the UK property market compared to peers.

Following a very up and down year, with more downs than ups, the outsourcing group, Capita, was also a significant drag on Fund performance. The new management team appears to be administering the required medicine to bring the group back to health, but there will inevitably be bumps along the road to recovery. A particularly unfortunate blow to the group's already battered reputation came towards the end of 2018, when it was revealed that the group had failed to send nearly 50,000 letters to women telling them of cervical screening dates or containing test results. The shares remain undervalued if management's two-year profit margin targets are achieved. We continue to hold the shares.

Another holding that endured a highly volatile 12 months was Sainsbury, which started the year on a high, having just announced its intended merger with Asda. The market was keen on the deal, as it would have delivered potentially huge cost savings to the enlarged group, but the UK's competition authorities were less enamoured. The UK Competition and Markets Authority decided that the merger of the two chains would reduce competition nationally and in more than 600 local area. As a result, difficult remedies were required, which killed the proposed deal.

Factors helping performance

Advanced Auto Parts (AAP) was a leading contributor for the portfolio during the year. We bought into AAP at the end of 2017 and it has consistently reported better-than-expected earnings since. The market has responded by bidding the shares sharply upwards, with the price approximately doubling since purchase. As a result, much of the group's discount against its peers has disappeared and further progress is now priced in, so we have sold our position in the stock.

Longstanding holding, Grafton group, performed well during the year, with better-than-expected fiscal year 2018 results and management guided to profitability for this year to be "slightly ahead of the top end of analyst expectations". Yet despite this sustained operational excellence and the recent strong performance of the share price, the valuation remains remarkably low and we believe there could be more to come.

Portfolio activity

Significant purchases

United Kingdom Gilt 2% 22/07/2020; Travis Perkins; Delphi Technologies; Tullett Prebon; Countrywide; CYBG; easyjet; SuperGroup; Royal Bank of Scotland; McCarthy & Stone.

Significant sales

United Kingdom Gilt 1.25% 22/07/2018; United Kingdom Gilt 2% 22/07/2020; Advance Auto Parts; Helical; Centrica; Signet Jewelers; Lloyds Banking; Games Workshop; NOW; Go-Ahead.

Outlook

Following a period of pronounced weakness, during which it significantly lagged global indices, the UK equity market now looks quite attractive at the aggregate level. Whether we consider the price to earnings ratio (P/E), price to book multiple (P/B) or dividend yield, the UK equity market is not expensive against historic norms. Moreover, beneath the reasonable headline index-level valuation, there are some pockets of real value emerging. The reason for the UK's relative underperformance is, of course, Brexit. The UK parliament's apparent ineptitude during the process has led the market to conclude that a very bad outcome is probable. It is to be hoped that some semblance of common sense will ultimately prevail and that a way forward will be found. If so, the UK market in general, and our portfolio in particular, will prove to have been decidedly cheap.

*Source: Morningstar, total return, income reinvested, no initial charge, accumulation (acc) share class, net of fees in GBP.

**Index (FTSE All-Share Index) shown for performance comparison purposes only. For this Fund, there is no relevant Investment Association peer group sector against which to measure performance.

The opinions expressed herein are as at end of May 2019.

Risk and Reward profile*

Lower risk
Potentially lower rewards

Higher risk
Potentially higher rewards



This indicator is based on historical data and may not be a reliable indication of the future risk profile of the Fund. The risk and reward category shown is not guaranteed to remain unchanged and may shift over time. The lowest category does not mean 'risk free'.

The value of your investment and any income from it can fall as well as rise and you are not certain of making profits; losses may be made.

The Fund appears towards the middle of the risk and reward indicator scale. This is because the mix of assets it invests in tends to produce returns which fluctuate more than those of cash funds but less than those of funds which solely invest in the shares of companies.

The following risks may not be fully captured by the Risk and Reward Indicator:

Derivatives: The use of derivatives is not intended to increase the overall level of risk. However, the use of derivatives may still lead to large changes in value and includes the potential for large financial loss. A counterparty to a derivative transaction may fail to meet its obligations which may also lead to a financial loss.

Equity investment: The value of equities (e.g. shares) and equity-related investments may vary according to company profits and future prospects as well as more general market factors. In the event of a company default (e.g. insolvency), the owners of their equity rank last in terms of any financial payment from that company.

Geographic / Sector: Investments may be primarily concentrated in specific countries, geographical regions and/or industry sectors. This may mean that the resulting value may decrease whilst portfolios more broadly invested might grow.

*The Risk and Reward profile is taken from the Key Investor Information Document. Please note that, the Risk and Reward profile section is based on Sterling 'I' Class Accumulation shares.

The full list of the Fund's risks are contained in Appendix VII of the Investec Funds Series Omnibus prospectus.

Diversified Growth Fund

Portfolio Statement

As at 31 May 2019

ASSET	HOLDING	MARKET VALUE (£'000)	PERCENTAGE OF NET ASSETS (%)
COLLECTIVE INVESTMENT SCHEMES 7.38% (31.05.18: 3.40%)			
NON-EQUITY INVESTMENT INSTRUMENT			
iShares Physical Gold ETC	3,468,774	70,103	3.24
INFRASTRUCTURE			
3i Infrastructure	13,319,157	38,293	1.77
HIICL Infrastructure	23,082,513	37,394	1.73
BBGI SICAV	9,094,342	13,914	0.64
		89,601	4.14
CORPORATE BONDS 7.47% (31.05.18: 2.80%)			
Dell International 6.02% 15/06/2026	USD 4,000,000	3,439	0.16
Antero Resources 5% 01/03/2025	USD 4,010,000	3,061	0.14
United 4.875% 01/07/2024	EUR 2,860,000	2,601	0.12
Cott 5.5% 01/07/2024	EUR 2,710,000	2,492	0.12
Tenet Healthcare 6% 01/10/2020	USD 3,000,000	2,451	0.11
Bombardier 7.875% 15/04/2027	USD 2,800,000	2,177	0.10
HCA 4.75% 01/05/2023	USD 2,550,000	2,130	0.10
Telefonica Europe 4.375% Perpetual	EUR 2,000,000	1,826	0.09
Alcoa Nederland 6.125% 15/05/2028	USD 2,250,000	1,797	0.08
Techem Verwaltungsgesellschaft 674 mbH 6% 30/07/2026	EUR 1,969,000	1,784	0.08
Hilcorp Energy I 5% 01/12/2024	USD 2,250,000	1,749	0.08
Teva Pharmaceutical Finance Netherlands II 0.375% 25/07/2020	EUR 2,000,000	1,708	0.08
ARD Finance 6.625% 15/09/2023	EUR 1,900,000	1,705	0.08
Equinix 2.875% 15/03/2024	EUR 1,846,000	1,686	0.08
Transocean 7.25% 01/11/2025	USD 2,250,000	1,684	0.08
IQVIA 3.5% 15/10/2024	EUR 1,770,000	1,606	0.07
CCO Holdings 5.75% 15/02/2026	USD 1,940,000	1,588	0.07
Reynolds 7% 15/07/2024	USD 1,950,000	1,566	0.07
INEOS 5.375% 01/08/2024	EUR 1,720,000	1,555	0.07
International Game Technology 3.5% 15/07/2024	EUR 1,700,000	1,545	0.07
Altice Financing 7.5% 15/05/2026	USD 1,960,000	1,539	0.07
Bausch Health 6.5% 15/03/2022	USD 1,850,000	1,520	0.07
ATF Netherlands 3.75% Perpetual (Ireland Listed)	EUR 1,600,000	1,428	0.07
IHO Verwaltungs 3.75% 15/09/2026	EUR 1,600,000	1,417	0.07
Centennial Resource Production 6.875% 01/04/2027	USD 1,750,000	1,416	0.07
Altice France 7.375% 01/05/2026	USD 1,780,000	1,394	0.06
Wind Tre 3.125% 20/01/2025	EUR 1,450,000	1,255	0.06
Virgin Media Secured Finance 5.125% 15/01/2025	GBP 1,200,000	1,234	0.06
Vodafone 7% 04/04/2079	USD 1,488,000	1,222	0.06
National Australia Bank 2.8% 10/01/2022	USD 1,500,000	1,198	0.06
ING Bank 2.75% 22/03/2021	USD 1,500,000	1,195	0.06
Schlumberger Finance Canada 2.65% 20/11/2022	USD 1,500,000	1,194	0.06
Altria 2.85% 09/08/2022	USD 1,500,000	1,191	0.06
Ford Motor Credit 2.681% 09/01/2020	USD 1,500,000	1,190	0.05
Goldman Sachs 2.908% 05/06/2023	USD 1,500,000	1,190	0.05
Deutsche Telekom International Finance 2.225% 17/01/2020	USD 1,500,000	1,188	0.05
Morgan Stanley 2.625% 17/11/2021	USD 1,500,000	1,187	0.05
TWDC Enterprises 18 2.35% 01/12/2022	USD 1,500,000	1,187	0.05
JPMorgan Chase 2.7% 18/05/2023	USD 1,500,000	1,184	0.05
Danske Bank 2.8% 10/03/2021	USD 1,500,000	1,183	0.05
United Technologies 1.9% 04/05/2020	USD 1,500,000	1,183	0.05
UBS Group Funding Switzerland 2.859% 15/08/2023	USD 1,500,000	1,182	0.05
Mastercard 2% 21/11/2021	USD 1,500,000	1,181	0.05
Santander 2.125% 03/11/2020	USD 1,500,000	1,181	0.05
Air Liquide Finance 2.25% 27/09/2023	USD 1,500,000	1,171	0.05
Skandinaviska Enskilda Banken 1.875% 13/09/2021	USD 1,500,000	1,170	0.05
Lloyds Banking 2.907% 07/11/2023	USD 1,500,000	1,169	0.05

Portfolio Statement continued

As at 31 May 2019

ASSET	HOLDING	MARKET VALUE (£'000)	PERCENTAGE OF NET ASSETS (%)
CORPORATE BONDS 7.47% (31.05.18: 2.80%) (continued)			
Siemens Financieringsmaatschappij 2% 15/09/2023	USD 1,500,000	1,158	0.05
Levi Strauss 3.375% 15/03/2027	EUR 1,250,000	1,154	0.05
Ziggo 4.25% 15/01/2027	EUR 1,250,000	1,152	0.05
Telecom Italia 4% 11/04/2024	EUR 1,250,000	1,151	0.05
Darling Global Finance 3.625% 15/05/2026	EUR 1,250,000	1,149	0.05
LYB International Finance II 1.875% 02/03/2022	EUR 1,250,000	1,148	0.05
TOTAL 3.369% Perpetual	EUR 1,200,000	1,145	0.05
BASF 1.875% 04/02/2021	EUR 1,250,000	1,145	0.05
Intertrust 3.375% 15/11/2025	EUR 1,250,000	1,139	0.05
Residomo SRO 3.375% 15/10/2024	EUR 1,250,000	1,139	0.05
eircom Finance 3.5% 15/05/2026	EUR 1,286,000	1,138	0.05
Nationwide Building Society 1.125% 03/06/2022	EUR 1,250,000	1,137	0.05
AMC Entertainment 6.375% 15/11/2024	GBP 1,136,000	1,120	0.05
Starfruit Finco 6.5% 01/10/2026	EUR 1,279,000	1,117	0.05
Vodafone 0.375% 22/11/2021	EUR 1,250,000	1,115	0.05
Anheuser-Busch InBev 0.625% 17/03/2020	EUR 1,250,000	1,113	0.05
GlaxoSmithKline Capital 0% 12/09/2020	EUR 1,250,000	1,108	0.05
Solvay Finance 5.869% Perpetual	EUR 1,100,000	1,103	0.05
James Hardie International Finance 3.625% 01/10/2026	EUR 1,200,000	1,103	0.05
HCA 5% 15/03/2024	USD 1,300,000	1,102	0.05
Prime Security Services Borrower 5.75% 15/04/2026	USD 1,397,000	1,096	0.05
CeramTec BondCo 5.25% 15/12/2025	EUR 1,213,000	1,084	0.05
Pacific Drilling 8.375% 01/10/2023	USD 1,400,000	1,081	0.05
eG Global Finance 4.375% 07/02/2025	EUR 1,233,000	1,071	0.05
Bruin E&P Partners 8.875% 01/08/2023	USD 1,500,000	1,063	0.05
Verizon Communications 4.016% 03/12/2029	USD 1,262,000	1,059	0.05
Marathon Petroleum 4.75% 15/12/2023	USD 1,250,000	1,056	0.05
Vine Oil & Gas 9.75% 15/04/2023	USD 1,750,000	1,047	0.05
Svenska Handelsbanken 3.9% 20/11/2023	USD 1,250,000	1,041	0.05
Cooperatieve Rabobank UA 4.5% 11/01/2021	USD 1,250,000	1,023	0.05
Wells Fargo Bank 3.55% 14/08/2023	USD 1,250,000	1,023	0.05
CC Holdings GS V 3.849% 15/04/2023	USD 1,250,000	1,022	0.05
Moss Creek Resources 10.5% 15/05/2027	USD 1,344,000	1,021	0.05
Omnicom Group 3.625% 01/05/2022	USD 1,250,000	1,017	0.05
Virgin Media Secured Finance 5% 15/04/2027	GBP 1,020,000	1,017	0.05
Williams 3.7% 15/01/2023	USD 1,250,000	1,014	0.05
Lennar 4.75% 29/11/2027	USD 1,260,000	1,012	0.05
Sprint 7.625% 01/03/2026	USD 1,213,000	1,012	0.05
Andeavor Logistics 3.5% 01/12/2022	USD 1,250,000	1,009	0.05
Burlington Northern Santa Fe 3.05% 01/09/2022	USD 1,250,000	1,008	0.05
Bank of America 3.499% 17/05/2022	USD 1,250,000	1,007	0.05
Novafives SAS 5% 15/06/2025	EUR 1,240,000	1,006	0.05
Charter Communications Operating 3.579% 23/07/2020	USD 1,250,000	998	0.05
Citibank 2.85% 12/02/2021	USD 1,250,000	997	0.05
Comcast 2.75% 01/03/2023	USD 1,250,000	997	0.05
EMD Finance 2.95% 19/03/2022	USD 1,250,000	994	0.05
Credit Agricole Corporate & Investment Bank FRN 3.2205% 03/10/2021	USD 1,250,000	994	0.05
Walmart 2.55% 11/04/2023	USD 1,250,000	994	0.05
Stryker 2.625% 15/03/2021	USD 1,250,000	994	0.05
BPCE 3% 22/05/2022	USD 1,250,000	993	0.05
Australia & New Zealand Banking 2.625% 19/05/2022	USD 1,250,000	993	0.05
ABN AMRO Bank 2.45% 04/06/2020	USD 1,250,000	992	0.05
Apple 2.4% 13/01/2023	USD 1,250,000	991	0.05
American Express Credit 2.2% 03/03/2020	USD 1,250,000	990	0.05
BAT Capital 2.297% 14/08/2020	USD 1,250,000	988	0.05
Swedbank 2.8% 14/03/2022	USD 1,250,000	984	0.05
Kraton Polymers 5.25% 15/05/2026	EUR 1,085,000	981	0.05
Equinor 5.625% 11/03/2021	EUR 1,000,000	976	0.05
InterXion 4.75% 15/06/2025	EUR 1,037,000	970	0.05
Linde Finance 3.875% 01/06/2021	EUR 1,000,000	958	0.04
Verisure Midholding 5.75% 01/12/2023	EUR 1,050,000	940	0.04
Spectrum Brands 4% 01/10/2026	EUR 1,010,000	922	0.04
United States Steel 6.25% 15/03/2026	USD 1,390,000	920	0.04
Energizer Gamma Acquisition 4.625% 15/07/2026	EUR 1,020,000	920	0.04
Catalent Pharma Solutions 4.75% 15/12/2024	EUR 1,000,000	918	0.04
McDonald's 1% 15/11/2023	EUR 1,000,000	918	0.04
Thales 0.75% 07/06/2023	EUR 1,000,000	911	0.04
KBC 1% 26/04/2021	EUR 1,000,000	901	0.04

ASSET	HOLDING	MARKET VALUE (£'000)	PERCENTAGE OF NET ASSETS (%)
CORPORATE BONDS 7.47% (31.05.18: 2.80%) (continued)			
Total Capital International 0.25% 12/07/2023	EUR 1,000,000	894	0.04
Anheuser-Busch InBev Finance 3.3% 01/02/2023	USD 1,104,000	894	0.04
Algeco Global Finance 6.5% 15/02/2023	EUR 970,000	893	0.04
Eagle Intermediate Global 5.375% 01/05/2023	EUR 1,030,000	891	0.04
Telefonica Emisiones 0.318% 17/10/2020	EUR 1,000,000	891	0.04
HSBC France 0.2% 04/09/2021	EUR 1,000,000	890	0.04
BWAY 4.75% 15/04/2024	EUR 970,000	877	0.04
Altice Luxembourg 10.5% 15/05/2027	USD 1,042,000	832	0.04
United States Steel 6.875% 15/08/2025	USD 1,110,000	766	0.04
Diamond BC 5.625% 15/08/2025	EUR 1,040,000	722	0.03
TeamSystem (FRN) 4% 15/04/2023	EUR 810,000	717	0.03
Moss Creek Resources 7.5% 15/01/2026	USD 1,000,000	688	0.03
MPT Operating Partnership 3.325% 24/03/2025	EUR 690,000	643	0.03
Petrobras Global Finance 4.75% 14/01/2025	EUR 650,000	638	0.03
TransDigm 6.25% 15/03/2026	USD 739,000	600	0.03
Gulfport Energy 6% 15/10/2024	USD 880,000	591	0.03
SGL Carbon 4.625% 30/09/2024	EUR 650,000	587	0.03
La Financiere Atalian 4% 15/05/2024	EUR 1,000,000	579	0.03
Grand City Properties 3.75% Perpetual	EUR 600,000	550	0.03
Adient Global 3.5% 15/08/2024	EUR 750,000	521	0.02
MPT Operating Partnership 5.25% 01/08/2026	USD 640,000	516	0.02
Lecta 6.5% 01/08/2023	EUR 870,000	503	0.02
Newell Brands 4.2% 01/04/2026	USD 400,000	310	0.01
Newell Brands 5.5% 01/04/2046	USD 400,000	302	0.01
Guala Closures FRN 3.5% 15/04/2024	EUR 312,000	279	0.01
Volkswagen International Finance 3.375% Perpetual	EUR 300,000	262	0.01
Volkswagen International Finance 3.875% Perpetual	EUR 300,000	256	0.01
Andeavor Logistics 6.875% Perpetual	USD 288,000	229	0.01
		161,779	7.47
GOVERNMENT BONDS 37.91% (31.05.18: 24.49%)			
United States Treasury Bond 3% 15/05/2047	USD 290,718,100	249,609	11.53
Bundesrepublik Deutschland Government Bond 0.5% 15/02/2028	EUR 219,270,822	208,233	9.62
Russian Federal Bond - OFZ 6.5% 28/02/2024	RUB 9,656,300,000	112,550	5.20
Russian Federal Bond - OFZ 8.15% 03/02/2027	RUB 7,200,692,000	89,511	4.13
Indonesia Treasury Bond 8.125% 15/05/2024	IDR 1,457,868,000,000	83,109	3.84
Republic of South Africa Government Bond 10.5% 21/12/2026	ZAR 734,707,056	43,898	2.03
Indonesia Treasury Bond 8.25% 15/05/2029	IDR 595,909,000,000	33,831	1.56
		820,741	37.91
BASIC MATERIALS 2.12% (31.05.18: 3.96%)			
CHEMICALS			
Hexpol	1,870,740	10,729	0.50
DowDuPont	110,749	2,690	0.12
Dow	36,916	1,422	0.07
		14,841	0.69
MINING			
South32	3,706,315	6,734	0.31
Rio Tinto	143,028	6,456	0.30
Anglo American	317,160	5,991	0.28
BHP	266,559	4,742	0.22
Boliden	194,414	3,441	0.16
Glencore	1,332,658	3,390	0.16
Boliden Redemption Shares	194,414	69	—
		30,823	1.43
CONSUMER GOODS 5.22% (31.05.18: 5.55%)			
AUTOMOBILES & PARTS			
Lear	76,423	7,570	0.35
Adient	236,966	3,318	0.15
Delphi Technologies	156,744	1,870	0.09
		12,758	0.59

Portfolio Statement continued

As at 31 May 2019

ASSET	HOLDING	MARKET VALUE (£'000)	PERCENTAGE OF NET ASSETS (%)
HOUSEHOLD GOODS & HOME CONSTRUCTION			
NVR	3,905	9,968	0.46
KB Home	461,585	9,294	0.43
DR Horton	266,269	9,224	0.43
PulteGroup	363,535	9,046	0.42
Lennar	214,480	8,501	0.39
Taylor Morrison Home	442,429	6,992	0.32
TRI Pointe	630,027	6,269	0.29
		59,294	2.74
LEISURE GOODS			
Hasbro	79,201	6,115	0.28
Thor Industries	66,386	2,908	0.13
		9,023	0.41
PERSONAL GOODS			
Unilever	266,533	12,895	0.60
Estee Lauder	58,399	7,609	0.35
Moncler	201,181	5,811	0.27
		26,315	1.22
TOBACCO			
Philip Morris International	87,910	5,531	0.26
CONSUMER SERVICES 3.72% (31.05.18: 2.83%)			
FOOD & DRUG RETAILERS			
Axfood	350,327	5,284	0.24
GENERAL RETAILERS			
TJX	229,681	9,155	0.42
Home Depot	56,104	8,385	0.39
Dollar General	80,194	8,001	0.37
WH Smith	340,826	6,707	0.31
AutoZone	7,535	6,260	0.29
Cars.com	281,475	4,641	0.22
		43,149	2.00
MEDIA			
FactSet Research Systems	34,964	7,661	0.35
Walt Disney	72,070	7,499	0.35
RELX	385,102	7,094	0.33
		22,254	1.03
TRAVEL & LEISURE			
Aristocrat Leisure	610,313	9,742	0.45
FINANCIALS 12.97% (31.05.18: 13.31%)			
BANKS			
Lloyds Banking	14,362,228	8,230	0.38
Barclays	4,108,128	6,150	0.28
Royal Bank of Scotland	2,597,154	5,563	0.26
		19,943	0.92
FINANCIAL SERVICES			
Partners	22,524	12,428	0.57
Visa	94,169	11,999	0.55
Essent	307,812	11,507	0.53
MGIC Investment	1,047,882	11,297	0.52
American Express	76,890	7,092	0.33
S&P Global	39,087	6,672	0.31
		60,995	2.81
NON-LIFE INSURANCE			
Travelers	102,015	11,761	0.54
Arch Capital	409,369	11,064	0.51
Chubb	89,604	10,349	0.48
Reinsurance Group of America	81,151	9,492	0.44
Hiscox	557,306	9,123	0.42
Beazley	1,600,813	8,885	0.41

ASSET	HOLDING	MARKET VALUE (£'000)	PERCENTAGE OF NET ASSETS (%)
NON-LIFE INSURANCE (continued)			
Intact Financial	128,743	8,776	0.41
American Financial	107,139	8,342	0.39
Marsh & McLennan	88,907	6,718	0.31
		84,510	3.91
REAL ESTATE INVESTMENT & SERVICES			
ADO Properties	203,299	8,600	0.40
REAL ESTATE INVESTMENT TRUSTS			
Primary Health Properties	11,468,928	15,575	0.72
Tritax Big Box REIT	10,057,256	14,794	0.68
Merlin Properties Socimi	1,234,614	12,952	0.60
Unite Group	1,141,524	10,770	0.50
Shaftesbury	1,253,512	10,241	0.47
Derwent London	289,875	9,224	0.43
Digital Realty Trust	96,200	8,992	0.42
Park Hotels & Resorts	372,847	8,307	0.38
Simon Property	47,800	6,193	0.29
Prologis	103,800	6,021	0.28
Hammerson	1,317,054	3,507	0.16
		106,576	4.93
HEALTH CARE 1.23% (31.05.18: 1.88%)			
HEALTH CARE EQUIPMENT & SERVICES			
UnitedHealth	61,006	11,742	0.54
PHARMACEUTICALS & BIOTECHNOLOGY			
Novo Nordisk	237,122	8,876	0.41
Johnson & Johnson	58,294	6,100	0.28
		14,976	0.69
INDUSTRIALS 3.70% (31.05.18: 5.57%)			
AEROSPACE & DEFENSE			
Northrop Grumman	41,014	10,058	0.47
Lockheed Martin	25,646	6,926	0.32
		16,984	0.79
CONSTRUCTION & MATERIALS			
A.O. Smith	232,378	7,509	0.35
ELECTRONIC & ELECTRICAL EQUIPMENT			
nVent Electric	235,528	4,326	0.20
GENERAL INDUSTRIALS			
Honeywell International	68,972	9,005	0.42
INDUSTRIAL ENGINEERING			
Ingersoll-Rand	105,067	9,997	0.46
Illinois Tool Works	56,484	6,247	0.29
Pentair	118,167	3,297	0.15
		19,541	0.90
SUPPORT SERVICES			
Accenture	49,542	6,962	0.32
Howden Joinery	1,308,719	6,622	0.31
Jack Henry & Associates	58,332	6,068	0.28
Conduent	376,388	2,735	0.13
		22,387	1.04
OIL & GAS 0.23% (31.05.18: 5.29%)			
OIL EQUIPMENT, SERVICES & DISTRIBUTION			
KLX Energy Services	202,516	3,332	0.15
Equitrans Midstream	102,146	1,641	0.08
		4,973	0.23

Portfolio Statement continued

As at 31 May 2019

ASSET	HOLDING	MARKET VALUE (£'000)	PERCENTAGE OF NET ASSETS (%)
TECHNOLOGY 2.34% (31.05.18: 2.23%)			
SOFTWARE & COMPUTER SERVICES			
Amadeus IT	156,755	9,395	0.43
Check Point Software Technologies	98,948	8,739	0.40
Microsoft	73,110	7,185	0.33
Amdocs	113,518	5,282	0.24
Perspecta	275,671	4,694	0.22
DXC Technology	111,622	4,330	0.20
TravelSky Technology	2,412,000	3,970	0.18
		43,595	2.00
TECHNOLOGY HARDWARE & EQUIPMENT			
F5 Networks	69,004	7,349	0.34
TELECOMMUNICATIONS 0.00% (31.05.18: 0.21%)			
GOVERNMENT TREASURY BILLS 5.82% (31.05.18: 0.83%)			
United Kingdom Treasury Bill 10/06/2019	GBP 26,000,000	25,994	1.20
United Kingdom Treasury Bill 08/07/2019	GBP 20,000,000	19,984	0.92
United Kingdom Treasury Bill 22/07/2019	GBP 20,000,000	19,978	0.92
United Kingdom Treasury Bill 27/08/2019	GBP 10,401,992	10,383	0.48
United Kingdom Treasury Bill 24/06/2019	GBP 10,000,000	9,995	0.46
United Kingdom Treasury Bill 15/07/2019	GBP 10,000,000	9,991	0.46
United Kingdom Treasury Bill 25/11/2019	GBP 10,000,000	9,963	0.46
United Kingdom Treasury Bill 03/06/2019	GBP 5,000,000	5,000	0.23
United Kingdom Treasury Bill 05/08/2019	GBP 5,000,000	4,993	0.23
United Kingdom Treasury Bill 01/07/2019	GBP 5,000,000	4,997	0.23
United Kingdom Treasury Bill 02/12/2019	GBP 5,000,000	4,981	0.23
		126,259	5.82
CERTIFICATES OF DEPOSIT 1.98% (31.05.18: 9.32%)			
Nordea Bank 0.81% 23/07/2019	16,000,000	16,000	0.74
Sumitomo Trust Banking 0.01% 07/08/2019	12,000,000	11,980	0.55
China Construction Bank 0.01% 10/07/2019	10,000,000	9,991	0.46
Oversea Chinese Banking 0.01% 19/06/2019	5,000,000	4,998	0.23
		42,969	1.98
COMMERCIAL PAPERS 1.62% (31.05.18: 11.96%)			
Transport For London 22/07/2019	20,000,000	19,982	0.92
Allianz 23/06/2019	11,000,000	10,989	0.51
Transport For London 17/06/2019	3,000,000	2,999	0.14
OP Corporate Bank 25/06/2019	1,000,000	1,000	0.05
		34,970	1.62
DERIVATIVES – FUTURES (1.33%) (31.05.18: (0.37%))			
US 10 Years Note (CBT) 19/09/2019	1,713	1,468	0.07
EURO STOXX 50 Futures 21/06/2019	8,806	871	0.04
US Ultra Bond Futures 19/09/2019	124	477	0.02
HSCEI Futures 27/06/2019	1,428	(416)	(0.02)
EURO STOXX Bank Futures 21/06/2019	8,541	(2,265)	(0.10)
Australian 10 Year Treasury Note Futures 17/06/2019	(1,734)	(3,645)	(0.17)
Germany Euro-OAT Futures 06/06/2019	(1,402)	(7,522)	(0.35)
US MSCI Emerging Market Index Futures 21/06/2019	2,496	(8,359)	(0.39)
Nikkei 225 Index Futures 13/06/2019	742	(9,411)	(0.43)
		(28,802)	(1.33)
DERIVATIVES – OPTIONS 1.92% (31.05.18: 0.11%)			
S&P 500 Index 2800 Put Option 20/12/2019	1,233	14,652	0.68
EURO STOXX 50 PR 3350 Put Option 19/06/2020	2,795	7,858	0.36
Nikkei 225 22000 Put Option 12/06/2020	416	7,753	0.36
EURO STOXX 50 PR 3250 Put Option 19/06/2020	2,499	5,746	0.27
Nikkei 225 22250 Put Option 13/03/2020	277	4,818	0.22
EURO STOXX 50 PR 3150 Put Option 19/06/2020	1,867	3,471	0.16
EURO STOXX 50 PR 3300 Put Option 20/12/2019	1,645	2,705	0.12
Nikkei 225 21250 Put Option 12/06/2019	49	731	0.03
Nikkei 225 22250 Call Option 14/06/2019	(742)	(11)	–
EURO STOXX 50 PR 3475 Call Option 21/06/2019	(8,806)	(62)	–
S&P 500 Index 2500 Put Option 20/12/2019	(1,233)	(5,988)	(0.28)
		41,673	1.92

ASSET	HOLDING	MARKET VALUE (£'000)	PERCENTAGE OF NET ASSETS (%)		
DERIVATIVES – INTEREST RATE SWAPS (0.06%) (31.05.18: 0.13%)					
Goldman Sachs Interest Rate Swap receive 2.56% 08/01/2021	1,703,500,000	15,757	0.73		
Goldman Sachs Interest Rate Swap receive 8.27% 30/01/2024	2,969,000,000	2,633	0.12		
HSBC Bank Interest Rate Swap receive 1.975% 18/04/2021	1,753,300,000	1,743	0.08		
Goldman Sachs Interest Rate Swap receive 2.604% 04/03/2021	255,120,000	1,438	0.06		
HSBC Bank Interest Rate Swap receive 2.208% 29/05/2021	404,100,000	393	0.01		
Goldman Sachs Interest Rate Swap receive 8.15% 26/02/2021	3,459,178,000	225	0.01		
HSBC Bank Interest Rate Swap pay 2.274% 29/05/2029	(79,700,000)	(397)	(0.02)		
Goldman Sachs Interest Rate Swap pay 8.388% 16/02/2029	(914,860,000)	(1,091)	(0.05)		
Goldman Sachs Interest Rate Swap pay 8.635% 30/01/2024	(1,803,000,000)	(3,387)	(0.15)		
HSBC Bank Interest Rate Swap pay 2.222% 18/04/2029	(345,900,000)	(4,072)	(0.19)		
Goldman Sachs Interest Rate Swap pay 2.719% 04/03/2029	(190,000,000)	(6,934)	(0.32)		
Goldman Sachs Interest Rate Swap pay 2.624% 08/01/2029	(156,550,000)	(7,260)	(0.34)		
		(952)	(0.06)		
DERIVATIVES – TOTAL RETURN SWAPS 0.10% (31.05.18: 0.01%)					
JP Morgan Total Return Swap receive 0% 27/09/2019	445,396,079	10,961	0.51		
Citi Total Return Swap receive 1% 11/11/2019	28,253,589	2,401	0.11		
Citi Total Return Swap receive 1% 11/11/2019	13,992,887	941	0.04		
Goldman Sachs Total Return Swap receive 1% 27/09/2019	23,251,393	572	0.02		
Citi Total Return Swap receive 1% 11/11/2019	27,692,113	540	0.03		
Goldman Sachs Total Return Swap pay 1% 27/09/2019	(23,421,088)	(646)	(0.03)		
JP Morgan Total Return Swap pay 1% 27/09/2019	(454,365,823)	(12,542)	(0.58)		
		2,227	0.10		
FORWARD FOREIGN EXCHANGE CONTRACTS (2.01%) (31.05.18: (2.27%))					
FORWARD CURRENCY CONTRACTS					
Australian Dollar					
Buy AUD	114,672,351	for GBP	(61,359,683)	1,566	0.07
Canadian Dollar					
Sell CAD	(30,936,000)	for GBP	17,527,201	(601)	(0.03)
Danish Krone					
Sell DKK	(148,805,000)	for GBP	17,165,719	(500)	(0.02)
Euro					
Buy EUR	152,170,000	for GBP	(131,010,088)	3,888	0.18
Sell EUR	(481,407,327)	for GBP	414,012,506	(12,755)	(0.59)
Hong Kong Dollar					
Sell HKD	(13,180,000)	for GBP	1,290,496	(45)	–
Hungarian Forint					
Buy HUF	54,652,703,000	for GBP	(148,664,272)	709	0.03
Japanese Yen					
Buy JPY	51,227,881,112	for GBP	(353,479,785)	21,070	0.97
Mexican Peso					
–Sell MXN	(4,920,000)	for GBP	196,945	–	–
New Zealand Dollar					
Buy NZD	255,880,000	for GBP	(131,459,933)	753	0.03
Sell NZD	(418,748,566)	for GBP	216,289,897	(78)	–
Polish Zloty					
Sell PLN	(737,300,202)	for GBP	146,514,873	(5,974)	(0.28)
South African Rand					
Sell ZAR	(941,599,258)	for GBP	48,878,010	(1,609)	(0.07)
Swedish Krona					
Buy SEK	180,510,000	for GBP	(14,747,591)	273	0.01
Sell SEK	(422,864,137)	for GBP	34,216,093	(970)	(0.04)
Swiss Franc					
Sell CHF	(136,886,544)	for GBP	104,038,476	(4,308)	(0.20)
US Dollar					
Buy USD	338,289,772	for GBP	(261,567,393)	7,121	0.33
Sell USD	(2,048,386,737)	for GBP	1,561,693,713	(65,271)	(3.01)
			(56,731)	(2.62)	

Portfolio Statement continued

As at 31 May 2019

ASSET			HOLDING	MARKET VALUE (£'000)	PERCENTAGE OF NET ASSETS (%)
FORWARD CROSS CURRENCY CONTRACTS					
Buy ARS	1,464,937,000	for USD	(32,001,616)	(390)	(0.02)
Buy CAD	15,598,000	for USD	(11,543,924)	(28)	–
Buy CHF	12,501,000	for USD	(12,434,735)	18	–
Buy DKK	71,788,000	for USD	(10,724,618)	4	–
Buy EUR	6,653,000	for USD	(7,422,207)	3	–
Buy IDR	275,056,028,000	for USD	(19,163,284)	(28)	–
Buy KRW	6,543,889,000	for USD	(5,479,359)	13	–
Buy PLN	48,752,000	for USD	(12,647,536)	37	–
Buy TRY	220,870,796	for USD	(30,090,610)	2,667	0.12
Buy TWD	43,396,000	for USD	(1,370,775)	2	–
Buy USD	4,403,042	for AUD	(6,364,000)	5	–
Buy USD	14,842,291	for CHF	(14,897,000)	(2)	–
Buy USD	15,233,444	for EUR	(13,433,000)	191	0.01
Buy USD	3,585,041	for HKD	(28,131,000)	(2)	–
Buy USD	8,273,072	for HUF	(2,418,957,000)	(40)	–
Buy USD	14,790,229	for JPY	(1,625,349,000)	(136)	(0.01)
Buy USD	92,507,352	for KRW	(104,761,438,000)	3,590	0.17
Buy USD	3,565,468	for NZD	(5,472,000)	5	–
Buy USD	124,208,421	for RUB	(8,071,249,000)	989	0.05
Buy USD~	551,903	for SEK	(5,274,000)	–	–
Buy USD	18,582,083	for TRY	(113,257,796)	325	0.02
Buy USD	283,083,650	for TWD	(8,712,284,670)	5,944	0.27
Buy USD	4,414,682	for ZAR	(65,163,000)	12	–
				13,179	0.61
Portfolio of investments^				1,999,041	92.33
Net other assets*				165,983	7.67
Net assets				2,165,024	100.00

^ Including derivative liabilities.

~ The market value of the holdings is below £500 and is therefore rounded down to £0.

* The net other assets figure includes bank and short term cash deposits.

Unless otherwise stated the above securities are ordinary shares or common stock and admitted to official stock exchange listings.

Fixed interest securities are traded on a regulated market, unless otherwise stated. Stocks shown as FRNs represent Floating Rate Notes – debt instruments that pay a floating rate of interest, usually based on an accepted market benchmark rate such as LIBOR.

The value of collateral held in relation to swap contracts is £42,930 (31.05.18: nil).

The collective investment schemes investments, interest rate swaps, total return swaps and the forward foreign exchange contracts are not listed.

Stocks shown as ADRs represent American Depositary Receipts.

Portfolio Analysis

As at 31 May 2019

Portfolio Analysis

ASSET	MARKET VALUE (£'000)	31.05.19	MARKET VALUE (£'000)	31.05.18
		PERCENTAGE OF NET ASSETS (%)		PERCENTAGE OF NET ASSETS (%)
Bonds	982,520	45.38	658,524	27.29
Certificates of Deposit	42,969	1.98	224,972	9.32
Commercial Papers	34,970	1.62	288,333	11.96
Collective Investment Schemes	159,704	7.38	82,074	3.40
Derivatives	14,146	0.63	(2,971)	(0.12)
Equities	682,025	31.53	985,168	40.83
Forward Foreign Exchange Contracts	(43,552)	(2.01)	(54,448)	(2.27)
Government Treasury Bills	126,259	5.82	19,975	0.83
Net other assets	165,983	7.67	211,352	8.76
Net assets	2,165,024	100.00	2,412,979	100.00

Credit Breakdown*

ASSET	MARKET VALUE (£'000)	31.05.19	MARKET VALUE (£'000)	31.05.18
		PERCENTAGE OF NET ASSETS (%)		PERCENTAGE OF NET ASSETS (%)
AAA	457,842	21.15	–	–
AA	13,372	0.65	559,843	23.20
A	29,450	1.33	–	–
BBB	350,984	16.22	34,319	1.42
BB	82,985	3.82	32,373	1.35
B	37,087	1.72	26,068	1.08
CCC	10,800	0.49	5,921	0.24
Total Bonds	982,520	45.38	658,524	27.29

*Bond ratings are Investec approximations.

Emerging Markets Blended Debt Fund

Portfolio Statement

As at 31 May 2019

ASSET	HOLDING	MARKET VALUE (£'000)	PERCENTAGE OF NET ASSETS (%)
COLLECTIVE INVESTMENT SCHEMES 0.00% (31.05.18: 0.36%)			
CORPORATE BONDS 16.91% (31.05.18: 18.50%)‡			
YPF 6.95% 21/07/2027	USD 1,749,000	1,198	0.90
Koc 6.5% 11/03/2025	USD 1,473,000	1,114	0.84
Kosmos Energy 7.125% 04/04/2026	USD 1,217,000	951	0.72
MAF Global Securities 5.5% Perpetual	USD 1,050,000	821	0.62
Qatar Reinsurance 4.95% Perpetual	USD 1,005,000	795	0.60
Empresa Nacional del Petroleo 3.75% 05/08/2026	USD 975,000	774	0.58
Standard Chartered Bank 7.5% 19/05/2038	IDR 14,017,000,000	711	0.54
Huarong Finance 2017 4.75% 27/04/2027	USD 845,000	687	0.52
Petrobras Global Finance 6.9% 19/03/2049	USD 859,000	682	0.51
Mexico City Airport Trust 5.5% 31/07/2047	USD 881,000	673	0.51
KazMunayGas 5.375% 24/04/2030	USD 775,000	664	0.50
Suzano Austria 7% 16/03/2047	USD 750,000	650	0.49
Medco Platinum Road 6.75% 30/01/2025	USD 830,000	639	0.48
GTH Finance 7.25% 26/04/2023	USD 700,000	600	0.45
Lamar Funding 3.958% 07/05/2025	USD 850,000	589	0.44
Export-Import Bank of Korea 8.4% 30/11/2021	IDR 10,300,000,000	573	0.43
Minerva Luxembourg 6.5% 20/09/2026	USD 700,000	549	0.41
Turk Telekomunikasyon 6.875% 28/02/2025	USD 725,000	543	0.41
OCP 6.875% 25/04/2044	USD 550,000	487	0.37
Eskom 7.5% 15/09/2033	ZAR 11,900,000	484	0.36
Mexichem 6.75% 19/09/2042	USD 550,000	480	0.36
Alfa 6.875% 25/03/2044	USD 550,000	477	0.36
BBVA Bancomer 6.75% 30/09/2022	USD 500,000	431	0.33
Petroleos Mexicanos 7.19% 12/09/2024	MXN 12,416,800	422	0.32
Ooredoo International Finance 3.75% 22/06/2026	USD 520,000	417	0.31
China Life Insurance 4% 03/07/2075	USD 430,000	340	0.26
Koc 5.25% 15/03/2023	USD 450,000	338	0.25
FirstRand Bank 6.25% 23/04/2028	USD 405,000	327	0.25
Perusahaan Listrik Negara 5.375% 25/01/2029	USD 385,000	327	0.25
Medco Oak Tree 7.375% 14/05/2026	USD 411,000	320	0.24
Vanke Real Estate 3.975% 09/11/2027	USD 405,000	317	0.24
Gohl Capital 4.25% 24/01/2027	USD 375,000	302	0.23
Aegea Finance 5.75% 10/10/2024	USD 377,000	300	0.23
Gerdau Trade 4.875% 24/10/2027	USD 371,000	298	0.22
Transnet 9.5% 13/05/2021	ZAR 5,540,000	298	0.22
Rede D'or Finance 4.95% 17/01/2028	USD 397,000	294	0.22
America Movil 7.125% 09/12/2024	MXN 7,740,000	285	0.21
Standard Chartered Bank 8.75% 15/05/2031	IDR 4,949,000,000	285	0.21
Petkim Petrokimya 5.875% 26/01/2023	USD 383,000	280	0.21
Standard Chartered Bank 8.25% 17/05/2029	IDR 4,735,000,000	269	0.20
OCP 5.625% 25/04/2024	USD 300,000	255	0.19
European Bank for Reconstruction & Development 9.25% 02/12/2020	IDR 4,180,000,000	236	0.18
Financiera de Desarrollo Territorial 7.875% 12/08/2024	COP 856,000,000	212	0.16
Corporacion Nacional del Cobre de Chile 4.375% 05/02/2049	USD 261,000	211	0.16
Standard Chartered Bank 8.375% 15/03/2024	IDR 2,954,000,000	169	0.13
KazTransGas 4.375% 26/09/2027	USD 200,000	158	0.12
European Investment Bank 8.5% 17/09/2024	ZAR 2,150,000	120	0.09
Standard Chartered Bank 6.125% 17/05/2028	IDR 2,246,000,000	110	0.08
		22,462	16.91
GOVERNMENT BONDS 77.23% (31.05.18: 62.10%)‡			
Thailand Government Bond 2.125% 17/12/2026	THB 141,025,000	3,517	2.65
Mexican Bonos 7.5% 03/06/2027	MXN 89,460,000	3,503	2.64
Brazil Notas do Tesouro Nacional Serie F 10% 01/01/2021	BRL 1,233,800	2,583	1.95
Brazil Letras do Tesouro Nacional 01/01/2020	BRL 12,000,000	2,310	1.74
Brazil Notas do Tesouro Nacional Serie F 10% 01/01/2023	BRL 10,683,000	2,292	1.73

ASSET	HOLDING	MARKET VALUE (£'000)	PERCENTAGE OF NET ASSETS (%)
GOVERNMENT BONDS 77.23% (31.05.18: 62.10%)‡ (continued)			
Hungary Government Bond 3% 27/10/2027	HUF 695,780,000	1,974	1.49
Qatar Government International Bond 4% 14/03/2029	USD 2,297,000.00	1,920	1.45
Colombian TES 7.75% 18/09/2030	COP 7,115,600,000	1,822	1.37
Israel Government Bond 5.5% 31/01/2042	ILS 5,362,000	1,743	1.31
Republic of South Africa Government Bond 8.875% 28/02/2035	ZAR 33,206,846	1,672	1.26
Ecuador Government International Bond 8.875% 23/10/2027	USD 2,070,000	1,660	1.25
Costa Rica Government International Bond 7.158% 12/03/2045	USD 2,095,000	1,600	1.20
Colombian TES 7% 04/05/2022	COP 6,460,200,000	1,598	1.20
Russian Federal Bond - OFZ 8.15% 03/02/2027	RUB 122,078,000	1,518	1.14
Croatia Government International Bond 6% 26/01/2024	USD 1,523,000	1,358	1.02
Serbia International Bond 7.25% 28/09/2021	USD 1,560,000	1,348	1.01
Thailand Government Bond 3.775% 25/06/2032	THB 47,079,000	1,328	1.00
Bonos del Banco Central de Chile en Pesos 6% 01/02/2021	CLP 1,090,000,000	1,280	0.96
Serbia Treasury Bonds 3.75% 17/01/2022	RSD 169,110,000	1,276	0.96
Republic of South Africa Government Bond 9% 31/01/2040	ZAR 24,617,176	1,223	0.92
Indonesia Government International Bond 7.75% 17/01/2038	USD 1,081,000	1,199	0.90
Brazil Letras do Tesouro Nacional 01/07/2020	BRL 5,971,000	1,116	0.84
Peru Government Bond 6.9% 12/08/2037	PEN 3,928,000	1,048	0.79
Brazil Letras do Tesouro Nacional 01/07/2021	BRL 6,000,000	1,041	0.78
Thailand Government Bond 3.4% 17/06/2036	THB 37,474,000	1,027	0.77
Colombian TES 7% 30/06/2032	COP 4,195,200,000	1,004	0.76
Bonos de la Tesoreria de la Republica en pesos 5% 01/03/2035	CLP 795,000,000	996	0.75
Russian Federal Bond - OFZ 7.75% 16/09/2026	RUB 81,758,000	994	0.75
Hungary Government International Bond 7.625% 29/03/2041	USD 816,000	990	0.75
Egypt Government International Bond 8.5% 31/01/2047	USD 1,245,000	971	0.73
Dominican Republic International Bond 6.875% 29/01/2026	USD 1,075,000	948	0.71
Argentine Republic Government International Bond 7.5% 22/04/2026	USD 1,550,000	939	0.71
Czech Republic Government Bond 2.75% 23/07/2029	CZK 24,790,000	931	0.70
Hungary Government Bond 2.75% 22/12/2026	HUF 329,690,000	926	0.70
Ukraine Government International Bond 7.75% 01/09/2027	USD 1,242,000	919	0.69
Dominican Republic International Bond 6.5% 15/02/2048	USD 1,100,000	893	0.67
Qatar Government International Bond 3.375% 14/03/2024	USD 1,067,000	867	0.65
Colombian TES 7.5% 26/08/2026	COP 3,375,000,000	857	0.65
Russian Foreign Bond - Eurobond 5.1% 28/03/2035	USD 1,000,000	829	0.62
Ghana Government International Bond 7.625% 16/05/2029	USD 1,069,000	814	0.61
Czech Republic Government Bond 1% 26/06/2026	CZK 23,990,000	784	0.59
Bonos de la Tesoreria de la Republica en pesos 4.7% 01/09/2030	CLP 640,000,000	774	0.58
Serbia Treasury Bonds 5.875% 08/02/2028	RSD 95,180,000	771	0.58
Republic of South Africa Government Bond 6.75% 31/03/2021	ZAR 13,287,053	716	0.54
Czech Republic Government Bond 2% 13/10/2033	CZK 20,790,000	713	0.54
Egypt Government Bond 17.7% 07/08/2025	EGP 14,379,000	713	0.54
Egypt Government Bond 18.35% 09/10/2023	EGP 13,819,000	698	0.53
Thailand Government Bond 2.4% 17/12/2023	THB 27,325,000	697	0.53
El Salvador Government International Bond 8.625% 28/02/2029	USD 775,000	678	0.51
Brazil Letras do Tesouro Nacional 01/10/2020	BRL 3,674,000	675	0.51
Russian Foreign Bond - Eurobond 5.25% 23/06/2047	USD 800,000	666	0.50
Russian Foreign Bond - Eurobond 4.75% 27/05/2026	USD 800,000	665	0.50
Russian Federal Bond - OFZ 7.95% 07/10/2026	RUB 54,035,000	663	0.50
Colombian TES 10% 24/07/2024	COP 2,256,800,000	633	0.48
Zambia Government International Bond 8.97% 30/07/2027	USD 1,217,000	627	0.47
Republic of Poland Government Bond 2.5% 25/07/2026	PLN 2,935,000	610	0.46
Serbia Treasury Bonds 4.5% 11/01/2026	RSD 81,080,000	610	0.46
Colombian TES 7.25% 18/10/2034	COP 2,524,200,000	607	0.46
Turkey Government Bond 12.2% 18/01/2023	TRY 5,773,969	605	0.46
Nigeria Government International Bond 6.5% 28/11/2027	USD 800,000	601	0.45
Jordan Government International Bond 5.75% 31/01/2027	USD 775,000	601	0.45
Senegal Government International Bond 6.25% 23/05/2033	USD 825,000	597	0.45
Republic of South Africa Government Bond 8% 31/01/2030	ZAR 12,000,000	596	0.45
Peruvian Government International Bond 8.2% 12/08/2026	PEN 2,045,000	588	0.44
Dominican Republic International Bond 5.95% 25/01/2027	USD 700,000	586	0.44
Ecuador Government International Bond 7.875% 23/01/2028	USD 758,000	579	0.44
Panama Notas del Tesoro 3.75% 17/04/2026	USD 710,000	576	0.43
Hungary Government Bond 2.5% 24/10/2024	HUF 203,210,000	574	0.43
Brazil Letras do Tesouro Nacional 01/04/2020	BRL 300,000	569	0.43
Russian Federal Bond - OFZ 7.25% 10/05/2034	RUB 49,945,000	569	0.43
Indonesia Treasury Bond 9% 15/03/2029	IDR 9,527,000,000	561	0.42
Mexican Bonos 10% 05/12/2024	MXN 12,456,300	550	0.41
Jordan Government International Bond 7.375% 10/10/2047	USD 725,000	549	0.41

Portfolio Statement continued

As at 31 May 2019

ASSET	HOLDING	MARKET VALUE (£'000)	PERCENTAGE OF NET ASSETS (%)
GOVERNMENT BONDS 77.23% (31.05.18: 62.10%)‡ (continued)			
Egypt Government International Bond 6.875% 30/04/2040	USD 757,000	539	0.41
Mexican Bonos 6.5% 10/06/2021	MXN 13,556,600	531	0.40
Dominican Republic International Bond 5.5% 27/01/2025	USD 625,000	516	0.39
Romanian Government International Bond 3.875% 29/10/2035	EUR 553,000	515	0.39
Romanian Government International Bond 2.875% 26/05/2028	EUR 553,000	514	0.39
Zambia Government International Bond 8.5% 14/04/2024	USD 989,000	512	0.39
Czech Republic Government Bond 0.25% 10/02/2027	CZK 16,330,000	506	0.38
Russian Federal Bond - OFZ 6.9% 23/05/2029	RUB 44,137,000	503	0.38
Brazil Letras do Tesouro Nacional 01/01/2022	BRL 3,000,000	501	0.38
Russian Federal Bond - OFZ 7.05% 19/01/2028	RUB 42,428,000	494	0.37
Peruvian Government International Bond 6.95% 12/08/2031	PEN 1,801,000	487	0.37
Romanian Government International Bond 2.5% 08/02/2030	EUR 553,000	484	0.37
Russian Foreign Bond - Eurobond 4.25% 23/06/2027	USD 600,000	483	0.36
Mexican Bonos 6.5% 09/06/2022	MXN 12,263,700	476	0.36
Republic of South Africa Government Bond 8.25% 31/03/2032	ZAR 9,639,505	474	0.36
Thailand Government Bond 3.3% 17/06/2038	THB 17,607,000	474	0.36
Peruvian Government International Bond 6.35% 12/08/2028	PEN 1,815,000	471	0.35
Turkey Government Bond 7.1% 08/03/2023	TRY 5,365,952	466	0.35
Argentine Republic Government International Bond 5.875% 11/01/2028	USD 826,000	461	0.35
Provincia de Buenos Aires 7.875% 15/06/2027	USD 811,000	451	0.34
Peru Government Bond 5.94% 12/02/2029	PEN 1,775,000	448	0.34
Brazil Notas do Tesouro Nacional Serie F 10% 01/01/2027	BRL 2,000,000	436	0.33
Turkey Government International Bond 5.125% 17/02/2028	USD 641,000	428	0.32
Peru Government Bond 6.15% 12/08/2032	PEN 1,693,000	426	0.32
Argentine Republic Government International Bond 6.875% 26/01/2027	USD 719,000	418	0.31
Argentine Republic Government International Bond 5.625% 26/01/2022	USD 658,000	413	0.31
Republic of South Africa Government Bond 10.5% 21/12/2026	ZAR 6,718,051	401	0.30
Croatia Government International Bond 2.7% 15/06/2028	EUR 409,000	400	0.30
Ukraine Government International Bond 7.75% 01/09/2026	USD 525,000	391	0.29
Brazil Letras do Tesouro Nacional 01/10/2019	BRL 2,000,000	391	0.29
Indonesia Government International Bond 4.125% 15/01/2025	USD 475,000	389	0.29
Russian Federal Bond - OFZ 7.7% 23/03/2033	RUB 31,464,000	375	0.28
Costa Rica Government International Bond 7% 04/04/2044	USD 495,000	373	0.28
Colombian TES 6% 28/04/2028	COP 1,617,600,000	371	0.28
Colombia Government International Bond 7.375% 18/09/2037	USD 350,000	362	0.27
Indonesia Treasury Bond 8.25% 15/05/2036	IDR 6,051,000,000	332	0.25
Indonesia Treasury Bond 7.5% 15/08/2032	IDR 6,295,000,000	326	0.25
Senegal Government International Bond 4.75% 13/03/2028	EUR 383,000	324	0.24
Colombian TES 4.75% 04/04/2035	COP 4,488,000	322	0.24
Mexican Bonos 8% 07/12/2023	MXN 7,858,800	318	0.24
Ghana Government International Bond 8.627% 16/06/2049	USD 430,000	317	0.24
Ecuador Government International Bond 9.65% 13/12/2026	USD 375,000	314	0.24
Indonesia Treasury Bond 6.125% 15/05/2028	IDR 6,355,000,000	311	0.23
Ukraine Government International Bond 7.75% 01/09/2025	USD 404,000	304	0.23
Ivory Coast Government International Bond 6.375% 03/03/2028	USD 400,000	299	0.23
Ivory Coast Government International Bond 5.75% 31/12/2032	USD 407,250	298	0.22
Turkey Government Bond 10.6% 11/02/2026	TRY 3,145,780	297	0.22
Colombian TES 6.25% 26/11/2025	COP 1,214,300,000	289	0.22
Kenya Government International Bond 7% 22/05/2027	USD 357,000	280	0.21
Egypt Government International Bond 7.903% 21/02/2048	USD 375,000	279	0.21
Egypt Government International Bond 7.5% 31/01/2027	USD 340,000	275	0.21
Kenya Government International Bond 8% 22/05/2032	USD 353,000	274	0.21
Nigeria Government International Bond 8.747% 21/01/2031	USD 325,000	272	0.20
Republic of Poland Government Bond 2.75% 25/04/2028	PLN 1,210,000	254	0.19
Indonesia Treasury Bond 8.375% 15/03/2034	IDR 4,447,000,000	248	0.19
Czech Republic Government Bond 4.2% 04/12/2036	CZK 5,100,000	227	0.17
Senegal Government International Bond 6.75% 13/03/2048	USD 326,000	225	0.17
Colombia Government International Bond 6.125% 18/01/2041	USD 240,000	224	0.17
Provincia de Cordoba 7.125% 10/06/2021	USD 325,000	215	0.16
Dominican Republic International Bond 6.85% 27/01/2045	USD 250,000	210	0.16
Romania Government Bond 4.85% 22/04/2026	RON 1,105,000	209	0.16
Croatia Government International Bond 6.625% 14/07/2020	USD 250,000	206	0.16
Ukraine Government International Bond 7.75% 01/09/2024	USD 252,000	192	0.14
Indonesia Government International Bond 4.75% 08/01/2026	USD 200,000	169	0.13
Indonesia Treasury Bond 8.75% 15/05/2031	IDR 2,869,000,000	165	0.12
Ukraine Government International Bond 8.994% 01/02/2024	USD 200,000	160	0.12
Ghana Government International Bond 8.125% 26/03/2032	USD 200,000	152	0.11
Hungary Government Bond 3% 26/06/2024	HUF 43,560,000	126	0.09

ASSET	HOLDING	MARKET VALUE (£'000)	PERCENTAGE OF NET ASSETS (%)
GOVERNMENT BONDS 77.23% (31.05.18: 62.10%)‡ (continued)			
Romania Government Bond 5% 12/02/2029	RON 635,000	120	0.09
Dominican Republic International Bond 7.45% 30/04/2044	USD 125,000	111	0.08
Turkey Government Bond 10.7% 17/08/2022	TRY 1,013,514	102	0.08
Czech Republic Government Bond 2.5% 25/08/2028	CZK 1,400,000	51	0.04
Bonos de la Tesoreria de la Republica en pesos 4% 01/03/2023	CLP 40,000,000	46	0.03
Peru Government Bond 6.85% 12/02/2042	PEN 81,000	21	0.02
Uruguay Government International Bond 4.375% 23/01/2031	USD 4,555	4	—
		102,583	77.23
GOVERNMENT TREASURY BILLS 5.58% (31.05.18: 5.98%)			
United States Treasury Bill 06/06/2019	USD 4,084,600	3,246	2.44
Egypt Treasury Bill 07/01/2020	EGP 44,125,000	1,889	1.42
Nigeria Treasury Bill 05/12/2019	NGN 325,868,000	675	0.51
Egypt Treasury Bill 24/12/2019	EGP 10,050,000	433	0.32
Egypt Treasury Bill 21/01/2020	EGP 6,900,000	294	0.22
Nigeria Treasury Bill 12/12/2019	NGN 107,636,000	222	0.17
Nigeria Treasury Bill 19/12/2019	NGN 107,636,000	222	0.17
Nigeria Treasury Bill 26/12/2019	NGN 107,620,000	221	0.17
Egypt Treasury Bill 18/02/2020	EGP 5,100,000	214	0.16
		7,416	5.58
DERIVATIVES – FUTURES 0.00% (31.05.18: (0.04%))			
Germany Euro-BUND Futures 06/09/2019~	(7)	—	—
		—	—
DERIVATIVES – CREDIT DEFAULT SWAPS (0.05%) (31.05.18: 0.00%)			
Goldman Sachs South Africa Government International 1% 20/06/2024	2,754,000	96	0.07
Goldman Sachs CDX NA HY Series 32 5% 20/06/2024	3,179,253	(158)	(0.12)
		(62)	(0.05)
DERIVATIVES – INTEREST RATE SWAPS (0.08%) (31.05.18: 0.06%)			
Goldman Sachs Interest Rate Swap Pay 9.32% 14/01/2046	300,000	(2)	—
Goldman Sachs Interest Rate Swap Pay 1.993% 12/02/2024	1,021,486	(3)	—
Goldman Sachs Interest Rate Swap Pay 9.3121% 15/01/2046	500,000	(4)	—
Goldman Sachs Interest Rate Swap Pay 9.3685% 19/01/2046	500,000	(4)	—
Goldman Sachs Interest Rate Swap Pay 2.7535% 19/12/2028	170,843,071	(33)	(0.03)
Citi Interest Rate Swap Pay 2.2372% 02/08/2023	7,510,153	(68)	(0.05)
		(114)	(0.08)
DERIVATIVES – TOTAL RETURN SWAPS 0.61% (31.05.18: 1.57%)			
Citi Total Return Swap 10.25% 15/07/2022	5,000,000,000	300	0.23
Citi Total Return Swap 10.25% 15/07/2027	3,500,000,000	219	0.16
Deutsche Bank - Indonesia Government Total Return Bond Swap Rec 8.75% 15/05/2031	2,002,000,000	115	0.09
Standard Chartered G1 Total Return Swap 9% 15/03/2029	1,037,000,000	61	0.05
Deutsche Bank - Indonesia Government Total Return Bond Swap Rec 8.375% 15/09/2026	1,017,000,000	58	0.04
Deutsche Bank - Indonesia Government Total Return Bond Swap Rec 8.375% 15/09/2026	464,000,000	26	0.02
Standard Chartered - Indonesia Government Total Return Bond Swap Rec 8.75% 15/05/2031	219,000,000	13	0.01
Deutsche Bank - Indonesia Government Total Return Bond Swap Rec 8.375% 15/09/2026	217,000,000	12	0.01
Standard Chartered - Indonesia Government Total Return Bond Swap Rec 8.375% 15/09/2026	41,000,000	2	—
Standard Chartered - Indonesia Government Total Return Bond Swap Rec 8.375% 15/09/2026	37,000,000	2	—
		808	0.61
FORWARD FOREIGN EXCHANGE CONTRACTS (2.35%) (31.05.18: (0.61%))			
FORWARD CURRENCY CONTRACTS			
US Dollar			
Buy USD	1,460,896	for GBP	(1,118,342)
Sell USD	(86,980,595)	for GBP	66,355,245
			(2,689)
FORWARD CROSS CURRENCY CONTRACTS			
Buy ARS	63,486,034	for USD	(1,390,803)
Buy BRL	29,306,247	for USD	(7,424,219)
Buy CLP	5,710,931,298	for USD	(8,474,201)
Buy CNH	68,951,713	for USD	(10,271,569)
Buy CZK	62,179,617	for USD	(2,732,762)
Buy EUR	7,406,066	for USD	(8,369,423)
Buy HUF	1,034,718,488	for USD	(3,726,667)
			(132)

Portfolio Statement continued

As at 31 May 2019

ASSET			HOLDING	MARKET VALUE (£'000)	PERCENTAGE OF NET ASSETS (%)
FORWARD CROSS CURRENCY CONTRACTS (continued)					
Buy IDR	49,483,533,373	for USD	(3,428,395)	10	0.01
Buy ILS	5,457,362	for USD	(1,519,903)	(14)	(0.01)
Buy MXN	10,620,000	for USD	(556,497)	(17)	(0.01)
Buy NGN	914,622,885	for USD	(2,426,523)	50	0.04
Buy PEN	6,479,710	for USD	(1,957,143)	(25)	(0.02)
Buy PLN	28,397,421	for USD	(7,465,334)	(56)	(0.04)
Buy RUB	157,277,654	for USD	(2,413,231)	(14)	(0.01)
Buy THB	15,964,421	for USD	(505,541)	(1)	–
Buy TRY	18,094,550	for USD	(2,969,510)	17	0.01
Buy USD	10,463,293	for BRL	(41,842,427)	(15)	(0.01)
Buy USD	8,229,565	for CLP	(5,507,929,580)	376	0.28
Buy USD	6,928,930	for COP	(22,701,271,338)	119	0.09
Buy USD	2,702,985	for CZK	(62,480,000)	4	–
Buy USD	12,364,620	for EUR	(10,891,178)	166	0.12
Buy USD	3,737,293	for HUF	(1,079,861,441)	17	0.01
Buy USD	6,784,947	for IDR	(98,560,484,740)	(55)	(0.04)
Buy USD	3,766,576	for ILS	(13,567,362)	25	0.02
Buy USD	4,676,991	for MXN	(90,072,245)	109	0.08
Buy USD	2,342,050	for NGN	(913,309,500)	(114)	(0.08)
Buy USD	8,416,800	for PHP	(449,356,000)	(141)	(0.11)
Buy USD	432,732	for RON	(1,833,787)	2	–
Buy USD	574,635	for RUB	(37,523,695)	(2)	–
Buy USD	2,992,815	for THB	(95,308,840)	(16)	(0.01)
Buy USD	3,883,872	for TRY	(24,251,660)	(90)	(0.07)
Buy USD	5,089,076	for TWD	(156,620,850)	107	0.08
Buy USD	5,461,520	for ZAR	(78,739,998)	116	0.09
Buy ZAR	61,956,001	for USD	(4,293,486)	(88)	(0.07)
				(430)	(0.33)
Portfolio of investments [^]				129,974	97.85
Net other assets [*]				2,860	2.15
Net assets				132,834	100.00

[^] Including derivative liabilities.

~ The market value of the holding is below £500 and is therefore rounded down to £0.

^{*} The net other assets figure includes bank and short term cash deposits.

[‡] Prior year comparatives restated.

The value of collateral held in relation to swap contracts is £2,929 (31.05.18: £0.00)

Unless otherwise stated the above securities are ordinary shares or common stock and admitted to official stock exchange listings.

The credit default swaps, interest rate swaps, total return swaps and the forward foreign exchange contracts are not listed.

Portfolio Analysis

As at 31 May 2019

Portfolio Analysis

ASSET	MARKET VALUE (£'000)	31.05.19 PERCENTAGE OF NET ASSETS (%)	MARKET VALUE (£'000)	31.05.18 PERCENTAGE OF NET ASSETS (%)
Bonds	125,045	94.14	90,362	80.60
Collective Investment Schemes	–	–	398	0.36
Derivatives	632	0.48	1,804	1.59
Forward Foreign Exchange Contracts	(3,119)	(2.35)	(694)	(0.61)
Government Treasury Bills	7,416	5.58	6,697	5.98
Net other assets	2,860	2.15	13,541	12.08
Net assets	132,834	100.00	112,108	100.00

Credit Breakdown*

ASSET	MARKET VALUE (£'000)	31.05.19 PERCENTAGE OF NET ASSETS (%)	MARKET VALUE (£'000)	31.05.18 PERCENTAGE OF NET ASSETS (%)
AAA	356	0.27	907	0.81
AA	7,165	5.39	251	0.22
A	15,230	11.46	11,034	9.84
BBB	43,556	32.82	29,145	26.00
BB	36,017	27.11	32,880	29.34
B	22,721	17.09	13,163	11.73
CCC	–	–	2,982	2.66
Total Bonds	125,045	94.14	90,362	80.60

*Bond ratings are Investec approximations.

Emerging Markets Equity Fund

Portfolio Statement

As at 31 May 2019

ASSET	HOLDING	MARKET VALUE (£'000)	PERCENTAGE OF NET ASSETS (%)
AUSTRIA 0.60% (31.05.18: 1.39%)			
Erste Group Bank	36,194	1,018	0.60
BRAZIL 10.27% (31.05.18: 7.52%)			
Petroleo Brasileiro ADR	349,875	3,990	2.36
Itaúsa Preference Shares	1,288,623	3,162	1.87
Banco do Brasil	243,958	2,532	1.49
Atacadão Distribuição Comércio e Indústria	523,175	2,400	1.42
Estácio Participações	285,703	1,647	0.97
Engie Brasil Energia	185,663	1,630	0.96
Cia de Transmissão de Energia Elétrica Paulista Preference Shares	307,616	1,337	0.79
TIM Participações ADR	64,314	694	0.41
		17,392	10.27
CHINA 24.33% (31.05.18: 31.96%)			
Alibaba ADR	71,254	8,365	4.94
Tencent	246,900	8,153	4.81
Ping An Insurance Group Company of China	522,000	4,579	2.70
China Construction Bank	5,604,000	3,522	2.08
China Telecom	5,718,000	2,278	1.35
China Merchants Bank	561,500	2,148	1.27
Anhui Conch Cement	381,805	1,728	1.02
Wuliangye Yibin	135,289	1,568	0.93
CSPC Pharmaceutical	1,216,000	1,558	0.92
58.com Inc ADR	31,624	1,459	0.86
China Shenhua Energy	884,488	1,442	0.85
Weifu High Tech	602,598	1,355	0.80
Want Want China	2,391,000	1,352	0.80
Li Ning	589,500	774	0.46
Sany Heavy Industry	484,800	669	0.39
Weichai Power	162,000	195	0.12
Wuliangye Yibin	4,400	51	0.03
		41,196	24.33
COLOMBIA 0.79% (31.05.18: 0.00%)			
Bancolombia ADR	36,214	1,331	0.79
DENMARK 0.90% (31.05.18: 0.00%)			
Carlsberg	14,608	1,522	0.90
HONG KONG 6.76% (31.05.18: 6.84%)			
AIA	388,800	2,902	1.71
China Resources Land	726,000	2,347	1.39
Galaxy Entertainment	271,000	1,299	0.77
Kerry Properties	367,694	1,107	0.65
China Taiping Insurance	536,400	1,093	0.65
China Resources Gas	266,000	1,012	0.60
Kunlun Energy	1,206,000	883	0.52
Techtronic Industries	158,500	801	0.47
		11,444	6.76
HUNGARY 1.27% (31.05.18: 1.05%)			
MOL Hungarian Oil & Gas	163,064	1,438	0.85
Richter Gedeon	50,686	719	0.42
		2,157	1.27

ASSET	HOLDING	MARKET VALUE (£'000)	PERCENTAGE OF NET ASSETS (%)
INDIA 5.76% (31.05.18: 7.09%)			
HDFC Bank	97,248	2,685	1.58
Infosys ADR	306,933	2,555	1.51
Tech Mahindra	255,722	2,219	1.31
Shriram Transport Finance	118,903	1,578	0.93
Infosys	85,869	721	0.43
		9,758	5.76
INDONESIA 3.72% (31.05.18: 0.98%)			
Bank Negara Indonesia	4,007,900	1,869	1.10
Astra International	4,458,200	1,844	1.09
Telekomunikasi Indonesia Persero	7,135,500	1,550	0.92
Perusahaan Gas Negara	9,073,800	1,036	0.61
		6,299	3.72
JERSEY 0.95% (31.05.18: 0.18%)			
Polymetal International	135,452	1,135	0.67
En+ GDR	83,391	471	0.28
		1,606	0.95
LUXEMBOURG 1.27% (31.05.18: 1.08%)			
Ternium ADR	107,886	2,153	1.27
MALAYSIA 1.39% (31.05.18: 0.90%)			
Malayan Banking	886,000	1,511	0.89
Genting Bhd	697,400	845	0.50
		2,356	1.39
MEXICO 3.50% (31.05.18: 4.45%)			
Wal-Mart de Mexico	875,944	1,908	1.13
Cemex ADR	444,703	1,437	0.85
Grupo Aeroportuario del Sureste ADR	11,320	1,427	0.84
Grupo Mexico	612,370	1,159	0.68
		5,931	3.50
PERU 1.22% (31.05.18: 1.04%)			
Credicorp	11,791	2,064	1.22
POLAND 0.79% (31.05.18: 0.66%)			
Powszechna Kasa Oszczednosci Bank Polski	167,115	1,334	0.79
RUSSIA 2.48% (31.05.18: 1.80%)			
Lukoil ADR (US Listing)	37,134	2,360	1.39
MMC Norilsk Nickel ADR (LN Listing)	96,567	1,596	0.94
Lukoil ADR (LN Listing)	2,288	146	0.09
MMC Norilsk Nickel ADR (US Listing)	5,740	95	0.06
		4,197	2.48
SOUTH AFRICA 4.59% (31.05.18: 1.25%)			
Bid	118,493	1,913	1.13
Exxaro Resources	196,587	1,778	1.05
Sasol	75,157	1,485	0.88
RMB	304,354	1,314	0.77
Old Mutual	1,148,360	1,288	0.76
		7,778	4.59
SOUTH KOREA 6.12% (31.05.18: 9.27%)			
Samsung Electronics	292,593	8,290	4.89
Hana Financial	52,945	1,281	0.76
Samsung Life Insurance	14,716	793	0.47
		10,364	6.12
SWITZERLAND 0.51% (31.05.18: 0.83%)			
Swatch	4,356	858	0.51
TAIWAN 6.21% (31.05.18: 7.97%)			
Taiwan Semiconductor Manufacturing ADR	286,335	8,565	5.06
Novatek Microelectronics	267,000	1,121	0.66
Silicon Motion Technology ADR	28,035	831	0.49
		10,517	6.21

Portfolio Statement continued

As at 31 May 2019

ASSET	HOLDING	MARKET VALUE (£'000)	PERCENTAGE OF NET ASSETS (%)
THAILAND 5.07% (31.05.18: 1.84%)			
Bangkok Bank NVDR	411,600	2,016	1.19
Indorama Ventures	1,475,200	1,704	1.01
PTT	1,450,200	1,685	0.99
Advanced Info Service	275,700	1,333	0.79
Kasikornbank NVDR	230,400	1,076	0.64
Kasikornbank	113,200	532	0.31
Bangkok Bank	46,900	231	0.14
		8,577	5.07
TURKEY 0.83% (31.05.18: 1.18%)			
TAV Havalimanlari	322,508	1,082	0.64
Yapi ve Kredi Bankasi	1,203,095	317	0.19
		1,399	0.83
UNITED ARAB EMIRATES 2.88% (31.05.18: 2.54%)			
First Abu Dhabi Bank	473,899	1,520	0.90
Emaar Properties	1,524,994	1,472	0.87
Aldar Properties	2,418,802	952	0.56
Abu Dhabi National Oil for Distribution	1,614,566	940	0.55
		4,884	2.88
UNITED KINGDOM 2.32% (31.05.18: 3.52%)			
Anglo American	110,180	2,081	1.23
Mondi	113,043	1,848	1.09
		3,929	2.32
UNITED STATES 1.27% (31.05.18: 1.06%)			
Broadcom	10,802	2,161	1.27
Portfolio of investments		162,225	95.80
Net other assets*		7,116	4.20
Net assets		169,341	100.00

Unless otherwise stated the above securities are ordinary shares or common stock and admitted to official stock exchange listings.

* The net other assets figure includes bank and short term cash deposits.

Stocks shown as NVDRs represent Non Voting Depositary Receipts.

Stocks shown as ADRs represent American Depositary Receipts.

Stocks shown as GDRs represent Global Depositary Receipts.

Global Dividend Fund

Portfolio Statement

As at 31 May 2019

ASSET	HOLDING	MARKET VALUE (£'000)	PERCENTAGE OF NET ASSETS (%)
CANADA 1.98% (31.05.18: 2.29%)			
Canadian Imperial Bank of Commerce	3,896	233	1.98
CAYMAN ISLANDS 2.73% (31.05.18: 0.00%)			
CK Asset	56,000	322	2.73
CHINA 2.36% (31.05.18: 3.20%)			
China Construction Bank	243,000	153	1.30
Qingdao Port International	237,000	125	1.06
		278	2.36
DENMARK 0.00% (31.05.18: 2.17%)			
FRANCE 6.74% (31.05.18: 6.49%)			
Schneider Electric	7,060	438	3.72
Total	5,292	216	1.83
AXA	7,189	140	1.19
		794	6.74
GERMANY 0.00% (31.05.18: 0.88%)			
HONG KONG 1.53% (31.05.18: 2.22%)			
PCCW	400,000	180	1.53
JAPAN 2.49% (31.05.18: 4.71%)			
Sumitomo Mitsui Financial	10,600	293	2.49
NETHERLANDS 2.91% (31.05.18: 2.62%)			
Euronext	3,252	182	1.54
ASR Nederland	5,369	162	1.37
		344	2.91
NORWAY 0.00% (31.05.18: 1.24%)			
RUSSIA 1.41% (31.05.18: 1.81%)			
LUKOIL ADR	2,607	166	1.41
SINGAPORE 2.60% (31.05.18: 4.37%)			
United Overseas Bank	12,000	162	1.37
DBS	10,400	145	1.23
		307	2.60
SOUTH KOREA 2.58% (31.05.18: 3.65%)			
Samsung Electronics Preference Shares	8,713	202	1.71
Samsung Electronics	3,610	102	0.87
		304	2.58
SPAIN 5.26% (31.05.18: 2.28%)			
Iberdrola	51,109	377	3.20
Repsol	19,043	243	2.06
		620	5.26
SWITZERLAND 2.09% (31.05.18: 2.48%)			
Novartis	3,193	217	1.84
Alcon	638	29	0.25
		246	2.09
TAIWAN 0.00% (31.05.18: 2.93%)			
UNITED ARAB EMIRATES 2.33% (31.05.18: 2.85%)			
Aldar Properties	697,075	275	2.33

Portfolio Statement continued

As at 31 May 2019

ASSET	HOLDING	MARKET VALUE (£'000)	PERCENTAGE OF NET ASSETS (%)
UNITED KINGDOM 19.51% (31.05.18: 18.01%)			
Unilever	9,273	449	3.81
Schroders	17,737	419	3.55
Royal Dutch Shell	14,432	355	3.01
Prudential	21,592	342	2.90
British American Tobacco	10,641	297	2.52
RELX	8,963	165	1.40
Imperial Tobacco	7,519	145	1.23
Rio Tinto	2,839	128	1.09
		2,300	19.51
UNITED STATES 38.47% (31.05.18: 37.14%)			
Microsoft	5,219	513	4.35
Johnson & Johnson	4,061	425	3.60
Cisco Systems	7,457	312	2.65
Carnival	7,674	311	2.64
Extended Stay America	21,627	295	2.50
Merck	4,373	275	2.33
Pfizer	8,081	267	2.26
Wells Fargo	7,412	262	2.22
Gilead Sciences	4,995	251	2.13
International Business Machines	2,055	210	1.78
Interpublic	11,771	200	1.70
Philip Morris International	3,121	196	1.66
Gaming and Leisure Properties**	5,742	180	1.53
Qualcomm	3,366	173	1.47
Las Vegas Sands	3,887	170	1.44
Eastman Chemical	2,866	152	1.29
Public Service Enterprise	2,819	131	1.11
Foot Locker	3,676	118	1.00
Hanesbrands	8,048	96	0.81
		4,537	38.47
Portfolio of investments		11,199	94.99
Net other assets*		591	5.01
Net assets		11,790	100.00

** Real Estate Investment Trust (REIT).

* The net other assets figure includes bank and short term cash deposits.

Unless otherwise stated the above securities are ordinary shares or common stock and admitted to official stock exchange listings.

Stocks shown as ADRs represent American Depositary Receipts.

Global Franchise Fund

Portfolio Statement

As at 31 May 2019

ASSET	HOLDING	MARKET VALUE (£'000)	PERCENTAGE OF NET ASSETS (%)
BELGIUM 1.39% (31.05.18: 2.30%)			
Anheuser-Busch InBev ADR	23,000	1,489	1.39
CHINA 0.96% (31.05.18: 1.02%)			
NetEase ADR	5,255	1,023	0.96
GERMANY 3.65% (31.05.18: 2.57%)			
Beiersdorf	42,637	3,908	3.65
IRELAND 1.34% (31.05.18: 1.76%)			
Medtronic	19,530	1,433	1.34
ISRAEL 2.85% (31.05.18: 2.99%)			
Check Point Software Technologies	34,559	3,053	2.85
JAPAN 0.00% (31.05.18: 2.12%)			
NETHERLANDS 2.39% (31.05.18: 0.00%)			
ASML	17,118	2,553	2.39
SOUTH KOREA 1.41% (31.05.18: 2.37%)			
Samsung Electronics GDR	2,137	1,509	1.41
SPAIN 1.85% (31.05.18: 1.19%)			
Amadeus IT	33,022	1,979	1.85
SWITZERLAND 8.47% (31.05.18: 7.32%)			
Nestle	63,868	4,991	4.66
Roche	19,609	4,076	3.81
		9,067	8.47
UNITED KINGDOM 8.72% (31.05.18: 12.15%)			
Unilever	77,684	3,758	3.51
Reckitt Benckiser	54,411	3,438	3.22
Imperial Tobacco	110,540	2,132	1.99
		9,328	8.72
UNITED STATES 58.19% (31.05.18: 61.74%)			
Visa	70,898	9,034	8.44
Microsoft	76,439	7,512	7.02
VeriSign	43,608	6,714	6.27
Moody's	38,594	5,672	5.30
Johnson & Johnson	43,479	4,550	4.25
Booking	3,447	4,491	4.20
Philip Morris International	63,337	3,985	3.72
Intuit	20,619	3,962	3.71
Factset Research Systems	13,193	2,891	2.70
S&P Global	16,048	2,739	2.56
Charles Schwab	76,746	2,587	2.42
Becton Dickinson	13,461	2,503	2.34
Altria	40,534	1,607	1.50
3M	12,013	1,519	1.42
Colgate-Palmolive	24,015	1,345	1.26
FOX	41,159	1,152	1.08
		62,263	58.19
Portfolio of investments		97,605	91.22
Net other assets*		9,397	8.78
Net assets		107,002	100.00

* The net other assets figure includes bank and short term cash deposits.

Unless otherwise stated the above securities are ordinary shares or common stock and admitted to official stock exchange listings.

Stocks shown as ADRs represent American Depositary Receipts.

Stocks shown as GDRs represent Global Depositary Receipts.

Global Quality Equity Income Fund

Portfolio Statement

As at 31 May 2019

ASSET	HOLDING	MARKET VALUE (£'000)	PERCENTAGE OF NET ASSETS (%)
CONSUMER GOODS 29.61% (31.05.18: 37.61%)			
BEVERAGES			
Diageo	15,145	503	2.97
Anheuser-Busch	4,572	290	1.71
		793	4.68
HOUSEHOLD GOODS & HOME CONSTRUCTION			
Reckitt Benckiser	11,206	708	4.19
Procter & Gamble	5,991	499	2.95
		1,207	7.14
PERSONAL GOODS			
Unilever	11,560	559	3.31
Nike	8,600	540	3.19
		1,099	6.50
TOBACCO			
Philip Morris International	10,664	671	3.97
British American Tobacco	15,742	439	2.60
Swedish Match	11,234	405	2.40
Imperial Tobacco	20,356	393	2.32
		1,908	11.29
CONSUMER SERVICES 4.26% (31.05.18: 5.70%)			
MEDIA			
Fox	4,572	128	0.76
TRAVEL & LEISURE			
Booking	232	302	1.79
Sands China	80,400	289	1.71
		591	3.50
FINANCIALS 11.78% (31.05.18: 7.61%)			
FINANCIAL SERVICES			
Visa	7,973	1,016	6.01
Charles Schwab	12,889	434	2.57
CME	2,309	351	2.08
		1,801	10.66
REAL ESTATE INVESTMENT TRUSTS			
Growthpoint Properties Australia	82,047	189	1.12
HEALTH CARE 20.49% (31.05.18: 19.51%)			
HEALTH CARE EQUIPMENT & SERVICES			
Becton Dickinson	2,887	537	3.17
Medtronic	5,207	382	2.26
Coloplast	4,371	369	2.18
Alcon	2,252	103	0.61
		1,391	8.22
PHARMACEUTICALS & BIOTECHNOLOGY			
Novartis	11,266	766	4.53
Johnson & Johnson	4,893	512	3.03
Roche	2,204	458	2.71
GlaxoSmithKline	22,161	338	2.00
		2,074	12.27

ASSET	HOLDING	MARKET VALUE (£'000)	PERCENTAGE OF NET ASSETS (%)
INDUSTRIALS 15.43% (31.05.18: 11.64%)*			
INDUSTRIAL ENGINEERING			
Kone	16,940	731	4.32
Rockwell Automation	3,690	454	2.68
		1,185	7.00
SUPPORT SERVICES			
Experian	25,633	607	3.59
Automatic Data Processing	4,072	513	3.03
Broadridge Financial Solutions	3,120	306	1.81
		1,426	8.43
TECHNOLOGY 17.23% (31.05.18: 17.16%)*			
SOFTWARE & COMPUTER SERVICES			
Microsoft	12,467	1,225	7.24
Amadeus IT	11,069	663	3.92
Sage	61,089	455	2.69
		2,343	13.85
TECHNOLOGY HARDWARE & EQUIPMENT			
ASML	2,327	347	2.05
Samsung Electronics Preference	9,688	225	1.33
		572	3.38
Portfolio of investments		16,707	98.80
Net other assets*		203	1.20
Net assets		16,910	100.00

* The net other assets figure includes bank and short term cash deposits.

‡ Prior year comparatives restated.

Unless otherwise stated the above securities are ordinary shares or common stock and admitted to official stock exchange listings.

Global Special Situations Fund

Portfolio Statement

As at 31 May 2019

ASSET	HOLDING	MARKET VALUE (£'000)	PERCENTAGE OF NET ASSETS (%)
AUSTRALIA 0.00% (31.05.18: 4.30%)			
BRAZIL 6.53% (31.05.18: 2.39%)			
Cielo	3,187,888	4,301	2.46
Cia de Saneamento Basico do Estado de Sao Paulo	281,889	2,489	1.43
Cia de Saneamento de Minas Gerais	194,189	2,391	1.37
Cia de Saneamento do Parana	160,474	2,220	1.27
		11,401	6.53
HONG KONG 0.00% (31.05.18: 1.13%)			
IRELAND 2.37% (31.05.18: 2.03%)			
Grafton	483,472	4,139	2.37
JAPAN 4.13% (31.05.18: 5.47%)			
Resona	1,018,000	3,421	1.96
Asics	238,700	2,088	1.19
Japan Steel Works	141,500	1,705	0.98
		7,214	4.13
LUXEMBOURG 1.26% (31.05.18: 1.82%)			
Tenaris	235,918	2,197	1.26
NORWAY 0.00% (31.05.18: 1.30%)			
SOUTH KOREA 3.08% (31.05.18: 0.00%)			
Kangwon Land	260,374	5,387	3.08
SWEDEN 2.83% (31.05.18: 0.00%)			
SKF	407,316	4,941	2.83
SWITZERLAND 3.43% (31.05.18: 0.00%)			
Adecco	140,418	5,984	3.43
TURKEY 4.01% (31.05.18: 2.81%)			
TAV Havalimanlari	2,086,817	6,999	4.01
UNITED ARAB EMIRATES 2.13% (31.05.18: 2.16%)			
Aldar Properties	9,437,260	3,717	2.13
UNITED KINGDOM 23.18% (31.05.18: 23.59%)			
Travis Perkins	544,215	6,752	3.87
Capita	5,431,397	5,999	3.43
Lloyds Banking	9,569,703	5,483	3.14
Barclays	3,415,574	5,113	2.93
Delphi Technologies	423,250	5,050	2.89
Royal Bank of Scotland	1,663,293	3,563	2.04
Next	51,684	2,966	1.70
Rolls-Royce	293,304	2,498	1.43
CYBG	1,111,939	2,021	1.16
Avon Products	206,062	611	0.35
Aggreko	52,084	408	0.23
Rolls-Royce 'C' Shares	20,449,704	20	0.01
		40,484	23.18
UNITED STATES 45.64% (31.05.18: 47.03%)			
American Express	108,476	10,006	5.73
Bank of America	405,265	8,550	4.90
Citigroup	145,770	7,224	4.14
Welbilt	500,655	6,207	3.55
McKesson	52,584	5,132	2.94
Deere	45,887	5,088	2.91
Northern Trust	69,680	4,802	2.75
Cars.com	239,936	3,956	2.27

ASSET	HOLDING	MARKET VALUE (£'000)	PERCENTAGE OF NET ASSETS (%)
UNITED STATES 45.64% (31.05.18: 47.03%) (continued)			
Autonation	110,356	3,486	2.00
Adient	248,597	3,481	1.99
Conduent	445,177	3,234	1.85
Mohawk Industries	28,263	3,131	1.79
Western Union	200,774	3,062	1.75
MicroStrategy	28,346	2,977	1.71
Franklin Resources	110,948	2,879	1.65
Helmerich & Payne	62,244	2,460	1.41
DXC Technology	59,959	2,326	1.33
Tapestry	76,475	1,700	0.97
		79,701	45.64
Portfolio of investments		172,164	98.59
Net other assets*		2,461	1.41
Net assets		174,625	100.00

* The net other assets figure includes bank and short term cash deposits.

Unless otherwise stated the above securities are ordinary shares or common stock and admitted to official stock exchange listings.

Multi-Asset Protector Fund

Portfolio Statement

As at 31 May 2019

ASSET	HOLDING	MARKET VALUE (£'000)	PERCENTAGE OF NET ASSETS (%)
ALTERNATIVES 3.43% (31.05.18: 2.36%)			
iShares Physical Gold	84,850	1,715	1.05
3i Infrastructure	480,493	1,381	0.85
HIICL Infrastructure	784,674	1,271	0.78
BBGI SICAV	798,298	1,221	0.75
		5,588	3.43
EQUITIES 21.08% (31.05.18: 38.93%)			
GLOBAL EQUITIES 4.47% (31.05.18: 14.44%)			
Investec GSF Asian Equity Fund †	208,252	4,943	3.03
Investec GSF All China Equity Fund †	165,392	3,308	2.03
HSCEI Futures June 2019	39	2	–
TOPIX Index Futures June 2019	51	(391)	(0.24)
MSCI Emerging Markets Futures June 2019	184	(568)	(0.35)
		7,294	4.47
REGION THEMATIC 0.00% (31.05.18: 5.02%)			
SECTOR THEMATIC 6.14% (31.05.18: 6.68%)			
INSURANCE			
American Financial	6,977	543	0.33
Hiscox	30,928	506	0.31
Beazley	82,085	456	0.28
Intact Financial	6,614	451	0.27
Travelers	3,548	409	0.25
Reinsurance Group of America	3,456	404	0.25
Chubb	3,320	383	0.23
Arch Capital	13,763	372	0.23
MGIC Investment	33,830	365	0.22
Essent	9,623	360	0.22
		4,249	2.59
MINERS			
Rio Tinto	4,232	191	0.12
Anglo American	9,273	175	0.11
Glencore	60,136	153	0.09
South32	74,566	135	0.08
Boliden	6,382	113	0.07
BHP Billiton	5,723	102	0.06
Boliden Redemption Shares	6,382	2	–
		871	0.53
SPIN OFF			
Park Hotels & Resorts REIT*	9,629	215	0.13
Cars.com	9,748	161	0.10
KLX	9,506	156	0.10
DXC Technology	3,787	147	0.09
Pentair	3,975	111	0.07
Conduent	13,485	98	0.06
DowDuPont	3,775	92	0.06
Adient	5,696	80	0.05
nVent Electric	3,975	73	0.04
Delphi Technologies	5,074	61	0.04
Dow Jones Industrial Average	1,258	48	0.03
Equitrans Midstream	1,748	28	0.02
Perspecta	1,414	24	0.01
Garrett Motion	525	7	–
		1,301	0.80

ASSET	HOLDING	MARKET VALUE (£'000)	PERCENTAGE OF NET ASSETS (%)
US HOMEBUILDERS			
PulteGroup	27,013	672	0.41
Taylor Morrison	34,081	539	0.33
DR Horton	14,700	509	0.31
NVR	195	498	0.31
Tri Pointe	47,257	470	0.29
KB Home	23,121	466	0.29
Lennar	11,503	456	0.28
		3,610	2.22
TOTAL RETURN EQUITY 9.75% (31.05.18: 7.73%)			
Visa	5,463	696	0.43
Unilever	14,112	683	0.42
Ingersoll-Rand	6,655	633	0.39
UnitedHealth Group	3,179	612	0.37
Partners	1,104	609	0.37
Aristocrat Leisure	33,090	528	0.32
Amadeus IT	7,777	466	0.29
Honeywell International	3,483	455	0.28
Home Depot	2,987	446	0.27
Novo Nordisk	11,764	440	0.27
Check Point Software Technologies	4,909	434	0.27
Microsoft	4,257	418	0.26
Northrop Grumman	1,655	406	0.25
Hexpol	69,437	398	0.24
FactSet Research Systems	1,731	379	0.23
Lear	3,812	378	0.23
F5 Networks	3,511	374	0.23
Dollar General	3,743	373	0.23
A. O. Smith	11,529	373	0.23
Marsh & McLennan	4,885	369	0.23
Walt Disney	3,488	363	0.22
RELX	19,589	361	0.22
Accenture	2,559	360	0.22
AutoZone	430	357	0.22
Johnson & Johnson	3,391	355	0.22
S&P Global	1,967	336	0.21
TJX	8,410	335	0.21
American Express	3,622	334	0.20
Hasbro	4,295	332	0.20
Philip Morris International	5,142	324	0.20
Illinois Tool Works	2,802	310	0.19
WH Smith	15,723	310	0.19
Estee Lauder	2,323	303	0.19
Jack Henry & Associates	2,905	302	0.19
Moncler	9,981	288	0.18
Lockheed Martin	1,064	287	0.18
Amdocs	6,177	287	0.18
Axfood	16,457	248	0.15
Howden Joinery	47,985	243	0.15
Thor Industries	4,478	196	0.12
TravelSky Technology	101,000	166	0.10
		15,867	9.75
UK EQUITIES 0.72% (31.05.18: 5.06%)			
Lloyds Banking	545,534	313	0.19
Land Securities REIT*	35,490	293	0.18
British Land REIT*	49,313	262	0.16
Barclays	97,774	146	0.09
Royal Bank of Scotland	57,911	124	0.08
FTSE 100 Index Futures June 2019	96	39	0.02
		1,177	0.72
FIXED INCOME 43.66% (31.05.18: 37.25%)			
CORPORATE HIGH YIELD 5.84% (31.05.18: 4.93%)			
Investec Diversified Income Fund †	2,400,906	4,078	2.50
H2O Multibonds	18	3,678	2.26
Investec GSF Global Total Return Credit Fund †	111,068	1,765	1.08
		9,521	5.84

Portfolio Statement continued

As at 31 May 2019

ASSET	HOLDING	MARKET VALUE (£'000)	PERCENTAGE OF NET ASSETS (%)
EMERGING MARKETS DEBT 5.74% (31.05.18: 3.54%)			
New Capital Wealthy Nations Bond Fund (GBP)	55,615	6,178	3.79
Indonesia Treasury Bond 8.25% 15/05/2029	44,038,000,000	2,500	1.53
Republic of South Africa Government Bond 8% 31/01/2030	13,900,000	691	0.42
		9,369	5.74
EMERGING MARKETS EQUITY 1.08% (31.05.18: 0.00%)			
Investec GSF Emerging Markets †	68,678	1,755	1.08
GOVERNMENT BOND 31.00% (31.05.18: 28.78%)			
United Kingdom Gilt 1.5% 22/01/2021	GBP 9,637,789	9,779	6.00
United Kingdom Gilt 2% 22/07/2020	GBP 9,614,112	9,761	5.99
United Kingdom Gilt 0.5% 22/07/2022	GBP 6,562,654	6,551	4.02
United States Treasury Note 2.875% 15/11/2046	USD 5,207,400	4,367	2.68
United States Treasury Note 3% 15/05/2047	USD 4,897,400	4,205	2.58
United States Treasury Note 3% 15/05/2045	USD 4,898,500	4,201	2.58
United States Treasury Note 2.25% 15/08/2046	USD 5,650,800	4,183	2.56
United States Treasury Note 3% 15/02/2047	USD 4,858,800	4,175	2.56
Canadian Government Bond 1% 01/06/2027	CAD 5,847,000	3,309	2.03
		50,531	31.00
GOVERNMENT TREASURY BILLS 24.54% (31.05.18: 17.76%)			
United Kingdom Treasury Bill 17/07/2019	GBP 7,500,000	7,497	4.59
United Kingdom Treasury Bill 03/07/2019	GBP 5,000,000	4,999	3.07
United Kingdom Treasury Bill 05/08/2019	GBP 5,000,000	4,993	3.06
United Kingdom Treasury Bill 19/08/2019	GBP 4,000,000	3,994	2.45
United Kingdom Treasury Bill 24/06/2019	GBP 3,000,000	2,999	1.84
United Kingdom Treasury Bill 01/07/2019	GBP 3,000,000	2,998	1.84
United Kingdom Treasury Bill 12/08/2019	GBP 2,500,000	2,496	1.53
United Kingdom Treasury Bill 10/07/2019	GBP 2,000,000	2,000	1.23
United Kingdom Treasury Bill 08/07/2019	GBP 2,000,000	1,998	1.23
United Kingdom Treasury Bill 22/07/2019	GBP 2,000,000	1,998	1.23
United Kingdom Treasury Bill 15/07/2019	GBP 1,500,000	1,499	0.92
United Kingdom Treasury Bill 29/07/2019	GBP 1,500,000	1,498	0.92
United Kingdom Treasury Bill 27/08/2019	GBP 520,100	519	0.32
United Kingdom Treasury Bill 25/11/2019	GBP 500,000	498	0.31
		39,986	24.54
PROPERTY 1.30% (31.05.18: 2.55%)			
Investec GSF Global Real Estate Securities Fund †	136,138	2,124	1.30
FORWARD FOREIGN EXCHANGE CONTRACTS (0.52%) (31.05.18: (1.86%))			
FORWARD CURRENCY CONTRACTS			
Canadian Dollar			
Sell CAD	(5,720,000)	for GBP	3,330,771
		(17)	(0.01)
Euro			
Sell Euro	(6,217,064)	for GBP	5,455,747
		(64)	(0.04)
Hong Kong Dollar			
Sell HKD	(43,710,000)	for GBP	4,355,096
		(66)	(0.04)
US Dollar			
Sell USD	(62,427,515)	for GBP	48,753,316
		(694)	(0.43)
		(841)	(0.52)
Portfolio of investments^		152,402	93.49
Net other assets**		10,620	6.51
Net assets		163,022	100.00

^ Including derivative liabilities.

† A related party to the Fund.

* Real Estate Investment Trust (REIT).

**The net other assets figure includes bank and short term cash deposits.

Unless otherwise stated the above securities are ordinary shares or common stock and admitted to official stock exchange listings.

The collective investment schemes investments and the forward foreign exchange contracts are not listed.

Portfolio Analysis

As at 31 May 2019

Portfolio Analysis

ASSET	MARKET VALUE (£'000)	31.05.19	MARKET VALUE (£'000)	31.05.18
		PERCENTAGE OF NET ASSETS (%)		PERCENTAGE OF NET ASSETS (%)
Bonds	53,722	32.95	9,743	5.18
Collective Investment Schemes	33,417	20.50	115,684	61.50
Derivatives	39,068	23.97	27,091	14.41
Equities	27,036	16.59	(3,504)	(1.86)
Forward Foreign Exchange Contracts	(841)	(0.52)	33,380	17.76
Net other assets**	10,620	6.51	5,652	3.01
Net assets	163,022	100.00	188,046	100.00

Credit Breakdown*

ASSET	MARKET VALUE (£'000)	31.05.19	MARKET VALUE (£'000)	31.05.18
		PERCENTAGE OF NET ASSETS (%)		PERCENTAGE OF NET ASSETS (%)
AAA	24,440	14.99	–	–
AA	26,091	16.01	9,743	5.18
BBB	2,500	1.53	–	–
BB+	691	0.42	–	–
Total Bonds	53,722	32.95	9,743	5.18

*Bond ratings are Investec approximations.

Multi-Asset Protector Fund 2

Portfolio Statement

As at 31 May 2019

ASSET	HOLDING	MARKET VALUE (£'000)	PERCENTAGE OF NET ASSETS (%)
ALTERNATIVES 3.23% (31.05.18: 2.07%)			
iShares Physical Gold ETC	45,203	913	1.00
3i Infrastructure	253,528	729	0.80
HIICL Infrastructure	414,026	671	0.73
BBGI SICAV	417,120	638	0.70
		2,951	3.23
EQUITIES 20.97% (31.05.18: 37.98%)‡			
GLOBAL EQUITIES 4.53% (31.05.18: 14.76%)			
Investec GSF Asian Equity Fund †	119,565	2,838	3.10
Investec GSF All China Equity Fund †	92,486	1,850	2.02
HSCEI Futures 27/06/2019	23	1	–
Japan TOPIX Index Futures 13/06/2019	29	(222)	(0.24)
US MSCI Emerging Market Index Futures 21/06/2019	103	(317)	(0.35)
		4,150	4.53
REGION THEMATIC 0.00% (31.05.18: 4.93%)			
SECTOR THEMATIC 6.22% (31.05.18: 6.24%)			
INSURANCE			
Reinsurance Group of America	2,737	320	0.35
Arch Capital	11,021	298	0.33
American Financial	3,800	296	0.32
Hiscox	16,845	276	0.30
Beazley	44,709	248	0.27
Intact Financial	3,602	246	0.27
Travelers	2,015	232	0.25
Chubb	1,885	218	0.24
MGIC Investment	19,213	207	0.23
Essent	5,465	204	0.22
		2,545	2.78
MINERS			
Rio Tinto	1,920	87	0.10
Anglo American	4,206	79	0.09
Glencore	27,276	69	0.07
South32	33,821	62	0.07
Boliden	2,894	51	0.06
BHP Billiton	2,596	46	0.05
Boliden Redemption Shares	2,894	1	–
		395	0.44
SPIN OFF			
Park Hotels & Resorts**	5,589	124	0.14
KLX	4,570	75	0.08
DXC Technology	1,799	70	0.08
Cars.com	3,661	60	0.07
Pentair	1,493	42	0.05
Conduent	5,064	37	0.04
DowDuPont	1,418	34	0.04
Adient	2,139	30	0.03
nVent Electric	1,493	27	0.03
Delphi Technologies	1,905	23	0.03
Dow	472	18	0.02
Equitrans Midstream	728	12	0.01
Perspecta	531	9	0.01
Garret Motion	295	4	–
		565	0.63

ASSET	HOLDING	MARKET VALUE (£'000)	PERCENTAGE OF NET ASSETS (%)
US HOMEBUILDERS			
NVR	140	357	0.39
PulteGroup	13,660	340	0.37
DR Horton	9,773	339	0.37
Lennar	7,902	313	0.34
Taylor Morrison Home	19,149	303	0.33
KB Home	14,366	289	0.32
Tri Pointe	22,881	228	0.25
		2,169	2.37
TOTAL RETURN EQUITY 9.49% (31.05.18: 7.12%)			
Visa	3,043	388	0.42
Unilever	7,601	368	0.40
Ingersoll-Rand	3,633	346	0.38
UnitedHealth	1,785	344	0.38
Partners	595	328	0.36
Aristocrat Leisure	17,823	284	0.31
Home Depot	1,740	260	0.28
Honeywell International	1,976	258	0.28
Amadeus IT	4,189	251	0.27
Novo Nordisk	6,337	237	0.26
Check Point Software Technologies	2,644	234	0.26
Northrop Grumman	945	232	0.25
Microsoft	2,227	219	0.24
Hexpol	37,401	214	0.23
Dollar General	2,108	210	0.23
Marsh & McLennan	2,752	208	0.23
Philip Morris International	3,297	207	0.23
RELX	11,132	205	0.22
FactSet Research Systems	932	204	0.22
Johnson & Johnson	1,947	204	0.22
Lear	2,053	203	0.22
F5 Networks	1,891	201	0.22
A. O. Smith	6,210	201	0.22
Accenture	1,411	198	0.22
Walt Disney	1,879	196	0.21
AutoZone	232	193	0.21
S&P Global	1,059	181	0.20
American Express	1,951	180	0.20
WH Smith	9,098	179	0.20
Hasbro	2,314	179	0.20
TJX	4,414	176	0.19
Estee Lauder	1,307	170	0.19
Amdocs	3,608	168	0.18
Lockheed Martin	618	167	0.18
Jack Henry & Associates	1,565	163	0.18
Moncler	5,376	155	0.17
Axfood	10,229	154	0.17
Howden Joinery	26,505	134	0.15
Illinois Tool Works	1,084	120	0.13
Thor Industries	2,412	106	0.12
TravelSky Technology	35,000	58	0.06
		8,683	9.49
UK EQUITIES 0.73% (31.05.18: 4.93%)			
Lloyds Banking	296,945	170	0.19
Land Securities**	19,826	164	0.18
British Land**	28,544	152	0.17
Barclays	54,517	82	0.09
Royal Bank of Scotland	32,474	69	0.08
FTSE 100 Index Futures 21/06/2019	52	21	0.02
		658	0.73
FIXED INCOME 71.54% (31.05.18: 36.21%)			
CORPORATE HIGH YIELD 5.55% (31.05.18: 4.65%)			
Investec Diversified Income Fund †	1,342,809	2,281	2.49
H2O Multibonds	9	1,840	2.01
Investec GSF Global Total Return Credit Fund †	60,497	961	1.05
		5,082	5.55

Portfolio Statement continued

As at 31 May 2019

ASSET	HOLDING	MARKET VALUE (£'000)	PERCENTAGE OF NET ASSETS (%)
EMERGING MARKETS DEBT 6.53% (31.05.18: 3.50%)			
New Capital Wealthy Nations Bond Fund (GBP)	29,506	3,278	3.58
Indonesia Treasury Bond 8.25% 15/05/2029	24,028,000,000	1,364	1.49
Investec GSF Emerging Markets Corporate Debt †	37,241	952	1.04
Republic of South Africa Government Bond 8% 31/01/2030	7,700,000	382	0.42
		5,976	6.53
GOVERNMENT BOND 30.57% (31.05.18: 28.06%)			
United Kingdom Gilt 1.5% 22/01/2021	GBP 5,336,960	5,415	5.92
United Kingdom Gilt 2% 22/07/2020	GBP 5,317,719	5,399	5.90
United Kingdom Gilt 0.5% 22/07/2022	GBP 3,644,603	3,638	3.98
United States Treasury Note 3% 15/05/2047	USD 2,738,800	2,352	2.57
United States Treasury Note 3% 15/05/2045	USD 2,739,400	2,349	2.57
United States Treasury Note 3% 15/02/2047	USD 2,717,300	2,335	2.55
United States Treasury Note 2.875% 15/11/2046	USD 2,747,600	2,304	2.52
United States Treasury Note 2.25% 15/08/2046	USD 3,105,400	2,299	2.51
Canadian Government Bond 1% 01/06/2027	CAD 3,321,000	1,879	2.05
		27,970	30.57
GOVERNMENT TREASURY BILLS 28.89% (31.05.18: 17.53%)			
United Kindom Treasury Bill 17/06/2019	GBP 3,500,000	3,499	3.82
United Kindom Treasury Bill 03/06/2019	GBP 3,000,000	3,000	3.28
United Kindom Treasury Bill 24/06/2019	GBP 3,000,000	2,999	3.28
United Kindom Treasury Bill 29/07/2019	GBP 2,500,000	2,497	2.73
United Kindom Treasury Bill 08/07/2019	GBP 2,000,000	1,998	2.18
United Kindom Treasury Bill 05/08/2019	GBP 2,000,000	1,997	2.18
United Kindom Treasury Bill 01/07/2019	GBP 1,500,000	1,499	1.64
United Kindom Treasury Bill 19/08/2019	GBP 1,500,000	1,498	1.64
United Kindom Treasury Bill 25/11/2019	GBP 1,500,000	1,494	1.63
United Kindom Treasury Bill 02/12/2019	GBP 1,500,000	1,494	1.63
United Kindom Treasury Bill 10/06/2019	GBP 1,000,000	1,000	1.09
United Kindom Treasury Bill 15/07/2019	GBP 1,000,000	999	1.09
United Kindom Treasury Bill 12/08/2019	GBP 1,000,000	998	1.09
United Kindom Treasury Bill 27/08/2019	GBP 780,150	779	0.85
United Kindom Treasury Bill 22/07/2019	GBP 700,000	699	0.76
		26,450	28.89
PROPERTY 1.36% (31.05.18: 2.54%)			
Investec GSF Global Real Estate Securities Fund †	79,464	1,240	1.36
FORWARD FOREIGN EXCHANGE CONTRACTS (0.47%) (31.05.18: (1.86%))			
FORWARD CURRENCY CONTRACTS			
Canadian Dollar			
Sell CAD	(3,110,000)	for GBP	1,810,961
		(9)	(0.01)
Euro			
Sell EUR	(2,724,138)	for GBP	2,390,551
		(29)	(0.03)
Hong Kong Dollar			
Sell HKD	(23,713,000)	for GBP	2,362,672
		(35)	(0.04)
US Dollar			
Sell USD	(32,513,582)	for GBP	25,391,768
		(361)	(0.39)
		(434)	(0.47)
Portfolio of investments^		88,400	96.63
Net other assets*		3,085	3.37
Net assets		91,485	100.00

^ Including derivative liabilities.

† A related party to the Fund.

*The net other assets figure includes bank and short term cash deposits.

**Real Estate Investment Trust (REIT).

‡ Prior year comparatives restated.

Unless otherwise stated the above securities are ordinary shares or common stock and admitted to official stock exchange listings.

Portfolio Analysis

As at 31 May 2019

Portfolio Analysis

		31.05.19		31.05.18
	MARKET VALUE (£'000)	PERCENTAGE OF NET ASSETS (%)	MARKET VALUE (£'000)	PERCENTAGE OF NET ASSETS (%)
ASSET				
Bonds	29,716	32.48	3,991	5.00
Collective Investment Schemes	18,191	19.88	48,224	60.44
Derivatives	(517)	(0.57)	–	–
Equities	14,994	16.42	10,662	13.36
Forward Foreign Exchange Contracts	(434)	(0.47)	(1,486)	(1.86)
Government Treasury Bills	26,450	28.89	13,991	17.53
Net other assets	3,085	3.37	4,410	5.53
Net assets	91,485	100.00	79,792	100.00

Credit Breakdown*

		31.05.19		31.05.18
	MARKET VALUE (£'000)	PERCENTAGE OF NET ASSETS (%)	MARKET VALUE (£'000)	PERCENTAGE OF NET ASSETS (%)
ASSET				
AAA	13,518	14.77	–	–
AA	14,452	15.80	3,991	5.00
BBB	1,364	1.49	–	–
BB+	382	0.42	–	–
Total Bonds	29,716	32.48	3,991	5.00

*Bond ratings are Investec approximations.

Target Return Bond Fund

Portfolio Statement

As at 31 May 2019

ASSET	HOLDING	MARKET VALUE (£'000)	PERCENTAGE OF NET ASSETS (%)
CORPORATE BONDS 31.02% (31.05.18: 19.43%)			
Citibank 3.4% 23/07/2021	USD 1,372,000	1,107	1.04
Morgan Stanley (FRN) 3.98113% 24/10/2023	USD 1,347,000	1,089	1.03
UBS 2.45% 01/12/2020	USD 1,353,000	1,072	1.01
Santander UK 2.125% 03/11/2020	USD 1,359,000	1,070	1.01
Wells Fargo Bank 3.625% 22/10/2021	USD 1,318,000	1,070	1.01
JPMorgan Chase (FRN) 3.81113% 24/10/2023	USD 1,322,000	1,066	1.01
Bank of America (FRN) 0.389% 25/04/2024	EUR 1,184,000	1,048	0.99
Saudi Arabian Oil 4.375% 16/04/2049	USD 815,000	634	0.60
Kosmos Energy 7.125% 04/04/2026	USD 775,000	606	0.57
Crown European 4% 15/07/2022	EUR 600,000	578	0.55
Tenet Healthcare 6% 01/10/2020	USD 670,000	547	0.52
Saudi Arabian Oil 2.875% 16/04/2024	USD 688,000	542	0.51
Saudi Arabian Oil 3.5% 16/04/2029	USD 682,000	536	0.51
Tencent 3.975% 11/04/2029	USD 650,000	520	0.49
CNAC HK Finbridge 5.125% 14/03/2028	USD 600,000	516	0.49
Hughes Satellite Systems 7.625% 15/06/2021	USD 600,000	510	0.48
Barclays 2.625% 11/11/2025	EUR 566,000	505	0.48
Citigroup (FRN) 3.523% 08/12/2021	USD 600,000	482	0.45
CPUK Finance 4.25% 28/08/2022	GBP 480,000	481	0.45
CSC 5.125% 15/12/2021	USD 600,000	477	0.45
Jaguar Land Rover Automotive 4.25% 15/11/2019	USD 600,000	475	0.45
Ardagh Packaging Finance 4.25% 15/09/2022	USD 580,000	459	0.43
International Game Technology 6.25% 15/02/2022	USD 550,000	455	0.43
T-Mobile USA 4% 15/04/2022	USD 570,000	455	0.43
NGPL PipeCo 4.375% 15/08/2022	USD 560,000	454	0.43
Yum! Brands 3.875% 01/11/2020	USD 568,000	453	0.43
Cablevision Systems 5.875% 15/09/2022	USD 550,000	451	0.43
Telecom Italia 6.375% 24/06/2019	GBP 450,000	451	0.43
Lennar 2.95% 29/11/2020	USD 546,000	432	0.41
CenturyLink 6.45% 15/06/2021	USD 520,000	430	0.41
Koc 6.5% 11/03/2025	USD 539,000	407	0.38
GLP Capital 4.875% 01/11/2020	USD 490,000	396	0.37
Iron Mountain 4.375% 01/06/2021	USD 484,000	386	0.35
Bausch Health 6.5% 15/03/2022	USD 450,000	370	0.35
Merlin Entertainments 2.75% 15/03/2022	EUR 400,000	369	0.35
Ball 5% 15/03/2022	USD 390,000	322	0.30
Sinclair Television 6.125% 01/10/2022	USD 390,000	315	0.30
Braskem Netherlands Finance 4.5% 10/01/2028	USD 400,000	308	0.29
Vodafone 7% 04/04/2079	USD 350,000	288	0.27
APX 8.75% 01/12/2020	USD 374,000	282	0.27
Ziggo 4.25% 15/01/2027	EUR 300,000	276	0.26
Telefonica Europe 4.375% Perpetual	EUR 300,000	274	0.26
Stillwater Mining 7.125% 27/06/2025	USD 350,000	274	0.26
ATF Netherlands 3.75% Perpetual	EUR 300,000	268	0.25
YPF 7% 15/12/2047	USD 420,000	267	0.25
Volkswagen International Finance 3.375% Perpetual	EUR 300,000	262	0.25
Medco Oak Tree 7.375% 14/05/2026	USD 326,000	254	0.24
Mexico City Airport Trust 5.5% 31/10/2046	USD 330,000	252	0.24
Solvay Finance 5.869% Perpetual	EUR 250,000	251	0.24
Pampa Energia 7.5% 24/01/2027	USD 353,000	247	0.23
Grupo Bimbo 5.95% Perpetual	USD 297,000	245	0.23
TransDigm 6.25% 15/03/2026	USD 300,000	244	0.23
Turkcell İletişim Hizmetleri 5.8% 11/04/2028	USD 350,000	240	0.23
CCO 5.25% 15/03/2021	USD 300,000	239	0.23
TOTAL 3.369% Perpetual	EUR 250,000	239	0.23
Qatar Reinsurance 4.95% Perpetual	USD 300,000	237	0.22
Bombardier 7.875% 15/04/2027	USD 300,000	233	0.22
Hilcorp Energy I 5% 01/12/2024	USD 300,000	233	0.22

ASSET	HOLDING	MARKET VALUE (£'000)	PERCENTAGE OF NET ASSETS (%)
CORPORATE BONDS 31.02% (31.05.18: 19.43%) (continued)			
GTL Trade Finance 5.893% 29/04/2024	USD 273,000	232	0.22
Minerva Luxembourg 6.5% 20/09/2026	USD 296,000	232	0.22
Reynolds 5.75% 15/10/2020	USD 290,732	231	0.22
Suzano Austria 7% 16/03/2047	USD 265,000	230	0.22
Synlab Bondco 6.25% 01/07/2022	EUR 250,000	226	0.21
YPF 8.75% 04/04/2024	USD 283,000	220	0.21
Türkiye Vakıflar Bankası 6.875% 03/02/2025	USD 327,000	217	0.20
Orange 5% Perpetual	EUR 215,000	217	0.20
Rio Energy 6.875% 01/02/2025	USD 356,000	198	0.19
Huntsman International 5.125% 15/04/2021	EUR 200,000	190	0.18
Starfruit Finco 6.5% 01/10/2026	EUR 200,000	175	0.17
Techem 6% 30/07/2026	EUR 190,000	172	0.16
ARD Finance 6.625% 15/09/2023	EUR 190,000	170	0.16
ING Bank 5% 09/06/2021	USD 200,000	166	0.16
Altice France 7.375% 01/05/2026	USD 210,000	164	0.15
Energizer Gamma Acquisition 4.625% 15/07/2026	EUR 180,000	162	0.15
Novatives 5% 15/06/2025	EUR 200,000	162	0.15
Verisure 5.75% 01/12/2023	EUR 180,000	161	0.15
Virgin Media Secured Finance 5% 15/04/2027	GBP 160,000	160	0.15
AMC Entertainment 6.375% 15/11/2024	GBP 160,000	158	0.15
Algeco Global Finance 6.5% 15/02/2023	EUR 170,000	157	0.15
Cott 5.5% 01/07/2024	EUR 170,000	156	0.15
Eagle Intermediate Global 5.375% 01/05/2023	EUR 180,000	156	0.15
Spectrum Brands 4% 01/10/2026	EUR 170,000	155	0.15
United 4.875% 01/07/2024	EUR 170,000	155	0.15
United 4.375% 01/07/2022	EUR 172,000	155	0.15
Hughes Satellite Systems 6.5% 15/06/2019	USD 193,000	154	0.14
INEOS 5.375% 01/08/2024	EUR 170,000	154	0.14
BWAY 4.75% 15/04/2024	EUR 170,000	154	0.15
CeramTec 5.25% 15/12/2025	EUR 170,000	152	0.14
Adient 3.5% 15/08/2024	EUR 200,000	139	0.13
Diamond BC 5.625% 15/08/2025	EUR 200,000	139	0.13
Guala Closures (FRN) 3.5% 15/04/2024	EUR 100,000	89	0.08
Altice 8% 15/05/2027	EUR 100,000	88	0.08
Continental Resources 5% 15/09/2022	USD 80,000	64	0.06
		32,859	31.02
GOVERNMENT BONDS 33.86% (31.05.18: 46.37%)			
United States Treasury Note 2.875% 30/11/2023	USD 23,524,000	19,429	18.33
Ukraine Government International Bond 7.75% 01/09/2027	USD 4,791,000	3,543	3.34
Russian Federal Bond – OFZ 7.7% 23/03/2033	RUB 291,294,000	3,475	3.28
Bundesrepublik Deutschland Bundesanleihe 0.25% 15/02/2027	EUR 3,310,991	3,082	2.92
Ukraine Government International Bond 9.75% 01/11/2028	USD 3,200,000	2,614	2.47
United States Treasury Note 3.125% 15/11/2028	USD 2,079,000	1,789	1.69
Ecuador Government International Bond 7.875% 23/01/2028	USD 700,000	535	0.50
Dominican Republic International Bond 5.5% 27/01/2025	USD 580,000	479	0.45
Morocco Government International Bond 5.5% 11/12/2042	USD 540,000	466	0.44
Senegal Government International Bond 6.25% 23/05/2033	USD 640,000	463	0.44
		35,875	33.86
CERTIFICATES OF DEPOSIT 3.76% (31.05.18: 0.00%)			
Barclays Bank 0.87% 03/06/2019	GBP 1,000,000	1,000	0.94
Nordea Bank 0.81% 23/07/2019	GBP 1,000,000	1,000	0.94
Oversea Chinese Banking 19/06/2019	GBP 1,000,000	1,000	0.94
Mizuho Bank 12/08/2019	GBP 1,000,000	998	0.94
		3,998	3.76
COMMERCIAL PAPERS 4.70% (31.05.18: 0.00%)			
Agence Centrale des Organismes de Securite Sociale 28/06/2019	GBP 1,000,000	999	0.94
Allianz 23/07/2019	GBP 1,000,000	999	0.94
DZ Bank 29/07/2019	GBP 1,000,000	999	0.94
Erste Abwicklungsanstalt 30/07/2019	GBP 1,000,000	999	0.94
Sumitomo Mitsui Banking 08/08/2019	GBP 1,000,000	998	0.94
		4,994	4.70

Portfolio Statement continued

As at 31 May 2019

ASSET	HOLDING	MARKET VALUE (£'000)	PERCENTAGE OF NET ASSETS (%)		
DERIVATIVES – FUTURES (0.14%) (31.05.18: (0.05%))					
US Treasury Note 2 Year Futures 30/09/2019	145	59	0.06		
US Treasury Note 5 Year Futures 30/09/2019	127	57	0.05		
South Korea 3 Year Bond Futures 18/06/2019	122	15	0.01		
Germany Euro-BUND Futures 06/09/2019	(17)	(10)	(0.01)		
US Treasury Note 10 Year Futures 19/09/2019	(53)	(45)	(0.04)		
US Ultra Bond Futures 19/09/2019	(67)	(219)	(0.21)		
		(143)	(0.14)		
DERIVATIVES – OPTIONS 0.00% (31.05.18: 0.10%)					
DERIVATIVES – CREDIT DEFAULT SWAPS 0.24% (31.05.18: 0.00%)					
Goldman Sachs South Africa Government International 1% 20/06/2024	7,042,000	246	0.23		
DERIVATIVES – INTEREST RATE SWAPS 0.25% (31.05.18: (0.13%))					
Goldman Sachs Interest Rate Swap receive 2.0185% 11/10/2020	70,333,000	271	0.26		
Goldman Sachs Interest Rate Swap receive 1.713% 26/03/2021	789,700,000	82	0.08		
Goldman Sachs Interest Rate Swap receive 0.485% 24/05/2021	138,900,000	30	0.02		
JP Morgan Interest Rate Swap receive 1.903% 24/04/2021	52,400,000	11	0.01		
Goldman Sachs Interest Rate Swap receive 1.585% 10/05/2021	9,680,000	9	0.01		
Goldman Sachs Interest Rate Swap receive 1.965% 25/03/2029	137,600,000	9	0.01		
Goldman Sachs Interest Rate Swap pay 3.03% 10/05/2024	50,900,000	(5)	–		
Goldman Sachs Interest Rate Swap pay 2.993% 17/05/2024	53,195,000	(17)	(0.02)		
Goldman Sachs Interest Rate Swap pay 1.983% 31/05/2029	139,600,000	(21)	(0.02)		
JP Morgan Interest Rate Swap pay 2.1775% 24/04/2029	10,320,000	(97)	(0.09)		
		272	0.25		
FORWARD FOREIGN EXCHANGE CONTRACTS (2.09%) (31.05.18: (3.32%))					
FORWARD CURRENCY CONTRACTS					
Australian Dollar					
Buy AUD	210,000	for GBP	(113,035)	2	–
~Sell AUD	(60,000)	for GBP	32,573	–	–
Euro					
Buy EUR	7,796,000	for GBP	(6,756,087)	159	0.15
Sell EUR	(23,155,571)	for GBP	20,074,410	(453)	(0.43)
Israeli Sheqel					
~Sell ILS	(10,000)	for GBP	2,179	–	–
Japanese Yen					
Buy JPY	580,764,798	for GBP	(4,024,940)	221	0.21
New Zealand Dollar					
Buy NZD	800,000	for GBP	(411,283)	2	–
Sell NZD	(5,686,877)	for GBP	2,963,327	25	0.02
Norwegian Krone					
Buy NOK	31,447,499	for GBP	(2,750,809)	92	0.09
Sell NOK	(3,200,000)	for GBP	284,700	(5)	–
Swedish Krona					
Buy SEK	30,242,605	for GBP	(2,467,686)	49	0.05
Sell SEK	(31,923,000)	for GBP	2,634,098	(22)	(0.02)
US Dollar					
Buy USD	13,317,000	for GBP	(10,187,115)	387	0.37
Sell USD	(95,602,627)	for GBP	72,854,631	(3,079)	(2.90)
		(2,622)	(2.46)		
FORWARD CROSS CURRENCY CONTRACTS					
Buy AUD	3,693,000	for USD	(2,651,677)	(80)	(0.08)
Buy BRL	5,164,000	for USD	(1,373,952)	(61)	(0.06)
Buy CAD	3,617,000	for USD	(2,707,927)	(31)	(0.03)
Buy CLP	1,751,323,000	for USD	(2,651,511)	(147)	(0.14)
Buy COP	8,420,760,000	for USD	(2,712,000)	(168)	(0.16)
Buy CZK	74,759,000	for EUR	(2,897,152)	(4)	–
Buy EUR	2,904,985	for CZK	(74,768,000)	10	0.01
Buy EUR	4,642,593	for HUF	(1,503,078,000)	8	0.01
Buy EUR	6,401,272	for ILS	(25,853,000)	23	0.02
Buy EUR	1,195,464	for JPY	(150,926,000)	(44)	(0.04)
Buy EUR	2,892,727	for NOK	(28,321,000)	4	–
Buy EUR	4,730,665	for PLN	(20,390,000)	(23)	(0.02)
Buy EUR	4,367,237	for SEK	(46,942,000)	(34)	(0.03)
Buy EUR	5,863,000	for USD	(6,704,120)	(127)	(0.12)
Buy HUF	1,503,064,000	for EUR	(4,694,496)	(54)	(0.05)
Buy ILS	11,629,000	for EUR	(2,879,721)	(10)	(0.01)

ASSET			HOLDING	MARKET VALUE (£'000)	PERCENTAGE OF NET ASSETS (%)
FORWARD CROSS CURRENCY CONTRACTS (continued)					
Buy INR	454,646,000	for USD	(6,478,342)	(7)	(0.01)
Buy JPY	150,782,000	for EUR	(1,214,107)	26	0.02
Buy JPY	856,698,000	for USD	(7,835,674)	40	0.04
Buy KRW	14,549,718,137	for USD	(12,744,484)	(417)	(0.39)
Buy MXN	174,824,000	for USD	(9,094,909)	(226)	(0.21)
Buy NZD	4,697,000	for USD	(3,196,590)	(112)	(0.11)
Buy PEN	17,999,000	for USD	(5,413,463)	(50)	(0.05)
Buy PHP	283,924,000	for USD	(5,407,046)	19	0.02
Buy PLN	32,982,000	for EUR	(7,657,285)	33	0.03
Buy RUB	263,502,000	for USD	(3,969,486)	36	0.03
Buy SEK	51,647,000	for EUR	(4,908,976)	(54)	(0.05)
Buy SEK	30,308,000	for USD	(3,250,309)	(60)	(0.06)
Buy SGD	3,574,000	for USD	(2,622,399)	(25)	(0.02)
Buy THB	125,069,000	for USD	(3,924,644)	23	0.02
Buy TRY	32,570,000	for USD	(4,203,394)	808	0.76
Buy USD	2,578,855	for AUD	(3,695,000)	21	0.02
Buy USD	1,305,359	for BRL	(5,164,000)	7	0.01
Buy USD	2,597,936	for CAD	(3,503,000)	11	0.01
Buy USD	6,593,293	for CLP	(4,499,593,000)	204	0.19
Buy USD	2,630,665	for COP	(8,420,760,000)	104	0.10
Buy USD	3,269,618	for CZK	(74,716,000)	34	0.03
Buy USD	6,695,918	for EUR	(5,959,000)	36	0.03
Buy USD	2,691,703	for IDR	(39,177,739,000)	(26)	(0.02)
Buy USD	3,893,175	for ILS	(14,003,000)	31	0.03
Buy USD	5,228,000	for JPY	(580,523,394)	(92)	(0.09)
Buy USD	15,408,929	for KRW	(17,647,718,209)	466	0.44
Buy USD	14,131,854	for MXN	(276,152,000)	228	0.21
Buy USD	5,383,234	for PEN	(17,987,000)	29	0.03
Buy USD	5,402,428	for PHP	(284,346,000)	(30)	(0.03)
Buy USD	3,304,058	for PLN	(12,592,000)	20	0.02
Buy USD	8,370,174	for RUB	(553,615,000)	(51)	(0.05)
Buy USD	3,628,079	for SEK	(33,379,000)	104	0.10
Buy USD	2,649,071	for SGD	(3,578,000)	43	0.04
Buy USD	7,948,813	for TRY	(49,492,000)	(110)	(0.10)
Buy USD	7,906,173	for TWD	(246,728,000)	80	0.08
				405	0.37
Portfolio of investments^				75,884	71.59
Net other assets*				30,109	28.41
Net assets				105,933	100.00

^ Including derivative liabilities.

~ The market value of the holding is below £500 and is therefore rounded down to £0.

* The net other assets figure includes bank and short term cash deposits.

Unless otherwise stated the above securities are ordinary shares or common stock and admitted to official stock exchange listings.

The credit default swaps, interest rate swaps and the forward foreign exchange contracts are not listed.

The value of collateral held in relation to swap contracts is £650k (31.05.18: nil).

Portfolio Analysis

As at 31 May 2019

Portfolio Analysis

		31.05.19		31.05.18
ASSET	MARKET VALUE (£'000)	PERCENTAGE OF NET ASSETS (%)	MARKET VALUE (£'000)	PERCENTAGE OF NET ASSETS (%)
Bonds	68,734	64.88	180,078	65.80
Certificates of Deposit	3,998	3.76	–	–
Commercial Papers	4,994	4.70	–	–
Derivatives	375	0.34	(202)	(0.08)
Forward Foreign Exchange Contracts	(2,217)	(2.09)	(9,109.00)	(3.32)
Net other assets	30,109	28.41	102,896.00	37.60
Net assets	105,993	100.00	273,663	100.00

Credit Breakdown*

		31.05.19		31.05.18
ASSET	MARKET VALUE (£'000)	PERCENTAGE OF NET ASSETS (%)	MARKET VALUE (£'000)	PERCENTAGE OF NET ASSETS (%)
AAA	24,300	22.94	91,603	33.47
AA	2,308	2.18	31,713	11.60
A	8,333	7.87	896	0.33
BBB	7,401	6.98	9,227	3.36
BB	9,932	9.37	28,425	10.39
B	14,921	14.10	16,792	6.13
CCC	1,539	1.44	1,422	0.52
Total Bonds	68,734	64.88	180,078	65.80

*Bond ratings are Investec approximations.

UK Total Return Fund

Portfolio Statement

As at 31 May 2019

ASSET	HOLDING	MARKET VALUE (£'000)	PERCENTAGE OF NET ASSETS (%)
BONDS 7.71% (31.05.18: 6.28%)			
GOVERNMENT BONDS			
United Kingdom Gilt 2% 22/07/2020	GBP 12,657,984	12,851	7.71
CONSUMER GOODS 11.36% (31.05.18: 6.28%)			
AUTOMOBILES & PARTS			
Delphi Technologies	281,373	3,357	2.01
HOUSEHOLD GOODS & HOME CONSTRUCTION			
McCarthy & Stone	3,580,085	4,661	2.79
Welbilt	243,499	3,019	1.81
Headlam	604,228	2,870	1.72
		10,550	6.32
PERSONAL GOODS			
SuperGroup	621,924	2,857	1.71
Tapestry	98,933	2,199	1.32
		5,056	3.03
CONSUMER SERVICES 19.68% (31.05.18: 21.63%)			
FOOD & DRUG RETAILERS			
J Sainsbury	1,712,490	3,432	2.06
Wm Morrison Supermarkets	1,430,725	2,819	1.69
		6,251	3.75
GENERAL RETAILERS			
Marks & Spencer	1,989,471	4,550	2.73
Next	60,311	3,461	2.08
Kingfisher	1,591,827	3,426	2.05
Topps Tiles	3,049,811	2,196	1.32
ScS	938,792	2,056	1.23
Abercrombie & Fitch	135,783	1,843	1.10
Carpentryright	7,640,838	1,757	1.05
Dixons Carphone	918,354	1,070	0.64
Marks & Spencer Rights 12/06/2019	397,894	175	0.10
		20,534	12.30
TRAVEL & LEISURE			
J D Wetherspoon	251,851	3,365	2.02
easyJet	266,938	2,315	1.39
Go-Ahead	19,633	366	0.22
		6,046	3.63
FINANCIALS 21.54% (31.05.18: 20.00%)			
BANKS			
Royal Bank of Scotland	2,767,337	5,928	3.55
Citigroup	113,312	5,616	3.37
Standard Chartered	730,921	4,989	2.99
Barclays	2,489,422	3,727	2.23
CYBG	1,230,110	2,236	1.34
		22,496	13.48
EQUITY INVESTMENT INSTRUMENTS			
Hipgnosis Songs	2,059,983	2,122	1.27
FINANCIAL SERVICES			
Tullett Prebon	1,170,517	3,199	1.92

Portfolio Statement continued

As at 31 May 2019

ASSET	HOLDING	MARKET VALUE (£'000)	PERCENTAGE OF NET ASSETS (%)
REAL ESTATE INVESTMENT & SERVICES			
LSL Property Services	833,492	1,883	1.13
Countrywide	31,731,586	1,333	0.80
		3,216	1.93
REAL ESTATE INVESTMENT TRUSTS			
Green REIT	1,805,729	2,768	1.66
Land Securities	257,609	2,129	1.28
		4,897	2.94
HEALTH CARE 4.15% (31.05.18: 3.83%)			
PHARMACEUTICALS & BIOTECHNOLOGY			
GlaxoSmithKline	455,051	6,930	4.15
INDUSTRIALS 30.83% (31.05.18: 25.99%)			
CONSTRUCTION & MATERIALS			
Forterra	1,472,171	4,269	2.56
CRH	99,449	2,463	1.48
		6,732	4.04
SUPPORT SERVICES			
Capita	9,643,579	10,651	6.39
Travis Perkins	824,021	10,222	6.13
Grafton	1,100,112	9,417	5.65
SIG	5,052,065	6,542	3.92
Aggreko	689,815	5,404	3.24
Kin & Carta	2,303,928	2,431	1.46
		44,667	26.79
OIL & GAS 0.00% (31.05.18: 2.62%)			
TELECOMMUNICATIONS 1.11% (31.05.18: 1.16%)			
FIXED LINE TELECOMMUNICATIONS			
BT	949,404	1,851	1.11
UTILITIES 0.00% (31.05.18: 3.30%)			
DERIVATIVES (0.14%) (31.05.18: (1.79%))			
DERIVATIVES – FUTURES			
FTSE 100 Index Futures 21/06/2019	(312)	(214)	(0.13)
FTSE 250 Index Futures 21/06/2019	(247)	(14)	(0.01)
		(228)	(0.14)
FORWARD FOREIGN EXCHANGE CONTRACTS 0.50% (31.05.18: 0.00%)			
FORWARD CURRENCY CONTRACTS			
US Dollar			
Buy USD	24,160,625	for GBP	(18,356,791)
		833	0.50
Portfolio of investments^		161,360	96.74
Net other assets*		5,429	3.26
Net assets		166,789	100.00

^ Including derivative liabilities.

* The net other assets figure includes bank and short term cash deposits.

Unless otherwise stated the above securities are ordinary shares or common stock and admitted to official stock exchange listings.

Authorised Corporate Director's report

Authorised Corporate Director's report

The Authorised Corporate Director (the "ACD") of Investec Funds Series iv (the "Company") is Investec Fund Managers Limited. The ACD is the sole director of the Company.

Authorised status

The Company is an investment company with variable capital incorporated in England and Wales under registered number IC392 and authorised by the Financial Conduct Authority (the "FCA") (formerly the Financial Services Authority) with effect from 10 June 2005.

The Company is structured as an umbrella company in that different sub-funds (the "Funds") may be established from time to time by the ACD with the approval of the FCA. The Company currently comprises eleven Funds.

The Company (and therefore the Funds) has been certified by the FCA as complying with the conditions necessary for it to enjoy rights conferred by the EC Directive on Undertakings for Collective Investment in Transferable Securities ("UCITS"). The Company has an unlimited duration.

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

Under English law, the Funds are segregated portfolios of assets and the assets of a Fund belong exclusively to that Fund. The assets of a 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 Fund and shall not be available for any such purpose.

Subject to the above, each Fund will be charged with the liabilities, expenses, costs and charges of the Company attributable to that Fund, and within each Fund charges will be allocated between share classes in accordance with their terms of issue. Any assets, liabilities, expenses, costs or charges not attributable to a particular Fund may be allocated by the ACD in a manner which it believes is fair to the shareholders generally. This will normally be pro rata to the net asset value of the relevant Funds.

Accounting period covered by these accounts

The accounting period covered in these accounts is from 1 June 2018 to 31 May 2019.

Changes during the accounting period

Changes made following required notice:

After consultation with the Depositary and in accordance with the requirements of Section 4.3 of the COLL, shareholders were given notice of the following:

On 5 October 2018, of Diversified Growth Fund's investment objective and policy change, summarised below:

- the investment objective of the Fund will be amended to include its performance target, which is a return of UK Consumer Price Index (CPI) + 5% (gross of fees) per annum over a rolling five year period; and
- the investment policy of the Fund will be amended to clarify that the Fund can invest in other funds where Investec Asset Management Limited or any of its affiliates act as an investment manager.

On 5 October 2018, of the Target Return Bond Fund's investment objective and policy changes, summarised below:

- the investment objective of the Fund was amended to include its performance target, which is a return of overnight GBP LIBOR + 2.5% (gross of fees) per annum over a rolling three year period; and

- the investment policy of the Fund was amended to clarify that where the Fund can invest in other funds, those funds may be managed by Investec Asset Management Limited or any of its affiliates.

On 5 October 2018, of an amendment to the Prospectus to permit the conversion of all shareholders in a share class to another share class where it is in their interests and the rights attaching to said share class are the same.

Other changes made:**Share class launches and closures:****The following share class was launched on 21 September 2018:**

Global Special Situations Fund, K, Accumulation, GBP

The following share class was launched on 7 December 2018:

Global Quality Equity Income, K, Accumulation, GBP

The following share class was launched on 4 March 2019:

Global Franchise Fund, K, Accumulation, GBP

The following share classes were closed on 31 August 2018:

Global Quality Equity Income, L, Accumulation, GBP

Global Quality Equity Income, L, Income-2, GBP

The following share classes were closed on 4 March 2019:

Global Quality Equity Income, S, Accumulation, GBP

Global Quality Equity Income, J, Accumulation, GBP

Global Quality Equity Income, A, Income-2, GBP

Global Dividend, A, Accumulation, GBP

The Prospectus was updated on 7 December 2018 to reflect the addition of CIBM - Bond Connect to the list of eligible securities markets.

The Prospectus was updated on 4 March 2019 to reflect the addition of the Saudi Stock Exchange (Tadawul), as an eligible securities market.

The Prospectus was updated on 30 April 2019 to reflect:

- an increase of the Diversified Growth Fund's global expected level of leverage created through derivative usage from 514% to 525%;
- an increase of the Emerging Markets Blended Debt Fund's global expected level of leverage created through derivative usage from 289% to 325%; and
- an increase of the Target Return Bond Fund's global expected level of leverage created through derivative usage from 1065% to 1075%.

A. Fletcher
Director of the ACD

16 September 2019

D. Aird
Director of the ACD

Statement of 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 period.

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.

Statement of Depositary's Responsibilities and Report to Shareholders

Statement of the Depositary's Responsibilities in Respect of the Scheme and Report of the Depositary to the Shareholders of the Investec Funds Series iv ICVC ('the Company') for the year ended 31 May 2019.

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

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

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

The Depositary must ensure that:

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

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

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

- (i) has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Company's shares and the application of the Company's income in accordance with the Regulations and the Scheme documents of the Company, and
- (ii) has observed the investment and borrowing powers and restrictions applicable to the Company.

State Street Trustees Limited

16 September 2019

Independent Auditor's Report

Independent Auditor's report to the shareholders of Investec Series iv ('the Company')

Opinion

We have audited the financial statements of the Company for the year ended 31 May 2019 which comprise the *Statements of Total Return, the Statements of Changes in Net Assets Attributable to Shareholders, the Balance Sheets, the Related Notes and Distribution Tables* for each of the Company's sub-funds listed on page 1 and the accounting policies set out on pages 113 to 125

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 May 2019 and of the net revenue/net expense and the net capital gains/net capital 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.

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 81 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.

Paul McKechnie
for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

15 Canada Square

London, E14 5GL

16 September 2019

Diversified Growth Fund

Comparative Tables

As at 31 May 2019

Financial year	'A' Class (Accumulation shares)			'A' Class (Income shares)		
	31.05.19 (p)	31.05.18 (p)	31.05.17 (p)	31.05.19 (p)	31.05.18 (p)	31.05.17 (p)
Change in net assets per share						
Opening net asset value per share	128.10	129.04	117.90	139.36	141.14	130.12
Return before operating charges*	(1.22)	1.15	13.10	(1.28)	1.26	14.48
Operating charges	(1.98)	(2.09)	(1.96)	(2.15)	(2.29)	(2.19)
Return after operating charges*	(3.20)	(0.94)	11.14	(3.43)	(1.03)	12.29
Distributions	(0.58)	(0.70)	(1.10)	(0.65)	(0.75)	(1.27)
Retained distributions on accumulation shares	0.58	0.70	1.10	–	–	–
Closing net asset value per share	124.90	128.10	129.04	135.28	139.36	141.14
* after direct transaction costs of:	0.04	0.06	0.11	0.04	0.07	0.12
Performance						
Return after charges	(2.50%)	(0.73%)	9.45%	(2.46%)	(0.73%)	9.45%
Other information						
Closing net asset value (£'000)	146	206	167	401	486	557
Closing number of shares	116,697	160,844	129,584	296,382	348,994	394,453
Operating charges	1.60%	1.60%	1.61%	1.59%	1.60%	1.61%
Direct transaction costs [‡]	0.03%	0.05%	0.09%	0.03%	0.05%	0.09%
Prices						
Highest share price	128.26	135.08	129.12	139.57	147.76	142.51
Lowest share price	118.08	126.93	116.85	128.51	138.84	128.96

Financial year	'I' Class (Accumulation shares)			'I' Class (Income shares)		
	31.05.19 (p)	31.05.18 (p)	31.05.17 (p)	31.05.19 (p)	31.05.18 (p)	31.05.17 (p)
Change in net assets per share						
Opening net asset value per share	134.38	134.56	122.22	124.74	126.35	116.45
Return before operating charges*	(1.41)	0.98	13.44	(1.33)	0.93	12.82
Operating charges	(1.10)	(1.16)	(1.10)	(1.02)	(1.09)	(1.05)
Return after operating charges*	(2.51)	(0.18)	12.34	(2.35)	(0.16)	11.77
Distributions	(1.40)	(1.55)	(1.96)	(1.30)	(1.45)	(1.87)
Retained distributions on accumulation shares	1.40	1.55	1.96	–	–	–
Closing net asset value per share	131.87	134.38	134.56	121.09	124.74	126.35
* after direct transaction costs of:	0.04	0.07	0.11	0.04	0.06	0.11
Performance						
Return after charges	(1.87%)	(0.13%)	10.10%	(1.88%)	(0.13%)	10.11%
Other information						
Closing net asset value (£'000)	1,457,620	1,713,260	1,578,587	433,742	469,247	315,276
Closing number of shares	1,105,387,845	1,274,895,478	1,173,170,825	358,204,629	376,181,989	249,516,462
Operating charges	0.84%	0.85%	0.86%	0.84%	0.85%	0.86%
Direct transaction costs [‡]	0.03%	0.05%	0.09%	0.03%	0.05%	0.09%
Prices						
Highest share price	134.58	141.38	134.65	124.94	132.77	128.32
Lowest share price	124.34	133.07	121.16	115.41	124.97	115.44

Comparative Tables

As at 31 May 2019

Financial year	'J' Class (Accumulation shares)			'R' Class (Accumulation shares)		
	31.05.19 (p)	31.05.18 (p)	31.05.17 (p)	31.05.19 (p)	31.05.18 (p)	31.05.17 (p)
Change in net assets per share						
Opening net asset value per share	119.08	119.14	108.12	127.83	128.25	116.73
Return before operating charges*	(1.28)	0.85	11.88	(1.30)	1.01	12.87
Operating charges	(0.86)	(0.91)	(0.86)	(1.34)	(1.43)	(1.35)
Return after operating charges*	(2.14)	(0.06)	11.02	(2.64)	(0.42)	11.52
Distributions	(1.34)	(1.47)	(1.83)	(1.10)	(1.22)	(1.61)
Retained distributions on accumulation shares	1.34	1.47	1.83	1.10	1.22	1.61
Closing net asset value per share	116.94	119.08	119.14	125.19	127.83	128.25
* after direct transaction costs of:	0.04	0.06	0.10	0.04	0.06	0.11
Performance						
Return after charges	(1.80%)	(0.05%)	10.19%	(2.07%)	(0.33%)	9.87%
Other information						
Closing net asset value (£'000)	591	518	433	8	9	8
Closing number of shares	504,948	434,948	363,385	6,250	6,877	6,250
Operating charges	0.74%	0.75%	0.76%	1.08%	1.10%	1.12%
Direct transaction costs [‡]	0.03%	0.05%	0.09%	0.03%	0.05%	0.09%
Prices						
Highest share price	119.26	125.24	119.22	128.01	134.58	128.34
Lowest share price	110.23	117.91	107.19	118.14	126.62	115.71

Financial year	'S' Class (Accumulation shares)			'S' Class (EUR Hedged Accumulation shares) ⁽¹⁾		
	31.05.19 (p)	31.05.18 (p)	31.05.17 (p)	31.05.19 (p)	31.05.18 (p)	31.05.17 (p)
Change in net assets per share						
Opening net asset value per share	175.57	174.75	157.77	–	121.50	110.91
Return before operating charges*	(2.09)	0.99	17.16	–	4.15	10.74
Operating charges	(0.16)	(0.17)	(0.18)	–	(0.06)	(0.15)
Return after operating charges*	(2.25)	0.82	16.98	–	4.09	10.59
Return to shareholder as a result of class closure	–	–	–	–	(125.59)	–
Distributions	(2.87)	(3.09)	(3.54)	–	–	(2.34)
Retained distributions on accumulation shares	2.87	3.09	3.54	–	–	2.34
Closing net asset value per share	173.32	175.57	174.75	–	0.00	121.50
* after direct transaction costs of:	0.05	0.08	0.15	–	0.02	0.10
Performance						
Return after charges	(1.28%)	0.47%	10.76%	–	3.37%	9.55%
Other information						
Closing net asset value (£'000)	272,516	229,253	183,593	–	–	61,493
Closing number of shares	157,235,944	130,579,004	105,061,242	–	–	50,613,598
Operating charges	0.09%	0.10%	0.11%	–	0.15%	0.16%
Direct transaction costs [‡]	0.03%	0.05%	0.09%	–	0.05%	0.10%
Prices						
Highest share price	175.86	184.28	174.87	–	125.59	121.58
Lowest share price	163.01	173.75	156.45	–	121.77	109.95

(1) Closed 17 October 2017.

Portfolio transaction costs

Portfolio transaction costs are incurred by funds when buying and selling investments. These costs vary depending on the types of investment, their market capitalisation, country of exchange, method of execution and the quality of research provided. They are made up of direct and indirect portfolio transaction costs:

‡ Direct portfolio transaction costs: Broker execution commission, taxes, and costs of research from brokers and other research providers. From 1 January 2018 the costs of research from brokers and other research providers is paid by Investec Asset Management and is no longer incurred by the funds.

Indirect portfolio transaction costs: 'Dealing spread' – the difference between the buying and selling prices of the fund's investments; some types of investment, such as fixed interest securities, have no direct transaction costs and only the dealing spread is paid. Details of the dealing spread is shown in note 5 of the 'Notes to the financial statements' for each of the individual funds.

Emerging Markets Blended Debt Fund

Comparative Tables

As at 31 May 2019

Financial year	'A' Class (Accumulation shares)			'A' Class (Accumulation shares) ⁽¹⁾		
	31.05.19 (p)	31.05.18 (p)	31.05.17 (p)	31.05.19 (p)	31.05.18 (p)	31.05.17 (p)
Change in net assets per share						
Opening net asset value per share	116.93	119.14	94.57	–	–	98.13
Return before operating charges*	4.01	(0.26)	27.00	–	–	29.76
Operating charges	(1.91)	(1.95)	(1.94)	–	–	(2.07)
Return after operating charges*	2.10	(2.21)	25.06	–	–	27.69
Return to shareholder as a result of class closure				–	–	(125.82)
Distributions	(4.79)	(5.63)	(5.38)	–	–	(4.08)
Retained distributions on accumulation shares	4.79	5.63	4.89	–	–	4.08
Closing net asset value per share	119.03	116.93	119.14	–	–	0.00
* after direct transaction costs of:	0.00	0.02	0.00	–	–	0.00
Performance						
Return after charges	1.80%	(1.85%)	26.50%	–	–	28.22%
Other information						
Closing net asset value (£'000)	754	129	175	–	–	–
Closing number of shares	633,372	110,237	146,981	–	–	–
Operating charges	1.64%	1.65%	1.70%	–	–	0.00%
Direct transaction costs [‡]	0.00%	0.02%	0.00%	–	–	0.00%
Prices						
Highest share price	119.35	123.38	121.98	–	–	127.05
Lowest share price	111.53	114.51	95.97	–	–	99.59

Financial year	'A' Class (Income-2 shares)			'I' Class (Accumulation shares)		
	31.05.19 (p)	31.05.18 (p)	31.05.17 (p)	31.05.19 (p)	31.05.18 (p)	31.05.17 (p)
Change in net assets per share						
Opening net asset value per share	87.79	96.90	80.20	134.54	136.03	107.26
Return before operating charges*	2.85	(1.68)	23.75	4.64	(0.27)	30.62
Operating charges	(1.40)	(1.53)	(1.62)	(1.20)	(1.22)	(1.19)
Return after operating charges*	1.45	(3.21)	22.13	3.44	(1.49)	29.43
Distributions	(4.90)	(5.90)	(5.43)	(6.52)	(7.47)	(7.12)
Retained distributions on accumulation shares	–	–	–	6.52	7.47	6.46
Closing net asset value per share	84.34	87.79	96.90	137.98	134.54	136.03
* after direct transaction costs of:	0.00	0.02	0.00	0.00	0.03	0.00
Performance						
Return after charges	1.65%	(3.31%)	27.59%	2.56%	(1.10%)	27.44%
Other information						
Closing net asset value (£'000)	93	83	91	90,987	85,069	75,516
Closing number of shares	111,774	94,311	94,364	65,943,524	63,231,465	55,512,863
Operating charges	1.65%	1.65%	1.70%	0.90%	0.90%	0.90%
Direct transaction costs [‡]	0.00%	0.02%	0.00%	0.00%	0.02%	0.00%
Prices						
Highest share price	88.69	98.71	101.97	138.35	141.14	138.68
Lowest share price	82.45	87.34	81.40	128.59	131.63	108.85

Comparative Tables

As at 31 May 2019

Financial year	'I' Class (Accumulation shares) ⁽¹⁾			'I' Class (Income-2 shares)		
	31.05.19 (p)	31.05.18 (p)	31.05.17 (p)	31.05.19 (p)	31.05.18 (p)	31.05.17 (p)
Change in net assets per share						
Opening net asset value per share	–	–	100.86	91.64	100.40	82.49
Return before operating charges*	–	–	30.44	2.98	(1.77)	24.48
Operating charges	–	–	(1.18)	(0.80)	(0.86)	(0.95)
Return after operating charges*	–	–	29.26	2.18	(2.63)	23.53
Return to shareholder as a result of class closure			(130.12)			
Distributions	–	–	(4.86)	(5.12)	(6.13)	(5.62)
Retained distributions on accumulation shares	–	–	4.86	–	–	–
Closing net asset value per share	–	–	0.00	88.70	91.64	100.40
* after direct transaction costs of:	–	–	0.00	0.00	0.02	0.00
Performance						
Return after charges	–	–	29.01%	2.38%	(2.62%)	28.52%
Other information						
Closing net asset value (£'000)	–	–	–	25,043	13,781	8,299
Closing number of shares	–	–	–	28,233,515	15,038,667	8,266,658
Operating charges	–	–	0.00%	0.90%	0.90%	0.95%
Direct transaction costs [‡]	–	–	0.00%	0.00%	0.02%	0.00%
Prices						
Highest share price	–	–	131.03	92.69	102.46	105.19
Lowest share price	–	–	102.39	86.25	91.09	83.72

Financial year	'J' Class (Accumulation shares)			'J' Class (Income-2 shares)		
	31.05.19 (p)	31.05.18 (p)	31.05.17 (p)	31.05.19 (p)	31.05.18 (p)	31.05.17 (p)
Change in net assets per share						
Opening net asset value per share	128.17	129.47	102.00	100.23	109.70	90.01
Return before operating charges*	4.51	(0.27)	29.17	3.25	(1.94)	27.45
Operating charges	(1.03)	(1.03)	(1.06)	(0.78)	(0.83)	(0.92)
Return after operating charges*	3.48	(1.30)	28.11	2.47	(2.77)	26.53
Distributions	(6.37)	(7.24)	(6.88)	(5.59)	(6.70)	(6.84)
Retained distributions on accumulation shares	6.37	7.24	6.24	–	–	–
Closing net asset value per share	131.65	128.17	129.47	97.11	100.23	109.70
* after direct transaction costs of:	0.00	0.02	0.00	0.00	0.02	0.00
Performance						
Return after charges	2.72%	(1.00%)	27.56%	2.46%	(2.53%)	29.47%
Other information						
Closing net asset value (£'000)	2,738	590	435	1,043	1,933	325
Closing number of shares	2,079,479	460,056	335,793	1,073,767	1,929,084	296,429
Operating charges	0.80%	0.80%	0.86%	0.80%	0.80%	0.85%
Direct transaction costs [‡]	0.00%	0.02%	0.00%	0.00%	0.02%	0.00%
Prices						
Highest share price	132.00	134.37	131.92	101.40	111.98	114.84
Lowest share price	122.60	125.39	103.52	94.36	99.62	91.37

Comparative Tables

As at 31 May 2019

Financial year	'R' Class (Accumulation shares)			'R' Class (Income-2 shares)		
	31.05.19 (p)	31.05.18 (p)	31.05.17 (p)	31.05.19 (p)	31.05.18 (p)	31.05.17 (p)
Change in net assets per share						
Opening net asset value per share	118.27	119.82	94.68	89.14	97.90	80.61
Return before operating charges*	4.02	(0.17)	27.08	2.88	(1.66)	23.95
Operating charges	(1.33)	(1.38)	(1.39)	(0.99)	(1.07)	(1.16)
Return after operating charges*	2.69	(1.55)	25.69	1.89	(2.73)	22.79
Distributions	(5.39)	(6.33)	(5.98)	(4.95)	(6.03)	(5.50)
Retained distributions on accumulation shares	5.39	6.33	5.43	—	—	—
Closing net asset value per share	120.96	118.27	119.82	86.08	89.14	97.90
* after direct transaction costs of:	0.00	0.02	0.00	0.00	0.02	0.00
Performance						
Return after charges	2.27%	(1.29%)	27.13%	2.12%	(2.79%)	28.27%
Other information						
Closing net asset value (£'000)	8	8	8	7	7	7
Closing number of shares	6,358	6,358	6,358	8,073	7,617	7,131
Operating charges	1.14%	1.15%	1.21%	1.14%	1.15%	1.21%
Direct transaction costs [†]	0.00%	0.02%	0.00%	0.00%	0.02%	0.00%
Prices						
Highest share price	121.29	124.25	122.31	90.12	99.86	102.70
Lowest share price	112.96	115.75	96.09	83.84	88.64	81.82

Financial year	'S' Class (Accumulation shares)		
	31.05.19 (p)	31.05.18 (p)	31.05.17 (p)
Change in net assets per share			
Opening net asset value per share	132.66	133.13	103.65
Return before operating charges*	4.61	(0.28)	29.75
Operating charges	(0.20)	(0.19)	(0.27)
Return after operating charges*	4.41	(0.47)	29.48
Distributions	(7.45)	(8.34)	(7.83)
Retained distributions on accumulation shares	7.45	8.34	7.83
Closing net asset value per share	137.07	132.66	133.13
* after direct transaction costs of:	0.00	0.03	0.00
Performance			
Return after charges	3.32%	(0.35%)	28.44%
Other information			
Closing net asset value (£'000)	12,161	10,508	9,035
Closing number of shares	8,871,485	7,921,835	6,786,145
Operating charges	0.15%	0.15%	0.21%
Direct transaction costs [†]	0.00%	0.02%	0.00%
Prices			
Highest share price	137.44	138.39	135.44
Lowest share price	127.06	129.68	105.21

(1) Closed 9 April 2017.

Portfolio transaction costs

Portfolio transaction costs are incurred by funds when buying and selling investments. These costs vary depending on the types of investment, their market capitalisation, country of exchange, method of execution and the quality of research provided. They are made up of direct and indirect portfolio transaction costs:

‡ Direct portfolio transaction costs: Broker execution commission, taxes, and costs of research from brokers and other research providers. From 1 January 2018 the costs of research from brokers and other research providers is paid by Investec Asset Management and is no longer incurred by the funds.

Indirect portfolio transaction costs: 'Dealing spread' – the difference between the buying and selling prices of the fund's investments; some types of investment, such as fixed interest securities, have no direct transaction costs and only the dealing spread is paid. Details of the dealing spread is shown in note 5 of the 'Notes to the financial statements' for each of the individual funds.

Emerging Markets Equity Fund

Comparative Tables

As at 31 May 2019

Financial year	'A' Class (Accumulation shares)			'I' Class (Accumulation shares)		
	31.05.19 (p)	31.05.18 (p)	31.05.17 (p)	31.05.19 (p)	31.05.18 (p)	31.05.17 (p)
Change in net assets per share						
Opening net asset value per share	150.47	135.85	95.71	157.53	141.01	98.51
Return before operating charges*	(7.16)	17.50	42.54	(7.50)	18.20	43.92
Operating charges	(2.71)	(2.88)	(2.40)	(1.57)	(1.68)	(1.42)
Return after operating charges*	(9.87)	14.62	40.14	(9.07)	16.52	42.50
Distributions	(1.52)	(0.68)	(0.50)	(2.87)	(2.02)	(1.58)
Retained distributions on accumulation shares	1.52	0.68	0.50	2.87	2.02	1.58
Closing net asset value per share	140.60	150.47	135.85	148.46	157.53	141.01
* after direct transaction costs of:	0.18	0.23	0.25	0.19	0.24	0.26
Performance						
Return after charges	(6.56%)	10.76%	41.94%	(5.76%)	11.72%	43.14%
Other information						
Closing net asset value (£'000)	814	862	552	167,946	167,895	137,050
Closing number of shares	579,165	573,050	406,204	113,125,626	106,579,724	97,193,685
Operating charges	1.90%	1.94%	1.99%	1.05%	1.09%	1.14%
Direct transaction costs [‡]	0.13%	0.16%	0.20%	0.13%	0.16%	0.20%
Prices						
Highest share price	154.10	158.95	136.26	161.35	165.94	141.43
Lowest share price	131.99	135.54	96.73	138.61	140.70	99.56

Financial year	'R' Class (Accumulation shares)			'S' Class (Accumulation shares)		
	31.05.19 (p)	31.05.18 (p)	31.05.17 (p)	31.05.19 (p)	31.05.18 (p)	31.05.17 (p)
Change in net assets per share						
Opening net asset value per share	146.28	131.40	92.12	165.43	146.73	101.58
Return before operating charges*	(6.96)	16.93	41.08	(7.84)	18.96	45.45
Operating charges	(1.94)	(2.05)	(1.80)	(0.24)	(0.26)	(0.30)
Return after operating charges*	(8.90)	14.88	39.28	(8.08)	18.70	45.15
Distributions	(2.18)	(1.37)	(1.06)	(4.48)	(3.57)	(2.80)
Retained distributions on accumulation shares	2.18	1.37	1.06	4.48	3.57	2.80
Closing net asset value per share	137.38	146.28	131.40	157.35	165.43	146.73
* after direct transaction costs of:	0.17	0.22	0.25	0.20	0.24	0.27
Performance						
Return after charges	(6.08%)	11.32%	42.64%	(4.88%)	12.74%	44.45%
Other information						
Closing net asset value (£'000)	49	69	179	532	1,146	24,153
Closing number of shares	36,002	47,137	136,522	337,831	692,361	16,460,879
Operating charges	1.40%	1.44%	1.49%	0.15%	0.19%	0.24%
Direct transaction costs [‡]	0.13%	0.16%	0.20%	0.13%	0.16%	0.20%
Prices						
Highest share price	149.83	154.27	131.80	169.48	173.74	147.14
Lowest share price	128.55	131.11	93.10	146.08	146.42	102.68

Portfolio transaction costs

Portfolio transaction costs are incurred by funds when buying and selling investments. These costs vary depending on the types of investment, their market capitalisation, country of exchange, method of execution and the quality of research provided. They are made up of direct and indirect portfolio transaction costs:

‡ Direct portfolio transaction costs: Broker execution commission, taxes, and costs of research from brokers and other research providers. From 1 January 2018 the costs of research from brokers and other research providers is paid by Investec Asset Management and is no longer incurred by the funds.

Indirect portfolio transaction costs: 'Dealing spread' – the difference between the buying and selling prices of the fund's investments; some types of investment, such as fixed interest securities, have no direct transaction costs and only the dealing spread is paid. Details of the dealing spread is shown in note 5 of the 'Notes to the financial statements' for each of the individual funds.

Global Dividend Fund

Comparative Tables

As at 31 May 2019

Financial year	'A' Class (Accumulation shares) ⁽¹⁾			'A' Class (Income-2 shares)		
	31.05.19 (p)	31.05.18 (p)	31.05.17 (p)	31.05.19 (p)	31.05.18 (p)	31.05.17 (p)
Change in net assets per share						
Opening net asset value per share	137.13	128.07	101.07	123.34	119.13	99.52
Return before operating charges*	(0.41)	11.15	28.98	5.92	10.29	25.53
Operating charges	0.00	(2.09)	(1.98)	(2.01)	(2.02)	(1.95)
Return after operating charges*	(0.41)	9.06	27.00	3.91	8.27	23.58
Return to shareholder as a result of class closure	(136.72)	–	–	–	–	–
Distributions	(1.17)	(2.36)	(2.17)	(4.83)	(4.06)	(3.97)
Retained distributions on accumulation shares	1.17	2.36	2.17	–	–	–
Closing net asset value per share	0.00	137.13	128.07	122.42	123.34	119.13
* after direct transaction costs of:	0.00	0.12	0.14	0.10	0.11	0.14
Performance						
Return after charges	(0.30%)	7.07%	26.71%	3.17%	6.94%	23.69%
Other information						
Closing net asset value (£'000)	–	1	1	37	37	37
Closing number of shares	–	650	650	30,225	30,199	31,198
Operating charges	1.63%	1.65%	1.72%	1.64%	1.65%	1.72%
Direct transaction costs [‡]	0.08%	0.09%	0.12%	0.08%	0.09%	0.12%
Prices						
Highest share price	142.88	138.24	128.19	128.45	126.86	121.59
Lowest share price	125.93	126.29	100.01	111.39	116.51	96.29

Financial year	'I' Class (Accumulation shares)			'I' Class (Income-2 shares)		
	31.05.19 (p)	31.05.18 (p)	31.05.17 (p)	31.05.19 (p)	31.05.18 (p)	31.05.17 (p)
Change in net assets per share						
Opening net asset value per share	140.19	130.03	101.88	126.56	121.32	100.55
Return before operating charges*	4.90	11.37	29.31	4.55	10.50	25.87
Operating charges	(1.25)	(1.21)	(1.16)	(1.12)	(1.11)	(1.10)
Return after operating charges*	3.65	10.16	28.15	3.43	9.39	24.77
Distributions	(4.41)	(3.37)	(3.19)	(4.96)	(4.15)	(4.00)
Retained distributions on accumulation shares	4.41	3.37	3.19	–	–	–
Closing net asset value per share	143.84	140.19	130.03	125.03	126.56	121.32
* after direct transaction costs of:	0.12	0.13	0.15	0.10	0.12	0.14
Performance						
Return after charges	2.60%	7.81%	27.63%	2.71%	7.74%	24.63%
Other information						
Closing net asset value (£'000)	317	224	128	330	133	44
Closing number of shares	220,626	159,911	98,388	263,931	105,297	36,113
Operating charges	0.89%	0.90%	0.97%	0.89%	0.90%	0.97%
Direct transaction costs [‡]	0.08%	0.09%	0.12%	0.08%	0.09%	0.12%
Prices						
Highest share price	148.42	141.28	130.09	132.00	130.14	123.71
Lowest share price	129.23	128.49	100.86	114.78	119.39	97.38

Comparative Tables

As at 31 May 2019

Financial year	'J' Class (Accumulation shares) ⁽²⁾			'J' Class (Income-2 shares) ⁽²⁾		
	31.05.19 (p)	31.05.18 (p)	31.05.17 (p)	31.05.19 (p)	31.05.18 (p)	31.05.17 (p)
Change in net assets per share						
Opening net asset value per share	–	130.42	101.98	–	121.66	100.65
Return before operating charges*	–	3.35	29.29	–	3.20	25.83
Operating charges	–	(0.32)	(0.85)	–	(0.30)	(0.82)
Return after operating charges*	–	3.03	28.44	–	2.90	25.01
Return to shareholder as a result of class closure	–	(133.45)	–	–	(124.56)	–
Distributions	–	–	(3.37)	–	–	(4.00)
Retained distributions on accumulation shares	–	–	3.37	–	–	–
Closing net asset value per share	–	0.00	130.42	–	0.00	121.66
* after direct transaction costs of:	–	0.03	0.15	–	0.03	0.14
Performance						
Return after charges	–	2.32%	27.89%	–	2.38%	24.85%
Other information						
Closing net asset value (£'000)	–	–	1	–	–	1
Closing number of shares	–	–	650	–	–	681
Operating charges	–	0.98%	0.87%	–	0.98%	0.87%
Direct transaction costs [†]	–	0.09%	0.12%	–	0.09%	0.12%
Prices						
Highest share price	–	134.31	130.49	–	125.29	124.06
Lowest share price	–	129.85	100.97	–	121.16	97.47

Financial year	'S' Class (Accumulation shares)		
	31.05.19 (p)	31.05.18 (p)	31.05.17 (p)
Change in net assets per share			
Opening net asset value per share	143.31	131.93	102.61
Return before operating charges*	5.04	11.58	29.57
Operating charges	(0.20)	(0.20)	(0.25)
Return after operating charges*	4.84	11.38	29.32
Distributions	(5.61)	(4.46)	(4.11)
Retained distributions on accumulation shares	5.61	4.46	4.11
Closing net asset value per share	148.15	143.31	131.93
* after direct transaction costs of:	0.12	0.13	0.15
Performance			
Return after charges	3.38%	8.63%	28.57%
Other information			
Closing net asset value (£'000)	11,106	12,161	12,988
Closing number of shares	7,496,874	8,485,785	9,844,639
Operating charges	0.14%	0.15%	0.22%
Direct transaction costs [†]	0.08%	0.09%	0.12%
Prices			
Highest share price	152.84	144.40	131.99
Lowest share price	132.68	130.65	101.62

(1) Closed 4 March 2019.

(2) Closed 31 August 2017.

Portfolio transaction costs

Portfolio transaction costs are incurred by funds when buying and selling investments. These costs vary depending on the types of investment, their market capitalisation, country of exchange, method of execution and the quality of research provided. They are made up of direct and indirect portfolio transaction costs:

‡ Direct portfolio transaction costs: Broker execution commission, taxes, and costs of research from brokers and other research providers. From 1 January 2018 the costs of research from brokers and other research providers is paid by Investec Asset Management and is no longer incurred by the funds.

Indirect portfolio transaction costs: 'Dealing spread' – the difference between the buying and selling prices of the fund's investments; some types of investment, such as fixed interest securities, have no direct transaction costs and only the dealing spread is paid. Details of the dealing spread is shown in note 5 of the 'Notes to the financial statements' for each of the individual funds.

Global Franchise Fund

Comparative Tables

As at 31 May 2019

Financial year	'A' Class (Accumulation shares)			'I' Class (Accumulation shares)		
	31.05.19 (p)	31.05.18 (p)	31.05.17 (p)	31.05.19 (p)	31.05.18 (p)	31.05.17 (p)
Change in net assets per share						
Opening net asset value per share	200.74	196.61	151.97	209.64	203.78	156.34
Return before operating charges*	31.39	7.23	47.47	32.92	7.56	48.99
Operating charges	(3.41)	(3.10)	(2.83)	(1.89)	(1.70)	(1.55)
Return after operating charges*	27.98	4.13	44.64	31.03	5.86	47.44
Distributions	(0.39)	(0.43)	(3.30)	(2.10)	(2.00)	(4.77)
Retained distributions on accumulation shares	0.39	0.43	3.30	2.10	2.00	4.77
Closing net asset value per share	228.72	200.74	196.61	240.67	209.64	203.78
* after direct transaction costs of:	0.07	0.04	0.02	0.07	0.04	0.02
Performance						
Return after charges	13.94%	2.10%	29.37%	14.80%	2.88%	30.34%
Other information						
Closing net asset value (£'000)	21,597	19,445	21,244	63,725	33,369	30,709
Closing number of shares	9,442,444	9,686,709	10,805,238	26,478,404	15,917,522	15,070,023
Operating charges	1.58%	1.59%	1.59%	0.83%	0.84%	0.84%
Direct transaction costs [‡]	0.03%	0.02%	0.01%	0.03%	0.02%	0.01%
Prices						
Highest share price	232.79	201.71	196.65	244.91	209.94	203.81
Lowest share price	197.78	184.37	150.31	207.43	192.10	154.70

Financial year	'K' Class (Accumulation shares) ⁽¹⁾			'R' Class (Accumulation shares)		
	31.05.19 (p)	31.05.18 (p)	31.05.17 (p)	31.05.19 (p)	31.05.18 (p)	31.05.17 (p)
Change in net assets per share						
Opening net asset value per share	100.00	–	–	204.75	199.53	153.46
Return before operating charges*	6.02	–	–	32.09	7.38	48.06
Operating charges	(0.10)	–	–	(2.38)	(2.16)	(1.99)
Return after operating charges*	5.92	–	–	29.71	5.22	46.07
Distributions	(1.22)	–	–	(1.50)	(1.45)	(4.23)
Retained distributions on accumulation shares	1.22	–	–	1.50	1.45	4.23
Closing net asset value per share	105.92	–	–	234.46	204.75	199.53
* after direct transaction costs of:	0.03	–	–	0.07	0.04	0.02
Performance						
Return after charges	5.92%	–	–	14.51%	2.62%	30.02%
Other information						
Closing net asset value (£'000)	1	–	–	5,593	5,052	5,449
Closing number of shares	1,000	–	–	2,385,646	2,467,200	2,730,981
Operating charges	0.40%	–	–	1.08%	1.09%	1.09%
Direct transaction costs [‡]	0.03%	–	–	0.03%	0.02%	0.01%
Prices						
Highest share price	107.78	–	–	238.60	205.27	199.56
Lowest share price	99.59	–	–	202.30	187.76	151.83

Comparative Tables

As at 31 May 2019

Financial year	'S' Class (Accumulation shares)		
	31.05.19 (p)	31.05.18 (p)	31.05.17 (p)
Change in net assets per share			
Opening net asset value per share	218.49	210.79	160.52
Return before operating charges*	34.43	7.89	50.46
Operating charges	(0.20)	(0.19)	(0.19)
Return after operating charges*	34.23	7.70	50.27
Distributions	(3.97)	(3.66)	(6.31)
Retained distributions on accumulation shares	3.97	3.66	6.31
Closing net asset value per share	252.72	218.49	210.79
* after direct transaction costs of:	0.08	0.05	0.03
Performance			
Return after charges	15.67%	3.65%	31.32%
Other information			
Closing net asset value (£'000)	16,086	13,115	11,861
Closing number of shares	6,365,269	6,002,612	5,626,854
Operating charges	0.08%	0.09%	0.09%
Direct transaction costs [‡]	0.03%	0.02%	0.01%
Prices			
Highest share price	257.12	218.75	210.81
Lowest share price	217.12	199.76	158.92

(1) Launched 4 March 2019.

Portfolio transaction costs

Portfolio transaction costs are incurred by funds when buying and selling investments. These costs vary depending on the types of investment, their market capitalisation, country of exchange, method of execution and the quality of research provided. They are made up of direct and indirect portfolio transaction costs:

[‡] Direct portfolio transaction costs: Broker execution commission, taxes, and costs of research from brokers and other research providers. From 1 January 2018 the costs of research from brokers and other research providers is paid by Investec Asset Management and is no longer incurred by the funds.

Indirect portfolio transaction costs: 'Dealing spread' – the difference between the buying and selling prices of the fund's investments; some types of investment, such as fixed interest securities, have no direct transaction costs and only the dealing spread is paid. Details of the dealing spread is shown in note 5 of the 'Notes to the financial statements' for each of the individual funds.

Global Quality Equity Income Fund

Comparative Tables

As at 31 May 2019

Financial year	'A' Class (Accumulation shares)			'A' Class (Income-2 shares) ⁽¹⁾		
	31.05.19 (p)	31.05.18 (p)	31.05.17 (p)	31.05.19 (p)	31.05.18 (p)	31.05.17 (p)
Change in net assets per share						
Opening net asset value per share	117.71	122.28	99.81	111.18	118.77	99.81
Return before operating charges*	15.68	(2.68)	24.44	9.50	(2.62)	23.91
Operating charges	(1.98)	(1.89)	(1.97)	(1.86)	(1.83)	(1.88)
Return after operating charges*	13.70	(4.57)	22.47	7.64	(4.45)	22.03
Return to shareholder as a result of class closure	–	–	–	(117.36)	–	–
Distributions	(1.35)	(1.40)	(1.31)	(1.46)	(3.14)	(3.07)
Retained distributions on accumulation shares	1.35	1.40	1.31	–	–	–
Closing net asset value per share	131.41	117.71	122.28	0.00	111.18	118.77
* after direct transaction costs of:	0.04	0.16	0.30	0.04	0.16	0.30
Performance						
Return after charges	11.64%	(3.74%)	22.51%	6.87%	(3.75%)	22.07%
Other information						
Closing net asset value (£'000)	23	25	6	–	62	60
Closing number of shares	17,469	21,138	4,669	–	55,639	50,566
Operating charges	1.59%	1.61%	1.62%	1.62%	1.61%	1.62%
Direct transaction costs [‡]	0.04%	0.14%	0.26%	0.04%	0.14%	0.26%
Prices						
Highest share price	134.15	125.06	122.39	122.40	121.46	120.71
Lowest share price	115.98	109.03	97.65	108.36	104.68	97.62

Financial year	'I' Class (Accumulation shares)			'I' Class (Income-2 shares)		
	31.05.19 (p)	31.05.18 (p)	31.05.17 (p)	31.05.19 (p)	31.05.18 (p)	31.05.17 (p)
Change in net assets per share						
Opening net asset value per share	119.48	123.20	99.81	113.13	119.94	99.81
Return before operating charges*	15.97	(2.70)	24.50	15.05	(2.64)	24.24
Operating charges	(1.06)	(1.02)	(1.11)	(0.99)	(0.99)	(1.02)
Return after operating charges*	14.91	(3.72)	23.39	14.06	(3.63)	23.22
Distributions	(2.33)	(2.31)	(2.12)	(3.14)	(3.18)	(3.09)
Retained distributions on accumulation shares	2.33	2.31	2.12	–	–	–
Closing net asset value per share	134.39	119.48	123.20	124.05	113.13	119.94
* after direct transaction costs of:	0.05	0.17	0.30	0.04	0.16	0.30
Performance						
Return after charges	12.48%	(3.02%)	23.43%	12.43%	(3.03%)	23.26%
Other information						
Closing net asset value (£'000)	334	279	363	885	576	339
Closing number of shares	248,312	233,381	294,772	713,268	509,525	282,993
Operating charges	0.84%	0.86%	0.87%	0.83%	0.86%	0.87%
Direct transaction costs [‡]	0.04%	0.14%	0.26%	0.04%	0.14%	0.26%
Prices						
Highest share price	137.17	126.06	123.31	128.44	122.70	121.90
Lowest share price	118.23	110.51	97.69	110.71	106.37	97.69

Comparative Tables

As at 31 May 2019

Financial year	'J' Class (Accumulation shares) ⁽¹⁾			'J' Class (Income-2 shares)		
	31.05.19 (p)	31.05.18 (p)	31.05.17 (p)	31.05.19 (p)	31.05.18 (p)	31.05.17 (p)
Change in net assets per share						
Opening net asset value per share	119.70	123.29	99.81	113.32	120.01	100.00
Return before operating charges*	10.01	(2.68)	24.38	15.10	(2.62)	24.02
Operating charges	(0.96)	(0.91)	(0.90)	(0.91)	(0.88)	(0.93)
Return after operating charges*	9.05	(3.59)	23.48	14.19	(3.50)	23.09
Return to shareholder as a result of class closure	(128.75)	–	–	–	–	–
Distributions	(1.00)	(2.43)	(2.26)	(3.15)	(3.19)	(3.08)
Retained distributions on accumulation shares	1.00	2.43	2.26	–	–	–
Closing net asset value per share	–	119.70	123.29	124.36	113.32	120.01
* after direct transaction costs of:	0.04	0.17	0.30	0.04	0.16	0.30
Performance						
Return after charges	7.56%	(2.91%)	23.52%	12.52%	(2.92%)	23.09%
Other information						
Closing net asset value (£'000)	–	207	257	42	297	317
Closing number of shares	–	172,716	208,825	33,782	262,014	263,945
Operating charges	0.78%	0.76%	0.77%	0.77%	0.76%	0.77%
Direct transaction costs [‡]	0.04%	0.14%	0.26%	0.04%	0.14%	0.26%
Prices						
Highest share price	132.07	126.17	123.41	128.76	122.78	121.96
Lowest share price	118.51	110.70	97.69	110.94	106.52	97.69

Financial year	'K' Class (Accumulation shares) ⁽²⁾			'K' Class (Income-2 shares)		
	31.05.19 (p)	31.05.18 (p)	31.05.17 (p)	31.05.19 (p)	31.05.18 (p)	31.05.17 (p)
Change in net assets per share						
Opening net asset value per share	100.00	–	–	102.49	108.31	100.00
Return before operating charges*	6.57	–	–	13.64	(2.40)	11.45
Operating charges	(0.43)	–	–	(0.57)	(0.58)	(0.59)
Return after operating charges*	6.14	–	–	13.07	(2.98)	10.86
Distributions	(1.24)	–	–	(2.86)	(2.84)	(2.55)
Retained distributions on accumulation shares	1.24	–	–	–	–	–
Closing net asset value per share	106.14	–	–	112.70	102.49	108.31
* after direct transaction costs of:	0.04	–	–	0.04	0.15	0.27
Performance						
Return after charges	6.14%	–	–	12.75%	(2.75%)	10.86%
Other information						
Closing net asset value (£'000)	1	–	–	13,054	4,267	76,836
Closing number of shares	1,000	–	–	11,583,360	4,163,639	70,939,464
Operating charges	0.41%	–	–	0.52%	0.56%	0.57%
Direct transaction costs [‡]	0.04%	–	–	0.04%	0.14%	0.26%
Prices						
Highest share price	110.10	–	–	116.69	110.83	110.08
Lowest share price	94.80	–	–	100.46	96.30	94.48

Comparative Tables

As at 31 May 2019

Financial year	'L' Class (Income-2 shares)			'L' Class (Accumulation shares) ⁽³⁾		
	31.05.19 (p)	31.05.18 (p)	31.05.17 (p)	31.05.19 (p)	31.05.18 (p)	31.05.17 (p)
Change in net assets per share						
Opening net asset value per share	102.01	107.83	100.00	98.08	100.00	–
Return before operating charges*	13.54	(2.35)	11.18	13.14	(1.67)	–
Operating charges	(0.60)	(0.58)	(0.59)	(0.56)	(0.25)	–
Return after operating charges*	12.99	(2.93)	10.59	12.58	(1.92)	–
Distributions	(2.83)	(2.89)	(2.76)	(2.23)	(1.34)	–
Retained distributions on accumulation shares	–	–	–	2.23	1.34	–
Closing net asset value per share	112.17	102.01	107.83	110.66	98.08	–
* after direct transaction costs of:	0.04	0.14	0.28	0.04	0.13	–
Performance						
Return after charges	12.73%	(2.72%)	10.59%	12.83%	(1.92%)	–
Other information						
Closing net asset value (£'000)	1,652	12,444	6,700	919	897	–
Closing number of shares	1,472,343	12,199,162	6,212,899	830,800	914,800	–
Operating charges	0.57%	0.56%	0.57%	0.54%	0.56%	–
Direct transaction costs [‡]	0.04%	0.14%	0.26%	0.04%	0.14%	–
Prices						
Highest share price	116.12	110.33	109.59	112.94	101.70	–
Lowest share price	99.98	95.87	94.05	97.23	90.68	–

Financial year	'S' Class (Accumulation shares) ⁽¹⁾		
	31.05.19 (p)	31.05.18 (p)	31.05.17 (p)
Change in net assets per share			
Opening net asset value per share	121.23	124.06	99.81
Return before operating charges*	10.00	(2.70)	24.60
Operating charges	(0.17)	(0.13)	(0.35)
Return after operating charges*	9.83	(2.83)	24.25
Return to shareholder as a result of class closure	(131.06)	–	–
Distributions	(1.43)	(3.24)	(2.99)
Retained distributions on accumulation shares	1.43	3.24	2.99
Closing net asset value per share	–	121.23	124.06
* after direct transaction costs of:	0.04	0.17	0.29
Performance			
Return after charges	8.11%	(2.28%)	24.30%
Other information			
Closing net asset value (£'000)	–	796	846
Closing number of shares	–	656,640	681,640
Operating charges	0.13%	0.11%	0.12%
Direct transaction costs [‡]	0.04%	0.14%	0.26%
Prices			
Highest share price	133.96	127.01	124.18
Lowest share price	120.48	111.99	97.73

(1) Closed 4 March 2019.

(2) Launched 7 December 2018.

(3) Launched 14 December 2017.

Portfolio transaction costs

Portfolio transaction costs are incurred by funds when buying and selling investments. These costs vary depending on the types of investment, their market capitalisation, country of exchange, method of execution and the quality of research provided. They are made up of direct and indirect portfolio transaction costs:

‡ Direct portfolio transaction costs: Broker execution commission, taxes, and costs of research from brokers and other research providers. From 1 January 2018 the costs of research from brokers and other research providers is paid by Investec Asset Management and is no longer incurred by the funds.

Indirect portfolio transaction costs: 'Dealing spread' – the difference between the buying and selling prices of the fund's investments; some types of investment, such as fixed interest securities, have no direct transaction costs and only the dealing spread is paid. Details of the dealing spread is shown in note 5 of the 'Notes to the financial statements' for each of the individual funds.

Global Special Situations Fund

Comparative Tables

As at 31 May 2019

Financial year	'A' Class (Accumulation shares)			'A' Class (Income shares)		
	31.05.19 (p)	31.05.18 (p)	31.05.17 (p)	31.05.19 (p)	31.05.18 (p)	31.05.17 (p)
Change in net assets per share						
Opening net asset value per share	280.43	246.88	178.48	220.70	194.93	140.92
Return before operating charges*	(20.12)	37.82	72.18	(15.84)	29.87	57.07
Operating charges	(4.45)	(4.27)	(3.78)	(3.50)	(3.38)	(3.06)
Return after operating charges*	(24.57)	33.55	68.40	(19.34)	26.49	54.01
Distributions	(3.02)	(0.90)	–	(2.38)	(0.72)	–
Retained distributions on accumulation shares	3.02	0.90	–	–	–	–
Closing net asset value per share	255.86	280.43	246.88	198.98	220.70	194.93
* after direct transaction costs of:	0.46	0.58	0.28	0.36	0.46	0.22
Performance						
Return after charges	(8.76%)	13.59%	38.32%	(8.76%)	13.59%	38.33%
Other information						
Closing net asset value (£'000)	4,536	5,960	5,428	156	173	177
Closing number of shares	1,772,900	2,125,303	2,198,648	78,211	78,209	90,509
Operating charges	1.63%	1.66%	1.69%	1.63%	1.66%	1.69%
Direct transaction costs [‡]	0.17%	0.22%	0.12%	0.17%	0.22%	0.12%
Prices						
Highest share price	298.52	284.52	254.84	234.94	224.65	201.22
Lowest share price	232.53	245.70	175.68	183.00	194.00	138.69

Financial year	'I' Class (Accumulation shares)			'I' Class (Income shares)		
	31.05.19 (p)	31.05.18 (p)	31.05.17 (p)	31.05.19 (p)	31.05.18 (p)	31.05.17 (p)
Change in net assets per share						
Opening net asset value per share	302.27	264.12	189.51	221.41	195.50	141.15
Return before operating charges*	(21.83)	40.67	77.04	(16.00)	30.07	57.36
Operating charges	(2.58)	(2.52)	(2.43)	(1.89)	(1.84)	(1.80)
Return after operating charges*	(24.41)	38.15	74.61	(17.89)	28.23	55.56
Distributions	(5.50)	(3.13)	(1.63)	(4.03)	(2.32)	(1.21)
Retained distributions on accumulation shares	5.50	3.13	1.63	–	–	–
Closing net asset value per share	277.86	302.27	264.12	199.49	221.41	195.50
* after direct transaction costs of:	0.50	0.63	0.31	0.36	0.47	0.23
Performance						
Return after charges	(8.08%)	14.44%	39.37%	(8.08%)	14.44%	39.36%
Other information						
Closing net asset value (£'000)	29,644	22,204	15,490	4,343	2,874	727
Closing number of shares	10,668,705	7,345,769	5,864,744	2,177,207	1,298,186	371,863
Operating charges	0.88%	0.91%	0.94%	0.88%	0.91%	0.94%
Direct transaction costs [‡]	0.17%	0.22%	0.12%	0.17%	0.22%	0.12%
Prices						
Highest share price	322.39	305.83	272.20	236.15	226.37	202.73
Lowest share price	251.70	262.86	186.62	184.37	194.56	138.99

Comparative Tables

As at 31 May 2019

Financial year	'K' Class (Accumulation shares) ⁽²⁾			'R' Class (Accumulation shares)		
	31.05.19 (p)	31.05.18 (p)	31.05.17 (p)	31.05.19 (p)	31.05.18 (p)	31.05.17 (p)
Change in net assets per share						
Opening net asset value per share	100.00	–	–	226.82	198.61	142.80
Return before operating charges*	(12.02)	–	–	(16.33)	30.74	57.84
Operating charges	(0.26)	–	–	(2.50)	(2.53)	(2.03)
Return after operating charges*	(12.28)	–	–	(18.83)	28.21	55.81
Distributions	(2.18)	–	–	(3.57)	(1.87)	(0.84)
Retained distributions on accumulation shares	2.18	–	–	3.57	1.87	0.84
Closing net asset value per share	87.72	–	–	207.99	226.82	198.61
* after direct transaction costs of:	0.15	–	–	0.37	0.49	0.22
Performance						
Return after charges	(12.28%)	–	–	(8.30%)	14.20%	39.08%
Other information						
Closing net asset value (£'000)	111,916	–	–	142	113	1
Closing number of shares	127,581,924	–	–	68,113	49,833	675
Operating charges	0.43%	–	–	1.13%	1.16%	1.19%
Direct transaction costs [‡]	0.17%	–	–	0.17%	0.22%	0.12%
Prices						
Highest share price	100.21	–	–	241.77	229.68	204.76
Lowest share price	79.31	–	–	188.61	197.66	140.57

Financial year	'S' Class (Accumulation shares)			'S' Class (Income shares) ⁽¹⁾		
	31.05.19 (p)	31.05.18 (p)	31.05.17 (p)	31.05.19 (p)	31.05.18 (p)	31.05.17 (p)
Change in net assets per share						
Opening net asset value per share	326.50	283.16	201.65	5547.92	5000.00	–
Return before operating charges*	(23.67)	43.65	82.02	(404.08)	648.11	–
Operating charges	(0.41)	(0.31)	(0.51)	(3.60)	(0.04)	–
Return after operating charges*	(24.08)	43.34	81.51	(407.68)	648.07	–
Distributions	(8.37)	(5.69)	(3.64)	(144.20)	(100.15)	–
Retained distributions on accumulation shares	8.37	5.69	3.64	–	–	–
Closing net asset value per share	302.42	326.50	283.16	4996.04	5547.92	–
* after direct transaction costs of:	0.54	0.67	0.32	9.21	11.74	–
Performance						
Return after charges	(7.38%)	15.31%	40.42%	(7.35%)	12.96%	–
Other information						
Closing net asset value (£'000)	23,887	25,803	21,873	1	1	–
Closing number of shares	7,898,693	7,902,914	7,724,580	20	20	–
Operating charges	0.13%	0.16%	0.19%	0.07%	0.16%	–
Direct transaction costs [‡]	0.17%	0.22%	0.12%	0.17%	0.22%	–
Prices						
Highest share price	348.95	330.01	291.35	5929.10	5708.60	–
Lowest share price	273.06	281.81	198.68	4640.50	5000.00	–

(1) Launched 7 July 2017.

(2) Launched 21 September 2018.

Portfolio transaction costs

Portfolio transaction costs are incurred by funds when buying and selling investments. These costs vary depending on the types of investment, their market capitalisation, country of exchange, method of execution and the quality of research provided. They are made up of direct and indirect portfolio transaction costs:

‡ Direct portfolio transaction costs: Broker execution commission, taxes, and costs of research from brokers and other research providers. From 1 January 2018 the costs of research from brokers and other research providers is paid by Investec Asset Management and is no longer incurred by the funds.

Indirect portfolio transaction costs: 'Dealing spread' – the difference between the buying and selling prices of the fund's investments; some types of investment, such as fixed interest securities, have no direct transaction costs and only the dealing spread is paid. Details of the dealing spread is shown in note 5 of the 'Notes to the financial statements' for each of the individual funds.

Multi-Asset Protector Fund

Comparative Tables

As at 31 May 2019

Financial year	'A' Class (Accumulation shares)		
	31.05.19 (p)	31.05.18 (p)	31.05.17 (p)
Change in net assets per share			
Opening net asset value per share	174.90	171.14	150.07
Return before operating charges*	4.05	7.04	24.07
Operating charges	(3.05)	(3.28)	(3.00)
Return after operating charges*	1.00	3.76	21.07
Distributions	–	(0.49)	(0.27)
Retained distributions on accumulation shares	–	0.49	0.27
Closing net asset value per share	175.90	174.90	171.14
* after direct transaction costs of:	0.03	0.05	0.06
Performance			
Return after charges	0.57%	2.20%	14.04%
Other information			
Closing net asset value (£'000)	163,022	188,046	224,067
Closing number of shares	92,681,527	107,515,176	130,929,537
Operating charges	1.76%	1.82%	1.91%
Direct transaction costs [‡]	0.02%	0.03%	0.03%
Prices			
Highest share price	178.93	177.10	171.17
Lowest share price	168.42	170.34	149.10

Portfolio transaction costs

Portfolio transaction costs are incurred by funds when buying and selling investments. These costs vary depending on the types of investment, their market capitalisation, country of exchange, method of execution and the quality of research provided. They are made up of direct and indirect portfolio transaction costs:

‡ Direct portfolio transaction costs: Broker execution commission, taxes, and costs of research from brokers and other research providers. From 1 January 2018 the costs of research from brokers and other research providers is paid by Investec Asset Management and is no longer incurred by the funds.

Indirect portfolio transaction costs: 'Dealing spread' – the difference between the buying and selling prices of the fund's investments; some types of investment, such as fixed interest securities, have no direct transaction costs and only the dealing spread is paid. Details of the dealing spread is shown in note 5 of the 'Notes to the financial statements' for each of the individual funds.

Multi-Asset Protector Fund 2

Comparative Tables

As at 31 May 2019

Financial year	'I' Class (Accumulation shares)		
	31.05.19 (p)	31.05.18 (p)	31.05.17 (p)
Change in net assets per share			
Opening net asset value per share	143.99	140.23	121.50
Return before operating charges*	3.18	5.31	20.13
Operating charges	(1.39)	(1.55)	(1.40)
Return after operating charges*	1.79	3.76	18.73
Distributions	(0.92)	(1.36)	(1.28)
Retained distributions on accumulation shares	0.92	1.36	1.28
Closing net asset value per share	145.78	143.99	140.23
* after direct transaction costs of:	0.02	0.04	0.04
Performance			
Return after charges	1.24%	2.68%	15.42%
Other information			
Closing net asset value (£'000)	91,485	79,792	60,881
Closing number of shares	62,755,401	55,415,395	43,415,794
Operating charges	0.97%	1.03%	1.12%
Direct transaction costs [‡]	0.02%	0.03%	0.03%
Prices			
Highest share price	148.03	145.50	140.04
Lowest share price	139.28	139.51	120.83

Portfolio transaction costs

Portfolio transaction costs are incurred by funds when buying and selling investments. These costs vary depending on the types of investment, their market capitalisation, country of exchange, method of execution and the quality of research provided. They are made up of direct and indirect portfolio transaction costs:

‡ Direct portfolio transaction costs: Broker execution commission, taxes, and costs of research from brokers and other research providers. From 1 January 2018 the costs of research from brokers and other research providers is paid by Investec Asset Management and is no longer incurred by the funds.

Indirect portfolio transaction costs: 'Dealing spread' – the difference between the buying and selling prices of the fund's investments; some types of investment, such as fixed interest securities, have no direct transaction costs and only the dealing spread is paid. Details of the dealing spread is shown in note 5 of the 'Notes to the financial statements' for each of the individual funds.

Target Return Bond Fund

Comparative Tables

As at 31 May 2019

Financial year	'A' Class (Accumulation shares)*			'A' Class (Income shares)*		
	31.05.19 (p)	31.05.18 (p)	31.05.17 (p)	31.05.19 (p)	31.05.18 (p)	31.05.17 (p)
Change in net assets per share						
Opening net asset value per share	101.71	105.46	106.04	89.17	93.26	94.28
Return before operating charges*	(1.03)	(2.34)	0.94	(1.18)	(2.05)	0.82
Operating charges	(1.43)	(1.41)	(1.43)	(1.00)	(1.25)	(1.27)
Return after operating charges*	(2.46)	(3.75)	(0.49)	(2.17)	(3.30)	(0.45)
Distributions	–	(0.91)	(0.66)	(0.77)	(0.79)	(0.57)
Retained distributions on accumulation shares	–	0.91	0.57	–	–	–
Closing net asset value per share	99.25	101.71	105.46	86.23	89.17	93.26
* after direct transaction costs of:	0.00	0.01	0.02	0.00	0.01	0.02
Performance						
Return after charges	(2.42%)	(3.56%)	(0.46%)	(2.43%)	(3.54%)	(0.48%)
Other information						
Closing net asset value (£'000)	35	2,696	2,874	14	14	15
Closing number of shares	35,397	2,650,951	2,725,701	15,885	15,885	15,885
Operating charges	1.33%	1.34%	1.35%	1.34%	1.34%	1.35%
Direct transaction costs [‡]	0.00%	0.01%	0.02%	0.00%	0.01%	0.02%
Prices						
Highest share price	101.76	107.71	107.95	89.22	94.95	95.99
Lowest share price	98.55	101.42	105.41	86.26	89.07	93.37

Financial year	'I' Class (Accumulation shares) ⁽¹⁾			'I' Class (Accumulation shares) ⁽¹⁾⁽⁹⁾		
	31.05.19 (p)	31.05.18 (p)	31.05.17 (p)	31.05.19 (p)	31.05.18 (p)	31.05.17 (p)
Change in net assets per share						
Opening net asset value per share	103.93	107.11	107.13	–	–	97.87
Return before operating charges*	(1.17)	(2.39)	0.95	–	–	1.03
Operating charges	(0.76)	(0.79)	(0.82)	–	–	(0.73)
Return after operating charges*	(1.93)	(3.18)	0.13	–	–	0.30
Return to shareholder as a result of class closure	–	–	–	–	–	(98.17)
Distributions	(1.52)	(1.57)	(1.31)	–	–	(0.88)
Retained distributions on accumulation shares	1.52	1.57	1.16	–	–	0.88
Closing net asset value per share	102.00	103.93	107.11	–	–	0.00
* after direct transaction costs of:	0.00	0.01	0.02	–	–	0.02
Performance						
Return after charges	(1.86%)	(2.97%)	0.12%	–	–	0.31%
Other information						
Closing net asset value (£'000)	2,306	2,855	2,869	–	–	–
Closing number of shares	2,260,996	2,746,996	2,678,358	–	–	–
Operating charges	0.74%	0.74%	0.75%	–	–	0.75%
Direct transaction costs [‡]	0.00%	0.01%	0.02%	–	–	0.02%
Prices						
Highest share price	104.06	109.57	109.19	–	–	99.85
Lowest share price	101.01	103.61	107.04	–	–	98.11

Comparative Tables

As at 31 May 2019

Financial year	'I' Class (Income shares) ^{(2)¶}			'I' Class (Income shares) ⁽²⁾⁽³⁾		
	31.05.19 (p)	31.05.18 (p)	31.05.17 (p)	31.05.19 (p)	31.05.18 (p)	31.05.17 (p)
Change in net assets per share						
Opening net asset value per share	89.12	93.21	94.24	–	–	97.74
Return before operating charges*	(1.00)	(2.05)	0.84	–	–	1.03
Operating charges	(0.65)	(0.69)	(0.72)	–	–	(0.73)
Return after operating charges*	(1.65)	(2.74)	0.12	–	–	0.30
Return to shareholder as a result of class closure	–	–	–	–	–	(97.17)
Distributions	(1.41)	(1.35)	(1.15)	–	–	(0.87)
Retained distributions on accumulation shares	–	–	–	–	–	–
Closing net asset value per share	86.06	89.12	93.21	–	–	0.00
* after direct transaction costs of:	0.00	0.01	0.02	–	–	0.02
Performance						
Return after charges	(1.85%)	(2.94%)	0.13%	–	–	0.31%
Other information						
Closing net asset value (£'000)	10	89,434	138,218	–	–	–
Closing number of shares	11,204	100,352,189	148,292,147	–	–	–
Operating charges	0.74%	0.74%	0.75%	–	–	0.75%
Direct transaction costs [‡]	0.00%	0.01%	0.02%	–	–	0.02%
Prices						
Highest share price	89.24	94.98	96.05	–	–	99.68
Lowest share price	86.20	89.14	93.46	–	–	97.17

Financial year	'R' Class (Accumulation shares) [¶]			'S' Class (Accumulation shares)		
	31.05.19 (p)	31.05.18 (p)	31.05.17 (p)	31.05.19 (p)	31.05.18 (p)	31.05.17 (p)
Change in net assets per share						
Opening net asset value per share	94.80	97.76	97.85	128.05	131.12	130.12
Return before operating charges*	(1.06)	(2.15)	0.86	(1.45)	(2.95)	1.13
Operating charges	(0.76)	(0.81)	(0.81)	(0.11)	(0.12)	(0.13)
Return after operating charges*	(1.82)	(2.96)	0.05	(1.56)	(3.07)	1.00
Distributions	(1.32)	(1.38)	(1.12)	(2.70)	(2.78)	(2.46)
Retained distributions on accumulation shares	1.32	1.38	0.98	2.70	2.78	2.46
Closing net asset value per share	92.78	94.80	97.76	126.49	128.05	131.12
* after direct transaction costs of:	0.00	0.01	0.02	0.00	0.01	0.03
Performance						
Return after charges	(1.92%)	(3.03%)	0.04%	(1.22%)	(2.34%)	0.77%
Other information						
Closing net asset value (£'000)	6	6	6	13,673	19,976	15,460
Closing number of shares	6,377	6,377	6,275	10,809,716	15,600,231	11,791,234
Operating charges	0.81%	0.84%	0.84%	0.09%	0.09%	0.10%
Direct transaction costs [‡]	0.00%	0.01%	0.02%	0.00%	0.01%	0.02%
Prices						
Highest share price	94.91	100.00	99.71	128.38	134.37	133.06
Lowest share price	92.11	94.52	97.70	124.91	127.64	130.49

Comparative Tables

As at 31 May 2019

Financial year	'S' Class (EUR Hedge Accumulation shares) ⁽⁴⁾			'S' Class (USD Hedge Accumulation shares)		
	31.05.19 (c)	31.05.18 (c)	31.05.17 (c)	31.05.19 (c)	31.05.18 (c)	31.05.17 (c)
Change in net assets per share						
Opening net asset value per share	–	–	113.74	113.67	114.88	113.40
Return before operating charges*	–	–	(15.38)	0.77	(1.10)	1.60
Operating charges	–	–	(0.10)	(0.14)	(0.11)	(0.12)
Return after operating charges*	–	–	(15.48)	0.63	(1.21)	1.48
Return to shareholder as a result of class closure	–	–	(98.26)	–	–	–
Distributions	–	–	(1.17)	(2.36)	(2.38)	(2.07)
Retained distributions on accumulation shares	–	–	1.17	2.36	2.38	2.07
Closing net asset value per share	–	–	–	114.30	113.67	114.88
* after direct transaction costs of:	–	–	0.03	0.00	0.01	0.02
Performance						
Return after charges	–	–	(13.61%)	0.55%	(1.05%)	1.31%
Other information						
Closing net asset value (EUR'000)/(USD'000)	–	–	–	113,160	211,458	169,267
Closing number of shares	–	–	–	99,005,136	186,028,523	147,348,791
Operating charges	–	–	0.15%	0.12%	0.13%	0.15%
Direct transaction costs [‡]	–	–	0.02%	0.00%	0.01%	0.03%
Prices						
Highest share price	–	–	116.02	114.35	118.13	115.98
Lowest share price	–	–	114.01	111.92	113.28	113.71

(1) Share classes "I Accumulation" converted to one as of 7 April 2017.

(2) Share classes "I Income" converted to one as of 7 April 2017.

(3) Closed 7 April 2017.

(4) Closed 10 February 2017.

Share class converted from net to gross on 1 December 2016.

Portfolio transaction costs

Portfolio transaction costs are incurred by funds when buying and selling investments. These costs vary depending on the types of investment, their market capitalisation, country of exchange, method of execution and the quality of research provided. They are made up of direct and indirect portfolio transaction costs:

[‡] Direct portfolio transaction costs: Broker execution commission, taxes, and costs of research from brokers and other research providers. From 1 January 2018 the costs of research from brokers and other research providers is paid by Investec Asset Management and is no longer incurred by the funds.

Indirect portfolio transaction costs: 'Dealing spread' – the difference between the buying and selling prices of the fund's investments; some types of investment, such as fixed interest securities, have no direct transaction costs and only the dealing spread is paid. Details of the dealing spread is shown in note 5 of the 'Notes to the financial statements' for each of the individual funds.

UK Total Return Fund

Comparative Tables

As at 31 May 2019

Financial year	'A' Class (Accumulation shares)			'I' Class (Accumulation shares)		
	31.05.19 (p)	31.05.18 (p)	31.05.17 (p)	31.05.19 (p)	31.05.18 (p)	31.05.17 (p)
Change in net assets per share						
Opening net asset value per share	240.26	233.29	214.55	142.87	137.93	126.14
Return before operating charges*	(5.24)	10.11	21.69	(3.19)	5.96	12.75
Operating charges	(3.17)	(3.14)	(2.95)	(1.04)	(1.02)	(0.96)
Return after operating charges*	(8.41)	6.97	18.74	(4.23)	4.94	11.79
Distributions	(3.39)	(3.35)	(2.69)	(2.81)	(2.79)	(2.30)
Retained distributions on accumulation shares	3.39	3.35	2.69	2.81	2.79	2.30
Closing net asset value per share	231.85	240.26	233.29	138.64	142.87	137.93
* after direct transaction costs of:	0.32	0.37	0.70	0.19	0.22	0.41
Performance						
Return after charges	(3.50%)	2.99%	8.73%	(2.96%)	3.58%	9.35%
Other information						
Closing net asset value (£'000)	22,583	25,947	28,633	28,994	31,829	31,446
Closing number of shares	9,740,276	10,799,546	12,273,717	20,913,520	22,278,273	22,798,377
Operating charges	1.33%	1.33%	1.36%	0.73%	0.73%	0.76%
Direct transaction costs [‡]	0.13%	0.16%	0.32%	0.13%	0.16%	0.32%
Prices						
Highest share price	252.69	243.65	233.70	151.02	144.54	138.16
Lowest share price	218.82	225.43	198.23	130.53	133.91	116.58

Financial year	'R' Class (Accumulation shares)			'S' Class (Accumulation shares)		
	31.05.19 (p)	31.05.18 (p)	31.05.17 (p)	31.05.19 (p)	31.05.18 (p)	31.05.17 (p)
Change in net assets per share						
Opening net asset value per share	134.21	129.70	118.74	1142.70	1096.12	996.06
Return before operating charges*	(3.01)	5.60	11.99	(25.93)	47.50	100.96
Operating charges	(1.10)	(1.09)	(1.03)	(0.89)	(0.92)	(0.90)
Return after operating charges*	(4.11)	4.51	10.96	(26.82)	46.58	100.06
Distributions	(2.51)	(2.49)	(2.05)	(29.81)	(29.38)	(24.77)
Retained distributions on accumulation shares	2.51	2.49	2.05	29.81	29.38	24.77
Closing net asset value per share	130.10	134.21	129.70	1115.88	1142.70	1096.12
* after direct transaction costs of:	0.18	0.21	0.39	1.53	1.74	3.29
Performance						
Return after charges	(3.06%)	3.48%	9.23%	(2.35%)	4.25%	10.05%
Other information						
Closing net asset value (£'000)	456	375	402	114,756	130,714	144,483
Closing number of shares	350,495	279,038	309,772	10,283,928	11,439,104	13,181,370
Operating charges	0.83%	0.83%	0.86%	0.08%	0.08%	0.11%
Direct transaction costs [‡]	0.13%	0.16%	0.32%	0.13%	0.16%	0.32%
Prices						
Highest share price	141.74	135.83	129.92	1214.89	1155.82	1097.82
Lowest share price	122.55	125.82	109.73	1047.79	1069.96	921.01

Portfolio transaction costs

Portfolio transaction costs are incurred by funds when buying and selling investments. These costs vary depending on the types of investment, their market capitalisation, country of exchange, method of execution and the quality of research provided. They are made up of direct and indirect portfolio transaction costs:

‡ Direct portfolio transaction costs: Broker execution commission, taxes, and costs of research from brokers and other research providers. From 1 January 2018 the costs of research from brokers and other research providers is paid by Investec Asset Management and is no longer incurred by the funds.

Indirect portfolio transaction costs: 'Dealing spread' – the difference between the buying and selling prices of the fund's investments; some types of investment, such as fixed interest securities, have no direct transaction costs and only the dealing spread is paid. Details of the dealing spread is shown in note 5 of the 'Notes to the financial statements' for each of the individual funds.

Notes to the Financial Statements of the Company

For the year ended 31 May 2019

1. Accounting policies

a) Basis of accounting

The financial statements on pages 113 to 211 have been prepared under the historical cost basis, as modified by the revaluation of investments, in compliance with the Financial Conduct Authority's Collective Investments Schemes Sourcebook. They have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 (The Financial Reporting Standard Applicable in the UK and Republic of Ireland "FRS 102"), and in accordance with the Statement of Recommended Practice (SORP) for Financial Statements of Authorised Funds issued by the Investment Management Association in May 2014 ("the 2014 SORP"). The financial statements are prepared on the going concern basis with the exception of the Target Return Bond Fund ("the Terminating Fund") which the Authorised Corporate Director intends to terminate once all its residual assets and liabilities are settled (see Going Concern sub-heading below for details).

Going Concern

The Target Return Bond Fund was approved for termination by the ACD in August 2019. It is the intention of the ACD to terminate this Fund at a later date once the residual assets and liabilities are settled. As a result the financial statements of this Fund have been prepared on a basis other than going concern. In applying this basis of preparation, the assets and liabilities of the Terminating Fund continue to be stated at their fair values which materially equate to their residual values. No further adjustments were necessary in the Terminating Fund's financial statements to reduce assets to their realisable values, to provide for liabilities arising from the termination and to reclassify fixed assets and long-term liabilities as current assets and liabilities. The costs of the termination of the Fund will be directly payable by the Target Return Bond Fund.

The principal accounting policies, which have been applied consistently throughout the year, are set out below and, where necessary, have been updated to include any policies to reflect the presentation of the Terminating Fund's financial statements as at 31 May 2019 on a basis other than going concern.

Changes in accounting policies

There have been no changes to the accounting policies as detailed in the audited financial statements for the year ended 31 May 2019.

b) Valuation of investments

The investments of the Funds have been valued at market value at noon (UK time) on 31 May 2019 net of any accrued interest. Suspended securities are valued at the last traded price or at the Fund Manager's best estimate of fair value based on market information and particular circumstances that led to the suspension subject to agreement from the ACD's valuation committee.

Market value is defined by the SORP as fair value which is generally the bid value.

Open Forward Currency Contracts are shown in the Portfolio Statement and are valued using contracted forward rates. The net gains/(losses) are reflected in "Forward currency contracts" in Net capital gains/(losses).

Open Futures Contracts are shown in the Portfolio Statement and are valued using broker prices. The net gains/(losses) are reflected in "Derivative contracts" in Net capital gains/(losses).

Open Swap Contracts are shown in the Portfolio Statement at fair value. The net gains/(losses) are reflected in "Derivative contracts" in Net capital gains/(losses).

c) Exchange rates

Monetary assets and liabilities held in currencies other than sterling have been translated into sterling at the exchange rates ruling at noon on 31 May 2019. Transactions during the year are translated at the rate ruling on the transaction date.

d) Recognition of revenue

Income encompasses both revenue and capital gains/(losses). Revenue generally includes items such as dividends, interest and other similar items that were previously referred to as 'income'. Capital is the return from holding investments other than part of the return that is revenue.

All dividends and scrip (stock) dividends on equities are recognised when the securities are quoted ex-dividend net of any attributable tax credits. Bank interest, interest on investments and other receivables are accrued up to the accounting date.

Accumulation of revenue relating to accumulation units or shares held in collective investment schemes is recognised as revenue and included in the amount available for distribution. Equalisation received from distributions or accumulations on units or shares in collective investment schemes is treated as capital and deducted from the cost of the investment.

Revenue from debt securities is accounted for on an effective interest basis.

Underwriting commission is taken to revenue and recognised when the issue takes place, unless the Funds are required to take up all or some of the underwritten shares. In this case the commission is used to reduce the cost of those shares.

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

Stock lending revenue is accounted for on an accruals basis. Fees earned from stock lending are included in revenue on a gross basis.

Where derivatives are used to protect or enhance revenue, any gains or losses are treated as revenue of the Fund. Where derivatives are used to protect or enhance capital, depending on the motives and circumstances, any gains or losses are treated as capital property of the Funds.

e) Expenses

Expenses are accounted for on an accruals basis.

f) Taxation

Provision is made for corporation tax at current rates on the excess of taxable revenue over allowable expenses.

g) Deferred taxation

Where applicable, a provision is made on all material timing differences between the recognition of revenue in the financial statements and its recognition in the Funds' annual tax returns. Deferred tax liabilities are recognised to the extent that it is possible that an actual liability will crystallise and deferred tax assets are recognised where it is more than likely that an asset is recoverable.

No deferred tax assets have been recognised as there is uncertainty over future net revenues to utilise such assets.

2. Distribution policies

a) Basis of distribution

If at the end of the distribution period, revenue exceeds expense borne by revenue for distribution purposes, the net revenue after taxation of that Fund is available to be distributed to its shareholders. In order to conduct a controlled dividend flow to shareholders, interim distributions will be at the ACD's discretion, up to a maximum of the distributable revenue available for the period. At the end of the year, all remaining net revenue is distributed.

Notes to the Financial Statements of the Company

continued

For the year ended 31 May 2019

2. Distribution policies (continued)

Emerging Markets Blended Debt Fund and Target Return Bond Fund will distribute revenue on a quarterly basis. Global Dividend Fund and Global Quality Equity Income Fund will distribute revenue on a semi-annual basis.

Diversified Growth Fund, Emerging Market Equity Fund, Global Franchise Fund, Global Special Situations Fund, Multi-Asset Protector Fund, Multi-Asset Protector Fund 2 and UK Total Return Fund will distribute annually by reference to net revenue arising during the year ended 31 May 2019.

Any deficit of revenue after taxation will reduce the capital of the Fund.

Distributions on accumulation shares are retained by the Fund and increase the value of the accumulation shares.

b) Apportionment to multiple share classes

The allocation of revenue and non-class specific expenses is based upon the proportion of the Funds' assets attributable to each share class, on the day the revenue is earned or expense is suffered.

c) Stock dividends

Ordinary scrip dividends are treated as revenue and will form part of any distribution. A transfer is made from capital to revenue to compensate for the amount of revenue foregone. In the case of enhanced scrip dividends, any enhancement is taken to capital.

d) Interest from debt securities

As noted in note 1d above, revenue from fixed interest securities is accounted for on an effective interest basis, where applicable, UK interest distributions are also based on an effective interest basis.

e) Expenses

Management expenses including the General Administration Charge (GAC) and custody are charged against revenue unless otherwise stated in the Investec Funds Series Omnibus prospectus 'The Prospectus'. The only exception are the Income-2 ('Inc-2' share classes), where expenses are borne by capital for distribution.

Details of expenses borne by capital can be found in the 'Distributions' note.

f) Equalisation

Equalisation takes account of the distributable revenue in the share price that is received on the creation of shares and paid on cancellation of shares and is allocated to the distribution account to equalise the distribution payable to Shareholders.

g) Aggregate distribution

The aggregate distribution for the company is based on the individual funds' net revenue after taxation. Where there is a significant difference between net revenue after taxation and the amounts available for distribution, a reconciliation has been provided.

3. Risk management policies

Any investment in stock market funds involves risk. Some of these risks are general, which means that they apply to all funds. Others are specific, which means that they apply to individual funds only.

We monitor our Funds' portfolios against certain parameters, seeking to ensure that they meet an acceptable risk: reward profile.

Risk management process

The stock selection and asset allocation of the portfolios are reviewed at periodic fund review meetings. Consideration is given to whether the risk associated with the exposure to particular investment categories or stocks is prudent in the context of the investment objective. The Investment Manager has responsibility for monitoring the existing portfolios in accordance with an overall investment category deviation parameter and seeks to ensure that the portfolios as a whole meet an acceptable risk: reward profile. Monthly market risk reviews are conducted on core funds, investigating levels and trends in risk exposures and the overall diversity of risk contributors. For certain forms of derivative intensive funds, daily predicted Value at Risk levels are also monitored.

Listed below are the specific risks applicable to the Funds. Investors should refer to Clause 5, Appendix 1 (for specific risks) and Appendix vii of the Prospectus for a detailed explanation of each of the risks highlighted below.

General Risks

Risks Associated with Investments

Accounting

Accounting, auditing and financial reporting standards, practices and disclosure requirements vary between countries and can change and this can be a source of uncertainty in the true value of investments and can lead to a loss of capital or income.

Active management

The Investment Manager has discretion to purchase and sell assets of the Funds in accordance with each Fund's investment policy which is further described in Appendix I. It may be as a consequence of the Investment Manager actively electing to deviate from the constituents of any related market index that a Fund may not participate in the general upward move as measured by that market's index and that a Fund's value may decline even while any related index is rising.

Efficient portfolio management

Efficient Portfolio Management may be used by the Funds to reduce risk, reduce costs or for the generation of additional capital or income in the Funds at an acceptably low level of risk.

The Funds may use derivatives repo contracts, and stock lending for Efficient Portfolio Management.

It is not intended that using derivatives for Efficient Portfolio Management will increase the volatility of the Funds. In adverse situations, however, a Fund's use of derivatives may become ineffective in hedging or Efficient Portfolio Management and a Fund may suffer significant loss as a result.

A Fund's ability to use Efficient Portfolio Management techniques may be limited by market conditions, regulatory limits and tax considerations. Any income or capital generated by Efficient Portfolio Management techniques will be paid to the Funds.

The Investment Manager may use one or more separate counterparties to undertake transactions on behalf of these Funds. A Fund may be required to pledge or transfer collateral from its assets to secure the exposure of such contracts entered into for Efficient Portfolio Management. There may be a risk that a counterparty will wholly or partially fail to honour their contractual arrangements with regards the provision and/or return of collateral and any other payments due to the relevant Fund. The ACD measures the creditworthiness of counterparties as part of the risk management process.

A counterparty may be an associate of the ACD or the Investment Manager which may give rise to a conflict of interest. For further details on the ACD's conflicts of interest policy please contact the ACD.

Notes to the Financial Statements of the Company

continued

For the year ended 31 May 2019

3. Risk management policies (continued)

Exchange rate fluctuation

Currency fluctuations may adversely affect the value of a Fund's investments and the income thereon. Currency fluctuations may also adversely affect the profitability of an underlying company in which a Fund invests.

Income yield

The level of any yield arising from interest and/or dividend payments, and other such sources of income, for a Fund may be subject to fluctuations and is not guaranteed. Therefore the related distribution amount paid, or deemed to be paid, from any Fund's Share Classes may also fluctuate over time and is not guaranteed.

Inflation & deflation

Inflation erodes the real value of all investments and changes in the anticipated rate of inflation could lead to capital losses in a Fund's investments.

Deflation risk is the risk that prices throughout an economy may decline over time. Deflation may have an adverse effect on the profitability or creditworthiness of issuers and may make issuer default more likely, which may result in a decline in the value of a Fund's portfolio.

Initial public offerings (IPO) & placement

When a Fund subscribes for an IPO or a placing there is a (potentially lengthy) period between the Fund submitting its application and finding out whether the application has been successful. If the Fund is not allocated the full amount subscribed for due to oversubscription or the security is listed at lower than the issue price (in respect of an IPO only), this may result in a sudden change in the Fund's price. There is also the opportunity cost of having cash committed to the subscription (and therefore out of the market), and not receiving the full allocation.

Political, legal & regulatory

Expropriation by the state, social or political instability, or other restrictions on the freedom of a Fund to deal in its investments, may all lead to investment losses. It should also be noted that there may be occasions when a government imposes restrictions on a company's operations and/or the free movement of cash.

The regulatory environment is evolving and changes therein may adversely affect the ability of a Fund to pursue its investment strategies. The regulatory environment within which the Funds operate may be different to the regulatory requirements of the investors' home countries.

Brexit risk

To ensure Investec Asset Management (IAM) is adequately prepared for different post-Brexit scenarios, a dedicated Brexit programme has been formed to analyse any potential Brexit impacts and assumptions for what the post-Brexit landscape might look like, with the aim of readying IAM accordingly. We have engaged with our key third party service providers that may be affected by a hard-Brexit. Our engagement has provided comfort that they are well placed to continue to offer the same service and products that have been provided prior to Brexit. We are in close contact with all in-scope execution counterparties around their plans to ensure uninterrupted market access for IAM on behalf of all of our clients in any Brexit scenario. At this stage no material risks have been identified so we are happy that we will be able to continue with our best execution process for all of our clients. Our priority is managing any potential impacts on our clients' investments. Brexit involves a significant amount of uncertainty and financial markets are likely to continue greeting this uncertainty with volatility. Our portfolio managers are continuing to evaluate the developments and any potential impact on the prospects of the investments in their portfolios.

The Company may lose its EU UCITS status as a result of Brexit but this will not impede the IAM's ability to continue servicing the Company or affect the Company's ability to continue as a going concern.

Risks associated with share classes

Base currency hedged share classes

For the base currency Hedged Share Classes, the ACD will implement a currency hedging strategy to limit exposure to the currency position of the relevant Fund's Base Currency relative to the currency denomination of the relevant base currency hedged Share Class ("BCHSC Currency"). However, there can be no assurance that the strategy implemented by the ACD will be successful.

The currency hedging transactions will be entered into regardless of whether the Base Currency is declining or increasing in value relative to the BCHSC Currency. Consequently, while such hedging will largely protect investors against a decline in the value of the relevant Base Currency relative to the BCHSC Currency, it will also mean that investors will not benefit from an increase in the value of that Base Currency relative to the BCHSC Currency.

Due to the impossibility of forecasting future market values the currency hedging will not be perfect and the returns of the base currency hedged Share Class, measured in the BCHSC Currency, will not be exactly the same as the returns of an equivalent Share Class denominated in and measured in the relevant Base Currency.

Shareholders should also note that liabilities arising from a Hedged Share Class in a Fund may affect the Net Asset Value of the other Share Classes in that Fund.

Charges to capital

Where the income generated by a Fund's investments is not sufficient to offset the charges and expenses of the Fund they may instead be deducted from the capital of the Fund. This will constrain the rate of capital growth.

For the Inc-2 Share Classes, all expenses attributable to that Share Class will be charged against the capital account of that Share Class. This has the effect of increasing the Share Class' distributions (which may be taxable) whilst reducing its capital to an equivalent extent. This could constrain future capital and income growth.

Currency denomination

The Currency Denomination of a Share Class in a Fund may not necessarily be an indicator of the currency risk to which its Shareholders are exposed. Currency risk derives from the currency exposures of the underlying assets of a Fund, while the currency denomination of a Share Class only indicates the currency in which the Net Asset Value of that Share Class is valued in.

It is also particularly important to be aware of the difference between a Share Class that is denominated in a given currency and a Share Class that is hedged into that currency. For a full overview of the different Share Classes available please refer to Section "3" of the Prospectus.

Distribution from capital

Inc-2 Shares may make distributions from capital as well as from net realised and unrealised capital gains before deduction of fees and expenses. Whilst this might allow more income to be distributed, it may also have the effect of reducing capital and the potential for long-term capital and income growth. In addition, this distribution policy may have tax implications for your investment in such Income Shares. If in doubt, please consult your tax adviser.

Initial charges

Where an Initial Charge is made, investors who sell their Shares may not, even in the absence of a fall in the value of the Shares, recover the total amount originally subscribed.

Notes to the Financial Statements of the Company

continued

For the year ended 31 May 2019

3. Risk management policies (continued)

Transactional risks arising from the hedged share classes

There is a risk that where a Fund has Share Classes that operate a hedge as well as Share Classes that do not, the returns of the latter may be affected, positively or negatively, by inaccuracies and imperfections in the operation of the hedge. This risk arises because Share Classes are not separate legal entities. Hedged Share Classes and un-hedged Share Classes of the same Fund participate in the same pool of assets and/or liabilities of the same Fund.

Shareholders should also note that assets and/or liabilities arising from one Share Class in a Fund may affect the Net Asset Value of the other Share Classes in that Fund.

Portfolio currency hedged share class

Due to the impossibility of forecasting future market values and the primary currency exposures in the relevant Fund's portfolio, portfolio currency hedging will never be perfect and the returns of PCHSC may be impacted by exchange rate movements.

Currency hedging transactions will be entered into regardless of whether the primary currency exposures are declining or increasing in value relative to the currency denomination of the PCHSC. Consequently, while such hedging will largely protect investors against a decline in the value of the relevant the primary currency exposures relative to the currency denomination of the PCHSC, it will also mean that investors will not benefit from an increase in the value of those primary currency exposures relative to the currency denomination of the PCHSC.

Shareholders should also note that liabilities arising from a hedged Share Class in a Fund may affect the Net Asset Value of the other Share Classes in that Fund.

By virtue of the hedging techniques used, the performance of any PCHSC will diverge from the performance of the equivalent Share Class that does not make use of these hedging strategies.

Please see section 2.2.2 of the Prospectus for further details on the types of hedging transactions implemented by the ACD and the risks associated with the PCHSCs.

Risks associated with shareholder dealing and portfolio transactions

Cancellation

If you exercise any cancellation rights you may have, you may not get back the full amount of your investment.

Conflicts of interest

In relation to an investment in a Fund, it should be noted that the ACD, the Investment Manager and other companies within the Investec Group may, from time to time, act as ACD, management company, investment manager or adviser to other funds, Funds or other client mandates which are competitors to the Fund in question because they follow similar investment objectives to that Fund. It is therefore possible that the ACD and the Investment Manager may in the course of their business dealings have potential conflicts of interest with the Fund. Each of the ACD and the Investment Manager will, however, have regard in such event to their regulatory and contractual obligations and to their overall duty to act in a commercially reasonable manner to act in the best interests of all customers and to treat all customers fairly when undertaking any investment business where potential conflicts of interest may arise.

Counterparty – Trading

A Fund may enter into transactions with counterparties, thereby exposing it to the counterparties' credit worthiness and their ability to perform and fulfil their financial obligations (including the timely settlement of trades). This risk may arise at any time a Fund's assets are deposited, extended, committed, invested or otherwise exposed through actual or implied contractual agreements.

In some markets there may be no secure method of delivery against payment which would minimise the exposure to counterparty risk. It may be necessary to make payment on a purchase or delivery on a sale before receipt of securities or, as the case may be, sale proceeds. In this situation, the receipt of securities or sale proceeds by a Fund is dependent on the counterparty fulfilling its own delivery obligation.

When entering derivatives transactions and making use of Efficient Portfolio Management techniques, a Fund may be adversely impacted by conflicts of interest arising from the relationship of the counterparties to the relevant investment manager or another member of the relevant Investment Manager's group of companies.

Dilution

In certain circumstances a dilution adjustment (or dilution levy in the case of the Multi-Asset Protector Fund and Multi-Asset Protector Fund 2) may be made on the purchase or sale of Shares. In the case of purchases this will reduce the number of Shares acquired, in the case of sales this will reduce the proceeds. Where a dilution adjustment or dilution levy (in the case of the Multi-Asset Protector Fund and Multi-Asset Protector Fund 2) is not made, existing investors in the Fund in question may suffer dilution which will constrain capital growth.

Liquidity risk – fund investments

A Fund may invest in certain securities that subsequently become difficult to sell because of reduced liquidity. This would have an adverse impact on the market price or the ability to realise the asset. Reduced liquidity for such securities may be driven by a specific economic or market event, such as the deterioration in the creditworthiness of an issuer.

Risk of deferred redemptions

In the case of individual or collective redemptions and/or switches which are in aggregate 10% or more of the net asset value of a Fund on a Dealing Day, the ACD may decide without Shareholder approval to defer redemptions to the Valuation Point on the next Dealing Day (see section 3.11 of the Prospectus). Subject to sufficient liquidity being raised at the next Valuation Point all deals relating to the earlier Valuation Point will be completed before those relating to the later Valuation Point are considered.

Risk of market closure

Certain markets in which a Fund invests may not open every Dealing Day. The consequence is that the prices at which the Shares may be bought or sold will be based on prices for the underlying investments that are out of date to a greater or lesser extent. This will cause the returns of the Fund to be affected if purchases or sales of Shares are followed immediately by increases or decreases in the prices of the underlying investments. Causes of market closures can be either from differences in normal market trading days, national or localised public holidays or from non-standard market closures imposed as emergency measures.

Risk of remittance restrictions

In some countries, the proceeds from the sale of a security, or dividends or other income, which is due to foreign investors, may not be payable, in full or in part, due to governmental or other restrictions. Any such restrictions will reduce the profit potential of a Fund and may lead to losses. Other such risks may include the introduction of unexpected taxation rules. In some circumstances, governmental or regulatory controls may be imposed affecting the efficient movement of capital (e.g. exchange limitations or currency movements/repatriation).

Risk of suspension

In certain circumstances, Shareholders' right to redeem, switch or convert sell Shares (including a sale by way of conversion) may be suspended (see section 6.7 of the Prospectus). This will mean that on a temporary basis Shareholders will not have access to their money.

Notes to the Financial Statements of the Company

continued

For the year ended 31 May 2019

3. Risk management policies (continued)

Risks associated with fund operations

Central securities depositories

For the purposes of the UCITS Directive, entrusting the custody of the Company's assets to the operator of a securities settlement system ("SSS") is currently not considered as a delegation by the Depositary and the Depositary would therefore be exempted from its obligation to return an asset lost by an SSS.

Custody

Each Fund's assets are safe kept by the Depositary or its sub-custodians (which may not be part of the same group of companies as the Depositary) and Shareholders in a Fund are exposed to the risk of the Depositary or its sub-custodian not being able to fully meet its obligation to return in a short time frame all of the assets held at the Depositary or a sub-custodian in the case of its insolvency. Securities of a Fund will normally be identified in the Depositary's or sub-custodian's books as belonging to the Fund and will be segregated from the Depositary or the sub-custodian's assets. This provides protection for the Fund's assets in the event of the insolvency of either the Depositary or its sub-custodian, but does not exclude the risk that the assets will not be returned promptly in the event of insolvency.

A Fund's assets may also be pooled with the securities of other clients of the Depositary or sub-custodian. In this circumstance, if there were problems with the settlement or custody of any security in the pool then, subject to the requirements of COLL, the loss would be spread across all clients in the pool and would not be restricted to the client whose securities were subject to loss.

In addition, a Fund may be required to place assets outside of the Depositary and the sub-custodian's safekeeping network in order for the Fund to trade in certain markets. In such circumstances the Depositary remains responsible for the proper selection and supervision of the persons safekeeping such assets in the relevant markets. In such markets, Shareholders should note that there may be delays in settlement and/or uncertainty in relation to the ownership of a Fund's investments which could affect the Fund's liquidity and which could lead to investment losses.

The Depositary is liable to a Fund for the loss of an asset held in custody by the Depositary and its sub-custodians. However, the Depositary may have no liability for the loss of an asset where the Depositary can prove that the loss is due to an event beyond its reasonable control, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary by the Depositary.

A Fund's cash held on deposit with a Depositary or its sub-custodian is not segregated from the assets of the Depositary or its sub-custodian and is held at the risk of the Fund.

Economically viable

If a Fund does not reach a sustainable size, this will constrain the Investment Manager from implementing all of the investment decisions that it would like to for the Fund and/or the effect of charges and expenses may be higher than anticipated and the value of the investment consequently reduced. Also, in accordance with the relevant Instrument of Incorporation, a Fund may be liquidated if it does not reach assumed sustainable size and is no longer viable to operate.

Fair value pricing

Fair value pricing adjustments may be made to the price of an underlying asset of a Fund, at the absolute discretion of the Board of Directors, to reflect predicted changes in the last available price between the market close and the Valuation Point. There is, however, a risk that this predicted price is not consistent with the subsequent opening price of that security.

Fraud

A Fund's assets may be subject to fraud. This includes but is not limited to fraudulent acts at the sub-custodian level such that the sub-custodian does not maintain books and records that reflect the beneficial ownership of the Fund to its assets. Fraud may also arise with regards to counterparty default and/or fraudulent acts of other third parties.

Fund legal action

There is no certainty that any legal action taken by a Fund against its service providers, agents, counterparties or other third parties will be successful and Shareholders may not receive compensation in full or at all for any losses incurred. Recourse through the legal system can be lengthy, costly and protracted. Depending on the circumstances, a Fund may decide not to take legal action and/or the Fund may decide to enter into settlement negotiations which may or may not be successful.

Liabilities of each company and the funds

As explained more fully in paragraph 2.2.1 of the Prospectus where, under the OEIC Regulations, each Fund within a Company is a segregated portfolio of assets and those assets can only be used to meet the liabilities of, or claims against, that Fund. Whilst the provisions of the OEIC Regulations provide for segregated liability between Funds in the same Company, the concept of segregated liability is relatively new. Accordingly, where claims are brought by local creditors in foreign courts or under foreign law contracts, it is not yet known whether a foreign court would give effect to the segregated liability and cross-investment provisions contained in the OEIC Regulations. Therefore, it is not possible to be certain that the assets of a Fund will always be completely insulated from the liabilities of another Fund in the same Company in every circumstance. However, for the avoidance of doubt there is no liability between Funds in different Companies.

Liquidity risk – shareholder activity

Subscriptions, conversions or redemptions of Shares in a Fund may have an impact on the other Shareholders of that Fund, which is commonly known as dilution or concentration.

To match subscriptions, conversions and redemptions of Shares from a Fund, assets may be bought or sold and such transactions may incur costs that the Fund must meet. Where a Fund is forced to buy or sell a significant volume of assets relative to the liquidity normally available in the market, it may affect the price at which those assets are bought or sold (and this may be different from the price at which they are valued), therefore having a dilutive or concentrative impact for the other Shareholders. In addition, the weighting of different holdings within the Fund may change, therefore altering the construction and composition of the Fund. The impact will vary to a lesser or greater extent depending on the volume of transactions, the purchase and sale price of the assets and valuation method used to calculate net asset value of the Fund.

The ACD may at its discretion, but always acting in the best interests of Shareholders, in times of severe illiquidity, utilise liquidity management tools including, without limitation, the power to defer redemptions and suspend dealing in the Shares of a Fund.

Securities lending

Securities lending involves the risk that the borrower may fail to return the securities in a timely manner or at all. As a result, a Fund engaged in securities lending transactions may lose money and there may be a delay in recovering the lent securities. A Fund could also lose money if it does not recover the securities and/or the value of the collateral falls, including the value of assets purchased with re-invested cash collateral.

A Fund's portfolio exposure to market risk will not change by engaging in securities lending. However, securities lending carries the specific market risk of the counterparty defaulting. To mitigate this risk, the Fund will receive collateral relating to its securities lending transactions in accordance with the ESMA Guidelines 2012/832. This collateral shall take any of the forms described under the ESMA Guidelines 2012/832.

Notes to the Financial Statements of the Company

continued

For the year ended 31 May 2019

3. Risk management policies (continued)

In the event of default by the counterparty to a securities lending transaction, the collateral provided will need to be sold and the lent securities repurchased at the prevailing price, which may lead to a loss in value for the relevant Fund. There can therefore be no assurance that the relevant Fund's investment objectives will be achieved.

Securities lending also carries operational risks such as the non-settlement of instructions associated with securities lending. Such operational risks are managed by means of procedures, controls and systems implemented by the securities lending agent and the Fund.

When engaging in securities lending, a Fund may be adversely impacted by conflicts of interest arising from the relationship of the counterparties to such transactions with the relevant investment manager or another member of the relevant investment manager's group of companies.

Tax

Tax laws may change without notice and may impose taxes on a retrospective basis. Taxes may be deducted at source without notice to a Fund and/or the Investment Manager. Tax charged may vary between Shareholders.

Third-Party operational (including counterparty – service providers)

Each Fund's operations depend on third parties, either for the purpose of segregating duties, or due to delegation/outsourcing of functions by the Investment Manager. Investors in a Fund may suffer disruption or financial loss in the event of third-party operational failure.

Risks associated with debt investments

Contingent convertibles or CoCos

A Fund may invest in contingent convertibles (CoCos), which are a type of debt security issued by financial institutions. The terms of these securities mean that investors in CoCos may suffer losses prior to investors in the same financial institution which hold securities ranking senior to the CoCo bond holders, as the instruments become loss absorbing upon certain triggering (contingent) events related to the solvency of the issuer. This creates uncertainty about how CoCos may perform under stressed conditions and presents risks over the certainty of future interest payments as well as the potential conversion to equity in such a stress scenario.

Credit

Where the value of an investment depends on a party (which could be a company, government or other institution) fulfilling an obligation to pay, there exists a risk that that obligation will not be satisfied. This risk is greater the weaker the financial strength of the party. The Net Asset Value of a Fund could be affected by any actual or feared breach of the party's obligations, while the income of the Fund would be affected only by an actual failure to pay, which is known as a default.

Distressed debt

A Fund may invest in distressed debt securities. Investment in such distressed debt securities (which qualify as transferable securities) involves purchases of obligations of companies that are experiencing significant financial or business distress, including companies involved in insolvency or other reorganisation and liquidation proceedings. These assets involve a high risk of capital loss, uncertainty of interest payments and can suffer from poor liquidity.

Investing in distressed debt can also impose duties on the Investment Manager which may conflict with duties which it owes to a Fund. A specific example of where the Investment Manager may have a conflict of interest is where it invests the assets of a Fund in a company in serious financial distress and where that investment leads to the Investment Manager investing further amounts of the Fund's assets in the company or taking an active role in managing or advising the company, or one of the Investment Manager's employees becomes a director or other officer of the company. In such cases, the Investment Manager or its employee may have duties to the company and/or its members and creditors which may conflict with, or not correlate with, the interests of the Shareholders of that Fund. In such cases, the Investment Manager may also have discretion to exercise any rights attaching to the Fund's investments in such a company. The Investment Manager will take such steps as it considers necessary to resolve such potential conflicts of interest fairly.

High yield debt securities

High yield debt securities, that is those that are rated BB+ by Standard & Poor's or Ba1 by Moody's or lower, or are unrated, are subject to greater risk of loss of income and principal due to default by the issuer than are higher-rated debt securities. It may also be more difficult to dispose of, or to determine the value of, high yield debt securities.

Interest rate

The earnings or market value of a Fund may be affected by changes in interest rates. This risk can be particularly relevant for Funds holding fixed-rate debt securities (such as bonds), since their values may fall if interest rates rise. Furthermore, Funds holding fixed-rate debt securities with a long time until maturity may be more sensitive to changes in interest rates than shorter-dated debt securities, for example a small rise in long-term interest rates may result in a more than proportionate fall in the price of a long-dated debt security.

Investment grade

The price of securities involved in initial public offerings are often subject to greater and more unpredictable price changes than more established securities.

Money market instrument

Money market instruments in which a Fund invests are subject to the solvency of the underlying issuer. While every effort will be made to maintain the capital value of the Fund, there is no guarantee that this will be the case as a loss made on a money market instrument held by the Fund could reduce the capital value of the Fund.

Mortgage backed and other asset backed securities

Mortgage backed

A mortgage-backed security is a generic term for a debt security backed or collateralised by the income stream from an underlying pool of commercial and/or residential mortgages. As such they are vulnerable to similar risks to traditional fixed income securities as well as specific risks related to the exercise of any optional redemption and mandatory prepayment, the prevailing level of interest rates, the creditworthiness of the underlying mortgage assets and the originator of the security. The market for these investments may be volatile and illiquid, which may make it difficult to buy or sell them, and the secondary market may be smaller than that for more traditional debt securities.

Asset backed

Traditional debt securities typically pay a fixed rate of interest until maturity, when the entire principal amount is due. By contrast, payments on asset-backed securities (ABS) typically include both interest and partial payment of principal. ABS may be affected by changes to prevailing levels of interest rates. Principal may be prepaid voluntarily, or as a result of refinancing or forced repayment. Principal and interest payments may also not be made on time. The nature and timing of these payments may make the return profile less predictable when compared to other fixed income securities and they can increase the volatility of the Fund. The Fund will be vulnerable to specific risks related to the creditworthiness of the underlying assets and the originator of the security. The market for these investments may be volatile and illiquid, which may make it difficult to buy or sell them, and the secondary market may be smaller than that for more traditional debt securities.

Notes to the Financial Statements of the Company

continued

For the year ended 31 May 2019

3. Risk management policies (continued)

CDOs/CLOs

Collateralised Debt Obligations (CDOs) and Collateralised Loan Obligations (CLOs) represent a participation in, or are secured by, a pool of fixed or floating rate debt obligations. These securities are issued in separate classes with different stated maturities that may have different credit and investment profiles. As the debt pool experiences prepayments, the pool pays off investors in classes with shorter maturities first. Prepayments may cause the actual maturity of the securities to be substantially shorter than its stated maturity. Conversely, slower than anticipated prepayments can extend the effective maturities of the securities, subjecting them to a greater risk of decline in market value in response to rising interest rates than traditional debt securities, and, therefore, potentially increasing their volatility. The securities and other instruments with complex or highly variable prepayment terms generally entail greater market, prepayment and liquidity risks than other asset backed securities (ABS). The securities are generally subject to each of the risks discussed under asset-backed (ABS) securities.

Risks associated with derivative instruments

Cash flow

A Fund may have insufficient cash to meet the margin calls necessary to sustain its position in a derivatives contract. This may result in the Fund having to close a position (or sell other securities to raise the cash) at a time and/or on terms that it may otherwise not have done. This could lead to capital losses for the Fund.

Credit default swaps and other synthetic securities

A portion of a Fund's investments may consist of credit default swaps and other synthetic securities the reference obligations of which may be leveraged loans, high-yield debt securities or similar securities. Investments in such types of assets through the purchase of credit default swaps and other synthetic securities present risks in addition to those resulting from direct purchases of such investments. With respect to each synthetic security, a Fund will usually have a contractual relationship only with the counterparty of such synthetic security, and not have a direct claim over the underlying securities or direct rights and remedies against the issuer(s) of such securities. In the event of the insolvency of the counterparty, a Fund will be treated as a general creditor of such counterparty, and will not have any claim with respect to the underlying securities. Consequently, a Fund will be subject to the credit risk of the counterparty as well as that of the underlying securities.

Additionally, while the Investment Manager expects that the returns on a synthetic security will generally reflect those of the underlying securities, as a result of the terms of the synthetic security and the assumption of the credit risk of the synthetic security counterparty, a synthetic security may have a different expected return, a different (and potentially greater) probability of default and expected loss characteristics following a default, and a different expected recovery following default. Additionally, when compared to the underlying security, the terms of a synthetic security may provide for different maturities, distribution dates, interest rates, interest rate references, credit exposures, or other credit or non-credit related characteristics. Upon maturity, default, acceleration or any other termination (including a put or call) other than pursuant to a credit event (as defined therein) of the synthetic security, the terms of the synthetic security may permit or require the issuer of such synthetic security to satisfy its obligations by delivering to the relevant Fund securities other than the underlying securities or an amount different than the then current market value of the underlying securities.

Derivative basis

The value of a derivative typically depends on the value of an underlying asset. The value of the derivative may not be 100% correlated with the value of the underlying asset and therefore a change in the value of the asset may not be matched by a proportionate corresponding change in the value of the derivative.

Derivatives

The use of derivatives may lead to large changes in the value of a Fund and includes the potential for large financial loss.

EMIR clearing: client segregation model

EMIR requires clearing members of central counterparties established in the European Union to offer their clients the choice between omnibus accounts and individual accounts in relation to their centrally cleared over-the-counter (OTC) derivative transactions.

The omnibus account option is the minimum standard of client protection permitted under EMIR. Omnibus accounts are accounts at the level of the central counterparty which contain the OTC derivative positions and the related collateral of several of the clearing member's clients. The pooling of client positions and collateral in this way means that assets related to a client could be used to cover the losses of other clients following a clearing member default. Individual accounts only contain the positions and collateral of the respective account holder and therefore offer a higher level of client protection compared to an omnibus account structure.

For omnibus accounts, a further distinction is made between net omnibus accounts and gross omnibus accounts. In a gross omnibus account, which is the type of account the ACD has selected, positions are recorded on a gross basis by the clearing member for each of its clients and collateral is calculated on a gross basis. In contrast, in a net omnibus account there is netting between the different clients' positions and collateral is calculated on a net basis. Accordingly a gross omnibus account results in less risk for the respective client as following a clearing member default, there is likely to be a larger pool of collateral available to be returned to clients than would be the case in respect of a net omnibus account.

Exchange derivatives

Futures contracts may have restricted liquidity due to certain exchanges limiting fluctuations in certain futures contract prices during a single day by regulations referred to as "daily price fluctuation limits" or "daily limits". These prevent trades from being executed at prices beyond the daily limits during a single trading day. Also, once the price of a contract for a futures contract has increased or decreased by an amount equal to the daily limit, positions in the future can neither be taken nor liquidated unless traders are willing to effect trades at or within the limit.

Leverage

Where a Fund uses derivatives to create aggregate exposure that is greater than its net assets, this may lead to potentially large financial loss. This also creates the effect that the Fund will have greater exposure to certain risks that are associated with the use of derivatives (e.g. Counterparty Risk – Trading, OTC Derivatives Risk and market risk).

OTC derivative instruments

In general, there is less government regulation and supervision of transactions in OTC markets than of transactions entered into on organised exchanges. OTC derivatives are executed directly with the counterparty rather than through a recognised exchange and clearing house. Counterparties to OTC derivatives are not afforded the same protections as may apply to those trading on recognised exchanges, such as the performance guarantee of a clearing house.

Investments in OTC derivatives may be subject to the risk of differing valuations arising out of different permitted valuation methods. Although the Fund has implemented appropriate valuation procedures to determine and verify the value of OTC derivatives, certain transactions are complex and valuation may only be provided by a limited number of market participants who may also be acting as the counterparty to the transactions.

OTC derivatives expose a Fund to the risk that the counterparty will not settle a transaction in accordance with its terms, or will delay the settlement of the transaction, because of a dispute over the terms of the contract (whether or not that dispute is valid) or because of the insolvency, bankruptcy or other credit or liquidity problems of the counterparty. Investors should also refer to the risk factor Counterparty Risk – Trading.

Counterparty risk is generally mitigated by the transfer or pledge of collateral in favour of the relevant Fund. The value of the collateral may fluctuate, however, and it may be difficult to sell (in the case of non-cash collateral), so there are no assurances that the value of collateral held will be sufficient to cover the amount owed to the relevant Fund.

Notes to the Financial Statements of the Company

continued

For the year ended 31 May 2019

3. Risk management policies (continued)

The Funds may enter into OTC derivatives cleared through a clearing house that serves as a central counterparty. Central clearing is designed to reduce counterparty risk and increase liquidity compared to bilaterally-cleared OTC derivatives, but it does not eliminate the risk completely. The central counterparty will require margin from the clearing broker which will in turn require margin from the relevant Fund. There is a risk of loss by a Fund of its initial and variation margin deposits in the event of default of the clearing broker with which the Fund has an open position or if margin is not identified and correctly reported to the relevant Fund, in particular where margin is held in an omnibus account maintained by the clearing broker with the central counterparty. In the event that the clearing broker becomes insolvent, the Fund may not be able to transfer or "port" its positions to another clearing broker.

EMIR requires certain eligible OTC derivatives to be submitted for clearing to regulated central clearing counterparties and the reporting of certain details to trade repositories. In addition, EMIR imposes requirements for appropriate procedures and arrangements to measure, monitor and mitigate operational and counterparty risk in respect of OTC derivatives which are not subject to mandatory clearing. Ultimately, these requirements are likely to include the exchange and segregation of collateral by the parties, including by the Fund. While some of the obligations under EMIR have come into force, a number of the requirements are subject to phase-in periods and certain key issues have not been finalised by the date of the Prospectus.

It is as yet unclear how the over-the-counter financial derivative instruments market will adapt to the new regulatory regime. The collateral, reporting and clearing requirements under EMIR, compliance with rules, regulations promulgated and other legislation in other jurisdictions may increase costs to the Funds and may impact performance. The full impact that such legislation will ultimately have on the Funds and the markets in which they trade and invest is not fully known. Such uncertainty may itself be detrimental to the efficient functioning of the markets and the success of certain investment strategies. Any changes to current regulations or any new regulations applicable to the Funds could have a materially adverse effect on the Funds.

Short exposure

Where a Fund uses derivatives to create short exposure there is potential for gains to be made when the underlying securities are falling in value, but a loss could be incurred when the underlying security is rising in value. This means the Fund's performance will be less closely related to the performance of the type of assets in which it will ordinarily invest.

Risks associated with emerging market investments

China Interbank Bond Market

The China Interbank Bond Market ("CIBM") is an OTC market (i.e. trades are conducted directly between the buyer and the seller and not on an exchange) that operates outside of the two main stock exchanges in China. On the CIBM, institutional investors trade sovereign, government and corporate bonds.

The main debt instruments traded on the CIBM include government bonds, bond repo, bond lending, People's Bank of China ("PBOC") bills, and other financial debt instruments.

The CIBM is regulated and supervised by the PBOC. The PBOC is responsible for, among other things, establishing listing, trading, functioning rules applying to the CIBM and supervising the market operators of the CIBM.

Counterparty and liquidity risk are particularly relevant to trading on the CIBM.

Settlement risk

There are various transaction settlement methods in the CIBM, which involve varying degrees of risk. Although the Investment Manager may be able to negotiate terms which are favourable to the Funds (e.g. requiring simultaneous delivery of security and payment), there is no assurance that settlement risks can be eliminated. Where the counterparty does not perform its obligations under a transaction, the Funds will sustain losses.

Risks in relation to RMB fixed income securities using the CIBM Direct Access

The CIBM Direct Access is the PRC investment program revised in 2016 under which certain foreign institutional investors such as the Funds may invest, without particular license or quota, directly in RMB fixed income securities dealt on the CIBM via an onshore bond settlement agent (the "Bond Settlement Agent").

CIBM Direct Access rules and regulations

Participation in the CIBM Direct Access by foreign institutional investors (such as the Funds) is governed by rules and regulations set by the Mainland Chinese authorities, i.e. the PBOC and the State Administration of Foreign Exchange in China. Such rules and regulations may be amended from time to time (with retrospective effect).

The CIBM Direct Access rules and regulations are relatively new. The application and interpretation of such investment regulations are therefore relatively untested and there is no certainty as to how they will be applied as the PRC authorities and regulators have been given wide discretion in such investment regulations and there is no precedent or certainty as to how such discretion may be exercised now or in the future. In addition, there can be no assurance that the CIBM Direct Access rules and regulations will not be abolished in the future. Funds, which invest in the PRC markets through the CIBM Direct Access, may be adversely affected as a result of any such changes or abolition.

Restrictions to remittances and repatriations risk

Certain restrictions may be imposed by the PRC authorities on investors participating in the CIBM Direct Access and/or the Bond Settlement Agent which may have an adverse effect on the Funds' liquidity and performance. Repatriations (moving cash offshore from Mainland China) conducted in RMB are currently permitted daily and are not subject to repatriation restrictions (such as lock-up periods) or prior approval. There is no assurance, however, that PRC rules and regulations will not change or that repatriation restrictions will not be imposed in the future. It should also be noted that the actual time required for the completion of the relevant repatriation will be beyond the Investment Manager's control should such restrictions be imposed.

Securities and cash accounts

Onshore PRC securities are registered in accordance with the relevant rules and regulations and maintained by the Bond Settlement Agent. Onshore cash will be maintained on a cash account with the Bond Settlement Agent.

Beneficial ownership of RMB securities should be acquired by a Fund through CIBM Direct Access. However, beneficial ownership is an untested concept in the PRC.

Investors should note that cash deposited in the cash account of the Funds with the Bond Settlement Agent will not be segregated but will be a debt owing from the Bond Settlement Agent to the Funds as a depositor. Such cash will be co-mingled with cash belonging to other clients of the Bond Settlement Agent. In the event of bankruptcy or liquidation of the Bond Settlement Agent, the Funds will not have any proprietary rights to the cash deposited in such cash account, and the Funds will become unsecured creditors, ranking on equal footing with all other unsecured creditors, of the Bond Settlement Agent. The Funds may face difficulty and/or encounter delays in recovering such debt, or may not be able to recover it in full or at all, in which case the Funds will suffer losses.

Bond settlement agent risk

There is a risk that the Funds may suffer losses, whether direct or consequential, from the acts or omissions in the settlement of any transaction or in the transfer of funds or securities, default, bankruptcy or disqualification of the Bond Settlement Agent.

Such acts, omissions, default or disqualification may also adversely affect the Funds in implementing their investment strategies or disrupt the operations of the Funds, including causing delays in the settlement of any transaction.

In addition, the PBOC is vested with the power to impose regulatory sanctions if the Bond Settlement Agent violates any provision of the CIBM Direct Access rules. Such sanctions may adversely impact on the investment by the Funds through the CIBM Direct Access.

Notes to the Financial Statements of the Company

continued

For the year ended 31 May 2019

3. Risk management policies (continued)

China Tax

In common with other Funds, income and gains derived from China may be subject to withholding tax and VAT and relevant surcharges on the VAT. The interpretation and applicability of existing Chinese tax laws may not be as consistent and transparent as those of more developed nations, and may vary from region to region. There is a possibility that the current tax laws, regulations, and practice in China may be changed with retrospective effect in the future. Moreover, there is no assurance that tax incentives currently offered to foreign companies, if any, will not be abolished and the existing tax laws and regulations will not be revised or amended in the future. Any of these changes may reduce the income from, and/or value of, the Funds' investments. The Chinese government has implemented a number of tax reform policies in recent years. The current tax laws and regulations may be revised or amended in the future. Any revision or amendment in tax laws and regulations may affect the after-tax profit of Chinese companies and foreign investors in such companies, such as the Funds. There can be no guarantee that future tax laws, regulations, and practice in China will not adversely impact the tax exposure of the Funds and/or their Shareholders.

The ACD considers that the Funds should be regarded as a UK tax resident and should be able to enjoy a tax exemption on capital gains under the UK-China double tax treaty, although there is no guarantee that the Chinese tax authorities will provide tax treaty relief.

In light of the legal and regulatory uncertainties in China, the Funds reserve the right to make any provision for taxes or to deduct or to withhold an amount on account of taxes (which may be payable by the Funds to the Chinese tax authorities in respect of its investments in China) from assets of the Funds. The amount of provision (if any) will be disclosed in the financial statements of the Funds. In this regard, the Funds have determined that no tax provision will be made on the capital gains derived from PRC investments. Any provision for taxes made by the Funds may be more or less than the Funds' actual Chinese tax liabilities. If the Funds do not set aside enough to meet these tax obligations, then the shortfall may be debited from the Funds' assets to meet its actual Chinese tax liabilities. As a result, the income from, and/or the performance of the Funds may be reduced/adversely affected. The degree of impact on individual Shareholders may vary depending on whether or not the price they paid or received for Shares reflected any difference between the amount the Funds set aside for tax and their actual tax liabilities.

China Interbank Bond Market

The Chinese tax authorities have granted VAT exemption on the capital gains derived by qualified non PRC tax residents from the investments through the China Interbank Bond Market with effective from 1 May 2016. In addition, according to the Caishui 2018 No. 108, effective from 7th November 2018 to 6th November 2021, there is a three-year tax exemption (including PRC withholding tax, VAT and local surcharges) on the bond interest income derived from the China Interbank Bond Market by qualified non-PRC tax residents.

Bond Connect

According to the Caishui 2018 No. 108, effective from 7th November 2018 to 6th November 2021, there is a three-year tax exemption (including withholding tax, VAT and local surcharges) on bond interest income derived by qualified non PRC tax residents through Bond Connect. Except for the above, there is no specific regulation released regarding the tax treatment on capital gains through Bond Connect. Without further clarification, Chinese tax authorities may levy withholding tax, VAT as well as the surcharges on bond capital gains.

In light of the legal and regulatory uncertainties in China, the Companies reserve the right to make any provision for taxes or to deduct or to withhold an amount on account of taxes (which may be payable by the Funds to the Chinese tax authorities in respect of its investments in China) from assets of the Funds. The amount of provision (if any) will be disclosed in the financial statements of the Companies. In this regard, the Companies have, as at the date of this Prospectus, determined that no tax provision will be made on the capital gains derived from PRC investments. Any provision for taxes made by the Companies may be more or less than the Funds' actual Chinese tax liabilities. If the Funds do not set aside enough to meet these tax obligations, then the shortfall may be debited from the Funds' assets to meet its actual Chinese tax liabilities. As a result, the income from, and/or the performance of the Funds may be reduced/adversely affected and the impact/degree of impact on the individual shareholders may vary, depending on factors such as the level of the Funds' provision for taxes and the amount of the shortfall at the relevant time and when the relevant shareholders subscribed for and/or redeemed their Shares in the Funds.

Emerging Markets

Emerging Markets investments may be more volatile and less liquid than investments in developed markets and the investments of a Fund in such markets may be considered speculative and subject to significant delays in settlement. In addition, there may be a higher than usual risk of exchange rate, political, economic, social and religious instability and of adverse changes in government regulations. Some of these markets may not be subject to accounting, auditing and financial reporting standards and practices comparable to those of more developed countries and the securities markets of such markets may be subject to unexpected closure. In addition, there may be less government supervision, legal regulation and less well defined tax laws and procedures than in countries with more developed securities markets.

Investment in China

Investments in China are particularly exposed to China's economic, social and political system, which may behave differently to other markets, and investments in China may be harder to assess for suitability or risk. China has enjoyed significant economic prosperity in recent years but continued growth cannot be assumed and a decline in China's economic performance may affect a Fund's investment.

Investments in China are subject to State-imposed restrictions, including the operation of trading quotas and currency management; while other State and regulatory intervention may be more unpredictable or intrusive than in other markets. China's laws and regulations relating to securities (including surrounding taxation) are new and evolving, their application is subject to uncertainty, and they may be subject to change in the future. Investments in China may be subject to greater or more frequent rises and falls in value than other markets and may be harder or impossible to buy or sell.

Accounting and auditing standards in China may also be less rigorous than their international equivalents and this could result in investments being overvalued. Investments held by Chinese brokers may be mixed with other investors' assets or subject to lower safekeeping standards than investments held domestically, which could lead to delays in payment or losses should the broker become insolvent. Chinese investments are denominated in Renminbi and its value may fluctuate widely from other international currencies.

Other applicable risks:

Investors should also note the following risk factors, which may be applicable to the Funds, each of which is described in more detail in the relevant section of the Prospectus: Accounting, Emerging Markets, Equity Investment, Exchange Rates, Market Action, Market Closure, Political, Settlement and Custody and Tax.

RQFII risk

Certain Funds (the "RQFII Funds") may invest in securities issued in Mainland China in accordance with their investment objective and policies. Other than risks involved in investments made on a worldwide basis and in emerging markets, as well as other risks of investments generally as described in Appendix VII of the Prospectus which are applicable to investments in China, investors in the RQFII Funds should note the additional specific risks below.

Custody risk for investment in China:

The Investment Manager (in its capacity as an RQFII) and the Depositary have appointed HSBC China (the "RQFII Local Custodian") as custodian to maintain the RQFII Funds' assets in custody in China, pursuant to relevant laws and regulations. Chinese securities are registered in accordance with these rules and regulations, and maintained by the RQFII Local Custodian in electronic form via a securities account with the China Securities Depository and Clearing Corporation Limited and cash shall be maintained in a cash account with the RQFII Local Custodian. The Depositary will make arrangements to ensure that the RQFII Local Custodian has appropriate procedures in place to properly safe-keep the RQFII Fund's assets including maintaining records that clearly show that such RQFII Fund's assets are recorded in the name of that RQFII Fund and segregated from the other assets of the RQFII Local Custodian.

Notes to the Financial Statements of the Company

continued

For the year ended 31 May 2019

3. Risk management policies (continued)

Investors should note that cash deposited in the cash account of a RQFII Fund with the RQFII Local Custodian will not be segregated but will be a debt owing from the RQFII Local Custodian to that RQFII Fund as a depositor. Such cash will be co-mingled with cash that belongs to other clients or creditors of the RQFII Local Custodian. In the event of bankruptcy or liquidation of the RQFII Local Custodian, a RQFII Fund will not have any proprietary rights to the cash deposited in such cash account, and that RQFII Fund will become an unsecured creditor, ranking *pari passu* with all other unsecured creditors, of the RQFII Local Custodian. The RQFII Fund may face difficulty and/or encounter delays in recovering such debt, or may not be able to recover it in full or at all, in which case the RQFII Fund will suffer losses.

RQFII regime risk:

Under current Chinese laws and regulations, the RQFII Fund's investments in the Chinese securities can only be made by or through an RQFII, within certain investment quota as approved under and subject to applicable Chinese regulatory requirements. The RQFII regime is governed by rules and regulations as promulgated by the Mainland Chinese authorities.

Neither the Companies nor the RQFII Funds are themselves RQFIIs, but they may obtain access to the Chinese domestic securities market using the Investment Manager's RQFII quota.

Investors should note that RQFII status could be suspended or revoked at any time, which may have an adverse effect on an RQFII Fund's performance as the Fund may be required to dispose of its securities holdings over a short period. In addition, certain restrictions imposed by the Chinese government on RQFIIs may have an adverse effect on an RQFII Fund's liquidity and performance.

The State Administration of Foreign Exchange in China ("SAFE") regulates and monitors the repatriation of funds out of China by an RQFII. Repatriations by RQFIIs in respect of an open-ended fund (such as the RQFII Funds) conducted in Renminbi are currently not subject to repatriation restrictions or prior approval, although authenticity and compliance reviews will be conducted, and monthly reports on remittances and repatriations will be submitted to SAFE by the RQFII Local Custodian. There is no assurance, however, that the Chinese rules and regulations will not change or that repatriation restrictions will not be imposed in the future. Any restrictions on repatriation of the invested capital and net profits may impact on an RQFII Fund's ability to meet redemption requests from Shareholders. Furthermore, as the RQFII Local Custodian's review on authenticity and compliance is conducted on each repatriation, the repatriation may be delayed or even rejected by the RQFII Local Custodian in case of non-compliance with the RQFII rules and regulations. In such case, it is expected that redemption proceeds will be paid to the redeeming Shareholder as soon as practicable and after the completion of the repatriation of funds concerned. It should be noted that the actual time required for the completion of the relevant repatriation will be beyond the Investment Manager's control.

RQFII quotas are generally granted to an RQFII. The rules and restrictions under the RQFII regulations generally apply to the RQFII as a whole and not simply to the investments made by an RQFII Fund. It is provided in the RQFII Measures that the size of the quota may be reduced or cancelled by the SAFE if the RQFII is unable to use its RQFII quota effectively within one year following the quota being granted. If the SAFE reduces the RQFII's quota, it may affect the Investment Manager's ability to effectively pursue the investment strategy of an RQFII Fund. The SAFE may impose regulatory sanctions if the RQFII or the RQFII Local Custodian violates any provision of the RQFII Measures. Any violations could result in the revocation of the RQFII's quota or other regulatory sanctions and may adversely impact on the portion of the RQFII's quota made available for investment by an RQFII Fund.

Investors should note that there can be no assurance that an RQFII will continue to maintain its RQFII status or to make available its RQFII quota, or that an RQFII Fund will be allocated a sufficient portion of RQFII quota from a RQFII to meet all applications for subscription into an RQFII Fund, or that redemption requests can be processed in a timely manner due to repatriation restrictions or adverse changes in relevant laws or regulations. Such factors may restrict the ability to process subscriptions and/or redemptions in a timely manner. In extreme circumstances, an RQFII Fund may incur significant losses due to insufficiency of RQFII quota, limited investment capabilities, or inability to fully implement or pursue its investment objective or strategy due to RQFII investment restrictions, illiquidity of the Chinese domestic securities market, and/or delay or disruption in execution of trades or in settlement of trades.

The current RQFII regulations are subject to change, which may take retrospective effect. In addition, there can be no assurance that the RQFII regulations will not be abolished. An RQFII Fund, which invests in the Chinese domestic securities markets, may be adversely affected as a result of such changes.

Stock Connect

To the extent that a Fund's investments in China are dealt via Hong Kong Shanghai Stock Connect or Shenzhen Stock Connect ("Stock Connect"), such dealing will be subject to additional risk factors.

Stock Connect is a relatively new trading programme, therefore the relevant rules and regulations are untested and subject to change. Since investments through Stock Connect are subject to certain restrictions (including trading day restrictions, pre-trade checking, eligibility of stock, quota limits and daily trade quotas), investments may be subject to greater or more frequent rises and falls in value and may be harder to buy or sell.

Under Stock Connect, overseas investors such as the investing Funds may invest directly in certain China A shares listed on the Shanghai Stock Exchange or Shenzhen Stock Exchange ("Stock Connect Shares"). The Funds trade Stock Connect Shares through brokers who are Hong Kong Stock exchange participants.

Stock Connect Shares purchased through Stock Connect are uncertified and held in accounts in the Hong Kong Central Clearing and Settlement System maintained by the Hong Kong Securities and Clearing Corporation Limited ("HKSCC"), the central securities depository in Hong Kong. HKSCC in turn holds the legal title to the Stock Connect Shares of all its participants through a nominee omnibus securities account in its name, registered with ChinaClear, the central securities depository in China.

A failure or delay by the HKSCC in the performance of its obligations may result in a failure of settlement, or the loss, of Stock Connect Shares and/or monies in connection with them and the Funds may suffer losses as a result.

Foreign investors like the Funds investing through the Stock Connect remain beneficial owners of the Stock Connect Shares and are only eligible to exercise their rights to the Stock Connect Shares in China through the HKSCC nominee.

In the event of a default of ChinaClear, HKSCC through its nominee is likely to seek to recover any outstanding Stock Connect Shares on behalf of the Funds from ChinaClear through available legal channels but it is not obligated to do so. If HKSCC does not enforce claims against ChinaClear the Fund may not be able to recover all of its Stock Connect Shares.

Trading under Stock Connect will not be covered by Hong Kong's Investor Compensation Fund nor the China Securities Investor Protection Fund.

Investors should also consider the Investment in China detailed in within these risk management policies which applies to investment in China.

Risks associated with equity investments

Discount/Premium

From time to time the prices of closed ended investment company shares can trade at either a premium or discount to their underlying value. This can create volatility in the price of a Fund that invests in closed ended investment company shares in excess of the volatility of the underlying markets in which the investment trust invests in and this consequently poses a greater risk to capital.

Notes to the Financial Statements of the Company

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For the year ended 31 May 2019

3. Risk management policies (continued)

Equity investment

The value of equities and equity-related investments may vary according to company profits and future prospects as well as more general market factors. In the event of a company default, the owners of their equity rank last in terms of any financial payment from that company.

Smaller companies

Smaller company shares may be less liquid and more volatile than the shares of larger companies, due to the smaller number of shares in issue and the frequently less diversified and less established nature of the business. These factors can create a greater potential for significant capital losses.

Risks associated with investment strategy

Commodities

Investing in commodity-linked derivative instruments, exchange traded instruments and/or the equity securities of commodity-related companies may subject the Fund to greater volatility than investments in traditional securities. The commodities markets may fluctuate widely based on a variety of factors. Movements in commodity prices are outside of the Fund's control and may not be anticipated by the Investment Manager. Price movements may be influenced by, among other things: governmental, agricultural, trade, fiscal, monetary and exchange control programs and policies; changing market and economic conditions; market liquidity; weather and climate conditions; changing supply and demand relationships; the availability of transportation systems; energy conservation; the success of exploration projects; changes in international balances of payments and trade; domestic and foreign rates of inflation; currency fluctuations; domestic and foreign political and economic events; domestic and foreign interest rates and/or investor expectations concerning interest rates; domestic and foreign governmental regulation and taxation; war, acts of terrorism and other political upheaval and conflicts; governmental expropriation; investment and trading activities of mutual funds, hedge funds and commodities funds. The frequency and magnitude of such changes are unpredictable.

Concentration

A Fund which invests in a concentrated portfolio of holdings may be more volatile than more broadly diversified funds.

Income priority

Where a Fund gives priority to income over capital growth this may constrain the rate of future capital and income growth. In addition, this distribution policy may have tax implications for your investment in the Shares. If in doubt, please consult your tax adviser.

Multi-Asset investment

Losses may be made due to adverse movements in equity, bond, commodity, currency and other market prices and to changes in the volatility of any of these.

Risk of higher Ongoing Charges when investing in funds

Where a Fund invests in other UCITS and/or UCIs, there may be additional costs of investing in these UCITS/UCIs which may increase the TER and/or Ongoing Charges.

Sector and/or geographical

A Fund that restricts investment to a small number of related sectors and/or geographical locations will be subject to risks specific to those sectors or geographies and may decline even while broader based market indices are rising.

Diversified Growth Fund

Investment in China
China Interbank Bond Market
China Tax
CIBM Direct Access
Contingent Convertibles or CoCos
Credit
Credit Default Swaps and Other Synthetic Securities
Derivative Basis
Derivatives
Discount/Premium
Emerging Markets
Exchange Derivatives
High Yield Debt Securities
Interest Rate
Investment Grade
Leverage
OTC Derivative Instruments
Short Exposure
Stock Connect

Emerging Markets Blended Debt Fund

Investment in China
China Interbank Bond Market
China Tax
CIBM Direct Access
Credit
Derivatives
Emerging Markets
Exchange Derivatives
High Yield Debt Securities
Income Priority
Interest Rate
Investment Grade
Leverage
OTC Derivative Instruments

Notes to the Financial Statements of the Company

continued

For the year ended 31 May 2019

3. Risk management policies (continued)

Emerging Markets Equity Fund

Investment in China
Derivatives
Emerging Markets
Equity Investment
Stock Connect

Global Dividend Fund

Derivatives
Equity Investment
Income Priority

Global Franchise Fund

Concentration
Derivatives
Equity Investment

Global Quality Equity Income Fund

Concentration
Derivatives
Equity Investment
Income Priority

Global Special Situations Fund

Concentration
Derivatives
Equity Investment

Multi-Asset Protector Fund

Investment in China
China Interbank Bond Market
China Tax
CIBM Direct Access
Credit
Derivatives
Discount/Premium
High Yield Debt Securities
Interest Rate
Investment Grade
OTC Derivative Instruments
Stock Connect

Multi-Asset Protector Fund 2

Investment in China
China Interbank Bond Market
China Tax
CIBM Direct Access
Credit
Derivatives
Discount/Premium
High Yield Debt Securities
Interest Rate
Investment Grade
OTC Derivative Instruments
Stock Connect

Target Return Bond Fund

Investment in China
China Interbank Bond Market
China Tax
CIBM Direct Access
Credit
Credit Default Swaps and Other Synthetic Securities
Derivative Basis
Derivatives
Emerging Markets
Exchange Derivatives
High Yield Debt Securities
Interest Rate
Investment Grade
Leverage
OTC Derivative Instruments
Short Exposure

UK Total Return Fund

Derivative Basis
Derivatives
Equity Investment
Exchange Derivatives
Sector and/or Geographical

Notes to the Financial Statements of the Company

continued

For the year ended 31 May 2019

3. Risk management policies (continued)

Sensitivity analysis

The table below shows the fund's beta; this is a historical measure of the funds' sensitivity to movements in well known markets. A beta of 1.0 would suggest that a fund had experienced a close relationship to the volatility of the market index against which it was being measured, rising when the market rises and falling when it falls in a one to one manner. A beta of 1.5 would suggest that a fund had experienced movements of 1.5 times the index i.e. the fund was more volatile than the market. A beta of 0.5 would suggest that a fund had experienced movements in values of half of the index's movement i.e. the fund was less volatile than the market. Broadly speaking, if a fund has a beta of 'B' to an index, it means that if the index value changes by 'X%' we could expect the fund value to change by 'B' multiplied by 'X%'. Of course, this is only an expectation, but it is a good indicator of the risk currently faced by particular funds.

2019**	FTSE All-Share Index	MSCI World Index	Citigroup World Government Bond Index	FTSE British Government 5-10 Years Index
Diversified Growth Fund	0.34	0.29	0.04	0.24
Emerging Markets Blended Debt Fund	n/a	n/a	n/a	n/a
Emerging Markets Equity Fund	n/a	n/a	n/a	n/a
Global Dividend Fund	0.80	0.85	0.20	0.23
Global Franchise Fund	n/a	n/a	n/a	n/a
Global Quality Equity Income Fund	0.75	0.88	0.42	0.72
Global Special Situations Fund	1.03	1.04	-0.26	-0.78
Multi-Asset Protector Fund	0.33	0.32	0.04	0.18
Multi-Asset Protector Fund 2	0.33	0.32	0.05	0.21
Target Return Bond Fund	0.03	0.04	0.03	0.07
UK Total Return Fund	0.66	0.45	-0.42	-0.69

** Source: Lipper 01.06.16 – 31.05.19 using monthly sub-periods for class 'I' accumulation shares for Target Return Bond Fund, UK Total Return Fund, Global Special Situations Fund, Multi-Asset Protector Fund 2, Diversified Growth Fund, Global Dividend Fund, 'I' income-2 for Global Quality Equity Income Fund and class 'A' accumulation for Multi-Asset Protector Fund. Data for this period is not available for Emerging Markets Blended Debt Fund, Emerging Markets Equity Fund and Global Franchise Fund.

2018**	FTSE All-Share Index	MSCI World Index	Citigroup World Government Bond Index	FTSE British Government 5-10 Years Index
Diversified Growth Fund	0.41	0.40	0.03	0.14
Emerging Markets Blended Debt Fund	n/a	n/a	n/a	n/a
Emerging Markets Equity Fund	n/a	n/a	n/a	n/a
Global Dividend Fund	0.81	0.90	0.27	0.32
Global Franchise Fund	n/a	n/a	n/a	n/a
Global Quality Equity Income Fund	n/a	n/a	n/a	n/a
Global Special Situations Fund	0.81	0.85	-0.08	-0.54
Multi-Asset Protector Fund	0.45	0.46	0.01	0.07
Multi-Asset Protector Fund 2	0.45	0.47	0.02	0.07
Short Dated Bond Fund	0.00	0.01	0.02	0.05
Target Return Bond Fund	0.02	0.04	0.03	0.09
UK Total Return Fund	0.39	0.21	-0.24	-0.44

** Source: Lipper 01.06.15 – 31.05.18 using monthly sub-periods for class 'I' accumulation shares for Short Dated Bond Fund, Target Return Bond Fund, UK Total Return Fund, Global Special Situations Fund, Multi-Asset Protector Fund 2, Diversified Growth Fund, Global Dividend Fund and class 'A' accumulation for Multi-Asset Protector Fund. Data for this period is not available for Emerging Markets Blended Debt Fund, Emerging Markets Equity Fund, Global Quality Equity Income Fund and Global Franchise Fund.

Past performance is not a guide to future performance.

Relevant numerical disclosures for significant risk will be provided within the financial statements for each Sub-Fund.

4. Dilution adjustment

A dilution adjustment may be applied at the ACD's discretion to all purchases, sales and switches of shares where the impact of the net deals is believed to have a material effect.

A dilution adjustment or levy is a method to ensure fair treatment between investors joining, leaving or remaining in a Fund. We reserve the right to levy a dilution adjustment on any or all deals. The price of the shares of a Fund may be adjusted to protect its value from being reduced in the case of larger scale movements into or out of the Fund.

Full details on the ACD policy for dilution adjustment can be found in the Prospectus.

We hereby certify the Annual Report and Accounts on behalf of the Directors of Investec Fund Managers Limited

A. Fletcher

Director of the ACD

16 September 2019

D. Aird

Director of the ACD

Diversified Growth Fund

Statement of Total Return

For the year ended 31 May 2019

	Note	31.05.19 £'000	£'000	31.05.18 £'000	£'000
Income					
Net capital losses	4		(72,631)		(37,899)
Revenue	6	47,467		48,355	
Expenses	7	(17,198)		(17,473)	
Interest payable and similar charges	8	(640)		(969)	
Net revenue before taxation		29,629		29,913	
Taxation	9	(3,464)		(3,038)	
Net revenue after taxation			26,165		26,875
Total return before distribution			(46,466)		(11,024)
Distribution	10		(26,165)		(26,876)
Change in net assets attributable to shareholders from investment activities			(72,631)		(37,900)

Statement of Change in Net Assets Attributable to Shareholders

For the year ended 31 May 2019

	31.05.19 £'000	£'000	31.05.18 £'000	£'000
Opening net assets attributable to shareholders		2,412,979		2,132,331
Amounts receivable on creation of shares	258,911		644,024	
Amounts payable on cancellation of shares	(454,277)		(349,273)	
		(195,366)		294,751
Change in net assets attributable to shareholders from investment activities		(72,631)		(37,900)
Retained distributions on accumulation shares		20,042		23,797
Closing net assets attributable to shareholders		2,165,024		2,412,979

Notes to the financial statements are on pages 127 to 133.

Balance Sheet

As at 31 May 2019

	Note	31.05.19 £'000	£'000	31.05.18 £'000	£'000
ASSETS					
Investments assets			2,165,786		2,328,394
Current assets					
Debtors	11	392,763		9,297	
Cash and bank balances	12	216,077		221,725	
Total other assets			608,840		231,022
Total assets			2,774,626		2,559,416
LIABILITIES					
Investment liabilities			166,745		126,767
Creditors					
Bank overdrafts		49,094		—	
Distribution payable		4,675		5,474	
Other creditors	13	389,088		14,196	
Total other liabilities			442,857		19,670
Total liabilities			609,602		146,437
Net assets attributable to shareholders			2,165,024		2,412,979

Notes to the financial statements are on pages 127 to 133.

Diversified Growth Fund

Notes to the Financial Statements

For the year ended 31 May 2019

1. Accounting policies

The Accounting policies for the Fund are disclosed in the notes to the financial statements on page 113.

2. Distribution policies

The Distribution policies for the Fund are disclosed in the notes to the financial statements on page 113.

3. Risk management policies

The Risk management policies for the Fund are disclosed in the notes to the financial statements on pages 114 to 125

4. Net capital losses

The net capital losses during the year comprise:

	31.05.19 £'000	31.05.18 £'000
(Losses)/gains on foreign exchange	(3,690)	4,285
Derivative contracts	(60,298)	(59,965)
Forward currency contracts	(73,594)	10,421
Non-derivative securities	64,973	7,365
Transaction charges	(22)	(5)
Net capital losses	(72,631)	(37,899)

5. Purchases, sales and transaction costs

Analysis of total trade costs

	Purchases		Sales	
	31.05.19 £'000	31.05.18 £'000	31.05.19 £'000	31.05.18 £'000
Equities	420,752	703,477	699,477	475,292
Bonds	1,083,417	2,616,259	829,787	2,694,791
Collective Investment Schemes	77,433	13,334	18,436	6,863
Options	65,341	14,554	31,575	11,773
Swaps	15,808,906	12,487,763	15,818,503	12,465,826
Treasury Bills	413,750	257,910	307,811	287,988
Commercial Papers	382,325	448,553	636,500	274,499
Certificates of Deposit	354,790	578,508	537,000	546,542
Futures*	—	—	—	—
Trades excluding transaction costs	18,606,714	17,120,358	18,879,089	16,763,574
Commissions				
Equities	172	301	(262)	(165)
Bonds	—	—	—	—
Collective Investment Schemes	4	8	—	(4)
Options	—	2	—	(2)
Swaps	—	—	—	—
Treasury Bills	—	—	—	—
Contracts for difference	—	—	—	—
Futures*	—	77	—	(129)
Total commissions	176	388	(262)	(300)
Taxes				
Equities	266	342	(8)	(22)
Bonds	—	—	—	(20)
Collective Investment Schemes	5	—	—	—
Options	—	—	—	—
Swaps	—	—	—	—
Treasury Bills	—	—	—	—
Contracts for difference	—	—	—	—
Futures*	—	—	—	—
Total taxes	271	342	(8)	(42)
Total costs	447	730	(270)	(342)
Net trades in the year after transaction costs	18,607,161	17,121,088	18,878,819	16,763,232

Diversified Growth Fund

Notes to the Financial Statements continued

For the year ended 31 May 2019

5. Purchases, sales and transaction costs (continued)**Total transaction cost expressed as a percentage of asset type cost**

	Purchases		Sales	
	31.05.19	31.05.18	31.05.19	31.05.18
	%	%	%	%
Commissions				
Equities	0.04	0.04	0.04	0.03
Bonds	–	–	–	–
Collective Investment Schemes	–	0.06	–	0.06
Options	–	0.01	–	0.02
Swaps	–	–	–	–
Treasury Bills	–	–	–	–
Commercial Papers	–	–	–	–
Certificates of Deposit	–	–	–	–
Futures*	–	–	–	–
Taxes				
Equities	0.06	0.05	–	–
Bonds	–	–	–	–
Collective Investment Schemes	0.01	–	–	–
Options	–	–	–	–
Swaps	–	–	–	–
Treasury Bills	–	–	–	–
Commercial Papers	–	–	–	–
Certificates of Deposit	–	–	–	–
Futures*	–	–	–	–

* Purchases and/or sales of futures contracts do not incur transaction costs and have been included at the value of their exposure.

Total transaction cost expressed as a percentage of average net asset value

	31.05.19	31.05.18
	%	%
Commissions	0.02	0.03
Taxes	0.01	0.02
Total costs	0.03	0.05

Average portfolio dealing spread

The average portfolio dealing spread at the balance sheet date was 0.14% (31.05.18: 0.07%).

6. Revenue

	31.05.19	31.05.18
	£'000	£'000
Bank interest	1,373	703
Interest on debt securities	23,882	21,926
Overseas dividends	15,198	19,262
UK dividends	3,004	2,277
Property revenue from UK REITs – PID	1,417	1,519
Property revenue from UK REITs – Non PID	605	781
Property revenue from overseas REITs	1,854	1,790
Margin interest	133	98
Trail commission	–	1
HMRC interest	1	(2)
Total revenue	47,467	48,355

7. Expenses

	31.05.19 £'000	31.05.18 £'000
Payable to the ACD or associates of the ACD, and agents of either of them:		
ACD fee	15,498	15,338
General administration charge (GAC)	1,564	1,651
	17,062	16,989
Payable to the Depositary or associates of the Depositary, and agents of either of them:		
Safe custody fee	128	512
	128	512
Other expenses:		
Out of pocket expenses	–	1
VAT refund	(20)	(46)
Revenue collection charges	–	1
ADR fees	–	2
SEBI Registration fees	2	–
Collateral interest fee	26	14
	8	(28)
Total expenses	17,198	17,473

Please refer to the Prospectus for a full description of expenses covered by the GAC.

The audit fee for the year is £8,000 (31.05.18: £8,000).

VAT is currently recovered in respect of certain expenses paid under the GAC.

8. Interest payable and similar charges

	31.05.19 £'000	31.05.18 £'000
Interest	292	94
Margin interest	348	875
Total interest payable and similar charges	640	969

9. Taxation**(a) Analysis of the tax charge in the year:**

	31.05.19 £'000	31.05.18 £'000
Corporation tax	1,030	1,250
Double tax relief	530	(223)
Overseas tax	1,935	1,954
Adjustments in respect of prior years	(5)	–
Current tax charge	3,490	2,981
Deferred tax charge (note 9(c))	(26)	57
Total tax charge (note 9(b))	3,464	3,038

(b) Factors affecting current tax charge for the year:

The tax assessed for the year is lower than the standard rate of corporation tax in the UK for an authorised OEIC (20%) (31.05.18: 20%). The differences are explained below:

	31.05.19 £'000	31.05.18 £'000
Net revenue before taxation	29,629	29,913
Corporation tax of 20%	5,926	5,983
Effects of:		
Overseas tax	1,935	1,954
Revenue not subject to taxation	(3,862)	(4,676)
Double taxation relief	(530)	(223)
Adjustments in respect of prior years	(5)	–
Total tax charge (note 9(a))	3,464	3,038

Diversified Growth Fund

Notes to the Financial Statements continued

For the year ended 31 May 2019

9. Taxation (continued)**(c) Provision for deferred taxation:**

	31.05.19 £'000	31.05.18 £'000
Opening provision	82	25
Deferred tax (credit)/charge	(26)	57
Closing provision	56	82
Provision consist of:		
Revenue taxable in different periods	56	82
Closing provision	56	82

10. Distribution

The Distribution take account of equalisation received on the creation of shares and deducted on the cancellation of shares, and comprises:

	31.05.19 £'000	31.05.18 £'000
Final	24,717	29,271
Add: Equalisation deducted on cancellation of shares	2,523	1,722
Less: Equalisation received on creation of shares	(1,075)	(4,117)
Net distribution for the year	26,165	26,876

The net distribution for the year is represented by:

	31.05.19 £'000	31.05.18 £'000
Net revenue after taxation	26,165	26,875
Revenue deficit	–	1
Net distribution for the year	26,165	26,876

11. Debtors

	31.05.19 £'000	31.05.18 £'000
Accrued bond interest	8,637	3,143
Accrued dividends and bank interest	1,932	4,494
Amounts receivable for creation of shares	1,979	662
Overseas tax recoverable	341	998
Sales awaiting settlement	379,874	–
	392,763	9,297

12. Cash and bank balances

	31.05.19 £'000	31.05.18 £'000
Cash and bank balances	123,299	156,245
Amount held at futures clearing houses and brokers	92,778	65,480
	216,077	221,725

13. Other creditors

	31.05.19 £'000	31.05.18 £'000
Amounts payable for cancellation of shares	1,562	12,109
Corporation tax payable	632	12
Deferred tax payable	56	82
Purchases awaiting settlement	385,405	236
Payable for hedge fee expense	6	6
Accrued ACD fees	1,218	1,390
Accrued general administration charge (GAC)	125	138
Accrued safe custody fee	74	212
Accrued transaction charges	10	11
	389,088	14,196

14. Capital commitments and contingent liabilities

The Fund had no contingent liabilities or capital commitments at the year end date (31.05.18: Nil).

15. Related party transactions

Investec Fund Managers Limited, as Authorised Corporate Director (ACD), is a related party, and acts as a principal in respect of all transactions of shares in the Company. The aggregate monies received through issues and paid on cancellation of shares are disclosed in the Statement of Change in Shareholders' Net Assets.

In accordance with the prospectus the ACD collects from the Fund, a general administration charge (GAC), ACD fees and safe custody fees. Please refer to notes 7, 13 and 17 for further details.

15. Related party transactions (continued)

Any amounts due to/from Investec Fund Managers Limited at the end of the accounting year are disclosed in notes 11 and 13.

16. Dilution adjustment

Please refer to note 4 of the notes to the financial statements for a detailed description of dilution adjustment.

17. ACD Fee and charges

The different level of ACD fees payable per annum as at 31 May 2019 for each share class is detailed below:

'A' Shares	1.50%
'I' Shares	0.75%
'J' Shares	0.65%
'R' Shares	1.00%
'S' Shares	0.00%

The GAC is charged at up to 0.08% of the Net Asset Value of each share class.

All shares within the sub-fund have the same rights on winding up.

Reconciliation of the shares movement in the year:

	31.05.18 Opening shares in issue	Creations	Cancellations	Shares converted	31.05.19 Closing shares in issue
'A' Class (Accumulation shares)	160,844	4,839	(48,986)	–	116,697
'A' Class (Income shares)	348,994	6,404	(57,256)	(1,760)	296,382
'I' Class (Accumulation shares)	1,274,895,478	140,904,591	(310,412,224)	–	1,105,387,845
'I' Class (Income shares)	376,181,989	12,771,854	(30,751,171)	1,957	358,204,629
'J' Class (Accumulation shares)	434,948	297,875	(227,875)	–	504,948
'R' Class (Accumulation shares)	6,877	477	(1,104)	–	6,250
'S' Class (Accumulation shares)	130,579,004	35,138,502	(8,481,562)	–	157,235,944

18. Risk consideration

Please refer to note 3 of the financial statements for a detailed description of the risk considerations. There are no further specific risks for this Fund.

The Fund's currency exposure as at 31 May 2019 was:

Currency	Currency exposure	
	Total 31.05.19 £'000	Total 31.05.18 £'000
Argentine Peso	25,014	–
Australian Dollar	80,990	(10,136)
Brazilian Real	–	2,874
Canadian Dollar	(2,765)	(7,914)
Czech Koruna	–	(23)
Danish Krone	(89)	9,680
Euro	(7,885)	(84,309)
Hong Kong Dollar	(3,128)	3,365
Hungarian Forint	142,762	(5,876)
Indian Rupee	–	116,360
Indonesian Rupiah	132,544	30,792
Israeli Sheqel	–	(530)
Japanese Yen	365,162	566,963
Mexican Peso	(1,818)	4,026
New Zealand Dollar	(83,976)	13
Norwegian Krone	–	98,074
Polish Zloty	(142,404)	1
Romanian Leu	2	–
Russian Ruble	108,319	47,469
Singapore Dollar	1	–
South African Rand	(8,242)	–
South Korean Won	(61,758)	–
Sterling	2,100,109	2,145,906
Swedish Krona	(1,012)	64,252
Swiss Franc	(96,639)	(259,300)
Taiwan Dollar	(217,810)	–
Turkish Lira	11,994	1
US Dollar	(174,347)	(308,709)
Total	2,165,024	2,412,979

Diversified Growth Fund

Notes to the Financial Statements continued

For the year ended 31 May 2019

18. Risk consideration (continued)**Interest rate risk profile of financial assets and liabilities as at 31 May 2019 was as follows:**

Currency	Floating rate financial assets 31.05.19 £'000	Fixed rate financial assets 31.05.19 £'000	Financial assets not carrying interest 31.05.19 £'000	Total 31.05.19 £'000
Argentine Peso	–	–	25,014	25,014
Australian Dollar	8,652	–	72,338	80,990
Canadian Dollar	(224)	–	(2,541)	(2,765)
Danish Krone	107	–	(195)	(88)
Euro	(34,000)	274,171	(248,056)	(7,885)
Hong Kong Dollar	(2,498)	–	(630)	(3,128)
Hungarian Forint	–	–	142,762	142,762
Indonesian Rupiah	–	116,940	15,604	132,544
Japanese Yen	(1,383)	–	366,545	365,162
Mexican Peso	–	–	(1,818)	(1,818)
New Zealand Dollar	2	–	(83,978)	(83,976)
Polish Zloty	1	–	(142,406)	(142,405)
Romanian Leu	2	–	–	2
Russian Ruble	–	202,061	(93,742)	108,319
South African Rand	–	43,898	(52,140)	(8,242)
South Korean Won	3,763	–	(65,520)	(61,757)
Sterling	202,490	207,568	1,690,050	2,100,108
Swedish Krona	1	–	(1,013)	(1,012)
Swiss Franc	262	–	(96,900)	(96,638)
Taiwan Dollar	–	–	(217,810)	(217,810)
Turkish Lira	1	–	11,993	11,994
US Dollar	(10,193)	340,092	(504,246)	(174,347)
Total	166,983	1,184,730	813,311	2,165,024

Interest rate risk profile of financial assets and liabilities as at 31 May 2018 was as follows:

Currency	Floating rate financial assets 31.05.18 £'000	Fixed rate financial assets 31.05.18 £'000	Financial assets not carrying interest 31.05.18 £'000	Total 31.05.18 £'000
Australian Dollar	275	–	(10,411)	(10,136)
Brazilian Real	–	–	2,874	2,874
Canadian Dollar	746	–	(8,660)	(7,914)
Czech Koruna	–	–	(23)	(23)
Danish Krone	112	–	9,568	9,680
Euro	21,806	20,085	(126,200)	(84,309)
Hong Kong Dollar	5,108	–	(1,743)	3,365
Hungarian Forint	–	–	(5,876)	(5,876)
Indian Rupee	–	–	116,360	116,360
Indonesian Rupiah	–	31,207	(415)	30,792
Israeli Sheqel	2	–	(532)	(530)
Japanese Yen	1,183	–	565,780	566,963
Mexican Peso	–	–	4,026	4,026
New Zealand Dollar	8	–	5	13
Norwegian Krone	–	–	98,074	98,074
Polish Zloty	1	–	–	1
Russian Ruble	–	–	47,469	47,469
Sterling	165,975	781,515	1,198,416	2,145,906
Swedish Krona	1	–	64,251	64,252
Swiss Franc	5	–	(259,305)	(259,300)
Turkish Lira	1	–	–	1
US Dollar	26,364	354,598	(689,671)	(308,709)
Total	221,587	1,187,405	1,003,987	2,412,979

19. Efficient portfolio management techniques risk exposure

(a) Swaps

Counterparty	Value of collateral	
	31.05.19 £'000	31.05.18 £'000
Goldman Sachs	41,560	–
HSBC	1,310	–
Merrill Lynch	60	–
Total	42,930	–

(b) Forwards

Counterparty	Market Value	
	31.05.19 £'000	31.05.18 £'000
Citibank	793	(29,828)
Barclays Bank	3,307	–
Goldman Sachs	(52,017)	(6,949)
HSBC	(620)	(4,316)
JP Morgan	2,426	(7,005)
Merrill Lynch	964	–
Standard Chartered	1,594	(6,350)
Total	(43,553)	(54,448)

(c) Futures

Counterparty	Market Value 31.05.19 £'000	Value of exposure 31.05.19 £'000
Goldman Sachs	(28,802)	1,101,839
Total	(28,802)	1,101,839

Futures

Counterparty	Market Value 31.05.18 £'000	Value of exposure 31.05.18 £'000
Goldman Sachs	(9,210)	984,660
Total	(9,210)	984,660

20. Fair value

Valuation technique	31.05.19		31.05.18	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
Level 1	1,351,108	(37,668)	1,660,598	(10,737)
Level 2	814,678	(129,077)	667,796	(116,030)
Level 3	–	–	–	–
Total fair value	2,165,786	(166,745)	2,328,394	(126,767)

The three levels of the fair value hierarchy under FRS 102 are as follows:

Level 1 Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 Inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly (that is, as prices) or indirectly (that is, derived from prices);

Level 3 Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

Diversified Growth Fund

Distribution Table

For the year ended 31 May 2019

Final distribution payable 31 July 2019

Group 1 – Shares purchased before 1 June 2018

Group 2 – Shares purchased between 1 June 2018 and 31 May 2019

	Net Income pence	Equalisation pence	Distribution payable 31.07.19 pence	Distribution paid 31.07.18 pence
'A' Class (Accumulation shares)				
Group 1	0.5781	–	0.5781	0.6988
Group 2	0.4102	0.1679	0.5781	0.6988
'A' Class (Income shares)				
Group 1	0.6488	–	0.6488	0.7504
Group 2	0.4493	0.1995	0.6488	0.7504
'I' Class (Accumulation shares)				
Group 1	1.4043	–	1.4043	1.5495
Group 2	1.0292	0.3751	1.4043	1.5495
'I' Class (Income shares)				
Group 1	1.3047	–	1.3047	1.4545
Group 2	0.5885	0.7162	1.3047	1.4545
'J' Class (Accumulation shares)				
Group 1	1.3375	–	1.3375	1.4705
Group 2	0.5330	0.8045	1.3375	1.4705
'R' Class (Accumulation shares)				
Group 1	1.1040	–	1.1040	1.2226
Group 2	1.1040	–	1.1040	1.2226
'S' Class (Accumulation shares)				
Group 1	2.8690	–	2.8690	3.0895
Group 2	1.6650	1.2040	2.8690	3.0895

Equalisation

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

Emerging Markets Blended Debt Fund

Statement of Total Return

For the year ended 31 May 2019

	Note	31.05.19 £'000	£'000	31.05.18 £'000	£'000
Income					
Net capital losses	4		(2,510)		(7,231)
Revenue	6	7,213		7,005	
Expenses	7	(990)		(863)	
Interest payable and similar charges	8	(16)		(13)	
Net revenue before taxation		6,207		6,129	
Taxation	9	(179)		(138)	
Net revenue after taxation			6,028		5,991
Total return before distributions			3,518		(1,240)
Distributions	10		(6,221)		(6,103)
Change in net assets attributable to shareholders from investment activities			(2,703)		(7,343)

Statement of Change in Net Assets Attributable to Shareholders

For the year ended 31 May 2019

	31.05.19 £'000	£'000	31.05.18 £'000	£'000
Opening net assets attributable to shareholders		112,108		93,748
Amounts receivable on creation of shares	24,448		22,601	
Amounts payable on cancellation of shares	(6,026)		(2,289)	
		18,422		20,312
Dilution adjustment		–		20
Change in net assets attributable to shareholders from investment activities		(2,703)		(7,343)
Retained distributions on accumulation shares		5,007		5,371
Closing net assets attributable to shareholders		132,834		112,108

Notes to the financial statements are on pages 136 to 142.

Balance Sheet

As at 31 May 2019

	Note	31.05.19 £'000	£'000	31.05.18 £'000	£'000
ASSETS					
Investments assets			134,544		103,241
Current assets					
Debtors	11	3,941		4,229	
Cash and bank balances	12	3,759		10,390	
Total other assets			7,700		14,619
Total assets			142,244		117,860
LIABILITIES					
Investment liabilities			4,570		4,674
Creditors					
Bank overdrafts		1,699		147	
Distribution payable		385		252	
Other creditors	13	2,756		679	
Total other liabilities			4,840		1,078
Total liabilities			9,410		5,752
Net assets attributable to shareholders			132,834		112,108

Notes to the financial statements are on pages 136 to 142.

Emerging Markets Blended Debt Fund

Notes to the Financial Statements

For the year ended 31 May 2019

1. Accounting policies

The Accounting policies for the Fund are disclosed in the notes to the financial statements on page 113.

2. Distribution policies

The Distribution policies for the Fund are disclosed in the notes to the financial statements on page 113.

3. Risk management policies

The Risk management policies for the Fund are disclosed in the notes to the financial statements on pages 114 to 125

4. Net capital losses

The net capital losses during the year comprise:

	31.05.19 £'000	31.05.18 £'000
Gains on foreign exchange	171	487
Derivative contracts	(557)	1,173
Forward currency contracts	(6,132)	(475)
Non-derivative securities	4,028	(8,395)
Transaction charges	(20)	(21)
Net capital losses	(2,510)	(7,231)

5. Purchases, sales and transaction costs

Analysis of total trade costs

	Purchases		Sales	
	31.05.19 £'000	31.05.18 £'000	31.05.19 £'000	31.05.18 £'000
Equities	–	–	–	25
Bonds	138,021	109,009	106,428	95,925
Collective Investment Schemes	–	–	409	1,503
Swaps	45,025	44,968	45,689	44,629
Treasury Bills	12,528	7,986	13,297	4,836
Commercial Papers	1,234	2,162	1,151	1,927
Futures*	–	–	–	–
Trades excluding transaction costs	196,808	164,125	166,974	148,845
Commissions				
Equities	–	–	–	–
Bonds	–	–	–	–
Collective Investment Schemes	–	–	–	–
Swaps	–	–	–	–
Treasury Bills	–	–	–	–
Contracts for difference	–	–	–	–
Futures*	–	–	–	–
Total commissions	–	–	–	–
Taxes				
Equities	–	–	–	–
Bonds	–	–	–	(20)
Collective Investment Schemes	–	–	–	–
Swaps	–	–	–	–
Treasury Bills	–	–	–	–
Contracts for difference	–	–	–	–
Futures*	–	–	–	–
Total taxes	–	–	–	(20)
Total costs	–	–	–	(20)
Net trades in the year after transaction costs	196,808	164,125	166,974	148,825

5. Purchases, sales and transaction costs (continued)**Total transaction cost expressed as a percentage of asset type cost**

	Purchases		Sales	
	31.05.19	31.05.18	31.05.19	31.05.18
	%	%	%	%
Commissions				
Equities	—	—	—	—
Bonds	—	—	—	—
Collective Investment Schemes	—	—	—	—
Swaps	—	—	—	—
Treasury Bills	—	—	—	—
Commercial Papers	—	—	—	—
Futures*	—	—	—	—
Taxes				
Equities	—	—	—	—
Bonds	—	—	—	0.02
Collective Investment Schemes	—	—	—	—
Swaps	—	—	—	—
Treasury Bills	—	—	—	—
Commercial Papers	—	—	—	—
Futures*	—	—	—	—

* Purchases and/or sales of futures contracts do not incur transaction costs and have been included at the value of their exposure.

Total transaction cost expressed as a percentage of average net asset value

	31.05.19	31.05.18
	%	%
Commissions	0.00	0.00
Taxes	0.00	0.02
Total costs	0.00	0.02

Average portfolio dealing spread

The average portfolio dealing spread at the balance sheet date was 0.46% (31.05.18: 0.48%).

6. Revenue

	31.05.19	31.05.18
	£'000	£'000
Bank interest	169	124
Interest on debt securities	6,977	6,652
Interest on total return swaps	62	66
Offshore distribution taxable from collective investment schemes	(1)	150
Margin interest	6	13
Total revenue	7,213	7,005

7. Expenses

	31.05.19	31.05.18
	£'000	£'000
Payable to the ACD or associates of the ACD, and agents of either of them:		
ACD fee	834	736
General administration charge (GAC)	82	79
	916	815
Payable to the Depositary or associates of the Depositary, and agents of either of them:		
Safe custody fee	57	44
	57	44
Other expenses:		
Professional fees	3	—
VAT refund	(6)	(7)
SEBI Registration fees	2	—
Collateral interest fee	18	11
	17	4
Total expenses	990	863

Please refer to the Prospectus for a full description of expenses covered by the GAC.

The audit fee for the year is £12,000 (31.05.18: £12,000).

VAT is currently recovered in respect of certain expenses paid under the GAC.

Emerging Markets Blended Debt Fund

Notes to the Financial Statements continued

For the year ended 31 May 2019

8. Interest payable and similar charges

	31.05.19 £'000	31.05.18 £'000
Interest	15	12
Margin interest	1	1
Total interest payable and similar charges	16	13

9. Taxation

(a) Analysis of the tax charge in the year:

	31.05.19 £'000	31.05.18 £'000
Overseas tax	38	138
Capital gains on offshore funds	141	–
Current tax charge	179	138
Deferred tax charge (note 9(c))	–	–
Total tax charge (note 9(b))	179	138

(b) Factors affecting current tax charge for the year:

The tax assessed for the year is lower than the standard rate of corporation tax in the UK for an authorised OEIC (20%) (31.05.18: 20%). The differences are explained below:

	31.05.19 £'000	31.05.18 £'000
Net revenue before taxation	6,207	6,129
Corporation tax of 20%	1,241	1,226
Effects of:		
Capital gains on offshore funds	141	–
Overseas tax	38	138
Tax deductible interest distributions	(1,241)	(1,221)
Double taxation relief	–	(5)
Total tax charge (note 9(a))	179	138

(c) Provision for deferred taxation:

There is no provision required for deferred taxation at the Balance Sheet date in the current or prior year.

10. Distributions

The Distributions take account of equalisation received on the creation of shares and deducted on the cancellation of shares, and comprise:

	31.05.19 £'000	31.05.18 £'000
First quarter	1,580	1,584
Second quarter	1,540	1,401
Third quarter	1,519	1,702
Final	1,721	1,582
Add: Equalisation deducted on cancellation of shares	47	21
Less: Equalisation received on creation of shares	(186)	(187)
Net distribution for the year	6,221	6,103

The net distribution for the year is represented by:

	31.05.19 £'000	31.05.18 £'000
Net revenue after taxation	6,028	5,991
Amounts charged to capital:		
ACD fee	165	98
General administration charge (GAC)	15	10
Safe custody fee	10	5
Professional fees	3	–
Net movement in revenue account	–	(1)
Net distribution for the year	6,221	6,103

11. Debtors

	31.05.19 £'000	31.05.18 £'000
Accrued bond interest	2,278	1,711
Accrued dividends and bank interest	19	21
Amounts receivable for creation of shares	192	89
Sales awaiting settlement	1,452	2,408
	3,941	4,229

12. Cash and bank balances

	31.05.19 £'000	31.05.18 £'000
Cash and bank balances	3,404	10,138
Amount held at futures clearing houses and brokers	355	252
	3,759	10,390

13. Other creditors

	31.05.19 £'000	31.05.18 £'000
Amounts payable for cancellation of shares	37	55
Purchases awaiting settlement	2,600	531
Payable for capital gains tax	2	–
Accrued ACD fees	77	65
Accrued general administration charge (GAC)	8	6
Accrued safe custody fee	24	18
Accrued transaction charges	8	4
	2,756	679

14. Capital commitments and contingent liabilities

The Fund had no contingent liabilities or capital commitments at the year end date (31.05.18: Nil).

15. Related party transactions

Investec Fund Managers Limited, as Authorised Corporate Director (ACD), is a related party, and acts as a principal in respect of all transactions of shares in the Company. The aggregate monies received through issues and paid on cancellation of shares are disclosed in the Statement of Change in Shareholders' Net Assets.

In accordance with the prospectus the ACD collects from the Fund, a general administration charge (GAC), ACD fees and safe custody fees. Please refer to notes 7, 13 and 17 for further details.

Any amounts due to/from Investec Fund Managers Limited at the end of the accounting year are disclosed in notes 11 and 13.

16. Dilution adjustment

Please refer to note 4 of the notes to the financial statements for a detailed description of dilution adjustment.

17. ACD Fee and charges

The different level of ACD fees payable per annum as at 31 May 2019 for each share class is detailed below:

'A' Shares	1.50%
'I' Shares	0.75%
'J' Shares	0.65%
'R' Shares	1.00%
'S' Shares	0.00%

The GAC is charged at up to 0.08% of the Net Asset Value of each share class.

All shares within the sub-fund have the same rights on winding up.

Reconciliation of the shares movement in the year:

	31.05.18 Opening shares in issue	Creations	Cancellations	Shares converted	31.05.19 Closing shares in issue
'A' Class (Accumulation shares)	110,237	624,926	(101,791)	–	633,372
'A' Class (Income-2 shares)	94,311	32,844	(15,381)	–	111,774
'I' Class (Accumulation shares)	63,231,465	3,794,160	(1,082,101)	–	65,943,524
'I' Class (Income-2 shares)	15,038,667	14,388,890	(1,194,042)	–	28,233,515
'J' Class (Accumulation shares)	460,056	1,885,660	(266,237)	–	2,079,479
'J' Class (Income-2 shares)	1,929,084	623,069	(1,478,386)	–	1,073,767
'R' Class (Accumulation shares)	6,358	–	–	–	6,358
'R' Class (Income-2 shares)	7,617	456	–	–	8,073
'S' Class (Accumulation shares)	7,921,835	2,157,633	(1,207,983)	–	8,871,485

Emerging Markets Blended Debt Fund

Notes to the Financial Statements continued

For the year ended 31 May 2019

18. Risk consideration

Please refer to note 3 of the financial statements for a detailed description of the risk considerations. There are no further specific risks for this Fund.

The Fund's currency exposure as at 31 May 2019 was:

Currency	Currency exposure	
	Total 31.05.19 £'000	Total 31.05.18 £'000
Argentine Peso	1,124	1,907
Brazilian Real	9,555	2,115
Canadian Dollar	3	(20)
Chilean Peso	3,367	1,397
Chinese Yuan (Offshore)	7,885	–
Colombian Peso	2,646	7,861
Czech Koruna	3,245	4,066
Egyptian Pound	4,296	4,344
Euro	(2,427)	(934)
Hungarian Forint	3,418	(1,415)
Indian Rupee	–	(5,707)
Indonesian Rupiah	2,472	5,614
Israeli Sheqel	(8)	–
Malaysian Ringgit	–	6,833
Mexican Peso	2,689	7,811
Nigerian Naira	1,344	2,353
Peruvian Nouveau Sol	5,082	1,380
Philippine Peso	(6,826)	(5,749)
Polish Zloty	6,758	6,729
Romanian Leu	–	(3,307)
Russian Ruble	6,678	4,618
Serbian Dinar	2,726	1,148
Singapore Dollar	(63)	2,831
South African Rand	5,312	6,158
South Korean Won	–	2,902
Sterling	67,170	65,552
Taiwan Dollar	(3,935)	(6,706)
Thai Baht	5,133	7,053
Turkish Lira	735	4,685
Uruguayan Peso	(1)	967
US Dollar	4,456	(12,378)
Total	132,834	112,108

Interest rate risk profile of financial assets and liabilities as at 31 May 2019 was as follows:

Currency	Floating rate financial assets 31.05.19 £'000	Fixed rate financial assets 31.05.19 £'000	Financial liabilities not carrying interest 31.05.19 £'000	Total 31.05.19 £'000
Argentine Peso	–	–	1,124	1,124
Brazilian Real	–	11,914	(2,359)	9,555
Canadian Dollar	3	–	–	3
Chilean Peso	–	3,096	271	3,367
Chinese Yuan (Offshore)	–	–	7,885	7,885
Colombian Peso	1	7,715	(5,070)	2,646
Czech Koruna	–	3,212	33	3,245
Egyptian Pound	–	4,241	55	4,296
Euro	(156)	2,238	(4,509)	(2,427)
Hungarian Forint	–	3,600	(182)	3,418
Indonesian Rupiah	–	4,876	(2,404)	2,472
Israeli Sheqel	–	1,743	(1,751)	(8)
Mexican Peso	(427)	6,085	(2,969)	2,689
Nigerian Naira	–	1,340	4	1,344
Peruvian Nouveau Sol	–	3,489	1,593	5,082
Philippine Peso	–	–	(6,826)	(6,826)
Polish Zloty	8	864	5,886	6,758
Romanian Leu	10	329	(339)	–
Russian Ruble	22	5,116	1,540	6,678
Serbian Dinar	27	2,657	42	2,726
Singapore Dollar	8	–	(71)	(63)
South African Rand	89	5,984	(761)	5,312
Sterling	2,280	–	64,890	67,170

18. Risk consideration (continued)

Currency	Floating rate financial assets 31.05.19 £'000	Fixed rate financial assets 31.05.19 £'000	Financial liabilities not carrying interest 31.05.19 £'000	Total 31.05.19 £'000
Taiwan Dollar	–	–	(3,935)	(3,935)
Thai Baht	–	7,043	(1,910)	5,133
Turkish Lira	1	1,470	(736)	735
Uruguayan Peso	–	–	(1)	(1)
US Dollar	194	56,029	(51,767)	4,456
Total	2,060	133,041	(2,267)	132,834

Interest rate risk profile of financial assets and liabilities as at 31 May 2018 was as follows:

Currency	Floating rate financial assets 31.05.18 £'000	Fixed rate financial assets 31.05.18 £'000	Financial assets not carrying interest 31.05.18 £'000	Total 31.05.18 £'000
Argentine Peso	–	–	1,907	1,907
Brazilian Real	1	7,082	(4,968)	2,115
Canadian Dollar	–	–	(20)	(20)
Chilean Peso	–	–	1,397	1,397
Colombian Peso	1	6,299	1,561	7,861
Czech Koruna	–	492	3,574	4,066
Egyptian Pound	–	4,344	–	4,344
Euro	(20)	924	(1,837)	(934)
Hungarian Forint	–	–	(1,415)	(1,415)
Indian Rupee	–	–	(5,707)	(5,707)
Indonesian Rupiah	–	3,449	2,165	5,614
Malaysian Ringgit	68	5,408	1,357	6,833
Mexican Peso	–	4,252	3,559	7,811
Nigerian Naira	–	2,353	–	2,353
Peruvian Nouveau Sol	–	1,353	27	1,380
Philippine Peso	–	–	(5,749)	(5,749)
Polish Zloty	1	2,520	4,208	6,729
Romanian Leu	62	–	(3,369)	(3,307)
Russian Ruble	–	1,941	2,677	4,618
Serbian Dinar	–	1,129	19	1,148
Singapore Dollar	4	–	2,826	2,831
South African Rand	74	8,319	(2,235)	6,158
South Korean Won	–	–	2,902	2,902
Sterling	9,576	582	55,394	65,552
Taiwan Dollar	–	–	(6,706)	(6,706)
Thai Baht	–	–	7,053	7,053
Turkish Lira	12	–	4,673	4,685
Uruguayan Peso	–	950	17	967
US Dollar	467	45,663	(58,508)	(12,378)
Total	10,246	97,060	4,802	112,108

19. Efficient portfolio management techniques risk exposure

The exposure obtained through efficient portfolio management techniques and identity of counterparties as at 31 May 2019 was as follows:

(a) Swaps

Counterparty	Value of collateral	
	31.05.19 £'000	31.05.18 £'000
Barclays	84	0
Citibank	2,410	0
Goldman Sachs	132	0
HSBC	86	0
JP Morgan	217	0
Total	2,929	–

Emerging Markets Blended Debt Fund

Notes to the Financial Statements continued

For the year ended 31 May 2019

19. Efficient portfolio management techniques risk exposure (continued)**(b) Forwards**

Counterparty	Market Value	
	31.05.19 £'000	31.05.18 £'000
Barclays	(100)	–
Citibank	(2,638)	158
Goldman Sachs	75	(391)
HSBC	(101)	(492)
JP Morgan	(244)	108
Merrill Lynch	(62)	–
Standard Chartered	(1)	(77)
Total	(3,071)	(694)

(c) Futures

Counterparty	Market Value 31.05.19 £'000	Value of exposure 31.05.19 £'000
Goldman Sachs	(40)	(1,195)
Total	(40)	(1,195)

Counterparty	Market Value 31.05.18 £'000	Value of exposure 31.05.18 £'000
Goldman Sachs	(42)	11,039
Total	(42)	11,039

20. Fair value

Valuation technique	31.05.19		31.05.18	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
Level 1	8,058	–	6,302	(43)
Level 2	126,486	(4,570)	96,939	(4,631)
Level 3	–	–	–	–
Total fair value	134,544	(4,570)	103,241	(4,674)

The three levels of the fair value hierarchy under FRS 102 are as follows:

Level 1 Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 Inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly (that is, as prices) or indirectly (that is, derived from prices);

Level 3 Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

Emerging Markets Blended Debt Fund

Distribution Tables

For the year ended 31 May 2019

Interim distribution paid 31 October 2018

Group 1 – Shares purchased before 1 June 2018

Group 2 – Shares purchased between 1 June and 31 August 2018

	Net Income pence	Equalisation pence	Distribution paid 31.10.18 pence	Distribution paid 31.10.17 pence
'A' Class (Accumulation shares)				
Group 1	1.2745	–	1.2745	1.4935
Group 2	0.4570	0.8175	1.2745	1.4935
'A' Class (Income-2 shares)				
Group 1	1.2999	–	1.2999	1.5899
Group 2	1.2999	0.0000	1.2999	1.5899
'I' Class (Accumulation shares)				
Group 1	1.7051	–	1.7051	1.9654
Group 2	0.6070	1.0981	1.7051	1.9654
'I' Class (Income-2 shares)				
Group 1	1.3606	–	1.3606	1.6487
Group 2	0.4870	0.8736	1.3606	1.6487
'J' Class (Accumulation shares)				
Group 1	1.6575	–	1.6575	1.9051
Group 2	0.2777	1.3798	1.6575	1.9051
'J' Class (Income-2 shares)				
Group 1	1.4772	–	1.4772	1.8010
Group 2	0.5207	0.9565	1.4772	1.8010
'R' Class (Accumulation shares)				
Group 1	1.4223	–	1.4223	1.6650
Group 2	1.4223	0.0000	1.4223	1.6650
'R' Class (Income-2 shares)				
Group 1	1.3179	–	1.3179	1.6173
Group 2	0.4163	0.9016	1.3179	1.6173
'S' Class (Accumulation shares)				
Group 1	1.9321	–	1.9321	2.1804
Group 2	1.0621	0.8700	1.9321	2.1804

Emerging Markets Blended Debt Fund continued

Distribution Tables

For the year ended 31 May 2019

Interim distribution paid 31 January 2019

Group 1 – Shares purchased before 1 September 2018

Group 2 – Shares purchased between 1 September and 30 November 2018

	Net Income pence	Equalisation pence	Distribution paid 31.01.19 pence	Distribution paid 31.01.18 pence
'A' Class (Accumulation shares)				
Group 1	1.1645	–	1.1645	1.2299
Group 2	0.5740	0.5905	1.1645	1.2299
'A' Class (Income-2 shares)				
Group 1	1.1982	–	1.1982	1.3490
Group 2	0.1744	1.0238	1.1982	1.3490
'I' Class (Accumulation shares)				
Group 1	1.5880	–	1.5880	1.6665
Group 2	0.5718	1.0162	1.5880	1.6665
'I' Class (Income-2 shares)				
Group 1	1.2552	–	1.2552	1.4000
Group 2	0.6253	0.6299	1.2552	1.4000
'J' Class (Accumulation shares)				
Group 1	1.5644	–	1.5644	1.6193
Group 2	0.7738	0.7906	1.5644	1.6193
'J' Class (Income-2 shares)				
Group 1	1.3732	–	1.3732	1.5298
Group 2	0.7906	0.5826	1.3732	1.5298
'R' Class (Accumulation shares)				
Group 1	1.3130	–	1.3130	1.4061
Group 2	1.3130	0.0000	1.3130	1.4061
'R' Class (Income-2 shares)				
Group 1	1.2135	–	1.2135	1.3916
Group 2	0.3512	0.8623	1.2135	1.3916
'S' Class (Accumulation shares)				
Group 1	1.8119	–	1.8119	1.8871
Group 2	0.9565	0.8554	1.8119	1.8871

Distribution Tables

For the year ended 31 May 2019

Interim distribution paid 30 April 2019

Group 1 – Shares purchased before 1 December 2018

Group 2 – Shares purchased between 1 December 2018 and 28 February 2019

	Net Income pence	Equalisation pence	Distribution paid 30.04.19 pence	Distribution paid 30.04.18 pence
'A' Class (Accumulation shares)				
Group 1	1.1107	–	1.1107	1.5310
Group 2	0.7650	0.3457	1.1107	1.5310
'A' Class (Income-2 shares)				
Group 1	1.1449	–	1.1449	1.5570
Group 2	0.1152	1.0297	1.1449	1.5570
'I' Class (Accumulation shares)				
Group 1	1.5308	–	1.5308	2.0028
Group 2	0.8460	0.6848	1.5308	2.0028
'I' Class (Income-2 shares)				
Group 1	1.1998	–	1.1998	1.6185
Group 2	0.5579	0.6419	1.1998	1.6185
'J' Class (Accumulation shares)				
Group 1	1.4926	–	1.4926	1.9409
Group 2	0.7159	0.7767	1.4926	1.9409
'J' Class (Income-2 shares)				
Group 1	1.3128	–	1.3128	1.7690
Group 2	0.6396	0.6732	1.3128	1.7690
'R' Class (Accumulation shares)				
Group 1	1.2473	–	1.2473	1.7111
Group 2	1.2473	0.0000	1.2473	1.7111
'R' Class (Income-2 shares)				
Group 1	1.1525	–	1.1525	1.5862
Group 2	0.3737	0.7788	1.1525	1.5862
'S' Class (Accumulation shares)				
Group 1	1.7617	–	1.7617	2.2148
Group 2	0.6828	1.0789	1.7617	2.2148

Emerging Markets Blended Debt Fund continued

Distribution Tables

For the year ended 31 May 2019

Final distribution payable 31 July 2019

Group 1 – Shares purchased before 1 March 2019

Group 2 – Shares purchased between 1 March and 31 May 2019

	Net Income pence	Equalisation pence	Distribution payable 31.07.19 pence	Distribution paid 31.07.18 pence
'A' Class (Accumulation shares)				
Group 1	1.2432	–	1.2432	1.3728
Group 2	0.9495	0.2937	1.2432	1.3728
'A' Class (Income-2 shares)				
Group 1	1.2544	–	1.2544	1.4025
Group 2	0.0819	1.1725	1.2544	1.4025
'I' Class (Accumulation shares)				
Group 1	1.6995	–	1.6995	1.8308
Group 2	0.9090	0.7905	1.6995	1.8308
'I' Class (Income-2 shares)				
Group 1	1.3044	–	1.3044	1.4629
Group 2	0.6912	0.6132	1.3044	1.4629
'J' Class (Accumulation shares)				
Group 1	1.6544	–	1.6544	1.7759
Group 2	0.9770	0.6774	1.6544	1.7759
'J' Class (Income-2 shares)				
Group 1	1.4309	–	1.4309	1.6000
Group 2	0.8610	0.5699	1.4309	1.6000
'R' Class (Accumulation shares)				
Group 1	1.4060	–	1.4060	1.5522
Group 2	1.4060	0.0000	1.4060	1.5522
'R' Class (Income-2 shares)				
Group 1	1.2633	–	1.2633	1.4309
Group 2	0.4821	0.7812	1.2633	1.4309
'S' Class (Accumulation shares)				
Group 1	1.9437	–	1.9437	2.0530
Group 2	1.0236	0.9201	1.9437	2.0530

Equalisation

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

Emerging Markets Equity Fund

Statement of Total Return

For the year ended 31 May 2019

	Note	31.05.19 £'000	£'000	31.05.18 £'000	£'000
Income					
Net capital (losses)/gains	4		(12,737)		17,194
Revenue	6	5,300		4,378	
Expenses	7	(1,684)		(1,688)	
Interest payable and similar charges		–		(1)	
Net revenue before taxation		3,616		2,689	
Taxation	8	(446)		(361)	
Net revenue after taxation			3,170		2,328
Total return before distribution			(9,567)		19,522
Distribution	9		(3,170)		(2,328)
Change in net assets attributable to shareholders from investment activities			(12,737)		17,194

Statement of Change in Net Assets Attributable to Shareholders

For the year ended 31 May 2019

	31.05.19 £'000	£'000	31.05.18 £'000	£'000
Opening net assets attributable to shareholders		169,972		161,934
Amounts receivable on creation of shares	15,469		22,062	
Amounts payable on cancellation of shares	(6,639)		(33,452)	
		8,830		(11,390)
Dilution adjustment		–		55
Change in net assets attributable to shareholders from investment activities		(12,737)		17,194
Retained distributions on accumulation shares		3,276		2,179
Closing net assets attributable to shareholders		169,341		169,972

Notes to the financial statements are on pages 148 to 151.

Balance Sheet

As at 31 May 2019

	Note	31.05.19 £'000	£'000	31.05.18 £'000	£'000
ASSETS					
Investments assets			162,225		163,847
Current assets					
Debtors	10	604		754	
Cash and bank balances	11	7,545		6,690	
Total other assets			8,149		7,444
Total assets			170,374		171,291
LIABILITIES					
Creditors					
Other creditors	12	1,033		1,319	
Total other liabilities			1,033		1,319
Total liabilities			1,033		1,319
Net assets attributable to shareholders			169,341		169,972

Notes to the financial statements are on pages 148 to 151.

Emerging Markets Equity Fund

Notes to the Financial Statements

For the year ended 31 May 2019

1. Accounting policies

The Accounting policies for the Fund are disclosed in the notes to the financial statements on page 113.

2. Distribution policies

The Distribution policies for the Fund are disclosed in the notes to the financial statements on page 113.

3. Risk management policies

The Risk management policies for the Fund are disclosed in the notes to the financial statements on pages 114 to 125

4. Net capital (losses)/gains

The net capital (losses)/gains during the year comprise:

	31.05.19 £'000	31.05.18 £'000
Losses on foreign exchange	(317)	(167)
Forward currency contracts	9	–
Non-derivative securities	(12,377)	17,416
Transaction charges	(52)	(55)
Net capital (losses)/gains	(12,737)	17,194

5. Purchases, sales and transaction costs

Analysis of total trade costs

	Purchases		Sales	
	31.05.19 £'000	31.05.18 £'000	31.05.19 £'000	31.05.18 £'000
Equities	81,763	88,573	71,214	98,640
Trades excluding transaction costs	81,763	88,573	71,214	98,640
Commissions				
Equities	53	62	(43)	(72)
Taxes				
Equities	43	46	(68)	(88)
Total costs	96	108	(111)	(160)
Net trades in the year after transaction costs	81,859	88,681	71,103	98,480

Total transaction cost expressed as a percentage of asset type cost

	Purchases		Sales	
	31.05.19 %	31.05.18 %	31.05.19 %	31.05.18 %
Commissions				
Equities	0.06	0.07	0.06	0.07
Taxes				
Equities	0.05	0.05	0.10	0.09

Total transaction cost expressed as a percentage of average net asset value

	31.05.19 %	31.05.18 %
Commissions	0.06	0.08
Taxes	0.07	0.08
Total costs	0.13	0.16

Average portfolio dealing spread

The average portfolio dealing spread at the balance sheet date was 0.16% (31.05.18: 0.18%).

6. Revenue

	31.05.19 £'000	31.05.18 £'000
Bank interest	22	9
Overseas dividends	5,123	4,086
UK dividends	155	283
Total revenue	5,300	4,378

7. Expenses

	31.05.19 £'000	31.05.18 £'000
Payable to the ACD or associates of the ACD, and agents of either of them:		
ACD fee	1,493	1,432
General administration charge (GAC)	112	125
Registration fee	2	–
	1,607	1,557
Payable to the Depositary or associates of the Depositary, and agents of either of them:		
Safe custody fee	81	130
	81	130
Other expenses:		
VAT refund	(9)	(11)
Out of pocket expenses	–	3
ADR fees	5	8
DTC fees	–	1
	(4)	1
Total expenses	1,684	1,688

Please refer to the Prospectus for a full description of expenses covered by the GAC.

The audit fee for the year is £8,000 (31.05.18: £8,000).

VAT is currently recovered in respect of certain expenses paid under the GAC.

8. Taxation**(a) Analysis of the tax charge in the year:**

	31.05.19 £'000	31.05.18 £'000
Overseas tax	446	361
Current tax charge	446	361
Deferred tax charge (note 8(c))	–	–
Total tax charge (note 8(b))	446	361

(b) Factors affecting current tax charge for the year:

The tax assessed for the year is lower than the standard rate of corporation tax in the UK for an authorised OEIC (20%) (31.05.18: 20%). The differences are explained below:

	31.05.19 £'000	31.05.18 £'000
Net revenue before taxation	3,616	2,689
Corporation tax of 20%	723	538
Effects of:		
Movement in excess management expenses	255	272
Overseas tax	446	361
Revenue not subject to taxation	(966)	(801)
Overseas tax expensed	(12)	(9)
Total tax charge (note 8(a))	446	361

(c) Provision for deferred taxation:

There is no provision required for deferred taxation at the Balance Sheet date in the current or prior year.

(d) Factors affecting future tax charge:

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £1,130,000 (2018: £875,000) in relation to surplus management expenses. It is unlikely that the Fund will generate sufficient taxable profits in the future to utilise this amount and therefore no deferred tax asset has been recognised in the year.

Emerging Markets Equity Fund

Notes to the Financial Statements continued

For the year ended 31 May 2019

9. Distribution

The Distribution takes account of equalisation received on the creation of shares and deducted on the cancellation of shares, and comprises:

	31.05.19 £'000	31.05.18 £'000
Final	3,276	2,179
Add: Equalisation deducted on cancellation of shares	64	293
Less: Equalisation received on creation of shares	(170)	(144)
Net distribution for the year	3,170	2,328

The net distribution for the year is represented by:

	31.05.19 £'000	31.05.18 £'000
Net revenue after taxation	3,170	2,328
Net distribution for the year	3,170	2,328

10. Debtors

	31.05.19 £'000	31.05.18 £'000
Accrued dividends and bank interest	374	401
Amounts receivable for creation of shares	213	296
Overseas tax recoverable	17	5
Sales awaiting settlement	–	52
	604	754

11. Cash and bank balances

	31.05.19 £'000	31.05.18 £'000
Cash and bank balances	7,545	6,690
	7,545	6,690

12. Other creditors

	31.05.19 £'000	31.05.18 £'000
Amounts payable for cancellation of shares	135	75
Purchases awaiting settlement	700	1,026
Accrued ACD fees	131	130
Accrued general administration charge (GAC)	10	10
Accrued safe custody fee	38	62
Accrued transaction charges	19	16
	1,033	1,319

13. Capital commitments and contingent liabilities

The Fund had no contingent liabilities or capital commitments at the year end date (31.05.18: Nil).

14. Related party transactions

Investec Fund Managers Limited, as Authorised Corporate Director (ACD), is a related party, and acts as a principal in respect of all transactions of shares in the Company. The aggregate monies received through issues and paid on cancellation of shares are disclosed in the Statement of Change in Shareholders' Net Assets.

In accordance with the prospectus the ACD collects from the Fund, a general administration charge (GAC), ACD fees and safe custody fees. Please refer to notes 7, 12 and 16 for further details.

Any amounts due to/from Investec Fund Managers Limited at the end of the accounting year are disclosed in notes 10 and 12.

15. Dilution adjustment

Please refer to note 4 of the notes to the financial statements for a detailed description of dilution adjustment.

16. ACD Fee and charges

The different level of ACD fees payable per annum as at 31 May 2019 for each share class is detailed below:

'A' Shares	1.75%
'I' Shares	0.90%
'R' Shares	1.25%
'S' Shares	0.00%

The GAC is charged at up to 0.08% of the Net Asset Value of each share class.

All shares within the sub-fund have the same rights on winding up.

Reconciliation of the shares movement in the year:

	31.05.18 Opening shares in issue	Creations	Cancellations	Shares converted	31.05.19 Closing shares in issue
'A' Class (Accumulation shares)	573,050	173,717	(120,622)	(46,980)	579,165
'I' Class (Accumulation shares)	106,579,724	10,130,286	(3,644,327)	59,943	113,125,626
'R' Class (Accumulation shares)	47,137	5,788	(268)	(16,655)	36,002
'S' Class (Accumulation shares)	692,361	162,323	(516,853)	–	337,831

17. Risk consideration

Please refer to note 3 of the financial statements for a detailed description of the risk considerations. There are no further specific risks for this Fund.

The Fund's currency exposure as at 31 May 2019 was:

Currency	Currency exposure	
	31.05.19 Total £'000	31.05.18 Total £'000
Brazilian Real	12,781	8,987
Chinese Yuan (Offshore)	5,442	–
Danish Krone	1,400	–
Euro	1,022	2,390
Hong Kong Dollar	37,312	52,620
Hungarian Forint	2,157	1,845
Indian Rupee	7,240	10,029
Indonesian Rupiah	6,335	1,668
Malaysian Ringgit	2,410	1,525
Mexican Peso	3,068	4,924
New Taiwan Dollar	1,135	5,131
Polish Zloty	1,334	1,118
South African Rand	7,778	3,413
South Korean Won	10,364	15,768
Sterling	12,336	11,060
Swiss Franc	868	1,418
Thailand Baht	8,589	3,145
Turkish Lira	1,159	2,011
UAE Dirham	4,884	4,315
US Dollar	41,727	38,605
Total	169,341	169,972

The majority of the Fund's financial assets are equity shares and other investments which neither pay interest nor have a maturity date. Therefore, the fund's exposure to interest rate risk is not considered to be significant.

18. Fair value

Valuation technique	31.05.19		31.05.18	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
Level 1	157,503	–	163,847	–
Level 2	4,722	–	–	–
Level 3	–	–	–	–
Total fair value	162,225	–	163,847	–

The three levels of the fair value hierarchy under FRS 102 are as follows:

Level 1 Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 Inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly (that is, as prices) or indirectly (that is, derived from prices);

Level 3 Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

Emerging Markets Equity Fund

Distribution Table

For the year ended 31 May 2019

Final distribution payable 31 July 2019

Group 1 – Shares purchased before 1 June 2018

Group 2 – Shares purchased between 1 June 2018 and 31 May 2019

	Net Income pence	Equalisation pence	Distribution payable 31.07.19 pence	Distribution paid 31.07.18 pence
'A' Class (Accumulation shares)				
Group 1	1.5226	–	1.5226	0.6791
Group 2	0.5594	0.9632	1.5226	0.6791
'I' Class (Accumulation shares)				
Group 1	2.8743	–	2.8743	2.0174
Group 2	1.2523	1.6220	2.8743	2.0174
'R' Class (Accumulation shares)				
Group 1	2.1797	–	2.1797	1.3651
Group 2	0.7824	1.3973	2.1797	1.3651
'S' Class (Accumulation shares)				
Group 1	4.4789	–	4.4789	3.5653
Group 2	0.3021	4.1768	4.4789	3.5653

Equalisation

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

Global Dividend Fund

Statement of Total Return

For the year ended 31 May 2019

	Note	31.05.19 £'000	£'000	31.05.18 £'000	£'000
Income					
Net capital (losses)/gains	4		(40)		689
Revenue	6	542		497	
Expenses	7	(15)		(14)	
Net revenue before taxation		527		483	
Taxation	8	(39)		(40)	
Net revenue after taxation			488		443
Total return before distributions			448		1,132
Distributions	9		(490)		(444)
Change in net assets attributable to shareholders from investment activities			(42)		688

Statement of Change in Net Assets Attributable to Shareholders

For the year ended 31 May 2019

	31.05.19 £'000	£'000	31.05.18 £'000	£'000
Opening net assets attributable to shareholders		12,556		13,199
Amounts receivable on creation of shares	757		204	
Amounts payable on cancellation of shares	(1,935)		(1,940)	
		(1,178)		(1,736)
Dilution adjustment		3		1
Change in net assets attributable to shareholders from investment activities		(42)		688
Retained distributions on accumulation shares		451		404
Closing net assets attributable to shareholders		11,790		12,556

Notes to the financial statements are on pages 154 to 157.

Balance Sheet

As at 31 May 2019

	Note	31.05.19 £'000	£'000	31.05.18 £'000	£'000
ASSETS					
Investments assets			11,199		12,724
Current assets					
Debtors	10	76		1,109	
Cash and bank balances	11	636		506	
Total other assets			712		1,615
Total assets			11,911		14,339
LIABILITIES					
Creditors					
Distribution payable		9		3	
Other creditors	12	112		1,780	
Total other liabilities			121		1,783
Total liabilities			121		1,783
Net assets attributable to shareholders			11,790		12,556

Notes to the financial statements are on pages 154 to 157.

Global Dividend Fund

Notes to the Financial Statements

For the year ended 31 May 2019

1. Accounting policies

The Accounting policies for the Fund are disclosed in the notes to the financial statements on page 113.

2. Distribution policies

The Distribution policies for the Fund are disclosed in the notes to the financial statements on page 113.

3. Risk management policies

The Risk management policies for the Fund are disclosed in the notes to the financial statements on pages 114 to 125

4. Net capital (losses)/gains

The net capital (losses)/gains during the year comprise:

	31.05.19 £'000	31.05.18 £'000
Gains/(losses) on foreign exchange	17	(15)
Non-derivative securities	(50)	710
Transaction charges	(7)	(6)
Net capital (losses)/gains	(40)	689

5. Purchases, sales and transaction costs

Analysis of total trade costs

	Purchases		Sales	
	31.05.19 £'000	31.05.18 £'000	31.05.19 £'000	31.05.18 £'000
Equities	3,408	5,377	4,886	6,411
Trades excluding transaction costs	3,408	5,377	4,886	6,411
Commissions				
Equities	1	3	(2)	(3)
Taxes				
Equities	5	6	(2)	(1)
Total costs	6	9	(4)	(4)
Net trades in the year after transaction costs	3,414	5,386	4,882	6,407

Total transaction cost expressed as a percentage of asset type cost

	Purchases		Sales	
	31.05.19 %	31.05.18 %	31.05.19 %	31.05.18 %
Commissions				
Equities	0.04	0.05	0.04	0.05
Taxes				
Equities	0.15	0.11	0.04	0.02

Total transaction cost expressed as a percentage of average net asset value

	31.05.19 %	31.05.18 %
Commissions	0.03	0.04
Taxes	0.05	0.05
Total costs	0.08	0.09

Average portfolio dealing spread

The average portfolio dealing spread at the balance sheet date was 0.10% (31.05.18: 0.08%).

6. Revenue

	31.05.19 £'000	31.05.18 £'000
Bank interest	1	–
Overseas dividends	419	402
UK dividends	109	83
Property revenue from overseas REITs	13	12
Total revenue	542	497

7. Expenses

	31.05.19 £'000	31.05.18 £'000
Payable to the ACD or associates of the ACD, and agents of either of them:		
ACD fee	4	3
General administration charge (GAC)	9	10
	13	13
Payable to the Depositary or associates of the Depositary, and agents of either of them:		
Safe custody fee	3	4
	3	4
Other expenses:		
VAT refund	(1)	(3)
	(1)	(3)
Total expenses	15	14

Please refer to the Prospectus for a full description of expenses covered by the GAC.

The audit fee for the year is £8,000 (31.05.18: £8,000).

VAT is currently recovered in respect of certain expenses paid under the GAC.

8. Taxation**(a) Analysis of the tax charge in the year:**

	31.05.19 £'000	31.05.18 £'000
Overseas tax	39	40
Current tax charge	39	40
Deferred tax charge (note 8(c))	–	–
Total tax charge (note 8(b))	39	40

(b) Factors affecting current tax charge for the year:

The tax assessed for the year is lower than the standard rate of corporation tax in the UK for an authorised OEIC (20%) (31.05.18: 20%). The differences are explained below:

	31.05.19 £'000	31.05.18 £'000
Net revenue before taxation	527	483
Corporation tax of 20%	105	97
Effects of:		
Movement in excess management expenses	–	(1)
Overseas tax	39	40
Revenue not subject to taxation	(103)	(94)
Double taxation relief	(2)	(2)
Total tax charge (note 8(a))	39	40

(c) Provision for deferred taxation:

There is no provision required for deferred taxation at the Balance Sheet date in the current or prior year.

(d) Factors affecting future tax charge:

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £nil (2018: £nil) in relation to surplus management expenses. It is unlikely that the Fund will generate sufficient taxable profits in the future to utilise this amount and therefore no deferred tax asset has been recognised in the year.

Global Dividend Fund

Notes to the Financial Statements continued

For the year ended 31 May 2019

9. Distributions

The Distributions take account of equalisation received on the creation of shares and deducted on the cancellation of shares, and comprise:

	31.05.19 £'000	31.05.18 £'000
Interim	204	164
Final	263	245
Add: Equalisation deducted on cancellation of shares	32	36
Less: Equalisation received on creation of shares	(9)	(1)
Net distribution for the year	490	444

The net distribution for the year is represented by:

	31.05.19 £'000	31.05.18 £'000
Net revenue after taxation	488	443
Amounts charged to capital:		
ACD fee	2	1
Net distribution for the year	490	444

10. Debtors

	31.05.19 £'000	31.05.18 £'000
Accrued dividends and bank interest	57	49
Amounts receivable for creation of shares	1	–
Overseas tax recoverable	18	14
Sales awaiting settlement	–	1,046
	76	1,109

11. Cash and bank balances

	31.05.19 £'000	31.05.18 £'000
Cash and bank balances	636	506
	636	506

12. Other creditors

	31.05.19 £'000	31.05.18 £'000
Amounts payable for cancellation of shares	108	1,776
Accrued general administration charge (GAC)	1	1
Accrued safe custody fee	1	2
Accrued transaction charges	2	1
	112	1,780

13. Capital commitments and contingent liabilities

The Fund had no contingent liabilities or capital commitments at the year end date (31.05.18: Nil).

14. Related party transactions

Investec Fund Managers Limited, as Authorised Corporate Director (ACD), is a related party, and acts as a principal in respect of all transactions of shares in the Company. The aggregate monies received through issues and paid on cancellation of shares are disclosed in the Statement of Change in Shareholders' Net Assets.

In accordance with the prospectus the ACD collects from the Fund, a general administration charge (GAC), ACD fees and safe custody fees. Please refer to notes 7, 12 and 16 for further details.

Any amounts due to/from Investec Fund Managers Limited at the end of the accounting year are disclosed in notes 10 and 12.

15. Dilution adjustment

Please refer to note 4 of the notes to the financial statements for a detailed description of dilution adjustment.

16. ACD Fee and charges

The different level of ACD fees payable per annum as at 31 May 2019 for each share class is detailed below:

'A' Shares	1.50%
'I' Shares	0.75%
'S' Shares	0.00%

The GAC is charged at up to 0.08% of the Net Asset Value of each share class.

All shares within the sub-fund have the same rights on winding up.

Reconciliation of the shares movement in the year:

	31.05.18 Opening shares in issue	Creations	Cancellations	Shares converted	31.05.19 Closing shares in issue
'A' Class (Accumulation shares) ⁽¹⁾	650	–	(650)	–	–
'A' Class (Income-2 shares)	30,199	26	–	–	30,225
'I' Class (Accumulation shares)	159,911	95,418	(34,703)	–	220,626
'I' Class (Income-2 shares)	105,297	459,388	(300,754)	–	263,931
'S' Class (Accumulation shares)	8,485,785	36,270	(1,025,181)	–	7,496,874

(1) Closed 4 March 2019.

17. Risk consideration

Please refer to note 3 of the financial statements for a detailed description of the risk considerations. There are no further specific risks for this Fund.

The Fund's currency exposure as at 31 May 2019 was:

Currency	Currency exposure	
	Total 31.05.19 £'000	Total 31.05.18 £'000
Australian Dollar	–	5
Canadian Dollar	233	321
Danish Krone	3	304
Euro	1,766	1712
Hong Kong Dollar	807	693
Japanese Yen	300	598
New Taiwan Dollar	–	367
New Zealand Dollar	2	2
Norwegian Krone	1	173
Singapore Dollar	311	569
Sterling	2200	587
South Korean Won	305	460
Swiss Franc	252	349
UAE Dirham	275	358
US Dollar	5,335	6058
Total	11,790	12,556

The majority of the Fund's financial assets are equity shares and other investments which neither pay interest nor have a maturity date. Therefore, the fund's exposure to interest rate risk is not considered to be significant.

18. Fair value

Valuation technique	31.05.19		31.05.18	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
Level 1	11,199	–	12,724	–
Level 2	–	–	–	–
Level 3	–	–	–	–
Total fair value	11,199	–	12,724	–

The three levels of the fair value hierarchy under FRS 102 are as follows:

Level 1 Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 Inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly (that is, as prices) or indirectly (that is, derived from prices);

Level 3 Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

Global Dividend Fund

Distribution Tables

For the year ended 31 May 2019

Interim distribution paid 31 January 2019

Group 1 – Shares purchased before 1 June 2018

Group 2 – Shares purchased between 1 June and 30 November 2018

	Net Income pence	Equalisation pence	Distribution paid 31.01.19 pence	Distribution paid 31.01.18 pence
'A' Class (Accumulation shares)(1)				
Group 1	1.1661	–	1.1661	0.6283
Group 2	1.1661	–	1.1661	0.6283
'A' Class (Income-2 shares)				
Group 1	2.0072	–	2.0072	1.5490
Group 2	1.3386	0.6686	2.0072	1.5490
'I' Class (Accumulation shares)				
Group 1	1.7031	–	1.7031	1.1270
Group 2	0.6577	1.0454	1.7031	1.1270
'I' Class (Income-2 shares)				
Group 1	2.0525	–	2.0525	1.5797
Group 2	0.4958	1.5567	2.0525	1.5797
'S' Class (Accumulation shares)				
Group 1	2.2843	–	2.2843	1.6503
Group 2	1.5670	0.7173	2.2843	1.6503

Final distribution payable 31 July 2019

Group 1 – Shares purchased before 1 December 2018

Group 2 – Shares purchased between 1 December 2018 and 31 May 2019

	Net Income pence	Equalisation pence	Distribution payable 31.07.19 pence	Distribution paid 31.07.18 pence
'A' Class (Accumulation shares)(1)				
Group 1	–	–	–	1.7323
Group 2	–	–	–	1.7323
'A' Class (Income-2 shares)				
Group 1	2.8234	–	2.8234	2.5090
Group 2	2.3097	0.5137	2.8234	2.5090
'I' Class (Accumulation shares)				
Group 1	2.7064	–	2.7064	2.2442
Group 2	1.4823	1.2241	2.7064	2.2442
'I' Class (Income-2 shares)				
Group 1	2.9099	–	2.9099	2.5715
Group 2	0.5727	2.3372	2.9099	2.5715
'S' Class (Accumulation shares)				
Group 1	3.3208	–	3.3208	2.8092
Group 2	3.3208	–	3.3208	2.8092

(1) Closed 4 March 2019.

Equalisation

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

Global Franchise Fund

Statement of Total Return

For the year ended 31 May 2019

	Note	31.05.19 £'000	£'000	31.05.18 £'000	£'000
Income					
Net capital gains	4		12,148		1,330
Revenue	6	1,690		1,428	
Expenses	7	(765)		(647)	
Interest payable and similar charges		(1)		–	
Net revenue before taxation		924		781	
Taxation	8	(149)		(178)	
Net revenue after taxation			775		603
Total return before distribution			12,923		1,933
Distribution	9		(779)		(604)
Change in net assets attributable to shareholders from investment activities			12,144		1,329

Statement of Change in Net Assets Attributable to Shareholders

For the year ended 31 May 2019

	31.05.19 £'000	£'000	31.05.18 £'000	£'000
Opening net assets attributable to shareholders		70,981		69,263
Amounts receivable on creation of shares	35,448		8,036	
Amounts payable on cancellation of shares	(12,471)		(8,262)	
		22,977		(226)
Dilution adjustment		18		–
Change in net assets attributable to shareholders from investment activities		12,144		1,329
Retained distributions on accumulation shares		882		615
Closing net assets attributable to shareholders		107,002		70,981

Notes to the financial statements are on pages 160 to 163.

Balance Sheet

As at 31 May 2019

	Note	31.05.19 £'000	£'000	31.05.18 £'000	£'000
ASSETS					
Investments assets			97,605		69,231
Current assets					
Debtors	10	617		251	
Cash and bank balances	11	9,317		2,408	
Total other assets			9,934		2,659
Total assets			107,539		71,890
LIABILITIES					
Creditors					
Other creditors	12	537		909	
Total other liabilities			537		909
Total liabilities			537		909
Net assets attributable to shareholders			107,002		70,981

Notes to the financial statements are on pages 160 to 163.

Global Franchise Fund

Notes to the Financial Statements

For the year ended 31 May 2019

1. Accounting policies

The Accounting policies for the Fund are disclosed in the notes to the financial statements on page 113.

2. Distribution policies

The Distribution policies for the Fund are disclosed in the notes to the financial statements on page 113.

3. Risk management policies

The Risk management policies for the Fund are disclosed in the notes to the financial statements on pages 114 to 125

4. Net capital gains

The net capital gains during the year comprise:

	31.05.19 £'000	31.05.18 £'000
Gains on foreign exchange	230	–
Forward currency contracts	–	1
Non-derivative securities	11,924	1,331
Transaction charges	(6)	(2)
Net capital gains	12,148	1,330

5. Purchases, sales and transaction costs

Analysis of total trade costs

	Purchases		Sales	
	31.05.19 £'000	31.05.18 £'000	31.05.19 £'000	31.05.18 £'000
Equities	33,441	8,778	17,018	8,549
Trades excluding transaction costs	33,441	8,778	17,018	8,549
Commissions				
Equities	10	4	(4)	(3)
Taxes				
Equities	13	7	–	–
Total costs	23	11	(4)	(3)
Net trades in the year after transaction costs	33,464	8,789	17,014	8,546

Total transaction cost expressed as a percentage of asset type cost

	Purchases		Sales	
	31.05.19 %	31.05.18 %	31.05.19 %	31.05.18 %
Commissions				
Equities	0.03	0.05	0.02	0.04
Taxes				
Equities	0.04	0.08	–	–

Total transaction cost expressed as a percentage of average net asset value

	31.05.19 %	31.05.18 %
Commissions	0.02	0.01
Taxes	0.01	0.01
Total costs	0.03	0.02

Average portfolio dealing spread

The average portfolio dealing spread at the balance sheet date was 0.03% (31.05.18: 0.02%).

6. Revenue

	31.05.19 £'000	31.05.18 £'000
Bank interest	22	3
Overseas dividends	1,271	1,060
UK dividends	397	365
Total revenue	1,690	1,428

7. Expenses

	31.05.19 £'000	31.05.18 £'000
Payable to the ACD or associates of the ACD, and agents of either of them:		
ACD fee	702	590
General administration charge (GAC)	58	50
	760	640
Payable to the Depositary or associates of the Depositary, and agents of either of them:		
Safe custody fee	7	8
	7	8
Other expenses:		
VAT refund	(3)	(7)
ADR fees	1	–
Revenue collection charges	–	6
	(2)	(1)
Total expenses	765	647

Please refer to the Prospectus for a full description of expenses covered by the GAC.

The audit fee for the year is £8,000 (31.05.18: £8,000).

VAT is currently recovered in respect of certain expenses paid under the GAC.

8. Taxation**(a) Analysis of the tax charge in the year:**

	31.05.19 £'000	31.05.18 £'000
Overseas tax	149	178
Current tax charge	149	178
Deferred tax charge (note 8(c))	–	–
Total tax charge (note 8(b))	149	178

(b) Factors affecting current tax charge for the year:

The tax assessed for the year is lower than the standard rate of corporation tax in the UK for an authorised OEIC (20%) (31.05.18: 20%). The differences are explained below:

	31.05.19 £'000	31.05.18 £'000
Net revenue before taxation	924	781
Corporation tax of 20%	185	156
Effects of:		
Movement in excess management expenses	149	129
Overseas tax	149	178
Revenue not subject to taxation	(334)	(285)
Total tax charge (note 8(a))	149	178

(c) Provision for deferred taxation:

There is no provision required for deferred taxation at the Balance Sheet date in the current or prior year.

(d) Factors affecting future tax charge:

The Fund has surplus management expenses that have resulted in an unrecognised deferred asset of £708,000 (31.05.18: £559,000). This asset has not been recognised in the financial statements due to the inherent uncertainty of the Fund to generate sufficient taxable net revenue.

Global Franchise Fund

Notes to the Financial Statements continued

For the year ended 31 May 2019

9. Distribution

The Distribution takes account of equalisation received on the creation of shares and deducted on the cancellation of shares, and comprises:

	31.05.19 £'000	31.05.18 £'000
Final	882	615
Add: Equalisation deducted on cancellation of shares	43	34
Less: Equalisation received on creation of shares	(146)	(45)
Net distribution for the year	779	604

The net distribution for the year is represented by:

	31.05.19 £'000	31.05.18 £'000
Net revenue after taxation	775	603
Equalisation on conversion of shares	4	1
Net distribution for the year	779	604

10. Debtors

	31.05.19 £'000	31.05.18 £'000
Accrued dividends and bank interest	193	140
Amounts receivable for creation of shares	254	2
Overseas tax recoverable	170	109
	617	251

11. Cash and bank balances

	31.05.19 £'000	31.05.18 £'000
Cash and bank balances	9,317	2,408
	9,317	2,408

12. Other creditors

	31.05.19 £'000	31.05.18 £'000
Amounts payable for cancellation of shares	453	851
Accrued ACD fees	72	50
Accrued general administration charge (GAC)	6	4
Accrued safe custody fee	3	4
Accrued transaction charges	3	–
	537	909

13. Capital commitments and contingent liabilities

The Fund had no contingent liabilities or capital commitments at the year end date (31.05.18: Nil).

14. Related party transactions

Investec Fund Managers Limited, as Authorised Corporate Director (ACD), is a related party, and acts as a principal in respect of all transactions of shares in the Company. The aggregate monies received through issues and paid on cancellation of shares are disclosed in the Statement of Change in Shareholders' Net Assets.

In accordance with the prospectus the ACD collects from the Fund, a general administration charge (GAC), ACD fees and safe custody fees. Please refer to notes 7, 12 and 16 for further details.

Any amounts due to/from Investec Fund Managers Limited at the end of the accounting year are disclosed in notes 10 and 12.

15. Dilution adjustment

Please refer to note 4 of the notes to the financial statements for a detailed description of dilution adjustment.

16. ACD Fee and charges

The different level of ACD fees payable per annum as at 31 May 2019 for each share class is detailed below:

'A' Shares	1.50%
'I' Shares	0.75%
'K' Shares	0.50%
'R' Shares	1.00%
'S' Shares	0.00%

The GAC is charged at up to 0.08% of the Net Asset Value of each share class.

All shares within the sub-fund have the same rights on winding up.

Reconciliation of the shares movement in the year:

	31.05.18 Opening shares in issue	Creations	Cancellations	Shares converted	31.05.19 Closing shares in issue
'A' Class (Accumulation shares)	9,686,709	871,920	(713,059)	(403,126)	9,442,444
'I' Class (Accumulation shares)	15,917,522	14,488,059	(4,333,253)	406,076	26,478,404
'K' Class (Accumulation shares)	–	1,000	–	–	1,000
'R' Class (Accumulation shares)	2,467,200	53,324	(121,878)	(13,000)	2,385,646
'S' Class (Accumulation shares)	6,002,612	727,008	(364,351)	–	6,365,269

17. Risk consideration

Please refer to note 3 of the financial statements for a detailed description of the risk considerations. There are no further specific risks for this Fund.

The Fund's currency exposure as at 31 May 2019 was:

Currency	Currency exposure	
	Total 31.05.19 £'000	Total 31.05.18 £'000
Euro	8,447	2,673
Japanese Yen	–	1,502
Norwegian Krone	1	1
Sterling	18,348	10,136
Swiss Franc	9,207	5,288
US Dollar	70,999	51,381
Total	107,002	70,981

The majority of the Fund's financial assets are equity shares and other investments which neither pay interest nor have a maturity date. Therefore, the fund's exposure to interest rate risk is not considered to be significant.

18. Fair value

Valuation technique	31.05.19		31.05.18	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
Level 1	97,605	–	69,231	–
Level 2	–	–	–	–
Level 3	–	–	–	–
Total fair value	97,605	–	69,231	–

The three levels of the fair value hierarchy under FRS 102 are as follows:

Level 1 Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 Inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly (that is, as prices) or indirectly (that is, derived from prices);

Level 3 Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

Global Franchise Fund

Distribution Table

For the year ended 31 May 2019

Final distribution payable 31 July 2019

Group 1 – Shares purchased before 1 June 2018

Group 2 – Shares purchased between 1 June 2018 and 31 May 2019

	Net Income pence	Equalisation pence	Distribution payable 31.07.19 pence	Distribution paid 31.07.18 pence
'A' Class (Accumulation shares)				
Group 1	0.3872	–	0.3872	0.4327
Group 2	0.3414	0.0458	0.3872	0.4327
'I' Class (Accumulation shares)				
Group 1	2.1047	–	2.1047	1.9980
Group 2	1.2594	0.8453	2.1047	1.9980
'K' Class (Accumulation shares)⁽¹⁾				
Group 1	1.2150	–	1.2150	n/a
Group 2	0.5491	0.6659	1.2150	n/a
'R' Class (Accumulation shares)				
Group 1	1.4990	–	1.4990	1.4546
Group 2	0.9864	0.5126	1.4990	1.4546
'S' Class (Accumulation shares)				
Group 1	3.9701	–	3.9701	3.6582
Group 2	0.0999	3.8702	3.9701	3.6582

(1) Launched 4 March 2019.

Equalisation

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

Global Quality Equity Income Fund

Statement of Total Return

For the year ended 31 May 2019

	Note	31.05.19 £'000	31.05.18 £'000
Income			
Net capital gains/(losses)	4	1,814	(10,235)
Revenue	6	516	2,768
Expenses	7	(94)	(499)
Net revenue before taxation		422	2,269
Taxation	8	(30)	(197)
Net revenue after taxation		392	2,072
Total return before distributions		2,206	(8,163)
Distributions	9	(477)	(2,562)
Change in net assets attributable to shareholders from investment activities		1,729	(10,725)

Statement of Change in Net Assets Attributable to Shareholders

For the year ended 31 May 2019

	31.05.19 £'000	31.05.18 £'000
Opening net assets attributable to shareholders	19,850	85,724
Amounts receivable on creation of shares	4,087	34,560
Amounts payable on cancellation of shares	(8,791)	(89,819)
	(4,704)	(55,259)
Dilution adjustment	–	66
Change in net assets attributable to shareholders from investment activities	1,729	(10,725)
Retained distributions on accumulation shares	35	44
Closing net assets attributable to shareholders	16,910	19,850

Notes to the financial statements are on pages 166 to 169.

Balance Sheet

As at 31 May 2019

	Note	31.05.19 £'000	31.05.18 £'000
ASSETS			
Investments assets		16,707	19,698
Current assets			
Debtors	10	311	225
Cash and bank balances	11	979	335
Total other assets		1,290	560
Total assets		17,997	20,258
LIABILITIES			
Creditors			
Distribution payable		226	292
Other creditors	12	861	116
Total other liabilities		1,087	408
Total liabilities		1,087	408
Net assets attributable to shareholders		16,910	19,850

Notes to the financial statements are on pages 166 to 169.

Global Quality Equity Income Fund

Notes to the Financial Statements

For the year ended 31 May 2019

1. Accounting policies

The Accounting policies for the Fund are disclosed in the notes to the financial statements on page 113.

2. Distribution policies

The Distribution policies for the Fund are disclosed in the notes to the financial statements on page 113.

3. Risk management policies

The Risk management policies for the Fund are disclosed in the notes to the financial statements on pages 114 to 125

4. Net capital gains/(losses)

The net capital gains/(losses) during the year comprise:

	31.05.19 £'000	31.05.18 £'000
Losses on foreign exchange	(18)	(96)
Forward currency contracts	–	(4)
Non-derivative securities	1,837	(10,129)
Transaction charges	(5)	(6)
Net capital gains/(losses)	1,814	(10,235)

5. Purchases, sales and transaction costs

Analysis of total trade costs

	Purchases		Sales	
	31.05.19 £'000	31.05.18 £'000	31.05.19 £'000	31.05.18 £'000
Equities	4,772	46,627	9,606	100,804
Trades excluding transaction costs	4,772	46,627	9,606	100,804
Commissions				
Equities	2	18	(3)	(33)
Taxes				
Equities	2	74	–	(4)
Total costs	4	92	(3)	(37)
Net trades in the year after transaction costs	4,776	46,719	9,603	100,767

Total transaction cost expressed as a percentage of asset type cost

	Purchases		Sales	
	31.05.19 %	31.05.18 %	31.05.19 %	31.05.18 %
Commissions				
Equities	0.03	0.04	0.03	0.03
Taxes				
Equities	0.04	0.16	–	0.00

Total transaction cost expressed as a percentage of average net asset value

	31.05.19 %	31.05.18 %
Commissions	0.03	0.06
Taxes	0.01	0.08
Total costs	0.04	0.14

Average portfolio dealing spread

The average portfolio dealing spread at the balance sheet date was 0.03% (31.05.18: 0.03%).

6. Revenue

	31.05.19 £'000	31.05.18 £'000
Bank interest	1	6
Overseas dividends	312	1,776
UK dividends	190	919
Property revenue from overseas REITs	13	67
Total revenue	516	2,768

7. Expenses

	31.05.19 £'000	31.05.18 £'000
Payable to the ACD or associates of the ACD, and agents of either of them:		
ACD fee	85	418
General administration charge (GAC)	13	68
	98	486
Payable to the Depositary or associates of the Depositary, and agents of either of them:		
Safe custody fee	(1)	18
	(1)	18
Other expenses:		
VAT refund	(3)	(5)
	(3)	(5)
Total expenses	94	499

Please refer to the Prospectus for a full description of expenses covered by the GAC.

The audit fee for the year is £8,000 (31.05.18: £8,000).

VAT is currently recovered in respect of certain expenses paid under the GAC.

8. Taxation**(a) Analysis of the tax charge in the year:**

	31.05.19 £'000	31.05.18 £'000
Overseas tax	30	197
Current tax charge	30	197
Deferred tax charge (note 8(c))	–	–
Total tax charge (note 8(b))	30	197

(b) Factors affecting current tax charge for the year:

The tax assessed for the year is lower than the standard rate of corporation tax in the UK for an authorised OEIC (20%) (31.05.18: 20%). The differences are explained below:

	31.05.19 £'000	31.05.18 £'000
Net revenue before taxation	422	2,269
Corporation tax of 20%	84	454
Effects of:		
Movement in excess management expenses	16	87
Overseas tax	30	197
Revenue not subject to taxation	(100)	(539)
Overseas tax expensed	–	(2)
Total tax charge (note 8(a))	30	197

(c) Provision for deferred taxation:

There is no provision required for deferred taxation at the Balance Sheet date in the current or prior year.

(d) Factors affecting future tax charge:

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £137,651 (2018: £121,379) in relation to surplus management expenses. It is unlikely that the Fund will generate sufficient taxable profits in the future to utilise this amount and therefore no deferred tax asset has been recognised in the year.

9. Distributions

The Distributions take account of equalisation received on the creation of shares and deducted on the cancellation of shares, and comprise:

	31.05.19 £'000	31.05.18 £'000
Interim	218	1,257
Final	241	323
Add: Equalisation deducted on cancellation of shares	51	1,168
Less: Equalisation received on creation of shares	(33)	(186)
Net distribution for the year	477	2,562

Global Quality Equity Income Fund

Notes to the Financial Statements continued

For the year ended 31 May 2019

9. Distributions (continued)

The net distribution for the year is represented by:

	31.05.19 £'000	31.05.18 £'000
Net revenue after taxation	392	2,072
Equalisation on conversion of shares	(1)	–
ACD fee	77	412
General administration charge (GAC)	11	67
Safe custody fee	(1)	18
Tax relief from capital*	(1)	(7)
Net distribution for the year	477	2,562

* Tax relief from capital expenses

10. Debtors

	31.05.19 £'000	31.05.18 £'000
Accrued dividends and bank interest	38	56
Amounts receivable for creation of shares	108	22
Overseas tax recoverable	165	147
	311	225

11. Cash and bank balances

	31.05.19 £'000	31.05.18 £'000
Cash and bank balances	979	335
	979	335

12. Other creditors

	31.05.19 £'000	31.05.18 £'000
Amounts payable for cancellation of shares	851	97
Accrued ACD fees	7	8
Accrued general administration charge (GAC)	1	1
Accrued safe custody fee	1	8
Accrued transaction charges	1	2
	861	116

13. Capital commitments and contingent liabilities

The Fund had no contingent liabilities or capital commitments at the year end date (31.05.18: Nil).

14. Related party transactions

Investec Fund Managers Limited, as Authorised Corporate Director (ACD), is a related party, and acts as a principal in respect of all transactions of shares in the Company. The aggregate monies received through issues and paid on cancellation of shares are disclosed in the Statement of Change in Shareholders' Net Assets.

In accordance with the prospectus the ACD collects from the Fund, a general administration charge (GAC), ACD fees and safe custody fees. Please refer to notes 7, 12 and 16 for further details.

Any amounts due to/from Investec Fund Managers Limited at the end of the accounting year are disclosed in notes 10 and 12.

15. Dilution adjustment

Please refer to note 4 of the notes to the financial statements for a detailed description of dilution adjustment.

16. ACD Fee and charges

The different level of ACD fees payable per annum as at 31 May 2019 for each share class is detailed below:

'A' Shares	1.50%
'I' Shares	0.75%
'J' Shares	0.65%
'K' Shares	0.45%
'L' Shares	0.45%
'S' Shares	0.00%

The GAC is charged at up to 0.08% of the Net Asset Value of each share class.

All shares within the sub-fund have the same rights on winding up.

16. ACD Fee and charges (continued)**Reconciliation of the shares movement in the year:**

	31.05.18 Opening shares in issue	Creations	Cancellations	Shares converted	31.05.19 Closing shares in issue
'A' Class (Accumulation shares)	21,138	–	(3,669)	–	17,469
'A' Class (Income-2 shares)	55,639	30	(55,669)	–	–
'I' Class (Accumulation shares)	233,381	135,486	(120,555)	–	248,312
'I' Class (Income-2 shares)	509,525	624,977	(421,234)	–	713,268
'J' Class (Accumulation shares)	172,716	–	(172,716)	–	–
'J' Class (Income-2 shares)	262,014	184,084	(412,316)	–	33,782
'K' Class (Accumulation shares)	–	1,654	(773,380)	772,726	1,000
'K' Class (Income-2 shares)	4,163,639	2,174,223	(3,747,843)	8,993,341	11,583,360
'L' Class (Income-2 shares)	12,199,162	542,961	(2,234,049)	(9,035,731)	1,472,343
'L' Class (Accumulation shares)	914,800	–	(84,000)	–	830,800
'S' Class (Accumulation shares)	656,640	761	(50,011)	(607,390)	–

17. Risk consideration

Please refer to note 3 of the financial statements for a detailed description of the risk considerations. There are no further specific risks for this Fund.

The Fund's currency exposure as at 31 May 2019 was:

Currency	Currency exposure	
	Total 31.05.19 £'000	Total 31.05.18 £'000
Australian Dollar	192	216
Danish Krone	370	–
Euro	2,074	2,126
Hong Kong Dollar	297	332
Japanese Yen	–	611
South Korean Won	225	–
Sterling	4,008	6,026
Swedish Krona	405	–
Swiss Franc	1,450	1,421
US Dollar	7,889	9,118
Total	16,910	19,850

The majority of the Fund's financial assets are equity shares and other investments which neither pay interest nor have a maturity date. Therefore, the fund's exposure to interest rate risk is not considered to be significant.

18. Fair value

Valuation technique	31.05.19		31.05.18	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
Level 1	16,707	–	19,698	–
Level 2	–	–	–	–
Level 3	–	–	–	–
Total fair value	16,707	–	19,698	–

The three levels of the fair value hierarchy under FRS 102 are as follows:

Level 1 Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 Inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly (that is, as prices) or indirectly (that is, derived from prices);

Level 3 Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

Global Quality Equity Income Fund

Distribution Tables

For the year ended 31 May 2019

Interim distribution paid 31 January 2019

Group 1 – Shares purchased before 1 June 2018

Group 2 – Shares purchased between 1 June and 30 November 2018

	Net Income pence	Equalisation pence	Distribution paid 31.01.19 pence	Distribution paid 31.01.18 pence
'A' Class (Accumulation shares)				
Group 1	0.4568	–	0.4568	0.3935
Group 2	0.4568	0.0000	0.4568	0.3935
'A' Class (Income–2 shares)⁽¹⁾				
Group 1	1.4581	–	1.4581	1.3039
Group 2	1.0619	0.3962	1.4581	1.3039
'I' Class (Accumulation shares)				
Group 1	0.9382	–	0.9382	0.8442
Group 2	0.4529	0.4853	0.9382	0.8442
'I' Class (Income–2 shares)				
Group 1	1.3533	–	1.3533	1.3191
Group 2	0.6042	0.7491	1.3533	1.3191
'J' Class (Accumulation shares)⁽¹⁾				
Group 1	1.0031	–	1.0031	0.9077
Group 2	1.0031	0.0000	1.0031	0.9077
'J' Class (Income–2 shares)				
Group 1	1.3544	–	1.3544	1.3203
Group 2	0.6471	0.7073	1.3544	1.3203
'K' Class (Income–2 shares)				
Group 1	1.2301	–	1.2301	1.1882
Group 2	0.1289	1.1012	1.2301	1.1882
'L' Class (Income–2 shares)				
Group 1	1.2241	–	1.2241	1.1869
Group 2	0.8005	0.4236	1.2241	1.1869
'L' Class (Accumulation shares)⁽³⁾				
Group 1	0.9264	–	0.9264	n/a
Group 2	0.6549	0.2715	0.9264	n/a
'S' Class (Accumulation shares)⁽¹⁾				
Group 1	1.4301	–	1.4301	1.3146
Group 2	1.4301	0.0000	1.4301	1.3146

Distribution Tables

For the year ended 31 May 2019

Final distribution payable 31 July 2019

Group 1 – Shares purchased before 1 December 2018

Group 2 – Shares purchased between 1 December 2018 and 31 May 2019

	Net Income pence	Equalisation pence	Distribution payable 31.07.19 pence	Distribution paid 31.07.18 pence
'A' Class (Accumulation shares)				
Group 1	0.8943	–	0.8943	1.0097
Group 2	0.8943	0.0000	0.8943	1.0097
'A' Class (Income–2 shares)⁽¹⁾				
Group 1	–	–	–	1.8334
Group 2	–	–	–	1.8334
'I' Class (Accumulation shares)				
Group 1	1.3946	–	1.3946	1.4623
Group 2	0.6241	0.7705	1.3946	1.4623
'I' Class (Income–2 shares)				
Group 1	1.7904	–	1.7904	1.8642
Group 2	1.0496	0.7408	1.7904	1.8642
'J' Class (Accumulation shares)⁽¹⁾				
Group 1	–	–	–	1.5232
Group 2	–	–	–	1.5232
'J' Class (Income–2 shares)				
Group 1	1.7931	–	1.7931	1.8666
Group 2	1.4491	0.3440	1.7931	1.8666
'K' Class (Accumulation shares)				
Group 1	1.2410	–	1.2410	n/a
Group 2	0.8635	0.3775	1.2410	n/a
'K' Class (Income–2 shares)				
Group 1	1.6347	–	1.6347	1.6561
Group 2	0.6362	0.9985	1.6347	1.6561
'L' Class (Income–2 shares)				
Group 1	1.6040	–	1.6040	1.6989
Group 2	1.2816	0.3224	1.6040	1.6989
'L' Class (Accumulation shares)⁽³⁾				
Group 1	1.3049	–	1.3049	1.3432
Group 2	1.3049	0.0000	1.3049	1.3432
'S' Class (Accumulation shares)⁽¹⁾				
Group 1	–	–	–	1.9271
Group 2	–	–	–	1.9271

(1) Closed 4 March 2019.

(2) Launched 7 December 2018.

(3) Launched 14 December 2017.

Equalisation

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

Global Special Situations Fund

Statement of Total Return

For the year ended 31 May 2019

	Note	31.05.19 £'000	£'000	31.05.18 £'000	£'000
Income					
Net capital (losses)/gains	4		(22,210)		5,697
Revenue	6	4,532		1,155	
Expenses	7	(692)		(329)	
Interest payable and similar charges		(1)		–	
Net revenue before taxation		3,839		826	
Taxation	8	(326)		(74)	
Net revenue after taxation			3,513		752
Total return before distribution			(18,697)		6,449
Distribution	9		(3,516)		(752)
Change in net assets attributable to shareholders from investment activities			(22,213)		5,697

Statement of Change in Net Assets Attributable to Shareholders

For the year ended 31 May 2019

	31.05.19 £'000	£'000	31.05.18 £'000	£'000
Opening net assets attributable to shareholders		57,128		43,696
Amounts receivable on creation of shares	146,890		28,327	
Amounts payable on cancellation of shares	(11,499)		(21,328)	
		135,391		6,999
Dilution adjustment		235		36
Change in net assets attributable to shareholders from investment activities		(22,213)		5,697
Retained distributions on accumulation shares		4,084		700
Closing net assets attributable to shareholders		174,625		57,128

Notes to the financial statements are on pages 173 to 176

Balance Sheet

As at 31 May 2019

	Note	31.05.19 £'000	£'000	31.05.18 £'000	£'000
ASSETS					
Investments assets			172,164		53,715
Current assets					
Debtors	10	795		203	
Cash and bank balances	11	2,013		3,977	
Total other assets			2,808		4,180
Total assets			174,972		57,895
LIABILITIES					
Creditors					
Distribution payable		90		31	
Other creditors	12	257		736	
Total other liabilities			347		767
Total liabilities			347		767
Net assets attributable to shareholders			174,625		57,128

Notes to the financial statements are on pages 173 to 176

Global Special Situations Fund

Notes to the Financial Statements

For the year ended 31 May 2019

1. Accounting policies

The Accounting policies for the Fund are disclosed in the notes to the financial statements on page 113.

2. Distribution policies

The Distribution policies for the Fund are disclosed in the notes to the financial statements on page 113.

3. Risk management policies

The Risk management policies for the Fund are disclosed in the notes to the financial statements on pages 114 to 125

4. Net capital (losses)/gains

The net capital (losses)/gains during the year comprise:

	31.05.19 £'000	31.05.18 £'000
Losses on foreign exchange	(430)	(13)
Forward currency contracts	22	(9)
Non-derivative securities	(21,760)	5,727
Transaction charges	(42)	(8)
Net capital (losses)/gains	(22,210)	5,697

5. Purchases, sales and transaction costs

Analysis of total trade costs

	Purchases		Sales	
	31.05.19 £'000	31.05.18 £'000	31.05.19 £'000	31.05.18 £'000
Equities	181,399	44,041	41,477	36,962
Trades excluding transaction costs	181,399	44,041	41,477	36,962
Commissions				
Equities	67	23	(17)	(17)
Taxes				
Equities	201	79	(2)	(2)
Total costs	268	102	(19)	(19)
Net trades in the year after transaction costs	181,667	44,143	41,458	36,943

Total transaction cost expressed as a percentage of asset type cost

	Purchases		Sales	
	31.05.19 %	31.05.18 %	31.05.19 %	31.05.18 %
Commissions				
Equities	0.04	0.05	0.04	0.04
Taxes				
Equities	0.11	0.18	0.01	0.01

Total transaction cost expressed as a percentage of average net asset value

	31.05.19 %	31.05.18 %
Commissions	0.05	0.07
Taxes	0.12	0.15
Total costs	0.17	0.22

Average portfolio dealing spread

The average portfolio dealing spread at the balance sheet date was 0.10% (31.05.18: 0.08%).

6. Revenue

	31.05.19 £'000	31.05.18 £'000
Bank interest	3	–
Overseas dividends	3,413	819
UK dividends	1,116	336
Total revenue	4,532	1,155

Global Special Situations Fund

Notes to the Financial Statements continued

For the year ended 31 May 2019

7. Expenses

	31.05.19 £'000	31.05.18 £'000
Payable to the ACD or associates of the ACD, and agents of either of them:		
ACD fee	561	281
General administration charge (GAC)	93	41
	654	322
Payable to the Depositary or associates of the Depositary, and agents of either of them:		
Safe custody fee	42	11
	42	11
Other expenses:		
VAT refund	(4)	(5)
Collateral interest fee	–	1
	(4)	(4)
Total expenses	692	329

Please refer to the Prospectus for a full description of expenses covered by the GAC.

The audit fee for the year is £9,000 (31.05.18: £9,000).

VAT is currently recovered in respect of certain expenses paid under the GAC.

8. Taxation**(a) Analysis of the tax charge in the year:**

	31.05.19 £'000	31.05.18 £'000
Overseas tax	326	74
Current tax charge	326	74
Deferred tax charge (note 8(c))	–	–
Total tax charge (note 8(b))	326	74

(b) Factors affecting current tax charge for the year:

The tax assessed for the year is lower than the standard rate of corporation tax in the UK for an authorised OEIC (20%) (31.05.18: 20%). The differences are explained below:

	31.05.19 £'000	31.05.18 £'000
Net revenue before taxation	3,839	826
Corporation tax of 20%	768	165
Effects of:		
Movement in excess management expenses	91	64
Overseas tax	326	74
Revenue not subject to taxation	(851)	(229)
Overseas tax expensed	(8)	–
Total tax charge (note 8(a))	326	74

(c) Provision for deferred taxation:

There is no provision required for deferred taxation at the Balance Sheet date in the current or prior year.

(d) Factors affecting future tax charge:

The Fund has surplus management expenses that have resulted in an unrecognised deferred asset of £323,000 (31.05.18: £232,000). This asset has not been recognised in the financial statements due to the inherent uncertainty of the Fund to generate sufficient taxable net revenue.

9. Distribution

The Distribution takes account of equalisation received on the creation of shares and deducted on the cancellation of shares, and comprises:

	31.05.19 £'000	31.05.18 £'000
Final	4,174	731
Add: Equalisation deducted on cancellation of shares	112	134
Less: Equalisation received on creation of shares	(770)	(113)
Net distribution for the year	3,516	752

9. Distribution (continued)

The net distribution for the year is represented by:

	31.05.19 £'000	31.05.18 £'000
Net revenue after taxation	3,513	752
Equalisation on conversion of shares	3	–
Net distribution for the year	3,516	752

10. Debtors

	31.05.19 £'000	31.05.18 £'000
Accrued dividends and bank interest	343	166
Amounts receivable for creation of shares	41	32
Overseas tax recoverable	60	5
Sales awaiting settlement	351	–
	795	203

11. Cash and bank balances

	31.05.19 £'000	31.05.18 £'000
Cash and bank balances	2,013	3,977
	2,013	3,977

12. Other creditors

	31.05.19 £'000	31.05.18 £'000
Amounts payable for cancellation of shares	127	56
Purchases awaiting settlement	20	639
Accrued ACD fees	59	24
Accrued general administration charge (GAC)	10	3
Accrued safe custody fee	22	5
Accrued transaction charges	19	9
	257	736

13. Capital commitments and contingent liabilities

The Fund had no contingent liabilities or capital commitments at the year end date (31.05.18: Nil).

14. Related party transactions

Investec Fund Managers Limited, as Authorised Corporate Director (ACD), is a related party, and acts as a principal in respect of all transactions of shares in the Company. The aggregate monies received through issues and paid on cancellation of shares are disclosed in the Statement of Change in Shareholders' Net Assets.

In accordance with the prospectus the ACD collects from the Fund, a general administration charge (GAC), ACD fees and safe custody fees. Please refer to notes 7, 12 and 16 for further details.

Any amounts due to/from Investec Fund Managers Limited at the end of the accounting year are disclosed in notes 10 and 12.

At the year end date 12.87% of the Fund's shares (by net asset value) were held by other Funds managed by the ACD (31.05.18: 42.73%).

15. Dilution adjustment

Please refer to note 4 of the notes to the financial statements for a detailed description of dilution adjustment.

16. ACD Fee and charges

The different level of ACD fees payable per annum as at 31 May 2019 for each share class is detailed below:

'A' Shares	1.50%
'I' Shares	0.75%
'K' Shares	0.30%
'R' Shares	1.00%
'S' Shares	0.00%

The GAC is charged at up to 0.08% of the Net Asset Value of each share class.

All shares within the sub-fund have the same rights on winding up.

Global Special Situations Fund

Notes to the Financial Statements continued

For the year ended 31 May 2019

16. ACD Fee and charges (continued)**Reconciliation of the shares movement in the year:**

	31.05.18 Opening shares in issue	Creations	Cancellations	Shares converted	31.05.19 Closing shares in issue
'A' Class (Accumulation shares)	2,125,303	87,508	(254,445)	(185,466)	1,772,900
'A' Class (Income shares)	78,209	2	–	–	78,211
'I' Class (Accumulation shares)	7,345,769	6,500,350	(3,348,468)	171,054	10,668,705
'I' Class (Income shares)	1,298,186	1,434,914	(555,893)	–	2,177,207
'K' Class (Accumulation shares) ⁽¹⁾	–	127,581,924	–	–	127,581,924
'R' Class (Accumulation shares)	49,833	20,204	(1,924)	–	68,113
'S' Class (Accumulation shares)	7,902,914	63,101	(67,322)	–	7,898,693
'S' Class (Income shares)	20	–	–	–	20

(1) Launched 21 September 2018.

17. Risk consideration

Please refer to note 3 of the financial statements for a detailed description of the risk considerations. There are no further specific risks for this Fund.

The Fund's currency exposure as at 31 May 2019 was:

Currency	Currency exposure	
	Total 31.05.19 £'000	Total 31.05.18 £'000
Australian Dollar	5	2,459
Brazilian Real	11,566	958
Canadian Dollar	4	4
Euro	2,197	1,038
Hong Kong Dollar	1	646
Japanese Yen	7,305	3,163
New Zealand Dollar	1	1
Norwegian Krone	85	748
South Korean Won	5,387	–
Sterling	40,969	18,583
Swedish Krona	4,941	–
Swiss Franc	6,039	–
Turkish Lira	6,999	1,385
UAE Dirham	3,717	1,233
US Dollar	85,409	26,910
Total	174,625	57,128

The majority of the Fund's financial assets are equity shares and other investments which neither pay interest nor have a maturity date. Therefore, the fund's exposure to interest rate risk is not considered to be significant.

18. Fair value

Valuation technique	31.05.19		31.05.18	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
Level 1	172,144	–	53,707	–
Level 2	–	–	–	–
Level 3	20	–	8	–
Total fair value	172,164	–	53,715	–

The three levels of the fair value hierarchy under FRS 102 are as follows:

Level 1 Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 Inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly (that is, as prices) or indirectly (that is, derived from prices);

Level 3 Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

Global Special Situations Fund

Distribution Table

For the year ended 31 May 2019

Final distribution payable 31 July 2019

Group 1 – Shares purchased before 1 June 2018

Group 2 – Shares purchased between 1 June 2018 and 31 May 2019

	Net Income pence	Equalisation pence	Distribution payable 31.07.19 pence	Distribution paid 31.07.18 pence
'A' Class (Accumulation shares)				
Group 1	3.0224	–	3.0224	0.9046
Group 2	2.6959	0.3265	3.0224	0.9046
'A' Class (Income shares)				
Group 1	2.3819	–	2.3819	0.7184
Group 2	2.3819	–	2.3819	0.7184
'I' Class (Accumulation shares)				
Group 1	5.5041	–	5.5041	3.1324
Group 2	4.3664	1.1377	5.5041	3.1324
'I' Class (Income shares)				
Group 1	4.0338	–	4.0338	2.3242
Group 2	3.1305	0.9033	4.0338	2.3242
'K' Class (Accumulation shares)⁽¹⁾				
Group 1	2.1787	–	2.1787	–
Group 2	1.6361	0.5426	2.1787	–
'R' Class (Accumulation shares)				
Group 1	3.5661	–	3.5661	1.8661
Group 2	2.0343	1.5318	3.5661	1.8661
'S' Class (Accumulation shares)				
Group 1	8.3708	–	8.3708	5.6891
Group 2	0.3797	7.9911	8.3708	5.6891
'S' Class (Income shares)				
Group 1	144.2000	–	144.2000	100.1500
Group 2	144.2000	–	144.2000	100.1500

(1) Launched 21 September 2018.

Equalisation

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

Multi-Asset Protector Fund

Statement of Total Return

For the year ended 31 May 2019

	Note	31.05.19 £'000	£'000	31.05.18 £'000	£'000
Income					
Net capital gains	4		878		3,895
Revenue	6	2,847		4,029	
Expenses	7	(2,897)		(3,408)	
Interest payable and similar charges		(5)		(8)	
Net (expense)/revenue before taxation		(55)		613	
Taxation	8	(47)		(27)	
Net (expense)/revenue after taxation			(102)		586
Total return before distribution			776		4,481
Distribution	9		(48)		(586)
Change in net assets attributable to shareholders from investment activities			728		3,895

Statement of Change in Net Assets Attributable to Shareholders

For the year ended 31 May 2019

	31.05.19 £'000	£'000	31.05.18 £'000	£'000
Opening net assets attributable to shareholders		188,046		224,067
Amounts receivable on creation of shares	792		1,595	
Amounts payable on cancellation of shares	(26,544)		(42,038)	
		(25,752)		(40,443)
Change in net assets attributable to shareholders from investment activities		728		3,895
Retained distributions on accumulation shares		–		527
Closing net assets attributable to shareholders		163,022		188,046

Notes to the financial statements are on pages 179 to 183.

Balance Sheet

As at 31 May 2019

	Note	31.05.19 £'000	£'000	31.05.18 £'000	£'000
ASSETS					
Investments assets			154,202		186,264
Current assets					
Debtors	10	2,040		203	
Cash and bank balances	11	12,772		6,256	
Total other assets			14,812		6,459
Total assets			169,014		192,723
LIABILITIES					
Investment liabilities			1,800		3,870
Creditors					
Bank overdrafts		391		5	
Other creditors	12	3,801		802	
Total other liabilities			4,192		807
Total liabilities			5,992		4,677
Net assets attributable to shareholders			163,022		188,046

Notes to the financial statements are on pages 179 to 183.

Multi-Asset Protector Fund

Notes to the Financial Statements

For the year ended 31 May 2019

1. Accounting policies

The Accounting policies for the Fund are disclosed in the notes to the financial statements on page 113.

2. Distribution policies

The Distribution policies for the Fund are disclosed in the notes to the financial statements on page 113.

3. Risk management policies

The Risk management policies for the Fund are disclosed in the notes to the financial statements on pages 114 to 125

4. Net capital gains

The net capital gains during the year comprise:

	31.05.19 £'000	31.05.18 £'000
Losses on foreign exchange	(754)	(823)
Derivative contracts	(1,026)	–
Forward currency contracts	(4,558)	2,045
Non-derivative securities	7,227	2,679
Transaction charges	(11)	(6)
Net capital gains	878	3,895

5. Purchases, sales and transaction costs

Analysis of total trade costs[#]

	Purchases		Sales	
	31.05.19 £'000	31.05.18 £'000	31.05.19 £'000	31.05.18 £'000
Equities	16,914	24,485	17,382	10,281
Bonds	45,899	2,440	4,725	20,530
Collective Investment Schemes	33,105	114,769	119,667	122,885
Treasury Bills	250,388	246,747	244,088	257,463
Trades excluding transaction costs	346,306	388,441	385,862	411,159
Commissions				
Equities	6	8	(6)	(3)
Bonds	–	–	–	–
Collective Investment Schemes	–	2	(6)	(8)
Treasury Bills	–	–	–	–
Total commissions	6	10	(12)	(11)
Taxes				
Equities	10	19	–	(1)
Bonds	–	–	–	–
Collective Investment Schemes	–	15	–	–
Treasury Bills	–	–	–	–
Total taxes	10	34	–	(1)
Total costs	16	44	(12)	(12)
Net trades in the year after transaction costs	346,322	388,485	385,850	411,147

[#] Cash collateral is no longer included in investment portfolio but now appears in cash and bank balances, prior year figures have therefore been restated.

Total transaction cost expressed as a percentage of asset type cost

	Purchases		Sales	
	31.05.19 %	31.05.18 %	31.05.19 %	31.05.18 %
Commissions				
Equities	0.04	0.03	0.03	0.03
Bonds	–	–	–	–
Collective Investment Schemes	–	–	–	0.01
Treasury Bills	–	–	–	–
Taxes				
Equities	0.06	0.08	–	(0.01)
Bonds	–	–	–	–
Collective Investment Schemes	–	0.01	–	–
Treasury Bills	–	–	–	–

Multi-Asset Protector Fund

Notes to the Financial Statements continued

For the year ended 31 May 2019

5. Purchases, sales and transaction costs (continued)**Total transaction cost expressed as a percentage of average net asset value**

	31.05.19 %	31.05.18 %
Commissions	0.01	0.01
Taxes	0.01	0.02
Total costs	0.02	0.03

Average portfolio dealing spread

The average portfolio dealing spread at the balance sheet date was 0.04% (31.05.18: 0.07%).

6. Revenue

	31.05.19 £'000	31.05.18 £'000
Bank interest	36	28
Franked investment income from collective investment schemes	105	338
Interest on debt securities	544	546
Interest distributions from collective investment schemes	196	259
Overseas dividends	541	590
Rebate of management fees from underlying investments*	65	57
UK dividends	112	122
Offshore distribution taxable from collective investment schemes	957	964
Offshore distribution non-taxable from collective investment schemes	252	1,123
Property revenue from UK REITs – PID	27	–
Property revenue from overseas REITs	12	2
Total revenue	2,847	4,029

* ACD Fee Rebate is no longer included in expenses but now appears in rebate of management fees from underlying investments, prior year figures have therefore been restated.

7. Expenses

	31.05.19 £'000	31.05.18 £'000
Payable to the ACD or associates of the ACD, and agents of either of them:		
ACD fee*	2,768	3,246
General administration charge (GAC)	117	149
	2,885	3,395
Payable to the Depositary or associates of the Depositary, and agents of either of them:		
Safe custody fee	5	18
	5	18
Other expenses:		
VAT refund	(1)	(8)
Out of pocket expenses	(2)	–
Collateral interest fee	10	3
	7	(5)
Total expenses	2,897	3,408

Please refer to the Prospectus for a full description of expenses covered by the GAC.

The audit fee for the year is £8,000 (31.05.18: £8,000).

VAT is currently recovered in respect of certain expenses paid under the GAC.

* ACD Fee Rebate is no longer included in expenses but now appears in rebate of management fees from underlying investments, prior year figures have therefore been restated.

8. Taxation**(a) Analysis of the tax charge in the year:**

	31.05.19 £'000	31.05.18 £'000
Overseas tax	47	27
Current tax charge	47	27
Deferred tax charge (note 8(c))	–	–
Total tax charge (note 8(b))	47	27

(b) Factors affecting current tax charge for the year:

The tax assessed for the year is lower than the standard rate of corporation tax in the UK for an authorised OEIC (20%) (31.05.18: 20%). The differences are explained below:

	31.05.19 £'000	31.05.18 £'000
Net revenue before taxation	(55)	613
Corporation tax of 20%	(11)	123
Effects of:		
Movement in excess management expenses	213	309
Overseas tax	47	27
Revenue not subject to taxation	(201)	(432)
Overseas tax expensed	(1)	–
Total tax charge (note 8(a))	47	27

(c) Provision for deferred taxation:

There is no provision required for deferred taxation at the Balance Sheet date in the current or prior year.

(d) Factors affecting future tax charge:

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £2,535,000 (2018: £2,322,000) in relation to surplus management expenses. It is unlikely that the Fund will generate sufficient taxable profits in the future to utilise this amount and therefore no deferred tax asset has been recognised in the year.

9. Distribution

The Distribution takes account of equalisation received on the creation of shares and deducted on the cancellation of shares, and comprises:

	31.05.19 £'000	31.05.18 £'000
Final	–	527
Add: Equalisation deducted on cancellation of shares	48	61
Less: Equalisation received on creation of shares	–	(2)
Net distribution for the year	48	586

The net distribution for the year is represented by:

	31.05.19 £'000	31.05.18 £'000
Net (expense)/revenue after taxation	(102)	586
Revenue deficit	150	–
Net distribution for the year	48	586

10. Debtors

	31.05.19 £'000	31.05.18 £'000
Accrued bond interest	259	44
Accrued dividends and bank interest	39	102
Amounts due for rebates from underlying funds	35	4
Overseas tax recoverable	11	46
Sales awaiting settlement	1,696	7
	2,040	203

11. Cash and bank balances

	31.05.19 £'000	31.05.18 £'000
Cash and bank balances	9,910	6,256
Amount held at futures clearing houses and brokers	2,862	–
	12,772	6,256

Multi-Asset Protector Fund

Notes to the Financial Statements continued

For the year ended 31 May 2019

12. Other creditors

	31.05.19 £'000	31.05.18 £'000
Amounts payable for cancellation of shares	417	362
Purchases awaiting settlement	3,001	–
Accrued ACD fees	225	256
Accrued general administration charge (GAC)	10	11
Accrued safe custody fee	3	8
Accrued transaction charges	2	1
Payable for pricing protection expense	143	164
	3,801	802

13. Capital commitments and contingent liabilities

The Fund had no contingent liabilities or capital commitments at the year end date (31.05.18: Nil).

14. Related party transactions

Investec Fund Managers Limited, as Authorised Corporate Director (ACD), is a related party, and acts as a principal in respect of all transactions of shares in the Company. The aggregate monies received through issues and paid on cancellation of shares are disclosed in the Statement of Change in Shareholders' Net Assets.

In accordance with the prospectus the ACD collects from the Fund, a general administration charge (GAC), ACD fees and safe custody fees. Please refer to notes 7, 12 and 16 for further details.

Any amounts due to/from Investec Fund Managers Limited at the end of the accounting year are disclosed in notes 10 and 12.

15. Dilution adjustment

Please refer to note 4 of the notes to the financial statements for a detailed description of dilution adjustment.

16. ACD Fee and charges

The different level of ACD fees payable per annum as at 31 May 2019 for each share class is detailed below:

'A' Shares 1.60%

The GAC is charged at up to 0.08% of the Net Asset Value of each share class.

All shares within the sub-fund have the same rights on winding up.

Reconciliation of the shares movement in the year:

	31.05.18 Opening shares in issue	Creations	Cancellations	Shares converted	31.05.19 Closing shares in issue
'A' Class (Accumulation shares)	107,515,176	456,024	(15,289,673)	–	92,681,527

17. Risk consideration

Please refer to note 3 of the financial statements for a detailed description of the risk considerations. There are no further specific risks for this Fund.

The Fund's currency exposure as at 31 May 2019 was:

Currency	Currency exposure	
	31.05.19 Total £'000	31.05.18 Total £'000
Australian Dollar	674	903
Brazilian Real	–	136
Canadian Dollar	414	302
Danish Krone	443	477
Euro	(931)	(4468)
Hong Kong Dollar	(4462)	196
Indonesian rupiah	2,500	–
Japanese Yen	(12)	298
Mexican Peso	47	189
Sterling	153,340	147,849
South African rand	691	–
Swedish Krona	764	1278
Swiss Franc	616	283
US Dollar	8,938	40603
Total	163,022	188,046

The majority of the Fund's financial assets are equity shares and other investments which neither pay interest nor have a maturity date. Therefore, the fund's exposure to interest rate risk is not considered to be significant.

18. Efficient portfolio management techniques risk exposure

The exposure obtained through efficient portfolio management techniques and identity of counterparties as at 31 May 2019 was as follows:

(a) Forwards

Counterparty	Market Value	
	31.05.19 £'000	31.05.18 £'000
Citibank	–	(93)
Goldman Sachs	–	(3411)
HSBC	(775)	–
JP Morgan	(66)	–
Total	(841)	(3,504)

(b) Futures

Counterparty	Market Value 31.05.19 £'000	Value of exposure 31.05.19 £'000
Goldman Sachs	(918)	21,919
Total	(918)	21,919

Futures

Counterparty	Market Value 31.05.18 £'000	Value of exposure 31.05.18 £'000
Total	–	–

19. Fair value[#]

Valuation technique	31.05.19		31.05.18	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
Level 1	111,025	(959)	152,518	–
Level 2	43,177	(841)	33,746	(3,870)
Level 3	–	–	–	–
Total fair value	154,202	(1,800)	186,264	(3,870)

[#] Cash collateral is no longer included in investment portfolio but now appears in cash and bank balances, prior year figures have therefore been restated.

The three levels of the fair value hierarchy under FRS 102 are as follows:

Level 1 Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 Inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly (that is, as prices) or indirectly (that is, derived from prices);

Level 3 Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

Multi-Asset Protector Fund

Distribution Table

For the year ended 31 May 2019

Final distribution payable 31 July 2019

Group 1 – Shares purchased before 1 June 2018

Group 2 – Shares purchased between 1 June 2018 and 31 May 2019

	Net Income pence	Equalisation pence	Distribution payable 31.07.19 pence	Distribution paid 31.07.18 pence
'A' Class (Accumulation shares)				
Group 1	–	–	–	0.4906
Group 2	–	–	–	0.4906

Equalisation

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

Multi-Asset Protector Fund 2

Statement of Total Return

For the year ended 31 May 2019

	Note	31.05.19 £'000	£'000	31.05.18 £'000	£'000
Income					
Net capital gains	4		634		1,147
Revenue	6	1,337		1,273	
Expenses	7	(746)		(598)	
Interest payable and similar charges		(8)		(2)	
Net revenue before taxation		583		673	
Taxation	8	(35)		(10)	
Net revenue after taxation			548		663
Total return before distribution			1,182		1,810
Distribution	9		(548)		(663)
Change in net assets attributable to shareholders from investment activities			634		1,147

Statement of Change in Net Assets Attributable to Shareholders

For the year ended 31 May 2019

	31.05.19 £'000	£'000	31.05.18 £'000	£'000
Opening net assets attributable to shareholders		79,792		60,881
Amounts receivable on creation of shares	16,024		19,986	
Amounts payable on cancellation of shares	(5,542)		(2,975)	
		10,482		17,011
Change in net assets attributable to shareholders from investment activities		634		1,147
Retained distributions on accumulation shares		577		753
Closing net assets attributable to shareholders		91,485		79,792

Notes to the financial statements are on pages 186 to 191.

Balance Sheet

As at 31 May 2019

	Note	31.05.19 £'000	£'000	31.05.18 £'000	£'000
ASSETS					
Investments assets			89,373		76,972
Current assets					
Debtors	10	588		535	
Cash and bank balances	11	5,909		4,021	
Total other assets			6,497		4,556
Total assets			95,870		81,528
LIABILITIES					
Investment liabilities			973		1,590
Creditors					
Bank overdrafts		211		—	
Other creditors	12	3,201		146	
Total other liabilities			3,412		146
Total liabilities			4,385		1,736
Net assets attributable to shareholders			91,485		79,792

Notes to the financial statements are on pages 186 to 191.

Multi-Asset Protector Fund 2

Notes to the Financial Statements

For the year ended 31 May 2019

1. Accounting policies

The Accounting policies for the Fund are disclosed in the notes to the financial statements on page 113.

2. Distribution policies

The Distribution policies for the Fund are disclosed in the notes to the financial statements on page 113.

3. Risk management policies

The Risk management policies for the Fund are disclosed in the notes to the financial statements on pages 114 to 125

4. Net capital gains

The net capital gains during the year comprise:

	31.05.19 £'000	31.05.18 £'000
Gains on foreign exchange	37	130
Derivative contracts	(572)	–
Forward currency contracts	(2,173)	261
Non-derivative securities	3,757	1,094
Transaction charges	(10)	(7)
Price protection expense	(405)	(331)
Net capital gains	634	1,147

5. Purchases, sales and transaction costs

Analysis of total trade costs

	Purchases		Sales	
	31.05.19 £'000	31.05.18 £'000	31.05.19 £'000	31.05.18 £'000
Equities	9,515	9,935	5,445	2,839
Bonds	25,158	1,263	930	4,759
Collective Investment Schemes	19,256	45,561	51,285	31,057
Treasury Bills	147,222	89,868	134,936	88,913
Trades excluding transaction costs	201,151	146,627	192,596	127,568
Commissions				
Equities	4	3	(2)	(1)
Bonds	–	–	–	–
Collective Investment Schemes	–	1	(3)	(2)
Treasury Bills	–	–	–	–
Total commissions	4	4	(5)	(3)
Taxes				
Equities	6	8	–	–
Bonds	–	–	–	–
Collective Investment Schemes	–	6	–	–
Treasury Bills	–	–	–	–
Total taxes	6	14	–	–
Total costs	10	18	(5)	(3)
Net trades in the year after transaction costs	201,161	146,645	192,591	127,565

Total transaction cost expressed as a percentage of asset type cost

	Purchases		Sales	
	31.05.19 %	31.05.18 %	31.05.19 %	31.05.18 %
Commissions				
Equities	0.04	0.03	–	0.03
Bonds	–	–	–	–
Collective Investment Schemes	–	–	–	0.01
Treasury Bills	–	–	–	–
Taxes				
Equities	0.06	0.08	–	–
Bonds	–	–	–	–
Collective Investment Schemes	–	0.01	–	–
Treasury Bills	–	–	–	–

5. Purchases, sales and transaction costs (continued)**Total transaction cost expressed as a percentage of average net asset value**

	31.05.19 %	31.05.18 %
Commissions	0.01	0.01
Taxes	0.01	0.02
Total costs	0.02	0.03

Average portfolio dealing spread

The average portfolio dealing spread at the balance sheet date was 0.04% (31.05.18: 0.07%).

6. Revenue

	31.05.19 £'000	31.05.18 £'000
Bank interest	23	11
Franked investment income from collective investment schemes	51	109
Interest on debt securities	280	178
Interest distributions from collective investment schemes	86	79
Overseas dividends	259	199
UK dividends	57	43
Offshore distribution taxable from collective investment schemes	447	308
Offshore distribution non-taxable from collective investment schemes	115	345
Property revenue from UK REITs – PID	13	–
Property revenue from overseas REITs	6	1
Total revenue	1,337	1,273

7. Expenses

	31.05.19 £'000	31.05.18 £'000
Payable to the ACD or associates of the ACD, and agents of either of them:		
ACD fee	673	543
General administration charge (GAC)	59	51
	732	594
Payable to the Depositary or associates of the Depositary, and agents of either of them:		
Safe custody fee	4	4
	4	4
Other expenses:		
VAT refund	–	(3)
Collateral interest fee	10	3
	10	–
Total expenses	746	598

Please refer to the Prospectus for a full description of expenses covered by the GAC.

The audit fee for the year is £8,000 (31.05.18: £8,000).

VAT is currently recovered in respect of certain expenses paid under the GAC.

8. Taxation**(a) Analysis of the tax charge in the year:**

	31.05.19 £'000	31.05.18 £'000
Corporation tax	12	–
Overseas tax	23	10
Current tax charge	35	10
Total tax charge (note 8(b))	35	10

Multi-Asset Protector Fund 2

Notes to the Financial Statements continued

For the year ended 31 May 2019

8. Taxation (continued)**(b) Factors affecting current tax charge for the year:**

The tax assessed for the year is lower than the standard rate of corporation tax in the UK for an authorised OEIC (20%) (31.05.18: 20%). The differences are explained below:

	31.05.19 £'000	31.05.18 £'000
Net revenue before taxation	583	673
Corporation tax of 20%	117	135
Effects of:		
Movement in excess management expenses	(4)	4
Overseas tax	23	10
Revenue not subject to taxation	(97)	(139)
Double taxation relief	(4)	–
Total tax charge (note 8(a))	35	10

(c) Provision for deferred taxation:

There is no provision required for deferred taxation at the Balance Sheet date in the current or prior year.

(d) Factors affecting future tax charge:

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £nil (2018: £4,000) in relation to surplus management expenses. It is unlikely that the Fund will generate sufficient taxable profits in the future to utilise this amount and therefore no deferred tax asset has been recognised in the year.

9. Distribution

The Distribution takes account of equalisation received on the creation of shares and deducted on the cancellation of shares, and comprises:

	31.05.19 £'000	31.05.18 £'000
Final	577	753
Add: Equalisation deducted on cancellation of shares	28	18
Less: Equalisation received on creation of shares	(57)	(108)
Net distribution for the year	548	663

The net distribution for the year is represented by:

	31.05.19 £'000	31.05.18 £'000
Net revenue after taxation	548	663
Net distribution for the year	548	663

10. Debtors

	31.05.19 £'000	31.05.18 £'000
Accrued bond interest	141	18
Accrued dividends and bank interest	24	38
Amounts receivable for creation of shares	70	454
Income tax recoverable	–	20
Overseas tax recoverable	5	2
Sales awaiting settlement	333	–
Amounts due for ACD's periodic charge rebate	15	3
	588	535

11. Cash and bank balances

	31.05.19 £'000	31.05.18 £'000
Cash and bank balances	4,361	4,021
Amount held at futures clearing houses and brokers	1,548	–
	5,909	4,021

12. Other creditors

	31.05.19 £'000	31.05.18 £'000
Amounts payable for cancellation of shares	44	–
Corporation tax payable	12	20
Purchases awaiting settlement	2,995	–
Accrued ACD fees	63	53
Accrued general administration charge (GAC)	5	4
Accrued safe custody fee	2	2
Accrued transaction charges	1	1
Payable for pricing protection expense	79	66
	3,201	146

13. Capital commitments and contingent liabilities

The Fund had no contingent liabilities or capital commitments at the year end date (31.05.18: Nil).

14. Related party transactions

Investec Fund Managers Limited, as Authorised Corporate Director (ACD), is a related party, and acts as a principal in respect of all transactions of shares in the Company. The aggregate monies received through issues and paid on cancellation of shares are disclosed in the Statement of Change in Shareholders' Net Assets.

In accordance with the prospectus the ACD collects from the Fund, a general administration charge (GAC), ACD fees and safe custody fees. Please refer to notes 7, 12 and 16 for further details.

Any amounts due to/from Investec Fund Managers Limited at the end of the accounting year are disclosed in notes 10 and 12.

15. Dilution adjustment

Please refer to note 4 of the notes to the financial statements for a detailed description of dilution adjustment.

16. ACD Fee and charges

The different level of ACD fees payable per annum as at 31 May 2019 for each share class is detailed below:

'I' Shares 0.80%

The GAC is charged at up to 0.08% of the Net Asset Value of each share class.

Reconciliation of the shares movement in the year:

	31.05.18 Opening shares in issue	Creations	Cancellations	Shares converted	31.05.19 Closing shares in issue
'I' Class (Accumulation shares)	55,415,395	11,194,709	(3,854,703)	–	62,755,401

17. Risk consideration

Please refer to note 3 of the financial statements for a detailed description of the risk considerations. There are no further specific risks for this Fund.

The Fund's currency exposure as at 31 May 2019 was:

Currency	Currency exposure	
	31.05.19 Total £'000	31.05.18 Total £'000
Australian Dollar	350	384
Brazilian Real	9	62
Canadian Dollar	320	118
Danish Krone	238	186
Euro	(87)	(895)
Hong Kong Dollar	(2,451)	77
Indonesian Rupiah	1,369	–
Japanese Yen	(228)	112
Mexican Peso	19	75
South African Rand	394	–
Sterling	85,305	62,669
Swedish Krona	422	526
Swiss Franc	331	111
Turkish Lira	1	2
US Dollar	5,493	16,365
Total	91,485	79,792

Multi-Asset Protector Fund 2

Notes to the Financial Statements continued

For the year ended 31 May 2019

17. Risk consideration (continued)

Interest rate risk profile of financial assets and liabilities as at 31 May 2019 was as follows:

Currency	Floating rate financial assets 31.05.19 £'000	Fixed rate financial assets 31.05.19 £'000	Financial assets not carrying interest 31.05.19 £'000	Total 31.05.19 £'000
Australian Dollar	2	–	348	350
Brazilian Real	9	–	–	9
Canadian Dollar	6	1,879	(1,565)	320
Danish Krone	–	–	238	238
Euro	85	–	(172)	(87)
Hong Kong Dollar	(112)	–	(2,339)	(2,451)
Indonesian Rupiah	–	1,364	5	1,369
Japanese Yen	(6)	–	(222)	(228)
Mexican Peso	19	–	–	19
South African Rand	–	382	11	393
Sterling	5,364	40,902	39,038	85,304
Swedish Krona	–	–	422	422
Swiss Franc	–	–	332	332
Turkish Lira	1	–	–	1
US Dollar	330	11,639	(6,475)	5,494
Total	5,698	56,166	29,621	91,485

Interest rate risk profile of financial assets and liabilities as at 31 May 2018 was as follows:

Currency	Floating rate financial assets 31.05.18 £'000	Fixed rate financial assets 31.05.18 £'000	Financial assets not carrying interest 31.05.18 £'000	Total 31.05.18 £'000
Australian Dollar	8	–	376	384
Brazilian Real	9	–	53	62
Canadian Dollar	5	–	113	118
Danish Krone	–	–	186	186
Euro	–	–	(895)	(895)
Hong Kong Dollar	1	–	76	77
Japanese Yen	–	–	112	112
Mexican Peso	9	–	66	75
Sterling	3,975	13,991	58,694	76,660
Swedish Krona	–	–	526	526
Swiss Franc	–	–	111	111
Turkish Lira	2	–	–	2
US Dollar	12	3,991	(1,629)	2,374
Total	4,021	17,982	57,789	79,792

18. Efficient portfolio management techniques risk exposure

The exposure obtained through efficient portfolio management techniques and identity of counterparties as at 31 May 2019 was as follows:

(a) Forwards

Counterparty	Market Value	
	31.05.19 £'000	31.05.18 £'000
Citibank	–	(121)
Goldman Sachs	–	(1,365)
HSBC	(405)	–
JP Morgan	(29)	–
Total	(434)	(1,486)

18. Efficient portfolio management techniques risk exposure (continued)

(b) Futures

	Market Value 31.05.19 £'000	Value of exposure 31.05.18 £'000
Counterparty		
Goldman Sachs	(517)	12,256
Total	(517)	12,256

Futures

	Market Value 31.05.18 £'000	Value of exposure 31.05.18 £'000
Counterparty		
Goldman Sachs	–	–
Total	–	–

19. Fair value

	31.05.19		31.05.18	
Valuation technique	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
Level 1	61,176	(539)	62,877	–
Level 2	28,197	(434)	14,095	(1,590)
Level 3	–	–	–	–
Total fair value	89,373	(973)	76,972	(1,590)

The three levels of the fair value hierarchy under FRS 102 are as follows:

Level 1 Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 Inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly (that is, as prices) or indirectly (that is, derived from prices);

Level 3 Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

Multi-Asset Protector Fund 2

Distribution Table

For the year ended 31 May 2019

Final distribution payable 31 July 2019

Group 1 – Shares purchased before 1 June 2018

Group 2 – Shares purchased between 1 June 2018 and 31 May 2019

	Net Income pence	Equalisation pence	Distribution payable 31.07.19 pence	Distribution paid 31.07.18 pence
'I' Class (Accumulation shares)				
Group 1	0.9197	–	0.9197	1.3591
Group 2	0.3863	0.5334	0.9197	1.3591

Equalisation

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

Target Return Bond Fund

Statement of Total Return

For the year ended 31 May 2019

	Note	31.05.19 £'000	£'000	31.05.18 £'000	£'000
Income					
Net capital gains/(losses)	4		2,963		(16,449)
Revenue	6	3,670		6,766	
Expenses	7	(414)		(1,148)	
Interest payable and similar charges	8	(161)		(185)	
Net revenue before taxation		3,095		5,433	
Taxation	9	2		(25)	
Net revenue after taxation			3,097		5,408
Total return before distributions			6,060		(11,041)
Distributions	10		(3,097)		(5,408)
Change in net assets attributable to shareholders from investment activities			2,963		(16,449)

Statement of Change in Net Assets Attributable to Shareholders

For the year ended 31 May 2019

	31.05.19 £'000	£'000	31.05.18 £'000	£'000
Opening net assets attributable to shareholders		273,663		291,287
Amounts receivable on creation of shares	1,971		43,425	
Amounts payable on cancellation of shares	(175,403)		(48,379)	
		(173,432)		(4,954)
Dilution adjustment		74		35
Change in net assets attributable to shareholders from investment activities		2,963		(16,449)
Retained distributions on accumulation shares		2,725		3,744
Closing net assets attributable to shareholders		105,993		273,663

Notes to the financial statements are on pages 194 to 200.

Balance Sheet

As at 31 May 2019

	Note	31.05.19 £'000	£'000	31.05.18 £'000	£'000
ASSETS					
Investments assets			81,900		190,898
Current assets					
Debtors	11	8,016		2,094	
Cash and bank balances	12	30,483		121,316	
Total other assets			38,499		123,410
Total assets			120,399		314,308
LIABILITIES					
Investment liabilities			6,016		20,131
Creditors					
Bank overdrafts		200		20,065	
Distribution payable		–		291	
Other creditors	13	8,190		158	
Total other liabilities			8,390		20,514
Total liabilities			14,406		40,645
Net assets attributable to shareholders			105,993		273,663

Notes to the financial statements are on pages 194 to 200.

Target Return Bond Fund

Notes to the Financial Statements

For the year ended 31 May 2019

1. Accounting policies

The Accounting policies for the Fund are disclosed in the notes to the financial statements on page 113.

2. Distribution policies

The Distribution policies for the Fund are disclosed in the notes to the financial statements on page 113.

3. Risk management policies

The Risk management policies for the Fund are disclosed in the notes to the financial statements on pages 114 to 125

4. Net capital gains/(losses)

The net capital gains/(losses) during the year comprise:

	31.05.19 £'000	31.05.18 £'000
Losses on foreign exchange	(2,377)	(3,861)
Derivative contracts	(709)	(636)
Forward currency contracts	1,068	1,997
Non-derivative securities	4,986	(13,943)
Transaction charges	(5)	(6)
Tax provision	15	–
Net capital gains/(losses)	2,978	(16,449)

5. Purchases, sales and transaction costs

Analysis of total trade costs

	Purchases		Sales	
	31.05.19 £'000	31.05.18 £'000	31.05.19 £'000	31.05.18 £'000
Bonds	239,788	543,836	352,320	590,792
Treasury Bills	343,247	–	347,201	–
Options	443	501	398	–
Swaps	1,957,204	1,956,007	1,956,145	1,952,146
Certificates of Deposit	9,986	–	6,000	–
Commercial Papers	27,945	–	22,991	–
Futures*	–	–	–	–
Trades excluding transaction costs	2,578,613	2,500,344	2,685,055	2,542,938
Commissions				
Bonds	–	–	–	–
Treasury Bills	–	–	–	–
Options	–	–	–	–
Swaps	–	–	–	–
Certificates of Deposit	–	–	–	–
Commercial Papers	–	–	–	–
Futures*	–	5	–	(10)
Total commissions	–	5	–	(10)
Taxes				
Bonds	–	–	–	(7)
Treasury Bills	–	–	–	–
Options	–	–	–	–
Swaps	–	–	–	–
Certificates of Deposit	–	–	–	–
Commercial Papers	–	–	–	–
Futures*	–	–	–	–
Total taxes	–	–	–	(7)
Total costs	–	5	–	(17)
Net trades in the year after transaction costs	2,578,613	2,500,349	2,685,055	2,542,921

5. Purchases, sales and transaction costs (continued)**Total transaction cost expressed as a percentage of asset type cost**

	Purchases		Sales	
	31.05.19	31.05.18	31.05.19	31.05.18
	%	%	%	%
Commissions				
Bonds	–	–	–	–
Treasury Bills	–	–	–	–
Options	–	–	–	–
Swaps	–	–	–	–
Certificates of Deposit	–	–	–	–
Commercial Papers	–	–	–	–
Futures*	–	–	–	–
Taxes				
Bonds	–	–	–	–
Treasury Bills	–	–	–	–
Options	–	–	–	–
Swaps	–	–	–	–
Certificates of Deposit	–	–	–	–
Commercial Papers	–	–	–	–
Futures*	–	–	–	–

* Purchases and/or sales of futures contracts do not incur transaction costs and have been included at the value of their exposure.

Total transaction cost expressed as a percentage of average net asset value

	31.05.19	31.05.18
	%	%
Commissions	–	0.01
Taxes	–	–
Total costs	–	0.01

Average portfolio dealing spread

The average portfolio dealing spread at the balance sheet date was 0.31% (31.05.18: 0.16%).

6. Revenue

	31.05.19	31.05.18
	£'000	£'000
Bank interest	156	57
Interest on debt securities	3,493	6,694
Margin interest	21	15
Total revenue	3,670	6,766

7. Expenses

	31.05.19	31.05.18
	£'000	£'000
Payable to the ACD or associates of the ACD, and agents of either of them:		
ACD fee	231	828
General administration charge (GAC)	119	219
	350	1,047
Payable to the Depositary or associates of the Depositary, and agents of either of them:		
Safe custody fee	6	45
	6	45
Other expenses:		
Currency hedge	43	58
VAT refund	(7)	(12)
Collateral interest fee	22	10
	58	56
Total expenses	414	1,148

Please refer to the Prospectus for a full description of expenses covered by the GAC.

The audit fee for the year is £12,000 (31.05.18: £12,000).

VAT is currently recovered in respect of certain expenses paid under the GAC.

Target Return Bond Fund

Notes to the Financial Statements continued

For the year ended 31 May 2019

8. Interest payable and similar charges

	31.05.19 £'000	31.05.18 £'000
Interest	28	32
Margin interest	133	153
Total interest payable and similar charges	161	185

9. Taxation**(a) Analysis of the tax charge in the year:**

	31.05.19 £'000	31.05.18 £'000
Corporation tax	45	5
Double taxation relief	1	(5)
Overseas tax	180	25
Current tax charge	226	25
Deferred tax charge (note 9(c))	–	–
Total tax charge (note 9(b))	226	25

(b) Factors affecting current tax charge for the year:

The tax assessed for the year is lower than the standard rate of corporation tax in the UK for an authorised OEIC (20%) (31.05.18: 20%). The differences are explained below:

	31.05.19 £'000	31.05.18 £'000
Net revenue before taxation	3,075	5,433
Corporation tax of 20%	615	1,087
Effects of:		
Overseas tax	180	25
Revenue not subject to taxation	–	2
Tax deductible interest distributions	(570)	(1,084)
Double taxation relief	1	(5)
Total tax charge (note 9(a))	226	25

(c) Provision for deferred taxation:

There is no provision required for deferred taxation at the Balance Sheet date in the current or prior year.

10. Distributions

The Distributions take account of equalisation received on the creation of shares and deducted on the cancellation of shares, and comprise:

	31.05.19 £'000	31.05.18 £'000
First quarter	1,084	1,795
Second quarter	548	1,279
Third quarter	560	1,252
Final	834	1,122
	3,026	5,448
Add: Equalisation deducted on cancellation of shares	77	73
Less: Equalisation received on creation of shares	(6)	(113)
Net distribution for the year	3,097	5,408

11. Debtors

	31.05.19 £'000	31.05.18 £'000
Accrued bond interest	605	1,295
Accrued dividends and bank interest	3	–
Overseas tax recoverable	202	194
Sales awaiting settlement	6,555	–
Unrealised currency hedge	651	605
	8,016	2,094

12. Cash and bank balances

	31.05.19 £'000	31.05.18 £'000
Cash and bank balances	29,885	99,312
Amount held at futures clearing houses and brokers	598	22,004
	30,483	121,316

13. Other creditors

	31.05.19 £'000	31.05.18 £'000
Amounts payable for cancellation of shares	743	28
Purchases awaiting settlement	7,429	–
Payable for hedge fee expense	5	39
Accrued ACD fees	1	54
Accrued general administration charge (GAC)	6	15
Accrued safe custody fee	4	19
Accrued transaction charges	2	3
	8,190	158

14. Capital commitments and contingent liabilities

The Fund had no contingent liabilities or capital commitments at the year end date (31.05.18: Nil).

15. Related party transactions

Investec Fund Managers Limited, as Authorised Corporate Director (ACD), is a related party, and acts as a principal in respect of all transactions of shares in the Company. The aggregate monies received through issues and paid on cancellation of shares are disclosed in the Statement of Change in Shareholders' Net Assets.

In accordance with the prospectus the ACD collects from the Fund, a general administration charge (GAC), ACD fees and safe custody fees. Please refer to notes 7, 13 and 17 for further details.

Any amounts due to/from Investec Fund Managers Limited at the end of the accounting year are disclosed in notes 11 and 13.

16. Dilution adjustment

Please refer to note 4 of the notes to the financial statements for a detailed description of dilution adjustment.

17. ACD Fee and charges

The different level of ACD fees payable per annum as at 31 May 2019 for each share class is detailed below:

'A' Shares	1.25%
'I' Shares	0.65%
'R' Shares	0.75%
'S' Shares	0.00%

The GAC is charged at up to 0.08% of the Net Asset Value of each share class.

All shares within the sub-fund have the same rights on winding up.

Reconciliation of the shares movement in the year:

	31.05.18 Opening shares in issue	Creations	Cancellations	Shares converted	31.05.19 Closing shares in issue
'A' Class (Accumulation shares)	2,650,951	397	(2,610,726)	(5,225)	35,397
'A' Class (Income shares)	15,885	–	–	–	15,885
'I' Class (Accumulation shares)	2,746,996	13,884	(504,996)	5,112	2,260,996
'I' Class (Income shares)	100,352,189	152,250	(100,493,235)	–	11,204
'R' Class (Accumulation shares)	6,377	–	–	–	6,377
'S' Class (Accumulation shares)	15,600,231	1,441,667	(6,232,182)	–	10,809,716
'S' Class (USD Hedge Accumulation shares)	186,028,523	–	(87,023,387)	–	99,005,136

Target Return Bond Fund

Notes to the Financial Statements continued

For the year ended 31 May 2019

18. Risk consideration

Please refer to note 3 of the financial statements for a detailed description of the risk considerations. There are no further specific risks for this Fund.

The Fund's currency exposure as at 31 May 2019 was:

Currency	Currency exposure	
	Total 31.05.19 £'000	Total 31.05.18 £'000
Australian Dollar	13	(3,407)
Canadian Dollar	(18)	60
Chilean Peso	(3,074)	–
Chinese Yuan	(22)	–
Chinese Yuan (Offshore)	12	20,769
Czech Koruna	(2,562)	(101)
Euro	517	(50,348)
Hong Kong Dollar	1	1
Hungarian Forint	–	189
Indian Rupee	5,130	–
Indonesian Rupiah	(2,164)	(212)
Israeli Shekel	(6,139)	25,941
Japanese Yen	6,263	39,785
Mexican Peso	(3,981)	–
New Zealand Dollar	188	16,031
Norwegian Krone	85	11,182
Peruvian Sol	3	–
Philippine Peso	(6)	(12,950)
Polish Zloty	–	4,399
Russian Ruble	3	–
Singapore Dollar	–	(12,980)
South African Rand	1	(10,305)
South Korean Won	(2,017)	(8,871)
Sterling	108,822	249,638
Swedish Krona	(3)	23,127
Swiss Franc	210	(13,718)
Taiwan Dollar	(6,199)	(20,832)
Thai Baht	3,119	25,946
Turkish Lira	(2,273)	(1)
US Dollar	10,084	(9,680)
Total	105,993	273,663

The currency exposure included in the above table that was exclusive to the currency hedge share classes at 31 May 2019 was:

Currency	Currency exposure	
	Total 31.05.19 £'000	Total 31.05.18 £'000
Sterling	89,796	158,974
US Dollar	(89,145)	(158,369)
Total	651	605

18. Risk consideration (continued)

Interest rate risk profile of financial assets and liabilities as at 31 May 2019 was as follows:

Currency	Floating rate financial assets 31.05.19 £'000	Fixed rate financial assets 31.05.19 £'000	Financial liabilities not carrying interest 31.05.19 £'000	Total 31.05.19 £'000
Australian Dollar	(68)	–	81	13
Canadian Dollar	1	–	(19)	(18)
Chilean Peso	–	–	(3,074)	(3,074)
Chinese Yuan	–	–	(22)	(22)
Chinese Yuan (Offshore)	12	–	–	12
Czech Koruna	1	–	(2,563)	(2,562)
Euro	1,995	9,498	(10,976)	517
Hong Kong Dollar	1	–	–	1
Indian Rupee	–	–	5,130	5,130
Indonesian Rupiah	–	–	(2,164)	(2,164)
Israeli Shekel	4	–	(6,143)	(6,139)
Japanese Yen	(1)	–	6,264	6,263
Mexican Peso	–	–	(3,981)	(3,981)
New Zealand Dollar	5	–	183	188
Norwegian Krone	–	–	85	85
Peruvian Sol	–	–	3	3
Philippine Peso	–	–	(6)	(6)
Russian Ruble	–	3,475	(3,472)	3
Singapore Dollar	2	–	(2)	–
South African Rand	1	–	–	1
South Korean Won	34	–	(2,051)	(2,017)
Sterling	29,177	10,242	69,403	108,822
Swedish Krona	1	–	(4)	(3)
Swiss Franc	8	–	202	210
Taiwan Dollar	–	–	(6,199)	(6,199)
Thai Baht	–	–	3,119	3,119
Turkish Lira	–	–	(2,273)	(2,273)
US Dollar	2,887	50,734	(43,537)	10,084
Total	34,060	73,949	(2,016)	105,993

Interest rate risk profile of financial assets and liabilities as at 31 May 2018 was as follows:

Currency	Floating rate financial assets 31.05.18 £'000	Fixed rate financial assets 31.05.18 £'000	Financial liabilities not carrying interest 31.05.18 £'000	Total 31.05.18 £'000
Australian Dollar	1,383	–	(4,790)	(3,407)
Canadian Dollar	(2,579)	91,603	(88,964)	60
Chinese Yuan (Offshore)	–	–	20,769	20,769
Czech Koruna	–	–	(101)	(101)
Euro	(7,941)	9,356	(51,763)	(50,348)
Hong Kong Dollar	1	–	–	1
Hungarian Forint	2	–	187	189
Indonesian Rupiah	–	3,580	(3,792)	(212)
Israeli Shekel	5	–	25,936	25,941
Japanese Yen	(3,101)	–	42,886	39,785
New Zealand Dollar	–	–	16,031	16,031
Norwegian Krone	–	–	11,182	11,182
Philippine Peso	–	–	(12,950)	(12,950)
Polish Zloty	1	–	4,398	4,399
Singapore Dollar	6	–	(12,986)	(12,980)
South African Rand	–	–	(10,305)	(10,305)
South Korean Won	1,265	–	(10,136)	(8,871)
Sterling	96,112	18,987	134,539	249,638
Swedish Krona	–	–	23,127	23,127
Swiss Franc	(655)	–	(13,063)	(13,718)
Taiwan Dollar	–	–	(20,832)	(20,832)
Thai Baht	–	–	25,946	25,946
Turkish Lira	1	–	(2)	(1)
US Dollar	22,272	51,029	(82,981)	(9,680)
Total	106,772	174,555	(7,664)	273,663

Target Return Bond Fund

Notes to the Financial Statements continued

For the year ended 31 May 2019

19. Efficient portfolio management techniques risk exposure

The exposure obtained through efficient portfolio management techniques and identity of counterparties as at 31 May 2019 was as follows:

(a) Swaps

Counterparty	Value of collateral	
	31.05.19 £'000	31.05.18 £'000
Barclays	120	–
Citibank	120	–
Standard Chartered	410	–
Total	650	–

(b) Forwards

Counterparty	Market Value	
	31.05.19 £'000	31.05.18 £'000
Barclays	(163)	–
Citibank	(216)	314
Goldman Sachs	38	(2,057)
HSBC	485	(3,645)
JPMorgan	(2,116)	(5,853)
Merrill Lynch	25	–
Standard Chartered	(270)	2,132
Total	(2,217)	(9,109)

(c) Futures

Counterparty	Market Value 31.05.19 £'000	Value of exposure 31.05.19 £'000
Goldman Sachs	(143)	62,753
Total	(143)	62,753

Futures

Counterparty	Market Value 31.05.18 £'000	Value of exposure 31.05.18 £'000
Goldman Sachs	(144)	52,555
Total	(144)	52,555

20. Fair value

Valuation technique	31.05.19		31.05.18	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
Level 1	28,257	(274)	87,044	(158)
Level 2	53,643	(5,742)	103,854	(19,973)
Level 3	–	–	–	–
Total fair value	81,900	(6,016)	190,898	(20,131)

The three levels of the fair value hierarchy under FRS 102 are as follows:

Level 1 Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 Inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly (that is, as prices) or indirectly (that is, derived from prices);

Level 3 Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

21. Subsequent events

The Target Return Bond Fund was approved for termination by the ACD in August 2019. It is the intention of the ACD to terminate this Fund at a later date once the residual assets and liabilities are settled.

Target Return Bond Fund

Distribution Tables

For the year ended 31 May 2019

Interim distribution paid 31 October 2018

Group 1 – Shares purchased before 1 June 2018

Group 2 – Shares purchased between 1 June and 31 August 2018

	Net Income pence	Equalisation pence	Distribution paid 31.10.18 pence	Distribution paid 31.10.17 pence
'A' Class (Accumulation shares)				
Group 1	–	–	–	0.3332
Group 2	–	–	–	0.3332
'A' Class (Income shares)				
Group 1	0.1303	–	0.1303	0.2965
Group 2	0.1303	–	0.1303	0.2965
'I' Class (Accumulation shares)				
Group 1	0.3068	–	0.3068	0.5018
Group 2	0.2402	0.0666	0.3068	0.5018
'I' Class (Income shares)				
Group 1	0.2631	–	0.2631	0.4371
Group 2	0.2182	0.0449	0.2631	0.4371
'R' Class (Accumulation shares)				
Group 1	0.2684	–	0.2684	0.4517
Group 2	0.2684	–	0.2684	0.4517
'S' Class (Accumulation shares)				
Group 1	0.5874	–	0.5874	0.8327
Group 2	0.0581	0.5293	0.5874	0.8327
	Net Income US cent	Equalisation US cent	Distribution paid 31.10.18 US cent	Distribution paid 31.10.17 US cent
'S' Class (USD Hedge Accumulation shares)				
Group 1	0.5017	–	0.5017	0.7153
Group 2	0.5017	–	0.5017	0.7153

Target Return Bond Fund continued

Distribution Tables

For the year ended 31 May 2019

Interim distribution paid 31 January 2019

Group 1 – Shares purchased before 1 September 2018

Group 2 – Shares purchased between 1 September and 30 November 2018

	Net Income pence	Equalisation pence	Distribution paid 31.01.19 pence	Distribution paid 31.01.18 pence
'A' Class (Accumulation shares)				
Group 1	–	–	–	0.1894
Group 2	–	–	–	0.1894
'A' Class (Income shares)				
Group 1	–	–	–	0.1682
Group 2	–	–	–	0.1682
'I' Class (Accumulation shares)				
Group 1	0.1472	–	0.1472	0.3558
Group 2	0.0960	0.0512	0.1472	0.3558
'I' Class (Income shares)				
Group 1	0.1245	–	0.1245	0.3078
Group 2	0.1089	0.0156	0.1245	0.3078
'R' Class (Accumulation shares)				
Group 1	0.1127	–	0.1127	0.3030
Group 2	0.1127	–	0.1127	0.3030
'S' Class (Accumulation shares)				
Group 1	0.3859	–	0.3859	0.6525
Group 2	0.1735	0.2124	0.3859	0.6525
	Net Income US cent	Equalisation US cent	Distribution paid 31.01.19 US cent	Distribution paid 31.01.18 US cent
'S' Class (USD Hedge Accumulation shares)				
Group 1	0.3317	–	0.3317	0.5681
Group 2	0.3317	–	0.3317	0.5681

Distribution Tables

For the year ended 31 May 2019

Interim distribution paid 30 April 2019

Group 1 – Shares purchased before 1 December 2018

Group 2 – Shares purchased between 1 December 2018 and 28 February 2019

	Net Income pence	Equalisation pence	Distribution paid 30.04.19 pence	Distribution paid 30.04.18 pence
'A' Class (Accumulation shares)				
Group 1	–	–	–	0.2078
Group 2	–	–	–	0.2078
'A' Class (Income shares)				
Group 1	0.2000	–	0.2000	0.1780
Group 2	0.2000	–	0.2000	0.1780
'I' Class (Accumulation shares)				
Group 1	0.3975	–	0.3975	0.3702
Group 2	0.3063	0.0912	0.3975	0.3702
'I' Class (Income shares)				
Group 1	0.4441	–	0.4441	0.3195
Group 2	0.2223	0.2218	0.4441	0.3195
'R' Class (Accumulation shares)				
Group 1	0.3459	–	0.3459	0.3308
Group 2	0.3459	–	0.3459	0.3308
'S' Class (Accumulation shares)				
Group 1	0.6932	–	0.6932	0.6659
Group 2	0.4774	0.2158	0.6932	0.6659
	Net Income US cent	Equalisation US cent	Distribution paid 30.04.19 US cent	Distribution paid 30.04.18 US cent
'S' Class (USD Hedge Accumulation shares)				
Group 1	0.6298	–	0.6298	0.5781
Group 2	0.6298	–	0.6298	0.5781

Target Return Bond Fund continued

Distribution Tables

For the year ended 31 May 2019

Final distribution payable 31 July 2019

Group 1 – Shares purchased before 1 March 2019

Group 2 – Shares purchased between 1 March and 31 May 2019

	Net Income pence	Equalisation pence	Distribution payable 31.07.19 pence	Distribution paid 31.07.18 pence
'A' Class (Accumulation shares)				
Group 1	–	–	–	0.1754
Group 2	–	–	–	0.1754
'A' Class (Income shares)				
Group 1	0.4367	–	0.4367	0.1517
Group 2	0.4367	–	0.4367	0.1517
'I' Class (Accumulation shares)				
Group 1	0.6688	–	0.6688	0.3376
Group 2	0.4486	0.2202	0.6688	0.3376
'I' Class (Income shares)				
Group 1	0.5769	–	0.5769	0.2903
Group 2	0.2789	0.2980	0.5769	0.2903
'R' Class (Accumulation shares)				
Group 1	0.5902	–	0.5902	0.2920
Group 2	0.5902	–	0.5902	0.2920
'S' Class (Accumulation shares)				
Group 1	1.0364	–	1.0364	0.6272
Group 2	0.6649	0.3715	1.0364	0.6272
	Net Income US cent	Equalisation US cent	Distribution payable 31.07.19 US cent	Distribution paid 31.07.18 US cent
'S' Class (USD Hedge Accumulation shares)				
Group 1	0.8987	–	0.8987	0.5146
Group 2	0.8987	–	0.8987	0.5146

Equalisation

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

UK Total Return Fund

Statement of Total Return

For the year ended 31 May 2019

	Note	31.05.19 £'000	£'000	31.05.18 £'000	£'000
Income					
Net capital (losses)/gains	4		(8,762)		3,381
Revenue	6	4,952		5,343	
Expenses	7	(642)		(701)	
Interest payable and similar charges		–		(1)	
Net revenue before taxation		4,310		4,641	
Taxation	8	(71)		(83)	
Net revenue after taxation			4,239		4,558
Total return before distribution			(4,523)		7,939
Distribution	9		(4,240)		(4,560)
Change in net assets attributable to shareholders from investment activities			(8,763)		3,379

Statement of Change in Net Assets Attributable to Shareholders

For the year ended 31 May 2019

	31.05.19 £'000	£'000	31.05.18 £'000	£'000
Opening net assets attributable to shareholders		188,865		204,965
Amounts receivable on creation of shares	3,641		4,202	
Amounts payable on cancellation of shares	(20,946)		(28,056)	
		(17,305)		(23,854)
Dilution adjustment		–		24
Change in net assets attributable to shareholders from investment activities		(8,763)		3,379
Retained distributions on accumulation shares		3,992		4,351
Closing net assets attributable to shareholders		166,789		188,865

Notes to the financial statements are on pages 206 to 210.

Balance Sheet

As at 31 May 2019

	Note	31.05.19 £'000	£'000	31.05.18 £'000	£'000
ASSETS					
Investments assets			161,588		172,029
Current assets					
Debtors	10	1,788		10,134	
Cash and bank balances	11	5,478		10,901	
Total other assets			7,266		21,035
Total assets			168,854		193,064
LIABILITIES					
Investment liabilities			228		3,377
Creditors					
Other creditors	12	1,837		822	
Total other liabilities			1,837		822
Total liabilities			2,065		4,199
Net assets attributable to shareholders			166,789		188,865

Notes to the financial statements are on pages 206 to 210.

UK Total Return Fund

Notes to the Financial Statements

For the year ended 31 May 2019

1. Accounting policies

The Accounting policies for the Fund are disclosed in the notes to the financial statements on page 113.

2. Distribution policies

The Distribution policies for the Fund are disclosed in the notes to the financial statements on page 113.

3. Risk management policies

The Risk management policies for the Fund are disclosed in the notes to the financial statements on pages 114 to 125

4. Net capital (losses)/gains

The net capital (losses)/gains during the year comprise:

	31.05.19 £'000	31.05.18 £'000
Losses on foreign exchange	(13)	(65)
Derivative contracts	2,488	(2,704)
Forward currency contracts	962	(6)
Non-derivative securities	(12,189)	6,163
Transaction charges	(10)	(7)
Net capital (losses)/gains	(8,762)	3,381

5. Purchases, sales and transaction costs

Analysis of total trade costs

	Purchases		Sales	
	31.05.19 £'000	31.05.18 £'000	31.05.19 £'000	31.05.18 £'000
Equities	53,646	64,268	53,965	80,388
Bonds	18,438	25,473	17,291	31,510
Futures*	–	–	–	–
Trades excluding transaction costs	72,084	89,741	71,256	111,898
Equities	22	31	(25)	(34)
Bonds	–	–	–	–
Futures*	–	–	–	–
Total commissions	22	31	(25)	(34)
Equities	199	238	–	–
Bonds	–	–	–	–
Futures*	–	–	–	–
Total taxes	199	238	–	–
Total costs	221	269	(25)	(34)
Net trades in the year after transaction costs	72,305	90,010	71,231	111,864

* Purchases and/or sales of futures contracts do not incur transaction costs and have been included at the value of their exposure.

Total transaction cost expressed as a percentage of asset type cost

	Purchases		Sales	
	31.05.19 %	31.05.18 %	31.05.19 %	31.05.18 %
Commissions				
Equities	0.04	0.05	0.05	0.04
Bonds	–	–	–	–
Futures*	–	–	–	–
Taxes				
Equities	0.37	0.37	–	–
Bonds	–	–	–	–
Futures*	–	–	–	–

* Purchases and/or sales of futures contracts do not incur transaction costs and have been included at the value of their exposure.

5. Purchases, sales and transaction costs (continued)**Total transaction cost expressed as a percentage of average net asset value**

	31.05.19 %	31.05.18 %
Commissions	0.02	0.04
Taxes	0.11	0.12
Total costs	0.13	0.16

Average portfolio dealing spread

The average portfolio dealing spread at the balance sheet date was 0.26% (31.05.18: 0.19%).

6. Revenue

	31.05.19 £'000	31.05.18 £'000
Bank interest	6	1
Interest on debt securities	86	101
Overseas dividends	719	764
UK dividends	3,910	4,165
Underwriting commission	6	-
Property revenue from UK REITs – PID	131	112
Property revenue from overseas REITs	90	200
Margin interest	4	-
Total revenue	4,952	5,343

7. Expenses

	31.05.19 £'000	31.05.18 £'000
Payable to the ACD or associates of the ACD, and agents of either of them:		
ACD fee	510	553
General administration charge (GAC)	123	142
	633	695
Payable to the Depositary or associates of the Depositary, and agents of either of them:		
Safe custody fee	9	11
	9	11
Other expenses:		
VAT refund	(2)	(8)
Collateral interest fee	2	3
	-	(5)
Total expenses	642	701

Please refer to the Prospectus for a full description of expenses covered by the GAC.

The audit fee for the year is £12,000 (31.05.18: £12,000).

VAT is currently recovered in respect of certain expenses paid under the GAC.

8. Taxation**(a) Analysis of the tax charge in the year:**

	31.05.19 £'000	31.05.18 £'000
Overseas tax	71	83
Current tax charge	71	83
Deferred tax charge (note 8(c))	-	-
Total tax charge (note 8(b))	71	83

UK Total Return Fund

Notes to the Financial Statements continued

For the year ended 31 May 2019

8. Taxation (continued)**(b) Factors affecting current tax charge for the year:**

The tax assessed for the year is lower than the standard rate of corporation tax in the UK for an authorised OEIC (20%) (31.05.18: 20%). The differences are explained below:

	31.05.19 £'000	31.05.18 £'000
Net revenue before taxation	4,310	4,641
Corporation tax of 20%	862	928
Effects of:		
Movement in excess management expenses	82	98
Overseas tax	71	83
Revenue not subject to taxation	(944)	(1,026)
Total tax charge (note 8(a))	71	83

(c) Provision for deferred taxation:

There is no provision required for deferred taxation at the Balance Sheet date in the current or prior year.

(d) Factors affecting future tax charge:

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £2,218,000 (2018: £2,136,000) in relation to surplus management expenses. It is unlikely that the Fund will generate sufficient taxable profits in the future to utilise this amount and therefore no deferred tax asset has been recognised in the year.

9. Distribution

The Distribution takes account of equalisation received on the creation of shares and deducted on the cancellation of shares, and comprises:

	31.05.19 £'000	31.05.18 £'000
Final	3,992	4,351
Add: Equalisation deducted on cancellation of shares	287	243
Less: Equalisation received on creation of shares	(39)	(34)
Net distribution for the year	4,240	4,560

The net distribution for the year is represented by:

	31.05.19 £'000	31.05.18 £'000
Net revenue after taxation	4,239	4,558
Equalisation on conversion of shares	1	2
Net distribution for the year	4,240	4,560

10. Debtors

	31.05.19 £'000	31.05.18 £'000
Accrued bond interest	91	53
Accrued dividends and bank interest	424	992
Amounts receivable for creation of shares	509	5
Overseas tax recoverable	14	16
Sales awaiting settlement	750	9,068
	1,788	10,134

11. Cash and bank balances

	31.05.19 £'000	31.05.18 £'000
Cash and bank balances	2,271	4,517
Amount held at futures clearing houses and brokers	3,207	6,384
	5,478	10,901

12. Other creditors

	31.05.19 £'000	31.05.18 £'000
Amounts payable for cancellation of shares	1,716	758
Purchases awaiting settlement	61	–
Accrued ACD fees	42	46
Accrued general administration charge (GAC)	10	11
Accrued safe custody fee	4	5
Accrued transaction charges	4	2
	1,837	822

13. Capital commitments and contingent liabilities

The Fund had no contingent liabilities or capital commitments at the year end date (31.05.18: Nil).

14. Related party transactions

Investec Fund Managers Limited, as Authorised Corporate Director (ACD), is a related party, and acts as a principal in respect of all transactions of shares in the Company. The aggregate monies received through issues and paid on cancellation of shares are disclosed in the Statement of Change in Shareholders' Net Assets.

In accordance with the prospectus the ACD collects from the Fund, a general administration charge (GAC), ACD fees and safe custody fees. Please refer to notes 7, 12 and 16 for further details.

Any amounts due to/from Investec Fund Managers Limited at the end of the accounting year are disclosed in notes 10 and 12.

At the year end date 68.62% of the Fund's shares (by net asset value) were held by other Funds managed by the ACD (31.05.18: 69.16%).

15. Dilution adjustment

Please refer to note 4 of the notes to the financial statements for a detailed description of dilution adjustment.

16. ACD Fee and charges

The different level of ACD fees payable per annum as at 31 May 2019 for each share class is detailed below:

'A' Shares	1.25%
'I' Shares	0.65%
'R' Shares	0.75%
'S' Shares	0.00%

The GAC is charged at up to 0.08% of the Net Asset Value of each share class.

All shares within the sub-fund have the same rights on winding up.

Reconciliation of the shares movement in the year:

	31.05.18 Opening shares in issue	Creations	Cancellations	Shares converted	31.05.19 Closing shares in issue
'A' Class (Accumulation shares)	10,799,546	114,044	(998,866)	(174,448)	9,740,276
'I' Class (Accumulation shares)	22,278,273	2,387,631	(3,929,257)	176,873	20,913,520
'R' Class (Accumulation shares)	279,038	–	(51,684)	123,141	350,495
'S' Class (Accumulation shares)	11,439,104	6,978	(1,162,154)	–	10,283,928

17. Risk consideration

Please refer to note 3 of the financial statements for a detailed description of the risk considerations. There are no further specific risks for this Fund.

The Fund's currency exposure as at 31 May 2019 was:

	Currency exposure	
	Total 31.05.19 £'000	Total 31.05.18 £'000
Currency		
Canadian Dollar	2	2
Euro	2,793	2,777
Japanese Yen	–	2,000
Sterling	128,765	159,804
US Dollar	35,229	24,282
Total	166,789	188,865

The majority of the Fund's financial assets are equity shares and other investments which neither pay interest nor have a maturity date. Therefore, the fund's exposure to interest rate risk is not considered to be significant.

UK Total Return Fund

Notes to the Financial Statements continued

For the year ended 31 May 2019

18. Efficient portfolio management techniques risk exposure

The exposure obtained through efficient portfolio management techniques and identity of counterparties as at 31 May 2019 was as follows:

(a) Forwards

Counterparty	Market Value	
	31.05.19 £'000	31.05.18 £'000
Citibank	833	–
Total	833	–

(b) Futures

Counterparty	Market Value 31.05.19 £'000	Value of exposure 31.05.19 £'000
Goldman Sachs	(228)	31,613
Total	(228)	31,613

Futures

Counterparty	Market Value 31.05.18 £'000	Value of exposure 31.05.18 £'000
Goldman Sachs	(3,377)	50,132
Total	(3,377)	50,132

19. Fair value

Valuation technique	31.05.19		31.05.18	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
Level 1	160,580	(228)	160,175	(3,377)
Level 2	1,008	–	11,854	–
Level 3	–	–	–	–
Total fair value	161,588	(228)	172,029	(3,377)

The three levels of the fair value hierarchy under FRS 102 are as follows:

Level 1 Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 Inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly (that is, as prices) or indirectly (that is, derived from prices);

Level 3 Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

UK Total Return Fund

Distribution Table

For the year ended 31 May 2019

Final distribution payable 31 July 2019

Group 1 – Shares purchased before 1 June 2018

Group 2 – Shares purchased between 1 June 2018 and 31 May 2019

	Net Income pence	Equalisation pence	Distribution payable 31.07.19 pence	Distribution paid 31.07.18 pence
'A' Class (Accumulation shares)				
Group 1	3.3860	–	3.3860	3.3545
Group 2	1.9169	1.4691	3.3860	3.3545
'I' Class (Accumulation shares)				
Group 1	2.8086	–	2.8086	2.7888
Group 2	1.3992	1.4094	2.8086	2.7888
'R' Class (Accumulation shares)				
Group 1	2.5061	–	2.5061	2.4904
Group 2	1.4456	1.0605	2.5061	2.4904
'S' Class (Accumulation shares)				
Group 1	29.8093	–	29.8093	29.3811
Group 2	0.9420	28.8673	29.8093	29.3811

Equalisation

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

Securities Financing Transactions ('SFTs') (Unaudited)

As at 31 May 2019

GLOBAL DATA

Assets engaged in SFTs and total return swaps		Fund assets under management (AUM) £'000
Diversified Growth Fund		2,165,024
Emerging Markets Blended Debt Fund		132,834
Absolute value of assets engaged in total return swaps:		
	Underlying exposure value £'000	% of net assets
Diversified Growth Fund	2,227	0.10%
Emerging Markets Blended Debt Fund	808	0.61%

CONCENTRATION DATA

Counterparty	Counterparty's country of establishment	Underlying exposure value £'000	Settlement and clearing
Diversified Growth Fund			
Citi	UK	3,882	Bi-lateral
Goldman Sachs	United States of America	(74)	Bi-lateral
JP Morgan	United States of America	(1581)	Bi-lateral
Emerging Markets Blended Debt Fund			
Citi	UK	519	Bi-lateral
Deutsche Bank	Germany	211	Bi-lateral
Standard Chartered	UK	78	Bi-lateral

AGGREGATE TRANSACTION DATA

Type, Quality and Currency of Collateral

Type	Quality	Currencies
Total return swaps		
Diversified Growth Fund		
n/a	n/a	n/a
Emerging Markets Blended Debt Fund		
n/a	n/a	n/a

Maturity Tenor of SFTs and Total Return Swaps (remaining period to maturity)

	Less than one day £'000	One day to one week £'000	One week to one month £'000	One to three months £'000	Three months to one year £'000	Above one year £'000	Open transactions £'000	Total £'000
Diversified Growth Fund								
Total return swaps	–	–	–	–	2,227	–	–	2,227
Emerging Markets Blended Debt Fund								
Total return swaps	–	–	–	–	–	808	–	808

RETURN AND COST

	Collective Investment Undertaking £'000	Manager of Collective Investment Undertaking £'000	Third Parties (e.g. lending agent) £'000	Total £'000
Diversified Growth Fund				
Total return swaps				
Gross return	–	–	–	–
% of total gross return	–	–	–	–
Cost	–	–	–	–
Emerging Markets Blended Debt Fund				
Total return swaps				
Gross return	62	–	–	62
% of total gross return	100.00%	–	–	–
Cost	–	–	–	–

Other Information (Unaudited)

ISA status

During the period under review, the shares of the funds met the requirements for eligibility to be held in a stocks and shares ISA as determined by the regulations which govern ISAs.

Investec Fund Managers Limited offer the 'A' shares of the funds through its own ISA plan.

* Please note that while the Multi Asset Protector Fund became a qualifying investment for a stocks and shares ISA as of 1 January 2011, this may change over time. Please refer to the section of the Supplementary Information Document titled 'ISA investment in the Multi Protector Fund' for further information.

Distributions

Where a distribution is to be paid, it has been calculated as at 31 May 2019 and will be distributed to shareholders, where applicable, on 31 July 2019. For accumulations shares income distribution payments are deemed to be paid on 31 July 2019.

Telephone calls

Telephone calls may be recorded for training and quality assurance purposes.

Cross holding table

There were no cross holdings between sub-funds in Investec Funds Series iv as at 31 May 2019.

UCITS V Directive on remuneration

The latest remuneration policy relating to the Authorised Corporate Director (ACD) is available from www.investecassetmanagement.com/remuneration or free of charge on request from the Registered Office.

Remuneration paid for 2018-19 to all staff employed by the management company, split into fixed and variable remuneration paid.

N/A – IFML does not employ any employees.

Aggregate remuneration paid for 2018-19 to senior management and members of staff whose actions have a material impact on the risk profile of IFML.

Aggregate Remuneration	717,283
Senior Management	699,211
Other individuals with material impact	18,072
No of staff	15

Glossary (Unaudited)

Active management

An active investment approach is one where a portfolio manager aims to beat the market through research, analysis and his/her judgement. (See also passive management).

Asset allocation

A fund's allotment to different asset classes.

Asset class

The main types of investment available. The traditional asset classes are equities, bonds and cash.

Bear market

A market where prices fall consistently over a long period of time. Investors are referred to as 'bearish' if they believe prices are going to fall.

Benchmark

A comparative performance index.

Bond

A form of loan issued by a government or company. Typically, an investor should receive a regular coupon and the return of the principal originally lent when the bond matures. Note: Not all bonds are interest bearing (see zero coupon bond), and not all bonds are fixed rate (e.g. index linked, floating rate and stepped rate bonds).

Bottom-up investing

An investment approach that concentrates on the analysis of individual companies and considers the company's history, management and potential as more important than macroeconomic trends.

Bull market

A market where prices rise consistently over a long period of time. Investors are referred to as 'bullish' if they believe prices are going to rise.

Cash

The most liquid form in which to store capital. While it is regarded as a safe asset class, over time the purchasing power of cash tends to be eroded by inflation.

Central bank base rate

The basic rate of interest set by a central bank that determines the cost of borrowing.

Commodities

An asset class which comprises physical assets such as oil, base and precious metals and agricultural produce.

Credit rating agency

An institution that assigns credit ratings to debt issuers, such as companies and governments. Standard & Poor's and Moody's are well-known examples.

Credit risk

The risk that a bond issuer or borrower will be unable to meet their contractual obligations.

Credit spread

The differences in yield between 'risk-free' bonds, such as gilts or US treasuries, and non-treasury (or gilt) bonds, which are identical in all respects except for the quality of their rating. Corporate bonds tend to offer additional yield to compensate investors for the potential risk of default.

Currency risk

The risk of incurring losses of foreign assets due to adverse movements in exchange rates between domestic and foreign currencies.

Deflation

As opposed to inflation, it describes conditions in which there is a widespread, consistent decline in prices. It conveys the rarer occurrence of the money in one's pocket actually increasing in buying power, rather than the more usual opposite.

Derivatives

An instrument whose value depends on the performance of an underlying security or rate which requires no initial exchange of principal. Options, futures and swaps are all examples of derivatives.

Developed markets

Refers to industrialised countries with relatively high levels of economic productivity, high standards of living and stable economies.

Disinflation

Refers to a slowing down in price growth, as opposed to deflation where prices are already falling.

Diversification

Holding a range of assets to reduce risk.

Dividend

The portion of company net profits paid out to shareholders.

Dividend yield

The annual dividend per share divided by the current share price.

Duration

A measure of a bond investment's sensitivity to changes in interest rates. The longer the duration, the more sensitive it is. Calculating 'duration' for a fixed income investment such as a bond is a complicated sum. It takes into account the current value of the bond, the coupon or interest payment, the book cost, and the number of years the bond has left to run. Put simply, the higher the duration number the higher the potential return (and the greater the risk).

Emerging markets

Countries in the process of industrialising which tend to have rapidly growing economies.

Emerging market debt

Debt issued by governments and corporates in emerging markets.

Equity

Refers to shares. A share in a company provides an investor with part ownership of that company.

Fixed Income

An investment that provides a return in the form of fixed periodic payments and the eventual return of principal at maturity.

Future

An obligation to buy or sell an asset on a specific date in the future at an agreed price.

Gilt

A bond that is issued by the British government which is generally considered low risk. Bonds issued by South African and Irish governments are also referred to as gilts.

Hedging

A technique seeking to offset or minimise the exposure to specific risk by entering an opposing position.

High yield bond

A below investment grade rated bond, providing the investor with greater returns due to its higher default risk. (See Junk bond).

Index-linked bonds

Bonds whose coupons and principal payment are linked to movements in inflation.

Inflation

Describes conditions in which there have been a consistent rise in prices.

Initial public offering (IPO)

The first public sale of a company's equity resulting in a quoted stock price on a stock exchange.

Interest

The return earned on funds which have been deposited, loaned, or invested.

Investment grade bonds

Bonds considered of the highest quality by credit rating agencies. The threshold credit rating for Standard & Poor's is BBB and Baa3 for Moody's.

Liabilities

Financial obligations that must be met.

Liquidity

The ease with which an asset can be sold at a reasonable price for cash.

Long dated bond

A bond with usually 15 years or more remaining before redemption, at which point the principal is paid to the holder.

Long-term investment

Holding an asset for an extended period of time. Depending on the security, a long-term asset can be held for as little as one year or for as long as 30 years.

Macroeconomic

Refers to the big trends in an economy as a whole, such as inflation and unemployment, while microeconomic forces refer to the factors affecting individual situations or companies.

Market capitalisation

The total value of a company's equity, calculated by the number of shares multiplied by their market price.

Glossary (Unaudited) continued

Maturity

With regards to bonds, maturity refers to the time at which the principal of the bond is repayable and it ceases to exist. In terms of a pension fund, it conveys the average age of the membership and the time until benefits are payable.

Outperformance

The return of a fund in excess of the comparative performance index.

Overweight

When a fund has greater exposure to an asset than the comparative performance index.

Peer group

A group of funds that can be compared with one another for performance purposes. A peer group will usually be based on the funds' investment scope, for example UK equities.

Performance

The results of an investment over a given period.

Portfolio

A grouping of financial assets, such as equities, bonds and cash equivalents. Portfolios are held directly by investors and/or managed by financial professionals.

Rally

A swift rise.

Real estate

An asset class comprising buildings and land.

Risk premium

The extra return expected by an investor in compensation for holding a risky asset.

Security

A general term for a tradable financial instrument.

Short-term investment

Investments that are held for or mature in 12 months or less.

Standard deviation

A measure of risk, deriving from the historic volatility of a particular asset.

Top-down investing

Contrasting with bottom-up analysis, a top-down approach to investment analysis begins with an assessment of macroeconomic factors, then business cycles before moving on to look at individual sectors and companies.

Treasuries

Debt securities issued by the US government. Treasuries fall under three categories: treasury bills (T-bills), treasury notes (T-notes) and treasury bonds (T-bonds).

Underweight

When a fund has less exposure to an asset than the benchmark.

Volatility

Price movements. Standard deviation is a measure of an asset's historic volatility.

Year-to-date (YTD)

Refers to the period extending from the beginning of the current calendar year to the present date.

Yield

A measure of the income return earned on an investment. In the case of a share the yield expresses the annual dividend payment as the percentage of the market price of the share. In the case of a property, it is the rental income as a percentage of the capital value. In the case of a bond the running yield (or flat or current yield) is the annual interest payable as a percentage of the current market price. The redemption yield (or yield to maturity) allows for any gain or loss of capital which will be realised at the maturity date.

Yield curve

A graphical representation of all the yields of bonds of the same quality with maturities ranging from the shortest to the longest available.

Yield spread

The difference in yield between different bonds.

Yield to maturity

The annualised return (internal rate of return) that would be earned on a bond if held to maturity.

Directory (Unaudited)

Authorised Corporate Director (ACD)

Investec Fund Managers Limited

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Investment Manager

Investec Asset Management Limited

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Registered number for Investec Funds Series iv

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Authorised and regulated by the Financial Conduct Authority.