



# **Annual report**

BlackRock Absolute Return Bond Fund

**For the year ended 28 February 2018**

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## General Information

### Manager & Registrar

BlackRock Fund Managers Limited  
12 Throgmorton Avenue, London EC2N 2DL

Member of The Investment Association and authorised and regulated by the Financial Conduct Authority ("FCA").

### Directors of the Manager

G D Bamping\* C L Carter (appointed 7 September 2017) W I Cullen\* (appointed 14 December 2017) R A Damm  
N C D Hall\* (resigned 31 May 2017) R A R Hayes A M Lawrence E E Tracey (resigned 28 February 2018) M T Zemek\*

\* Non-executive Director.

### Trustee

BNY Mellon Trust & Depositary (UK) Limited  
The Bank of New York Mellon Centre, 160 Queen Victoria Street, London EC4V 4LA  
Authorised and regulated by the FCA.

### Investment Manager

BlackRock Investment Management (UK) Limited  
12 Throgmorton Avenue, London EC2N 2DL  
Authorised and regulated by the FCA.

### Investment Advisers

BlackRock (Singapore) Limited  
#18-01 20 Anson Road, Singapore, 079912

BlackRock Financial Management, Inc  
55 East 52nd Street, New York, NY 10055, United States

BlackRock Institutional Trust Company N.A  
400 Howard Street, San Francisco CA 94105, United States

BlackRock Asset Management North Asia Limited  
16/F Champion Tower, Three Garden Road, Central, Hong Kong

BlackRock Investment Management (Australia) Limited  
Level 26, 101 Collins Street, Melbourne VIC 3000, Australia

### Securities Lending Agent

BlackRock Advisors (UK) Limited  
12 Throgmorton Avenue, London EC2N 2DL  
Authorised and regulated by the FCA.

### Auditor

Ernst & Young LLP  
Atria One, 144 Morrison Street, Edinburgh EH3 8EX

### Custodian

The Bank of New York Mellon (International) Limited  
One Canada Square, London E14 5AL  
Authorised by the Prudential Regulation Authority and regulated by the FCA and the Prudential Regulation Authority.

BlackRock's proxy voting agent is ISS (Institutional Shareholder Services).

### This Report relates to the packaged products of and is issued by:

BlackRock Fund Managers Limited  
12 Throgmorton Avenue, London EC2N 2DL  
Telephone: 020 7743 3000  
Dealing and Investor Services: 0800 44 55 22  
blackrock.co.uk

**For your protection, telephone calls are usually recorded.**



## Performance Table

	For the year to 28.2.2018	For the three years to 28.2.2018	For the five years to 28.2.2018
<b>TOTAL RETURN (with net income reinvested)</b>			
<b>Class D Accumulation Units</b>			
BlackRock Absolute Return Bond Fund	<b>+2.5%</b>	+4.6%	+6.8%
3 month Sterling LIBOR <sup>†</sup>	<b>+0.4%</b>	+1.4%	+2.5%

All Fund figures quoted are based on bid-to-bid dealing prices (the price at which units are sold) and are calculated net of fees. Performance returns are cumulative. All returns are in Sterling.

<sup>†</sup> The Fund is not managed in reference to an Index. For purely reference purposes we are showing the 3 month Sterling LIBOR as an indicator of the general return on cash investments over the period.

<sup>#</sup> Figures from Datastream.

All financial investments involve an element of risk. Therefore, the value of your investment and the income from it will vary and the return of your initial investment amount cannot be guaranteed. Changes in exchange rates may cause the value of an investment to fluctuate. Past performance is not a guide to future performance and should not be the sole factor of consideration when selecting a product.

## Classification of Investments

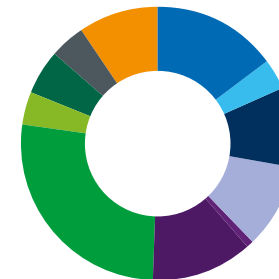
The following charts provide an analysis of the portfolio weightings as at 28 February 2018 and 28 February 2017 by their respective asset types.

### 28 February 2018



- Euro Denominated Fixed Rate Corporate Bonds 13.11%
- Euro Denominated Fixed Rate Government Bonds 2.56%
- Euro Denominated Variable Rate Corporate Bonds 8.18%
- UK Sterling Denominated Fixed Rate Corporate Bonds 8.47%
- UK Sterling Denominated Fixed Rate Government Bonds 0.09%
- UK Sterling Denominated Variable Rate Corporate Bonds 19.22%
- US Dollar Denominated Fixed Rate Corporate Bonds 24.60%
- US Dollar Denominated Fixed Rate Government Bonds 6.70%
- US Dollar Denominated Variable Rate Corporate Bonds 3.67%
- US Dollar Denominated Variable Rate Government Bonds 0.04%
- Short Term Money Market Funds 6.27%
- Other 7.09%

### 28 February 2017



- Euro Denominated Fixed Rate Corporate Bonds 14.94%
- Euro Denominated Fixed Rate Government Bonds 3.61%
- Euro Denominated Variable Rate Corporate Bonds 9.48%
- UK Sterling Denominated Fixed Rate Corporate Bonds 9.80%
- UK Sterling Denominated Fixed Rate Government Bonds 0.83%
- UK Sterling Denominated Variable Rate Corporate Bonds 11.99%
- US Dollar Denominated Fixed Rate Corporate Bonds 26.81%
- US Dollar Denominated Fixed Rate Government Bonds 3.79%
- US Dollar Denominated Variable Rate Corporate Bonds 5.27%
- Short Term Money Market Funds 4.23%
- Other 9.25%

# Investment Report

## Summary of Performance over the Year

The Fund returned 2.5%\* over the year to 28 February 2018. Over the six-month period to 28 February 2018, the Fund returned 0.7%\*.

The Fund is managed on an absolute return basis and not relative to any benchmark. For reference purposes, the 3 month sterling LIBOR returned 0.4% for the year to 28 February 2018 and 0.2% for the six-month period to 28 February 2018.

## Fund Manager's Commentary

In the year under review, the global economy continued to recover, as economic data in developed markets improved, shifting investors' focus to central banks' policies and key political events. The durability of the US's improved economic data provided a backdrop that allowed the US Federal Reserve (Fed) to continue on its path of less supportive economic measures. In June 2017, the Fed raised interest rates for the third time in six months, and by October, it had announced the unwinding of its \$4.5 trillion quantitative-easing programme, a bond-purchasing policy designed to stimulate the economy.

The outlook for the UK was largely dictated by Brexit negotiations and the Bank of England's (BoE) position on monetary policy. While fears about the Brexit negotiations ebbed and flowed, the UK's economy continued to strengthen. On 2 November 2017, the BoE raised interest rates for the first time in a decade, taking the benchmark interest rate from 0.25% to 0.50%. In Europe, concerns about populist politics faded, as investors were encouraged by election results in France and Italy. The European Central Bank (ECB) announced an extension to its QE programme to September 2018, but reduced its purchases from €60 billion a month to €30 billion in January 2018.

The volatility experienced in global share markets at the beginning of February 2018 has not changed our fundamental investment ideas, which will benefit from more synchronised global growth and the prospect of central banks moving away from accommodative policies.

The Fund's positive return was driven by a combination of macro and relative value (techniques that focus on price gaps between similar investments) strategies across global rates and global corporate bond markets. Within global credit strategies, investment grade corporate bonds in the US, Asia and Europe contributed positively to returns, along with investments in US municipal bonds and asset-backed securities. Developed market relative value rates strategies that take advantage of differences in government bond markets added to returns, as did investments in emerging market sovereign bonds.

## Fund Activity

We added exposure in global corporate bonds and emerging market sovereign bonds over the year. The Fund's duration (an investment's sensitivity to changes in interest rates) was flexible over the year; we reduced the exposure towards the end of 2017 in anticipation of the interest rates moving higher. However, in 2018, we selectively increased the duration exposure in US and European developed markets, as interest-rate levels became more attractive.

## Outlook

Two important ideas are helping to frame our outlook for bond markets this year. The first is an environment of robust and more synchronised global growth. The second is the prospect of central banks moving away from their supportive policy stances – this is already well underway in the US, but the focus is now shifting to the ECB, the Bank of Japan, the BoE and other central banks.

The Fund's positioning reflects our preference for income-generating assets, such as corporate bonds and securitised assets, while maintaining the option to increase risk if the market falls sharply and valuations become more attractive. Additionally, we will keep the duration positioning flexible to take advantage of market rises or falls.

## March 2018

\* Performance figures quoted are based on bid-to-bid dealing prices (the price at which units are sold). Performance is calculated net of fees and reported for the Fund's class D Accumulation Units.

# Performance Record

## Comparative Table

	P Accumulation Units			D Accumulation Units		
	For the year to 28.2.2018	For the year to 28.2.2017	For the year to 29.2.2016	For the year to 28.2.2018	For the year to 28.2.2017	For the year to 29.2.2016
	Pence per unit	Pence per unit	Pence per unit	Pence per unit	Pence per unit	Pence per unit
<b>Change in net assets per unit</b>						
Opening net asset value per unit	107.3	104.3	106.0	109.6	106.0	107.3
Return before operating charges	3.27	4.26	(0.35)	3.29	4.31	(0.36)
Operating charges	(1.19)	(1.18)	(1.19)	(0.67)	(0.66)	(0.67)
Return after operating charges	2.08	3.08	(1.54)	2.62	3.65	(1.03)
Distributions	(1.14)	(1.02) <sup>#</sup>	(0.79)*	(1.72)	(1.55) <sup>#</sup>	(1.35)*
Retained distributions on accumulation units	1.14	0.97 <sup>#</sup>	0.63*	1.72	1.48 <sup>#</sup>	1.08*
<b>Closing net asset value per unit</b>	109.4	107.3	104.3	112.2	109.6	106.0
After direct transaction costs of	(0.06)	(0.04)	(0.03)	(0.06)	(0.04)	(0.03)
<b>Performance</b>						
Return after charges <sup>1</sup>	1.93%	2.95%	(1.45)%	2.39%	3.44%	(0.96)%
<b>Other information</b>						
Closing net asset value (£000's)	2,751	1,133	1,786	131,274	82,327	73,467
Closing number of units	2,514,960	1,055,598	1,711,771	116,976,025	75,131,185	69,294,081
Operating charges <sup>2</sup>	1.10%	1.11%	1.13%	0.60%	0.61%	0.63%
Direct transaction costs <sup>3</sup>	0.05%	0.04%	0.02%	0.05%	0.04%	0.02%
<b>Prices</b>	<b>Pence per unit</b>	<b>Pence per unit</b>	<b>Pence per unit</b>	<b>Pence per unit</b>	<b>Pence per unit</b>	<b>Pence per unit</b>
Highest offer unit price	115.8	113.2	111.8	113.1	110.0	108.0
Lowest bid unit price	107.0	104.3	104.2	109.3	106.0	105.9

<sup>1</sup> The return after charges figures are based on the net asset value reported for financial statements purposes and are not the same as the performance returns figures quoted in the Performance Table and the Investment Report which are based on bid-to-bid dealing prices (the price at which units are sold).

<sup>2</sup> Operating charges are annualised and exclude portfolio trade-related costs, except costs paid to the custodian/depositary and entry/exit charges paid to an underlying collective investment scheme (if any).

<sup>3</sup> Direct transaction costs are annualised and principally comprise commissions and taxes, attributable to the Fund's purchase and sale of debt instruments. See note 15 for further details.

<sup>#</sup> With effect from 1 September 2016, the Fund moved to a gross pricing basis. All interest distributions paid after 6 April 2017 were made gross, i.e., without the deduction of income tax.

\* Difference relates to 20% income tax withheld on distributions in accordance with HMRC.

## Comparative Table

	X Accumulation Units		
	For the year to 28.2.2018	For the year to 28.2.2017	For the year to 29.2.2016
	Pence per unit	Pence per unit	Pence per unit
<b>Change in net assets per unit</b>			
Opening net asset value per unit	112.6	108.4	109.3
Return before operating charges	3.42	4.41	(0.41)
Operating charges	(0.03)	(0.07)	(0.09)
Return after operating charges	3.39	4.34	(0.50)
Distributions	(2.40)	(2.17) <sup>#</sup>	(1.99)*
Retained distributions on accumulation units	2.40	2.06 <sup>#</sup>	1.59*
<b>Closing net asset value per unit</b>	116.0	112.6	108.4
After direct transaction costs of	(0.06)	(0.04)	(0.03)
<b>Performance</b>			
Return after charges <sup>1</sup>	3.01%	4.00%	(0.46)%
<b>Other information</b>			
Closing net asset value (£000's)	1,460,750	838,565	487,540
Closing number of units	1,259,428,292	744,524,821	449,596,613
Operating charges <sup>2</sup>	0.03%	0.06%	0.08%
Direct transaction costs <sup>3</sup>	0.05%	0.04%	0.02%
<b>Prices</b>	<b>Pence per unit</b>	<b>Pence per unit</b>	<b>Pence per unit</b>
Highest offer unit price	116.9	113.0	110.4
Lowest bid unit price	112.5	108.5	108.3

<sup>1</sup> The return after charges figures are based on the net asset value reported for financial statements purposes and are not the same as the performance returns figures quoted in the Performance Table and the Investment Report which are based on bid-to-bid dealing prices (the price at which units are sold).

<sup>2</sup> Operating charges are annualised and exclude portfolio trade-related costs, except costs paid to the custodian/depositary and entry/exit charges paid to an underlying collective investment scheme (if any).

<sup>3</sup> Direct transaction costs are annualised and principally comprise commissions and taxes, attributable to the Fund's purchase and sale of debt instruments. See note 15 for further details.

<sup>#</sup> With effect from 1 September 2016, the Fund moved to a gross pricing basis. All interest distributions paid after 6 April 2017 were made gross, i.e., without the deduction of income tax.

\* Difference relates to 20% income tax withheld on distributions in accordance with HMRC.

## Distribution Tables

for the year ended 28 February 2018

### Final Distribution in Pence per Unit

Group 1 – Units purchased prior to 1 September 2017

Group 2 – Units purchased 1 September 2017 to 28 February 2018

	P Accumulation Units		D Accumulation Units		X Accumulation Units	
	Group 1	Group 2	Group 1	Group 2	Group 1	Group 2
Gross revenue	0.9361	0.3275	1.4150	0.5616	1.9786	0.6639
Equalisation†	–	0.6086	–	0.8534	–	1.3147
<b>Distribution paid 30.4.2018</b>	<b>0.9361</b>	<b>0.9361</b>	<b>1.4150</b>	<b>1.4150</b>	<b>1.9786</b>	<b>1.9786</b>
<b>Distribution paid 30.4.2017</b>	<b>0.7677</b>	<b>0.7677</b>	<b>1.1677</b>	<b>1.1677</b>	<b>1.6296</b>	<b>1.6296</b>

### Interim Distribution in Pence per Unit

Group 1 – Units purchased prior to 1 March 2017

Group 2 – Units purchased 1 March 2017 to 31 August 2017

	P Accumulation Units		D Accumulation Units		X Accumulation Units	
	Group 1	Group 2	Group 1	Group 2	Group 1	Group 2
Gross revenue	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Equalisation†	–	0.2000	–	0.3014	–	0.4189
<b>Distribution paid 31.10.2017</b>	<b>0.2000</b>	<b>0.2000</b>	<b>0.3014</b>	<b>0.3014</b>	<b>0.4189</b>	<b>0.4189</b>
<b>Distribution paid 31.10.2016</b>	<b>0.2000</b>	<b>0.2000</b>	<b>0.3088</b>	<b>0.3088</b>	<b>0.4336</b>	<b>0.4336</b>

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

## Report on Remuneration

The below disclosures are made in respect of the remuneration policies of the BlackRock group (“BlackRock”), as they apply to BlackRock Fund Managers Limited (the “Manager”). The disclosures are made in accordance with the Directive 2009/65/EC on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (“UCITS”), as amended, including in particular by Directive 2014/91/EU of the European Parliament and of the council of 23 July 2014, (the “UCITS Directive”), the “Guidelines on sound remuneration policies under the UCITS Directive and AIFMD” issued by the European Securities and Markets Authority (“ESMA”), the Financial Conduct Authority Handbook SYSC 19E: The UCITS Remuneration Code (the “UCITS Remuneration Code”), and COLL 4.5.7 R(7).

BlackRock’s UCITS Remuneration Policy (the “UCITS Remuneration Policy”) will apply to the EEA entities within the BlackRock group authorised as a manager of alternative investment funds in accordance with the UCITS Directive, and will ensure compliance with the requirements of Article 14b of the UCITS Directive and the UCITS Remuneration Code.

The Manager has adopted the UCITS Remuneration Policy, a summary of which is set out below.

### Remuneration Governance

BlackRock’s remuneration governance in EMEA operates as a tiered structure which includes: (a) the Management Development and Compensation Committee (“MDCC”) (which is the global, independent remuneration committee for BlackRock, Inc. and all of its subsidiaries, including the Manager); and (b) the Manager’s board of directors (the “Manager’s Board”). The MDCC is responsible for the determination of BlackRock’s remuneration policies.

#### (a) MDCC

The MDCC’s purposes include:

- providing oversight of:
  - BlackRock’s executive compensation programmes;
  - BlackRock’s employee benefit plans; and
  - such other compensation plans as may be established by BlackRock from time to time for which the MDCC is deemed as administrator;
- reviewing and discussing the compensation discussion and analysis included in the BlackRock, Inc. annual proxy statement with management and approving the MDCC’s report for inclusion in the proxy statement;
- reviewing, assessing and making reports and recommendations to the BlackRock, Inc. board of directors (the “BlackRock, Inc. Board”) as appropriate on BlackRock’s talent development and succession planning, with the emphasis on performance and succession at the highest management levels; and
- in accordance with applicable UK and European regulations and guidance, to act as the Remuneration Committee for BlackRock’s EMEA regulated entities.

The MDCC directly retains an independent compensation consultant, Semler Brossy Consulting Group LLC, which has no relationship with BlackRock, Inc. or the BlackRock, Inc. Board that would interfere with its ability to provide independent advice to the MDCC on compensation matters.

The BlackRock, Inc. Board has determined that all of the members of the MDCC are “independent” within the meaning of the listing standards of the New York Stock Exchange (NYSE), which requires each meet a “non-employee director” standard.

The MDCC held 10 meetings during 2017. The MDCC charter is available on BlackRock, Inc.’s website ([www.blackrock.com](http://www.blackrock.com)).

Through its regular reviews, the MDCC continues to be satisfied with the principles of BlackRock’s compensation policy and approach.

### **(b) The Manager’s Board**

The Manager’s Board has the task of supervising and providing oversight of the UCITS Remuneration Policy as it applies to the Manager and its Identified Staff.

The Manager’s Board (through independent review by the relevant control functions) remains satisfied with the implementation of the UCITS Remuneration Policy as it applies to the Manager and its Identified Staff.

### **Decision-making process**

Remuneration decisions for employees are made once annually in January following the end of the performance year. This timing allows full-year financial results to be considered along with other non-financial goals and objectives. Although the framework for remuneration decision-making is tied to financial performance, significant discretion is used to determine individual variable remuneration based on achievement of strategic and operating results and other considerations such as management and leadership capabilities.

No set formulas are established and no fixed benchmarks are used in determining annual incentive awards. In determining specific individual remuneration amounts, a number of factors are considered including non-financial goals and objectives and overall financial and investment performance. These results are viewed in the aggregate without any specific weighting, and there is no direct correlation between any particular performance measure and the resulting annual incentive award. The variable remuneration awarded to any individual(s) for a particular performance year may also be zero.

Annual incentive awards are paid from a bonus pool.

The size of the projected bonus pool, including cash and equity awards, is reviewed throughout the year by the MDCC and the final total bonus pool is approved after year-end. As part of this review, the MDCC receives actual and projected financial information over the course of the year as well as final year-end information. The financial information that the MDCC receives and considers includes the current year projected income statement and other financial measures compared with prior year results and the current year budget. The MDCC additionally reviews other metrics of BlackRock’s financial performance (e.g., net inflows of AUM and investment performance) as well as information regarding market conditions and competitive compensation levels.

The MDCC regularly considers management’s recommendation as to the percentage of preincentive operating income that will be accrued and reflected as a compensation expense throughout the year for the cash portion of the total annual bonus pool (the “accrual rate”). The accrual rate of the cash portion of the total annual bonus pool may be modified by the MDCC during the year based on its review of the financial information described above. The MDCC does not apply any particular weighting or formula to the information it considers when determining the size of the total bonus pool or the accruals made for the cash portion of the total bonus pool.

Following the end of the performance year, the MDCC approves the final bonus pool amount.

As part of the year-end review process the Enterprise Risk and Regulatory Compliance departments report to the MDCC on any activities, incidents or events that warrant consideration in making compensation decisions.

Individuals are not involved in setting their own remuneration.

### **Control functions**

Each of the control functions (Enterprise Risk, Legal & Compliance, and Internal Audit) has its own organisational structure which is independent of the business units. The head of each control function is either a member of the Global Executive Committee (“GEC”), the global management committee, or has a reporting obligation to the board of directors of BlackRock Group Limited, the parent company of all of BlackRock’s EMEA regulated entities, including the Manager.

Functional bonus pools are determined with reference to the performance of each individual function. The remuneration of the senior members of control functions is directly overseen by the MDCC.

### **Link between pay and performance**

There is a clear and well-defined pay-for-performance philosophy and compensation programmes which are designed to meet the following key objectives as detailed below:

- appropriately balance BlackRock’s financial results between shareholders and employees;
- attract, retain and motivate employees capable of making significant contributions to the long-term success of the business;
- align the interests of senior employees with those of shareholders by awarding BlackRock Inc.’s stock as a significant part of both annual and long-term incentive awards;
- control fixed costs by ensuring that compensation expense varies with profitability;
- link a significant portion of an employee’s total compensation to the financial and operational performance of the business as well as its common stock performance;
- discourage excessive risk-taking; and
- ensure that client interests are not negatively impacted by remuneration awarded on a short-term, mid-term and/or long-term basis.



Driving a high-performance culture is dependent on the ability to measure performance against objectives, values and behaviours in a clear and consistent way. Line managers use a 5-point rating scale to provide an overall assessment of an employee's performance, and employees also provide a self-evaluation. The overall, final rating is reconciled during each employee's performance appraisal. Employees are assessed on the manner in which performance is attained as well as the absolute performance itself.

In keeping with the pay-for-performance philosophy, ratings are used to differentiate and reward individual performance – but do not pre-determine compensation outcomes. Compensation decisions remain discretionary and are made as part of the year-end compensation process.

When setting remuneration levels other factors are considered, as well as individual performance, which may include:

- the performance of the Manager, the funds managed by the Manager and/or the relevant functional department;
- factors relevant to an employee individually; relationships with clients and colleagues; teamwork; skills; any conduct issues; and, subject to any applicable policy, the impact that any relevant leave of absence may have on contribution to the business);
- the management of risk within the risk profiles appropriate for BlackRock's clients;
- strategic business needs, including intentions regarding retention;
- market intelligence; and
- criticality to business.

A primary product tool is risk management and, while employees are compensated for strong performance in their management of client assets, they are required to manage risk within the risk profiles appropriate for their clients. Therefore, employees are not rewarded for engaging in high-risk transactions outside of established parameters. Remuneration practices do not provide undue incentives for short-term planning or short-term financial rewards, do not reward unreasonable risk and provide a reasonable balance between the many and substantial risks inherent within the business of investment management, risk management and advisory services.

BlackRock operates a total compensation model for remuneration which includes a base salary, which is contractual, and a discretionary bonus scheme.

BlackRock operates an annual discretionary bonus scheme. Although all employees are eligible to be considered for a discretionary bonus, there is no contractual obligation to make any award to an employee under its discretionary bonus scheme. In exercising discretion to award a discretionary bonus, the factors listed above (under the heading "Link between pay and performance") may be taken into account in addition to any other matters which become relevant to the exercise of discretion in the course of the performance year.

Discretionary bonus awards for all employees, including executive officers, are subject to a guideline that determines the portion paid in cash and the portion paid in BlackRock, Inc. stock and subject to additional vesting/clawback conditions. Stock awards are subject to further performance adjustment through variation in BlackRock, Inc.'s share price over the vesting period. As total annual compensation increases, a greater portion is deferred into stock. The MDCC adopted this approach in 2006 to substantially increase the retention value and shareholder alignment of the compensation package for eligible employees, including the executive officers. The portion deferred into stock vests in three equal instalments over the three years following grant.

Supplementary to the annual discretionary bonus as described above, equity awards from the "Partner Plan" and "Targeted Equity Award Plan" are made to select senior leaders to provide greater linkage with future business results. The long-term incentive awards have been established individually to provide meaningful incentive for continued performance over a multi-year period recognising the scope of the individual's role, business expertise and leadership skills.

Selected senior leaders are eligible to receive performance-adjusted equity-based awards from the "BlackRock Performance Incentive Plan" ("BPIP"). Awards made from the BPIP have a three-year performance period based on a measurement of As Adjusted Operating Margin<sup>1</sup> and Organic Revenue Growth<sup>2</sup>. Determination of pay-out will be made based on the firm's achievement relative to target financial results at the conclusion of the performance period. The maximum number of shares that can be earned is 165% of the award in those situations where both metrics achieve pre-determined financial targets. No shares will be earned where the firm's financial performance in both of the above metrics is below a pre-determined performance threshold. These metrics have been selected as key measures of shareholder value which endure across market cycles.

A limited number of investment professionals have a portion of their annual discretionary bonus (as described above) awarded as deferred cash that notionally tracks investment in selected products managed by the employee. The intention of these awards is to align investment professionals with the investment returns of the products they manage through the deferral of compensation into those products. Clients and external evaluators have increasingly viewed more favourably those products where key investors have "skin in the game" through significant personal investments.

### Identified Staff

The UCITS Remuneration Policy sets out the process that will be applied to identify staff as Identified Staff, being categories of staff of the Manager, including senior management, risk takers, control functions and any employee receiving total remuneration that takes them into the same remuneration bracket as senior management and risk takers, whose professional activities have a material impact on the risk profiles of the Manager or of the funds it manages.

The list of Identified Staff will be subject to regular review, being formally reviewed in the event of, but not limited to:

- organisational changes;
- new business initiatives;
- changes in significant influence function lists;
- changes in role responsibilities; and
- revised regulatory direction.

<sup>1</sup> As Adjusted Operating Margin: As reported in BlackRock's external filings, reflects adjusted Operating Income divided by Total Revenue net of distribution and servicing expenses and amortisation of deferred sales commissions.

<sup>2</sup> Organic Revenue Growth: Equal to net new base fees plus net new Aladdin revenue generated in the year (in dollars).

## Quantitative Remuneration Disclosure

The Manager is required under UCITS to make quantitative disclosures of remuneration. These disclosures are made in line with BlackRock's interpretation of currently available regulatory guidance on quantitative remuneration disclosures. As market or regulatory practice develops BlackRock may consider it appropriate to make changes to the way in which quantitative remuneration disclosures are calculated. Where such changes are made, this may result in disclosures in relation to a fund not being comparable to the disclosures made in the prior year, or in relation to other BlackRock fund disclosures in that same year.

Disclosures are provided in relation to (a) the staff of the Manager; (b) staff who are senior management; and (c) staff who have the ability to materially affect the risk profile of the Fund.

All individuals included in the aggregated figures disclosed are rewarded in line with BlackRock's remuneration policy for their responsibilities across the relevant BlackRock business area. As all individuals have a number of areas of responsibilities, only the portion of remuneration for those individuals' services attributable to the Fund is included in the aggregate figures disclosed.

Members of staff and senior management of the Manager typically provide both UCITS and non-UCITS related services in respect of multiple funds, clients and functions of the Manager and across the broader BlackRock group. Therefore, the figures disclosed are a sum of each individual's portion of remuneration attributable to the Manager's UCITS-related business according to an objective apportionment methodology which acknowledges the multiple-service nature of the Manager. Accordingly the figures are not representative of any individual's actual remuneration or their remuneration structure.

The amount of the total remuneration awarded by the Manager to its staff which has been attributed to the Manager's UCITS-related business in respect of the Manager's financial year ending 31 December 2017 is USD 22.6m. This figure is comprised of fixed remuneration of USD 2.0m and variable remuneration of USD 20.6m. There were a total of 61 beneficiaries of the remuneration described above.

The amount of the aggregate remuneration awarded by the Manager, which has been attributed to the Manager's UCITS-related business in respect of the Manager's financial year ending 31 December 2017, to its senior management was USD 0.5m, and to other members of its staff whose actions have a material impact on the risk profile of the Fund was USD 22.1m.

## Portfolio Statement

at 28 February 2018

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
<b>BONDS – 88.99%; 28.2.2017 93.50%</b>			
<b>Argentina Peso Denominated Fixed Rate Government Bonds – 0.10%; 28.2.2017 0.00%</b>			
ARS 16,061,000	Argentine Bonos del Tesoro 21.2% Bonds 19/9/2018	615	0.04
ARS 3,388,000	Argentine Bonos del Tesoro 22.75% Bonds 5/3/2018	134	0.01
ARS 24,248,000	Bonos de la Nacion Argentina con Ajuste por CER 3.75% Bonds 8/2/2019	887	0.05
		<b>1,636</b>	<b>0.10</b>
<b>Argentina Peso Denominated Variable Rate Corporate Bonds – 0.03%; 28.2.2017 0.00%</b>			
ARS 14,006,000	Banco Hipotecario 26.7708% Floating Rate Bonds 7/11/2022	<b>507</b>	<b>0.03</b>
<b>Argentina Peso Denominated Variable Rate Government Bonds – 0.02%; 28.2.2017 0.00%</b>			
ARS 2,172,000	Argentina (Republic) 25.506651% Floating Rate Bonds 11/3/2019	84	0.01
ARS 4,344,000	Argentina (Republic) 26.251042% Floating Rate Bonds 1/3/2020	160	0.01
		<b>244</b>	<b>0.02</b>
<b>Australian Dollar Denominated Fixed Rate Government Bonds – 0.00%; 28.2.2017 0.75%</b>			
<b>Australian Dollar Denominated Variable Rate Corporate Bonds – 0.01%; 28.2.2017 0.02%</b>			
AU\$177,530	Torrens Trust 2.62% Floating Rate Notes 12/4/2044	<b>100</b>	<b>0.01</b>
<b>Canadian Dollar Denominated Fixed Rate Government Bonds – 0.00%; 28.2.2017 2.89%</b>			
<b>Chinese Yuan Renminbi Fixed Rate Corporate Bonds – 0.03%; 28.2.2017 0.05%</b>			
CNY 4,000,000	China Railway Construction 1.5% Bonds 21/12/2021	<b>422</b>	<b>0.03</b>
<b>Euro Denominated Fixed Rate Corporate Bonds – 13.11%; 28.2.2017 14.94%</b>			
€600,000	ABN AMRO 5.75% Perpetual Bonds	581	0.04
€700,000	ABN AMRO Bank 4.75% Perpetual Bonds	652	0.04
€1,377,000	Adient Global 3.5% Bonds 15/8/2024	1,245	0.08
€1,725,000	ADLER Real Estate 2.125% Bonds 6/2/2024	1,516	0.09
€700,000	Allergan Funding SCS 2.125% Bonds 1/6/2029	615	0.04
€1,400,000	Altarea SCA 2.25% Bonds 5/7/2024	1,233	0.08
€300,000	Amadeus Capital Markets 0.125% European Medium Term Notes 6/10/2020	265	0.02
€700,000	Amadeus Capital Markets SAU 0% Bonds 19/5/2019	619	0.04
€250,000	America Movil SAB de CV 1.5% Bonds 10/3/2024	228	0.01
€425,000	American International 1.875% Bonds 21/6/2027	377	0.02
€1,500,000	Anglo American Capital 1.625% European Medium Term Notes 18/9/2025	1,321	0.08
€200,000	Anglo American Capital 3.25% Guaranteed European Medium Term Notes 3/4/2023	194	0.01
€425,000	Annington Funding 1.65% European Medium Term Notes 12/7/2024	378	0.02
€200,000	ASML 0.625% Bonds 7/7/2022	178	0.01
€243,000	ASML 1.625% Bonds 28/5/2027	219	0.01

## Portfolio Statement continued

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
€235,000	Assicurazioni Generali 2.875% Senior European Medium Term Notes 14/1/2020	219	0.01
€600,000	Assicurazioni Generali 4.125% Senior Subordinated European Medium Term Notes 4/5/2026	594	0.04
€1,300,000	ATF Netherlands 2.125% Bonds 13/3/2023	1,207	0.08
€400,000	Axalta Coating Systems 4.25% Bonds 15/8/2024	373	0.02
€1,810,000	Banca Monte dei Paschi di Siena SpA 5.375% European Medium Term Notes 18/1/2028	1,575	0.10
€1,600,000	Banco de Sabadell 0.875% European Medium Term Notes 5/3/2023	1,404	0.09
€1,900,000	Banco de Sabadell 5.625% European Medium Term Notes 6/5/2026	1,994	0.13
€511,000	Bank of America 0.736% European Medium Term Notes 7/2/2022	456	0.03
€575,000	Bank of America 1.776% European Medium Term Notes 4/5/2027	520	0.03
€1,200,000	Bank of Ireland 7.375% Perpetual Bonds	1,184	0.07
€2,700,000	Bankia 3.375% Bonds 15/3/2027	2,528	0.16
€600,000	Bankia 6% Perpetual Bonds	568	0.04
€4,742,000	Barclays 2% European Medium Term Notes 7/2/2028	4,141	0.26
€700,000	Barclays 6.5% Perpetual Bonds	658	0.04
€1,300,000	BAT 1.125% Bonds 16/11/2023	1,158	0.07
€1,810,000	BAT International Finance 2.25% Bonds 16/1/2030	1,621	0.10
€1,300,000	BAWAG P.S.K. 8.125% Medium Term Notes 30/10/2023	1,568	0.10
€600,000	BBVA 8.875% Perpetual Bonds	633	0.04
€1,800,000	Belden 2.875% Bonds 15/9/2025	1,565	0.10
€800,000	Belfius Bank SA/NV 0.75% European Medium Term Notes 12/9/2022	707	0.04
€500,000	Belfius Bank SA/NV 1% European Medium Term Notes 26/10/2024	434	0.03
€500,000	Berkshire Hathaway 1.625% Bonds 16/3/2035	429	0.03
€715,000	BHP Billiton Finance 4.75% Bonds 22/4/2076	705	0.04
€2,375,000	BMW Finance 0.125% European Medium Term Notes 3/7/2020	2,103	0.13
€2,400,000	BNP Paribas Cardif 1% European Medium Term Notes 29/11/2024	2,047	0.13
€500,000	BPCE 1.125% Bonds 18/1/2023	448	0.03
€650,000	British Telecommunications 1% European Medium Term Notes 21/11/2024	566	0.04
€1,300,000	British Telecommunications 1.5% European Medium Term Notes 23/6/2027	1,132	0.07
€2,000,000	CaixaBank 2.75% European Medium Term Notes 14/7/2028	1,819	0.11
€1,900,000	CaixaBank 3.5% European Medium Term Notes 15/2/2027	1,788	0.11
€2,800,000	CaixaBank 6.75% Perpetual Bonds <sup>o</sup>	2,861	0.18
€775,000	Carrefour 4% European Medium Term Notes 9/4/2020	741	0.05

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
€400,000	Casino Guichard Perrachon 1.865% European Medium Term Notes 13/6/2022	353	0.02
€675,000	Channel Link Enterprises Finance 1.761% Bonds 30/6/2050	605	0.04
€450,000	Channel Link Enterprises Finance 2.706% Bonds 30/6/2050	410	0.03
€2,190,000	Chemours 6.125% Bonds 15/5/2023	2,031	0.13
€335,000	Chorus 1.125% European Medium Term Notes 18/10/2023	299	0.02
€1,350,000	Colfax 3.25% Bonds 15/5/2025	1,204	0.08
€2,000,000	Constellium 4.25% Bonds 15/2/2026	1,784	0.11
€600,000	Credit Agricole 1.375% European Medium Term Notes 3/5/2027	536	0.03
€1,900,000	Credit Agricole 1.875% European Medium Term Notes 20/12/2026	1,726	0.11
€1,500,000	Credit Mutuel Arkea 1.875% European Medium Term Notes 25/10/2029	1,309	0.08
€500,000	Credit Mutuel Arkea 3.5% European Medium Term Notes 9/2/2029	483	0.03
€550,000	Crown European s 2.25% Bonds 1/2/2023	491	0.03
€700,000	Danone 0.167% European Medium Term Notes 3/11/2020	620	0.04
€700,000	Danone 1.25% European Medium Term Notes 6/6/2018	620	0.04
€1,600,000	Danone 1.75% Perpetual European Medium Term Notes	1,400	0.09
€300,000	Demeter Investments 3.5% European Medium Term Notes 1/10/2046	292	0.02
€1,700,000	Deutsche Bank 1.25% European Medium Term Notes 8/9/2021	1,527	0.10
€250,000	Deutsche Bank 2.75% European Medium Term Notes 17/2/2025	220	0.01
€700,000	Deutsche Bank 4.5% European Medium Term Notes 19/5/2026	682	0.04
€2,500,000	Digital Euro Finco 2.625% Bonds 15/4/2024	2,352	0.15
€400,000	Discovery Communications 1.9% Bonds 19/3/2027	348	0.02
€500,000	DONG Energy 3% Subordinated Perpetual Bonds	465	0.03
€650,000	DONG Energy 4.875% European Medium Term Notes 8/7/3013	583	0.04
€4,675,000	DS Smith 1.375% European Medium Term Notes 26/7/2024	4,127	0.26
€4,000,000	e FNAC 3.25% Bonds 30/9/2023	3,672	0.23
€1,800,000	Eliis 1.875% European Medium Term Notes 15/2/2023	1,597	0.10
€1,325,000	ELM for Helvetia Schweizerische Versicherungsgesellschaft 3.375% Bonds 29/9/2047	1,223	0.08
€1,800,000	ENGIE 1.375% Perpetual Bonds	1,549	0.10
€550,000	ENGIE 2.25% Senior European Medium Term Notes 1/6/2018	489	0.03
€3,200,000	Equinix 2.875% Bonds 1/10/2025	2,790	0.17
€800,000	Erste Bank 8.875% Perpetual European Medium Term Notes	860	0.05
€800,000	ESB Finance 2.125% Guaranteed Senior Notes 8/6/2027	753	0.05
€17,685,000	European Financial Stability Facility 0.4% European Medium Term Notes 17/2/2025	15,418	0.97
€13,660,000	European Financial Stability Facility 0.875% European Medium Term Notes 26/7/2027	12,072	0.76
€2,732,000	European Financial Stability Facility 0.95% European Medium Term Notes 14/2/2028	2,416	0.15

# Portfolio Statement continued

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
€2,263,000	European Financial Stability Facility 1.8% European Medium Term Notes 10/7/2048	2,068	0.13
€125,000	FCA Bank 1.25% European Medium Term Notes 13/6/2018	111	0.01
€300,000	Federal-Mogul 4.875% Bonds 15/4/2022	265	0.02
€775,000	Federal-Mogul Financing 5% Bonds 15/7/2024	662	0.04
€1,125,000	Ferrari 0.25% Bonds 16/1/2021	987	0.06
€700,000	Gas Natural Fenosa Finance BV 0.875% European Medium Term Notes 15/5/2025	600	0.04
€740,000	GE Capital 0.8% European Medium Term Notes 21/1/2022	662	0.04
€400,000	Gecina 1.375% European Medium Term Notes 30/6/2027	355	0.02
€350,000	GELF Bond Issuer I 1.625% European Medium Term Notes 20/10/2026	307	0.02
€1,600,000	General Motors Financial 0.955% European Medium Term Notes 7/9/2023 <sup>o</sup>	1,403	0.09
€1,650,000	Glencore Finance Europe 1.875% European Medium Term Notes 13/9/2023	1,506	0.09
€2,450,000	Glencore Finance Europe 2.75% European Medium Term Notes 1/4/2021	2,302	0.14
€350,000	Glencore Finance Europe 3.75% European Medium Term Notes 1/4/2026	351	0.02
€1,300,000	Global Switch 1.5% European Medium Term Notes 31/1/2024	1,156	0.07
€1,775,000	Global Switch s 2.25% European Medium Term Notes 31/5/2027	1,601	0.10
€1,000,000	Hapag-Lloyd 6.75% Bonds 1/2/2022	929	0.06
€475,000	Henkel AG & 0% European Medium Term Notes 13/9/2018	419	0.03
€400,000	HSBC 3.875% Senior European Medium Term Notes 24/10/2018	363	0.02
€550,000	HSBC 4.75% Perpetual European Medium Term Notes	518	0.03
€350,000	Huarong Universe Investment 1.625% Bonds 5/12/2022	302	0.02
€700,000	Iberdrola Finanzas 4.125% Guaranteed European Medium Term Notes 23/3/2020	671	0.04
€2,700,000	IKB Deutsche Industriebank 4% Bonds 31/1/2028	2,406	0.15
€1,350,000	Imperial Brands Finance 3.375% European Medium Term Notes 26/2/2026	1,353	0.08
€1,000,000	ING Groep 0.75% European Medium Term Notes 9/3/2022	891	0.06
€800,000	Intesa Sanpaolo 7% Perpetual European Medium Term Notes	784	0.05
€1,500,000	Intesa Sanpaolo 7.75% Bonds 29/7/2049	1,648	0.10
€1,400,000	Iron Mountain 3% Bonds 15/1/2025	1,229	0.08
€700,000	JAB s BV 1.25% Bonds 22/5/2024	620	0.04
€700,000	JAB s BV 2% Bonds 18/5/2028	628	0.04
€1,000,000	JPMorgan Chase 0.625% European Medium Term Notes 25/1/2024	868	0.05
€390,000	JP Morgan Chase 1.5% European Medium Term Notes 27/1/2025	353	0.02
€600,000	Kraft Heinz Foods 2.25% Bonds 25/5/2028	529	0.03
€1,200,000	Kronos International 3.75% Bonds 15/9/2025	1,091	0.07
€300,000	Leonardo 1.5% European Medium Term Notes 7/6/2024	258	0.02
€3,375,000	LVMH Moet Hennessy Louis Vuitton 0.375% European Medium Term Notes 26/5/2022	2,987	0.19

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
€400,000	Mapfre 4.375% Bonds 31/3/2047	393	0.02
€1,400,000	MasterCard 2.1% Bonds 1/12/2027	1,322	0.08
€500,000	Morgan Stanley 1.75% Bonds 11/3/2024	457	0.03
€400,000	Morgan Stanley 1.875% European Medium Term Notes 27/4/2027	359	0.02
€300,000	National Grid North America 1% European Medium Term Notes 12/7/2024	266	0.02
€1,500,000	Netflix 3.625% Bonds 15/5/2027	1,328	0.08
€3,225,000	Nomad Foods Bondco 3.25% Bonds 15/5/2024	2,896	0.18
€800,000	Nordea Bank 3.5% Perpetual European Medium Term Notes	704	0.04
€825,000	Novartis Finance 0% Bonds 31/3/2021	727	0.05
€1,175,000	Orsted 1.5% Bonds 26/11/2029	1,033	0.06
€1,000,000	Ovako 5% Bonds 5/10/2022	899	0.06
€725,000	Pfizer 0% Bonds 6/3/2020	641	0.04
€3,375,000	Quintiles 3.5% Bonds 15/10/2024	3,072	0.19
€1,800,000	Raiffeisen Bank International 6.125% Perpetual Bonds	1,724	0.11
€950,000	Renault 3.625% European Medium Term Notes 19/9/2018	856	0.05
€1,000,000	Repsol International Finance 3.875% Perpetual Bonds	945	0.06
€3,750,000	Royal Bank of Scotland 6.934% Guaranteed Subordinated European Medium Term Notes 9/4/2018	3,333	0.21
€350,000	Selp Finance 1.25% Bonds 25/10/2023	309	0.02
€1,500,000	SES 4.625% Perpetual Bonds <sup>o</sup>	1,399	0.09
€200,000	SES 5.625% Perpetual Bonds	192	0.01
€2,150,000	Sky 2.25% European Medium Term Notes 17/11/2025	2,031	0.13
€400,000	Sky 2.5% European Medium Term Notes 15/9/2026	382	0.02
€700,000	Societe Generale 1% European Medium Term Notes 1/4/2022	627	0.04
€1,037,000	SSE 0.875% European Medium Term Notes 6/9/2025	897	0.06
€400,000	Standard Chartered 1.625% European Medium Term Notes 20/11/2018	358	0.02
€600,000	Statnett SF 1.25% European Medium Term Notes 26/4/2030	514	0.03
€1,645,971	TAGUS – Sociedade de Titularizacao de Creditos SA/Volta IV 2.423% Asset Backed Bonds 12/2/2021	1,489	0.09
€1,286,900	TAGUS-Sociedade de Titularizacao de Creditos SA/Volta V 0.85% Asset Backed Bonds 12/2/2022	1,136	0.07
€900,000	Telecom Italia 2.375% European Medium Term Notes 12/10/2027	783	0.05
€655,000	Telecom Italia Milano 3% European Medium Term Notes 30/9/2025	605	0.04
€1,200,000	Telefonica Emisiones SAU 1.715% European Medium Term Notes 12/1/2028	1,053	0.07
€1,200,000	Telefonica Europe 3.75% Perpetual Bonds	1,115	0.07
€700,000	TenneT BV 2.995% Perpetual Bonds	635	0.04
€2,250,000	Thomas Cook Finance 2 3.875% Bonds 15/7/2023	2,025	0.13
€1,555,000	TOTAL 2.708% Perpetual European Medium Term Notes	1,448	0.09
€3,900,000	UniCredit 4.375% European Medium Term Notes 3/1/2027	3,738	0.23
€2,084,000	UniCredit 6.625% Perpetual Bonds <sup>o</sup>	2,037	0.13

## Portfolio Statement continued

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
€550,000	UniCredit 9.25% Perpetual Bonds	593	0.04
€100,000	Uniqi Insurance 6% Bonds 27/7/2046	109	0.01
€225,000	Verizon Communications 2.875% Bonds 15/1/2038	199	0.01
€1,900,000	Volksbank Wien 2.75% Bonds 6/10/2027	1,691	0.11
€900,000	Volkswagen International Finance 1.875% Bonds 30/3/2027	803	0.05
€2,800,000	Volkswagen International Finance 2.7% Perpetual Bonds	2,538	0.16
€1,200,000	Volkswagen International Finance 3.875% Perpetual Bonds	1,095	0.07
€200,000	Wells Fargo 1% European Medium Term Notes 2/2/2027	169	0.01
€700,000	Wells Fargo 1.5% European Medium Term Notes 12/9/2022	640	0.04
€200,000	Wells Fargo 2% European Medium Term Notes 27/4/2026	185	0.01
€2,900,000	Wendel 2.5% Bonds 9/2/2027	2,710	0.17
€2,605,000	Xstrata Finance Dubai 2.375% European Medium Term Notes 19/11/2018	2,342	0.15
€2,200,000	ZF North America Capital 2.75% Notes 27/4/2023	2,078	0.13
€400,000	Zhejiang Expressway 0% Bonds 21/4/2022	345	0.02
		<b>209,081</b>	<b>13.11</b>

### Euro Denominated Fixed Rate Government Bonds – 2.56%; 28.2.2017 3.61%

€1,260,000	Argentina (Republic) 5.25% International Bonds 15/1/2028	1,080	0.07
€785,000	Argentina (Republic) International 5% Bonds 15/1/2027	674	0.04
€100,000	Cyprus (Government) 4.625% Notes 3/2/2020	96	0.01
€160,000	Cyprus (Government) 4.75% Notes 25/6/2019	149	0.01
€3,221,000	France (Republic) 2% Government OAT Bonds 25/5/2048	3,017	0.19
€845,000	Greece (Republic) 3.375% Bonds 15/2/2025	716	0.04
€465,245	Greece (Republic) 3.75% Bonds 30/1/2028	390	0.02
€486,029	Greece (Republic) 3.9% Bonds 30/1/2033	383	0.02
€787,470	Greece (Republic) 4% Bonds 30/1/2037	605	0.04
€380,204	Greece (Republic) 4.2% Bonds 30/1/2042	291	0.02
€1,759,000	Italy (Government) 2.95% Bonds 1/9/2038	1,585	0.10
€1,835,000	Italy (Republic) 1.25% Bonds 27/10/2020	1,709	0.11
€11,345,000	Italy (Republic) 1.65% Bonds 23/4/2020	10,540	0.66
€4,858,000	Spain (Kingdom) 1.45% Bonds 31/10/2027	4,282	0.27
€11,600,000	Spain (Kingdom) 1.4% Bonds 30/4/2028	10,093	0.63
€5,910,000	Spain (Kingdom) 2.7% Bonds 31/10/2048	5,263	0.33
		<b>40,873</b>	<b>2.56</b>

### Euro Denominated Variable Rate Corporate Bonds – 8.18%; 28.2.2017 9.48%

€600,000	Anglo American Capital 3.5% Floating Rate European Medium Term Bonds 28/3/2022	585	0.04
€1,525,000	AP Moeller – Maersk 1.269% Floating Rate European Medium Term Notes 18/3/2019	1,366	0.09
€3,879,361	Asset-Backed European Securitisation Transaction Twelve Srl 0.03% Floating Rate Asset Backed Bonds 15/7/2029	3,430	0.21
€400,000	Assicurazioni Generali 7.75% Subordinated Floating Rate European Medium Term Bonds 12/12/2042	449	0.03

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
€700,000	Banco Santander 6.25% Variable Rate Convertible Perpetual Bonds	647	0.04
€5,275,000	Bank of America 0.472% Floating Rate European Medium Term Notes 7/2/2022	4,728	0.30
€4,250,000	Bank of China /Paris 0.141% Floating Rate Bonds 22/11/2020	3,761	0.24
€1,325,000	Bank of China Luxembourg 0.339% Floating Rate European Medium Term Notes 20/4/2020	1,177	0.07
€300,000	Bank of Ireland 4.25% Subordinated Floating Rate European Medium Term Notes 11/6/2024	277	0.02
€200,000	Bankia 4% Subordinated Floating Rate Notes 22/5/2024	183	0.01
€1,400,000	Barclays Bank 8% Perpetual Subordinated Floating Rate Bonds	1,415	0.09
€600,000	BBVA 7% Variable Rate Subordinated Perpetual Notes	557	0.03
€1,600,000	Bertelsmann 3% Floating Rate Bonds 23/4/2075	1,470	0.09
€500,000	Bertelsmann 3.5% Floating Rate European Medium Term Notes 23/4/2075	455	0.03
€231,184	Brunel Residential Mortgage Securitisation 0.27% Floating Rate Asset Backed Bonds 13/1/2039	203	0.01
€1,600,000	Bumper 9 NL Finance 0.029% Floating Rate Asset Backed Bonds 22/7/2031	1,417	0.09
€154,308	Bumper Floating Rate Notes 19/3/2029	136	0.01
€1	Cars Alliance Asset Backed Floating Rate Notes 25/1/2026 <sup>^</sup>	–	0.00
€1	Cars Alliance Auto Loans Germany V 2016-1 0.001% Floating Rate Asset Backed Bonds 18/5/2027 <sup>^</sup>	–	0.00
€3,700,000	Centrica 3% Floating Rate Bonds 10/4/2076 <sup>o</sup>	3,383	0.21
€1,000,000	Commerzbank 0.42% Floating Rate European Medium Term Notes 8/3/2022	897	0.06
€88,470	Compartment VCL 22 0.367% Floating Rate Asset Backed Bonds 21/8/2021	78	0.00
€1	Compartment VCL 23 0.181% Floating Rate Asset Backed Bonds 21/1/2022 <sup>^</sup>	–	0.00
€1,589,331	Compartment VCL 25 0.031% Floating Rate Asset Backed Bonds 21/9/2023	1,407	0.09
€2,700,000	Compartment VCL 25 0.051% Floating Rate Asset Backed Bonds 21/9/2023	2,383	0.15
€380,000	Credit Suisse 5.75% Subordinated Floating Rate Notes 18/9/2025	376	0.02
€2,100,000	Danske Bank 3.875% Subordinated Floating Rate Notes 4/10/2023	1,894	0.12
€2,500,000	Deutsche Bank 0.219% Floating Rate European Medium Term Notes 15/4/2019	2,211	0.14
€1,400,000	Deutsche Pfandbriefbank 0.421% Floating Rate European Medium Term Notes 14/2/2020	1,244	0.08
€4,400,000	Driver Espana Five FDT 0.028% Floating Rate Asset Backed Bonds 21/12/2028	3,898	0.24
€1,000,000	Driver Espana Five FDT 0.168% Floating Rate Asset Backed Bonds 21/12/2028	887	0.06



## Portfolio Statement continued

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
€1,500,000	Driver Espana Four FDT 0.381% Floating Rate Asset Backed Bonds 21/4/2028	1,332	0.08
€603,069	Driver France FCT Compartment Driver France Three 0.231% Floating Rate Asset Backed Bonds 21/4/2024	533	0.03
€4,200,000	DVB Bank SE 0.572% Floating Rate European Medium Term Notes 10/2/2020 <sup>o</sup>	3,727	0.23
€3,034,287	Eddystone Finance 0.477% Collateralised Mortgage Obligation 19/4/2021	2,677	0.17
€400,000	Electricite de France 4.125% Perpetual Subordinated Floating Rate European Medium Term Notes	376	0.02
€200,000	Electricite de France 4.25% Guaranteed Perpetual Subordinated Floating Rate European Medium Term Bon	187	0.01
€100,000	Enel 5% Subordinated Floating Rate Notes 15/1/2075	95	0.01
€500,000	ENGIE 3.875% Perpetual Subordinated Floating Rate Notes	447	0.03
€1,150,000	FCE Bank 0.649% Floating Rate European Medium Term Notes 17/9/2019	1,028	0.06
€371,735	FCT GINKGO Compartment Sales Finance 2014-1 0.347% Floating Rate Asset Backed Bonds 25/10/2041	336	0.02
€6,080,996	FCT SapphireOne Auto 2017-1 0.01% Floating Rate Asset Backed Bonds 24/1/2034	5,388	0.34
€2,500,000	Glencore Finance Europe 4.625% Guaranteed Notes 3/4/2018	2,215	0.14
€615,000	Globaldrive Auto Receivables 0.328% Floating Rate Asset Backed Bonds 20/8/2024	549	0.03
€2,425,000	Goldman Sachs Inc 0.305% Floating Rate European Medium Term Notes 9/9/2022 <sup>o</sup>	2,156	0.13
€1,950,000	Goldman Sachs Inc 0.373% Floating Rate European Medium Term Notes 29/4/2019 <sup>o</sup>	1,733	0.11
€3,075,000	HSBC 0.371% Floating Rate European Medium Term Notes 27/9/2022	2,753	0.17
€2,075,000	Industrial & Commercial Bank of China 0.271% Floating Rate European Medium Term Notes 23/5/2020	1,839	0.12
€700,000	KBC 5.625% Perpetual Floating Rate Bonds	645	0.04
€1,848,000	Lanark Master Issuer 0.071% Floating Rate Mortgage Backed Bonds 22/12/2054	1,632	0.10
€5,100,000	Morgan Stanley 0.051% Floating Rate European Medium Term Notes 9/11/2021	4,513	0.28
€1,275,000	Mylan 0.172% Floating Rate Bonds 24/5/2020	1,129	0.07
€3,725,000	Mylan 0.541% Floating Rate Bonds 22/11/2018	3,302	0.21
€4,075,000	National Express 0.071% Floating Rate European Medium Term Notes 15/5/2020	3,603	0.23
€100,000	NN 4.5% Perpetual Subordinated Floating Rate Notes	97	0.01
€70,000	Paragon 0.528% Floating Rate Mortgage Backed Securities 15/11/2038	59	0.00
€455,000	Paragon 1.606% Floating Rate Mortgage Backed Securities 15/9/2039	362	0.02

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
€63,004	Paragon Mortgages 0.153% Floating Rate Mortgage Backed Bonds 15/10/2041	53	0.00
€35,943	Paragon Mortgages 0.224% Floating Rate Mortgage Backed Bonds 15/6/2041	30	0.00
€180,000	Paragon Mortgages Floating Rate 15/1/2039	149	0.01
€1,890,000	Paragon Mortgages No 10 0% Floating Rate Mortgage Backed Bonds 15/6/2041	1,600	0.10
€1,425,000	RCI Banque 0.221% Floating Rate Senior European Medium Term Notes 5/12/2019	1,265	0.08
€2,050,000	RCI Banque 0.319% Floating Rate European Medium Term Notes 12/4/2021 <sup>o</sup>	1,828	0.11
€1,600,000	Red & Black Auto Germany 5 UG haftungsbeschränkt % Floating Rate Asset Backed Bonds 15/1/2027	1,421	0.09
€1,000,000	Royal Bank of Scotland 1.75% Floating Rate Bonds 2/3/2026	879	0.05
€4,300,000	Safran 0.241% Floating Rate Bonds 28/6/2021	3,816	0.24
€3,100,000	SAGRES Sociedade de Titularizacao de Creditos 0.481% Floating Rate Asset Backed Bonds 20/3/2033	2,754	0.17
€1,800,000	Santander Consumer Finance 0.455% Floating Rate European Medium Term Notes 9/9/2019	1,603	0.10
€198,033	Smart ABS Series 2014-2E Trust 0.061% Floating Rate Asset Backed Bonds 14/6/2021	175	0.01
€2,100,000	SpareBank 1 SMN 0.171% Floating Rate European Medium Term Notes 9/11/2020	1,869	0.12
€1,096,988	SRF 2017-1 Fondo de Titulizacion 0.572% Floating Rate Mortgage Backed Bonds 26/4/2063	979	0.06
€100,000	SRF 2017-1 Fondo de Titulizacion 1.572% Floating Rate Notes 26/4/2063	88	0.01
€7,000,000	Sunrise SPV 0.091% Floating Rate Asset Backed Bonds 27/4/2041	6,180	0.39
€1,690,627	Sunrise Srl 0.278% Floating Rate Asset Backed Bonds 31/7/2040	1,528	0.10
€350,000	Taurus 2015-2 DEU 3.4% Floating Rate Mortgage Backed Bonds 1/2/2026	311	0.02
€125,830	Taurus 2016-2 2.85% Floating Rate Mortgage Backed Bonds 3/1/2027	113	0.01
€80,259	Taurus 2016-2 DEU DAC 3.75% Floating Rate Mortgage Backed Bonds 3/1/2027	72	0.00
€1,000,000	Telefonica Europe 4.2% Variable Rate Subordinated Perpetual Bonds	931	0.06
€705,000	Total 2.25% European Medium Term Notes Perpetual	647	0.04
€450,000	Total 2.625% Perpetual Floating Rate Notes	410	0.03
€208,000	UBS 4.75% Floating Rate European Medium Term Notes 12/2/2026	203	0.01
€3,875,000	UBS Funding Switzerland 0.371% Floating Rate Bonds 20/9/2022	3,467	0.22

## Portfolio Statement continued

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
€250,000	UniCredit 5.75% Subordinated Floating Rate European Medium Term Notes 28/10/2025	244	0.02
€1	VCL Multi-Compartment 0% Floating Rate Notes 21/8/2022 <sup>^</sup>	–	0.00
€1,100,000	Veolia Environnement 4.45% Guaranteed Perpetual Subordinated Floating Rate Bonds	976	0.06
€1,800,000	Vodafone 0.622% Floating Rate European Medium Term Notes 25/2/2019	1,603	0.10
€1,300,000	Volkswagen International Finance 3.5% Perpetual Notes	1,140	0.07
€765,000	Volkswagen International Finance 3.75% Guaranteed Perpetual Floating Rate Notes	724	0.05
€6,600,000	Volkswagen Leasing 0.121% Floating Rate European Medium Term Notes 6/7/2021	5,847	0.37
€4,500,000	Wizink Master Credit Cards FT 0.08% Floating Rate Asset Backed Bonds 26/12/2031	3,981	0.25
		<b>130,513</b>	<b>8.18</b>
<b>Hong Kong Dollar Denominated Fixed Rate Corporate Bonds – 0.04%; 28.2.2017 0.07%</b>			
HKD 6,000,000	Haitong International Securities 0% Bonds 25/10/2021	571	0.04
<b>Indian Rupee Denominated Fixed Rate Corporate Bonds – 0.16%; 28.2.2017 1.10%</b>			
INR 234,900,000	Indiabulls Housing Finance 8.567% Bonds 15/10/2019	2,610	0.16
<b>Indonesian Rupiah Denominated Fixed Rate Corporate Bonds – 0.03%; 28.2.2017 0.00%</b>			
IDR 3,160,000,000	Jasa Marga Persero Tbk PT 7.5% Bonds 11/12/2020	168	0.01
IDR 5,340,000,000	Wijaya Karya Persero Tbk PT 7.7% Bonds 31/1/2021	281	0.02
		<b>449</b>	<b>0.03</b>
<b>Indonesian Rupiah Denominated Fixed Rate Government Bonds – 0.15%; 28.2.2017 0.00%</b>			
IDR 19,823,000,000	Indonesia (Government) 6.625% Bonds 15/5/2033	999	0.06
IDR 26,376,000,000	Indonesia (Government) 7.5% Bonds 15/8/1932	1,422	0.09
		<b>2,421</b>	<b>0.15</b>
<b>Japanese Yen Denominated Fixed Rate Corporate Bonds – 0.03%; 28.2.2017 0.05%</b>			
JPY 40,000,000	Iwatani 0% Bonds 22/10/2020	306	0.02
JPY 20,000,000	Unicharm 0% Bonds 25/9/2020	173	0.01
		<b>479</b>	<b>0.03</b>
<b>Korean Won Denominated Fixed Rate Corporate Bonds – 0.02%; 28.2.2017 0.05%</b>			
KRW 400,000,000	Kakao 0% Bonds 11/5/2021	297	0.02
<b>Korean Won Denominated Fixed Rate Government Bonds – 0.27%; 28.2.2017 0.93%</b>			
KRW 6,500,000,000	Korea (Republic) 1.46% Bonds 2/4/2018	4,336	0.27
<b>Malaysian Ringgit Denominated Fixed Rate Government Bonds – 0.25%; 28.2.2017 0.00%</b>			
MYR 23,500,000	Malaysia (Government) 3.844% Bonds 15/4/2033	4,040	0.25
<b>Mexican Peso Denominated Fixed Rate Government Bonds – 0.09%; 28.2.2017 0.00%</b>			
MXN 37,200,000	Mexico (Government) 4.75% Bonds 14/6/2018	1,415	0.09
<b>New Zealand Dollar Denominated Fixed Rate Government Bonds – 0.03%; 28.2.2017 0.00%</b>			
NZD 1,000,000	New Zealand Government 2.5% Bonds 20/9/2040	550	0.03

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
<b>Russian Ruble Denominated Fixed Rate Government Bonds – 0.83%; 28.2.2017 0.94%</b>			
RUB 46,872,000	Russia (Federation) 7.05% Bonds 19/1/2028	607	0.04
RUB 21,641,000	Russia (Federation) 7.4% Bonds 7/12/2022	287	0.02
RUB 479,301,000	Russia (Federation) 7.5% Bonds 18/8/2021	6,329	0.39
RUB 199,586,000	Russia (Federation) 7.75% Bonds 16/9/2026	2,706	0.17
RUB 239,934,000	Russia (Federation) 8.15% Bonds 3/2/2027	3,345	0.21
		<b>13,274</b>	<b>0.83</b>
<b>South African Rand Denominated Fixed Rate Government Bonds – 0.13%; 28.2.2017 0.00%</b>			
ZAR 26,350,000	South Africa (Government) 6.25% Bonds 31/3/2036	1,230	0.08
ZAR 5,713,000	South Africa (Government) 6.5% Bonds 28/2/2041	265	0.02
ZAR 9,010,000	South Africa (Republic) 8.75% Bonds 28/2/2048	533	0.03
		<b>2,028</b>	<b>0.13</b>
<b>Sri Lankan Rupee Denominated Fixed Rate Government Bonds – 0.11%; 28.2.2017 0.00%</b>			
LKR 340,000,000	Sri Lanka (Government) Bonds 11.75% Bonds 15/6/2027	1,709	0.11
<b>Swedish Krona Denominated Floating Rate Corporate Bonds – 0.01%; 28.2.2017 0.00%</b>			
SEK 2,650,000	Bluestep Mortgage Securities NO 4 DAC 1.306% Floating Rate Mortgage Backed Bonds 10/8/2066	232	0.01
<b>Swiss Franc Denominated Fixed Rate Government Bonds – 0.01%; 28.2.2017 0.00%</b>			
CHF 165,000	Argentine Republic Government International Bond 3.375% Bonds 12/10/2020	130	0.01
<b>UK Sterling Denominated Fixed Rate Corporate Bonds – 8.47%; 28.2.2017 9.80%</b>			
£3,785,000	AA Bond 2.75% Bonds 31/7/2043	3,519	0.22
£1,250,000	Annington Funding 3.935% European Medium Term Notes 12/7/2047	1,307	0.08
£5,300,000	Bank Nederlandse Gemeenten 1% European Medium Term Notes 17/6/2022	5,223	0.33
£575,000	Bank of Ireland 3.125% European Medium Term Notes 19/9/2027	568	0.04
£2,800,000	Barclays 3.25% European Medium Term Notes 17/1/2033	2,695	0.17
£485,000	Barclays 7.25% Perpetual Bonds	529	0.03
£1,000,000	BAT International Finance 6.375% Guaranteed European Medium Term Bonds 12/12/2019	1,087	0.07
£1,100,000	BMW Finance 3.375% Guaranteed European Medium Term Notes 14/12/2018	1,121	0.07
£1,580,000	British Telecommunications 3.125% European Medium Term Notes 21/1/2031	1,548	0.10
£5,880,000	British Telecommunications 5.75% Guaranteed Senior Bonds 7/12/2028	7,293	0.46
£750,000	BUPA Finance 5% Bonds 8/12/2026	844	0.05
£6,030,000	Centrica 4.375% European Medium Term Bonds 13/3/2029	6,858	0.43
£2,000,000	Centrica 7% Guaranteed Senior European Medium Term Notes 19/9/2018	2,065	0.13
£2,300,000	Chancellor Masters and Scholars of the University of Oxford 2.544% Bonds 8/12/2117	2,267	0.14

## Portfolio Statement continued

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
£325,000	Channel Link Enterprises Finance 3.043% Bonds 30/6/2050	319	0.02
£500,000	Citigroup 7.625% Guaranteed Senior European Medium Term Notes 3/4/2018	503	0.03
£4,335,000	Council Of Europe Development Bank 0.625% European Medium Term Notes 15/6/2022 <sup>o</sup>	4,213	0.26
£100,000	CPUK Finance 4.25% Bonds 28/8/2022	101	0.01
£4,000,000	Dexia Credit Local 1.125% European Medium Term Notes 15/6/2022	3,942	0.25
£1,100,000	Digital Stout 4.75% Guaranteed Bonds 13/10/2023	1,223	0.08
£108,628	Dignity 3.5456% Asset Backed Bonds 31/12/2034	114	0.01
£4,055,000	European Investment Bank 0.875% European Medium Term Notes 15/12/2023	3,920	0.25
£4,850,000	Experian Finance 4.75% Guaranteed European Medium Term Notes 23/11/2018	4,983	0.31
£675,000	FCE Bank 2.625% Senior European Medium Term Notes 20/11/2018	682	0.04
£2,220,000	Goldman Sachs 4.25% Senior European Medium Term Notes 29/1/2026	2,471	0.15
£374,468	Greene King Finance 4.0643% Bonds 15/3/2035	400	0.02
£4,200,000	Heathrow Funding 6.25% Guaranteed European Medium Term Notes 10/9/2018	4,302	0.27
£6,785,000	HSBC 2.256% European Medium Term Notes 13/11/2026	6,616	0.41
£4,800,000	Imperial Brands Finance 6.25% Guaranteed European Medium Term Bonds 4/12/2018	4,986	0.31
£4,109,000	LCR Finance 4.5% Bonds 7/12/2028	5,136	0.32
£1,600,000	Liberty Living Finance 3.375% Bonds 28/11/2029	1,604	0.10
£2,000,000	Lloyds Banking 6.75% Guaranteed Senior European Medium Term Notes 24/10/2018	2,076	0.13
£1,810,000	Lloyds Banking 2.25% European Medium Term Notes 16/10/2024	1,782	0.11
£600,000	Lloyds Banking 7% Perpetual Subordinate Bonds	632	0.04
£6,700,000	Motor 1.3% Asset Backed Bonds 25/11/2025	6,673	0.42
£136,000	Motor 2016-1 3.75% Asset Backed Bonds 25/11/2025	136	0.01
£103,000	Motor 4.25% Asset Backed Bonds 25/11/2025	102	0.01
£105,000	Motor 5.25% Asset Backed Bonds 25/11/2025	102	0.01
£1,300,000	National Grid Gas Finance 2.75% European Medium Term Notes 22/9/2046	1,197	0.07
£2,875,000	Nationwide Building Society 8.625% Guaranteed Bonds 29/3/2018	2,891	0.18
£3,000,000	NRW Bank 1% European Medium Term Notes 15/6/2022	2,954	0.19
£4,127,000	Oesterreichische Kontrollbank 0.75% European Medium Term Notes 7/3/2022	4,033	0.25
£555,000	Prs Finance 1.75% Bonds 24/11/2026	548	0.03
£660,000	Prs Finance 1.75% Bonds 24/11/2026	654	0.04
£750,000	Prudential 1.75% European Medium Term Notes 27/11/2018	755	0.05

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
£4,000,000	Royal Bank of Scotland 6.625% Guaranteed Senior European Medium Term Bonds 17/9/2018	4,122	0.26
£3,200,000	Société Générale 5% Guaranteed Senior European Medium Term Notes 20/12/2018	3,306	0.21
£2,325,000	Southern Gas Network 5.125% Guaranteed European Medium Term Notes 2/11/2018	2,389	0.15
£3,336,000	SSE 5% Guaranteed Senior European Medium Term Notes 1/10/2018	3,416	0.21
£600,000	Standard Chartered 7.75% Guaranteed Subordinated European Medium Term Bonds 3/4/2018	603	0.04
£3,278,000	Thames Water Utilities 2.625% Bonds 24/1/2032	3,137	0.20
£1,500,000	Thames Water Utilities Cayman Finance 5.5% Guaranteed Senior European Medium Term Bonds 11/2/2041	2,038	0.13
£3,480,000	TP ICAP 5.25% Bonds 26/1/2024	3,664	0.23
£3,200,600	Unique Pub Finance 6.542% Bonds 30/3/2021	3,391	0.21
£1,925,000	Vodafone 8.125% Guaranteed Senior European Medium Term Notes 26/11/2018	2,026	0.13
		<b>135,066</b>	<b>8.47</b>
<b>UK Sterling Denominated Fixed Rate Government Bonds – 0.09%; 28.2.2017 0.83%</b>			
£1,520,000	Treasury 1.5% Gilts 22/7/2047 <sup>^^</sup>	1,369	0.09
<b>UK Sterling Denominated Variable Rate Corporate Bonds – 19.22%; 28.2.2017 11.99%</b>			
£8,630,000	Bavarian Sky UK 1 0.86288% Floating Rate Asset Backed Bonds 20/11/2025	8,616	0.54
£83,845	Brass No 3 Floating Rate Asset Backed Bonds 16/4/2051	84	0.00
£8,025,000	Brass NO 6 0.86466% Floating Rate Mortgage Backed Bonds 16/12/2060	8,034	0.50
£4,100,000	Bumper 1.022% Floating Rate Asset Backed Bonds 20/11/2027	4,104	0.26
£800,000	Bumper 1.442% Floating Rate Asset Backed Bonds 20/11/2027	807	0.05
£7,285,807	Charter Mortgage Funding 2017-1 1.022% Floating Rate Mortgage Backed Bonds 12/6/2054	7,306	0.46
£14,900,000	Compartment Driver UK Six 0.97619% Floating Rate Asset Backed Bonds 25/2/2026	14,897	0.93
£640,000	Coventry Building Society 6.375% Perpetual Subordinated Floating Rate Notes	664	0.04
£2,000,000	Danske Bank 5.375% Guaranteed Subordinated Floating Rate European Medium Term Bonds 29/9/2021	2,044	0.13
£2,505,000	Delamare Cards 1.16194% Floating Rate Asset Backed Bonds 19/4/2020	2,506	0.16
£11,300,000	Delamare Cards MTN Issuer 1.02288% Floating Rate Asset Backed Bonds 19/10/2022	11,322	0.71
£4,700,000	Driver UK Multi-Compartment 1.50163% Floating Rate Notes 25/3/2025	4,672	0.29
£708,587	Duncan Funding 2015-1 1.33757% Floating Rate Mortgage Backed Bonds 17/12/2062	711	0.04



# Portfolio Statement continued

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
£2,686,714	Duncan Funding 2016-1 1.43681% Floating Rate Mortgage Backed Bonds 17/4/2063	2,703	0.17
£71,512	E-CARAT 5 Mortgage 0.893% Floating Rate Notes 18/4/2023	72	0.00
£1,045,836	E-CARAT 6 1.12656% Floating Rate Asset Backed Bonds 18/6/2024	1,049	0.07
£6,043,240	E-CARAT 8 0.63138% Floating Rate Asset Backed Bonds 18/3/2024	6,046	0.38
£3,535,000	E-CARAT 9 0.89269% Floating Rate Asset Backed Bonds 18/9/2024	3,535	0.22
£5,035,000	E-CARAT Floating Rate Asset Backed Bonds 8/3/2024	5,043	0.32
£3,311,745	Feldspar 1.21619% Floating Rate Mortgage Backed Bonds 15/9/2045	3,325	0.21
£2,259,896	Finsbury 1.25806% Floating Rate Mortgage Backed Bonds 16/8/2058	2,269	0.14
£103,000	Finsbury 2.15806% Floating Rate Mortgage Backed Bonds 16/8/2058	104	0.01
£110,000	Finsbury Square 2.65806% Floating Rate Mortgage Backed Bonds 16/8/2058	112	0.01
£3,228,182	Finsbury Square 2017-1 0.98869% Floating Rate Mortgage Backed Bonds 12/3/2059	3,236	0.20
£1,191,973	Finsbury Square 2017-1 1.74231% Asset Backed Floating Rate Notes 12/3/2059	1,202	0.08
£140,997	Finsbury Square 2017-1 2.24231% Asset Backed Floating Rate Notes 12/3/2059	143	0.01
£8,494,419	Finsbury Square 2017-2 1.20244% Floating Rate Mortgage Backed Bonds 12/9/2065	8,500	0.53
£7,830,000	Finsbury Square 2018-1 1.21093% Floating Rate Mortgage Backed Bonds 12/9/2065	7,829	0.49
£107,000	Finsbury Square 2018-1 1.56093% Floating Rate Mortgage Backed Bonds 12/9/2065	107	0.01
£102,000	Finsbury Square 2018-1 1.86093% Floating Rate Mortgage Backed Bonds 12/9/2065	102	0.01
£608,280	Fosse Master Issuer Mortgage 0.84194% Bonds 18/10/2054	608	0.04
£5,986,839	Friary No 4 0.90294% Floating Rate Mortgage Backed Bonds 21/1/2050	5,992	0.38
£231,511	Gemgarto 2015-1 FRN Medium Term Notes 16/2/2047	232	0.01
£83,045	Gemgarto 2015-2 1.99864% Floating Rate Mortgage Backed Bonds 16/2/2054	83	0.00
£6,686,023	Globaldrive Auto Receivables UK 2016-A 0.73281% Floating Rate Asset Backed Bonds 20/9/2024	6,695	0.42
£1,595,000	Globaldrive Auto Receivables UK 2017-A PLC 1.29288% Floating Rate Asset Backed Bonds 20/6/2025	1,598	0.10
£1,357,999	Gosforth Funding 0.93385% Floating Rate Mortgage Backed Bonds 16/6/2057	1,358	0.08
£10,741	Gosforth Funding 0.99278% Floating Rate Bonds 19/10/2056	11	0.00

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
£1,591,996	Gosforth Funding 2016-1 1.22356% Floating Rate Mortgage Backed Bonds 15/2/2058	1,593	0.10
£986,106	Gosforth Funding 2016-2 1.50421% Floating Rate Mortgage Backed Bonds 24/7/2058	992	0.06
£10,200,000	Gosforth Funding 2017-1 1.01344% Floating Rate Mortgage Backed Bonds 19/12/2059	10,260	0.64
£470,000	Great Hall Morgages 0.81281% Floating Rate Notes 18/6/2039	427	0.03
£276,245	Greene King Finance 4.0643% Floating Rate Asset Backed European Medium Term Notes 15/12/2033	280	0.02
£1,961,324	Hawksmoor Mortgages 2016-1 1.79627% Floating Rate Mortgage Backed Bonds 25/5/2053	1,986	0.12
£785,000	Hawksmoor Mortgages 2016-1 1.99627% Floating Rate Mortgage Backed Bonds 25/5/2053	791	0.05
£181,850	Kenrick No 2 Floating Rate Notes 18/4/2049	182	0.01
£9,110,000	Kenrick NO 3 0.88958% Floating Rate Mortgage Backed Bonds 11/10/2054	9,107	0.57
£7,300,000	Lanark Master Issuer 0.80398% Floating Rate Mortgage Backed Bonds 22/12/2069	7,308	0.46
£5,130,000	Lanark Master Issuer 0.96079% Floating Rate Mortgage Backed Bonds 22/12/2069	5,134	0.32
£1,030,000	Lanark Master Issuer 1.11995% Floating Rate Mortgage Backed Bonds 22/12/2054	1,031	0.06
£300,000	Lanark Master Issuer 1.19% Floating Rate Mortgage Backed Bonds 22/12/2054	301	0.02
£106,534	Marketplace Originated Consumer Assets 1.71281% Floating Rate Asset Backed Bonds 20/10/2024	107	0.01
£12,693,097	Marketplace Originated Consumer Assets 2017-1 1.197% Floating Rate Asset Backed Bonds 20/12/2027	12,697	0.80
£105,000	Marketplace Originated Consumer Assets 2017-1 1.747% Floating Rate Asset Backed Bonds 20/12/2027	105	0.01
£102,000	Marketplace Originated Consumer Assets 2017-1 2.397% Floating Rate Asset Backed Bonds 20/12/2027	102	0.01
£187,000	Mitchells & Butlers Finance 2.39119% Floating Rate Asset Backed Notes 15/9/2034	157	0.01
£195,367	Motor 2015-1 0.98975% Floating Rate Asset Backed Bonds 25/6/2022	195	0.01
£6,758,000	Motor 2017-1 0.94938% Floating Rate Asset Backed Bonds 25/9/2024	6,754	0.42
£700,000	Nationwide Building Society 6.875% Perpetual Subordinated Floating Rate European Medium Term Notes	734	0.05
£12,200,000	Newday Funding 2017-1 1.00044% Floating Rate Asset Backed Bonds 15/7/2025	12,209	0.77
£364,000	Newday Funding 2017-1 1.65044% Floating Rate Asset Backed Bonds 15/7/2025	364	0.02
£200,000	Newday Funding 2017-1 2.15044% Floating Rate Asset Backed Bonds 15/7/2025	200	0.01

## Portfolio Statement continued

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
£200,000	Newday Funding 2017-1 2.50044% Floating Rate Asset Backed Bonds 15/7/2025	201	0.01
£10,480,231	Oat Hill No 1 1.23063% Floating Rate Mortgage Backed Bonds 25/2/2046	10,434	0.65
£468,088	Paragon Mortgages No. 23 1.67268% Floating Rate Mortgage Backed Bonds 15/1/2043	469	0.03
£295,088	Paragon Mortgages No. 24 2.17174% Floating Rate Mortgage Backed Bonds 15/7/2043	299	0.02
£2,480,000	PCL Funding II 1.00044% Floating Rate Asset Backed Bonds 15/6/2022	2,482	0.16
£682,000	PCL Funding II 2.00044% Floating Rate Asset Backed Bonds 15/6/2022	682	0.04
£490,000	PCL Funding II Variable Notes 15/6/2022	490	0.03
£7,786,000	PCL Funding III 1.14556% Floating Rate Asset Backed Bonds 15/6/2023	7,813	0.49
£101,000	PCL Funding III 1.89556% Floating Rate Asset Backed Bonds 15/6/2023	101	0.01
£1,675,550	Residential Mortgage 1.35024% Floating Rate Mortgage Backed Senior Secured Notes 20/12/2046	1,678	0.10
£137,000	Residential Mortgage Securities 29 2.10024% Floating Rate Mortgage Backed Bonds 20/12/2046	139	0.01
£523,000	Residential Mortgage Securities 29 1.80024% Floating Rate Mortgage Backed Bonds 20/12/2046	528	0.03
£6,437,302	Residential Mortgage Securities 30 1.16501% Floating Rate Mortgage Backed Bonds 20/3/2050	6,454	0.40
£460,000	Residential Mortgage Securities 30 1.61501% Floating Rate Mortgage Backed Bonds 20/3/2050	462	0.03
£100,000	Residential Mortgage Securities 30 2.06501% Floating Rate Mortgage Backed Bonds 20/3/2050	101	0.01
£4,735,739	Ripon Mortgages 1.0815% Floating Rate Mortgage Backed Bonds 20/8/2056	4,745	0.30
£10,420,000	Ripon Mortgages 1.4815% Floating Rate Mortgage Backed Bonds 20/8/2056	10,423	0.65
£7,820,000	Ripon Mortgages 1.7815% Floating Rate Mortgage Backed Bonds 20/8/2056	7,822	0.49
£3,211,469	RMAC 0.69244% Floating Rate Collateralised Mortgage Obligations 12/6/2044	3,151	0.20
£3,835,484	Silver Arrow Compartment Silver Arrow UK 2017-1 0.84288% Floating Rate Asset Backed Bonds 20/7/2023	3,835	0.24
£7,140,000	Silverstone Master Issuer 0.88375% Floating Rate Mortgage Backed Bonds 21/1/2070	7,146	0.45
£315,000	Silverstone Master Issuer Mortgage 0.93625% Floating Rate Notes 21/1/2070	315	0.02
£233,000	Spirit Issuer 3.27938% Floating Rate Senior Notes 28/12/2031	227	0.01
£1,639,208	Stanlington No 1 1.52244% Floating Rate Mortgage Backed Bonds 12/6/2046	1,649	0.10

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
£275,000	Stonegate Pub Financing 4.89119% Floating Rate Bonds 15/3/2022	274	0.02
£4,400,000	Taurus 2017-2 UK DAC 1.39975% Floating Rate Mortgage Backed Bonds 17/11/2027	4,400	0.28
£261,000	Taurus 2017-2 UK DAC 1.94444% Floating Rate Mortgage Backed Bonds 17/11/2027	261	0.02
£127,000	Taurus 2017-2 UK DAC 2.36095% Floating Rate Mortgage Backed Bonds 17/11/2027	127	0.01
£133,000	Taurus 2017-2 UK DAC 3.01095% Floating Rate Mortgage Backed Bonds 17/11/2027	133	0.01
£4,260,000	Tolkien Funding Sukuk NO 1 1.43283% Floating Rate Mortgage Backed Bonds 20/7/2052	4,261	0.27
£3,631,680	Towd Point Mortgage 1.40319% Floating Rate Mortgage Backed Bonds 20/5/2045	3,641	0.23
£1,135,000	Tower Bridge Funding No.1 1.48423% Floating Rate Mortgage Backed Bonds 20/3/2056	1,141	0.07
£19,402	Turbo Finance 5 0.97381% Floating Rate Notes 20/8/2021	19	0.00
£1,100,000	Turbo Finance 5 1.25131% Floating Rate Asset Backed Bonds 20/8/2021	1,101	0.07
£1,823,656	Turbo Finance 6 1.26622% Floating Rate Asset Backed Bonds 20/2/2023	1,829	0.11
£1,100,000	Turbo Finance 6 1.65131% Floating Rate Asset Backed Bonds 20/2/2023	1,113	0.07
£4,867,337	Turbo Finance 7 0.86281% Floating Rate Asset Backed Bonds 20/6/2023	4,875	0.31
£4,100,000	Turbo Finance 7 1.75263% Floating Rate Asset Backed Bonds 20/6/2023	4,161	0.26
£570,000	Wales & West Utilities Finance 6.75% Guaranteed Floating Rate European Medium Term Notes 17/12/2036	593	0.04
£700,000	Warwick Finance Residential Mortgages 1.71688% Floating Rate Mortgage Backed Bonds 21/9/2049	696	0.04
£3,725,890	Warwick Finance Residential Mortgages 2.08781% Floating Rate Mortgage Backed Bonds 21/9/2049	3,784	0.24
£600,000	Warwick Finance Residential Mortgages No Two 2.08606% Floating Rate Mortgage Backed Bonds 21/9/2049	595	0.04
£1,080,000	Westfield Stratford City Finance 1.38294% Asset Backed Bonds 4/11/2024	1,081	0.07
		<b>306,468</b>	<b>19.22</b>
<b>US Dollar Denominated CP Bonds – 0.00%; 28.2.2017 0.13%</b>			
<b>US Dollar Denominated Fixed Rate Corporate Bonds – 24.60%; 28.2.2017 26.81%</b>			
\$4,470,000	245 Park Avenue Trust 2017-245P 3.6573984% Mortgage Backed Bonds 5/6/2037	2,910	0.18
\$150,000	Abbott Laboratories 2% Bonds 15/3/2020	107	0.01
\$260,000	Abbott Laboratories 2.9% Bonds 30/11/2021	186	0.01
\$2,000,000	Abbott Laboratories 3.75% Bonds 30/11/2026	1,426	0.09

# Portfolio Statement continued

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
\$50,000	AbbVie 2.3% Bonds 14/5/2021	35	0.00
\$60,000	AbbVie 2.9% Senior Notes 6/11/2022	42	0.00
\$200,000	ABJA InvestmentPte 5.95% Bonds 31/7/2024	150	0.01
\$200,000	ABM Investama Tbk PT 7.125% Bonds 1/8/2022	148	0.01
\$775,000	Abu Dhabi Crude Oil Pipeline 3.65% Bonds 2/11/2029 <sup>o</sup>	534	0.03
\$200,000	Abu Dhabi National EnergyPJSC 3.625% Bonds 12/1/2023	143	0.01
\$100,000	Actavis Funding 3% Bonds 12/3/2020	72	0.00
\$257,000	Adani Transmission 4% Bonds 3/8/2026	177	0.01
\$410,000	AerCap Global Aviation Trust 4.5% Bonds 15/5/2021	305	0.02
\$317,000	Aeropuerto Internacional de Tocumen 5.625% Bonds 18/5/2036	246	0.02
\$30,000	AHS Hospital 5.024% Bonds 1/7/2045	25	0.00
\$35,000	AIG 4.875% Senior Notes 1/6/2022	27	0.00
\$5,000	AIG Global Funding 1.95% Bonds 18/10/2019	4	0.00
\$150,000	Air Lease 2.625% Bonds 1/7/2022	105	0.01
\$720,000	Alameda Corridor Transportation Authority 5% Bonds 1/10/2035	581	0.04
\$340,000	Alamo Community College District 5% Bonds 15/8/2034	286	0.02
\$12,892,000	Alibaba 3.4% Bonds 6/12/2027 <sup>o</sup>	8,839	0.55
\$1,124,000	Alibaba 4% Bonds 6/12/2037	774	0.05
\$2,270,000	Alibaba 4.2% Bonds 6/12/2047	1,557	0.10
\$488,000	Alibaba 4.4% Bonds 6/12/2057	332	0.02
\$500,000	Allergan Funding 3% Bonds 12/3/2020	361	0.02
\$155,000	American Express 2.5% Bonds 1/8/2022	108	0.01
\$10,000	American Municipal Power 6.449% Bonds 15/2/2044	9	0.00
\$45,000	American Tower 3.45% Bonds 15/9/2021	33	0.00
\$60,000	AmeriCredit Automobile Receivables Trust 1.87% Asset Backed Bonds 18/8/2021	43	0.00
\$330,000	AmeriCredit Automobile Receivables Trust 2017-2 1.98% Asset Backed Bonds 20/12/2021	236	0.01
\$320,000	AmeriCredit Automobile Receivables Trust 2017-4 2.04% Asset Backed Bonds 18/7/2022	228	0.01
\$265,000	AmeriGas 5.5% Bonds 20/5/2025	189	0.01
\$1,000,000	AmeriGas Finance 5.75% Bonds 20/5/2027	715	0.04
\$290,000	Amgen 2.2% Bonds 11/5/2020	207	0.01
\$300,000	Analog Devices 2.5% Bonds 5/12/2021	212	0.01
\$1,673,000	Analog Devices 3.5% Bonds 5/12/2026	1,177	0.07
\$387,000	Analog Devices 4.5% Bonds 5/12/2036	288	0.02
\$1,000,000	Andeavor 4.75% Bonds 15/12/2023	753	0.05
\$80,000	Andeavor Logistics LP / Tesoro Logistics Finance 3.5% Bonds 1/12/2022	57	0.00
\$1,631,000	Andeavor Logistics LP / Tesoro Logistics Finance 5.2% Bonds 1/12/2047	1,142	0.07
\$555,000	Anheuser-Busch InBev Finance 2.65% Bonds 1/2/2021	397	0.03
\$80,000	Anthem 2.5% Bonds 21/11/2020	57	0.00
\$1,000,000	Anthem 4.55% Bonds 1/3/2048	717	0.05
\$400,000	Anton Oilfield Services /Hong Kong 9.75% Bonds 5/12/2020	302	0.02
\$75,000	Aon 2.8% Bonds 15/3/2021	54	0.00

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
\$193,000	Arcor 6% Bonds 6/7/2023	145	0.01
\$4,000,000	Ares Capital 3.5% Bonds 10/2/2023	2,795	0.18
\$2,000,000	Ares Capital 4.25% Bonds 1/3/2025	1,413	0.09
\$500,000	ARI Fleet Lease Trust 2017-A 1.91% Asset Backed Bonds 15/4/2026	359	0.02
\$2,250,000	AT Securities 5.25% Perpetual Bonds	1,597	0.10
\$2,250,000	AT&T 3.9% Bonds 14/8/2027	1,611	0.10
\$841,000	AT&T 4.75% Notes 15/5/2046	572	0.04
\$560,000	AT&T 4.9% Bonds 14/8/2037	405	0.03
\$1,000,000	AT&T 5.15% Bonds 14/2/2050	715	0.04
\$330,000	AT&T 5.25% Bonds 1/3/2037	247	0.02
\$583,000	Avianca SA / Avianca Leasing / Grupo Taca s 8.375% Bonds 10/5/2020	430	0.03
\$125,000	Aviation Capital 2.875% Bonds 20/1/2022	88	0.01
\$381,000	Axtel 6.375% Bonds 14/11/2024	280	0.02
\$900,000	Azure Orbit IV International Finance 3.75% European Medium Term Notes 25/1/2023	643	0.04
\$131,803	B2R Mortgage Trust 2015-1 2.524% Asset Backed Bonds 15/5/2048	94	0.01
\$300,000	Bagan Capital 0% Bonds 23/9/2021	217	0.01
\$200,000	Baidu 2.875% Bonds 6/7/2022	141	0.01
\$125,000	Baker Hughes GE / Baker Hughes Co-Obligor 2.773% Bonds 15/12/2022	88	0.01
\$190,000	Bank of America 2.328% Medium Term Notes 1/10/2021	135	0.01
\$355,000	Bank of America 2.65% Senior Notes 1/4/2019	257	0.02
\$405,000	Bank of America 2.881% Bonds 24/4/2023	287	0.02
\$120,000	Bank of America 3.124% Medium Term Notes 20/1/2023	86	0.01
\$1,750,000	Bank of America 3.366% Bonds 23/1/2026	1,239	0.08
\$1,750,000	Bank of America 3.946% Bonds 23/1/2049	1,208	0.08
\$273,000	Bank of America 3.95% Medium Term Notes 21/4/2025	197	0.01
\$600,000	Bank of America 4.183% Medium Term Notes 25/11/2027	433	0.03
\$400,000	Bank of East Asia 5.5% Perpetual European Medium Term Notes	292	0.02
\$200,000	Bank of East Asia 5.625% Perpetual Bonds	147	0.01
\$825,000	Bank of Ireland 4.125% European Medium Term Notes 19/9/2027	580	0.04
\$200,000	Banque Federative du Credit Mutuel 2.7% Bonds 20/7/2022	140	0.01
\$600,000	Baosteel Hong Kong Investment 0% Bonds 1/12/2018	520	0.03
\$670,000	Baoxin Auto Finance I 5.625% Perpetual Bonds	476	0.03
\$1,195,000	Barclays 3.684% Bonds 10/1/2023	856	0.05
\$365,000	Barclays 4.375% Bonds 11/9/2024	259	0.02
\$1,500,000	Barclays 5.2% Bonds 12/5/2026	1,103	0.07
\$200,000	Barclays 7.875% Perpetual Bonds	156	0.01
\$2,300,000	BAT 3.222% Bonds 15/8/2024	1,605	0.10
\$560,000	BAT Capital 2.297% Bonds 14/8/2020	397	0.02
\$25,000	BAT International Finance 3.25% Bonds 7/6/2022	18	0.00
\$2,000,000	Baxter International 2.6% Bonds 15/8/2026	1,320	0.08
\$195,000	Bay Area Toll Authority 6.918% Bonds 1/4/2040	195	0.01

# Portfolio Statement continued

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
\$45,000	Bay Area Toll Authority 7.043% Bonds 1/4/2050	49	0.00
\$115,000	Baylor Scott & White s 4.185% Bonds 15/11/2045	84	0.01
\$258,143	Bear Stearns Commercial Mortgage Securities Trust 2005-PWR 10 5.591538% Mortgage Backed Bonds 11/12/2040	196	0.01
\$165,000	Becton Dickinson and 2.404% Bonds 5/6/2020	117	0.01
\$1,850,000	Bed Bath & Beyond 5.165% Bonds 1/8/2044	1,111	0.07
\$50,000	Berkshire Hathaway Energy 2.375% Bonds 15/1/2021	36	0.00
\$720,000	BHP Billiton Finance 6.25% Bonds 19/10/2075	553	0.03
\$240,000	BlueLine Rental Finance 9.25% Bonds 15/3/2024	187	0.01
\$205,000	BNP Paribas 2.95% Bonds 23/5/2022	145	0.01
\$3,000,000	BNP Paribas 3.375% Bonds 9/1/2025	2,104	0.13
\$2,050,000	BNP Paribas 4.375% Bonds 12/5/2026	1,491	0.09
\$3,000,000	BNP Paribas 4.375% Bonds 1/3/2033	2,141	0.13
\$2,250,000	BNP Paribas 4.625% Bonds 13/3/2027 <sup>o</sup>	1,657	0.10
\$1,000,000	BNP Paribas 7.375% Perpetual Bonds	806	0.05
\$1,000,000	Boston Scientific 3.85% Bonds 15/5/2025	723	0.05
\$250,000	BPCE 2.75% Bonds 11/1/2023	175	0.01
\$1,800,000	BPCE 3.5% Bonds 23/10/2027	1,231	0.08
\$100,000	Broadcom Cayman Finance 2.375% Bonds 15/1/2020	71	0.00
\$351,000	Broadcom Cayman Finance 3% Bonds 15/1/2022	248	0.02
\$1,780,000	Broadcom Cayman Finance 3.125% Bonds 15/1/2025	1,206	0.08
\$1,000,000	Broadcom Cayman Finance 3.5% Bonds 15/1/2028	668	0.04
\$1,855,000	Broadcom Cayman Finance 3.625% Bonds 15/1/2024	1,309	0.08
\$1,000,000	Broadcom Cayman Finance 3.875% 15/1/2027	692	0.04
\$40,000	Buckeye Tobacco Settlement Financing Authority 5.875% Bonds 1/6/2047	28	0.00
\$200,000	Bukit Makmur Mandiri Utama PT 7.75% Bonds 13/2/2022	152	0.01
\$23,294	Bumi Resources Tbk PT 0% Bonds 11/12/2022	6	0.00
\$85,000	CA 3.6% Bonds 15/8/2022	62	0.00
\$195,000	Cablevision 6.5% Bonds 15/6/2021	147	0.01
\$55,000	California Health Facilities Financing Authority 5% Bonds 15/8/2033	46	0.00
\$650,000	California Municipal Finance Authority 5% Bonds 1/2/2028	541	0.03
\$800,000	California Municipal Finance Authority 5% Bonds 1/2/2029	661	0.04
\$650,000	California Pollution Control Financing Authority 5% Bonds 21/11/2045	499	0.03
\$100,000	California State Public Works Board 8.361% Bonds 1/10/2034	106	0.01
\$75,000	Capital One Financial 3.05% Bonds 9/3/2022	53	0.00
\$901,000	Capital One Financial 3.8% Bonds 31/1/2028	630	0.04
\$300,000	Capital One Multi-Asset Execution Trust 1.99% Asset Backed Bonds 17/7/2023	213	0.01
\$435,000	Capital One Multi-Asset Execution Trust 2.43% Asset Backed Bonds 15/1/2025	308	0.02
\$825,442	CarMax Auto Owner Trust 2016-2 1.52% Asset Backed Bonds 16/2/2021	592	0.04

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
\$115,000	Catholic Health Initiatives 4.35% Bonds 1/11/2042	76	0.00
\$715,000	CCTI 2017 3.625% Bonds 8/8/2022	500	0.03
\$3,017,000	CCUBS Commercial Mortgage Trust 2017-C1 3.544% Mortgage Backed Bonds 15/11/2050	2,160	0.14
\$640,000	CDBL Funding 1 3% European Medium Term Notes 24/4/2023	442	0.03
\$535,000	CDBL Funding 1 3.5% European Medium Term Notes 24/10/2027	357	0.02
\$1,500,000	CDW Finance 5% Bonds 1/9/2025	1,092	0.07
\$85,000	CenterPoint Energy 2.5% Bonds 1/9/2022	59	0.00
\$55,000	Central American Bottling 5.75% Bonds 31/1/2027	41	0.00
\$9,079,242	CFCRE Commercial Mortgage Trust 2016-C4 1.93681% Mortgage Backed Bonds 10/5/2058	702	0.04
\$400,000	CFLD Cayman Investment 6.5% Bonds 21/12/2020	292	0.02
\$405,000	CGBAM Commercial Mortgage Trust 2015-SMRT 2.808% Mortgage Backed Bonds 10/4/2028	292	0.02
\$390,511	CGGS Commercial Mortgage Trust 2016-RND 2.757% Mortgage Backed Bonds 10/2/2033	280	0.02
\$500,000	CGNPC International 3.75% Bonds 11/12/2027 <sup>o</sup>	345	0.02
\$325,000	Chang Development International 3.625% Bonds 20/1/2020	232	0.01
\$800,000	Charming Light Investments 4.375% European Medium Term Notes 21/12/2027	557	0.04
\$1,322,000	Charter Communications Operating / Charter Communications Operating Capital 3.75% Bonds 15/2/2028	880	0.06
\$1,304,000	Charter Communications Operating / Charter Communications Operating Capital 5.375% Bonds 1/5/2047	923	0.06
\$345,000	Charter Communications Operating 3.579% Bonds 23/7/2020	251	0.02
\$2,000,000	Charter Communications Operating 4.464% Bonds 23/7/2022	1,479	0.09
\$160,000	Charter Communications Operating 6.484% Bonds 23/10/2045	130	0.01
\$330,000	Chesapeake Bay Bridge & Tunnel District 5% Bonds 1/7/2041	265	0.02
\$25,000	Chesapeake Bay Bridge & Tunnel District 5% Bonds 1/7/2051	20	0.00
\$550,000	China Cinda Finance 2015 I 4.25% European Medium Term Notes 23/4/2025	391	0.02
\$200,000	China Cinda Finance 2017 I 3.875% European Medium Term Notes 8/2/2023	143	0.01
\$200,000	China Cinda Finance 2017 I 4.4% European Medium Term Notes 9/3/2027	141	0.01
\$935,000	China Cinda Finance 2017 I 4.75% European Medium Term Notes 8/2/2028 <sup>o</sup>	666	0.04
\$260,000	China Construction Bank 4.65% Perpetual Bonds	188	0.01
\$680,000	China Evergrande 7.5% Bonds 28/6/2023 <sup>o</sup>	484	0.03
\$500,000	China Evergrande 8.75% Bonds 28/6/2025 <sup>o</sup>	363	0.02
\$200,000	China Huiyuan Juice 6.5% Bonds 16/8/2020	144	0.01
\$386,000	China Minmetals 3.75% Perpetual Bonds	269	0.02
\$580,000	China Reinsurance Finance 3.375% Bonds 9/3/2022	406	0.03
\$200,000	China Singyes Solar Technologies 7.95% Bonds 15/2/2019	141	0.01

# Portfolio Statement continued

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
\$625,000	Chinalco Capital 4.25% Bonds 21/4/2022	448	0.03
\$305,000	Chong Hing Bank 3.876% Bonds 26/7/2027	215	0.01
\$134,000	Cia Latinoamericana de Infraestructura & Servicios 9.5% Bonds 20/7/2023	101	0.01
\$920,000	Citibank Credit Card Issuance Trust 1.75% Asset Backed Bonds 19/11/2021	656	0.04
\$300,000	Citibank Credit Card Issuance Trust 1.92% Asset Backed Bonds 7/4/2022	213	0.01
\$560,000	CITIC 4% European Medium Term Notes 11/1/2028	390	0.02
\$505,000	Citigroup 2.75% Bonds 25/4/2022	357	0.02
\$2,000,000	Citigroup 2.876% Bonds 24/7/2023	1,410	0.09
\$6,365,000	Citigroup Commercial Mortgage Trust 2014-GC21 3.855% Mortgage Backed Bonds 10/5/2047	4,719	0.30
\$29,166,723	Citigroup Commercial Mortgage Trust 2015-GC27 1.41155% Mortgage Backed Bonds 10/2/2048	1,550	0.10
\$3,450,000	Citigroup Commercial Mortgage Trust 2015-GC27 3.137% Mortgage Backed Bonds 10/2/2048	2,443	0.15
\$2,085,000	Citigroup Commercial Mortgage Trust 2015-GC33 3.778% Mortgage Backed Bonds 10/9/2058	1,534	0.10
\$1,766,431	Citigroup Commercial Mortgage Trust 2015-P1 0.957% Mortgage Backed Bonds 15/9/2048	56	0.00
\$25,000	City & County of Denver CO Airport System Revenue 5% Bonds 15/11/2028	21	0.00
\$25,000	City & County of Denver CO Airport System Revenue 5% Bonds 15/11/2029	21	0.00
\$20,000	City & County of Denver CO Airport System Revenue 5% Bonds 15/11/2030	17	0.00
\$310,000	City of Aurora CO Water Revenue 5% Bonds 1/8/2046	252	0.02
\$175,000	City of Dallas TX Waterworks & Sewer System Revenue 5% Bonds 1/10/2031	146	0.01
\$20,000	City of Riverside CA Electric Revenue 7.605% Bonds 1/10/2040	21	0.00
\$175,000	City of San Francisco Public Utilities Commission Water Revenue 5% Bonds 1/11/2030	147	0.01
\$800,000	CK Hutchison International 17 3.5% Bonds 5/4/2027 <sup>o</sup>	556	0.04
\$115,000	Clark County School District 5% Bonds 15/6/2026	96	0.01
\$235,000	Clark County School District 5% Bonds 15/6/2027	195	0.01
\$5,000	Clark County School District 5% Bonds 15/6/2028	4	0.00
\$1,500,000	Cleveland-Cliffs 5.75% Bonds 1/3/2025	1,043	0.07
\$1,575,000	CNA Financial 3.45% Bonds 15/8/2027	1,081	0.07
\$1,097,000	CNAC HK Synbridge 5% Bonds 5/5/2020	808	0.05
\$490,000	CNH Equipment Trust 2016-C 1.44% Asset Backed Bonds 15/12/2021	349	0.02
\$620,000	CNH Equipment Trust 2017-B 1.86% Asset Backed Bonds 15/9/2022	441	0.03
\$2,000,000	Coach 3% Bonds 15/7/2022	1,409	0.09

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
\$264,000	Coca-Cola Icecek AS 4.215% Bonds 19/9/2024	190	0.01
\$285,000	Colorado Health Facilities Authority 5.25% Bonds 1/2/2031	217	0.01
\$200,000	COMM 2012-LC4 Mortgage Trust 3.288% Mortgage Backed Bonds 10/12/2044	145	0.01
\$4,809,000	COMM 2013-CCRE13 Mortgage Trust 3.706% Mortgage Backed Bonds 10/11/2046	3,543	0.22
\$4,125,000	COMM 2014-277P Mortgage Trust 3.6113% Mortgage Backed Bonds 10/8/2049	3,016	0.19
\$2,000,000	COMM 2014-LC15 Mortgage Trust 4.006% Mortgage Backed Bonds 10/4/2047	1,492	0.09
\$250,000	COMM 2015-CCRE23 Mortgage Trust 2.852% Mortgage Backed Bonds 10/5/2048	181	0.01
\$1,800,000	COMM 2015-CCRE23 Mortgage Trust 3.6845% Mortgage Backed Bonds 10/5/2048	1,307	0.08
\$31,328,210	COMM 2015-CCRE24 Mortgage Trust 1.043% Mortgage Backed Bonds 10/8/2048	1,059	0.07
\$1	COMM 2015-CCRE25 Mortgage Trust 1.131991% Mortgage Backed Bonds 10/8/2048 <sup>~</sup>	–	0.00
\$350,000	COMM 2015-CCRE25 Mortgage Trust 3.537% Mortgage Backed Bonds 10/8/2048	256	0.02
\$2,695,000	COMM 2015-CCRE25 Mortgage Trust 3.759% Mortgage Backed Bonds 10/8/2048	1,976	0.12
\$3,000,000	COMM 2015-CCRE26 Mortgage Trust 3.359% Mortgage Backed Bonds 10/10/2048	2,159	0.14
\$215,000	COMM 2015-PC1 Mortgage Trust 3.608% Mortgage Backed Bonds 10/7/2050	157	0.01
\$1,110,000	COMM 2017-COR2 Mortgage Trust 3% Mortgage Backed Bonds 10/9/2050	643	0.04
\$998,284	Commercial Mortgage Pass Through Certificates 1.0253% Mortgage Backed Bonds 10/2/2047	18	0.00
\$40,000	Commonwealth Financing Authority 3.864% Bonds 1/6/2038	28	0.00
\$10,000	Commonwealth Financing Authority 4.144% Bonds 1/6/2038	7	0.00
\$125,000	Commonwealth of Massachusetts 5% Bonds 1/7/2026	107	0.01
\$300,000	Communications Sales & Leasing 6% Bonds 15/4/2023	210	0.01
\$330,000	Connecticut State Health & Educational Facilities Authority 5% Bonds 1/7/2045	254	0.02
\$330,000	Connecticut State Health & Educational Facilities Authority 5% Bonds 1/7/2045	261	0.02
\$200,000	Contra Costa Community College District 6.504% Bonds 1/8/2034	180	0.01
\$550,000	Core Industrial Trust 2015-TEXW 3.077% Mortgage Backed Bonds 10/2/2034	397	0.03
\$150,000	Corning 4.25% Bonds 15/8/2020	112	0.01
\$10,000	County of Miami-Dade 3.354% Bonds 1/10/2029	7	0.00
\$20,000	County of Miami-Dade 3.454% Bonds 1/10/2030	14	0.00



# Portfolio Statement continued

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
\$20,000	County of Miami-Dade 3.504% Bonds 1/10/2031	14	0.00
\$5,000	County of Miami-Dade FL 5% Bonds 1/7/2035	4	0.00
\$10,000	County of Miami-Dade FL Aviation Revenue 2.504% Bonds 1/10/2024	7	0.00
\$160,000	Cox Communications 3.15% Bonds 15/8/2024	112	0.01
\$1,250,000	Cox Communications 4.5% Senior Bonds 30/6/2043	800	0.05
\$400,000	Credit Acceptance Auto Loan Trust 2017-1 2.56% Asset Backed Bonds 15/10/2025	288	0.02
\$250,000	Credit Acceptance Auto Loan Trust 2017-2 2.55% Asset Backed Bonds 17/2/2026	178	0.01
\$2,250,000	Credit Agricole 4% Bonds 10/1/2033	1,560	0.10
\$1,300,000	Credit Agricole 4% European Medium Term Notes 10/1/2033	902	0.06
\$800,000	Credit Agricole 6.625% Perpetual Bonds	600	0.04
\$1,769,000	Credit Suisse 3.574% Bonds 9/1/2023	1,276	0.08
\$1,160,000	Credit Suisse 3.869% Bonds 12/1/2029	813	0.05
\$412,000	Credit Suisse 4.282% Bonds 9/1/2028	299	0.02
\$3,040,000	Credit Suisse 6.5% Subordinated Bonds 8/8/2023	2,422	0.15
\$812,000	Credit Suisse 7.125% Perpetual Bonds	628	0.04
\$389,000	Credivalores-Crediservicios SAS 9.75% Bonds 27/7/2022	289	0.02
\$155,000	Crown Castle International 3.2% Bonds 1/9/2024	108	0.01
\$1,802,000	Crown Castle International 3.65% Bonds 1/9/2027	1,245	0.08
\$800,000	Crown Castle International 3.8% Bonds 15/2/2028	556	0.04
\$856,000	Crown Castle International 4.75% Bonds 15/5/2047	620	0.04
\$500,000	CRRC 0% Bonds 5/2/2021	379	0.02
\$24,517,748	Csail 2015-C2 Commercial Mortgage Trust 1.026864% Mortgage Backed Bonds 15/6/2057	769	0.05
\$2,750,000	CSMC Trust 2017-CALI 3.43134% Mortgage Backed Bonds 10/11/2032	1,978	0.12
\$389,000	Cydsa 6.25% Bonds 4/10/2027	281	0.02
\$395,000	Daegu Bank 3.75% Bonds 13/8/2023	282	0.02
\$660,000	Dallas Area Rapid Transit 5% Bonds 1/12/2041	538	0.03
\$650,000	Dallas Area Rapid Transit 5% Bonds 1/12/2046	528	0.03
\$750,000	Danske Bank 6.125% Perpetual Bonds	571	0.04
\$1,880,000	Darden Restaurants 3.85% Bonds 1/5/2027	1,335	0.08
\$4,970,000	DBUBS 2017-BRBK Mortgage Trust 3.452% Mortgage Backed Bonds 10/10/2034	3,586	0.23
\$120,000	Delta Air Lines 2.6% Bonds 4/12/2020	86	0.01
\$155,000	Delta Air Lines 2.875% Bonds 13/3/2020	112	0.01
\$14,914	Delta Air Lines 2012-1 Class B Pass Through Trust 6.875% Notes 7/5/2019	11	0.00
\$110,000	Delta Air Lines 3.625% Bonds 15/3/2022	80	0.01
\$130,000	Deutsche Bank AG/New York NY 3.15% Bonds 22/1/2021	93	0.01
\$6,000,000	Deutsche Bank AG/New York NY 4.875% Bonds 1/12/2032 <sup>9</sup>	4,047	0.25
\$200,000	Deutsche Telekom International Finance BV 2.225% Bonds 17/1/2020	143	0.01

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
\$17,000	Diamond 1 Finance 4.42% Bonds 15/6/2021	13	0.00
\$1,000,000	Diamond 1 Finance 8.35% Bonds 15/7/2046	910	0.06
\$402,000	Digicel 7.125% Bonds 1/4/2022	250	0.02
\$500,000	Discover Bank 2.6% Bonds 13/11/2018	362	0.02
\$155,000	Discovery Communications 2.2% Bonds 20/9/2019	111	0.01
\$800,000	Discovery Communications 5.2% Bonds 20/9/2047	567	0.04
\$1,000,000	District of Columbia 5% Bonds 1/4/2042	808	0.05
\$25,000	District of Columbia 5.591% Bonds 1/12/2034	21	0.00
\$800,000	DNB Bank 5.75% Perpetual Bonds	591	0.04
\$70,000	Dominion Energy 2.579% Bonds 1/7/2020	50	0.00
\$60,000	Dow Chemical 4.25% Senior Notes 15/11/2020	45	0.00
\$110,000	Drive Auto Receivables Trust 2017-2 2.25% Asset Backed Bonds 15/6/2021	79	0.01
\$265,000	Duke Energy 2.4% Bonds 15/8/2022	185	0.01
\$65,000	Duke University 3.299% Bonds 1/10/2046	42	0.00
\$1,750,000	DXC Technology 4.75% Bonds 15/4/2027	1,305	0.08
\$105,000	E*TRADE Financial 2.95% Bonds 24/8/2022	74	0.00
\$1,350,000	EFG International Guernsey 5% Bonds 5/4/2027	980	0.06
\$389,000	Eldorado Intl. Finance 8.625% Bonds 16/6/2021	299	0.02
\$415,000	Emera 6.75% Bonds 15/6/2076	333	0.02
\$300,000	Emirates Reit Sukuk 5.125% Bonds 12/12/2022	216	0.01
\$90,000	Enbridge 2.9% Bonds 15/7/2022	63	0.00
\$95,000	Enbridge Energy Partners LP 5.2% Bonds 15/3/2020	71	0.00
\$400,000	Energizer 5.5% Bonds 15/6/2025	290	0.02
\$750,000	Energy Transfer LP 5.15% Bonds 1/2/2043	507	0.03
\$55,000	Energy Transfer Partners 3.6% Senior Notes 1/2/2023	39	0.00
\$135,000	Energy Transfer Partners 4.15% Senior Notes 1/10/2020	100	0.01
\$1,250,000	Energy Transfer Partners 5.15% Bonds 15/3/2045	849	0.05
\$330,000	Enterprise Fleet Financing 2.04% Asset Backed Bonds 22/2/2022	236	0.01
\$180,203	Enterprise Fleet Financing 2.13% Asset Backed Bonds 20/7/2022	130	0.01
\$100,000	Enterprise Fleet Financing 2.22% Asset Backed Bonds 20/1/2023	71	0.00
\$987,000	Enterprise Products Operating 5.25% Bonds 16/8/2077	686	0.04
\$1,043,000	Enterprise Products Operating 5.375% Bonds 15/2/2078	723	0.05
\$95,000	EOG Resources 2.45% Bonds 1/4/2020	68	0.00
\$148,577	Eterna Capital Pte 8% Bonds 11/12/2022	108	0.01
\$255,000	Everest Acquisition Finance 8% Bonds 15/2/2025	128	0.01
\$20,000	Eversource Energy 2.75% Bonds 15/3/2022	14	0.00
\$200,000	Exelon 2.85% Bonds 15/6/2020	144	0.01
\$182,143	Fannie Mae Pool 2.5% Mortgage Backed Bonds 1/12/2027	129	0.01
\$1	Fannie Mae Pool 2.5% Mortgage Backed Bonds 1/3/2028 <sup>^</sup>	–	0.00
\$473,107	Fannie Mae Pool 2.5% Mortgage Backed Bonds 1/4/2032	333	0.02
\$801,867	Fannie Mae Pool 3% Mortgage Backed Bonds 1/3/2031	577	0.04
\$1	Fannie Mae Pool 3% Mortgage Backed Bonds 1/3/2032 <sup>^</sup>	–	0.00
\$515,047	Fannie Mae Pool 3.5% Mortgage Backed Bonds 1/10/2026	374	0.02
\$440,525	Fannie Mae Pool 4% Mortgage Backed Bonds 1/7/2026	331	0.02
\$396,604	Fannie Mae REMICS 3% Mortgage Backed Bonds 25/12/2045	283	0.02

# Portfolio Statement continued

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
\$8,055,041	Fannie Mae-Aces 2.8% Mortgage Backed Bonds 25/1/2039	556	0.04
\$200,000	Fantasia 7.375% Bonds 4/10/2021	142	0.01
\$230,000	Fantasia 7.25% Bonds 13/2/2019	166	0.01
\$169,552	Federal Home Loan Mortgage Corporation REMICS 3.5% Mortgage Backed Bonds 15/8/2041	122	0.01
\$191,819	Federal Home Loan Mortgage Corporation REMICS 3.5% Mortgage Backed Bonds 15/7/2043	140	0.01
\$95,666	Federal Home Loan Mortgage Corporation REMICS 3.5% Mortgage Backed Bonds 15/9/2043	69	0.00
\$172,744	Federal Home Loan Mortgage Corporation REMICS 3.5% Mortgage Backed Bonds 15/6/2050	126	0.01
\$269,213	Federal National Mortgage Association 3% Bonds 1/9/2027	195	0.01
\$163,674	Federal National Mortgage Association Pool 2.5% Bonds 1/8/2029	116	0.01
\$100,191	Federal National Mortgage Association Pool 2.5% Mortgage Backed Bonds 1/3/2030	71	0.00
\$369,754	Federal National Mortgage Association Pool 2.5% Mortgage Backed Bonds 1/4/2030	261	0.02
\$53,233	Federal National Mortgage Association Pool 3% Bonds 1/6/2028	38	0.00
\$708,363	Federal National Mortgage Association Pool 3% Mortgage Backed Bonds 1/5/2030	511	0.03
\$1,434,200	Federal National Mortgage Association Pool 3% Mortgage Backed Bonds 1/2/2032	1,031	0.06
\$168,488	Federal National Mortgage Association Pool 3.5% Bonds 1/4/2029	124	0.01
\$363,302	Federal National Mortgage Association Pool 3.5% Mortgage Backed Bonds 1/3/2030	267	0.02
\$94,771	Federal National Mortgage Association Pool 4% Bonds 1/5/2027	70	0.00
\$116,920	Federal National Mortgage Association Pool 4.5% Bonds 1/2/2026	88	0.01
\$78,093,487	Federal National Mortgage Association-Aces 0.13052% Mortgage Backed Bonds 25/8/2024	440	0.03
\$13,577,778	Federal National Mortgage Association-Aces 2.28822% Mortgage Backed Bonds 25/1/2022	453	0.03
\$2,939,982	FHLMC Multifamily Structured Pass Through Certificates 0.5593% Bonds 25/10/2024	66	0.00
\$5,070,709	FHLMC Multifamily Structured Pass Through Certificates 0.651338% Mortgage Backed Bonds 25/1/2022	78	0.01
\$1	FHLMC Multifamily Structured Pass Through Certificates 0.7414% Bonds 25/9/2024^	–	0.00
\$1,262,352	FHLMC Multifamily Structured Pass Through Certificates 1.118161% Mortgage Backed Bonds 25/1/2026	53	0.00
\$200,000	Fifth Third Bank/Cincinnati OH 2.2% Bonds 30/10/2020	142	0.01
\$300,000	First Data 5.75% Bonds 15/1/2024	221	0.01
\$60,000	FirstEnergy 2.85% Bonds 15/7/2022	42	0.00

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
\$735,801	Ford Credit Auto Owner Trust 2016-B 1.33% Asset Backed Bonds 15/10/2020	528	0.03
\$285,000	Ford Credit Floorplan Master Owner Trust A 2.39% Asset Backed Bonds 15/8/2022	204	0.01
\$200,000	Ford Motor Credit 2.459% Bonds 27/3/2020	142	0.01
\$2,000,000	Fortive 3.15% Bonds 15/6/2026	1,393	0.09
\$340,001	Freddie Mac Gold Pool 3% Mortgage Backed Bonds 1/3/2030	245	0.02
\$76,122,708	Freddie Mac Multifamily Structured Pass Through Certificates 0.6091448% Mortgage Backed Bonds 25/3/2027	2,569	0.16
\$114,391	Freddie Mac REMICS 3% Mortgage Backed Bonds 15/6/2042	83	0.01
\$200,764	Freddie Mac REMICS 3% Mortgage Backed Bonds 15/8/2043	143	0.01
\$153,603	Freddie Mac REMICS 3% Mortgage Backed Bonds 15/2/2044	111	0.01
\$109,152	Freddie Mac REMICS 3.5% Mortgage Backed Bonds 15/10/2035	80	0.01
\$466,408	Freddie Mac REMICS 3.5% Mortgage Backed Bonds 15/12/2050	340	0.02
\$186,582	Freddie Mac REMICS 3.75% Mortgage Backed Bonds 15/10/2042	138	0.01
\$607,515	Freddie Mac REMICS 4% Mortgage Backed Bonds 15/4/2054	452	0.03
\$225,000	Future Land Development 5% Bonds 16/2/2020	161	0.01
\$210,000	FWD 5.5% Perpetual Bonds	151	0.01
\$350,000	GATX 2.6% Bonds 30/3/2020	251	0.02
\$440,000	GCL New Energy s 7.1% Bonds 30/1/2021	317	0.02
\$240,000	GE Capital International Funding Unlimited 2.342% Bonds 15/11/2020	170	0.01
\$814,000	Generacion Mediterranea / Generacion Frias / Central Termica Roca 9.625% Bonds 27/7/2023	638	0.04
\$125,000	General Motors 3.15% Bonds 15/1/2020	90	0.01
\$801,000	General Motors 5.15% Bonds 1/4/2038	575	0.04
\$350,000	General Motors 5.2% Bonds 1/4/2045	248	0.02
\$200,000	General Motors Financial 3.1% Bonds 15/1/2019	145	0.01
\$474,000	General Motors Financial 3.2% Bonds 13/7/2020	343	0.02
\$40,000	General Motors Financial 3.2% Bonds 6/7/2021	29	0.00
\$2,000,000	General Motors Financial 4.375% Bonds 25/9/2021	1,487	0.09
\$814,000	Genneia 8.75% Bonds 20/1/2022	638	0.04
\$389,000	Geopark 6.5% Bonds 21/9/2024	283	0.02
\$605,000	Gohl Capital 4.25% Bonds 24/1/2027	433	0.03
\$389,000	Gol Finance 7% Bonds 31/1/2025	277	0.02
\$60,000	Golden State Tobacco Securitization 5.125% Bonds 1/6/2047	43	0.00
\$415,000	Golden Wheel Tiandi s 7% Bonds 18/1/2021	298	0.02
\$2,500,000	Goldman Sachs 2.905% Bonds 24/7/2023	1,760	0.11
\$530,000	Goldman Sachs 3% Bonds 26/4/2022	377	0.02
\$1,500,000	Goldman Sachs 3.75% Bonds 25/2/2026	1,066	0.07
\$1,444,000	Goldman Sachs Inc 3.2% Bonds 23/2/2023	1,026	0.06
\$21,856,559	Government National Mortgage Association 0.67652% Mortgage Backed Bonds 16/4/2057	1,033	0.06
\$9,173,915	Government National Mortgage Association 0.6811% Mortgage Backed Bonds 16/12/2058	426	0.03

# Portfolio Statement continued

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
\$39,480,934	Government National Mortgage Association 0.71894% Mortgage Backed Bonds 16/2/2059	2,037	0.13
\$5,821,120	Government National Mortgage Association 0.72146% Mortgage Backed Bonds 16/11/2057	286	0.02
\$1	Government National Mortgage Association 0.86497% Mortgage Backed Bonds 16/12/2056 <sup>^</sup>	—	0.00
\$1	Government National Mortgage Association 0.94962% Mortgage Backed Bonds 16/10/2056 <sup>^</sup>	—	0.00
\$1	Government National Mortgage Association 6.5% Bonds 20/1/2029 <sup>^</sup>	—	0.00
\$12,487	Government National Mortgage Association 6.5% Bonds 20/10/2038	10	0.00
\$100,966	Government National Mortgage Association 6.5% Collateralised Mortgage Obligation 20/4/2029	82	0.01
\$305,000	Gran Tierra Energy International s 6.25% Bonds 15/2/2025	214	0.01
\$200,000	Grant County Public Utility District No 2 4.584% Bonds 1/1/2040	143	0.01
\$525,000	Greenko Dutch BV 5.25% Bonds 24/7/2024	370	0.02
\$250,000	Greenko Investment 4.875% Bonds 16/8/2023	174	0.01
\$335,000	Grupo KUO 5.75% Bonds 7/7/2027	246	0.02
\$62,719,022	GS Mortgage Securities II 1.04087% Mortgage Backed Bonds 10/5/2050	1,892	0.12
\$412,981	GS Mortgage Securities II 2.706% Mortgage Backed Bonds 10/12/2027	298	0.02
\$200,000	Guangxi Financial Investment 5.75% Bonds 23/1/2021	143	0.01
\$300,000	Guojing Capital BVI 3.95% Bonds 11/12/2022	210	0.01
\$200,000	Guorui Properties 7% Bonds 21/3/2020	141	0.01
\$375,000	Hankook Tire 3.5% Bonds 30/1/2023 <sup>o</sup>	267	0.02
\$85,000	Harley-Davidson Financial Services 2.15% Bonds 26/2/2020	60	0.00
\$155,000	Hartford Financial Services 5.125% Bonds 15/4/2022	119	0.01
\$670,000	Harvest Operations 3% Bonds 21/9/2022	470	0.03
\$2,000,000	HCA 4.5% Bonds 15/2/2027	1,407	0.09
\$85,000	Health & Educational Facilities Authority of the State of Missouri 3.086% Bonds 15/9/2051	52	0.00
\$80,000	Health & Educational Facilities Authority of the State of Missouri 3.652% Bonds 15/8/2057	55	0.00
\$500,000	Hess 5.8% Bonds 1/4/2047	382	0.02
\$300,000	HeSteel Hong Kong 4.25% Bonds 7/4/2020	216	0.01
\$200,000	Heungkuk Life Insurance 4.475% Bonds 9/11/2047	140	0.01
\$390,000	Hewlett Packard Enterprise 2.1% Bonds 4/10/2019	278	0.02
\$403,000	Hidrovias International Finance SARL 5.95% Bonds 24/1/2025	291	0.02
\$200,000	Hilong 7.25% Bonds 22/6/2020	146	0.01
\$306,000	Hindustan Petroleum 4% Bonds 12/7/2027 <sup>o</sup>	213	0.01
\$730,000	Honda Auto Receivables 2016-4 Owner Trust 1.21% Asset Backed Bonds 18/12/2020	521	0.03
\$540,000	Honda Auto Receivables 2017-3 Owner Trust 1.79% Asset Backed Bonds 20/9/2021	384	0.02

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
\$395,000	Hongkong Xiangyu Investment 4.5% Bonds 30/1/2023	280	0.02
\$500,000	Hospitality Properties Trust 4.95% Bonds 15/2/2027	367	0.02
\$375,000	HPHT Finance 17 2.75% Bonds 11/9/2022	259	0.02
\$375,000	HSBC 2.95% Bonds 25/5/2021	269	0.02
\$1,500,000	HSBC 3.4% Bonds 8/3/2021	1,091	0.07
\$1,500,000	HSBC 4.25% Subordinated Notes 14/3/2024	1,095	0.07
\$1,185,000	HSBC 4.375% Bonds 23/11/2026	861	0.05
\$1,980,000	HSBC 6% Perpetual Bonds	1,462	0.09
\$549,000	HSBC 6.375% Perpetual Bonds	420	0.03
\$200,000	HSBC USA 2.35% Bonds 5/3/2020	143	0.01
\$505,000	Huarong Finance 2017 4.25% European Medium Term Notes 7/11/2027	346	0.02
\$200,000	Huarong Finance 2017 4.5% Perpetual Bonds	144	0.01
\$300,000	Huarong Finance 2017 4.75% Bonds 27/4/2027	214	0.01
\$400,000	Huarong Finance II 2.875% Perpetual European Medium Term Notes <sup>o</sup>	274	0.02
\$202,000	Huarong Finance II 4.625% European Medium Term Notes 3/6/2026	143	0.01
\$230,000	Hubei Science & Technology Investment Group Hong Kong 4.375% Bonds 5/3/2021	166	0.01
\$150,000	Hyundai Capital America 1.75% Bonds 27/9/2019	106	0.01
\$45,000	Hyundai Capital America 2.4% Bonds 30/10/2018	32	0.00
\$10,000	Hyundai Capital America 2.5% Bonds 18/3/2019	7	0.00
\$130,000	Hyundai Capital America 2.55% Bonds 3/4/2020	93	0.01
\$625,000	Hyundai Capital America 3% Bonds 29/8/2022	438	0.03
\$100,000	Hyundai Floorplan Master Owner Trust Series 2016-1 1.81% Asset Backed Bonds 15/3/2021	72	0.00
\$2,000,000	IMT Trust 2017-APTS 3.478% Mortgage Backed Bonds 15/6/2034	1,435	0.09
\$700,000	IMT Trust 2017-APTS 3.4966% Mortgage Backed Bonds 15/6/2034	494	0.03
\$525,000	Indian Railway Finance 3.835% Bonds 13/12/2027	363	0.02
\$675,000	Industrial & Commercial Bank of China /New York 2.957% Bonds 8/11/2022	476	0.03
\$600,000	Industrial & Commercial Bank of China /New York 3.538% Bonds 8/11/2027	416	0.03
\$300,000	Industrial & Commercial Bank of China Asia 4.25% Perpetual Bonds	214	0.01
\$1,500,000	ING Bank 5.8% Subordinated Notes 25/9/2023	1,179	0.07
\$339,000	Inkia Energy 5.875% Bonds 9/11/2027	242	0.02
\$750,000	Intercontinental Exchange 3.75% Bonds 1/12/2025	547	0.03
\$500,000	International Game Technology 6.25% Bonds 15/2/2022	381	0.02
\$1,199,000	Intesa Sanpaolo 3.875% Bonds 14/7/2027	821	0.05
\$3,350,000	Intesa Sanpaolo 5.017% Notes 26/6/2024	2,413	0.15
\$200,000	Intesa Sanpaolo SpA 3.375% Bonds 12/1/2023	141	0.01
\$825,000	Intesa Sanpaolo SpA 4.375% Bonds 12/1/2048	556	0.04
\$65,000	IPALCO Enterprises 3.7% Bonds 1/9/2024	46	0.00



# Portfolio Statement continued

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
\$4,750,000	Jefferies 5.125% Guaranteed Senior Bonds 20/1/2023	3,644	0.23
\$145,000	Jeld-Wen 4.625% Bonds 15/12/2025	102	0.01
\$200,000	Jiayuan International 8.25% Bonds 14/11/2018	145	0.01
\$90,000	John Deere Capital 2.35% Medium Term Notes 8/1/2021	64	0.00
\$320,000	John Deere Owner Trust 2017-B 1.82% Asset Backed Bonds 15/10/2021	228	0.01
\$3,000,000	JP Morgan Chase 2.55% Bonds 1/3/2021	2,141	0.13
\$125,851	JP Morgan Chase Commercial Mortgage Securities Trust 2012-C6 3.5074% Mortgage Backed Bonds 15/5/2045	92	0.01
\$991,791	JP Morgan Chase Commercial Mortgage Securities Trust 2016-JP4 0.825428% Mortgage Backed Bonds 15/12/2049	30	0.00
\$504,152	JP Morgan Mortgage Trust 2016-2 2.68988% Mortgage Backed Bonds 25/6/2046	362	0.02
\$1	JP Morgan Mortgage Trust 2017-1 3.5% Mortgage Backed Bonds 25/1/2047	—	0.00
\$256,816	JP Morgan Mortgage Trust 2017-3 3% Mortgage Backed Bonds 25/8/2047	184	0.01
\$611,630	JP Morgan Mortgage Trust 2017-4 3% Mortgage Backed Bonds 25/11/2048	435	0.03
\$329,509	JP Morgan Mortgage Trust 2018-1 3.5% Mortgage Backed Bonds 25/6/2048	238	0.02
\$5,552,062	JPMBB Commercial Mortgage Securities Trust 2014-C22 1.111624% Mortgage Backed Bonds 15/9/2047	179	0.01
\$85,000	JPMBB Commercial Mortgage Securities Trust 2014-C23 3.657% Mortgage Backed Bonds 15/9/2047	63	0.00
\$50,000	JPMBB Commercial Mortgage Securities Trust 2014-C26 3.2884% Mortgage Backed Bonds 15/1/2048	36	0.00
\$2,820,000	JPMCC Commercial Mortgage Securities Trust 2017-JP5 4.8038184% Mortgage Backed Bonds 15/3/2050	1,967	0.12
\$1,900,000	JPMorgan Chase & 4.625% Perpetual Bonds	1,328	0.08
\$840,000	JPMorgan Chase 2.295% Medium Term Notes 15/8/2021	591	0.04
\$200,000	Kaisa 7.25% Bonds 30/6/2020	141	0.01
\$51,000	Kaiser Foundation Hospitals 4.15% Bonds 1/5/2047	37	0.00
\$525,000	Kentucky Economic Development Finance Authority 5.25% Bonds 1/6/2050	404	0.03
\$250,000	KeyBank 2.25% Bonds 16/3/2020	179	0.01
\$500,000	Keysight Technologies 4.6% Bonds 6/4/2027	371	0.02
\$278,000	Kinder Morgan 3.05% Bonds 1/12/2019	201	0.01
\$115,000	Kinder Morgan 5% Bonds 15/2/2021	87	0.01
\$1,102,000	Kinder Morgan 5.55% Bonds 1/6/2045	833	0.05
\$650,000	Kinder Morgan Energy 5% Senior Bonds 1/3/2043	456	0.03
\$20,000	Kinder Morgan Energy Partners 3.5% Bonds 1/3/2021	15	0.00
\$80,000	Kinder Morgan Inc/DE 3.15% Bonds 15/1/2023	57	0.00
\$400,000	King Talent Management 5.6% Perpetual Bonds	286	0.02
\$300,000	Kinross Gold 5.95% Bonds 15/3/2024	231	0.01
\$150,000	KLA-Tencor 4.125% Bonds 1/11/2021	112	0.01

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
\$105,000	Kraft Heinz Foods 2.8% Bonds 2/7/2020	75	0.00
\$1,000,000	Kraft Heinz Foods 3.5% Bonds 15/7/2022	723	0.05
\$100,000	Lam Research 2.75% Bonds 15/3/2020	72	0.00
\$445,000	Lam Research 2.8% Bonds 15/6/2021	319	0.02
\$500,000	Leader Goal International 4.25% Perpetual European Medium Term Notes	360	0.02
\$1,500,000	Lear 3.8% Bonds 15/9/2027	1,045	0.07
\$345,000	Lloyds Banking 4.5% Bonds 4/11/2024	253	0.02
\$4,248,000	Lloyds Banking 4.344% Bonds 9/1/2048	2,886	0.18
\$999,000	Lloyds Banking 4.65% Bonds 24/3/2026	731	0.05
\$200,000	Lodha Developers International 12% Bonds 13/3/2020	153	0.01
\$335,000	Longfor Properties 4.5% Bonds 16/1/2028	234	0.01
\$40,000	Los Angeles Community College District 6.6% Bonds 1/8/2042	40	0.00
\$740,000	Los Angeles County Metropolitan Transportation Authority 5% Bonds 1/7/2042	617	0.04
\$200,000	Los Angeles Department of Water & Power 6.603% Bonds 1/7/2050	209	0.01
\$7,925,000	LSTAR Commercial Mortgage Trust 2016-4 2.579% Mortgage Backed Bonds 10/3/2049	5,518	0.35
\$344,649	LSTAR Commercial Mortgage Trust 2017-5 2.417% Mortgage Backed Bonds 10/3/2050	246	0.02
\$392,000	Macquarie 3.189% Bonds 28/11/2023	276	0.02
\$300,000	Macquarie Bank /London 6.125% Perpetual Bonds <sup>o</sup>	221	0.01
\$778,000	MARB Bond 6.875% Bonds 19/1/2025	538	0.03
\$45,000	Marriott International 2.875% Bonds 1/3/2021	32	0.00
\$150,000	Marriott International Inc/MD 3.125% Bonds 15/10/2021	108	0.01
\$1,750,000	Marsh & McLennan 3.75% Bonds 14/3/2026	1,269	0.08
\$130,000	Maryland Economic Development 5% Bonds 31/3/2041	103	0.01
\$170,000	Massachusetts Bay Transportation Authority 5% Bonds 1/7/2043	140	0.01
\$255,000	Massachusetts Clean Water Trust 5% Bonds 1/2/2025	217	0.01
\$650,000	Massachusetts Clean Water Trust 5% Bonds 1/2/2035	533	0.03
\$320,000	Massachusetts Development Finance Agency 5% Bonds 1/7/2047	257	0.02
\$364,000	Massachusetts Mutual Life Insurance 4.9% Bonds 1/4/2077	269	0.02
\$1,600,000	Mastercard 2.95% Bonds 21/11/2026	1,110	0.07
\$825,000	Mastercard 3.5% Bonds 26/2/2028	596	0.04
\$1,500,000	McDonald's 3.7% Medium Term Notes 30/1/2026	1,084	0.07
\$250,000	Medco Platinum Road Pte 6.75% Bonds 30/1/2025	177	0.01
\$400,000	Medco Straits Services Pte 8.5% Bonds 17/8/2022 <sup>o</sup>	309	0.02
\$690,000	Mesquite Independent School District 5% Bonds 15/8/2042	565	0.04
\$250,000	Metropolitan Government Nashville & Davidson County Health & Educational Facs Bd 5% Bonds 1/7/2046	197	0.01
\$150,000	Metropolitan Life Global Funding I 2% Bonds 14/4/2020	106	0.01
\$650,000	Metropolitan Transportation Authority 5% Bonds 15/11/2042	535	0.03
\$330,000	Metropolitan Transportation Authority 5.25% Bonds 15/11/2057	272	0.02
\$115,000	Metropolitan Transportation Authority 6.687% Bonds 15/11/2040	112	0.01

# Portfolio Statement continued

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
\$100,000	Metropolitan Washington Airports Authority Dulles Toll Road Revenue 7.462% Bonds 1/10/2046	104	0.01
\$160,000	Metropolitan Water District of Southern California 5% Bonds 1/7/2031	136	0.01
\$295,000	Mexichem 5.5% Bonds 15/1/2048	202	0.01
\$195,000	Miami-Dade County Educational Facilities Authority 5.073% Bonds 1/4/2050	147	0.01
\$160,000	Michigan Finance Authority 5% Bonds 15/11/2041	127	0.01
\$760,000	Michigan Finance Authority 5% Bonds 1/12/2047	590	0.04
\$553,032	Mill City Mortgage Loan Trust 2016-1 2.5% Mortgage Backed Bonds 25/4/2057	394	0.02
\$550,000	Minejesa Capital BV 4.625% Bonds 10/8/2030	389	0.02
\$650,000	Mississippi Hospital Equipment & Facilities Authority 5% Bonds 1/9/2046	497	0.03
\$200,000	Mitsubishi 2.95% Bonds 1/3/2021	144	0.01
\$300,000	Modernland Overseas Pte 6.95% Bonds 13/4/2024	218	0.01
\$680,000	Morgan Stanley 2.5% Bonds 21/4/2021	483	0.03
\$240,000	Morgan Stanley 2.75% Bonds 19/5/2022	170	0.01
\$2,430,000	Morgan Stanley 3.125% Medium Term Notes 27/7/2026	1,660	0.10
\$1,388,000	Morgan Stanley 3.772% Bonds 24/1/2029	983	0.06
\$1,500,000	Morgan Stanley 3.95% Bonds 23/4/2027	1,066	0.07
\$18,945,881	Morgan Stanley Bank of America Merrill Lynch Trust 2014-C17 1.415681% Mortgage Backed Bonds 15/8/2047	621	0.04
\$500,000	Morgan Stanley Bank of America Merrill Lynch Trust 2014-C18 3.194% Mortgage Backed Bonds 15/10/2047	364	0.02
\$250,000	Morgan Stanley Bank of America Merrill Lynch Trust 2014 C19 3.326% Mortgage Backed Bonds 15/12/2047	182	0.01
\$20,953,744	Morgan Stanley Capital I 2017-HR2 0.80693% Mortgage Backed Bonds 15/12/2050	934	0.06
\$215,000	Morgan Stanley Capital I Trust 2014-CPT 3.35% Mortgage Backed Bonds 13/7/2029	157	0.01
\$57,000	MPLX LP 3.375% Bonds 15/3/2023	41	0.00
\$604,000	MPLX LP 4.7% Bonds 15/4/2048	421	0.03
\$762,000	MPLX LP 4.9% Bonds 15/4/2058	526	0.03
\$650,000	Municipal Electric Authority of Georgia 5% Bonds 1/1/2035	518	0.03
\$55,000	Mylan 2.5% Bonds 7/6/2019	39	0.00
\$200,000	Nanjing Yangzi State-owned Assets Investment 4.5% Bonds 5/12/2027	138	0.01
\$3,180,000	National Fuel Gas 3.95% Bonds 15/9/2027	2,188	0.14
\$300,000	Navient 6.125% Medium Term Notes 25/3/2024	219	0.01
\$224,442	Navient Private Education Loan Trust 2014-A 2.74% Asset Backed Bonds 15/2/2029	161	0.01
\$500,000	Neo Solar Power 0% Bonds 27/10/2019	364	0.02
\$155,000	NetApp 2% Bonds 27/9/2019	111	0.01
\$30,000	New Jersey Transportation Trust Fund Authority 5% Bonds 15/6/2029	24	0.00

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
\$75,000	New Jersey Transportation Trust Fund Authority 6.104% Bonds 15/12/2028	56	0.00
\$30,000	New Orleans Aviation Board 5% Bonds 1/1/2040	24	0.00
\$228,858	New Residential Mortgage Trust 2018-1 4% Asset Backed Bonds 25/12/2057	169	0.01
\$5,000	New York and Presbyterian Hospital 3.563% Bonds 1/8/2036	3	0.00
\$290,000	New York City Transitional Finance Authority Building Aid Revenue 5% Bonds 15/7/2040	237	0.02
\$5,000	New York City Transitional Finance Authority Future Tax Secured Revenue 2.28% Bonds 1/5/2026	3	0.00
\$80,000	New York City Transitional Finance Authority Future Tax Secured Revenue 3.05% Bonds 1/5/2027	56	0.00
\$270,000	New York City Transitional Finance Authority Future Tax Secured Revenue 5% Bonds 1/8/2031	225	0.01
\$1,210,000	New York City Water & Sewer System 5% Bonds 15/6/2047	990	0.06
\$125,000	New York City Water & Sewer System 5.75% Bonds 15/6/2041	116	0.01
\$330,000	New York Convention Center Development 5% Bonds 15/11/2040	268	0.02
\$330,000	New York Convention Center Development 5% Bonds 15/11/2046	269	0.02
\$285,000	New York Liberty Development 5.25% Bonds 1/10/2035	253	0.02
\$260,000	New York State Dormitory Authority 5% Bonds 15/2/2031	218	0.01
\$40,000	New York State Dormitory Authority 5% Bonds 15/2/2036	33	0.00
\$40,000	New York State Dormitory Authority 5% Bonds 15/2/2037	33	0.00
\$20,000	New York State Dormitory Authority 5% Bonds 15/2/2038	17	0.00
\$20,000	New York State Dormitory Authority 5% Bonds 15/2/2039	17	0.00
\$40,000	New York State Dormitory Authority 5% Bonds 15/2/2041	33	0.00
\$50,000	New York State Dormitory Authority 5% Bonds 15/2/2042	41	0.00
\$75,000	New York State Urban Development 2.86% Bonds 15/3/2024	53	0.00
\$65,000	New York State Urban Development 3.12% Bonds 15/3/2025	46	0.00
\$85,000	New York State Urban Development 3.32% Bonds 15/3/2029	59	0.00
\$310,000	New York Transportation Development 5% Bonds 1/7/2046	243	0.02
\$700,000	New York Transportation Development 5.25% Bonds 1/1/2050	553	0.03
\$275,000	Newcastle Coal Infrastructure Pty 4.4% Bonds 29/9/2027	192	0.01
\$389,000	Nexa Resources 5.375% Bonds 4/5/2027	289	0.02
\$897,000	NextEra Energy Operating Partners LP 4.5% Bonds 15/9/2027	625	0.04
\$925,000	Nissan Auto Receivables 2017-A Owner Trust 2.11% Asset Backed Bonds 15/5/2023	656	0.04
\$690,000	Nissan Auto Receivables 2017-B Owner Trust 1.95% Asset Backed Bonds 16/10/2023	485	0.03
\$200,000	North Carolina Department of Transportation 5% Bonds 30/6/2054	155	0.01
\$125,000	Northrop Grumman 2.08% Bonds 15/10/2020	88	0.01
\$37,000	Northwell Healthcare 4.26% Bonds 1/11/2047	26	0.00
\$175,000	Northwestern University 3.662% Bonds 1/12/2057	119	0.01
\$545,000	NVIDIA 3.2% Bonds 16/9/2026	380	0.02
\$1,717,000	NXP Funding 4.125% Bonds 1/6/2021	1,260	0.08

# Portfolio Statement continued

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
\$100,000	Ochsner Clinic Foundation 5.897% Bonds 15/5/2045	89	0.01
\$325,920	Odebrecht Drilling Norbe VIII/IX 6.35% Bonds 1/12/2021	230	0.01
\$280,000	Odebrecht Offshore Drilling Finance 6.72% Bonds 1/12/2022	196	0.01
\$39,000	Odebrecht Oil & Gas Finance 0% Perpetual Bonds	1	0.00
\$400,000	Oesterreichische Kontrollbank 1.5% Bonds 21/10/2020	281	0.02
\$250,000	Oil and Gas BSCC 7.5% Bonds 25/10/2027	182	0.01
\$2,600,000	Olympic Tower 2017-OT Mortgage Trust 3.94525% Mortgage Backed Bonds 10/5/2039	1,836	0.12
\$3,760,000	Olympic Tower 2017-OT Mortgage Trust 3.94525% Mortgage Backed Bonds 10/5/2039	2,506	0.16
\$600,000	Omaha Airport Authority 5% Bonds 15/12/2036	488	0.03
\$1,000,000	Omega Healthcare Investors 4.75% Bonds 15/1/2028	697	0.04
\$115,000	Orange County Local Transportation Authority 6.908% Bonds 15/2/2041	112	0.01
\$389,000	Orazul Energy Egenor S en C por A 5.625% Bonds 28/4/2027	271	0.02
\$60,000	Oregon School Boards Association 4.759% Bonds 30/6/2028	46	0.00
\$105,000	Oregon School Boards Association 5.48% Bonds 30/6/2022	83	0.01
\$150,000	Oregon School Boards Association 5.49% Bonds 30/6/2023	121	0.01
\$41,000	Orlando Health Obligated 4.089% Bonds 1/10/2048	29	0.00
\$615,000	Overseas Chinese Town Asia s 4.3% Perpetual Bonds	437	0.03
\$447,000	Pampa Energia 7.375% Bonds 21/7/2023	342	0.02
\$389,000	Pampa Energia 7.5% Bonds 24/1/2027	294	0.02
\$405,000	Park Aerospace 5.25% Bonds 15/8/2022	295	0.02
\$1,000,000	Park Aerospace 5.5% Bonds 15/2/2024 <sup>o</sup>	730	0.05
\$1,727,000	Patterson-UTI Energy 3.95% Bonds 1/2/2028	1,204	0.08
\$200,000	Pearl III 9.5% Bonds 11/12/2022	144	0.01
\$400,000	Penske Truck Leasing 3.3% Bonds 1/4/2021	290	0.02
\$121,000	Pentair Finance 2.9% Bonds 15/9/2018	87	0.01
\$85,000	Pepperdine University 3.948% Bonds 1/12/2057	59	0.00
\$260,000	Permanent University Fund – University of Texas System 3.376% Bonds 1/7/2047	172	0.01
\$450,000	Pertamina Persero 6.45% European Medium Term Notes 30/5/2044	370	0.02
\$351,000	Petkim Petrokimya AS 5.875% Bonds 26/1/2023	254	0.02
\$5,191,000	Petrobras Global Finance 6.125% Bonds 17/1/2022	3,965	0.25
\$482,000	Petrobras Global Finance 6.85% Bonds 5/6/2115	331	0.02
\$208,000	Petrobras Global Finance 7.375% Bonds 17/1/2027	164	0.01
\$205,000	Petrobras Global Finance BV 5.299% Bonds 27/1/2025	146	0.01
\$9,140,000	Petrobras Global Finance BV 5.75% Bonds 1/2/2029	6,388	0.40
\$209,000	Petrobras Global Finance BV 5.999% Bonds 27/1/2028	150	0.01
\$918,000	Petrobras Global Finance BV 8.375% Bonds 23/5/2021	743	0.05
\$918,000	Petrobras International Finance 5.375% Guaranteed Bonds 27/1/2021	683	0.04
\$3,254,000	Petroleos Mexicanos 5.35% Bonds 12/2/2028	2,307	0.14
\$1,650,000	Petroleos Mexicanos 6.35% Bonds 12/2/2048	1,162	0.07

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
\$100,000	PFS Financing 1.87% Asset Backed Bonds 15/10/2021	71	0.00
\$143,000	Phillips 4.875% Bonds 15/11/2044	108	0.01
\$118,000	Pioneer Natural Resources 3.45% Bonds 15/1/2021	86	0.01
\$343,000	Plains All American Pipeline LP 6.125% Perpetual Bonds	244	0.02
\$15,000	Port Authority of New York & New Jersey 4.458% Bonds 1/10/2062	12	0.00
\$10,000	Port Authority of New York & New Jersey 4.81% Bonds 15/10/2065	8	0.00
\$660,000	Port Authority of New York & New Jersey 5% Bonds 15/10/2041	540	0.03
\$340,000	Port Authority of New York & New Jersey 5% Bonds 15/11/2047	276	0.02
\$1,500,000	Port of Portland OR Airport Revenue 5% Bonds 1/7/2047	1,198	0.08
\$700,000	Port of Seattle WA 5.25% Bonds 1/5/2042	581	0.04
\$200,000	Poseidon Finance 1 0% Bonds 1/2/2025	145	0.01
\$900,000	Postal Savings Bank of China 4.5% Perpetual Bonds	636	0.04
\$600,000	Power Finance 3.75% European Medium Term Notes 6/12/2027 <sup>o</sup>	409	0.03
\$1,000,000	Priceline Inc 3.6% Bonds 1/6/2026	704	0.04
\$615,000	Prime Bloom s 6.95% Bonds 5/7/2022	412	0.03
\$2,374,401	Progress Residential 2017-SFR1 Trust 2.768% Asset Backed Bonds 17/8/2034	1,669	0.10
\$1,050,000	Proven Glory Capital 3.25% European Medium Term Notes 21/2/2022 <sup>o</sup>	743	0.05
\$54,000	Providence St Joseph Health Obligated 3.93% Bonds 1/10/2048	38	0.00
\$325,000	PTTEP Treasury Center 4.6% Perpetual Bonds	237	0.02
\$500,000	Public Power Generation Agency 5% Bonds 1/1/2035	405	0.03
\$1,000,000	Pulte 5% Bonds 15/1/2027	720	0.05
\$516,000	Puma International Financing 5% Bonds 24/1/2026 <sup>o</sup>	366	0.02
\$70,000	QEP Resources 5.625% Bonds 1/3/2026	50	0.00
\$30,000	Qualcomm 2.25% Notes 20/5/2020	21	0.00
\$50,000	Qualcomm 3% Bonds 20/5/2022	35	0.00
\$320,000	Realty Income 3.25% Bonds 15/10/2022	229	0.01
\$330,000	Redco 6.375% Bonds 27/2/2019	238	0.02
\$200,000	Redco 7% Bonds 14/11/2018	145	0.01
\$473,000	Rede D'or Finance Sarl 4.95% Bonds 17/1/2028	329	0.02
\$45,000	Regents of the University of California Medical Center Pooled Revenue 6.398% Bonds 15/5/2031	40	0.00
\$115,000	Regents of the University of California Medical Center Pooled Revenue 6.583% Bonds 15/5/2049	110	0.01
\$135,000	Reynolds American 6.875% Bonds 1/5/2020	105	0.01
\$440,000	Rock International Investment 6.625% Bonds 27/3/2020	296	0.02
\$200,000	Rolls-Royce 2.375% Bonds 14/10/2020	142	0.01
\$500,000	Ronshine China s 6.95% Bonds 8/12/2019	354	0.02
\$799,000	Royal Bank of Scotland 3.498% Bonds 15/5/2023	569	0.04
\$800,000	Royal Bank of Scotland 8% Perpetual Bonds	647	0.04
\$1,000,000	Royal Bank of Scotland 8.625% Perpetual Bonds	798	0.05
\$400,000	Royal Capital BV 5.875% Perpetual Bonds <sup>o</sup>	288	0.02

# Portfolio Statement continued

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
\$330,000	Royal Oak Hospital Finance Authority 5% Bonds 1/9/2039	258	0.02
\$434,000	Rumo Luxembourg Sarl 5.875% Bonds 18/1/2025	310	0.02
\$584,000	Rumo Luxembourg Sarl 7.375% Bonds 9/2/2024	451	0.03
\$1,390,000	Russian Railways via RZD Capital 3.45% Bonds 6/10/2020	1,003	0.06
\$3,000	RWJ Barnabas Health 3.949% Bonds 1/7/2046	2	0.00
\$40,000	Ryder System 2.875% Medium Term Notes 1/9/2020	29	0.00
\$104,000	S&P Global 2.95% Bonds 22/1/2027	71	0.00
\$1,500,000	Sabine Pass Liquefaction 5.625% Bonds 1/3/2025	1,164	0.07
\$690,000	Salt Lake City Airport Revenue 5% Bonds 1/7/2047	552	0.03
\$330,000	San Francisco City & County Airport Comm-San Francisco International Airport 5% Bonds 1/5/2041	264	0.02
\$150,000	San Jose Redevelopment Agency Successor Agency 2.958% Bonds 1/8/2024	107	0.01
\$90,000	San Jose Redevelopment Agency Successor Agency 3.125% Bonds 1/8/2028	62	0.00
\$75,000	San Jose Redevelopment Agency Successor Agency 3.25% Bonds 1/8/2029	52	0.00
\$77,949	Santander Drive Auto Receivables Trust 2016-2 1.56% Asset Backed Bonds 15/5/2020	56	0.00
\$700,000	Santander Drive Auto Receivables Trust 2017-2 1.87% Asset Backed Bonds 15/12/2020	504	0.03
\$410,000	Santander Drive Auto Receivables Trust 2017-3 1.87% Asset Backed Bonds 15/6/2021	294	0.02
\$120,000	Santander Drive Auto Receivables Trust 2018-1 2.32% Asset Backed Bonds 16/8/2021	86	0.01
\$230,000	Santander UK s 3.373% Bonds 5/1/2024	163	0.01
\$3,250,000	Santander UK s 3.823% Bonds 3/11/2028	2,249	0.14
\$120,000	Santander USA 3.7% Bonds 28/3/2022	87	0.01
\$250,000	Santos Finance 4.125% European Medium Term Notes 14/9/2027	174	0.01
\$113,000	Scientific Games International 7% Bonds 1/1/2022	86	0.01
\$750,000	Seagate HDD Cayman 4.25% Bonds 1/3/2022	536	0.03
\$223,941	Sequoia Mortgage Trust 2017-CH1 3.5% Mortgage Backed Bonds 25/8/2047	162	0.01
\$261,667	Sequoia Mortgage Trust 2017-CH2 4% Mortgage Backed Bonds 25/12/2047	192	0.01
\$200,000	Shandong Iron And Steel Xinheng International 6.5% Bonds 14/6/2021	145	0.01
\$600,000	Shanghai Port BVI 0% Bonds 9/8/2022	447	0.03
\$200,000	Shenzhen Expressway 2.875% Bonds 18/7/2021	141	0.01
\$560,000	Shire Acquisitions Investments Ireland 1.9% Bonds 23/9/2019	398	0.03
\$215,000	Shire Acquisitions Investments Ireland 2.4% Bonds 23/9/2021	150	0.01
\$500,000	Sirius 5.375% Bonds 15/7/2026	365	0.02
\$1,000,000	Skandinaviska Enskilda Banken 5.625% Perpetual Bonds	736	0.05
\$220,000	SMB Private Education Loan Trust 2016-A 2.7% Asset Backed Bonds 15/5/2031	156	0.01

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
\$238,413	SoFi Professional Loan Program 2015-d 2.72% Asset Backed Bonds 27/10/2036	171	0.01
\$100,000	SoFi Professional Loan Program 2016-C 2.36% Asset Backed Bonds 27/12/2032	70	0.00
\$491,638	SoFi Professional Loan Program 2017-A 1.55% Asset Backed Bonds 26/3/2040	352	0.02
\$277,180	Sofi Professional Loan Program 2017-C 1.75% Asset Backed Bonds 25/7/2040	199	0.01
\$140,000	Sofi Professional Loan Program 2018-A 2.95% Asset Backed Bonds 25/2/2042	99	0.01
\$142,000	South Carolina Public Service Authority 2.388% Bonds 1/12/2023	96	0.01
\$50,000	South Carolina Public Service Authority 3.722% Bonds 1/12/2023	36	0.00
\$150,000	South Carolina Public Service Authority 5% Bonds 1/12/2049	116	0.01
\$150,000	South Carolina Public Service Authority 5% Bonds 1/12/2050	117	0.01
\$82,000	South Carolina Public Service Authority 6.454% Bonds 1/1/2050	78	0.00
\$500,000	South Jersey Port 5% Bonds 1/1/2048	385	0.02
\$100,000	Southern Baptist Hospital of Florida 4.857% Bonds 15/7/2045	79	0.01
\$241,672	Springleaf Funding Trust 2015-A 3.16% Asset Backed Bonds 15/11/2024	175	0.01
\$1,708,125	Sprint Spectrum 3.36% Bonds 20/3/2023	1,237	0.08
\$162,000	SSM Health Care 3.823% Bonds 1/6/2027	117	0.01
\$500,000	SSMS Plantation s Pte 7.75% Bonds 23/1/2023 <sup>o</sup>	363	0.02
\$95,000	State Board of Administration Finance 2.638% Bonds 1/7/2021	68	0.00
\$140,000	State of California 2.25% Bonds 1/10/2023	97	0.01
\$115,000	State of California 7.5% Bonds 1/4/2034	119	0.01
\$115,000	State of California 7.55% Bonds 1/4/2039	125	0.01
\$160,000	State of Connecticut 3.31% Bonds 15/1/2026	110	0.01
\$1,000,000	State of Georgia 5% Bonds 1/7/2026	865	0.05
\$330,000	State of Ohio 5% Bonds 1/5/2030	275	0.02
\$330,000	State of Ohio 5% Bonds 15/3/2032	270	0.02
\$1,000,000	State of South Carolina 5% Bonds 1/10/2022	819	0.05
\$5,000	State of Washington 5% Bonds 1/8/2030	4	0.00
\$170,000	State of Washington 5% Bonds 1/8/2040	141	0.01
\$535,000	State of Washington 5% Bonds 1/8/2040	436	0.03
\$170,000	State of Washington 5% Bonds 1/8/2041	140	0.01
\$170,000	State of Washington 5% Bonds 1/8/2042	140	0.01
\$70,000	State of Wisconsin 3.154% Bonds 1/5/2027	49	0.00
\$275,000	State of Wisconsin 5% Bonds 1/5/2032	229	0.01
\$145,000	State of Wisconsin 5% Bonds 1/5/2033	120	0.01
\$245,000	State of Wisconsin 5% Bonds 1/5/2034	203	0.01
\$300,000	Steel Dynamics 5.5% Bonds 1/10/2024	225	0.01
\$635,000	Stoneway Capital 10% Bonds 1/3/2027	506	0.03
\$778,000	Stoneway Capital 10% Bonds 1/3/2027	620	0.04
\$150,000	Sumitomo Mitsui Financial 2.846% Bonds 11/1/2022	107	0.01
\$200,000	Sunac China s 6.875% Bonds 8/8/2020	146	0.01
\$40,000	Sunoco Logistics Partners Operations LP 5.5% Bonds 15/2/2020	30	0.00

# Portfolio Statement continued

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
\$733,000	Sunoco LP / Sunoco Finance 4.875% Bonds 15/1/2023	528	0.03
\$225,000	Synchrony Credit Card Master Note Trust 2015-1 Mortgage 2.37% Bonds 15/3/2023	161	0.01
\$1,000,000	TD Ameritrade 3.3% Bonds 1/4/2027	703	0.04
\$560,000	Teachers Insurance & Annuity Association of America 4.27% Bonds 15/5/2047	399	0.03
\$135,000	Teck Resources 8.5% Bonds 1/6/2024	109	0.01
\$403,000	Tecpetrol 4.875% Bonds 12/12/2022	284	0.02
\$2,600,000	Telecom Italia 5.303% Bonds 30/5/2024	1,932	0.12
\$215,000	Teleflex 4.625% Bonds 15/11/2027	152	0.01
\$30,000	Teleflex 4.875% Bonds 1/6/2026	21	0.00
\$2,000,000	Telefonica Emisiones 4.103% Bonds 8/3/2027	1,428	0.09
\$878,000	Telefonica Emisiones SAU 4.665% European Medium Term Notes 6/3/2038	632	0.04
\$1,500,000	Telefonica Emisiones SAU 4.895% European Medium Term Notes 6/3/2048	1,081	0.07
\$2,067,000	Tencent s 3.595% Bonds 19/1/2028	1,441	0.09
\$70,000	Tesoro Logistics 6.25% Bonds 15/10/2022	53	0.00
\$90,000	Texas A&M University 2.756% Bonds 15/5/2026	63	0.00
\$40,000	Texas A&M University 2.836% Bonds 15/5/2027	28	0.00
\$110,000	Texas Eastern Transmission 2.8% Senior Notes 15/10/2022	77	0.00
\$1,237,000	Texas Eastern Transmission LP 4.15% Bonds 15/1/2048	841	0.05
\$340,000	Texas Municipal Gas Acquisition & Supply I 6.25% Bonds 15/12/2026	288	0.02
\$150,000	Texas Private Activity Bond Surface Transportation 5% Bonds 31/12/2055	117	0.01
\$100,000	Thermo Fisher Scientific 3.3% Bonds 15/2/2022	72	0.00
\$55,000	Time Warner 4.7% Guaranteed Bonds 15/1/2021	41	0.00
\$340,000	Times China s 6.25% Bonds 17/1/2021	245	0.02
\$289,000	Times China s 6.6% Bonds 2/3/2023	205	0.01
\$200,000	Times Property 6.25% Bonds 23/1/2020	146	0.01
\$80,000	Tobacco Settlement Finance Authority 7.467% Bonds 1/6/2047	56	0.00
\$50,000	Tobacco Settlement Financing 5% Bonds 1/6/2041	36	0.00
\$325,211	Towd Point Mortgage Trust 2016-3 2.25% Mortgage Backed Bonds 25/8/2055	231	0.01
\$1	Towd Point Mortgage Trust 2016-4 2.25% Asset Backed Bonds 25/7/2056	—	0.00
\$725,000	Toyota Auto Receivables 2017-D Owner Trust 1.93% Asset Backed Bonds 18/1/2022	516	0.03
\$310,000	Toyota Auto Receivables 2018-A Owner Trust 2.35% Asset Backed Bonds 16/5/2022	223	0.01
\$500,000	TPC 8.75% Bonds 15/12/2020	363	0.02
\$161,000	TransCanada Trust 5.875% Bonds 15/8/2076	125	0.01
\$73,000	Trinity Health 4.125% Bonds 1/12/2045	52	0.00
\$680,000	TSASC Inc/NY 5% Bonds 1/6/2041	540	0.03

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
\$400,000	Tsinghua Unic 5.375% Bonds 31/1/2023	283	0.02
\$200,000	UBS Funding Switzerland 3% Bonds 15/4/2021	143	0.01
\$275,000	UBS Funding Switzerland 3.491% Bonds 23/5/2023	199	0.01
\$1,768,000	UBS Funding Switzerland 4.253% Bonds 23/3/2028	1,293	0.08
\$4,590,000	UBS Funding Switzerland 5% Perpetual Bonds	3,200	0.20
\$673,476	UBS-Barclays Commercial Mortgage Trust 2012-C2 3.058% Mortgage Backed Bonds 10/5/2063	489	0.03
\$482,047	UBS-Barclays Commercial Mortgage Trust 2012-C4 2.4589% Mortgage Backed Bonds 10/12/2045	345	0.02
\$263,000	Unifin Financiera SOFOM ENR 8.875% Perpetual Bonds <sup>o</sup>	189	0.01
\$525,000	Union Bank of the Philippines 3.369% European Medium Term Notes 29/11/2022	372	0.02
\$335,000	Union Life Insurance 3% Bonds 19/9/2021	229	0.01
\$250,000	United Overseas Bank 2.88% European Medium Term Notes 8/3/2027	174	0.01
\$535,000	United Overseas Bank 3.875% Perpetual European Medium Term Notes	378	0.02
\$1,500,000	United Rentals North America 4.875% Bonds 15/1/2028	1,059	0.07
\$444,000	United States Steel 8.375% Bonds 1/7/2021	345	0.02
\$515,766	Universal Entertainment 8.5% European Medium Term Notes 24/8/2020	378	0.02
\$85,000	Universal Health Services 3.75% Senior Notes 1/8/2019	62	0.00
\$35,000	University of California 3.063% Bonds 1/7/2025	25	0.00
\$40,000	University of California 4.601% Bonds 15/5/2031	31	0.00
\$650,000	University of Houston 5% Bonds 15/2/2031	538	0.03
\$10,000	University of Houston 5% Bonds 15/2/2033	8	0.00
\$20,000	University of Houston 5% Bonds 15/2/2034	16	0.00
\$20,000	University of Houston 5% Bonds 15/2/2035	16	0.00
\$30,000	University of Houston 5% Bonds 15/2/2036	24	0.00
\$95,000	University of Notre Dame du Lac 3.394% Bonds 15/2/2048	64	0.00
\$127,000	University of Southern California 3.028% Bonds 1/10/2039	82	0.01
\$500,000	University of Vermont & State Agricultural College 5% Bonds 1/10/2043	408	0.03
\$360,000	USAA Auto Owner Trust 2017-1 1.7% Asset Backed Bonds 17/5/2021	257	0.02
\$125,000	Vale Overseas 4.375% Bonds 11/1/2022	92	0.01
\$3,300,000	Vale Overseas 6.25% Bonds 10/8/2026	2,686	0.17
\$395,000	Valeant Pharmaceuticals International 5.5% Bonds 1/11/2025	283	0.02
\$410,000	Vanke Real Estate Hong Kong 3.975% European Medium Term Notes 9/11/2027	284	0.02
\$265,000	Vantiv / Vanity Issuer 4.375% Bonds 15/11/2025	186	0.01
\$400,000	Vedanta Resources 7.125% Bonds 31/5/2023	306	0.02
\$1,250,000	VeriSign 4.75% Bonds 15/7/2027	880	0.06
\$105,000	Verizon Communications 2.946% Bonds 15/3/2022	75	0.00
\$13,000	Viacom 2.75% Bonds 15/12/2019	9	0.00
\$65,000	Viacom 3.875% Bonds 15/12/2021	48	0.00



# Portfolio Statement continued

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
\$1,500,000	Viacom 4.375% Senior Bonds 15/3/2043	976	0.06
\$529,000	Viacom 5.85% Senior Bonds 1/9/2043	415	0.03
\$43,560	Virgin Australia 2013-1B Trust 6% Bonds 23/4/2022	32	0.00
\$2,140,000	Visa 2.75% Bonds 15/9/2027	1,455	0.09
\$1,800,000	VIVAT 6.25% Perpetual Bonds	1,296	0.08
\$200,000	VLL International 5.75% European Medium Term Notes 28/11/2024	144	0.01
\$3,000,000	VMware 2.95% Bonds 21/8/2022	2,088	0.13
\$250,000	Volkswagen of America Finance 2.125% Guaranteed Bonds 23/5/2019	179	0.01
\$160,000	Walgreens Boots Alliance 3.3% Bonds 18/11/2021	116	0.01
\$465,000	Weichai International Hong Kong Energy 3.75% Perpetual Bonds	325	0.02
\$205,000	Wells Fargo & 2.625% Medium Term Notes 22/7/2022	144	0.01
\$70,000	Wells Fargo 2.5% Bonds 4/3/2021	50	0.00
\$50,000	Wells Fargo 3.069% Bonds 24/1/2023	36	0.00
\$2,695,000	Wells Fargo Commercial Mortgage Trust 2015-C31 3.695% Mortgage Backed Bonds 15/11/2048	1,969	0.12
\$1	Wells Fargo Commercial Mortgage Trust 2015-NXS4 0.973812% Mortgage Backed Bonds 15/12/2048	–	0.00
\$25,727,898	Wells Fargo Commercial Mortgage Trust 2017-C41 1.239% Mortgage Backed Bonds 15/11/2050	1,661	0.10
\$2,000,000	Westlake Chemical 3.6% Bonds 15/8/2026	1,403	0.09
\$150,000	Westpac Banking Corp/New Zealand 5% Perpetual Bonds	104	0.01
\$2,900,000	WFRBS Commercial Mortgage Trust 2014-C21 3.678% Mortgage Backed Bonds 15/8/2047	2,128	0.13
\$75,000	Williams Partners 4% Bonds 15/11/2021	55	0.00
\$647,000	Williams Partners 4.85% Bonds 1/3/2048	466	0.03
\$75,000	Willis North America 3.6% Bonds 15/5/2024	54	0.00
\$575,000	Wing Lung Bank 3.75% European Medium Term Notes 22/11/2027	405	0.03
\$320,000	Wisconsin Health & Educational Facilities Authority 5% Bonds 15/12/2044	248	0.02
\$550,000	Woori Bank 4.5% Perpetual European Medium Term Notes	392	0.02
\$525,000	Woori Bank 5.25% Perpetual European Medium Term Notes	380	0.02
\$300,000	Wuhan State-Owned Assets Management 3.8% Bonds 18/12/2020	216	0.01
\$500,000	Wyndham Worldwide 4.5% Bonds 1/4/2027	358	0.02
\$140,000	Xerox 3.5% Bonds 20/8/2020	101	0.01
\$97,000	Xerox 3.625% Bonds 15/3/2023	68	0.00
\$350,000	Yancoal International Resources Development 5.75% Perpetual Bonds	256	0.02
\$310,000	Yankuang Cayman 4.75% Bonds 30/11/2020 <sup>o</sup>	220	0.01
\$600,000	Yes Bank Ifsc Banking Unit Branch 3.75% European Medium Term Notes 6/2/2023	429	0.03
\$225,000	Yingde Gases Investment 6.25% Bonds 19/1/2023	163	0.01

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
\$389,000	YPF 6.95% Bonds 21/7/2027	285	0.02
\$504,000	YPF 8.5% Bonds 23/3/2021	398	0.03
\$440,000	YPF 8.75% Bonds 4/4/2024 <sup>o</sup>	356	0.02
\$845,000	YPF 8.75% Bonds 4/4/2024	684	0.04
\$671,000	YPF 8.875% Bonds 19/12/2018	504	0.03
\$225,000	Yunnan Energy Investment Overseas Finance 4.25% Bonds 14/11/2022	157	0.01
\$1,095,000	Zayo 5.75% Bonds 15/1/2027	793	0.05
		<b>392,384</b>	<b>24.60</b>

## US Dollar Denominated Fixed Rate Government Bonds – 6.70%; 28.2.2017 3.79%

\$1,250,000	Abu Dhabi (Government) 4.125% International Bonds 11/10/2047	863	0.05
\$1,619,539	Argentina (Republic) 2.5% International Bonds 31/12/2038	790	0.05
\$465,000	Argentina (Republic) 5.875% International Bonds 11/1/2028	317	0.02
\$1,278,000	Argentina (Republic) 6.875% Bonds 22/4/2021	977	0.06
\$692,000	Argentina (Republic) 6.875% International Bonds 11/1/2048	462	0.03
\$1,931,971	Argentina (Republic) 7.625% Bonar Bonds 18/4/2037	1,462	0.09
\$951,000	Argentina (Republic) 8% Bonds 8/10/2020	758	0.05
\$2,698,844	Argentina (Republic) 8.75% International Bonds 7/5/2024 <sup>o</sup>	2,228	0.14
\$1,075,000	Argentina (Republic) 9% Bonds 29/11/2018	827	0.05
\$1,514,000	Argentina Republic Government International Bond 5.625% Bonds 26/1/2022	1,113	0.07
\$2,356,000	Argentina Republic Government International Bond 5.875% Bonds 11/1/2028	1,607	0.10
\$760,000	Argentina Republic Government International Bond 6.875% Bonds 11/1/2048	507	0.03
\$4,215,000	Argentina Republic Government International Bond 7.125% Bonds 28/6/2117	2,856	0.18
\$622,000	Argentina Republic Government International Bond 7.625% Bonds 22/4/2046	452	0.03
\$475,000	Bahrain (Kingdom) 6.75% International Bonds 20/9/2029	327	0.02
\$925,000	Ecuador (Government) 7.875% Bonds 23/1/2028	664	0.04
\$2,891,000	Ecuador (Government) 7.875% International Bonds 23/1/2028	2,075	0.13
\$2,286,000	Egypt (Government) 5.577% Bonds 21/2/2023	1,651	0.10
\$448,000	Egypt (Government) 8.5% International Bonds 31/1/2047	362	0.02
\$775,000	Export-Import Bank of Korea 3% Bonds 1/11/2022	550	0.04
\$1,100,000	Indonesia (Government) 3.5% Bonds 11/1/2028	757	0.05
\$231,000	Indonesia (Government) 4.125% International European Medium Term Bonds 15/1/2025	168	0.01
\$500,000	Indonesia (Government) 4.35% Bonds 11/1/2048 <sup>o</sup>	345	0.02
\$250,000	Indonesia (Government) 4.75% European Medium Term Notes 18/7/2047 <sup>o</sup>	179	0.01
\$975,000	Korea Housing Finance 3% Bonds 31/10/2022 <sup>o</sup>	690	0.04
\$695,000	Lebanon (Government) 6.25% European Medium Term Notes 4/11/2024	473	0.03
\$442,000	Lebanon (Government) 6.65% Bonds 22/4/2024	308	0.02

# Portfolio Statement continued

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
\$1,199,000	Lebanon (Government) 6.85% International Bonds 23/3/2027	815	0.05
\$1,287,000	Lebanon Government 6.1% Bonds 4/10/2022	897	0.06
\$300,000	Maldives (Government) 7% Bonds 7/6/2022	205	0.01
\$1,365,000	Nigeria (Government) 7.143% Bonds 23/2/2030	1,002	0.06
\$1,545,000	Nigeria (Government) 7.696% Bonds 23/2/2038	1,164	0.07
\$390,000	Oman (Sultanate) 6.75% International Bonds 17/1/2048	284	0.02
\$200,000	Pakistan (Government) 6.875% Bonds 5/12/2027	142	0.01
\$775,000	Perusahaan Penerbit SBSN Indonesia III 3.75% Bonds 1/3/2023	559	0.04
\$300,000	Perusahaan Penerbit SBSN Indonesia III 4.325% Bonds 28/5/2025	219	0.01
\$750,000	Perusahaan Penerbit SBSN Indonesia III 4.40% Bonds 1/3/2028	543	0.03
\$408,000	Provincia de Rio Negro 7.75% Bonds 7/12/2025	281	0.02
\$8,200,000	Russia (Federation) 4.25% Bonds 23/6/2027	5,986	0.38
\$7,200,000	Russia (Federation) 4.75% Bonds 27/5/2026	5,455	0.34
\$538,000	Saudi Arabia (Kingdom) 3.625% Bonds 4/3/2028	370	0.02
\$2,635,000	South Africa (Government) 5.5% Bonds 9/3/2020	1,977	0.12
\$506,000	South Africa (Government) 5.875% Bonds 30/5/2022	395	0.03
\$300,000	Sri Lanka (Government) 5.75% Bonds 18/1/2022	220	0.01
\$250,000	Sri Lanka (Government) 6.125% Bonds 3/6/2025	183	0.01
\$584,000	Turkey (Government) 5.625% International Bonds 30/3/2021	439	0.03
\$5,597,000	Turkey (Government) 6.25% Bonds 26/9/2022 <sup>o</sup>	4,311	0.27
\$1,627,000	Turkey (Government) 7% Bonds 5/6/2020	1,250	0.08
\$1,258,000	Turkey (Government) 7.375% International Bonds 5/2/2025	1,020	0.06
\$3,000,000	US Treasury 0% Bonds 19/4/2018	2,163	0.14
\$3,000,000	US Treasury 0% Bonds 3/5/2018	2,161	0.14
\$33,960,000	US Treasury 0.125% Bonds 15/4/2022	24,474	1.54
\$6,950,000	US Treasury 0.125% Indexed Linked Bonds 15/4/2021	5,174	0.32
\$18,154,000	US Treasury 0.25% Index-Linked Notes 15/1/2025	13,280	0.83
\$7,780,000	US Treasury 0.375% Bonds 15/1/2027 <sup>o</sup>	5,551	0.35
\$3,700,000	US Treasury 1.375% Bonds 30/9/2019	2,638	0.17
		<b>106,926</b>	<b>6.70</b>
<b>US Dollar Denominated Variable Rate Corporate Bonds – 3.67%; 28.2.2017 5.27%</b>			
\$210,000	AbbVie 2.5% Bonds 14/5/2020	151	0.01
\$1	Adjustable Rate Mortgage Trust 3.599195% Floating Rate Notes 25/3/2037 <sup>^</sup>	–	0.00
\$100,000	Apache 3.25% Senior Bonds 15/4/2022	71	0.00
\$500,000	Apidos CLO XVI 2.71918% Floating Rate Asset Backed Bonds 19/1/2025	362	0.02
\$300,000	Arbor Realty Collateralized Loan Obligation 2015-FL2 3.3375% Floating Rate Asset Backed Bonds 15/9/2025	219	0.01
\$2,610,000	Arbor Realty Commercial Real Estate Notes 2016-FL1 3.2875% Floating Rate Asset Backed Bonds 15/9/2026	1,890	0.12
\$5,600,000	AREIT 2018-CRE1 Trust 2.35% Floating Rate Mortgage Backed Bonds 15/2/2035	4,046	0.25

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
\$4,080,000	Atrium Hotel Portfolio Trust 2.5175% Floating Rate Mortgage Backed Bonds 15/11/2019	2,951	0.19
\$2,580,000	Atrium Hotel Portfolio Trust 4.6375% Floating Rate Mortgage Backed Bonds 15/11/2019	1,848	0.12
\$455,241	Atrium X 2.67152% Floating Rate Asset Backed Bonds 16/7/2025	329	0.02
\$13,944	Bank of America Commercial Mortgage Trust 2007-5 5.772% Floating Rate Notes 10/2/2051	10	0.00
\$1,850,000	Becton Dickinson and 2.404% Floating Rate Bonds 29/12/2020	1,338	0.08
\$585,000	BlueMountain CLO 2014-4 2.82882% Floating Rate Asset Backed Bonds 30/11/2026	423	0.03
\$4,050,000	Bsprt 2017-FI1 Issuer 2.57667% Floating Rate Asset Backed Bonds 15/6/2027	2,938	0.18
\$3,040,000	BSPT 2017-FL2 Issuer 2.4075% Floating Rate Mortgage Backed Bonds 15/10/2034	2,195	0.14
\$65,000	Capital One Financial 2.06911% Floating Rate Bonds 12/5/2020	47	0.00
\$425,000	Capital One Multi-Asset Execution Trust 1.29222% Floating Rate Asset Backed Bonds 18/1/2022	308	0.02
\$500,000	Capital One Multi-Asset Execution Trust 1.36222% Floating Rate Asset Backed Bonds 15/2/2022	363	0.02
\$500,000	Carlyle Global Market Strategies CLO 2013-2 2.62408% Floating Rate Asset Backed Bonds 18/1/2029	362	0.02
\$290,392	Catamaran CLO 2012-1 2.10983% Floating Rate Asset Backed Bonds 20/12/2023	210	0.01
\$200,000	CGDBB Commercial Mortgage Trust 2017-BIOC 2.04% Floating Rate Mortgage Backed Bonds 15/7/2028	145	0.01
\$570,229	Chesapeake Funding II 1.44805% Floating Rate Asset Backed Bonds 15/6/2028	413	0.03
\$113,280	Chesapeake Funding II 1.67428% Floating Rate Asset Backed Bonds 15/3/2028	82	0.01
\$670,000	Chesapeake Funding II 1.67667% Floating Rate Asset Backed Bonds 15/5/2029	484	0.03
\$475,000	Chesapeake Funding II 1.9275% Floating Rate Asset Backed Bonds 15/11/2029	344	0.02
\$805,000	Chicago Skyscraper Trust 2017 SKY 2.3875% Floating Rate Mortgage Backed Bonds 15/2/2030	582	0.04
\$685,000	Citibank Credit Card Issuance Trust 1.5988896% Floating Rate Asset Backed Bonds 8/8/2024	496	0.03
\$225,000	Citigroup Commercial Mortgage Trust 2015-SHP2 2.19222% Floating Rate Mortgage Backed Bonds 15/7/2027	163	0.01
\$1	Citigroup Commercial Mortgage Trust Floating Rate Notes 10/3/2047 <sup>^</sup>	–	0.00
\$1,875,000	CLNS Trust 2017-IKPR 5.08077% Floating Rate Mortgage Backed Bonds 11/6/2032	1,363	0.09
\$330,501	Colony American Homes 2015-1 2.77932% Floating Rate Asset Backed Bonds 17/7/2032	239	0.01

# Portfolio Statement continued

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
\$480,000	COMM 2014-PAT Mortgage Trust 2.37932% Floating Rate Mortgage Backed Bonds 13/8/2027	347	0.02
\$1,000,000	Comm 2014-TWC Mortgage Trust 1.377% Floating Rate Mortgage Backed Bonds 13/2/2032	723	0.05
\$380,785	Commercial Mortgage Trust 14-TWC 1.16085% Floating Rate Collateralised Mortgage Obligation 12/5/2048	12	0.00
\$400,000	Credit Suisse 6.25% Perpetual Subordinated Floating Rate Notes	304	0.02
\$1,000,000	Credit Suisse 7.5% Perpetual Subordinated Floating Rate Notes	802	0.05
\$493,009	CSMC Trust 2015-DEAL 2.908% Floating Rate Mortgage Backed Bonds 15/4/2029	356	0.02
\$111,864	Energy Resources 8% Floating Rate Bonds 30/9/2022	85	0.01
\$19,193	Fannie Mae Connecticut Avenue Securities 2.5707% Floating Rate Notes 25/5/2024	14	0.00
\$388,954	Fannie Mae Connecticut Avenue Securities 2.4707% Floating Rate Mortgage Backed Bonds 25/11/2029	282	0.02
\$1	Fannie Mae Pool 2.721% Floating Rate Mortgage Backed Bonds 1/7/2043 <sup>*</sup>	–	0.00
\$591,220	Fannie Mae Pool 2.885% Floating Rate Mortgage Backed Bonds 1/7/2044	431	0.03
\$282,298	Federal Home Loan Mortgage Corporation Structured Agency Credit Risk Debt Notes 2.1707% Floating Rate Mortgage Backed Bonds 25/4/2030	204	0.01
\$1	Federal National Mortgage Association Pool 2.977% Floating Rate Mortgage Backed Bonds 1/10/2045 <sup>*</sup>	–	0.00
\$60,171	Federal National Mortgage Association Pool 3.804% Floating Rate Notes 1/12/2040	45	0.00
\$517,995	Freddie Mac Non Gold Pool 2.711% Floating Rate Mortgage Backed Bonds 1/7/2045	374	0.02
\$4,732,781	Gosforth Funding 2017-1 2.08331% Floating Rate Mortgage Backed Bonds 19/12/2059	3,423	0.21
\$340,000	Great Wolf Trust 2017-WOLF 2.5875% Floating Rate Mortgage Backed Bonds 15/9/2034	246	0.02
\$350,000	Greystone Commercial Real Estate Notes 2017-FL1 3.1375% Floating Rate Asset Backed Bonds 15/3/2027	253	0.02
\$371,116	GT Loan Financing I 2013-1 3.0303% Floating Rate Asset Backed Bonds 28/10/2024	269	0.02
\$5,200,000	Holmes Master Issuer 3.47152% Floating Rate Mortgage Backed Bonds 15/10/2054	3,803	0.24
\$270,000	Hospitality Mortgage Trust 2.07889% Floating Rate Mortgage Backed Bonds 8/5/2030	195	0.01
\$2,490,000	ING Groep 6% Floating Rate Bonds 31/12/2045	1,852	0.12
\$1	JP Morgan Chase 1.558% Commercial Mortgage Backed Floating Rate Bonds 15/11/2031 <sup>*</sup>	–	0.00
\$4,444	JP Morgan Chase Commercial Mortgage Securities Trust 2008-C2 1.70635% Floating Rate Mortgage Backed Bonds 12/2/2051	3	0.00

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
\$210,000	JP Morgan Chase Commercial Mortgage Securities Trust 2016-WPT 2.36222% Floating Rate Mortgage Backed Bonds 15/10/2033	152	0.01
\$940,000	LMREC 2016-CRE2 3.26118% Floating Rate Mortgage Backed Bonds 24/11/2031	688	0.04
\$455,000	Madison Park Funding XII 2.56694% Floating Rate Asset Backed Bonds 20/7/2026	329	0.02
\$280,000	Madison Park Funding XIV 2.8647% Floating Rate Asset Backed Bonds 20/7/2026	203	0.01
\$810,000	Mercedes-Benz Master Owner Trust 2017-B 2.0075% Floating Rate Asset Backed Bonds 16/5/2022	587	0.04
\$4,290,000	Morgan Stanley Capital I 3.5375% Floating Rate Mortgage Backed Bonds 15/11/2034	3,103	0.19
\$600,000	Neuberger Berman CLO XVI-S 2.57152% Floating Rate Asset Backed Bonds 15/1/2028	434	0.03
\$695,000	Neuberger Berman CLO XX 2.52152% Floating Rate Asset Backed Bonds 15/1/2028	502	0.03
\$775,000	Nissan Master Owner Trust Receivables 2.0175% Floating Rate Asset Backed Bonds 18/4/2022	562	0.04
\$500,000	Oaktree CLO 2015-1 2.6147% Floating Rate Asset Backed Bonds 20/10/2027	362	0.02
\$500,000	OCP CLO 2015-10 2.57246% Floating Rate Asset Backed Bonds 26/10/2027	361	0.02
\$290,126	OHA Credit Partners VIII 2.8647% Floating Rate Asset Backed Bonds 20/4/2025	210	0.01
\$710,000	OZLM Funding II 3.2069% Floating Rate Asset Backed Bonds 30/10/2027	514	0.03
\$430,000	Palmer Square CLO 2013-2 2.95133% Floating Rate Asset Backed Bonds 17/10/2027	312	0.02
\$291,914	Paragon Mortgages 1.20317% Floating Rate Mortgage Backed Bonds 15/1/2039	200	0.01
\$1,961,296	Paragon Mortgages No 13 1.20317% Floating Rate Mortgage Backed Bonds 15/1/2039	1,354	0.08
\$355,000	PFS Financing 0.82625% Asset Backed Securities 15/4/2020	257	0.02
\$500,000	PFS Financing 1.97926% Floating Rate Asset Backed Bonds 15/2/2022	361	0.02
\$510,000	PFS Financing 2.0575% Floating Rate Asset Backed Bonds 15/10/2021	369	0.02
\$427,000	Phillips 2.606250% Floating Rate Bonds 26/02/2021	309	0.02
\$3,679,320	RAIT 2017-FL7 Trust 2.5375% Floating Rate Mortgage Backed Bonds 15/6/2037	2,644	0.17
\$142,248	Resource Capital 2017-CRE5 2.38813% Floating Rate Mortgage Backed Bonds 15/7/2034	103	0.01
\$887,000	Royal Bank of Scotland 2.65178% Floating Rate Bonds 15/5/2023	654	0.04
\$12,028	Santander Drive Auto Receivables Trust 2.13% Floating Rate Notes 17/8/2020	9	0.00



# Portfolio Statement continued

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
\$125,000	Sempra Energy 2.20911% Floating Rate Bonds 15/1/2021	90	0.01
\$195,705	SLM Private Education Loan Trust 2011-C 3.6862% Floating Rate Asset Backed Bonds 17/10/2044	146	0.01
\$48,467	SLM Student Loan Trust Floating Rate Notes 25/6/2027	35	0.00
\$4,177	SMB Private Education Loan Trust 2016-A 1.47% Floating Rate Asset Backed Bonds 15/5/2023	3	0.00
\$160,000	SMB Private Education Loan Trust 2016-B 1.97428% Floating Rate Asset Backed Bonds 17/2/2032	119	0.01
\$379,912	SMB Private Education Loan Trust 2017-A 1.23% Floating Rate Asset Backed Bonds 17/6/2024	275	0.02
\$881,000	SMB Private Education Loan Trust 2017-A 1.68% Floating Rate Asset Backed Bonds 15/9/2034	644	0.04
\$800,000	Société Générale 6% Perpetual Subordinated Floating Rate Notes	590	0.04
\$188,153	SoFi Professional Loan Program 2015-A 1.6265% Floating Rate Asset Backed Bonds 25/3/2033	137	0.01
\$213,876	SoFi Professional Loan Program 2015-B 1.30633% Floating Rate Asset Backed Bonds 25/4/2035	157	0.01
\$288,708	SoFi Professional Loan Program 2016-D 1.72833% Floating Rate Asset Backed Bonds 25/1/2039	211	0.01
\$230,000	Standard Chartered 6.5% Floating Rate Notes 31/12/2049	171	0.01
\$635,000	Tarjeta Naranja 26.5625% Floating Rate Bonds 11/4/2022	399	0.03
\$400,000	TCI-Flatiron CLO 2016-1 3.28133% Floating Rate Asset Backed Bonds 17/7/2028	292	0.02
\$520,000	TransCanada Pipelines 4.04875% Guaranteed Subordinated Floating Rate Bonds 15/5/2067	361	0.02
\$400,000	Treman Park CLO 3.1147% Floating Rate Asset Backed Bonds 20/4/2027	289	0.02
\$167,434	Tryon Park CLO 2.84152% Floating Rate Asset Backed Bonds 15/7/2025	121	0.01
\$900,000	UBS 7% Perpetual Notes	717	0.04
\$370,000	Waldorf Astoria Boca Raton Trust 2016-BOCA 1.85765% Floating Rate Mortgage Backed Bonds 15/6/2029	268	0.02
\$420,000	Wells Fargo Commercial Mortgage Trust 2018-BXI 3.715813% Floating Rate Mortgage Backed Bonds 15/12/2036	303	0.02
\$300,000	Yamaguchi Financial 1.17464% Floating Rate Bonds 26/3/2020	228	0.01
		<b>58,530</b>	<b>3.67</b>
<b>US Dollar Denominated Variable Rate Government Bonds – 0.04%; 28.2.2017 0.00%</b>			
\$900,000	Export-Import Bank of Korea 2.6984% Floating Rate Bonds 1/11/2022	<b>656</b>	<b>0.04</b>
<b>EQUITIES – 0.01%; 28.2.2017 0.00%</b>			
<b>Indonesia – 0.01%; 28.2.2017 0.00%</b>			
7,013,878	Bumi Resources	<b>116</b>	<b>0.01</b>

Holding or Nominal Value	Investment	Underlying Exposure – Derivatives £000's	Market Value £000's	% of Total Net Assets
<b>DERIVATIVES – 2.73%; 28.2.2017 3.69%</b>				
<b>Credit Default Swaps – (0.04)%; 28.2.2017 (0.44)%</b>				
500,000	Bank of America (Adecco) 1% 20/12/2022	457	(15)	0.00
250,000	Bank of America (Air Liquide Finance) 1% 20/12/2022	244	(8)	0.00
(150,000)	Bank of America (BP) 1% 20/12/2022	133	4	0.00
(275,000)	Bank of America (British American Tobacco) 1% 20/6/2022	263	6	0.00
750,000	Bank of America (British Telecommunications) 1% 20/12/2022	825	(13)	0.00
250,000	Bank of America (Carrefour) 1% 20/12/2022	226	(5)	0.00
100,000	Bank of America (Compagnie Financiere Michelin) 1% 20/12/2022	92	(3)	0.00
(575,000)	Bank of America (Diageo) 1% 20/12/2022	509	19	0.00
(40,000)	Bank of America (Energias de Portugal) 5% 20/12/2021	35	6	0.00
550,000	Bank of America (ENI) 1% 20/12/2022	527	(14)	0.00
159,000	Bank of America (iTraxx) 1% 20/6/2022	144	(4)	0.00
(62,936,000)	Bank of America (iTraxx) 1% 20/12/2022	55,710	1,356	0.08
(325,000)	Bank of America (Kering) 1% 20/12/2022	298	9	0.00
125,000	Bank of America (Koninklijke DSM) 1% 20/12/2022	116	(4)	0.00
100,000	Bank of America (Merck) 1% 20/12/2022	97	(4)	0.00
(508,000)	Bank of America (Qantas Airways) 1% 20/12/2022	429	4	0.00
(925,000)	Bank of America (Relx) 1% 20/12/2022	858	25	0.00
40,000	Bank of America (Scandinavian Airlines System) 5% 20/6/2019	37	(2)	0.00
375,000	Bank of America (Statoil) 1% 20/12/2022	349	(14)	0.00
(1,310,000)	Bank of America (Telecom Italia) 1% 20/12/2022	1,215	(13)	0.00
75,000	Bank of America (Veolia Environnement) 1% 20/12/2022	67	(2)	0.00
(600,000)	Bank of America (Vodafone) 1% 20/12/2022	538	10	0.00
(300,000)	Bank of America (Wendel) 5% 20/12/2022	289	58	0.00
(730,000)	Bank of America (WPP) 1% 20/12/2022	727	12	0.00
(79,000)	Barclays Bank (Anglo American) 5% 20/12/2021	70	12	0.00
3,509,000	Barclays Bank (Argentina (Republic of)) 5% 20/12/2022	2,715	(290)	(0.02)
(600,000)	Barclays Bank (British American Tobacco) 1% 20/6/2022	573	12	0.00
125,000	Barclays Bank (Carrefour) 1% 20/12/2022	113	(3)	0.00
0	Barclays Bank (CDX) 5% 20/12/2020*	11,070	–	0.00
(500,000)	Barclays Bank (China (Republic Of)) 1% 20/9/2020	487	7	0.00
450,000	Barclays Bank (Compagnie De Saint-Gobain) 1% 20/12/2022	408	(12)	0.00

# Portfolio Statement continued

Holding or Nominal Value	Investment	Underlying Exposure – Derivatives £000's	Market Value £000's	% of Total Net Assets
(250,000)	Barclays Bank (Fiat Chrysler Automobiles) 5% 20/12/2022	225	39	0.00
(75,000)	Barclays Bank (Galp Energia SGPS) 5% 20/12/2022	69	14	0.00
(800,000)	Barclays Bank (GKN Holdings) 1% 20/12/2022	765	(4)	0.00
(4,860,000)	Barclays Bank (Imperial Brands) 1% 20/12/2022	4,470	85	0.00
8,915,000	Barclays Bank (iTraxx) 5% 20/12/2022	8,782	(882)	(0.06)
525,000	Barclays Bank (Jaguar Land Rover) 5% 20/12/2022	498	(76)	(0.01)
(500,000)	Barclays Bank (Kingfisher) 1% 20/6/2022	443	11	0.00
2,638,000	Barclays Bank (Mexico (Government)) 1% 20/12/2022^	1,913	–	0.00
19,822,159	Barclays Bank (Mitsubishi) 1% 20/12/2020	135	(3)	0.00
(225,000)	Barclays Bank (Rolls-Royce) 1% 20/12/2022	212	4	0.00
225,000	Barclays Bank (Schaeffler Finance) 5% 20/12/2022	201	(42)	0.00
10,390,690	Barclays Bank (Sumitomo) 1% 20/12/2020	71	(2)	0.00
(100,000)	Barclays Bank (Technip) 1% 20/12/2021	97	2	0.00
333,270	Barclays Bank (Thailand (Kingdom of)) 1% 20/6/2021	248	(6)	0.00
425,000	Barclays Bank (Veolia Environnement) 1% 20/12/2022	381	(11)	0.00
(400,000)	Barclays Bank (Volvo) 1% 20/12/2022	369	10	0.00
(750,000)	Barclays Bank (WPP) 1% 20/12/2022	747	13	0.00
750,000	BNP Paribas (Bayerische Motoren Werke) 1% 20/12/2022	679	(22)	0.00
(450,000)	BNP Paribas (Fortum) 1% 20/12/2022	424	10	0.00
(500,000)	BNP Paribas (Gas Natural) 1% 20/12/2022	481	9	0.00
155,000	BNP Paribas (iTraxx) 1% 20/6/2022	141	(4)	0.00
(450,000)	BNP Paribas (Nestle) 1% 20/12/2022	398	16	0.00
750,000	BNP Paribas (Pearson) 1% 20/12/2022	677	(13)	0.00
175,000	BNP Paribas (Renault) 1% 20/12/2022	168	(4)	0.00
(100,000)	BNP Paribas (Safeway) 1% 20/12/2021	92	3	0.00
(120,000)	BNP Paribas (Securitas) 1% 20/9/2019	106	2	0.00
640,000	BNP Paribas (Standard Chartered Bank) 1% 20/12/2020	580	(13)	0.00
(110,000)	BNP Paribas (Telefonaktiebolaget LM Ericsson) 1% 20/6/2022	97	(2)	0.00
1,150,000	BNP Paribas (Tesco) 1% 20/12/2022	1,201	1	0.00
316,730	BNP Paribas (Thailand (Kingdom of)) 1% 20/6/2021	236	(6)	0.00
(925,000)	BNP Paribas (Vinci) 1% 20/12/2022	877	25	0.00
1,216,000	Citibank (Brazil (Federative Republic of)) 1% 20/12/2022	879	19	0.00
366,812	Citibank (Indonesia (Republic of)) 1% 20/6/2022	–	(3)	0.00

Holding or Nominal Value	Investment	Underlying Exposure – Derivatives £000's	Market Value £000's	% of Total Net Assets
712,514	Citibank (Indonesia (Republic of)) 1% 20/12/2022	–	(4)	0.00
283,000	Citibank (iTraxx) 1% 20/6/2022	257	(6)	0.00
2,019,000	Citibank (iTraxx) 1% 20/12/2022	1,831	(44)	0.00
(2,100,000)	Citibank (Marks & Spencer) 1% 20/12/2022	2,003	(24)	0.00
121,000	Citibank (Premier Foods Finance) 5% 20/12/2022	108	(13)	0.00
300,000	Citibank (Rexel) 5% 20/12/2022	278	(51)	0.00
(250,000)	Citibank (Rio Tinto) 1% 20/12/2022	185	5	0.00
(390,000)	Citibank (Safeway) 1% 20/12/2021	359	12	0.00
350,000	Citibank (Suedzucker) 1% 20/12/2022	318	(6)	0.00
181,953	Citibank (Thailand (Kingdom of)) 1% 20/6/2021	135	(3)	0.00
200,000	Citibank (TVN Finance) 5% 20/12/2020	202	(25)	0.00
1,945,000	Citibank (United Mexican States Government) 1% 20/12/2022^	1,410	–	0.00
(325,000)	Citibank (Volvo) 1% 20/12/2022	300	8	0.00
400,000	Citibank (Westpac Banking) 1% 20/12/2020	297	(7)	0.00
(740,000)	Citibank (WPP) 1% 20/12/2022	737	13	0.00
550,000	Credit Suisse (Telenor ASA) 1% 20/12/2022	529	(19)	0.00
(138,000)	Credit Suisse International (Anglo American) 5% 20/12/2021	122	21	0.00
(40,000)	Credit Suisse International (Beni Stabili) 5% 20/6/2022	35	7	0.00
52,500,000	Credit Suisse International (CDX) 1% 20/12/2022	38,924	(834)	(0.05)
51,000	Credit Suisse International (Cerved Technologies) 5% 20/12/2020	51	(6)	0.00
(10,790,000)	Credit Suisse International (CMBX) 2% 17/9/2058	7,831	(283)	(0.02)
(1,000,000)	Credit Suisse International (CMBX) 3% 17/9/2058	726	(85)	(0.01)
(40,000)	Credit Suisse International (HAVAS) 1% 20/3/2018^	35	–	0.00
(141,000)	Credit Suisse International (International Game Technology) 5% 20/12/2021	138	19	0.00
(19,320,000)	Credit Suisse International (iTraxx) 5% 20/12/2022	17,102	1,911	0.12
775,000	Credit Suisse International (Koninklijke) 1% 20/12/2022	735	(13)	0.00
70,000	Credit Suisse International (Scandinavian Airlines System) 5% 20/6/2019	65	(3)	0.00
(200,000)	Credit Suisse International (Smurfit Kappa Acquisitions) 5% 20/9/2018	177	7	0.00
50,000	Credit Suisse International (Stena) 5% 20/12/2021	46	(1)	0.00
(70,000)	Credit Suisse International (TUI) 5% 20/6/2022	65	11	0.00
(5,000,000)	Deutsche Bank (CMBX) 3% 17/9/2058	3,629	(425)	(0.03)
6,200,000	Deutsche Bank (CMBX) 3% 17/11/2059	4,048	449	0.03
(30,000)	Deutsche Bank (Infineon Technologies) 5% 20/9/2018	27	1	0.00
25,000	Deutsche Bank (iTraxx) 1% 20/6/2022	23	(1)	0.00
575,000	Goldman Sachs (Bouyques SA) 1% 20/12/2022	561	(18)	0.00
(125,000)	Goldman Sachs (Carlsberg Breweries A/S) 1% 20/12/2022	122	3	0.00

# Portfolio Statement continued

Holding or Nominal Value	Investment	Underlying Exposure – Derivatives £000's	Market Value £000's	% of Total Net Assets
(225,000)	Goldman Sachs International (Accor) 1% 20/12/2022	213	4	0.00
(47,000)	Goldman Sachs International (Anglo American) 5% 20/12/2021	42	7	0.00
175,000	Goldman Sachs International (Anheuser-Busch InBev) 1% 20/12/2022	164	(4)	0.00
(525,000)	Goldman Sachs International (Atlantia) 1% 20/12/2022	603	7	0.00
150,000	Goldman Sachs International (Bayer) 1% 20/12/2022	134	(4)	0.00
(100,000)	Goldman Sachs International (Capgemini) 1% 20/12/2021	89	2	0.00
446,000	Goldman Sachs International (Cerved Technologies) 5% 20/12/2020	444	(49)	0.00
(500,000)	Goldman Sachs International (China (Republic Of)) 1% 20/9/2020	487	7	0.00
130,000	Goldman Sachs International (Clariant Finance) 1% 20/3/2018*	115	–	0.00
(700,000)	Goldman Sachs International (CMBX) 3% 17/9/2058	508	(59)	0.00
375,000	Goldman Sachs International (Electricite De France) 1% 20/12/2022	476	(7)	0.00
(700,000)	Goldman Sachs International (Enel) 1% 20/12/2022	628	13	0.00
(100,000)	Goldman Sachs International (Energias de Portugal) 5% 20/12/2021	89	16	0.00
(375,000)	Goldman Sachs International (Heineken) 1% 20/12/2022	341	11	0.00
544,105	Goldman Sachs International (Indonesia (Republic of)) 1% 20/6/2022	–	(4)	0.00
(80,000)	Goldman Sachs International (Infineon Technologies) 5% 20/9/2018	71	3	0.00
(80,000)	Goldman Sachs International (Infineon Technologies) 5% 20/3/2019	71	4	0.00
50,000,000	Goldman Sachs International (Itochu) 1% 20/12/2020	349	(8)	0.00
(825,000)	Goldman Sachs International (iTraxx) 1% 20/12/2020	599	12	0.00
18,209,000	Goldman Sachs International (iTraxx) 1% 20/12/2022	16,515	(392)	(0.02)
2,400,000	Goldman Sachs International (iTraxx) 5% 20/12/2022	2,364	(237)	(0.01)
(150,000)	Goldman Sachs International (LVMH Moet Hennessy Louis Vuitton) 1% 20/12/2022	133	5	0.00
12,218,964	Goldman Sachs International (Mitsubishi) 1% 20/12/2020	83	(2)	0.00
36,656,892	Goldman Sachs International (Mitsui & Co.) 1% 20/12/2020	256	(6)	0.00

Holding or Nominal Value	Investment	Underlying Exposure – Derivatives £000's	Market Value £000's	% of Total Net Assets
(650,000)	Goldman Sachs International (National Grid) 1% 20/12/2022	585	15	0.00
300,000	Goldman Sachs International (Postnl) 1% 20/12/2022	273	(7)	0.00
(75,000)	Goldman Sachs International (Rentokil Initial) 1% 20/12/2021	70	2	0.00
(275,000)	Goldman Sachs International (Rolls-Royce) 1% 20/12/2022	259	5	0.00
(80,000)	Goldman Sachs International (Scandinavian Airlines System) 5% 20/12/2018	71	3	0.00
60,000	Goldman Sachs International (Scandinavian Airlines System) 5% 20/3/2019	56	(2)	0.00
(125,000)	Goldman Sachs International (Solvay) 1% 20/12/2022	112	3	0.00
300,000	Goldman Sachs International (Standard Chartered Bank) 1% 20/12/2020	272	(6)	0.00
82,000	Goldman Sachs International (Sudzucker International Finance) 1% 20/12/2020	73	(1)	0.00
307,000	Goldman Sachs International (Suedzucker) 1% 20/12/2020	273	(5)	0.00
(1,551,000)	Goldman Sachs International (Telecom Italia) 1% 20/12/2022	1,439	(15)	0.00
(180,000)	Goldman Sachs International (Telefonaktiebolaget LM Ericsson) 1% 20/6/2022	159	(3)	0.00
800,000	Goldman Sachs International (Telia) 1% 20/12/2022	768	(21)	0.00
150,000	Goldman Sachs International (Tesco) 1% 20/12/2022^	157	–	0.00
(775,000)	Goldman Sachs International (Vivendi) 1% 20/12/2022	745	16	0.00
965,000	HSBC Bank (Brazil (Federative Republic of)) 1% 20/12/2022	698	15	0.00
4,123,000	HSBC Bank (Philippines (Republic Of)) 1% 20/12/2022	4,304	(55)	0.00
1,400,000	JP Morgan Chase Bank (Australia & New Zealand Banking) 1% 20/12/2020	1,040	(24)	0.00
350,000	JP Morgan Chase Bank (Bayerische Motoren Werke) 1% 20/12/2022	317	(10)	0.00
37,951,000	JP Morgan Chase Bank (CDX) 1% 20/12/2022	28,144	(603)	(0.04)
1,000,000	JP Morgan Chase Bank (Commonwealth Bank of Australia) 1% 20/12/2020	743	(17)	0.00
500,000	JP Morgan Chase Bank (Continental) 1% 20/12/2022	476	(15)	0.00
475,000	JP Morgan Chase Bank (E.On) 1% 20/12/2022	474	(12)	0.00
(375,000)	JP Morgan Chase Bank (Glencore International) 5% 20/12/2022	348	65	0.00

## Portfolio Statement continued

Holding or Nominal Value	Investment	Underlying Exposure – Derivatives £000's	Market Value £000's	% of Total Net Assets
489,083	JP Morgan Chase Bank (Indonesia (Republic of)) 1% 20/6/2022	–	(4)	0.00
290,000	JP Morgan Chase Bank (iTraxx) 1% 20/6/2022	263	(7)	0.00
(250,000)	JP Morgan Chase Bank (J Sainsbury) 1% 20/6/2022	224	(1)	0.00
179,000	JP Morgan Chase Bank (Marks & Spencer) 1% 20/6/2022	171	1	0.00
141,000	JP Morgan Chase Bank (Melia Hotels International) 5% 20/6/2022	150	(25)	0.00
180,000	JP Morgan Chase Bank (Metso) 1% 20/12/2018	161	(1)	0.00
400,000	JP Morgan Chase Bank (National Australia Bank) 1% 20/12/2020	297	(7)	0.00
(350,000)	JP Morgan Chase Bank (Nestle) 1% 20/12/2022	310	12	0.00
375,000	JP Morgan Chase Bank (Novartis) 1% 20/12/2022	332	(14)	0.00
350,000	JP Morgan Chase Bank (Renault) 1% 20/12/2022	336	(7)	0.00
(100,000)	JP Morgan Chase Bank (Smurfit Kappa Acquisitions) 5% 20/12/2022	95	19	0.00
400,000	JP Morgan Chase Bank (Statoil) 1% 20/12/2022	372	(15)	0.00
10,548,523	JP Morgan Chase Bank (Sumitomo) 1% 20/12/2020	72	(2)	0.00
(275,000)	JP Morgan Chase Bank (Swedish Match) 1% 20/6/2022	251	5	0.00
(130,000)	JP Morgan Chase Bank (Telefonaktiebolaget LM Ericsson) 1% 20/6/2022	115	(2)	0.00
150,000	JP Morgan Chase Bank (Telekom Austria) 1% 20/12/2022	152	(5)	0.00
1,400,000	JP Morgan Chase Bank (Tesco) 1% 20/12/2022	1,462	1	0.00
468,047	JP Morgan Chase Bank (Thailand (Kingdom of)) 1% 20/6/2021	348	(9)	0.00
650,000	JP Morgan Chase Bank (Wolters Kluwer) 1% 20/12/2022	579	(18)	0.00
(730,000)	JP Morgan Chase Bank (WPP) 1% 20/12/2022	727	12	0.00
(1,400,000)	Morgan Stanley International (CMBX) 3% 17/9/2058	1,016	(119)	(0.01)
120,000	Morgan Stanley International (Standard Chartered Bank) 1% 20/12/2020	109	(2)	0.00
(350,000)	Société Générale (Accor) 1% 20/12/2022	331	7	0.00
525,000	Société Générale (Carrefour) 1% 20/12/2022	475	(11)	0.00
550,000	Société Générale (Daimler) 1% 20/12/2022	493	(13)	0.00
250,000	Société Générale (Deutsche Telekom) 1% 20/12/2022	226	(7)	0.00
375,000	Société Générale (Electricite De France) 1% 20/12/2022	476	(7)	0.00
325,000	Société Générale (GDF Suez SA) 1% 20/12/2022	340	(8)	0.00
(550,000)	Société Générale (Iberdrola International) 1% 20/12/2022	524	14	0.00
45,000	Société Générale (iTraxx) 1% 20/6/2022	41	(1)	0.00
(275,000)	Société Générale (J Sainsbury) 1% 20/6/2022	247	(1)	0.00

Holding or Nominal Value	Investment	Underlying Exposure – Derivatives £000's	Market Value £000's	% of Total Net Assets
200,000	Société Générale (Rexel) 5% 20/12/2022	185	(34)	0.00
550,000	Société Générale (Sanofi-Aventis) 1% 20/12/2022	521	(19)	0.00
(200,000)	Société Générale (Technip) 1% 20/12/2021	194	4	0.00
(500,000)	Société Générale (Thales) 1% 20/6/2022	447	13	0.00
(90,000)	Société Générale (TUI) 5% 20/6/2022	83	14	0.00
(500,000)	Société Générale (Wendel) 5% 20/12/2022	482	96	0.01
		<b>268,931</b>	<b>(594)</b>	<b>(0.04)</b>
<b>Currency Swaps – (0.01)%; 28.2.2017 0.00%</b>				
5,717,303	JP Morgan Chase Bank (US Dollar/Korean Won) 4/4/2018	4,149	4,147	0.26
(6,500,000,000)	JP Morgan Chase Bank (Korean Won/US Dollar) 4/4/2018	4,356	(4,345)	(0.27)
		<b>8,505</b>	<b>(198)</b>	<b>(0.01)</b>
<b>Forward Currency Contracts – (0.63)%; 28.2.2017 0.36%</b>				
AU\$460,000	Australian dollar vs New Zealand dollar	259	(1)	0.00
AU\$2,870,000	Australian dollar vs UK sterling	1,619	(13)	0.00
BRL 13,457,367	Brazilian real vs US dollar	2,994	(47)	0.00
CA\$312,998	Canadian dollar vs Australian dollar	177	(3)	0.00
CA\$303,103	Canadian dollar vs New Zealand dollar	171	(6)	0.00
CA\$1,103,000	Canadian dollar vs UK sterling	639	1	0.00
CA\$447,906	Canadian dollar vs US dollar	253	(7)	0.00
€4,461,874	Euro vs Swedish krona	3,938	32	0.00
€ 400,000	Euro vs Swiss franc	353	(6)	0.00
€34,520,000	Euro vs UK sterling	30,468	(92)	(0.01)
€4,081,073	Euro vs US dollar	3,602	(35)	0.00
IDR 257,883,510,596	Indonesian rupiah vs US dollar	13,551	(235)	(0.02)
MXN 59,737,335	Mexican peso vs US dollar	2,294	(18)	0.00
NZD 504,047	New Zealand dollar vs Australian dollar	263	3	0.00
NZD 167,902	New Zealand dollar vs Euro	88	(1)	0.00
NZD 170,000	New Zealand dollar vs Japanese yen	89	(4)	0.00
NZD 170,000	New Zealand dollar vs US dollar^	89	–	0.00
NOK 3,900,000	Norwegian krone vs Swedish krona	358	12	0.00
NOK 979,514	Norwegian krone vs UK sterling^	90	–	0.00
NOK 1,948,546	Norwegian krone vs US dollar	179	(2)	0.00
RUB 63,777,280	Russian ruble vs Euro	818	21	0.00
RUB 648,578,125	Russian ruble vs US dollar	8,318	184	0.01
ZAR 34,057,884	South African rand vs US dollar	2,092	20	0.00
SEK 173,518,423	Swedish krona vs Euro	15,162	(218)	(0.01)
SEK 2,994,376	Swedish krona vs Norwegian krone	262	(8)	0.00
SEK 1,951,695	Swedish krona vs US dollar	171	(3)	0.00
CHF 347,397	Swiss franc vs Euro	266	1	0.00
TRY 72,101,657	Turkish lira vs US dollar	13,697	7	0.00
£3,111,024	UK sterling vs Australian dollar	3,084	29	0.00

## Portfolio Statement continued

Holding or Nominal Value	Investment	Underlying Exposure – Derivatives £000's	Market Value £000's	% of Total Net Assets
£1,275,632	UK sterling vs Canadian dollar	1,267	9	0.00
£407,253,341	UK sterling vs Euro	408,445	(1,349)	(0.08)
£121,312	UK sterling vs Japanese yen	126	(4)	0.00
£171,103	UK sterling vs Mexican peso	174	(3)	0.00
£551,672	UK sterling vs New Zealand dollar	551	2	0.00
£359,635	UK sterling vs Polish zloty	359	1	0.00
£495,191	UK sterling vs Singapore dollar	502	(7)	0.00
£315,718	UK sterling vs Swedish krona^	315	–	0.00
£607,030,285	UK sterling vs US dollar	615,638	(8,324)	(0.52)
\$3,543,556	US dollar vs Argentina peso	2,560	102	0.01
\$1,402,000	US dollar vs Brazilian real	1,013	(9)	0.00
\$360,000	US dollar vs Canadian dollar	260	4	0.00
\$5,007,500	US dollar vs Chinese yuan	3,618	(18)	0.00
\$7,094,838	US dollar vs Euro	5,126	(2)	0.00
\$744,129	US dollar vs Hong Kong dollar	538	1	0.00
\$3,615,598	US dollar vs Indian rupee	2,612	36	0.00
\$22,593,496	US dollar vs Indonesian rupiah	16,322	380	0.02
\$546,028	US dollar vs Japanese yen	394	(8)	0.00
\$5,733,856	US dollar vs Malaysian ringgit	4,142	57	0.00
\$6,843,965	US dollar vs Mexican peso^	4,944	–	0.00
\$124,277	US dollar vs New Zealand dollar	90	1	0.00
\$250,000	US dollar vs Norwegian krone	181	4	0.00
\$19,530,048	US dollar vs Russian ruble	14,109	(280)	(0.02)
\$5,422,833	US dollar vs South African rand	3,918	(182)	(0.01)
\$2,690,443	US dollar vs South Korean won	1,944	(3)	0.00
\$240,000	US dollar vs Swedish krona	173	4	0.00
\$185,460	US dollar vs Swiss franc	134	1	0.00
\$523,727	US dollar vs Taiwan dollar	378	2	0.00
\$13,613,308	US dollar vs Turkish lira	9,835	43	0.00
\$2,542,148	US dollar vs UK sterling	1,837	(59)	0.00
		<b>1,206,849</b>	<b>(9,990)</b>	<b>(0.63)</b>

### Futures – 0.03%; 28.2.2017 (0.29)%

145	3 Months Euro Euribor June 2018	128,352	(2)	0.00
(145)	3 Months Euro Euribor June 2019	128,352	(7)	0.00
217	3 Months Euro Euribor March 2018	192,085	2	0.00
(217)	3 Months Euro Euribor March 2019	192,085	(24)	0.00
(414)	3 Months Euro Euribor September 2019	366,466	41	0.00
345	3 Months Euro Euribor September 2020	305,388	(118)	(0.01)
76	90-Day Euro\$ December 2018	55,158	(35)	0.00
(76)	90-Day Euro\$ December 2019	55,158	43	0.00
267	90-Day Euro\$ June 2018	193,780	(56)	0.00
(267)	90-Day Euro\$ June 2019	193,780	48	0.00
(444)	90-Day Euro\$ June 2020	322,241	59	0.00
36	90-Day Euro\$ March 2019	26,128	(22)	0.00
408	90-Day Euro\$ March 2020	296,114	(40)	0.00

Holding or Nominal Value	Investment	Underlying Exposure – Derivatives £000's	Market Value £000's	% of Total Net Assets
770	90-Day Sterling June 2018	385,000	(59)	0.00
(128)	90-Day Sterling June 2019	64,000	5	0.00
(609)	90-Day Sterling September 2020	304,500	236	0.01
730	90-Day Sterling September 2019	365,000	(246)	(0.01)
1,024	Australia 10 Year Bond March 2018	74,008	(18)	0.00
(943)	Canada 10 Year Bond June 2018	70,333	(430)	(0.03)
(104)	Euro Buxl 30 Year Bond March 2018	13,165	(134)	(0.01)
(1)	Euro-Bobl June 2018^	95	–	0.00
1,086	Euro-Bobl March 2018	96,519	273	0.02
(74)	Euro-BTP March 2018	8,168	3	0.00
(3)	Euro-Bund June 2018^	259	–	0.00
365	Euro-Bund March 2018	30,369	606	0.04
(342)	Euro-Oat March 2018	35,726	446	0.03
210	Euro-Schatz March 2018	18,791	(4)	0.00
12	Japan 10 Year Note (OSE) March 2018	12,319	2	0.00
55	Korea 3 Year Bond March 2018	4,410	(96)	(0.01)
(787)	Long Gilt June 2018	83,182	(188)	(0.01)
(124)	Short Euro-BTP March 2018	11,154	26	0.00
(230)	US 2 Year Note (CBT) June 2018	154	(8)	0.00
149	US 5 Year Note (CBT) June 2018	31,917	(2)	0.00
(2,164)	US 10 Year Note (CBT) June 2018	223,392	179	0.01
(144)	US 10 Year Ultra Bond June 2018	7,528	20	0.00
(148)	US Long Bond (CBT) June 2018	15,407	(69)	0.00
(176)	US Ultra Bond (CBT) June 2018	18,779	(46)	0.00
		<b>4,329,262</b>	<b>385</b>	<b>0.03</b>

### Inflation Swaps – 0.03%; 28.2.2017 0.05%

5,582,000	Barclays Bank (UK sterling) 3.5525% vs Variable 15/3/2027	5,582	(91)	(0.01)
12,126,000	Barclays Bank (UK sterling) 3.58% vs Variable 15/3/2022	12,126	141	0.01
15,490,000	Credit Suisse International (Euro) 1.319% vs Variable 15/11/2022	13,711	64	0.00
11,150,000	Credit Suisse International (Euro) 1.41% vs Variable 15/2/2023	9,870	(1)	0.00
10,981,410	Credit Suisse International (Euro) 1.4375% vs Variable 15/1/2023	9,721	3	0.00
7,913,000	Credit Suisse International (Euro) 1.5862% vs Variable 3/1/2028	7,004	7	0.00
7,995,000	Credit Suisse International (Euro) 1.5875% vs Variable 15/1/2028	7,077	8	0.00
2,920,000	Credit Suisse International (UK sterling) 3.2075% vs Variable 15/2/2023	2,920	(5)	0.00
6,052,000	Credit Suisse International (UK sterling) 3.25% vs Variable 15/2/2025	6,052	(24)	0.00



## Portfolio Statement continued

Holding or Nominal Value	Investment	Underlying Exposure – Derivatives £000's	Market Value £000's	% of Total Net Assets
3,160,000	Credit Suisse International (UK sterling) 3.3275% vs Variable 15/1/2023	3,160	7	0.00
16,177,000	Credit Suisse International (UK sterling) 3.34% vs Variable 4/1/2023	16,177	46	0.00
3,130,000	Credit Suisse International (UK sterling) 3.365% vs Variable 15/1/2023	3,130	13	0.00
3,325,000	Credit Suisse International (UK sterling) 3.366% vs Variable 15/2/2028	3,325	2	0.00
594,000	Credit Suisse International (UK sterling) 3.3675% vs Variable 15/2/2068	594	(30)	0.00
7,326,000	Credit Suisse International (UK sterling) 3.419% vs Variable 4/1/2028	7,326	(30)	0.00
6,002,000	Credit Suisse International (UK sterling) 3.4225% vs Variable 15/11/2027	6,002	27	0.00
5,874,000	Credit Suisse International (UK sterling) 3.43% vs Variable 15/11/2027	5,874	32	0.00
5,120,000	Credit Suisse International (UK sterling) 3.44% vs Variable 15/7/2027	5,120	33	0.00
1,329,000	Credit Suisse International (UK sterling) 3.509% vs Variable 15/11/2047	1,329	(10)	0.00
1,491,000	Credit Suisse International (UK sterling) 3.535% vs Variable 15/2/2048	1,491	(39)	0.00
10,550,000	Credit Suisse International (US dollar) 2.06% vs Variable 5/12/2022	7,657	87	0.01
9,570,000	Credit Suisse International (US dollar) 2.07% vs Variable 13/11/2022	6,946	87	0.01
9,913,000	Credit Suisse International (US dollar) 2.1525% vs Variable 30/11/2027	7,195	126	0.01
13,945,000	Morgan Stanley International (Euro) 1.21% vs Variable 15/7/2022	12,344	89	0.01
13,945,000	Morgan Stanley International (Euro) 1.405% vs Variable 15/7/2027	12,344	(149)	(0.01)
1,150,900	Morgan Stanley International (UK sterling) 3.48% vs Variable 15/7/2047	1,151	12	0.00
		<b>175,228</b>	<b>405</b>	<b>0.03</b>
<b>Interest Rate Swaps – 0.09%; 28.2.2017 0.01%</b>				
64,810,000	Bank of America (Chinese yuan) 0% vs Variable 26/4/2022	7,457	29	0.00
15,793,254	Bank of America (Chinese yuan) 3.72% vs Variable 30/6/2022	1,802	(8)	0.00
62,190,000	Bank of America (Chinese yuan) 3.98% vs Variable 21/3/2023	7,154	26	0.00
13,742,800	Bank of America (Chinese yuan) 4.01% vs Variable 21/3/2023	1,583	8	0.00

Holding or Nominal Value	Investment	Underlying Exposure – Derivatives £000's	Market Value £000's	% of Total Net Assets
14,090,412	Bank of America (Chinese yuan) 4.03% vs Variable 21/3/2023	1,624	9	0.00
9,945,482	Bank of America (Chinese yuan) 4.05% vs Variable 21/3/2023	1,148	8	0.00
14,794,933	Bank of America (Chinese yuan) 4.06% vs Variable 21/3/2023	1,708	12	0.00
67,112,712	Bank of America (Indian rupee) 6.745% vs Variable 21/3/2023	747	5	0.00
2,342,850,000	Bank of America (Korean won) 2.1125% vs Variable 21/3/2023	1,557	(13)	0.00
2,328,280,000	Bank of America (Korean won) 2.1575% vs Variable 21/3/2023	1,551	(9)	0.00
2,652,267,025	Bank of America (Korean won) 2.226% vs Variable 21/3/2023	1,773	(5)	0.00
183,054,000	Bank of America (Mexican peso) 7.6575% vs Variable 22/2/2021	7,001	(14)	0.00
13,080,000	Bank of America (Singapore dollar) 1.72% vs Variable 21/3/2023	6,999	177	0.01
16,840,000	Bank of America (Singapore dollar) 1.79% vs Variable 21/3/2023	9,041	197	0.01
8,200,000	Bank of America (Singapore dollar) 1.9025% vs Variable 21/3/2023	4,426	72	0.00
5,050,000	Bank of America (US dollar) 2.244% vs Variable 21/3/2023	3,575	90	0.01
41,820,000	Bank of America (US dollar) 2.41% vs Variable 31/8/2022	23,910	(32)	0.00
15,330,000	Bank of America (US dollar) 2.4235% vs Variable 11/1/2021	11,046	92	0.01
4,910,000	Bank of America (US dollar) 2.437% vs Variable 27/10/2027	3,455	106	0.01
6,925,000	Bank of America (US dollar) 2.4675% vs Variable 15/1/2021	4,994	38	0.00
13,400,000	Bank of America (US dollar) 2.6015% vs Variable 22/1/2022	9,670	48	0.00
10,930,000	Bank of America (US dollar) 2.641% vs Variable 15/2/2023	7,896	(35)	0.00
5,615,000	Bank of America (US dollar) 2.667% vs Variable 4/2/2021	4,064	16	0.00
5,615,000	Bank of America (US dollar) 2.674% vs Variable 4/2/2021	4,065	15	0.00
3,370,000	Bank of America (US dollar) 2.705% vs Variable 24/1/2028	–	33	0.00
4,380,000	Bank of America (US dollar) 2.7145% vs Variable 23/1/2028	3,136	40	0.00
26,200,000	Bank of America (US dollar) 2.797% vs Variable 31/8/2022	–	10	0.00

# Portfolio Statement continued

Holding or Nominal Value	Investment	Underlying Exposure – Derivatives £000's	Market Value £000's	% of Total Net Assets
5,700,000	Bank of America (US dollar) 2.847% vs Variable 15/2/2028	4,127	8	0.00
1,620,000	Bank of America (US dollar) 2.876% vs Variable 27/2/2028	–	–	0.00
810,000	Bank of America (US dollar) 2.8805% vs Variable 27/2/2028	–	–	0.00
810,000	Bank of America (US dollar) 2.887% vs Variable 27/2/2028	–	1	0.00
1,620,000	Bank of America (US dollar) 2.8895% vs Variable 27/2/2028	–	1	0.00
1,620,000	Bank of America (US dollar) 2.8995% vs Variable 27/2/2028	–	3	0.00
16,930,000	Bank of America (US dollar) 2.93% vs Variable 15/11/2027	12,312	(27)	0.00
11,940,000	Bank of America (US dollar) 2.9495% vs Variable 2/3/2022	8,672	(15)	0.00
1,630,000	Bank of America (US dollar) 2.951% vs Variable 26/2/2028	–	(8)	0.00
11,230,000	Bank of America (US dollar) 2.9975% vs Variable 25/2/2022	8,163	(21)	0.00
2,000,000	Barclays Bank (US dollar) 3.0175% vs Variable 20/3/2037	1,444	7	0.00
15,380,000	BNP Paribas (Chinese yuan) 3.88% vs Variable 21/3/2023	1,761	(2)	0.00
12,333,750,000	BNP Paribas (Korean won) 2.255% vs Variable 20/3/2020	8,267	1	0.00
9,158,775	Citibank (Brazilian real) 9.23% vs Variable 2/1/2023	2,041	11	0.00
34,676	Citibank (Brazilian real) 9.24% vs Variable 2/1/2023	8	–	0.00
42,250,000	Citibank (Chinese yuan) 0% vs Variable 21/3/2023	4,866	24	0.00
16,320,510	Citibank (Chinese yuan) 3.78% vs Variable 19/6/2022	1,867	(3)	0.00
16,480,000	Citibank (Chinese yuan) 3.88% vs Variable 21/3/2023	1,887	(2)	0.00
3,411,870,445	Citibank (Colombian peso) 5.36% vs Variable 12/2/2023	861	2	0.00
6,844,932,633	Citibank (Colombian peso) 5.4% vs Variable 23/2/2023	1,730	1	0.00
3,411,870,446	Citibank (Colombian peso) 5.418% vs Variable 13/2/2023	865	(1)	0.00
250,000,000	Citibank (Indian rupee) 6.18% vs Variable 20/9/2022	2,726	(67)	0.00
2,652,267,025	Citibank (Korean won) 2.2275% vs Variable 21/3/2023	1,773	(5)	0.00

Holding or Nominal Value	Investment	Underlying Exposure – Derivatives £000's	Market Value £000's	% of Total Net Assets
5,583,360,000	Citibank (Korean won) 2.2375% vs Variable 21/3/2023	3,734	(8)	0.00
5,225,361,900	Citibank (Korean won) 2.2425% vs Variable 21/3/2023	3,495	(7)	0.00
8,090,000	Credit Suisse International (Canadian dollar) 2.115% vs Variable 21/3/2023	4,514	(72)	0.00
43,895,000	Credit Suisse International (Euro) 0.0286% vs Variable 7/6/2020	38,865	(4)	0.00
52,720,000	Credit Suisse International (Euro) 0.116% vs Variable 8/3/2020	46,667	4	0.00
36,240,000	Credit Suisse International (Euro) 0.1165% vs Variable 8/3/2020	32,079	(3)	0.00
700,000	Credit Suisse International (Euro) 0.123% vs Variable 20/4/2022	616	(4)	0.00
53,510,000	Credit Suisse International (Euro) 0.128% vs Variable 16/2/2020	47,370	(1)	0.00
165,070,000	Credit Suisse International (Euro) 0.14% vs Variable 8/3/2020	146,047	82	0.01
13,660,000	Credit Suisse International (Euro) 0.21% vs Variable 20/10/2022	12,010	(87)	(0.01)
11,280,000	Credit Suisse International (Euro) 0.214% vs Variable 27/9/2022	9,928	(61)	0.00
118,410,000	Credit Suisse International (Euro) 0.2625% vs Variable 8/3/2023	103,766	(1,094)	(0.07)
32,670,000	Credit Suisse International (Euro) 0.263% vs Variable 21/3/2023	28,614	(318)	(0.02)
6,290,000	Credit Suisse International (Euro) 0.27% vs Variable 21/3/2023	5,511	(59)	0.00
5,640,000	Credit Suisse International (Euro) 0.285% vs Variable 21/3/2023	4,945	(49)	0.00
9,940,000	Credit Suisse International (Euro) 0.325% vs Variable 21/3/2023	8,733	(70)	0.00
180,000	Credit Suisse International (Euro) 0.343% vs Variable 6/4/2023	158	(1)	0.00
14,670,000	Credit Suisse International (Euro) 0.3485% vs Variable 8/3/2023	12,912	80	0.01
17,002,500	Credit Suisse International (Euro) 0.355% vs Variable 8/3/2023	14,969	(88)	(0.01)
4,540,000	Credit Suisse International (Euro) 0.3675% vs Variable 21/3/2023	3,997	(23)	0.00
17,520,000	Credit Suisse International (Euro) 0.4155% vs Variable 8/3/2023	15,472	(44)	0.00
18,482,029	Credit Suisse International (Euro) 0.422% vs Variable 8/3/2023	16,327	(41)	0.00
38,295,435	Credit Suisse International (Euro) 0.43% vs Variable 7/10/2022	33,958	(43)	0.00

# Portfolio Statement continued

Holding or Nominal Value	Investment	Underlying Exposure – Derivatives £000's	Market Value £000's	% of Total Net Assets
18,235,000	Credit Suisse International (Euro) 0.465% vs Variable 8/3/2023	16,143	(6)	0.00
41,575,874	Credit Suisse International (Euro) 0.468% vs Variable 8/3/2023	36,812	(8)	0.00
19,785,875	Credit Suisse International (Euro) 0.5103% vs Variable 8/3/2023	17,556	33	0.00
19,790,624	Credit Suisse International (Euro) 0.5114% vs Variable 8/3/2023	17,561	34	0.00
18,520,000	Credit Suisse International (Euro) 0.5185% vs Variable 8/3/2023	16,439	(38)	0.00
54,319,689	Credit Suisse International (Euro) 0.5886% vs Variable 7/6/2023	48,191	82	0.01
11,200,000	Credit Suisse International (Euro) 0.594% vs Variable 17/2/2025	9,808	111	0.01
26,620,000	Credit Suisse International (Euro) 0.855% vs Variable 8/3/2028	23,024	561	0.04
8,762,500	Credit Suisse International (Euro) 0.916% vs Variable 8/3/2028	7,625	139	0.01
4,450,000	Credit Suisse International (Euro) 0.953% vs Variable 15/1/2028	3,899	42	0.00
4,450,000	Credit Suisse International (Euro) 0.956% vs Variable 15/1/2028	3,900	41	0.00
9,080,000	Credit Suisse International (Euro) 0.9926% vs Variable 8/3/2028	7,961	84	0.01
18,773,587	Credit Suisse International (Euro) 1.0148% vs Variable 8/3/2028	16,496	138	0.01
21,122,368	Credit Suisse International (Euro) 1.047% vs Variable 15/2/2027	18,791	80	0.01
18,847,500	Credit Suisse International (Euro) 1.085% vs Variable 8/3/2028	16,674	26	0.00
10,341,252	Credit Suisse International (Euro) 1.087% vs Variable 8/3/2028	9,151	12	0.00
10,341,253	Credit Suisse International (Euro) 1.1308% vs Variable 8/3/2028	9,190	(27)	0.00
20,483,735	Credit Suisse International (Euro) 1.1318% vs Variable 8/3/2028	18,204	(54)	0.00
5,610,000	Credit Suisse International (Euro) 1.158% vs Variable 16/2/2028	5,005	35	0.00
38,228,074	Credit Suisse International (Euro) 1.222% vs Variable 7/6/2028	34,079	(205)	(0.01)
9,440,000	Credit Suisse International (Euro) 1.2269% vs Variable 7/6/2028	8,419	(55)	0.00
3,980,000	Credit Suisse International (Euro) 1.37% vs Variable 20/2/2029	3,541	(16)	0.00
4,630,000	Credit Suisse International (Euro) 1.38% vs Variable 22/2/2029	4,123	(21)	0.00

Holding or Nominal Value	Investment	Underlying Exposure – Derivatives £000's	Market Value £000's	% of Total Net Assets
3,730,000	Credit Suisse International (Euro) 1.574% vs Variable 8/3/2048	3,272	(37)	0.00
3,650,000	Credit Suisse International (Euro) 1.5837% vs Variable 8/3/2048	3,210	(28)	0.00
3,940,000	Credit Suisse International (Euro) 1.6145% vs Variable 8/3/2048	3,491	(4)	0.00
4,360,000	Credit Suisse International (Euro) 1.6166% vs Variable 4/7/2042	3,870	3	0.00
9,010,000	Credit Suisse International (Euro) 1.6436% vs Variable 4/7/2042	8,043	51	0.00
3,740,000	Credit Suisse International (Euro) 1.6566% vs Variable 7/6/2048	3,333	15	0.00
3,910,000	Credit Suisse International (Euro) 1.691% vs Variable 7/6/2048	3,514	45	0.00
2,301,875,000	Credit Suisse International (Japanese yen) 0.105% vs Variable 8/3/2023	15,636	22	0.00
8,829,000,000	Credit Suisse International (Japanese yen) 0.105% vs Variable 22/3/2023	59,967	(92)	(0.01)
4,322,000,000	Credit Suisse International (Japanese yen) 0.1055% vs Variable 6/10/2022	29,393	(7)	0.00
4,472,875,000	Credit Suisse International (Japanese yen) 0.11% vs Variable 8/3/2023	30,391	35	0.00
1,623,000,000	Credit Suisse International (Japanese yen) 0.135% vs Variable 22/1/2023	11,044	4	0.00
1,997,000,000	Credit Suisse International (Japanese yen) 0.146% vs Variable 8/3/2023	13,593	8	0.00
808,000,000	Credit Suisse International (Japanese yen) 0.1615% vs Variable 22/3/2023	5,503	(7)	0.00
2,159,000,000	Credit Suisse International (Japanese yen) 0.286% vs Variable 6/10/2027	14,663	26	0.00
768,375,000	Credit Suisse International (Japanese yen) 0.3% vs Variable 8/3/2028	–	19	0.00
1,098,000,000	Credit Suisse International (Japanese yen) 0.306% vs Variable 8/3/2028	7,447	(22)	0.00
4,433,000,000	Credit Suisse International (Japanese yen) 0.3079% vs Variable 22/3/2028	30,064	94	0.01
1,161,625,000	Credit Suisse International (Japanese yen) 0.309% vs Variable 8/3/2028	7,881	(21)	0.00
443,000,000	Credit Suisse International (Japanese yen) 0.3185% vs Variable 22/3/2028	3,008	6	0.00
767,000,000	Credit Suisse International (Japanese yen) 0.355% vs Variable 22/1/2028	5,232	(14)	0.00
449,000,000	Credit Suisse International (Japanese yen) 0.362% vs Variable 8/3/2028	3,063	8	0.00
184,620,000	Credit Suisse International (Japanese yen) 0.3662% vs Variable 29/1/2028	1,261	5	0.00



## Portfolio Statement continued

Holding or Nominal Value	Investment	Underlying Exposure – Derivatives £000's	Market Value £000's	% of Total Net Assets
262,000,000	Credit Suisse International (Japanese yen) 0.367% vs Variable 22/3/2028	1,787	(5)	0.00
449,000,000	Credit Suisse International (Japanese yen) 0.3705% vs Variable 8/3/2028	3,065	10	0.00
1,023,897,600	Credit Suisse International (Japanese yen) 0.372% vs Variable 8/3/2028	6,991	25	0.00
997,000,000	Credit Suisse International (Japanese yen) 0.373% vs Variable 8/3/2028	6,808	(25)	0.00
1,319,000,000	Credit Suisse International (Japanese yen) 0.379% vs Variable 22/3/2028	9,009	(35)	0.00
133,250,000	Credit Suisse International (Japanese yen) 0.8075% vs Variable 31/5/2047	885	21	0.00
99,000,000	Credit Suisse International (Japanese yen) 0.8162% vs Variable 14/6/2047	659	15	0.00
37,250,000	Credit Suisse International (Japanese yen) 0.864% vs Variable 10/4/2047	252	2	0.00
354,000,000	Credit Suisse International (Japanese yen) 0.9105% vs Variable 30/9/2047	2,420	(13)	0.00
374,500,000	Credit Suisse International (Japanese yen) 0.913% vs Variable 12/7/2047	2,557	(10)	0.00
374,500,000	Credit Suisse International (Japanese yen) 0.92% vs Variable 12/7/2047	2,562	(15)	0.00
86,000,000	Credit Suisse International (Japanese yen) 0.925% vs Variable 20/2/2048	588	(3)	0.00
753,000,000	Credit Suisse International (Japanese yen) 0.935% vs Variable 8/3/2048	5,156	193	0.01
142,000,000	Credit Suisse International (Japanese yen) 0.951% vs Variable 22/2/2048	977	(11)	0.00
175,000,000	Credit Suisse International (Japanese yen) 1.018% vs Variable 8/3/2048	1,226	(72)	0.00
175,000,000	Credit Suisse International (Japanese yen) 1.028% vs Variable 8/3/2048	1,229	(76)	0.00
195,980,400	Credit Suisse International (Japanese yen) 1.029% vs Variable 8/3/2048	1,377	(85)	(0.01)
195,980,400	Credit Suisse International (Japanese yen) 1.031% vs Variable 8/3/2048	1,378	(86)	(0.01)
119,810,000	Credit Suisse International (Mexican peso) 7.67% vs Variable 15/3/2023	4,614	5	0.00
21,460,000	Credit Suisse International (Polish zloty) 2.3275% vs Variable 21/3/2023	4,494	(53)	0.00
15,270,000	Credit Suisse International (Polish zloty) 2.5075% vs Variable 20/6/2023	3,214	(22)	0.00
28,140,000	Credit Suisse International (Polish zloty) 2.545% vs Variable 21/3/2023	5,954	(9)	0.00
16,600,000	Credit Suisse International (Polish zloty) 2.619% vs Variable 20/6/2023	3,512	(6)	0.00

Holding or Nominal Value	Investment	Underlying Exposure – Derivatives £000's	Market Value £000's	% of Total Net Assets
24,120,000	Credit Suisse International (Polish zloty) 2.62% vs Variable 21/3/2023	5,121	10	0.00
25,090,000	Credit Suisse International (Polish zloty) 2.65% vs Variable 21/3/2023	5,335	18	0.00
25,220,000	Credit Suisse International (Polish zloty) 2.651% vs Variable 21/3/2023	5,362	18	0.00
22,060,000	Credit Suisse International (Polish zloty) 2.75% vs Variable 21/3/2023	4,712	37	0.00
14,260,000	Credit Suisse International (Singapore dollar) 1.985% vs Variable 21/3/2023	7,723	96	0.01
76,320,000	Credit Suisse International (South African rand) 7.13% vs Variable 21/3/2023	4,673	24	0.00
68,240,000	Credit Suisse International (South African rand) 7.25% vs Variable 22/3/2023	4,199	1	0.00
71,350,000	Credit Suisse International (South African rand) 7.405% vs Variable 21/3/2023	4,419	(27)	0.00
71,760,000	Credit Suisse International (South African rand) 7.48% vs Variable 22/3/2023	4,458	(41)	0.00
64,660,000	Credit Suisse International (South African rand) 7.505% vs Variable 20/6/2023	4,014	(33)	0.00
168,390,000	Credit Suisse International (South African rand) 7.51% vs Variable 21/3/2023	10,474	(110)	(0.01)
64,800,000	Credit Suisse International (South African rand) 7.605% vs Variable 20/6/2023	4,039	(50)	0.00
132,970,000	Credit Suisse International (Swedish krona) 0.41% vs Variable 20/10/2022	11,640	12	0.00
108,760,000	Credit Suisse International (Swedish krona) 0.454% vs Variable 27/9/2022	9,557	(26)	0.00
44,280,000	Credit Suisse International (Swedish krona) 0.7225% vs Variable 21/3/2023	3,909	30	0.00
38,750,000	Credit Suisse International (Swedish krona) 1.42% vs Variable 20/6/2028	3,399	4	0.00
4,116,000	Credit Suisse International (UK sterling) 0.767% vs Variable 7/9/2022	4,021	97	0.01
2,098,000	Credit Suisse International (UK sterling) 0.776% vs Variable 7/3/2022	2,060	39	0.00
2,099,000	Credit Suisse International (UK sterling) 0.777% vs Variable 7/3/2022	2,061	39	0.00
16,540,000	Credit Suisse International (UK sterling) 0.8% vs Variable 20/12/2019	16,492	(49)	0.00
3,733,044	Credit Suisse International (UK sterling) 0.833% vs Variable 8/3/2020	3,718	16	0.00
36,083,565	Credit Suisse International (UK sterling) 0.8334% vs Variable 8/3/2020	35,935	156	0.01
3,955,000	Credit Suisse International (UK sterling) 0.86% vs Variable 31/8/2023	3,842	115	0.01

## Portfolio Statement continued

Holding or Nominal Value	Investment	Underlying Exposure – Derivatives £000's	Market Value £000's	% of Total Net Assets
3,946,000	Credit Suisse International (UK sterling) 0.9487% vs Variable 4/7/2022	3,888	59	0.00
7,270,000	Credit Suisse International (UK sterling) 0.954% vs Variable 21/3/2023	7,120	(155)	(0.01)
39,760,000	Credit Suisse International (UK sterling) 0.998% vs Variable 8/3/2020	39,727	(42)	0.00
40,280,000	Credit Suisse International (UK sterling) 1.007% vs Variable 8/3/2020	40,253	(35)	0.00
170,640,000	Credit Suisse International (UK sterling) 1.009% vs Variable 14/2/2020	170,638	(4)	0.00
40,350,000	Credit Suisse International (UK sterling) 1.0342% vs Variable 8/3/2020	40,345	13	0.00
2,913,000	Credit Suisse International (UK sterling) 1.064% vs Variable 15/6/2022	2,887	27	0.00
6,210,000	Credit Suisse International (UK sterling) 1.07% vs Variable 20/12/2022	6,136	77	0.00
5,274,000	Credit Suisse International (UK sterling) 1.078% vs Variable 17/6/2022	5,227	49	0.00
1,421,855	Credit Suisse International (UK sterling) 1.08% vs Variable 8/3/2023	1,402	(21)	0.00
14,724,935	Credit Suisse International (UK sterling) 1.083% vs Variable 8/3/2023	14,520	(216)	(0.01)
17,190,000	Credit Suisse International (UK sterling) 1.1075% vs Variable 8/3/2023	16,971	(231)	(0.01)
5,860,000	Credit Suisse International (UK sterling) 1.116% vs Variable 21/3/2023	5,786	(79)	0.00
5,775,000	Credit Suisse International (UK sterling) 1.1225% vs Variable 8/6/2027	5,555	(222)	(0.01)
29,120,000	Credit Suisse International (UK sterling) 1.163% vs Variable 8/3/2023	–	(313)	(0.02)
6,190,000	Credit Suisse International (UK sterling) 1.1645% vs Variable 21/3/2023	6,126	(68)	0.00
4,140,000	Credit Suisse International (UK sterling) 1.167% vs Variable 21/3/2023	4,098	(45)	0.00
8,070,000	Credit Suisse International (UK sterling) 1.3215% vs Variable 8/3/2028	7,859	(222)	(0.01)
8,670,000	Credit Suisse International (UK sterling) 1.3345% vs Variable 8/3/2028	8,454	228	0.01
16,030,000	Credit Suisse International (UK sterling) 1.389% vs Variable 8/3/2023	16,046	(4)	0.00
39,340,000	Credit Suisse International (UK sterling) 1.396% vs Variable 8/3/2028	38,586	805	0.05
29,550,000	Credit Suisse International (UK sterling) 1.4011% vs Variable 8/3/2023	29,596	(24)	0.00
16,555,000	Credit Suisse International (UK sterling) 1.42% vs Variable 8/3/2023	16,596	29	0.00

Holding or Nominal Value	Investment	Underlying Exposure – Derivatives £000's	Market Value £000's	% of Total Net Assets
3,200,000	Credit Suisse International (UK sterling) 1.4635% vs Variable 8/3/2048	3,043	174	0.01
16,775,000	Credit Suisse International (UK sterling) 1.4834% vs Variable 7/6/2023	16,823	39	0.00
2,350,000	Credit Suisse International (UK sterling) 1.505% vs Variable 27/2/2068	2,359	11	0.00
9,200,000	Credit Suisse International (UK sterling) 1.56% vs Variable 8/3/2048	8,964	(282)	(0.02)
6,510,000	Credit Suisse International (UK sterling) 1.665% vs Variable 8/3/2028	6,550	31	0.00
18,580,000	Credit Suisse International (UK sterling) 1.69% vs Variable 14/2/2028	18,754	(154)	(0.01)
8,830,000	Credit Suisse International (UK sterling) 1.7238% vs Variable 7/6/2028	8,905	(65)	0.00
10,905,000	Credit Suisse International (US dollar) 0% vs Variable 8/3/2028	7,578	333	0.02
11,090,000	Credit Suisse International (US dollar) 1.6855% vs Variable 25/2/2020	7,917	136	0.01
9,040,000	Credit Suisse International (US dollar) 1.8335% vs Variable 3/7/2020	6,455	110	0.01
6,190,000	Credit Suisse International (US dollar) 1.865% vs Variable 3/7/2020	4,423	73	0.00
12,660,000	Credit Suisse International (US dollar) 1.9865% vs Variable 10/10/2022	8,937	(245)	(0.02)
129,540,000	Credit Suisse International (US dollar) 2.095% vs Variable 8/3/2020	93,184	(909)	(0.06)
550,000	Credit Suisse International (US dollar) 2.101% vs Variable 5/7/2021	393	6	0.00
1,200,000	Credit Suisse International (US dollar) 2.123% vs Variable 14/9/2027	–	48	0.00
1,470,000	Credit Suisse International (US dollar) 2.165% vs Variable 18/9/2027	–	55	0.00
166,120,000	Credit Suisse International (US dollar) 2.176% vs Variable 18/12/2019	119,968	(636)	(0.04)
1,470,000	Credit Suisse International (US dollar) 2.177% vs Variable 18/9/2027	–	54	0.00
4,920,000	Credit Suisse International (US dollar) 2.179% vs Variable 21/3/2023	3,472	98	0.01
18,800,000	Credit Suisse International (US dollar) 2.1805% vs Variable 8/11/2021	13,461	176	0.01
14,600,000	Credit Suisse International (US dollar) 2.19% vs Variable 3/12/2020	10,477	128	0.01
3,300,000	Credit Suisse International (US dollar) 2.196% vs Variable 18/8/2027	–	131	0.01
4,740,000	Credit Suisse International (US dollar) 2.213% vs Variable 21/3/2023	3,351	89	0.01

## Portfolio Statement continued

Holding or Nominal Value	Investment	Underlying Exposure – Derivatives £000's	Market Value £000's	% of Total Net Assets
1,400,000	Credit Suisse International (US dollar) 2.23% vs Variable 22/9/2027	–	47	0.00
3,810,000	Credit Suisse International (US dollar) 2.2325% vs Variable 4/12/2020	2,736	31	0.00
116,330,000	Credit Suisse International (US dollar) 2.258% vs Variable 8/3/2023	82,446	1,988	0.12
4,450,000	Credit Suisse International (US dollar) 2.264% vs Variable 14/12/2020	3,197	35	0.00
16,050,000	Credit Suisse International (US dollar) 2.2695% vs Variable 21/3/2023	11,377	271	0.02
166,120,000	Credit Suisse International (US dollar) 2.279% vs Variable 18/12/2020	119,870	770	0.05
460,000	Credit Suisse International (US dollar) 2.29% vs Variable 3/5/2027	320	(13)	0.00
1,770,000	Credit Suisse International (US dollar) 2.295% vs Variable 2/10/2027	–	53	0.00
9,760,000	Credit Suisse International (US dollar) 2.297% vs Variable 21/3/2023	6,927	156	0.01
14,970,000	Credit Suisse International (US dollar) 2.299% vs Variable 21/12/2020	10,763	113	0.01
1,320,000	Credit Suisse International (US dollar) 2.299% vs Variable 4/10/2027	–	39	0.00
21,280,000	Credit Suisse International (US dollar) 2.305% vs Variable 17/12/2020	15,359	(95)	(0.01)
10,800,000	Credit Suisse International (US dollar) 2.315% vs Variable 24/12/2020	7,767	79	0.00
21,280,000	Credit Suisse International (US dollar) 2.343% vs Variable 17/12/2021	15,362	62	0.00
3,850,000	Credit Suisse International (US dollar) 2.347% vs Variable 25/10/2027	–	103	0.01
1,560,000	Credit Suisse International (US dollar) 2.3775% vs Variable 16/11/2027	–	40	0.00
4,320,000	Credit Suisse International (US dollar) 2.3865% vs Variable 11/1/2021	3,111	28	0.00
4,500,000	Credit Suisse International (US dollar) 2.3875% vs Variable 8/1/2021	3,240	29	0.00
5,295,000	Credit Suisse International (US dollar) 2.3924% vs Variable 31/12/2019	3,834	(11)	0.00
259,630,000	Credit Suisse International (US dollar) 2.41% vs Variable 16/2/2020	188,084	(452)	(0.03)
8,860,000	Credit Suisse International (US dollar) 2.4113% vs Variable 31/8/2022	–	6	0.00
33,650,000	Credit Suisse International (US dollar) 2.421% vs Variable 8/3/2028	23,418	(992)	(0.06)
2,410,000	Credit Suisse International (US dollar) 2.424% vs Variable 27/10/2027	1,694	53	0.00

Holding or Nominal Value	Investment	Underlying Exposure – Derivatives £000's	Market Value £000's	% of Total Net Assets
16,600,000	Credit Suisse International (US dollar) 2.429% vs Variable 12/1/2021	11,963	98	0.01
3,560,000	Credit Suisse International (US dollar) 2.43% vs Variable 18/12/2028	2,466	114	0.01
2,130,000	Credit Suisse International (US dollar) 2.4375% vs Variable 11/12/2028	1,476	67	0.00
2,400,000	Credit Suisse International (US dollar) 2.4385% vs Variable 28/12/2027	1,677	62	0.00
6,925,000	Credit Suisse International (US dollar) 2.458% vs Variable 15/1/2021	4,993	39	0.00
2,000,000	Credit Suisse International (US dollar) 2.495% vs Variable 22/1/2021	1,443	10	0.00
6,650,000	Credit Suisse International (US dollar) 2.497% vs Variable 15/1/2024	4,742	(82)	(0.01)
2,205,000	Credit Suisse International (US dollar) 2.5315% vs Variable 16/1/2028	1,553	45	0.00
14,750,000	Credit Suisse International (US dollar) 2.535% vs Variable 26/2/2020	10,708	(4)	0.00
4,600,000	Credit Suisse International (US dollar) 2.5465% vs Variable 8/3/2048	3,058	(278)	(0.02)
1,000,000	Credit Suisse International (US dollar) 2.5685% vs Variable 19/1/2028	707	18	0.00
29,660,000	Credit Suisse International (US dollar) 2.571% vs Variable 20/2/2028	–	(558)	(0.03)
2,570,000	Credit Suisse International (US dollar) 2.5805% vs Variable 19/1/2028	–	46	0.00
3,900,000	Credit Suisse International (US dollar) 2.59% vs Variable 18/12/2032	2,725	(100)	(0.01)
2,560,000	Credit Suisse International (US dollar) 2.607% vs Variable 9/12/2032	1,791	(63)	0.00
1,695,000	Credit Suisse International (US dollar) 2.614% vs Variable 22/1/2028	1,203	26	0.00
1,695,000	Credit Suisse International (US dollar) 2.6285% vs Variable 22/1/2028	1,204	24	0.00
1,880,000	Credit Suisse International (US dollar) 2.6345% vs Variable 22/1/2028	1,337	26	0.00
3,000,000	Credit Suisse International (US dollar) 2.6355% vs Variable 15/2/2023	2,167	(10)	0.00
200,000	Credit Suisse International (US dollar) 2.641% vs Variable 13/2/2023	144	(1)	0.00
69,830,000	Credit Suisse International (US dollar) 2.645% vs Variable 26/1/2021	50,562	(152)	(0.01)
1,000,000	Credit Suisse International (US dollar) 2.661% vs Variable 23/1/2028	713	12	0.00
13,330,000	Credit Suisse International (US dollar) 2.6717% vs Variable 8/3/2023	9,635	(41)	0.00

## Portfolio Statement continued

Holding or Nominal Value	Investment	Underlying Exposure – Derivatives £000's	Market Value £000's	% of Total Net Assets
71,460,000	Credit Suisse International (US dollar) 2.6862% vs Variable 26/1/2022	51,748	37	0.00
2,700,000	Credit Suisse International (US dollar) 2.6875% vs Variable 5/2/2021	1,955	7	0.00
1,000,000	Credit Suisse International (US dollar) 2.7135% vs Variable 23/1/2028	716	9	0.00
14,860,000	Credit Suisse International (US dollar) 2.7297% vs Variable 31/1/2024	10,710	(70)	0.00
820,000	Credit Suisse International (US dollar) 2.7330% vs Variable 31/1/2028	588	7	0.00
2,500,000	Credit Suisse International (US dollar) 2.7340% vs Variable 31/1/2028	–	20	0.00
1,500,000	Credit Suisse International (US dollar) 2.7395% vs Variable 31/1/2028	–	11	0.00
1,100,000	Credit Suisse International (US dollar) 2.747% vs Variable 2/2/2028	790	8	0.00
1,280,000	Credit Suisse International (US dollar) 2.7625% vs Variable 29/9/2037	908	20	0.00
8,810,000	Credit Suisse International (US dollar) 2.7984% vs Variable 31/8/2022	–	(4)	0.00
16,660,000	Credit Suisse International (US dollar) 2.8006% vs Variable 20/2/2021	12,087	18	0.00
3,100,000	Credit Suisse International (US dollar) 2.8055% vs Variable 5/2/2028	722	12	0.00
4,000,000	Credit Suisse International (US dollar) 2.818% vs Variable 9/2/2028	–	12	0.00
1,500,000	Credit Suisse International (US dollar) 2.82% vs Variable 6/2/2028	–	4	0.00
2,520,000	Credit Suisse International (US dollar) 2.8278% vs Variable 15/11/2043	1,782	46	0.00
22,985,000	Credit Suisse International (US dollar) 2.8291% vs Variable 7/6/2023	16,701	(19)	0.00
8,930,000	Credit Suisse International (US dollar) 2.8292% vs Variable 31/8/2022	–	(11)	0.00
25,960,000	Credit Suisse International (US dollar) 2.8310% vs Variable 7/2/2022	18,813	12	0.00
8,930,000	Credit Suisse International (US dollar) 2.8312% vs Variable 31/8/2022	–	(12)	0.00
21,150,000	Credit Suisse International (US dollar) 2.841% vs Variable 8/3/2028	15,288	58	0.00
1,400,000	Credit Suisse International (US dollar) 2.8460% vs Variable 28/2/2028	–	(3)	0.00
1,890,000	Credit Suisse International (US dollar) 2.8473% vs Variable 30/11/2028	1,359	(12)	0.00
1,000,000	Credit Suisse International (US dollar) 2.8585% vs Variable 9/2/2028 <sup>^</sup>	725	–	0.00

Holding or Nominal Value	Investment	Underlying Exposure – Derivatives £000's	Market Value £000's	% of Total Net Assets
1,400,000	Credit Suisse International (US dollar) 2.865% vs Variable 6/2/2028 <sup>^</sup>	–	–	0.00
1,000,000	Credit Suisse International (US dollar) 2.8695% vs Variable 6/2/2028 <sup>^</sup>	726	–	0.00
4,715,000	Credit Suisse International (US dollar) 2.8737% vs Variable 31/1/2025	3,428	(5)	0.00
1,500,000	Credit Suisse International (US dollar) 2.874% vs Variable 6/2/2028	–	(1)	0.00
1,200,000	Credit Suisse International (US dollar) 2.876% vs Variable 6/2/2028	871	(1)	0.00
29,690,000	Credit Suisse International (US dollar) 2.881% vs Variable 16/2/2028	21,559	(23)	0.00
3,120,000	Credit Suisse International (US dollar) 2.888% vs Variable 26/2/2024 <sup>^</sup>	2,264	–	0.00
1,620,000	Credit Suisse International (US dollar) 2.888% vs Variable 27/2/2028	–	(1)	0.00
3,640,000	Credit Suisse International (US dollar) 2.8962% vs Variable 15/11/2043	2,608	33	0.00
5,205,000	Credit Suisse International (US dollar) 2.904% vs Variable 18/2/2022	3,777	(3)	0.00
11,670,000	Credit Suisse International (US dollar) 2.905% vs Variable 25/2/2024	8,476	10	0.00
5,205,000	Credit Suisse International (US dollar) 2.91% vs Variable 18/2/2022	3,777	(3)	0.00
5,940,000	Credit Suisse International (US dollar) 2.9184% vs Variable 8/3/2048	4,283	(26)	0.00
7,540,000	Credit Suisse International (US dollar) 2.9445% vs Variable 24/2/2022	5,476	(8)	0.00
15,020,000	Credit Suisse International (US dollar) 2.9455% vs Variable 18/2/2022	10,908	(16)	0.00
5,970,000	Credit Suisse International (US dollar) 2.948% vs Variable 2/3/2022	4,336	(7)	0.00
4,580,000	Credit Suisse International (US dollar) 2.9545% vs Variable 26/2/2024	3,334	12	0.00
3,000,000	Credit Suisse International (US dollar) 2.9629% vs Variable 15/11/2043	2,172	4	0.00
2,910,000	Credit Suisse International (US dollar) 2.969% vs Variable 26/2/2028	2,129	(18)	0.00
770,000	Credit Suisse International (US dollar) 2.976% vs Variable 7/6/2028	562	3	0.00
1,850,000	Credit Suisse International (US dollar) 3.015% vs Variable 15/2/2053	1,351	9	0.00
5,660,000	Credit Suisse International (US dollar) 3.02% vs Variable 7/6/2048	4,160	54	0.00
3,015,500	Credit Suisse International (US dollar) 3.02642% vs Variable 15/11/2043	–	20	0.00

## Portfolio Statement continued

Holding or Nominal Value	Investment	Underlying Exposure – Derivatives £000's	Market Value £000's	% of Total Net Assets
3,015,500	Credit Suisse International (US dollar) 3.0326% vs Variable 15/11/2043	–	23	0.00
1,350,000	Credit Suisse International (US dollar) 3.055% vs Variable 15/2/2028	981	(1)	0.00
5,890,000	Credit Suisse International (US dollar) 3.06% vs Variable 15/11/2043	–	(67)	0.00
2,980,000	Credit Suisse International (US dollar) 3.0816% vs Variable 20/2/2030	–	15	0.00
23,080,000	Deutsche Bank (Chinese yuan) 3.94% vs Variable 31/5/2022	2,655	10	0.00
61,430,400	Deutsche Bank (Chinese yuan) 6.84% vs Variable 21/3/2023	686	2	0.00
60,040,000	Deutsche Bank (Indian rupee) 6.82% vs Variable 21/3/2023	670	2	0.00
3,734,325,000	Deutsche Bank (Korean won) 1.818% vs Variable 21/3/2023	2,448	(55)	0.00
5,304,534,050	Deutsche Bank (Korean won) 2.2425% vs Variable 21/3/2023	3,548	(7)	0.00
18,625,000	Deutsche Bank (Mexican peso) 7.7100012% vs Variable 5/1/2022^	718	–	0.00
3,188,000	Deutsche Bank (Mexican peso) 7.7900004% vs Variable 31/12/2025	122	(1)	0.00
295,806,000	Deutsche Bank (Mexican peso) 7.8999984% vs Variable 8/1/2020	11,398	12	0.00
330,897,000	Deutsche Bank (Mexican peso) 8.0300016% vs Variable 9/1/2019	12,735	4	0.00
5,740,000	Deutsche Bank (Singapore dollar) 1.807% vs Variable 21/3/2023	3,084	65	0.00
2,180,000	Deutsche Bank (US dollar) 2.84200027% vs Variable 27/1/2037	1,558	26	0.00
16,000,500	Goldman Sachs International (Chinese yuan) 3.81% vs Variable 9/6/2022	1,834	(1)	0.00
39,080,000	Goldman Sachs International (Chinese yuan) 3.86125% vs Variable 21/3/2023	4,471	(8)	0.00
11,400,000	Goldman Sachs International (US dollar) 2.4012% vs Variable 17/3/2020	8,244	(33)	0.00
11,400,000	Goldman Sachs International (US dollar) 2.6% vs Variable 17/3/2021	8,251	28	0.00
33,854,875	HSBC Bank (Brazilian real) 0% vs Variable 2/1/2019	7,578	(17)	0.00
20,684,342	HSBC Bank (Brazilian real) 0% vs Variable 2/1/2020	4,659	44	0.00
8,358,643	HSBC Bank (Brazilian real) 0% vs Variable 4/1/2021	1,888	26	0.00
25,220,261	HSBC Bank (Brazilian real) 0% vs Variable 2/1/2023	5,723	140	0.01

Holding or Nominal Value	Investment	Underlying Exposure – Derivatives £000's	Market Value £000's	% of Total Net Assets
60,304,176	HSBC Bank (Indian rupee) 1.137% vs Variable 21/3/2023	669	6	0.00
3,475,445,671	JP Morgan Chase Bank (Colombian peso) 5.4% vs Variable 14/2/2023^	872	–	0.00
3,475,445,671	JP Morgan Chase Bank (Colombian peso) 5.41% vs Variable 15/2/2023^	873	–	0.00
67,112,712	JP Morgan Chase Bank (Indian rupee) 6.77% vs Variable 21/3/2023	747	4	0.00
6,150,310,000	JP Morgan Chase Bank (Korean won) 1.837% vs Variable 20/9/2027	3,919	201	0.01
10,091,250,000	Nomura International (Korean won) 2.273% vs Variable 20/3/2020	6,765	2	0.00
10,075,000,000	Nomura International (Korean won) 2.277% vs Variable 20/3/2020	6,754	2	0.00
17,500,000,000	Nomura International (Korean won) 2.285% vs Variable 20/3/2020	11,733	5	0.00
		<b>3,426,061</b>	<b>1,385</b>	<b>0.09</b>
<b>Options – 0.04%; 28.2.2017 0.00%</b>				
3,725	iShares Put Option 20/4/2018 100.5	7,835	266	0.02
807	S&P 500 Put Option 20/4/2018 2500	11,783	834	0.05
(668)	US 10 Years Call Option 23/3/2018 121	12,319	(83)	(0.01)
(668)	US 10 Years Call Option 23/3/2018 121.5	7,847	(45)	0.00
668	US 10 Years Call Option 23/3/2018 123.5	1,936	7	0.00
668	US 10 Years Put Option 23/3/2018 117.5	1,420	23	0.00
(668)	US 10 Years Put Option 23/3/2018 119	10,948	(128)	(0.01)
(668)	US 10 Years Put Option 23/3/2018 119.5	16,677	(189)	(0.01)
		<b>70,765</b>	<b>685</b>	<b>0.04</b>
<b>Swaptions – (0.10%); 28.2.2017 0.04%</b>				
20,430,000	Bank of America (Buy 5 Year Right to Pay 5/10/2018 3)	5,860	97	0.01
2,200,000	Bank of America (Buy 10 Year Right to Pay 1/2/2021 3.5)	530	37	0.00
(5,500,000)	Bank of America (Sell 10 Year Right to Pay 1/2/2021 5.5)	174	(12)	0.00
20,000,000	Barclays Bank (Buy 2 Year Right to Receive 25/4/2019 2.35)	3,485	22	0.00
2,280,000	Barclays Bank (Buy 10 Year Right to Receive 13/3/2019 2.75)	619	26	0.00
250,000,000	Barclays Bank (Buy 15 Year Right to Pay 15/5/2020 1.1)	330	10	0.00
125,000,000	Barclays Bank (Buy 15 Year Right to Pay 8/6/2020 0.65)	510	15	0.00
50,000,000	Barclays Bank (Buy 15 Year Right to Pay 14/9/2020 0.66)	206	7	0.00



# Portfolio Statement continued

Holding or Nominal Value	Investment	Underlying Exposure – Derivatives £000's	Market Value £000's	% of Total Net Assets
125,000,000	Barclays Bank (Buy 15 Year Right to Receive 8/6/2020 0.65)	340	18	0.00
50,000,000	Barclays Bank (Buy 15 Year Right to Receive 14/9/2020 0.66)	134	7	0.00
2,680,000	Barclays Bank (Buy 20 Year Right to Pay 9/8/2033 4)	183	61	0.00
5,513,000	Barclays Bank (Buy 30 Year Right to Pay 13/2/2023 3.35)	1,272	288	0.02
(5,000,000)	Barclays Bank (Sell 2 Year Right to Pay 17/10/2018 2.5)	2,570	(26)	0.00
(19,700,000)	Barclays Bank (Sell 2 Year Right to Pay 4/11/2019 2.7)	8,400	(118)	(0.01)
(70,790,000)	Barclays Bank (Sell 2 Year Right to Pay 3/2/2020 3.15)	20,477	(239)	(0.02)
(40,000,000)	Barclays Bank (Sell 2 Year Right to Receive 25/4/2019 1.85)	2,702	(12)	0.00
(19,700,000)	Barclays Bank (Sell 2 Year Right to Receive 4/11/2019 1.7)	1,544	(13)	0.00
(11,460,000)	Barclays Bank (Sell 5 Year Right to Receive 13/3/2018 0.1)^	–	–	0.00
(7,540,000)	Barclays Bank (Sell 10 Year Right to Pay 16/8/2018 2.965)	2,688	(79)	0.00
(4,100,000)	Barclays Bank (Sell 10 Year Right to Pay 6/9/2018 2.45)	2,501	(131)	(0.01)
(17,230,000)	Barclays Bank (Sell 10 Year Right to Pay 18/2/2019 1.65)	3,716	(122)	(0.01)
(17,230,000)	Barclays Bank (Sell 10 Year Right to Pay 20/2/2019 1.7)	3,335	(108)	(0.01)
(7,540,000)	Barclays Bank (Sell 10 Year Right to Receive 16/8/2018 2.965)	2,784	(98)	(0.01)
(4,560,000)	Barclays Bank (Sell 10 Year Right to Receive 13/3/2019 2)	304	(8)	0.00
(250,000,000)	Barclays Bank (Sell 15 Year Right to Pay 15/5/2020 2.1)	51	(3)	0.00
167,000,000	Citibank (Buy 5 Year Right to Pay 21/5/2019 1.25)^	19	–	0.00
167,000,000	Citibank (Buy 5 Year Right to Pay 28/5/2019 1.25)^	20	–	0.00
2,410,000	Citibank (Buy 10 Year Right to Pay 1/2/2021 3.5)	581	40	0.00
6,700,000	Citibank (Buy 10 Year Right to Pay 7/12/2027 2.738)	2,201	321	0.02
6,700,000	Citibank (Buy 10 Year Right to Receive 7/12/2027 2.738)	2,662	208	0.01
(167,000,000)	Citibank (Sell 5 Year Right to Pay 21/5/2019 1.75)^	9	–	0.00

Holding or Nominal Value	Investment	Underlying Exposure – Derivatives £000's	Market Value £000's	% of Total Net Assets
(167,000,000)	Citibank (Sell 5 Year Right to Pay 28/5/2019 1.75)^	9	–	0.00
(6,030,000)	Citibank (Sell 10 Year Right to Pay 1/2/2021 5.5)	191	(13)	0.00
250,000,000	Credit Suisse International (Buy 10 Year Right to Pay 11/1/2022 1.25)	282	10	0.00
250,000,000	Credit Suisse International (Buy 10 Year Right to Pay 22/2/2022 1.55)	184	8	0.00
10,000,000	Deutsche Bank (Buy 2 Year Right to Receive 17/10/2018 1.25)^	45	–	0.00
20,000,000	Deutsche Bank (Buy 2 Year Right to Receive 27/3/2019 2.25)	2,826	15	0.00
45,880,000	Deutsche Bank (Buy 5 Year Right to Pay 29/1/2019 3.05)	13,412	283	0.02
56,700,000	Deutsche Bank (Buy 5 Year Right to Pay 13/2/2019 2.95)	19,152	437	0.03
150,000,000	Deutsche Bank (Buy 5 Year Right to Pay 9/7/2019 1.25)^	22	–	0.00
50,000,000	Deutsche Bank (Buy 5 Year Right to Pay 17/7/2019 1.25)^	8	–	0.00
50,000,000	Deutsche Bank (Buy 5 Year Right to Pay 30/7/2019 1.25)^	8	–	0.00
50,000,000	Deutsche Bank (Buy 5 Year Right to Pay 6/8/2019 1.25)^	8	–	0.00
50,000,000	Deutsche Bank (Buy 5 Year Right to Pay 13/8/2019 1.25)^	9	–	0.00
50,000,000	Deutsche Bank (Buy 5 Year Right to Pay 15/8/2019 1.25)^	9	–	0.00
50,000,000	Deutsche Bank (Buy 5 Year Right to Pay 28/8/2019 1.25)^	9	–	0.00
100,000,000	Deutsche Bank (Buy 5 Year Right to Pay 7/11/2019 1.25)^	24	–	0.00
(22,800,000)	Deutsche Bank (Sell 2 Year Right to Pay 25/1/2019 2.75)	8,974	(92)	(0.01)
(115,780,000)	Deutsche Bank (Sell 2 Year Right to Pay 29/1/2019 2.95)	33,864	(310)	(0.02)
(21,270,000)	Deutsche Bank (Sell 2 Year Right to Pay 7/2/2020 3.2)	5,856	(67)	0.00
(21,310,000)	Deutsche Bank (Sell 2 Year Right to Pay 14/2/2020 3.35)	5,015	(54)	0.00
(50,010,000)	Deutsche Bank (Sell 2 Year Right to Pay 15/2/2019 3.05)	12,737	(117)	(0.01)
(10,000,000)	Deutsche Bank (Sell 2 Year Right to Receive 17/10/2018 0.9)^	16	–	0.00
(30,000,000)	Deutsche Bank (Sell 2 Year Right to Receive 27/3/2019 1.75)	1,513	(5)	0.00
(21,270,000)	Deutsche Bank (Sell 2 Year Right to Receive 7/2/2020 2.2)	3,726	(42)	0.00

## Portfolio Statement continued

Holding or Nominal Value	Investment	Underlying Exposure – Derivatives £000's	Market Value £000's	% of Total Net Assets
(21,310,000)	Deutsche Bank (Sell 2 Year Right to Receive 14/2/2020 2.35)	4,473	(53)	0.00
(150,000,000)	Deutsche Bank (Sell 5 Year Right to Pay 9/7/2019 1.75)^	11	–	0.00
(50,000,000)	Deutsche Bank (Sell 5 Year Right to Pay 17/7/2019 1.75)^	4	–	0.00
(50,000,000)	Deutsche Bank (Sell 5 Year Right to Pay 30/7/2019 1.75)^	4	–	0.00
(50,000,000)	Deutsche Bank (Sell 5 Year Right to Pay 6/8/2019 1.75)^	4	–	0.00
(50,000,000)	Deutsche Bank (Sell 5 Year Right to Pay 13/8/2019 1.75)^	4	–	0.00
(50,000,000)	Deutsche Bank (Sell 5 Year Right to Pay 15/8/2019 1.75)^	4	–	0.00
(50,000,000)	Deutsche Bank (Sell 5 Year Right to Pay 28/8/2019 1.75)^	4	–	0.00
(100,000,000)	Deutsche Bank (Sell 5 Year Right to Pay 7/11/2019 1.75)^	12	–	0.00
(6,700,000)	Deutsche Bank (Sell 5 Year Right to Receive 8/2/2022 1.75)	1,113	43	0.00
3,730,000	Deutsche Bank (Buy 10 Year Right to Pay 14/2/2020 3.09)	1,237	80	0.01
7,480,000	Deutsche Bank (Buy 10 Year Right to Pay 18/2/2020 3.35)	1,951	113	0.01
3,730,000	Deutsche Bank (Buy 10 Year Right to Receive 14/2/2020 3.09)	1,470	101	0.01
2,515,000	Deutsche Bank (Buy 10 Year Right to Receive 8/2/2027 2.4)	861	(30)	0.00
(4,000,000)	Deutsche Bank (Sell 10 Year Right to Pay 13/7/2018 2.454)	2,521	(123)	(0.01)
(4,500,000)	Deutsche Bank (Sell 10 Year Right to Pay 19/7/2018 2.7)	2,351	(85)	(0.01)
(4,000,000)	Deutsche Bank (Sell 10 Year Right to Receive 13/7/2018 2.454)	382	(6)	0.00
(3,700,000)	Deutsche Bank (Sell 10 Year Right to Receive 25/1/2027 2.6)	1,360	(46)	0.00
5,890,000	Goldman Sachs International (Buy 15 Year Right to Pay 3/5/2022 3.25)	1,695	220	0.01
2,600,000	Goldman Sachs International (Buy 30 Year Right to Pay 3/2/2020 4)	246	29	0.00
(8,700,000)	Goldman Sachs International (Sell 2 Year Right to Pay 27/4/2018 1.9)	6,297	(91)	(0.01)
(15,400,000)	Goldman Sachs International (Sell 2 Year Right to Pay 27/6/2018 1.45)	11,159	(268)	(0.02)
(5,000,000)	Goldman Sachs International (Sell 2 Year Right to Pay 20/8/2018 1.7)	3,576	(74)	0.00

Holding or Nominal Value	Investment	Underlying Exposure – Derivatives £000's	Market Value £000's	% of Total Net Assets
(19,200,000)	Goldman Sachs International (Sell 2 Year Right to Pay 6/9/2018 1.5)	13,815	(339)	(0.02)
(18,100,000)	Goldman Sachs International (Sell 2 Year Right to Pay 21/3/2019 2.6)	8,433	(106)	(0.01)
(18,100,000)	Goldman Sachs International (Sell 2 Year Right to Receive 21/3/2019 1.6)	642	(2)	0.00
(14,720,000)	Goldman Sachs International (Sell 5 Year Right to Pay 3/5/2022 3.25)	4,325	(217)	(0.01)
(6,660,000)	Goldman Sachs International (Sell 5 Year Right to Receive 5/1/2022 1.7)	1,045	(36)	0.00
49,570,000	JP Morgan Chase Bank (Buy 5 Year Right to Pay 13/3/2018 0.31)^	35,976	–	0.00
166,000,000	JP Morgan Chase Bank (Buy 5 Year Right to Pay 18/6/2019 1.25)^	22	–	0.00
250,000,000	JP Morgan Chase Bank (Buy 10 Year Right to Pay 16/3/2022 1.6)	176	7	0.00
250,000,000	JP Morgan Chase Bank (Buy 10 Year Right to Pay 4/4/2022 1.45)	221	9	0.00
31,000,000	JP Morgan Chase Bank (Buy 10 Year Right to Pay 16/8/2022 3.16)	10,585	1,101	0.07
2,590,000	JP Morgan Chase Bank (Buy 10 Year Right to Pay 12/4/2027 3)	782	107	0.01
(9,290,000)	JP Morgan Chase Bank (Sell 2 Year Right to Pay 6/4/2018 2.15)	6,671	(62)	0.00
(7,490,000)	JP Morgan Chase Bank (Sell 2 Year Right to Pay 28/3/2019 2.75)	3,010	(35)	0.00
(8,430,000)	JP Morgan Chase Bank (Sell 2 Year Right to Pay 8/4/2019 2.35)	4,669	(72)	0.00
(20,000,000)	JP Morgan Chase Bank (Sell 2 Year Right to Pay 12/4/2019 2.6)	9,307	(120)	(0.01)
(64,000,000)	JP Morgan Chase Bank (Sell 2 Year Right to Pay 6/11/2019 2.7)	27,287	(383)	(0.02)
(13,580,000)	JP Morgan Chase Bank (Sell 2 Year Right to Pay 16/12/2019 2.7)	5,776	(84)	(0.01)
(35,000,000)	JP Morgan Chase Bank (Sell 2 Year Right to Pay 21/1/2020 2.85)	13,255	(179)	(0.01)
(7,490,000)	JP Morgan Chase Bank (Sell 2 Year Right to Receive 28/3/2019 1.75)	378	(1)	0.00
(10,000,000)	JP Morgan Chase Bank (Sell 2 Year Right to Receive 12/4/2019 1.6)	388	(1)	0.00
(100,000,000)	JP Morgan Chase Bank (Sell 5 Year Right to Pay 4/3/2019 1)^	12	–	0.00
(100,000,000)	JP Morgan Chase Bank (Sell 5 Year Right to Pay 11/3/2019 1)^	12	–	0.00
(166,000,000)	JP Morgan Chase Bank (Sell 5 Year Right to Pay 18/6/2019 1.75)^	10	–	0.00

## Portfolio Statement continued

Holding or Nominal Value	Investment	Underlying Exposure – Derivatives £000's	Market Value £000's	% of Total Net Assets
(4,000,000)	JP Morgan Chase Bank (Sell 10 Year Right to Pay 16/7/2018 2.75)	1,977	(66)	0.00
(45,790,000)	JP Morgan Chase Bank (Sell 10 Year Right to Pay 16/8/2018 2.7)	23,506	(912)	(0.06)
(3,770,000)	JP Morgan Chase Bank (Sell 10 Year Right to Pay 21/8/2018 2.985)	1,299	(38)	0.00
(3,770,000)	JP Morgan Chase Bank (Sell 10 Year Right to Receive 21/8/2018 2.985)	1,437	(52)	0.00
(2,515,000)	JP Morgan Chase Bank (Sell 10 Year Right to Receive 17/2/2027 2.5)	894	(27)	0.00
50,000,000	Morgan Stanley International (Buy 15 Year Right to Pay 14/9/2020 0.66)	206	7	0.00
50,000,000	Morgan Stanley International (Buy 15 Year Right to Receive 14/9/2020 0.66)	134	7	0.00
(1,540,000)	Morgan Stanley International (Sell 10 Year Right to Pay 3/1/2019 1.65)	290	(9)	0.00
(1,540,000)	Morgan Stanley International (Sell 10 Year Right to Receive 3/1/2019 0.65)	80	(1)	0.00
(32,420,000)	UBS (Sell 2 Year Right to Pay 21/2/2020 3.35)	7,652	(82)	(0.01)
(32,420,000)	UBS (Sell 2 Year Right to Receive 21/2/2020 2.35)	6,830	(81)	(0.01)
(4,000,000)	UBS (Sell 10 Year Right to Pay 26/7/2018 2.75)	1,968	(68)	0.00
		<b>406,055</b>	<b>(1,684)</b>	<b>(0.10)</b>

### Synthetic Caps – 0.00%; 28.2.2017 0.00%

35,000,000	Barclays Bank 2-10 year CMS CAP 0.24%	25,402	27	0.00
37,640,000	Barclays Bank 2-10 year CMS CAP 0.33%	27,318	20	0.00
		<b>52,720</b>	<b>47</b>	<b>0.00</b>

### TBA Mortgage-Backed Securities – 3.37%; 28.2.2017 3.92%

(\$20,000,000)	Federal Home Loan Mortgage Corporation Gold Pool 4% Mortgage Backed Bonds 30 Years	14,885	(14,772)	(0.93)
\$119,395,000	Federal National Mortgage Association Pool 2.5% Mortgage Backed Bonds 15 Years	84,557	83,978	5.27
(\$52,299,000)	Federal National Mortgage Association Pool 3% Mortgage Backed Bonds 15 Years	64,809	(37,570)	(2.36)
(\$78,900,000)	Federal National Mortgage Association Pool 3.5% Mortgage Backed Bonds 15 Years	24,365	(56,609)	(3.55)
\$60,635,000	Federal National Mortgage Association Pool 3.5% Mortgage Backed Bonds 15 Years	48,268	44,503	2.79
(\$145,554,000)	Federal National Mortgage Association Pool 3.5% Mortgage Backed Bonds 30 Years	101,777	(104,714)	(6.57)
\$57,575,000	Federal National Mortgage Association Pool 4% Mortgage Backed Bonds 30 Years	59,973	42,516	2.67
\$130,900,000	Federal National Mortgage Association Pool 4% Mortgage Backed Bonds 30 Years	97,240	96,485	6.05
		<b>495,874</b>	<b>53,817</b>	<b>3.37</b>

Holding or Nominal Value	Investment	Underlying Exposure – Derivatives £000's	Market Value £000's	% of Total Net Assets
<b>Total Return Swaps - (0.05)%; 28.2.2017 0.04%</b>				
50,370,000	Société Générale (100% IBOXX Euro Corporate) 0% 20/3/2018	45,060	(464)	(0.03)
31,130,000	Société Générale (100% IBOXX Euro Corporate) 0% 20/6/2018	27,692	(131)	(0.01)
36,500,000	Société Générale (100% IBOXX Euro Corporate) 0% 20/9/2018	32,501	(186)	(0.01)
		<b>105,253</b>	<b>(781)</b>	<b>(0.05)</b>

### Portfolio of investments

**1,462,909**

**91.73**

### CASH EQUIVALENTS

### Short Term Money Market Funds – 6.27%; 28.2.2017 4.23%

100,000,000	Institutional Cash Series plc – Institutional Sterling Liquidity Fund*	100,000	6.27
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Net other assets	31,866	2.00
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<b>Total net assets</b>	<b>1,594,775</b>	<b>100.00</b>
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Unless otherwise stated, all securities are either listed on a recognised exchange or traded on an eligible securities market.

\* Managed by a related party.

° All or a portion of this investment represents a security on loan, see note 2(b)(vi) for further details.

The counterparties for the forward currency contracts are Bank of America Merrill Lynch, Bank of New York Mellon, Barclays Bank Plc, BNP Paribas Arbitrage SNC, Citigroup Global Markets Limited, Credit Suisse International, Deutsche Bank AG, Goldman Sachs International, HSBC Bank Plc, J.P.Morgan Securities Plc, Morgan Stanley & Co. International Plc, Nomura International Plc, Royal Bank of Scotland Plc, Royal Bank of Scotland Plc, Société Générale SA, Standard Chartered, State Street, Toronto-Dominion Bank and UBS AG.

Underlying exposure has been calculated according to the guidelines issued by the European Securities and Markets Authority ("ESMA") and represents the market value of an equivalent position in the assets underlying each financial derivative instrument.

† Investments which are less than £500 are rounded to zero.

\*\* Include pledged investments of £1,342,000.

## Statement of Total Return

for the year ended 28 February 2018

	Notes	£000's	For the year to 28.2.2018 £000's	£000's	For the year to 28.2.2017 £000's
Income					
Net capital gains	3		7,193		11,483
Revenue	4	37,723		18,661	
Expenses	5	(880)		(565)	
Interest payable and similar charges	6	(9,682)		(4,093)	
Net revenue before taxation		27,161		14,003	
Taxation	7	(64)		(7)	
Net revenue after taxation			27,097		13,996
Total return before distributions			34,290		25,479
Distributions	8		(27,097)		(13,996)
<b>Change in net assets attributable to unitholders from investment activities</b>			<b>7,193</b>		<b>11,483</b>

## Statement of Change in Net Assets Attributable to Unitholders

for the year ended 28 February 2018

	£000's	For the year to 28.2.2018 £000's	£000's	For the year to 28.2.2017 £000's
<b>Opening net assets attributable to unitholders</b>		922,025		562,793
Amounts receivable on issue of units	878,312		394,535	
Amounts payable on cancellation of units	(244,103)		(62,449)	
		634,209		332,086
Change in net assets attributable to unitholders from investment activities		7,193		11,483
Retained distribution on accumulation units		31,348		15,663
<b>Closing net assets attributable to unitholders</b>		<b>1,594,775</b>		<b>922,025</b>

## Balance Sheet

at 28 February 2018

	Notes	28.2.2018 £000's	28.2.2017 £000's
<b>Assets:</b>			
Fixed assets			
– Investment assets		1,715,553	1,035,667
Current assets			
– Debtors	9	466,745	198,199
– Cash and bank balances	10	73,902	27,039
– Cash equivalents	11	100,000	39,000
– Cash collateral posted		21,948	4,127
– Pledged investments		1,342	899
<b>Total assets</b>		<b>2,379,490</b>	<b>1,304,931</b>
<b>Liabilities:</b>			
Investment liabilities		(253,986)	(140,436)
Creditors			
– Bank overdrafts		–	(2)
– Amounts held at futures clearing houses and brokers		(5,964)	(290)
– Cash collateral payable		(890)	(1,270)
– Other creditors	12	(523,875)	(240,908)
<b>Total liabilities</b>		<b>(784,715)</b>	<b>(382,906)</b>
<b>Net assets attributable to unitholders</b>		<b>1,594,775</b>	<b>922,025</b>

G D Bamping (Director)  
M T Zemek (Director)  
BlackRock Fund Managers Limited  
1 May 2018

# Notes to Financial Statements

for the year ended 28 February 2018

## 1. Accounting and Distribution Policies

### Accounting Policies

- (a) The financial statements have been prepared in accordance with the Statement of Recommended Practice for Authorised Funds (the "SORP") issued by the Investment Management Association (now known as the Investment Association) in May 2014.
- (b) Revenue from fixed interest securities is recognised on an effective interest rate basis.
- Accrued interest purchased and sold on interest bearing securities is excluded from the capital cost of these securities and dealt with as part of the revenue of the Fund.
- Dividends on quoted ordinary shares and preference shares are recognised when the securities are quoted ex-dividend. Where such securities are not quoted, dividends are recognised when the right to receive payment is established.
- All distributions from Collective Investment Schemes ("CIS") are recognised when the securities are quoted ex-dividend. All distributions from holdings in CIS are treated as revenue with the exception of the equalisation element, which is treated as capital.
- All revenue is recognised as a gross amount that takes account of any withholding taxes but excludes any other taxes such as attributable tax credits.
- Revenue from securities lending is accounted for net of associated costs and is recognised on an accruals basis.
- Returns from bond futures are streamed into revenue and capital components.
- Returns from total return swaps in the form of dividends or interest received from the underlying security or index are recognised as revenue. Capital gains on the underlying security or index are treated as capital.
- Bank interest is recognised on an accruals basis.
- The Fund receives Manager's charge rebates from BlackRock related investments in the normal course of business. These are recognised on an accruals basis and are treated as revenue, unless it is the policy of the underlying fund to charge its fees to capital, in which case these rebates will be recognised as capital.
- (c) All expenses, except those relating to the purchase and sale of investments are charged against revenue. All expenses are recognised on an accruals basis.
- (d) Provision for corporation tax is made at the current rate on the excess of taxable revenue over allowable expenses. Provision is made on all material timing differences arising from the different treatment of items for accounting and tax purposes. A deferred tax asset is recognised only to the extent that it is considered more likely than not that there will be taxable profits in the future against which the asset can be offset.
- (e) The investments of the Fund have been valued at market values, defined as fair value, which is usually bid value at 12 noon on the last business day of the accounting period. In the case of an investment which is not quoted, listed or dealt in on a recognised market, or in respect of which a listed, traded or dealt price or quotation is not available at the time of valuation, the fair value of such investment shall be estimated with care and in good faith by a competent professional person, body, firm or corporation including the Manager's pricing committee and such fair value shall be determined on the basis of the probable realisation value of the investment. The Manager shall be entitled to adopt an alternative method of valuing any particular asset if it considers that the methods of valuation set out above do not provide a fair valuation of a particular asset or liability.

For over the counter derivatives (e.g. credit default swaps, currency options, interest rate swaps and swaptions), fair value is determined based on valuation pricing models which take into account relevant market inputs as well as the time values, liquidity and volatility factors underlying the positions. The fair value of exchange traded and over the counter derivatives represents the price that would be required to close out the contracts at the Balance Sheet date. Amounts due to and from an individual counterparty which falls under a legally enforceable master netting agreement are netted.

Investments in single priced Collective Investment Schemes have been valued at market values, defined as fair value, which is usually the latest available price at the Fund's 12 noon valuation point on the last business day of the accounting period.

- (f) Any transactions in foreign currencies are translated into Sterling at the rates of exchange ruling on the date of any such transaction. Assets and liabilities in foreign currencies are translated into Sterling at the exchange rates ruling at 12 noon on the last business day of the accounting period. Revenue items in foreign currencies are translated into Sterling at the exchange rate when the revenue is received.
- (g) Where appropriate, certain permitted financial instruments such as derivatives are used for both efficient portfolio management and for the purpose of achieving the investment objective of the Fund. Where such financial instruments are used to protect or enhance revenue, the revenue and expenses derived therefrom are included in 'Revenue' in the Statement of Total Return. Where such financial instruments are used to protect or enhance capital, the gains and losses derived therefrom are included in 'Net capital gains' in the Statement of Total Return.
- Premiums received on written options are treated as capital.
- (h) Cash and bank balances consist of deposits held on call with banks and cash held with clearing brokers and counterparties. Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.
- (i) Cash collateral provided by the Fund is identified on the Balance Sheet as pledged cash collateral and is not included as a component of cash and cash equivalents.

For collateral other than cash provided by the Fund, the party to whom the collateral is provided has the right by contract to sell or repledge the collateral but has an obligation to return equivalent securities to the Fund on maturity or sale of the contract. The Fund classifies these assets on its Balance Sheet separately from other assets and identifies the asset as pledged investments. Such assets are valued consistently with the accounting policies listed above.

Cash collateral provided to the Fund by counterparties is identified in the Balance Sheet as cash collateral payable. The Fund may reinvest this cash collateral and the assets purchased are included in investment assets or cash equivalents on the Balance Sheet.

For collateral received from counterparties other than cash, a disclosure of the collateral provided is made in the notes to the financial statements.



## Distribution Policies

- (j) Returns from bond futures recognised as revenue from long positions form part of the distribution. Amounts recognised as revenue from short positions reduce the amounts available for distribution.
- (k) The units in the Fund are all accumulation units. All of the net revenue available for distribution at the final accounting period end will be accumulated by the Fund with a transfer from revenue to capital. In order to conduct a controlled dividend flow to unitholders, interim distributions may be made at the Manager's discretion, up to a maximum of the distributable revenue available for the period. Should expenses and taxation together exceed revenue, there will be no distribution and the shortfall will be met from capital.
- (l) The Fund has satisfied the qualifying investments tests as specified in S468L ICTA 1988 at all times throughout their distribution period. As such, any revenue available for distribution will be paid as an interest distribution.

## 2. Financial Instruments and Risks

The Fund's investment activities expose it to the various types of risk which are associated with the financial instruments and markets in which it invests. The following information is not intended to be a comprehensive summary of all risks and investors should refer to the Prospectus for a more detailed discussion of the risks inherent in investing in the Fund.

### Risk management framework

The Manager has delegated the day-to-day administration of the investment programme to the Investment Manager. The Investment Manager is also responsible for ensuring that the Fund is managed within the terms of its investment guidelines and limits set out in the Prospectus. The Manager reserves to itself the investment performance, product risk monitoring and oversight and the responsibility for the monitoring and oversight of regulatory and operational risk for the Fund.

The Manager has appointed a risk manager who has responsibility for the daily risk management process with assistance from key risk management personnel of the Investment Manager, including members of the BlackRock Risk and Quantitative Analysis Group ("RQA Group") which is a centralised group which performs an independent risk management function. The RQA Group independently identifies, measures and monitors investment risk. The RQA Group tracks the actual risk management practices being deployed across the different funds. By breaking down the components of the process, the RQA Group has the ability to determine if the appropriate risk management processes are in place for the Fund. This captures the risk management tools employed, how the levels of risk are controlled, ensuring risk/return is considered in portfolio construction and reviewing outcomes.

The principal risk exposure of the Fund is set out as follows:

### a) Market risk

Market risk arises mainly from uncertainty about future values of financial instruments influenced by other price, currency and interest rate movements. It represents the potential loss the Fund may suffer through holding market positions in the face of market movements. The Fund is exposed to market risk by virtue of its investments in corporate bonds, government bonds, credit default swaps, interest rate floors, interest rate swaps, futures contracts, TBA Mortgage-Backed Securities, forward currency contracts, options, currency swaps and total return swaps.

A key metric the RQA Group uses to measure market risk is Value-at-Risk ("VaR") which encompasses price, currency and interest rate risk. VaR is a statistical risk measure that estimates the potential portfolio loss from adverse market moves in an ordinary market environment. VaR analysis reflects the interdependencies between risk variables, unlike a traditional sensitivity analysis.

The VaR calculations are based on an adjusted historical simulation model with a confidence level of 99%, a holding period of one day and a historical observation period of not less than one year (250 days). A VaR number is defined at a specified probability and a specified time horizon. A 99% one day VaR means that the expectation is that 99% of the time over a one day period the Fund will lose less than this number in percentage terms. Therefore, higher VaR numbers indicate higher risk.

It is noted that the use of the VaR methodology has limitations, namely that the use of historical market data as a basis for estimating future events does not encompass all possible scenarios, particularly those that are of an extreme nature and that the use of a specified confidence level (e.g. 99%) does not take into account losses that occur beyond this level. There is some probability that the loss could be greater than the VaR amounts. These limitations and the nature of the VaR measure mean that the Fund can neither guarantee that losses will not exceed the VaR amounts indicated, nor that losses in excess of the VaR amounts will not occur more frequently.

The one day VaR as at 28 February 2018 and 28 February 2017 based on a 99% confidence level was 0.18% and 0.20% respectively.

### i) Market risk arising from foreign currency risk

#### Exposure to foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Fund may invest in securities which may be denominated in currencies other than its reporting currency.

The Fund may also invest in forward currency contracts and thus gain further exposure to foreign currency risk.

## Notes to Financial Statements continued

The tables below outline the Fund's exposure to foreign currency risk as at the Balance Sheet date.

28 February 2018

Foreign currency exposure	Gross Foreign Currency Exposure £000's	Forward Currency Contracts £000's	Net Foreign Currency Exposure £000's	% of Net Assets
Argentine peso	2,450	(2,452)	(2)	0.00
Australian dollar	756	(1,644)	(888)	(0.06)
Brazilian real	(804)	1,967	1,163	0.07
Canadian dollar	123	(282)	(159)	(0.01)
Chinese yuan	526	(3,625)	(3,099)	(0.19)
Colombian peso	1	–	1	0.00
Euro	383,035	(391,904)	(8,869)	(0.56)
Hong Kong dollar	929	(536)	393	0.02
Indian rupee	2,665	(2,575)	90	0.01
Indonesian rupiah	4,007	(2,431)	1,576	0.10
Japanese yen	1,237	(621)	616	0.04
Malaysian ringgit	4,102	(4,071)	31	0.00
Mexican peso	1,448	(2,940)	(1,492)	(0.09)
New Zealand dollar	564	(549)	15	0.00
Norwegian krone	9	180	189	0.01
Polish zloty	303	(359)	(56)	0.00
Russian rouble	13,382	(5,309)	8,073	0.51
Singapore dollar	722	(502)	220	0.01
South African rand	2,060	(2,009)	51	0.00
South Korean won	1,801	(1,945)	(144)	(0.01)
Sri Lankan rupee	3,447	–	3,447	0.22
Swedish krona	632	10,886	11,518	0.72
Swiss franc	146	(226)	(80)	(0.01)
Taiwan dollar	–	(376)	(376)	(0.02)
Turkish lira	192	3,722	3,914	0.25
US dollar	576,925	(588,248)	(11,323)	(0.71)
<b>Total exposure to foreign currencies</b>	<b>1,000,658</b>	<b>(995,849)</b>	<b>4,809</b>	<b>0.30</b>

28 February 2017

Foreign currency exposure	Gross Foreign Currency Exposure £000's	Forward Currency Contracts £000's	Net Foreign Currency Exposure £000's	% of Net Assets
Australian dollar	8,525	(7,941)	584	0.06
Canadian dollar	27,393	(31,376)	(3,983)	(0.43)
Chinese yuan	585	(562)	23	0.00
Euro	257,657	(260,773)	(3,116)	(0.34)
Hong Kong dollar	638	(602)	36	0.01
Indian rupee	10,320	(10,529)	(209)	(0.02)
Indonesian rupiah	32	–	32	0.00
Japanese yen	906	(522)	384	0.04
Mexican peso	1	(247)	(246)	(0.03)
New Zealand dollar	1	–	1	0.00
Norwegian krone	1	219	220	0.02
Russian rouble	8,640	(7,804)	836	0.09
Singapore dollar	6	–	6	0.00
South African rand	2	–	2	0.00
South Korean won	6,162	(6,081)	81	0.01
Swedish krona	80	2,265	2,345	0.26
Swiss franc	15	222	237	0.03
Taiwan dollar	–	(321)	(321)	(0.03)
Thai baht	(22)	–	(22)	(0.00)
Turkish lira	1	919	920	0.10
US dollar	344,038	(334,143)	9,895	1.07
<b>Total exposure to foreign currencies</b>	<b>664,981</b>	<b>(657,276)</b>	<b>7,705</b>	<b>0.84</b>

### Management of foreign currency risk

Foreign currency exposures are managed within parameters utilising forward currency contracts. The details of the contracts in place at the year end are disclosed in the portfolio statement.

## ii) Market risk arising from other price risk

### Exposure to other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting similar financial instruments traded in the market.

The Fund is exposed to other price risk arising from its investments. The exposure of the Fund to other price risk is the market value of the investments held as shown in the portfolio statement of the Fund.

### Management of other price risk

The Investment Manager manages the Fund's other price risk on a daily basis in accordance with the Fund's investment objective.

By diversifying the portfolio, where this is appropriate and consistent with the Fund's objectives, the risk that a price change of a particular investment will have a material impact on the Net Asset Value ("NAV") of the Fund is minimised. The investment concentrations within the portfolio are disclosed in the portfolio statement by investment type.

The other price risk inherent in holdings in CIS is monitored by the Investment Manager by understanding the investment objectives of the underlying funds as well as their internal control policies and regular risk and performance reporting.

## iii) Market risk arising from interest rate risk

### Exposure to interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Fund is exposed to interest rate risk on its cash and bank balances held at The Bank of New York Mellon (International) Limited, amounts held at futures clearing houses and brokers, cash equivalent holdings and its investments in fixed and floating rate interest bearing securities where the value of these securities may fluctuate as a result of a change in interest rates. Cash held on deposit at The Bank of New York Mellon (International) Limited receives/incurs interest at the prevailing daily rate which may be negative depending on the currency in which the cash is held.

The interest rate risk profile of the Fund's investments as at 28 February 2018 was as follows:

Floating Rate Investments £000's	Fixed Rate Investments £000's	Non-interest Bearing Investments £000's	Total £000's
497,250	922,066	43,593	1,462,909

The interest rate risk profile of the Fund's investments as at 28 February 2017 was as follows:

Floating Rate Investments £000's	Fixed Rate Investments £000's	Non-interest Bearing Investments £000's	Total £000's
246,657	615,376	34,097	896,130

## Management of interest rate risk

Interest rate risk exposure is managed by constantly monitoring the position for deviations outside a pre-determined tolerance level and, when necessary, rebalancing back to the original desired parameters.

## b) Counterparty credit risk

### Exposure to counterparty credit risk

Counterparty credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The Fund is exposed to counterparty credit risk from the parties with which it trades and will bear the risk of settlement default.

### Management of counterparty credit risk

Counterparty credit risk is monitored and managed by BlackRock's RQA Counterparty & Concentration Risk Team. The team is headed by BlackRock's Chief Counterparty Credit Officer who reports directly to the Global Head of RQA. Credit authority resides with the Chief Counterparty Credit Officer and selected team members to whom specific credit authority has been delegated. As such, counterparty approvals may be granted by the Chief Counterparty Credit Officer or by identified RQA Credit Risk Officers who have been formally delegated authority by the Chief Counterparty Credit Officer as deemed appropriate.

BlackRock's RQA Counterparty & Concentration Risk Team completes a formal review of each new counterparty, monitors and reviews all approved counterparties on an ongoing basis and maintains an active oversight of counterparty exposures.

The Manager maintains a list of approved counterparties. This list is regularly monitored and revised for changes based on the counterparty's creditworthiness, market reputation and expectations of future financial performance. Transactions will only be opened with financial intermediaries on the approved counterparties list.

## i) Exchange Traded Financial Derivative Instruments

The Fund's holdings in futures contracts expose the Fund to counterparty credit risk.

### Management of counterparty credit risk related to futures contracts

The exposure is limited by trading the contracts through a clearing house. The Fund's exposure to counterparty credit risk on contracts in which it currently has a gain position is reduced by such gains received in cash from the counterparty under the daily mark-to market mechanism on exchange traded futures contracts (variation margin). The Fund's exposure to credit risk on contracts in which it currently has a loss position is equal to the amount of margin posted to the counterparty which has not been transferred to the exchange under the daily mark-to-market mechanism. The counterparty for futures contracts is Goldman Sachs International.

Margin is paid or received on futures to cover any exposure by the counterparty or the Fund to each other. Margin receivable from the Fund's clearing brokers and various counterparties is included in "Cash and bank balances" on the Balance Sheet. Margin payable to the Fund's clearing brokers and various counterparties is included in "Amounts held at futures clearing houses and brokers" on the Balance Sheet.

Counterparty exposure has not been disclosed for exchange traded derivatives as the exchange requirements in respect of collateral mean that, in the opinion of the Manager, the counterparty risk is mitigated.

## ii) Over-the-Counter (“OTC”) Financial Derivative Instruments (“FDIs”)

The Fund's holdings in OTC FDIs expose the Fund to counterparty credit risk.

Counterparty credit risk arises from the failure of the counterparty to perform according to the terms of the contract. The Fund's exposure to counterparty credit risk is limited to the contracts in which it currently has a gain position reduced by the cash collateral received from the counterparty or to counterparties which have received collateral from the Fund.

All OTC FDIs and total return swaps are entered into by the Fund under an International Swaps and Derivatives Associations, Inc. Master Agreement (“ISDA Master Agreement”) or similar agreement. An ISDA Master Agreement is a bilateral agreement between the Fund and a counterparty that governs OTC FDIs (including total return swaps) entered into by the parties. The parties' exposures under the ISDA Master Agreement are netted and collateralised together, therefore any collateral disclosures provided are in respect of all OTC FDIs entered into by the Fund under the ISDA Master Agreement, not just total return swaps. All non-cash collateral received/posted by the Fund under the ISDA Master Agreement is transferred bilaterally under a title transfer arrangement.

Cash held as security by the counterparty to derivative contracts is subject to the credit risk of the counterparty.

The carrying value of financial assets together with cash best represents the Fund's gross maximum exposure to counterparty credit risk at the reporting date, before including the effect of ISDA Master Agreements and close-out netting, which would reduce the overall counterparty credit risk exposure.

The Fund's maximum exposure to counterparty credit risk from holding forward currency contracts will be equal to the notional amount of the currency and any net unrealised gains or losses as disclosed in the portfolio statement.

### Management of counterparty credit risk related to OTC FDIs

For total return swaps held by the Fund, cash movements take place on a daily basis, above a certain threshold for each counterparty. The risk is further mitigated as contracts are reset on a monthly basis (1 year rolling maturity at each monthly reset) with the gain or loss being realised. The Fund is required to maintain the collateral with the counterparties to secure these financial instruments.

Forward currency contracts do not require variation margin and thus the counterparty credit risk is monitored through the BlackRock RQA Counterparty & Concentration Risk Team which monitors the creditworthiness of the counterparty. The counterparties for forward currency contracts are disclosed in the portfolio statement.

The lowest credit rating of any one counterparty as at 28 February 2018 was BBB (28 February 2017: BBB) (Standard & Poor's rating).

The following tables detail the number of counterparties the Fund is exposed to by OTC FDIs type and the maximum exposure (which is calculated on a net basis) to any one counterparty.

28 February 2018

Counterparty	Credit Default Swaps £000's	Currency Swaps £000's	Forwards £000's	Inflation Swaps £000's	Interest Rate Swaps £000's	Swaptions £000's	Total Return Swaps £000's	Total Exposure £000's
Bank of America Merrill Lynch	1,408	–	(1,624)	–	857	122	–	763
Bank of New York Mellon	–	–	30	–	–	–	–	30
Barclays Bank Plc	(1,122)	–	(6,880)	50	7	(503)	–	(8,448)
BNP Paribas Arbitrage (Euroclear)	2	–	101	–	(1)	–	–	102
Citigroup Global Markets Limited	(129)	–	30	–	(55)	556	–	402
Credit Suisse Securities (Europe) Limited	732	–	(7)	403	120	18	–	1,266
Deutsche Bank AG	24	–	(59)	–	58	42	–	65
Goldman Sachs International	(712)	–	(1)	–	(14)	(884)	–	(1,611)
HSBC Bank Plc	(40)	–	(12)	–	199	–	–	147
J.P.Morgan Securities Plc	(683)	(198)	(25)	–	205	(808)	–	(1,509)
Morgan Stanley & Co. International Plc	(121)	–	(120)	(48)	–	4	–	(285)
Nomura International Plc	–	–	1	–	9	–	–	10
Royal Bank of Scotland Plc	–	–	(1,136)	–	–	–	–	(1,136)
Société Générale SA	47	–	76	–	–	–	(781)	(658)
Standard Chartered Bank	–	–	(24)	–	–	–	–	(24)
State Street	–	–	(40)	–	–	–	–	(40)
Toronto-Dominion Bank	–	–	401	–	–	–	–	401
UBS AG	–	–	(701)	–	–	(231)	–	(932)

28 February 2017

Counterparty	Credit Default Swaps £000's	Currency Swaps £000's	Forwards £000's	Inflation Swaps £000's	Interest Rate Floors £000's	Interest Rate Swaps £000's	Swaptions £000's	Total Return Swaps £000's	Total Exposure £000's
ANZ Bank	–	–	(57)	–	–	–	–	–	(57)
Bank of America	(202)	–	58	8	–	(16)	8	–	(144)
Barclays Bank Plc	(316)	–	(930)	–	–	101	77	–	(1,068)
BNP Paribas Arbitrage SNC	(1,547)	–	43	–	–	(5)	–	–	(1,509)
BNY Mellon	–	–	(68)	–	–	–	–	–	(68)
Citigroup Global Markets Limited	(748)	–	4,434	181	–	(62)	(140)	–	3,665
Credit Suisse International	314	–	3	–	–	–	(49)	–	268
Deutsche Bank AG	36	–	(292)	32	–	(1)	493	–	268
Goldman Sachs International	(526)	–	10	–	–	122	(547)	123	(818)
HSBC Bank Plc	48	–	26	–	–	(59)	–	–	15
J.P.Morgan Securities Plc	(567)	15	(186)	(4)	30	31	436	–	(245)
Morgan Stanley & Co. International Plc	(22)	–	(63)	286	–	24	114	233	572
Nomura International Plc	–	–	(87)	–	–	–	–	–	(87)
Royal Bank of Scotland Plc	–	–	126	(8)	–	(11)	(9)	–	98
Société Générale SA	(520)	–	–	–	–	–	–	–	(520)
State Street	–	–	(22)	–	–	–	–	–	(22)
UBS AG	–	–	292	–	–	–	(16)	–	276

### iii) Trustee and Custodian

The Fund's Trustee is BNY Mellon Trust & Depositary (UK) Limited (the "Trustee"). The Trustee has delegated the function of custodian of the property of the Fund to The Bank of New York Mellon (International) Limited (the "Custodian").

Substantially all of the investments other than FDIs of the Fund are held by the Custodian at year end. Investments are segregated from the assets of the Custodian, with ownership rights remaining with the Fund. Bankruptcy or insolvency of the Custodian may cause the Fund's rights with respect to its investments held by the Custodian to be delayed or limited. The maximum exposure to this risk is the total amount of equity and bond investments disclosed in the portfolio statement.

The Fund will be exposed to the credit risk of the Custodian, or any depositary used by the Trustee regarding cash balances held in accounts with same. In the event of insolvency or bankruptcy of the Custodian or any depositary used by the Trustee, the Fund will be treated as a general creditor of the Trustee.

### Management of counterparty credit risk related to the Trustee and Custodian

To mitigate the Fund's credit risk with respect to the Trustee, the Investment Manager of the Fund employs specific procedures to ensure that the Trustee employed is a reputable institution and that the associated credit risk is acceptable to the Fund. The Fund only transacts with counterparties that are regulated entities subject to prudential supervision, or with high credit-ratings assigned by international credit-rating agencies.

The long term credit rating of the parent company of the Trustee and Custodian, The Bank of New York Mellon Corporation, as at 28 February 2018 was A (28 February 2017: A) (Standard & Poor's rating).

### iv) Counterparties

All transactions in listed securities are settled/paid for upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker. The trade will fail if either party fails to meet its obligation.

Counterparty credit risk arising on transactions with brokers relates to transactions awaiting settlement. Risk relating to unsettled transactions is considered small due to the short settlement period involved and the high credit quality of the brokers used.

### Management of counterparty credit risk related to Counterparties

The Manager monitors the credit rating and financial position of the brokers used to further mitigate this risk.

### v) Debt securities

Issuer credit risk is the default risk of one of the issuers of any securities held by the Fund.

Bonds or other debt securities involve credit risk to the issuer which may be evidenced by the issuer's credit rating. Securities which are subordinated and/or have a higher credit risk have a greater possibility of default than more highly rated securities. The Fund invests into sovereign debt which exposes the Fund to the risk that the issuer of the bonds may default on interest or principal payments.

### Management of counterparty credit risk related to debt securities

To manage this risk the Investment Manager invests in a wide range of securities, subject to the investment objective of the Fund and monitors the credit ratings of the investments as disclosed in the portfolio statement. The ratings of the debt securities are continually monitored by the BlackRock Portfolio Management Group.

The following tables detail the credit rating profile of the debt securities held by the Fund as a percentage of the NAV as at the Balance Sheet date:

28 February 2018

Investment grade %	Non-investment grade %	Not rated %	Total %
69.24	12.00	7.75	88.99

28 February 2017

Investment grade %	Non-investment grade %	Not rated %	Total %
79.42	9.19	4.89	93.50



## vi) Securities lending

The Fund engages in security lending activities which expose the Fund to counterparty credit risk. The maximum exposure to the Fund is equal to the value of the securities loaned.

Securities lending transactions entered into by the Fund are subject to a written legal agreement between the Fund and the Securities Lending Agent, BlackRock Advisors (UK) Limited, a related party to the Fund, and separately between the Securities Lending Agent and the approved borrowing counterparty. Collateral received in exchange for securities lent is transferred under a title transfer arrangement and is delivered to and held in an account with a tri-party collateral manager in the name of BNY Mellon Trust & Depositary (UK) Limited ("the Trustee") on behalf of the Fund. Collateral received is segregated from the assets belonging to the Fund's Trustee or the Lending Agent.

The following table details the value of securities on loan (individually identified in the portfolio statement) and associated collateral received, analysed by borrowing counterparty as at the Balance Sheet date.

Counterparty	Counterparty's country of establishment	28 February 2018		28 February 2017	
		Securities on loan £000's	Collateral received £000's	Securities on loan £000's	Collateral received £000's
Barclays Bank Plc	UK	1,224	1,273	1,982	2,062
BNP Paribas Arbitrage SNC	France	6,022	6,331	3,147	3,285
Citigroup Global Markets Limited	UK	6,875	7,164	323	335
Credit Suisse Securities (Europe) Limited	UK	171	190	–	–
Goldman Sachs International	UK	4,201	4,392	–	–
HSBC Bank Plc	UK	5,281	5,768	8,265	9,088
J.P.Morgan Securities Plc	UK	415	456	–	–
Nomura International Plc	UK	4,896	5,453	–	–
UBS AG	Switzerland	268	328	–	–
<b>Total</b>		<b>29,353</b>	<b>31,355</b>	<b>13,717</b>	<b>14,770</b>

At 28 February 2018, collateral received from these borrowing counterparties comprised of 60.27% in debt securities and 39.73% equity securities (28 February 2017: 38.47% in debt securities and 61.53% in equity securities).

Collateral accepted is non-cash in the form of sovereign debt rated AA or better from approved governments only, supranational debt obligations rated AAA or better, equity securities and exchange traded funds listed on a recognised exchange.

### Management of counterparty credit risk related to securities lending

To mitigate this risk, the Fund receives either cash or securities as collateral equal to a certain percentage in excess of the fair value of the securities loaned. The Investment Manager monitors the fair value of the securities loaned and additional collateral is obtained, if necessary. As at 28 February 2018 and 28 February 2017, all non-cash collateral received consists of securities admitted to or dealt on a recognised exchange.

The Fund also benefits from a borrower default indemnity provided by BlackRock Inc. The indemnity allows for full replacement of securities lent. BlackRock Inc. bears the cost of indemnification against borrower default.

## vii) Collateral

The Fund engages in activities which may require collateral to be provided to a counterparty ("collateral posted") or may hold collateral received ("collateral received") from a counterparty.

### Management of counterparty credit risk related to collateral

The Fund uses collateral received from a counterparty to reduce the credit risk associated with any trading activity the Fund has engaged in.

Cash collateral posted by the Fund is separately identified on the Balance Sheet as cash collateral posted and is not included as a component of cash and cash equivalents. Cash collateral received by the Fund is reflected on the Balance Sheet as cash collateral payable.

As at 28 February 2018, collateral received by the Fund in respect of OTC FDIs was £890,000 in the form of cash. Collateral posted by the Fund in respect of OTC FDIs was £21,948,000 in the form of cash and £1,342,000 in the form of UK government bonds.

As at 28 February 2017, collateral received by the Fund in respect of OTC FDIs was £1,270,000 in the form of cash. Collateral posted by the Fund in respect of OTC FDIs was £4,127,000 in the form of cash and £899,000 in the form of UK government bonds.

## c) Liquidity risk

### Exposure to liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulties in meeting its obligations associated with financial liabilities.

Liquidity risk to the Fund arises from the redemption requests of unitholders and the liquidity of the underlying investments the Fund is invested in. The Fund's unitholders may redeem their units on the close of any daily dealing deadline for cash equal to a proportionate share of the Fund's NAV. The Fund is therefore potentially exposed to the liquidity risk of meeting the unitholders' redemptions and may need to sell assets at prevailing market prices to meet liquidity demands.

The Fund is also exposed to the liquidity risk of daily margin calls on derivatives.

All non-derivative financial liabilities including distributions payable held by the Fund as at 28 February 2018 and 28 February 2017, based on contractual maturities, fall due within one to three months.

### Management of liquidity risk

Liquidity risk is minimised by holding sufficient liquid investments which can be readily realised to meet liquidity demands.

At times of excessive redemptions the Manager may decide to defer redemptions at any valuation point to the next valuation point where the requested aggregate redemptions exceed 10 per cent of the Fund's NAV. This will therefore allow the Manager to protect the interests of continuing unitholders by allowing the Manager to match the sale of scheme property to the level of redemptions. This should reduce the impact of dilution on the Fund. All unitholders who have sought to redeem units at any valuation point at which redemptions are deferred will be treated consistently and any redemption requests received in the meantime will not be processed until the redemption requests that have been deferred to the subsequent valuation points have been processed.

The Fund's liquidity risk is managed on a daily basis by the Investment Manager in accordance with established policies and procedures in place. The portfolio managers review daily forward looking cash reports which project cash obligations. These reports allow them to manage the Fund's cash obligations.

## d) Valuation of financial instruments

The Fund classifies financial instruments measured at fair value using a fair value hierarchy. The fair value hierarchy has the following categories:

### Level 1 – Quoted prices for identical instruments in active markets

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available and those prices represent actual and regularly occurring market transactions on an arm's length basis. The Fund does not adjust the quoted price for these instruments.

### Level 2 – Valuation techniques using observable inputs

This category includes instruments valued using quoted prices in active markets for similar instruments; quoted prices for similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

Valuation techniques used for non-standardised financial instruments such as OTC derivatives, include the use of comparable recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, option pricing models and other valuation techniques commonly used by market participants making the maximum use of market inputs and relying as little as possible on entity determined inputs.

### Level 3 – Valuation techniques using significant unobservable inputs

This category includes all instruments where the valuation techniques used include inputs not based on market data and these inputs could have a significant impact on the instrument's valuation.

This category also includes instruments that are valued based on quoted prices for similar instruments where significant entity determined adjustments or assumptions are required to reflect differences between the instruments and instruments for which there is no active market.

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a level 3 measurement.

Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability. The determination of what constitutes 'observable' inputs requires significant judgement by the Investment Manager. The Investment Manager considers observable inputs to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

The table below is an analysis of the Fund's investment assets and investment liabilities measured at fair value at the Balance Sheet date.

	Level 1 £000's	Level 2 £000's	Level 3 £000's	Total £000's
<b>28 February 2018</b>				
Investment assets	4,379*	1,712,516	–	<b>1,716,895</b>
Investment liabilities	(1,640)	(252,346)	–	<b>(253,986)</b>
<b>28 February 2017</b>				
Investment assets	7,007*	1,029,559	–	<b>1,036,566</b>
Investment liabilities	(3,398)	(137,038)	–	<b>(140,436)</b>

\* Includes pledged investments totalling £1,342,000 (28 February 2017: £899,000). These securities are identified on the portfolio statement.

Securities with a value less than £500 are not disclosed in the table above. These securities are identified on the portfolio statement.

## e) Global exposure

The Manager is required by the COLL Sourcebook to employ a risk management process in respect of the Fund which enables it to accurately monitor and manage the global exposure from FDIs.

The Manager uses the Absolute VaR methodology to measure the Fund's global exposure.

For Absolute VaR, the monthly VaR will not exceed 20% of the Fund's NAV. Where a VaR calculation is performed using a horizon other than the one month regulatory limit, this 20% limit will be rescaled to reflect the appropriate risk horizon period as directed by the relevant regulatory guidelines. Utilisation refers to the level of risk taken in this context.

## Notes to Financial Statements continued

The tables below detail the highest, lowest and average utilisation of the VaR limit, expressed as a percentage of the respective absolute VaR regulatory limit.

28 February 2018

Highest utilisation of the VaR limit	Lowest utilisation of the VaR limit	Average utilisation of the VaR limit
5.14%	2.01%	3.59%

28 February 2017

Highest utilisation of the VaR limit	Lowest utilisation of the VaR limit	Average utilisation of the VaR limit
7.83%	2.24%	4.64%

The exposures to FDIs at year end are marked on the portfolio statement.

### f) Leverage

The use of derivatives may expose the Fund to a higher degree of risk. In particular, derivative contracts can be highly volatile and the amount of initial margin is generally small relative to the size of the contract so that transactions may be leveraged in terms of market exposure. A relatively small market movement may have a potentially larger impact on derivatives than on standard bonds or equities. Leveraged derivative positions can therefore increase a fund's volatility.

The leverage is calculated on a gross exposure basis, by taking the sum of the notional values of the derivatives used by the Fund, without netting, and is expressed as a percentage of the NAV.

The average level of leverage employed by the Fund during the year was 697.85% (28 February 2017: 598.63%).

### 3. Net Capital Gains

	For the year to 28.2.2018 £000's	For the year to 28.2.2017 £000's
The net capital gains comprise:		
(Losses)/gains on non-derivative securities	(40,285)	57,319
Gains/(losses) on derivative securities	52,433	(33,510)
Currency losses	(4,759)	(12,021)
Custodian transaction costs	(196)	(305)
<b>Net capital gains</b>	<b>7,193</b>	<b>11,483</b>

### 4. Revenue

	For the year to 28.2.2018 £000's	For the year to 28.2.2017 £000's
Interest from overseas fixed interest securities	26,754	14,783
Interest from UK bank deposits	103	78
Interest from UK fixed interest securities	5,215	3,111
Interest on balances held at futures clearing houses and brokers	4	1
Interest from certificates of deposit	–	4
Manager's charge rebates	130	2
Overseas dividends	1,620	41
Returns from bond futures	3,796	477
Revenue from short-term money market funds	61	148
Securities lending revenue	40	16
<b>Total revenue</b>	<b>37,723</b>	<b>18,661</b>

**5. Expenses**

	For the year to 28.2.2018 £000's	For the year to 28.2.2017 £000's
Payable to the Manager or associates of the Manager:		
– Manager's charge	582	380
– Registrar's fees	56	37
	638	417
Other expenses:		
– Audit fee	9	9
– Legal and other professional fees	1	3
– Safe custody fees	74	54
– Trustee's fees	158	82
	242	148
<b>Total expenses</b>	<b>880</b>	<b>565</b>

**6. Interest Payable and Similar Charges**

	For the year to 28.2.2018 £000's	For the year to 28.2.2017 £000's
Interest on bank overdrafts	56	67
Interest paid on margin deposits	57	41
Returns from short position bond futures	9,569	3,985
<b>Total interest payable and similar charges</b>	<b>9,682</b>	<b>4,093</b>

**7. Taxation**
**(a) Analysis of tax charge**

	For the year to 28.2.2018 £000's	For the year to 28.2.2017 £000's
Overseas tax	67	7
Prior year adjustment	(3)	–
<b>Total tax charge [see note 7(b)]</b>	<b>64</b>	<b>7</b>

**7. Taxation** continued

**(b) Factors affecting the tax charge**

The tax assessed for the year is lower than the standard rate of corporation tax in the UK for an authorised unit trust. The differences are explained below:

	For the year to 28.2.2018 £000's	For the year to 28.2.2017 £000's
Net revenue before taxation	27,161	14,003
Corporation tax at 20% (28 February 2017: 20%)	5,432	2,801
Effects of:		
Movement in excess management expenses	13	–
Overseas tax	67	7
Prior year adjustment	(3)	–
Relief on overseas tax expensed	(13)	(1)
Revenue not subject to tax	(324)	–
Tax deductible interest distributions	(5,108)	(2,800)
<b>Total tax charge [see note 7(a)]</b>	<b>64</b>	<b>7</b>

**8. Distributions**

	For the year to 28.2.2018 £000's	For the year to 28.2.2017 £000's
Interim distribution	4,751	3,206
Final distribution	26,597	13,018
	31,348	16,224
Add: Amounts deducted on cancellation of units	2,319	367
Less: Amounts received on issue of units	(6,570)	(2,595)
<b>Distributions</b>	<b>27,097</b>	<b>13,996</b>

Details of the interim and final distributions per unit are set out in the tables on page 11.

**9. Debtors**

	28.2.2018 £000's	28.2.2017 £000's
Accrued Manager's charge rebates	12	–
Accrued revenue	9,586	6,400
Amounts receivable for issue of units	598	39
Currency sales awaiting settlement	1,883	3,563
Sales awaiting settlement	454,666	188,197
<b>Total debtors</b>	<b>466,745</b>	<b>198,199</b>

**10. Cash and Bank Balances**

	28.2.2018 £000's	28.2.2017 £000's
Amounts held at futures clearing houses and brokers	14,594	16,199
Cash and bank balances	59,308	10,840
<b>Total cash and bank balances</b>	<b>73,902</b>	<b>27,039</b>

**11. Cash Equivalents**

	28.2.2018 £000's	28.2.2017 £000's
Investment in short-term money market funds	100,000	39,000
<b>Total cash equivalents</b>	<b>100,000</b>	<b>39,000</b>

**12. Other Creditors**

	28.2.2018 £000's	28.2.2017 £000's
Accrued Audit fee	9	9
Accrued FCA fee	1	1
Accrued Manager's charge	114	68
Accrued Registrar's fee	22	13
Accrued Safe custody fees	7	23
Accrued Trustee's fee	28	17
Amounts payable for cancellation of units	191	145
Amount payable with respect to futures contracts	–	4
Corporation tax	–	3
Credit default swap interest payable	–	1
Currency purchases awaiting settlement	1,877	3,563
Custody transaction costs	16	67
Purchases awaiting settlement	521,610	236,994
<b>Total other creditors</b>	<b>523,875</b>	<b>240,908</b>

**13. Contingent Assets and Liabilities**

There were no contingent assets or liabilities at the Balance Sheet date (28 February 2017: Nil).

**14. Related Parties**

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions.

The following entities were related parties of the Fund during the year ended 28 February 2018:

Manager/Registrar:	BlackRock Fund Managers Limited
Investment Manager:	BlackRock Investment Management (UK) Limited
Investment Advisers:	BlackRock (Singapore) Limited, BlackRock Financial Management, Inc, BlackRock Institutional Trust Company N.A., BlackRock Asset Management North Asia Limited, BlackRock Investment Management (Australia) Limited
Securities lending agent:	BlackRock Advisors (UK) Limited

The ultimate holding company of the Manager, Registrar, Investment Manager, Investment Advisers and securities lending agent is BlackRock Inc. ("BlackRock"), a company incorporated in Delaware, USA. PNC Financial Services Group Inc. ("PNC") is a substantial shareholder in BlackRock Inc. PNC did not provide any services to the Fund during the years ended 28 February 2018 and 28 February 2017.

The Manager acts as either principal or agent for the Trustee in respect of all transactions of units of the Fund. The aggregate monies received through issue and paid through cancellation of units are disclosed in the Statement of Change in Net Assets Attributable to Unitholders and note 8. Any amounts due to or from the Manager at the year end are disclosed in notes 9 and 12. Management fees and registration fees paid to the Manager are shown in note 5. The balances due at the year end in respect of these fees are shown in note 12. Securities lending revenue earned by the Fund is disclosed in note 4.

For holdings in Institutional Cash Series plc ("ICS"), there will be no initial charges or redemption charges payable on investments in the Fund, however, duties and charges may apply. ICS will be subject to fees and expenses which may include fixed management fees, performance fees, administration fees and custodial fees.

The Fund may invest in other CIS, which may or may not be operated and/or managed by an affiliate of the Manager. As an investor in such other CIS, in addition to the fees, costs and expenses payable by a unitholder in the Funds, each unitholder may also indirectly bear a portion of the fees, costs and expenses of the underlying CIS, including management, investment management and administration and other expenses. However, in respect of investments made in any other investment fund whose manager is an affiliate of the Manager, the Fund will invest, where possible, in classes of the underlying funds which are not subject to any management charges. Alternatively, where this is not possible, the Manager will rebate management charges to the Fund. The Fund will not be subject to any preliminary/initial sales fee in respect of investments made in any other investment fund whose manager is an affiliate of the Manager, although it may be subject to duties and charges in respect of subscriptions and redemptions in such investment funds.

The Fund's investments in other BlackRock related party entities are individually identified in the portfolio statement.

As at 28 February 2018 and 28 February 2017, none of the unitholders:

- (i) are funds managed by the BlackRock Group or are affiliates of BlackRock Inc. or
- (ii) are investors, other than those included in (i) above, who held 51% or more of the voting units in issue in the Fund and are as a result, considered to be related parties to the Fund.



## 15. Portfolio Transaction Costs

For the year ended 28 February 2018

Purchases (excluding derivatives)	Direct Transaction Costs				
	Transaction Value £000's	Commissions £000's	%	Taxes £000's	%
Equity instruments	97	–	–	–	–
Debt instruments	11,351,484	1	0.00	–	–
Collective investment schemes	65,987	–	–	–	–
<b>Total purchases</b>	<b>11,417,568</b>	<b>1</b>		<b>–</b>	
<b>Total purchases including transaction costs</b>	<b>11,417,569</b>				

Sales (excluding derivatives)	Direct Transaction Costs				
	Transaction Value £000's	Commissions £000's	%	Taxes £000's	%
Equity instruments	10	–	–	–	–
Debt instruments	10,734,879	1	0.00	61	0.00
Collective investment schemes	64,779	–	–	–	–
<b>Total sales</b>	<b>10,799,668</b>	<b>1</b>		<b>61</b>	
<b>Total sales net of transaction costs</b>	<b>10,799,606</b>				

<b>Derivative transaction costs</b>	<b>629</b>	<b>–</b>
<b>Total transaction costs</b>	<b>631</b>	<b>61</b>
<b>Total transaction costs as a % of average net assets</b>	<b>0.05%</b>	<b>0.00%</b>

## 15. Portfolio Transaction Costs continued

For the year ended 28 February 2017

Purchases (excluding derivatives)	Direct Transaction Costs				
	Transaction Value £000's	Commissions £000's	%	Taxes £000's	%
Debt instruments	5,096,157	3	0.00	–	–
Collective investment schemes	2,918	–	–	–	–
<b>Total purchases</b>	<b>5,099,075</b>	<b>3</b>		<b>–</b>	
<b>Total purchases including transaction costs</b>	<b>5,099,078</b>				

Sales (excluding derivatives)	Direct Transaction Costs				
	Transaction Value £000's	Commissions £000's	%	Taxes £000's	%
Debt instruments	4,748,517	1	0.00	21	0.00
Collective investment schemes	2,702	–	–	–	–
<b>Total sales</b>	<b>4,751,219</b>	<b>1</b>		<b>21</b>	
<b>Total sales net of transaction costs</b>	<b>4,751,197</b>				

<b>Derivative transaction costs</b>	<b>238</b>	<b>–</b>
<b>Total transaction costs</b>	<b>242</b>	<b>21</b>
<b>Total transaction costs as a % of average net assets</b>	<b>0.04%</b>	<b>0.00%</b>

The above analysis covers direct transaction costs incurred by the Fund during the year. However it is important to understand the nature of other transaction costs associated with different investment asset classes and instruments types.

For the Fund's investment transactions in debt and money market instruments any applicable transaction charges form part of the dealing spread for these instruments. Transactions in money market instruments to manage the Fund's daily liquidity position are excluded from the analysis.

For the Fund's investment in collective investment scheme holdings there will potentially be dealing spread costs applicable to purchases and sales. However additionally there are indirect transaction costs incurred in those underlying funds, throughout the holding period for the instruments, which are not separately identifiable and do not form part of the analysis above.

During the year the Fund utilised FDIs including credit default swaps, interest rate floors, interest rate swaps, currency swaps, total return swaps, futures, options, swaptions and TBA Mortgage-Backed Securities covering different underlying asset classes. The settlement values for opening and closing derivative positions are not comparable to principal values for transactions in direct holding investments and therefore purchase and sale amounts for derivative transactions are not quantified in the analysis above.

#### 15. Portfolio Transaction Costs continued

Transaction costs for derivatives positions will be either incurred as direct costs or form part of the dealing spread for the instruments. Any direct costs are identified in the analysis above. Dealing spread costs incurred by the Fund vary considerably for the different asset/instrument types depending on a number of factors including transaction value and market sentiment

At the Balance Sheet date the average portfolio dealing spread (difference between bid and offer prices of all investments expressed as a percentage of the offer price value) was 0.32% (28 February 2017: 0.28%).

#### 16. Units in Issue

The movement in units in issue for the year ended 28 February 2018 is as follows:

	P Accumulation Units	D Accumulation Units	X Accumulation Units
Balance at the beginning of the year	1,055,598	75,131,185	744,524,821
Issued during the year	1,783,129	98,292,649	674,216,387
Cancelled during the year	(323,765)	(56,447,811)	(159,312,916)
Converted during the year	(2)	2	–
<b>Balance at the end of the year</b>	<b>2,514,960</b>	<b>116,976,025</b>	<b>1,259,428,292</b>

Revenue is allocated each day pro rata to the capital value of assets attributable to each class and taxation is computed by reference to the net revenue after expenses attributable to each class. The distribution per unit class is given in the distribution table. All unit classes have the same rights on winding up.

#### 17. Post Balance Sheet Events

There have been no significant events subsequent to the year end, which, in the opinion of the Manager, may have had an impact on the financial statements for the year ended 28 February 2018.

## Statement of Manager's Responsibilities

The Manager is required by the rules of the COLL Sourcebook to prepare the financial statements for each financial year. These financial statements must be prepared in accordance with generally accepted accounting standards in the United Kingdom to give a true and fair view of the state of affairs of the Fund at the year end and of the net revenue and net gains for the year.

The financial statements should comply with the disclosure requirements of the Statement of Recommended Practice (the "SORP") for Authorised Funds issued by the Investment Management Association (subsequently The Investment Association) and must comply with any relevant provisions of the Trust Deed.

The Manager is responsible for keeping such accounting records as are necessary to enable it to ensure that the financial statements comply with the COLL Sourcebook, the SORP and the Trust Deed.

# Statement of the Trustee's Responsibilities in Respect of the Fund and Report of the Trustee to the Unitholders of the Fund for the Year Ended 28 February 2018

The Depositary in its capacity as Trustee of the Fund must ensure that the Fund is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook, the Financial Services and Markets Act 2000, as amended, (together "the Regulations"), the Trust Deed and Prospectus (together "the Scheme documents") as detailed below.

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

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

The Trustee must ensure that:

- the Fund's cash flows are properly monitored and that cash of the Fund is booked in cash accounts in accordance with the Regulations;
- the sale, issue, repurchase, redemption and cancellation of units are carried out in accordance with the Regulations;
- the value of units of the Fund are calculated in accordance with the Regulations;
- any consideration relating to transactions in the Fund's assets is remitted to the Fund within the usual time limits
- the Fund'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 Trustee also has a duty to take reasonable care to ensure that the Fund is managed in accordance with the Regulations and the Scheme documents of the Fund in relation to the investment and borrowing powers applicable to the Fund.

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

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

BNY Mellon Trust & Depositary  
(UK) Limited

London  
1 May 2018



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## Independent Auditor's Report to the Unitholders of BlackRock Absolute Return Bond Fund

### Opinion

We have audited the financial statements of BlackRock Absolute Return Bond Fund ("the Fund") for the year ended 28 February 2018 which comprise the Statement of Total Return and Statement of Changes in Net Assets Attributable to Unitholders together with the Balance Sheet, the accounting policies of the Fund, the related notes and the Distribution Tables. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 'The Financial Reporting Standard applicable to the UK and Republic of Ireland'.

In our opinion, the financial statements:

- give a true and fair view of the financial position of the Fund as at 28 February 2018 and of the net revenue and the net capital gains on the scheme property of the Fund for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including FRS 102 'The Financial Reporting standard applicable in the UK and Republic of Ireland'.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Use of our report

This report is made solely to the unitholders of the fund, as a body, pursuant to Paragraph 4.5.12 of the rules of the Collective Investment Schemes Sourcebook of the Financial Conduct Authority. Our audit work has been undertaken so that we might state to the unitholders of the fund 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 fund and the unitholders of the fund as a body, for our audit work, for this report, or for the opinions we have formed.

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### Conclusions relating to going concern

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

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

### Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The manager is responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

### Opinions on other matters prescribed by the rules of the Collective Investment Schemes Sourcebook of the Financial Conduct Authority

In our opinion:

- the financial statements have been properly prepared in accordance with the Statement of Recommended Practice relating to Authorised Funds, the rules of the Collective Investment Schemes Sourcebook of the Financial Conduct Authority and the Trust Deed;
- the information given in the manager's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- there is nothing to indicate that proper accounting records have not been kept or that the financial statements are not in agreement with those records.

### Matters on which we are required to report by exception

We have nothing to report in respect of the following matter in relation to which the Collective Investment Schemes Sourcebook of the Financial Conduct Authority rules requires us to report to you if, in our opinion:

- we have not received all the information and explanations which, to the best of our knowledge and belief, are necessary for the purposes of our audit.

### Responsibilities of the manager

As explained more fully in the manager's responsibilities statement set out on page 122, the manager is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the manager is responsible for assessing the fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the manager either intends to liquidate the fund or to cease operations, or has no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Ernst & Young LLP  
Statutory Auditor

Edinburgh  
1 May 2018

## Supplementary Information

### Efficient Portfolio Management Techniques

The Manager may, on behalf of the Fund and subject to the conditions and within the limits laid down by the FCA and the Prospectus, employ techniques and instruments relating to transferable securities, including investments in OTC FDIs provided that such techniques and instruments are used for efficient portfolio management purposes or to provide protection against exchange risk or for direct investment purposes, where applicable.

In addition to the investments in OTC FDIs, the Fund may employ other techniques and instruments relating to transferable securities and money market instruments, subject to the conditions set out in the Prospectus, as amended from time to time, and the ESMA Guidelines, such as repurchase / reverse repurchase transactions ("repo transactions") and securities lending.

### Securities Lending and Total Return Swaps ("TRS")

The following table details the value of securities on loan as a proportion of the Fund's total lendable assets and NAV and the value of TRS as a proportion of the Fund's NAV, as at 28 February 2018 and the returns earned for the year ended 28 February 2018. Total lendable assets represents the aggregate value of assets forming part of the Fund's securities lending programme. This excludes any assets held by the Fund that are not considered lendable due to any market, regulatory, investment or other restriction. The value of TRS is based on the underlying exposure value on a gross absolute basis as disclosed in the Fund's portfolio statement.

Securities on loan		TRS	
% of lendable assets	% of NAV	% of NAV	Returns earned £000's
3.90	1.84	6.60	(5,323)

The total income earned from securities lending transactions is split between the Fund and the Securities Lending Agent. The Fund receives 62.5% while the Securities Lending Agent receives 37.5% of such income, with all operational costs borne out of the Securities Lending Agent's share. Income earned during the year by the Fund from securities lending transactions is disclosed in the notes to the financial statements.

All returns and costs from TRS will accrue to the Fund and are not subject to any returns or cost sharing arrangements with the Fund's Manager or any other third parties.

The following tables detail the underlying exposure value on a gross absolute basis for TRS, analysed by counterparty as at 28 February 2018.

Counterparty	Counterparty's country of establishment	TRS
		Underlying exposure
		£000's
Société Générale SA	France	105,253
<b>Total</b>		<b>105,253</b>

The value of securities on loan and associated collateral analysed by counterparty, as at 28 February 2018, is disclosed in the notes to the financial statements.

The following table provides an analysis of the maturity tenor of TRS as at 28 February 2018.

Maturity Tenor		Total
31 – 90 days	91 – 365 days	
£000's	£000's	£000's
45,060	60,193	<b>105,253</b>

The above maturity tenor analysis has been based on the respective transaction contractual maturity date. All securities on loan have an open maturity tenor as they are callable or terminable on a daily basis.

### Collateral

The Fund engages in activities which may require collateral to be provided to a counterparty ("collateral posted") or may hold collateral received ("collateral received") from a counterparty.

The following table provides an analysis by currency of the cash and underlying non-cash collateral received/posted by way of title transfer collateral arrangement by the Fund, in respect of securities lending transactions and OTC FDIs (including TRS), as at 28 February 2018.

Currency	Cash collateral received	Cash collateral posted	Non-cash collateral received	Non-cash collateral posted
	£000's	£000's	£000's	£000's
<b>Securities lending transactions</b>				
CNY	–	–	5,083	–
DKK	–	–	1,377	–
EUR	–	–	15,049	–
GBP	–	–	1,974	–
HKD	–	–	1,994	–
JPY	–	–	200	–
USD	–	–	5,678	–
	–	–	<b>31,355</b>	–
<b>OTC FDIs</b>				
GBP	890	21,948	–	1,238
	<b>890</b>	<b>21,948</b>	–	<b>1,238</b>
<b>Total</b>	<b>890</b>	<b>21,948</b>	<b>31,355</b>	<b>1,238</b>

As at 28 February 2018, all cash collateral received by the Fund was re-invested in money market funds managed by the Manager or its affiliates, as disclosed in the Fund's portfolio statement. The Fund is the legal owner of inbound collateral and can sell the assets and withhold the cash in the case of default. All cash received or posted as collateral has an open maturity tenor as it's not subject to a contractual maturity date.

## Supplementary Information continued

Non-cash collateral received by way of title transfer collateral arrangement in relation to securities lending transactions and OTC FDIs, cannot be sold, re-invested or pledged.

The returns earned by the Fund from the reinvestment of cash collateral in money market funds during the year ended 28 February 2018 is summarised below. These returns represent the accumulative total return of the representative money market fund for the year ended 28 February 2018. These returns do not take into account any interest payable to the counterparty under the relevant collateral arrangements.

Money market fund	Total return %
<b>Institutional Cash Series plc</b>	
Institutional Sterling Liquidity Fund – Agency Income class	0.33

The following table provides an analysis of the type, quality and maturity tenor of non-cash collateral received or posted by the Fund by way of title transfer collateral arrangement in respect of securities lending transactions and OTC FDIs (including TRS), as at 28 February 2018.

Collateral type and quality	Maturity Tenor				Total
	31 – 90 days	91 – 365 days	More than 365 days	Open transactions	
	£000's	£000's	£000's	£000's	£000's
<b>Collateral received – securities lending</b>					
<b>Fixed Income</b>					
Investment grade	129	1,155	17,614	–	18,898
<b>Equities</b>					
Recognised equity index	–	–	–	12,457	12,457
<b>Total</b>	<b>129</b>	<b>1,155</b>	<b>17,614</b>	<b>12,457</b>	<b>31,355</b>
<b>Collateral posted – OTC FDIs</b>					
<b>Fixed Income</b>					
Investment grade	–	–	1,238	–	1,238
<b>Total</b>	<b>129</b>	<b>1,155</b>	<b>18,852</b>	<b>12,457</b>	<b>32,593</b>

Investment grade securities are those issued by an entity with a minimum investment grade credit rating from at least one globally recognised credit rating agency; Standard & Poor's, Moody's or Fitch.

A recognised equity index contains at least 20 equities where no single equity represents more than 20% of the total index and no five equities combined represent more than 60% of the total index.

The maturity tenor analysis for fixed income securities received or posted as collateral is based on the respective contractual maturity date, while for equity securities received as collateral are presented as open transactions as they are not subject to a contractual maturity date.

As at 28 February 2018, all non-cash collateral received or posted by the Fund in respect of securities lending transactions and OTC FDIs (including TRS) is held by the Fund's Trustee (or through its delegates), with the exception of the amounts disclosed in the following table which are held through a securities settlement system.

Custodian	Non-cash collateral received	
	Securities lending	OTC FDIs
	£000's	£000's
Euroclear Bank SA/NV	14,957	–

The following table lists the ten largest issuers by value of non-cash collateral received by the Fund by way of title transfer collateral arrangement across securities lending transactions and OTC FDIs (including TRS) as at 28 February 2018.

Issuer	Value	% of the Fund's NAV
	£000's	
Republic of France	3,625	0.23
Federal Republic of Germany	3,473	0.22
Republic of Finland	2,681	0.17
US Treasury	2,218	0.14
KFW	2,157	0.14
Kingdom of Netherlands	1,811	0.11
Kingdom of Denmark	1,361	0.09
UK Government	900	0.06
China Construction Bank Corp	557	0.03
Lloyds Banking Group Plc	538	0.03
Other issuers	12,034	0.75
<b>Total</b>	<b>31,355</b>	<b>1.97</b>

No securities collateral received from a single issuer, in relation to efficient portfolio management and OTC FDIs, has exceeded 20% of the Fund's NAV at the year end date.

The Fund has not been fully collateralised in securities issued or guaranteed by an EU member state at the year end date.



## About us

BlackRock is a premier provider of asset management, risk management, and advisory services to institutional, intermediary, and individual clients worldwide. As of 31 March 2018, the firm manages £4.50 trillion across asset classes in separate accounts, mutual funds, other pooled investment vehicles, and the industry-leading iShares® exchange-traded funds.

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