

Investec Funds Series i Annual Report and Accounts

For the year ended 30 September 2019



Investec Funds Series i

Annual Report and Accounts

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

Cautious Managed Fund

Summary of the Fund's investment objective and policy

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

It targets a performance return of UK Consumer Price Index (CPI, a measure of inflation) +4% gross of fees per annum over rolling 5 year periods and is therefore managed with reference to this benchmark index. The Fund's performance target is not guaranteed over 5 year rolling periods or any period of time and you may get back less than you invested.

The Fund seeks to invest conservatively around the world in a diverse range of shares of companies (up to 60% of the Fund's value at any time) and bonds (contracts to repay borrowed money which typically pay interest at fixed times).

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

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

The Fund is actively managed. This means the Investment Manager is free to select investments with the aim of achieving the Fund's objectives.

The Fund cannot replicate the benchmark index (CPI consists of the prices of a shopping basket of consumer goods and services). The Investment Manager is free to choose the investments of the Fund and these will not resemble the components of the benchmark index.

The Investment Association Mixed Investment 20-60% Shares Sector average (as calculated by Morningstar using a peer group of broadly similar funds) is an additional measure by which you can compare the Fund's performance.

Performance record	12 Months (%)
Investec Cautious Managed Fund 'I' accumulation shares	-0.57*
Performance comparison index	5.79**
Peer group sector average	4.14**

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

Total deemed income distributions per 'I' accumulation share

12 Months to 30 September 2019	2.11 pence
12 Months to 30 September 2018	1.39 pence

The amount of income payable may rise or fall.

Performance review

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

Factors helping performance

The Fund's exposure to precious metals – both through owning physical assets and stocks – were the strongest contributor of returns. Over the 12-month period, gold prices rose to near record highs as uncertainty flooded the markets and negative bond yields increased the appeal of assets, which do not produce any yield, such as gold.

The expression of this narrative plays out in the positive performance of our positions in Impala Platinum and WisdomTree Physical Silver, which were the top two contributors of performance at a security level. Impala's performance was partly helped by the rise in precious metal prices, as these are linked to the price of platinum group metals, and partly helped by the company's share price recovering from very depressed lows. Earlier this year, Impala showed good progress in terms of restructuring and realising value, which led to more positive sentiment towards the company as seen in the share price recovery.

WisdomTree Physical Silver is a physical silver fund which reflects the silver market's performance and so fared well in line with the rise in silver prices over the period. With bond yields at incredibly low levels, and our view that equity markets are at incredibly overvalued levels, we believe exposure to precious metals is a good way to produce positive returns in a market environment where uncertainty still remains.

Factors hindering performance

The Fund's short position in US equities (designed to profit from a fall in value in US equities) was the main detractor over the period. We hold this position to offer protection if the market were to fall in value. While this position has clearly struggled given the strong performance in US equities, there have been instances of heightened market volatility over the year to date where this position has helped the Fund. The large position in the portfolio is justified given the high valuation of US stocks in general relative to history.

In terms of companies held, US technology-led Conduent, Inc. was the largest detractor. The company's stock value fell 28% in sterling in May 2019, with a one day decline of nearly 40% after reporting quarterly results, which were accompanied by a reduction in full-year guidance and news that its CEO was to step down. This came on the back of a public spat between the firm's management and one of its directors (nominated by its largest shareholder, Icahn Associates) who has also been replaced. After monitoring development closely for a few weeks, we decided to exit this position and use the proceeds to fund a new position in DXC Technology – which is a similar business to Conduent – but in whose recovery story we now have higher conviction.

Portfolio activity

Significant purchases

Norway Government Bond 3.75% 25/05/2021, Delphi Technologies, Kangwon Land, DXC Technology, Adecco, McKesson, Bayer, GEA, Adient, Cielo.

Significant sales

Norway Government Bond 4.5% 22/05/2019, WisdomTree Physical Silver, Impala Platinum, United Kingdom Gilt 2% 22/07/2020, United Kingdom Treasury Inflation Linked 0.125% 22/11/2019, Microsoft, Investec UK Total Return Fund, Citigroup, Aggreko, Advance Auto Parts.

Outlook

Investors are always seeking certainty, so the current uncertainty around Brexit is concerning. Consequently, investors either don't do anything at all or they sell anything where they see too much uncertainty. We always think anything which creates volatility (material swings in share prices) creates opportunities as there are a lot of stocks trading at discounted prices while investors are too hesitant to buy them, preferring to hold cash until markets are more positive. To unpick this uncertainty around 'Brexit,' we replace the word with 'recession' because should the UK economy suffer from the departure from the EU (as it already is), we could enter into recession, which we have seen before and so recognise. If history is a guide, recessionary periods have been reasonably short and the growth periods around them have tended to be longer. So, the important thing for us when we are looking at companies and sectors is whether these companies make it through a recessionary period, and do they look cheap in a normal economic environment (one where the central banks are not conducting extraordinary measures to stoke the economy such as negligible interest rates).

We have two elections in the UK and, arguably of more significance, in the US to now watch. In both elections, we will see promises of a 'spend fest' by both sides of this electoral community. The winner may be the party that convinces most people it can deliver and afford its promises. Governments haven't necessarily got the money to spend and they won't be promising any tax increases to pay for the various initiatives they promise to voters. The implications of these elections are increased government spending, increased government debt and therefore an oversupply of bonds.

Many investors believe this environment will cause interest rates, inflation rates and economic growth to remain low for a number of years. However, we take a contrary position and believe there could be a significant risk of bond yields and inflation moving higher. Therefore, the Fund is positioned for that. So rather than worrying about a recessionary bust, which is what a lot of investors are talking about, we are concerned that we could end up with an inflationary boom.

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

**Index (UK CPI (Composite pre 01/02/14) and peer group sector average (Investment Association Mixed Investment 20-60% Shares sector) shown for performance comparison purposes only.

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

Risk and Reward profile*



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

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

The Fund appears towards the middle of the risk and reward indicator scale. This is because, although it invests in the shares of companies whose values typically tend to fluctuate widely, it also invests significantly in bonds which do not typically fluctuate as much.

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

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

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

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

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

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

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

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

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

Diversified Income Fund

Summary of the Fund's investment objective and policy

The Fund aims to provide income with the opportunity for long-term capital growth.

The Fund invests around the world mostly in a range of bonds (contracts to repay borrowed money which typically pay interest at fixed times) and their related derivatives (financial contracts whose value is linked to the price of an underlying asset), but also in the shares of companies and their related derivatives. Through investment in this diverse range of assets, the Fund seeks to reduce risk.

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

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

The Fund is actively managed. This means the Investment Manager is free to select investments with the aim of achieving the Fund's objectives.

The Fund is not managed with reference to a benchmark index, however performance of the Fund may be compared against a return of 4% per annum in GBP.

Performance record

12 Months (%)

Investec Diversified Income Fund 'I' accumulation shares	3.10*
Performance comparison index	4.00**
Peer group sector average	4.89**

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

Total deemed income distributions per 'I' accumulation share

12 Months to 30 September 2019	6.18 pence
12 Months to 30 September 2018	5.79 pence

The amount of income payable may rise or fall.

Performance review

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

Factors helping performance

The Fund's exposure to equities has overall been the largest contributor to returns during the last 12 months. However, this conceals the choppy nature of the markets through this period as drivers of returns were notably different during the last quarter of 2018 (Q418) and the rest of the period from the start of 2019. Global equities posted sharp declines in Q418 on persistent concerns over global trade and slowing economic growth. Tables turned in January following the 'Powell Pivot' where the US Federal Reserve Bank ("Fed") chairman, Jerome Powell, signalled that the Fed would not raise interest rates until inflation accelerated. Although the Fund's equities detracted in Q418, our preference for higher yielding, resilient

companies with strong fundamentals proved beneficial. In light of concerns that we may be heading into a global economic slowdown at the beginning of the review period, we increased equity 'hedges' to protect against potential equity market weakness. As a result, during the final quarter of 2018 when nearly all asset classes lost money, the Fund's performance was flat which illustrates the focus on limiting 'downside' risks and generating a 'positive skew' that enables the Fund to compound returns over time. At the very end of 2018, we reduced the hedging strategies (designed to help in down markets) so we could participate, at least in part, in the growth rally seen in markets so far this year.

Our exposure to emerging market bonds has also contributed to returns, where these assets have been beneficiaries of loosening monetary policy during 2019. Developed market government bonds, property and infrastructure, and credit also contributed over the review period, but to a lesser extent.

Factors hindering performance

Over the review period, equity hedges have been the largest detractor. As mentioned, these hedges contributed meaningfully during the last quarter of 2018 when almost all asset classes fell in value significantly and most developed equity markets experienced their worst performance since 2011. While these hedges were reduced towards the end of 2018, these hedges are still in place because there is much uncertainty currently in markets and we believe the cost of keeping these hedging positions as an insurance policy is a better option than leaving capital at risk should the stock markets decline – particularly in the US.

Currency exposure has also marginally detracted over the review period. As the base currency of the Fund is sterling, hedging non-sterling assets back to sterling detracts from returns during a period of sterling weakness.

Portfolio activity

Significant purchases

United States Treasury Bond 3% 15/05/2047, United States Treasury Bond 2.875% 30/04/2025, United States Treasury Bond 2.875% 15/05/2028, United States Treasury Bond 2.375% 15/03/2021, United States Treasury Bond 4.5% 15/08/2039, United States Treasury Bond 4.25% 15/05/2039, Mexican Bonos 7.25% 09/12/2021, Mexican Bonos 6.5% 10/06/2021, Indonesia Treasury Bond 8.25% 15/07/2021, New Zealand Local Government Funding Agency Bond 3.5% 14/04/2033.

Significant sales

United States Treasury Bond 3% 15/05/2047, United States Treasury Bond 2.875% 30/04/2025, United States Treasury Bond 2.875% 15/05/2028, United States Treasury Bond 2.375% 15/03/2021, Western Australian Treasury 5% 23/07/2025, Province of Quebec Canada 8.5% 01/04/2026, New Zealand Local Government Funding Agency Bond 4.5% 15/04/2027, Province of Ontario Canada 7.6% 02/06/2027, Queensland Treasury 4.75% 21/07/2025, South Africa Government Bond 8% 21/12/2018.

Outlook

Economic data continues to paint a picture of weak growth led by manufacturing, trade and investment, with labour markets and services under some pressure, but still more consistent with an economic cycle correction, rather than a full-blown recession. Markets are taking comfort from this as well as further policy support and positive noises on the potential for a successful round of trade negotiations between the US and China. The concern, however, is that trade uncertainty and other pressures surrounding Brexit, Hong Kong etc. are incrementally undermining growth and will eventually be enough to push the global economy into recession. Leading indicators suggest that the risk of a recession in the next 6-12 months has risen to around 25%, the highest level since the global financial crisis, and bond markets seem to suggest an even higher probability of recession within the next two years. Perhaps not surprisingly, investors are fairly cautiously positioned as a result. We continue to believe a defensive allocation to risk remains prudent until there is greater clarity on the economic outlook.

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

**Index (ICE LIBOR Spot/Next Overnight GBP) and peer group sector average (Investment Association Mixed Investment 0-35% Shares sector) shown for performance comparison purposes only.

The opinions expressed herein are as at September 2019.

Risk and Reward profile*



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

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

The Fund appears towards the lower end of the Risk and Reward Indicator scale. This is because, whilst it invests in the shares of companies whose values typically tend to fluctuate widely, it also invests significantly in bonds which do not typically fluctuate as much.

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

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

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

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

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

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

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

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

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

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

Enhanced Natural Resources Fund

Summary of the Fund's investment objective and policy

The Fund aims to provide long-term capital growth.

The Fund invests around the world primarily in the shares of companies that are expected to benefit from the price increases of commodities and natural resources. This includes the shares of companies involved in mining, extracting, producing, processing or transporting commodities and in related derivatives (financial contracts whose value is linked to the price of an underlying asset).

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

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

The Fund is actively managed. This means the Investment Manager is free to select investments with the aim of achieving the Fund's objectives.

The Fund is managed with reference to a benchmark index, the MSCI ACW Select Nat Res Cap Index, because it uses this index for performance comparison and risk management.

The Fund does not seek to replicate the index. It may at times hold assets similar to the index but the Investment Manager may also select assets which are not components of the index. The assets in the Fund therefore may be different from the index. However, the portfolio's value at risk (risk of capital loss) will be managed relative to that of the index.

Performance record

12 Months (%)

Investec Enhanced Natural Resources Fund 'I' accumulation shares	2.78*
Performance comparison index	-4.13**
Peer group sector average	N/A**

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

Performance review

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

Factors helping performance

Our positioning in all of the main sectors targeted by the Fund — energy, base metals & bulks, agriculture and precious metals — contributed to relative performance. The most significant contributor on a relative basis was stock selection within base metals & bulks and agriculture. We also benefited from an overweight position relative to the index in precious metals, given gold's strong run in the past year as investors sought havens amid political and trade uncertainty and a deteriorating global economic outlook.

At the stock level, the leading contributors to relative returns included our overweight positions in gold producers Kirkland Lake Gold and B2Gold, both of which profited from the rising gold price. From the base metals & bulks sector, our

overweight positions in Anglo American and Fortescue Metals Group were also among the leading relative contributors, thanks in part to strong gains in the price of iron ore over the period even after a correction at the start of August this year. Our short position in oilfield services business Superior Energy Services was another top contributor over the 12 months, as the company experienced operational difficulties.

Factors hindering performance

At the sector level, selection within precious metals detracted from relative performance, but this was more than offset by our overall overweight position in the sector. At the stock level, the main detractors from relative performance were our underweight positions in several businesses whose shares performed well in the period. They included below-benchmark positions in gold producer Newmont Goldcorp and gold royalty company Franco-Nevada, both of which benefited from the rising gold price. Underweight positions in diversified metals and mining business Rio Tinto and Deere & Company, which makes agricultural and other machinery, also detracted from relative returns. The latter, which exports machinery to China, received a boost from the perceived improvement in trade wars towards the end of the period. Just one overweight position was among the top five detractors from relative performance: that in steelmaker ArcelorMittal, whose shares have suffered on concerns about global growth and the consequent potential impact on steel demand.

Portfolio activity

Significant purchases

Rio Tinto, Investec GSF Global Environment Fund, Vale ADR, Agnico Eagle Mines, Deere, BHP Billiton, ConocoPhillips, Barrick Gold, Franco-Nevada, Newmont Goldcorp.

Significant sales

Barrick Gold, Fortescue Metals Group, Teck Resources, Vale ADR, Nutrien, ArcelorMittal, Royal Dutch Shell, Rio Tinto, OCI, B2Gold.

Outlook

The Brent oil price, approximately US\$60 per barrel (bl) at the time of writing, is now below the level on the day before the attack on Saudi Arabia's Abqaiq processing facility and Khurais oil field. That assault, which wiped out almost 5% of world oil supply for a short time, should have focused attention on both the rising geopolitical concerns in the world's key producing area and the fragility of the oil market. However, the limited price response and subsequent fall are clear indications that the world is currently very well supplied with oil, or at least perceived to be. In general, we subscribe to that view, given concerns over demand and the growth in production from longer-cycle developments in Brazil and Norway. But we remain cognisant of the potential for further supply disruption. We also note that supply from US shale companies is under pressure, both from lower oil prices and continued investor focus on the sustainability of the shale business model, which could lead to supply growth being curtailed. Given the uncertainty, we continue to allocate capital to energy companies able to generate free cash flow and returns at prices both lower and higher than today. We are also maintaining an overweight position in the renewable energy and environmental sector.

The absence of a US-China trade agreement and weaker growth globally will continue to suppress metals demand in the short term. However, the lack of investment in production — even to sustain existing output — limits the risk of oversupply. Pressure has remained on metal prices, with bulk commodities such as iron ore and coking coal faring particularly badly. Nickel was the exception, and we expect prices to remain elevated. That market is likely to remain in deficit for the rest of the year. A trade agreement would see metals prices lift immediately. But in the medium term, prices could trade sideways until a cyclical recovery takes effect. We believe that high-quality mining equities, with long-life assets and the ability to deliver sustainable returns and cash flows, continue to look attractive at current valuations.

US economic data remains ambiguous, with Fed Chair Jay Powell commenting that things look “murky”. Uncertainty is not unique to the US. Central banks elsewhere are increasingly concerned whether they can manage the slowdown in an orderly fashion. The fact that central-bank gold buying is high and rising underlines this concern, in our view. This should continue to support gold prices in the medium term and limit any downside, as purchases tend to increase as prices fall. With the rise of populism evident in many countries, the economic outlook remains very uncertain. The drastic policy measures and increase in money supply implemented following the 2008 financial crisis continue to have repercussions globally. As global growth continues to slow and equity market volatility remains elevated, gold prices look well supported. Even though the gold price has maintained a higher level for several months, management teams appear to be remaining conservative, focusing on high-return projects, generating strong free cash flow and increasing returns to shareholders.

The agriculture sector remains under pressure as risks to supply are waning and demand from the feed sector continues to decline slowly. The current corn and soy harvest in the US is lagging historical rates, though this is not surprising given the weather delay to plantings. As we approach November, there is a risk that early frost could damage the remainder of the crop. However, the bulk of the harvest should be completed over the coming weeks. Against this backdrop, agri-input providers will struggle to see much demand improvement for their products (seeds, crop protection, fertilisers, etc.). But some commodities, such as nitrogen, are experiencing offsetting supply disruptions, which should support prices. We are therefore positioned in selective areas. We also have a preference towards the protein sector.

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

** Index (MSCI*** All Countries World Select Natural Resources Capped) shown for performance comparison purposes only. For this Fund, there is no relevant peer group sector against which to measure Fund performance.

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

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

Risk and Reward profile*



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

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

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

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

Commodity-related investment: Commodity prices can be extremely volatile and significant losses may be made.

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

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

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

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

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

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

Global Multi-Asset Total Return Fund

Summary of the Fund's investment objective and policy

The Fund aims to provide long-term total returns (the combination of income and capital growth). Total returns are not guaranteed over any period of time, including the long term, and you may get back less than you invested.

The Fund invests around the world primarily in a mix of assets including: the shares of companies; bonds (contracts to repay borrowed money which typically pay interest at fixed times); commodities, property and other alternative assets (such as hedge funds, infrastructure funds and private equity funds).

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

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

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

The Fund is actively managed. This means the Investment Manager is free to select investments with the aim of achieving the Fund's objectives.

The Fund is not managed with reference to a benchmark index, however performance of the Fund may be compared against a return of 7% per annum in GBP.

The Investment Association Flexible Investment Sector average (as calculated by Morningstar using a peer group of broadly similar funds) is an additional measure by which you can compare the Fund's performance.

Performance record	12 Months (%)
Investec Global Multi-Asset Total Return Fund 'I' accumulation shares	5.34*
Performance comparison index	7.00**
Peer group sector average	3.17**

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

Performance review

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

Factors helping performance

Our exposure to the Japanese yen helped, particularly versus the euro and Asian currencies. Slowing global growth, increased uncertainty and the easing of monetary policy has increased the attractiveness of the Japanese yen, given its large net foreign asset position and funding status. We have exited the Fund's position in the yen versus the Korean won, post a strong appreciation, but we maintain a large allocation versus the euro, US dollar and Taiwan dollar.

A recovery in the US housing market and ongoing corporate balance sheet improvement meant that an investment idea we constructed at the beginning of 2019 – a 'basket' of company stocks with strong balance sheets within the home building and housing sectors – saw considerable positive performance over the review period.

Factors hindering performance

Japanese equities were one of the main detractors of returns. The asset class has struggled as global growth has slowed and the yen has strengthened – this makes Japanese equities look expensive to global investors – so they look for better priced stocks elsewhere. However, we hold high conviction in maintaining the Fund's exposure to Japanese equities as we believe global investors are only looking at the 'top-down' macroeconomic picture and not considering the continuing improvement in corporate governance and balance sheet efficiency of Japanese companies, which underpin corporate performance. This is in line with the findings of our ongoing macroeconomic research on Japan.

Exposure to emerging market equities was another detractor from returns. Asian equity markets have struggled as a result of trade tensions, slowing global growth, and, more recently, the pro-democracy demonstrations in Hong Kong. We maintain a large allocation to Asian markets and have added over the past year, given our expectations of strong future returns from the asset class, which is being driven by sweeping structural reform across China and from the continued emergence of the Asian consumer.

A 'spin-off' is the creation of an independent company through the sale or distribution of new shares of an existing business or division of a parent company. Given the economic strength witnessed in 2018, we created an allocation within the portfolio that had the potential to add significant value in a strong economic growth environment – we called this allocation the 'spin-off' basket. However, given the events that took place during the period such as financial markets declining in the fourth quarter of 2018, trade war tensions between the US and China, and Brexit uncertainty, to name a few, it was a tough environment for these types of companies to do well. As such, the position struggled during the period. We have now fully sold out of the position.

Portfolio activity

Significant purchases

Canadian Government Bond 1% 01/09/2022, Canadian Government Bond 1.75% 01/05/2021, Investec GSF All China Equity Fund, iShares Physical Gold ETC, Investec GSF Asian Equity Fund, Republic of South Africa Government Bond 8% 31/01/2030, Russian Federal Bond - OFZ 8.15% 03/02/2027, Turkey Government International Bond 7% 05/06/2020, Indonesia Treasury Bond 8.125% 15/05/2024, BOC Hong Kong.

Significant sales

United States Treasury Bond 2.25% 15/08/2046, Canadian Government Bond 1.5% 01/06/2026, United States Treasury Bond 3% 15/05/2045, United States Treasury Bond 2.5% 15/05/2046, United States Treasury Bond 3% 15/05/2047, United States Treasury Bond 3% 15/02/2047, Investec GSF Asian Equity Fund, Investec GSF All China Equity Fund, Honeywell International, FactSet Research Systems.

Outlook

We believe the macro environment implies that a degree of caution remains warranted given the ongoing slowdown in the US and European economies and elevated recession risk. The strategy's equity allocation is at a moderate level as a result, with a bias towards Asian markets where we see possible prospects for future returns. We have been taking advantage of selective opportunities in these markets which have been presented by market volatility. The strategy's defensive allocation has declined in recent months as we have fully exited US Treasury positions due to stretched valuations, while we maintain defensive positions in currency through the yen and through positions in gold and related assets to counterbalance the growth assets held in the portfolio. We will adjust the strategy's positioning accordingly when we get clearer evidence as to whether the US and European economies will stabilise or slow down more materially.

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

**Index (7% p.a - pre 07/07/17 FTSE UK Private Investor Growth Index TR) and peer group sector average (Investment Association Flexible Investment sector) shown for performance comparison purposes only.

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

Risk and Reward profile*



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

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

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

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

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

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

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

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

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

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

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

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

UK Alpha Fund

Summary of the Fund's investment objective and policy

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

The Fund invests primarily in the shares of UK companies focussing on shares believed to offer above average opportunities for total returns (the combination of income and capital growth).

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

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

The Fund is actively managed. This means the Investment Manager is free to select investments with the aim of achieving the Fund's objectives.

The Fund is managed with reference to a benchmark index, the FTSE All-Share (Total Return) Index, because it uses this index for performance comparison.

The Fund does not seek to replicate the index. It may at times hold assets similar to the index but the Investment Manager has full discretion to select assets which are not components of the index. The assets in the Fund therefore may be very different from the index.

The Investment Association UK All Companies Sector average (as calculated by Morningstar using a peer group of broadly similar funds) is an additional measure by which you can compare the Fund's performance.

Performance record

12 Months (%)

Investec UK Alpha Fund 'I' income shares	3.11*
Performance comparison index	2.68**
Peer group sector average	0.01**

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

Performance review

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

Factors helping performance

Stock picking in financials was the largest driver of relative returns, in particular our position in financial marketplace London Stock Exchange (LSE). The shares rallied after news broke of LSE's US\$27 billion acquisition of data provider Refinitiv in July this year. The acquisition which has been agreed by Refinitiv will see LSE continue to build out its financial market infrastructure and data businesses, and was taken positively by investors. Consumer credit company Experian also performed well after it reported higher annual pre-tax profits, on stronger US sales.

Within IT, domain registration company Verisign performed well over the period, posting strong quarterly numbers for much of the year. Overall, domain name registrations and revenues data have been positive. Global payment provider Visa also added to contributing the most overall at stock level. Visa continued to exceed earnings expectations on rising transaction volumes and average payment value.

In healthcare, Smith & Nephew performed well over the period after it raised guidance for its sports medicine segment, while in materials space, avoiding diversified miner Glencore added positively to relative returns.

Factors hindering performance

We held an underweight position (which we subsequently sold) in UK pharmaceutical company AstraZeneca. The company reported decent second-quarter results back in July, leading our position to detract on a relative basis. We sold the shares back in April due to concerns around its new drug pipeline and the quality of its reported earnings. We switched this into medical devices company Becton Dickinson, where we favour its strong defensive cash flow generation.

Our position in national telecom BT Group was another detractor over the quarter. The shares have edged lower over the course of the year as investors grew concerned that it may be required to invest further in its infrastructure, potentially putting its dividend at risk. We remain invested in the shares as the valuation argument is compelling and the dividend remains intact.

Within industrials, packaging company DS Smith was a leading detractor over the period. DS sold off with the broader market in the final quarter of 2018 on no real company-specific news and never really recovered. It released results in December, which pointed to a jump in profits, and said it was exploring options for a potential sale of its plastics business. We decided to close the position in April as we grew concerned with the accounting of its cash flow.

Portfolio activity

Significant purchases

Becton Dickinson, London Stock Exchange, Diageo, British American Tobacco, Ryanair, Fevertree Drinks, GB, RELX, BP, Reckitt Benckiser.

Significant sales

Rentokil Initial, AstraZeneca, Inmarsat, Grainger, Daily Mail & General Trust, Barclays, DS Smith, Balfour Beatty, HSBC, Synthomer.

Outlook

There remains considerable uncertainty in the UK equity market. The Article 50 deadline has now been delayed three times, and two Prime Ministers have failed to get withdrawal agreements through the House of Commons. A general election has been confirmed for December; the outcome of which is impossible to predict, with traditional party lines being blurred by the Brexit agenda, and the myriad of tactical voting possibilities adding to uncertainty. While an electoral majority would provide clarity; if we were to get a hung parliament, uncertainty will persist and that will flow through into UK economic activity; stoking market and currency volatility. Additionally, although global economic sentiment has become more positive, and markets become optimistic about US-China trade talk progress; it is worth remembering we have had several 'false starts' on this front in the past.

Overall, we believe we remain in a low growth environment, in which top-line growth is difficult to find, and margin pressure is now emerging. While relative valuations may be compelling in aggregate, with UK equities the cheapest they have been versus the rest of the world in the last thirty years, there is a wide dispersion of valuations at the stock level.

Within the portfolio we remain focused on larger, liquid, high-quality multinational companies in the UK. We expect these companies to be relatively less sensitive to the economic and market cycle, while many also pay dividends in non-sterling currencies, providing further protection against potential sterling volatility. Their diversified revenue streams, sustainable business and financial models, structural cash flow and dividend growth drivers and strong balance sheets should be well placed for uncertain times ahead. We remain patient for the right valuation opportunities to emerge in more domestically-exposed cyclical names. Where we have conviction in those companies' business and financial models, and faith in the abilities of quality management teams; short-term market volatility may offer further opportunities from here.

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

**Index (FTSE All-Share Total Return Index) and peer group sector average (Investment Association UK All Companies sector) shown for performance comparison purposes only.

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

Risk and Reward profile*



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

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

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

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

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

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

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

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

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

UK Equity Income Fund

Summary of the Fund's investment objective and policy

The Fund aims to provide income with the opportunity for capital growth by investing primarily in the shares of UK companies.

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

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

The Fund is actively managed. This means the Investment Manager is free to select investments with the aim of achieving the Fund's objectives.

The Fund is managed with reference to a benchmark index, the FTSE All- Share (Total Return) Index, because it uses this index for performance comparison.

The Fund does not seek to replicate the index. It may at times hold assets similar to the index but the Investment Manager has full discretion to select assets which are not components of the index. The assets in the Fund therefore may be very different from the index.

The Investment Association UK All Companies Sector average (as calculated by Morningstar using a peer group of broadly similar funds) is an additional measure by which you can compare the Fund's performance.

Performance record	12 Months (%)
Investec UK Equity Income Fund 'I' accumulation shares	8.63*
Performance comparison index	2.68**
Peer group sector average	0.01**

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

Total deemed income distributions per 'I' accumulation share

12 Months to 30 September 2019	3.28 pence
12 Months to 30 September 2018	3.18 pence

The amount of income payable may rise or fall.

Performance review

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

Factors helping performance

Selective exposure to financial services firms contributed the most to relative outperformance. Trading platform AJ Bell and online financial services firm Moneysupermarket both contributed positively to relative returns over the period. The shares of both companies primarily benefited from the improved performance of equity markets and general improvement in sentiment in the first quarter of 2019. In addition, there were company-specific reasons which also helped. AJ Bell's IPO (initial public offering) in December was well-subscribed and the shares performed well – up nearly 50% in December. Subsequently, it reported strong first-half pre-tax profits during the period thanks to stronger flows. The company is an excellent cash-generative business, which has doubled its assets under administration since 2014. Shares in Moneysupermarket received an additional boost from good preliminary full-year results. The company also benefited from the decision to re-brand itself earlier this year.

Our position in software company Sage was a strong contributor over the period. Sage published its first set of results under new chief executive Steve Hare in late November last year, following the resignation of its former boss in August. It reported a 15% net increase in profits over the year to end September. Management shared further positive news in June this year, upgrading its full-year organic recurring revenue growth to be at the top end of its previous forecast, underpinned by higher software subscriptions. The shares have since retreated somewhat, but are still comfortably up over the period as a whole.

Factors hindering performance

In terms of detractors, our exposure to basic materials, in the shape of speciality chemicals companies, weighed the most on relative returns. Victrex was the leading detractor over the period. In addition to the implications of a hard Brexit, given its large European end-user market, the shares were held back by disappointing first-half results back in May 2019. Revenues were down 13% versus last year, with margins falling by 3.8%. The miss was driven by automotive, expected headwinds in the consumer electronics, adverse currency headwinds and cost inflation. We maintain the position as we think it is being adversely impacted by market nervousness in the short term.

Within consumer staples, our positions in consumer goods company Reckitt Benckiser and tobacco company Imperial Brands weighed on returns. Reckitt Benckiser has struggled to overcome a series of operational issues which have held back growth. Most recently a manufacturing issue in one of the company's infant formula plants constrained supply to the important Chinese market. Towards the end of last year, tobacco companies were impacted by talk of a widespread ban being introduced on all menthol cigarettes. In addition to this, there were various data points this year that pointed to weaker uptake in the alternative 'heat not burn' product segment, which also impacted the tobacco companies. More recently, various producers posted slowing sales in conventional cigarette volumes which unsettled the market further. We have since consolidated our tobacco exposure – focusing on companies best placed to compete in the alternatives space, which we still believe have attractive long-term growth potential.

Our position in investment manager St James' Place (SJP) was also among the leading detractors. The shares were dealt with harshly in the final quarter of last year, but showed signs of recovery over the year to date. More recently however the shares sold off following its latest results. We remain invested as we believe SJP is one of the top UK wealth businesses, best placed to tap into the long-term structural growth opportunity in the UK savings/pension pool.

Portfolio activity

Significant purchases

Unilever, RELX, Smiths, Amadeus IT, Hilton Food, AJ Bell, Close Brothers, Rotork, Coloplast, Croda International.

Significant sales

Unilever, Kone, Compass, RELX, Melrose Industries, Tesco, Diageo, IntegraFin, BT, Daily Mail & General Trust.

Outlook

There remains considerable uncertainty in the UK equity market. The Article 50 deadline has now been delayed three times, and two Prime Ministers have failed to get withdrawal agreements through the House of Commons. A general election has been confirmed for December; the outcome of which is impossible to predict, with traditional party lines being blurred by the Brexit agenda, and the myriad of tactical voting possibilities adding to uncertainty. While an electoral majority would provide clarity; if we were to get a hung parliament, uncertainty will persist and that will flow through into UK economic activity; stoking market and currency volatility. Additionally, although global economic sentiment has become more positive, and markets become optimistic about US-China trade talk progress; it is worth remembering we have had several 'false starts' on this front in the past.

Overall, we believe we remain in a low growth environment, in which top-line growth is difficult to find, and margin pressure is now emerging. While relative valuations may be compelling in aggregate, with UK equities the cheapest they have been versus the rest of the world in the last thirty years, there is a wide dispersion of valuations at the stock level.

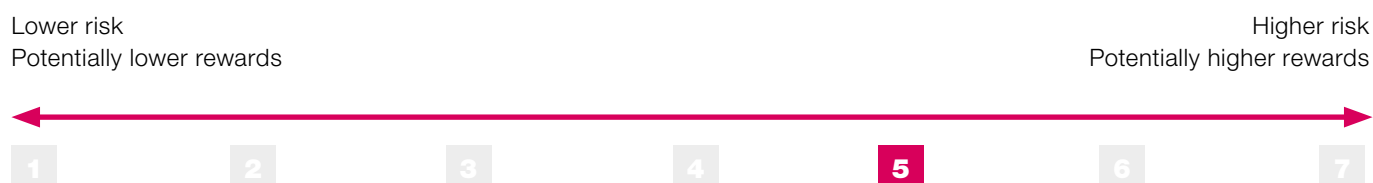
Within the portfolio we remain focused on larger, liquid, high-quality multinational companies in the UK. We expect these companies to be relatively less sensitive to the economic and market cycle, while many also pay dividends in non-sterling currencies, providing further protection against potential sterling volatility. Their diversified revenue streams, sustainable business and financial models, structural cash flow and dividend growth drivers and strong balance sheets should be well placed for uncertain times ahead. We remain patient for the right valuation opportunities to emerge in more domestically-exposed cyclical names. Where we have conviction in those companies' business and financial models, and faith in the abilities of quality management teams; short-term market volatility may offer further opportunities from here.

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

**Index (FTSE All-Share Total Return Index) and peer group sector average (Investment Association UK Equity Income sector) shown for performance comparison purposes only.

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

Risk and Reward profile*



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

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

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

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

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

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

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

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

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

UK Smaller Companies Fund

Summary of the Fund's investment objective and policy

The Fund aims to provide long-term capital growth.

The Fund invests primarily in the shares of UK smaller companies.

UK smaller companies are companies considered to be small based on the size of their issued capital (the value of all shares held by their shareholders added together) and which are included in the Numis Smaller Companies plus AIM (excluding Investment Trusts) Index (the Fund's primary investment universe). The Fund is therefore managed with reference to this benchmark index because the portfolio is primarily constructed from its constituents. The Fund also uses a subset of this index, the Numis Smaller Companies (excluding Investment Trusts) Index, for performance comparison purposes. The Fund does not seek to replicate either benchmark index. Primarily it will hold assets which are components of these indices but the Investment Manager has discretion to select which companies are held and their weightings within the Fund.

As well as investing in the shares of UK smaller companies within the Fund's primary investment universe, the Fund may invest in other assets such as shares of companies which are not in this benchmark index, cash, money market instruments (tradable securities where money can be invested for short periods), other funds (which may be managed by the Investment Manager, other companies in the same group as the Investment Manager or a third party) and derivatives (financial contracts whose value is linked to the price of an underlying asset).

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

The Fund is actively managed. This means the Investment Manager is free to select investments with the aim of achieving the Fund's objectives.

The Investment Association UK Smaller Companies average (as calculated by Morningstar using a peer group of broadly similar funds) is an additional measure by which you can compare the Fund's performance.

Performance record

12 Months (%)

Investec UK Smaller Companies Fund 'I' income shares	-4.82*
Performance comparison index	-7.34**
Peer group sector average	-7.13**

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

Performance review

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

Factors helping performance

Selective exposure to financials contributed the most to relative outperformance, in particular, our position in investment platform AJ Bell. The shares primarily benefited from the improved performance of equity markets and general improvement in sentiment in the first quarter of 2019. In addition, there were company-specific reasons which also helped. AJ Bell's IPO (initial public offering) in December was well-subscribed and the shares performed well – up nearly 50% in December.

Subsequently, it reported strong first-half pre-tax profits during the period thanks to stronger flows. The company is an excellent cash-generative business, which has doubled its assets under administration since 2014.

Our position in media company Entertainment One contributed positively to relative returns over the period. The shares rallied after US toy company Hasbro approached Entertainment One – which holds children's programme Peppa Pig in its portfolio – and tabled an offer worth £3.3 billion in August 2019. The deal reflected a 26% premium on the share price at the time of the deal. Media group Tarsus was a top performer over the period following another corporate action. Tarsus specialises in a wide range of business-to-business media activities including exhibitions and conferences. The shares rallied after European private equity firm CharterHouse made a cash bid for Tarsus, offering a 36% premium for the shares on the day.

Factors hindering performance

Our exposure to industrials was the largest detractor from relative performance, in particular our positions in Boku and Costain. Boku is a payments business that allows carrier billing payments and supports digital subscription and app sales for companies such as Apple, Spotify & Netflix. They had performed exceptionally well since IPO, but pulled back as more highly valued names came under pressure. The underperformance was compounded by a deal in December where they acquired Danal, a business in the security and friction space. While the strategic rationale was well understood, the market was put off by the headline valuation and deal structure.

IT based engineer Costain disappointed over the period as they delivered a profit warning on contract delays. Given the current concerns around contracting businesses following the Carillion and Kier scandals (creative accounting hid the true states of both companies) the market has taken a cynical view of the Costain profit warning and the shares fell over 50%. Following detailed analysis into the cash position and balance sheet we are comforted that the business should not come under any of the financial scrutiny that brought down Carillion and led Kier to raise equity in a rescue rights issue. However, sentiment has been significantly dented and it will take time to recover which can only be achieved through operational delivery. They have begun well with the chief executive delivering a constructive strategy review and the latest interim results illustrated the business remains on a firm footing with strong contract wins and a healthy pipeline. We are aware of the challenges to contracting businesses but feel that infrastructure investment and the requirements of regulated industries sees a solid runway of spend ahead.

Within the retail space, not holding high street baker Greggs hurt relative performance over the period. Greggs launched a new vegan sausage roll as part of the 'Veganuary' movement (where people cut down on – or entirely cut out – meat products for health or environmental reasons in January) and it was extremely well received. Demand was such that it led management to raise its 2019 profit expectations.

Portfolio activity

Significant purchases

GB, Watches of Switzerland, AJ Bell, TT Electronics, Loungers, Time Out, PureTech Health, Hyve, Mears, IMImobile.

Significant sales

Tarsus, GlobalData, Blue Prism, Kier, Tyman, Elementis, AVEVA, UNITE, AJ Bell, Trifast.

Outlook

Events of the past few months have shown that for those companies which are considered 'expensive' we have entered a very volatile stage in the current market cycle. A combination of a more accommodative policy stance from the Fed and easing of trade war tensions effectively moved the market's perceived finish line for this bull market further down the road. This sparked the catalyst we witnessed in September for cheaper, cyclical stocks to close the gap between more expensive quality sectors which have performed particularly well over the year to date.

In the UK, it remains nearly impossible to predict the Brexit outcome in the near term. With the government now confirming a return to the polls before the year is out, there is perhaps a glimmer of hope that the shape and timing of Brexit may start to take form. Any kind of progress or clarity could serve to allay investor concerns and support equities over the medium term. Having said that, the UK economy continues to look precariously positioned. Relative valuations may be compelling in aggregate, with UK equities the cheapest they have been versus the rest of the world in the last thirty years, but there is a wide dispersion of valuations at the stock level and value traps abound.

We have focused the portfolio towards larger, liquid, high-quality multinational companies in the UK. We expect these companies to be relatively less sensitive to the economic and market cycle, while many also pay dividends in non-sterling currencies, providing further protection against potential sterling volatility. Their diversified revenue streams, sustainable business and financial models, structural cash flow and dividend growth drivers and strong balance sheets should be well placed for challenging times ahead.

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

**Index (Numis Smaller Companies (excluding Investment Trusts) Index; prior to 1 January 2018 the index included AIM) and peer group sector average (Investment Association UK Smaller Companies) shown for performance comparison purposes only.

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

Risk and Reward profile*



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

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

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

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

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

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

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

Liquidity: There may be insufficient buyers or sellers of particular investments giving rise to delays in trading and being able to make settlements, and/or large fluctuations in value. This may lead to larger financial losses than might be anticipated.

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

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

UK Special Situations Fund

Summary of the Fund's investment objective and policy

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

The Fund invests primarily in the shares of UK companies.

The Fund currently uses a value-based, contrarian approach (investing in companies seen as undervalued where market sentiment is believed to be generally weak) in selecting investments.

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

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

The Fund is actively managed. This means the Investment Manager is free to select investments with the aim of achieving the Fund's objectives.

The Fund is managed with reference to a benchmark index, the FTSE All- Share (Total Return) Index, because it uses this index for performance comparison.

The Fund does not seek to replicate the index. It may at times hold assets similar to the index but the Investment Manager has full discretion to select assets which are not components of the index. The assets in the Fund therefore may be very different from the index.

Performance record

12 Months (%)

Investec UK Special Situations Fund 'I' accumulation shares	3.51*
Performance comparison index	2.68**
Peer group sector average	0.01**

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

Performance review

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

Factors helping performance

The Fund's exposure to precious metals – both through owning physical assets and stocks – were the strongest contributor of returns. Over the 12-month period, gold prices rose to near record highs as uncertainty flooded the markets and negative bond yields increased the appeal of assets, which do not produce any yield, such as gold.

The expression of this narrative plays out in the positive performance of our position in Impala Platinum, which was the top contributor of performance at a security level. Impala's performance was partly helped by the rise in precious metal prices, as these are linked to the price of platinum group metals, and partly helped by the company's share price recovering from

very depressed lows. Earlier this year, Impala showed good progress in terms of restructuring and realising value, which led to more positive sentiment towards the company as seen in the share price recovery.

Another stock-specific contributor of performance was building merchant Travis Perkins. After reporting strong half year numbers in July, driven by some improvement in the repair, maintenance and improvement market, management also announced they planned to demerge Wickes, a process which takes a year or more. In the meantime, trading has improved significantly and there is clearly some chance that the demerger plans could encourage a buyer for the business.

Factors hindering performance

At a sector level, retail and real estate were the two largest detractors of returns. It is clear that the uncertainty that comes with a three-year unresolved divorce settlement from the EU is now having a meaningful impact of UK businesses. This is especially the case with those sectors most sensitive to, and supported by, the strength of the economic cycle, as with certain retailers and real estate.

Property Group Countrywide struggled during the period, making it one of the largest stock-specific detractors. In February, the group issued a very negative trading statement, but as the figures were in line with investor expectations it was enough to send the shares sharply upwards. However, February's trading statement was followed by March's full-year results, and while the historic numbers were as previously reported, management's guidance for this year was a deeply unpleasant surprise. The bottom line is that management revised earnings expectations for 2019 to be "broadly in line with 2018", which is a -30% cut. This meant that net debt, rather than being paid down this year, will rise probably by £10m or more. Only seven months after £125m (net) of fresh equity was raised from shareholders, there is the very real prospect that the company could be getting uncomfortably close to its debt covenants within the forecast horizon.

We are not suggesting that the group is fated to breach covenants, as there is plenty that management can do to prevent this eventuality, most obviously further cost-cutting or the sale of one of its discrete and readily separable financial services businesses. Even more helpfully, the level of transactions in the UK housing market could recover from the historically low levels at which we've seen for the past few years. Our expectation that the group could turn around performance was a crucial component of our original investment thesis. While we have been painfully and expensively too early in holding Countrywide, with this fault hugely amplified by the group's inappropriate balance sheet, we believe this turn around will ultimately take place, which will reflect in its stock price.

The second largest detractor over the period at a stock level is Marks and Spencer. The market continues to have very little confidence in the M&S recovery story which is unsurprising given there has been no noticeable improvement in trading and that management change continues (the CFO and the head of clothing have both left recently). We acknowledge there are doubts over the recovery story, but we are encouraged by the amount of change present. Chairman Archie Norman has been very clear that M&S needed to make significant changes. That has driven him to effectively conduct a private equity operation in public. A recovery story of a listed vehicle typically is conducted at a pace at which a Board believes the shareholders will accept and this often results in less change than is necessary taking place. We do not think this will happen here and consequently any recovery story is likely to be lumpier than normal. We maintain this position.

Portfolio activity

Significant purchases

Standard Chartered, Kingfisher, Capita, TP ICAP, Vodafone, Superdry, easyJet, Sainsbury, GEA, Delphi Technologies.

Significant sales

HSBC, Centrica, Drax, Avon Products, Go-Ahead, GlaxoSmithKline, Impala Platinum, Games Workshop, Wm Morrison Supermarkets, QinetiQ.

Outlook

Investors are always seeking certainty, so the current uncertainty around Brexit is concerning. Consequently, investors either don't do anything at all or they sell anything where they see too much uncertainty. We always think anything which creates volatility (material swings in share prices) creates opportunities as there are a lot of stocks trading at discounted prices while investors are too hesitant to buy them, preferring to hold cash until markets are more positive. To unpick this uncertainty around 'Brexit,' we replace the word with 'recession' because should the UK economy suffer from the departure from the EU (as it already is), we could enter into recession, which we have seen before and so recognise. If history is a guide, recessionary periods have been reasonably short and the growth periods around them have tended to be longer. So, the important thing for us when we are looking at companies and sectors is whether these companies make it through a recessionary period, and do they look cheap in a normal economic environment (one where the central banks are not conducting extraordinary measures to stoke the economy such as negligible interest rates).

We have two elections in the UK and, arguably of more significance, in the US to now watch. In both elections, we will see promises of a 'spend fest' by both sides of this electoral community. The winner may be the party that convinces most people it can deliver and afford its promises. Governments haven't necessarily got the money to spend and they won't be promising any tax increases to pay for the various initiatives they promise to voters. The implications of these elections are increased government spending, increased government debt and therefore an oversupply of bonds.

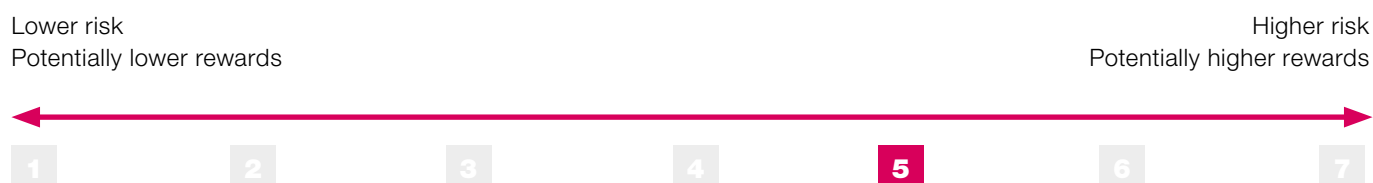
Many investors believe this environment will cause interest rates, inflation rates and economic growth to remain low for a number of years. However, we take a contrary position and believe there could be a significant risk of bond yields and inflation moving higher. Therefore, the Fund is positioned for that. So rather than worrying about a recessionary bust, which is what a lot of investors are talking about, we are concerned that we could end up with an inflationary boom.

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

**Index (FTSE All-Share Total Return Index) and peer group sector average (Investment Association UK All Companies sector) shown for performance comparison purposes only.

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

Risk and Reward profile*



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

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

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

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

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

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

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

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

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

Cautious Managed Fund

Portfolio Statement

As at 30 September 2019

ASSET	HOLDING	MARKET VALUE (£'000)	PERCENTAGE OF NET ASSETS (%)
COLLECTIVE INVESTMENT SCHEMES 17.70% (30.09.18: 16.75%)#			
Investec UK Total Return Fund†	9,566,411	110,032	7.01
WisdomTree Physical Silver	4,036,447	53,208	3.39
iShares Physical Gold ETC	851,665	20,165	1.28
iShares Physical Silver ETC	1,408,693	19,081	1.22
Invesco Physical Gold ETC	161,668	18,981	1.21
WisdomTree Physical Gold	146,404	16,862	1.07
Investec GSF Global Value Equity Fund†	438,225	14,343	0.91
Investec Global Special Situations Fund†	4,306,909	13,810	0.88
Sprott Physical Silver Trust	2,200,872	11,451	0.73
		277,933	17.70
BONDS 26.46% (30.09.18: 24.14%)			
CORPORATE BONDS 0.00% (30.09.18: 0.01%)			
GOVERNMENT BONDS 26.43% (30.09.18: 24.10%)			
United Kingdom Treasury Inflation Linked 0.125% 22/11/2019	GBP 197,154,660	229,787	14.64
Norway Government Bond 3.75% 25/05/2021	NOK 1,438,385,000	134,134	8.55
United States Treasury Inflation Indexed Bonds 0.125% 15/01/2023	USD 56,717,300	50,816	3.24
		414,737	26.43
PERPETUAL BONDS 0.03% (30.09.18: 0.03%)			
Santander UK 10.375% Perpetual	GBP 330,000	528	0.03
EQUITIES 51.90% (30.09.18: 53.48%)			
BASIC MATERIALS 4.96% (30.09.18: 4.42%)			
CHEMICALS			
Yara International	16,142	563	0.04
Toagosei	47,300	432	0.03
Zeon	43,100	428	0.03
JCU	22,000	360	0.02
Daicel	47,400	325	0.02
Nitto Denko	8,100	317	0.02
Toyo Tanso	18,000	315	0.02
Shin-Etsu Polymer	52,700	297	0.02
Tosoh	27,000	290	0.02
Dai Nippon Toryo	30,600	244	0.02
Mitsubishi Gas Chemical	21,800	236	0.02
		3,807	0.26
INDUSTRIAL METALS & MINING			
Tenaris	675,348	5,807	0.37
Tokyo Steel Manufacturing	52,800	329	0.02
Yamato Kogyo	14,700	296	0.02
Nippon Denko	107,000	134	0.01
		6,566	0.42
MINING			
Impala Platinum	3,098,495	15,768	1.00
SSR Mining	1,125,424	13,724	0.87
Pan American Silver	642,395	8,429	0.54
Hochschild Mining	3,729,018	7,674	0.49
Kinross Gold	1,798,319	7,007	0.45
Gold Fields ADR	1,225,876	5,063	0.32
Coeur Mining	1,167,896	4,937	0.31
Barrick Gold	331,373	4,768	0.30
		67,370	4.28

ASSET	HOLDING	MARKET VALUE (£'000)	PERCENTAGE OF NET ASSETS (%)
CONSUMER GOODS 5.86% (30.09.18: 3.24%)			
AUTOMOBILES & PARTS			
Delphi Technologies	1,208,689	12,921	0.82
Adient	675,175	12,597	0.80
Keihin	200,400	2,391	0.15
Toyoda Gosei	96,300	1,565	0.10
Toyota Boshoku	100,800	1,147	0.07
Exedy	58,700	932	0.06
Schaeffler	93,160	582	0.04
Nokian Renkaat Oyj	24,334	558	0.04
Hankook Tire & Technology	17,814	390	0.02
FCC	20,400	319	0.02
TS Tech	12,700	313	0.02
Press Kogyo	91,600	309	0.02
Piolax	21,400	298	0.02
Nissin Kogyo	25,900	295	0.02
Mitsubishi Motors	77,900	275	0.02
Subaru	11,600	265	0.02
Unipres	18,900	241	0.02
NHK Spring	37,400	232	0.01
Daikyonishikawa	31,800	190	0.01
Kasai Kogyo	31,700	183	0.01
Tachi-S	15,100	149	0.01
Nissan Shatai	19,300	127	0.01
		36,279	2.31
BEVERAGES			
DyDo	10,100	335	0.02
FOOD PRODUCERS			
Ingredion	112,318	7,350	0.47
Kato Sangyo	16,900	426	0.03
Mitsubishi Shokuhin	14,500	295	0.02
		8,071	0.52
HOUSEHOLD GOODS & HOME CONSTRUCTIONS			
Welbilt	910,834	12,380	0.79
Mohawk Industries	81,892	8,221	0.52
Zojirushi	42,100	452	0.03
Takara Standard	30,400	406	0.03
Kokuyo	28,800	326	0.02
Fujitsu General	22,300	302	0.02
Token	4,570	228	0.01
		22,315	1.42
LEISURE GOODS			
Casio Computer	156,600	1,971	0.13
Tomy	54,200	503	0.03
Tamron	19,300	337	0.02
Nikon	28,200	286	0.02
Foster Electric	19,600	269	0.02
GungHo Online Entertainment	12,280	226	0.01
		3,592	0.23
PERSONAL GOODS			
Asics	1,018,600	14,141	0.90
Tapestry	342,727	7,239	0.46
		21,380	1.36
CONSUMER SERVICES 6.02% (30.09.18: 6.32%)			
FOOD & DRUG RETAILERS			
McKesson	134,459	14,811	0.94
Tesco	2,486,239	6,054	0.39
Carrefour	40,596	586	0.04
J Sainsbury	263,378	584	0.04
		22,035	1.41

Portfolio Statement continued

As at 30 September 2019

ASSET	HOLDING	MARKET VALUE (£'000)	PERCENTAGE OF NET ASSETS (%)
GENERAL RETAILERS			
Marks & Spencer	6,952,748	12,876	0.82
AutoNation	298,819	12,085	0.77
Next	147,923	9,183	0.59
Cars.com	1,122,317	8,047	0.51
Dixons Carphone	5,387,925	6,538	0.42
Seven & i	48,235	1,500	0.10
PAL	17,500	438	0.03
Shimamura	5,200	335	0.02
Nojima	22,700	310	0.02
Itochu Enex	49,300	305	0.02
Arcland Sakamoto	31,400	296	0.02
CONEXIO	26,900	275	0.02
Chow Sang Sang Holdings International	301,000	262	0.02
DeNA	18,200	261	0.02
Nishimatsuya Chain	36,100	250	0.02
Geo	24,300	235	0.01
COOKPAD	102,500	233	0.01
Carpentryright	30,338	3	—
		53,432	3.42
MEDIA			
F@N Communications	79,000	319	0.02
TV Asahi	25,000	319	0.02
Wowow	15,700	309	0.02
Gurunavi	39,600	219	0.01
Avex	5,400	51	—
		1,217	0.07
TRAVEL & LEISURE			
Kangwon Land	746,094	14,984	0.95
Japan Airlines	78,600	1,899	0.12
St Marc	17,700	316	0.02
Marvelous	49,100	308	0.02
Sankyo	7,400	207	0.01
		17,714	1.12
FINANCIALS 17.86% (30.09.18: 18.05%)			
BANKS			
Citigroup	574,846	32,460	2.07
Barclays	19,201,851	28,906	1.84
Royal Bank of Scotland	11,815,285	24,717	1.57
Bank of America	960,765	22,916	1.46
Lloyds Banking	26,404,145	14,459	0.92
Resona	3,324,300	11,577	0.74
CYBG	3,134,321	3,622	0.23
Mizuho Financial	1,080,800	1,346	0.09
Chiba Bank	111,400	465	0.03
Concordia Financial	142,400	443	0.03
Hachijuni Bank	122,400	405	0.03
Gunma Bank	133,700	351	0.02
Mebuki Financial	171,000	340	0.02
		142,007	9.05
EQUITY INVESTMENT INSTRUMENTS			
Uranium Participation	10,175,950	26,100	1.66
Ruffer Investment	5,150,000	11,433	0.73
Hipgnosis Songs Fund	7,871,046	8,422	0.54
		45,955	2.93
FINANCIAL SERVICES			
American Express	273,977	26,424	1.68
Cielo	12,678,467	19,663	1.25
Northern Trust	177,363	13,428	0.86
Western Union	516,037	9,670	0.62
Franklin Resources	283,039	6,587	0.42
		75,772	4.83

ASSET	HOLDING	MARKET VALUE (£'000)	PERCENTAGE OF NET ASSETS (%)
LIFE INSURANCE			
T&D	171,800	1,480	0.09
REAL ESTATE INVESTMENT & SERVICES			
Aldar Properties	29,611,521	13,698	0.87
TOC	58,200	361	0.02
		14,059	0.89
REAL ESTATE INVESTMENT TRUSTS			
Green REIT	688,933	1,166	0.07
HEALTH CARE 1.23% (30.09.18: 0.57%)			
HEALTH CARE EQUIPMENT & SERVICES			
BML	18,400	402	0.03
Miraca	8,900	165	0.01
		567	0.04
PHARMACEUTICALS & BIOTECHNOLOGY			
Bayer	300,045	17,239	1.10
Torii Pharmaceutical	22,000	478	0.03
Suzuken	7,500	327	0.02
Taisho Pharmaceutical	5,500	324	0.02
Kaken Pharmaceutical	8,100	305	0.02
		18,673	1.19
INDUSTRIALS 13.63% (30.09.18: 14.60%)			
AEROSPACE & DEFENSE			
Rolls-Royce	808,729	6,429	0.41
CONSTRUCTION & MATERIALS			
Kinden	157,300	1,893	0.12
CRH	39,447	1,099	0.07
Haseko	43,100	408	0.03
Takuma	43,800	404	0.03
Nippon Road	8,000	391	0.03
Maeda Road Construction	22,100	391	0.02
Sinko Industries	27,600	362	0.02
Sumitomo Mitsui Construction	84,800	361	0.02
Sekisui Jushi	21,000	336	0.02
Meisei Industrial	60,200	331	0.02
Yurtec	58,100	287	0.02
Shinnihon	41,700	236	0.02
Noritz	24,800	234	0.01
Toyo Engineering	45,020	210	0.01
		6,943	0.44
ELECTRONIC & ELECTRICAL EQUIPMENT			
Enplas	19,700	518	0.03
Inaba Denki Sangyo	11,200	397	0.03
Japan Aviation Electronics Industry	34,500	397	0.03
Nitto Kogyo	22,800	350	0.02
Toshiba TEC	14,600	350	0.02
Hosiden	29,600	247	0.02
V Technology	6,200	245	0.02
		2,504	0.17
INDUSTRIAL ENGINEERING			
Deere	117,082	15,827	1.01
SKF	1,168,798	15,784	1.01
GEA	695,820	15,266	0.97
Japan Steel Works	478,822	7,482	0.48
THK	177,100	3,771	0.24
Fujitec	39,400	412	0.03
Ulvac	11,800	385	0.03
Daiwa Industries	45,600	379	0.02
Wakita	45,800	365	0.02
Obara	13,000	357	0.02
Yuasa Trading	15,300	354	0.02
OKUMA	7,900	346	0.02

Portfolio Statement continued

As at 30 September 2019

ASSET	HOLDING	MARKET VALUE (£'000)	PERCENTAGE OF NET ASSETS (%)
INDUSTRIAL ENGINEERING (continued)			
Nitta	14,300	309	0.02
Kyokuto Kaihatsu Kogyo	31,200	304	0.02
Mitsuboshi Belting	22,000	292	0.02
Nitto Kohki	18,200	289	0.02
Fukushima Industries	12,200	288	0.02
Tadano	36,400	282	0.02
Takeuchi Manufacturing	20,600	260	0.02
Komori	29,000	248	0.02
Yamazaki	32,600	230	0.01
Asahi Diamond Industrial	42,500	197	0.01
		63,427	4.05
INDUSTRIAL TRANSPORTATION			
TAV Havalimanlari	5,756,260	19,230	1.23
SUPPORT SERVICES			
Travis Perkins	3,044,524	39,609	2.52
Grafton	3,728,795	28,619	1.82
Capita	19,397,441	28,107	1.79
Adecco	360,558	16,181	1.03
Aggreko	130,332	1,084	0.07
SIG	600,150	755	0.05
Glory	15,300	348	0.02
Toppan Forms	31,400	241	0.02
Doshisha	10,000	128	0.01
		115,072	7.33
OIL & GAS 0.43% (30.09.18: 1.48%)			
OIL & GAS PRODUCERS			
Inpex	134,800	1,006	0.06
Japan Petroleum Exploration	23,900	492	0.03
		1,498	0.09
OIL EQUIPMENT, SERVICES & DISTRIBUTION			
Helmerich & Payne	163,413	5,388	0.34
TECHNOLOGY 1.22% (30.09.18: 2.05%)			
SOFTWARE & COMPUTER SERVICES			
DXC Technology	601,430	14,560	0.93
Mitsubishi Research Institute	13,900	375	0.02
Gree	60,400	224	0.02
		15,159	0.97
TECHNOLOGY HARDWARE & EQUIPMENT			
Konica Minolta	327,800	1,852	0.12
Melco	18,200	369	0.02
T-Gaia	22,200	364	0.02
Kaga Electronics	23,900	347	0.02
Brother Industries	22,800	336	0.02
Kanematsu Electronics	13,600	315	0.02
Canon Electronics	22,000	303	0.02
Shindengen Electric Manufacturing	8,100	212	0.01
		4,098	0.25
TELECOMMUNICATIONS 0.20% (30.09.18: 0.16%)			
FIXED LINE TELECOMMUNICATIONS			
BT	29,759	53	—
MOBILE TELECOMMUNICATIONS			
NTT DOCOMO	149,400	3,096	0.20
UTILITIES 0.49% (30.09.18: 2.59%)			
GAS, WATER & MULTIUTILITIES			
Cia de Saneamento do Parana	462,121	7,436	0.47
Shizuoka Gas	50,000	344	0.02
		7,780	0.49

ASSET	HOLDING	MARKET VALUE (£'000)	PERCENTAGE OF NET ASSETS (%)
DERIVATIVES – FUTURES 0.10% (30.09.18: 0.10%)			
S&P 500 E Mini Index Futures 20/12/2019	(3,810)	1,587	0.10
DERIVATIVES – OPTIONS 0.00% (30.09.18: 0.00%)			
GS IR Swap Call Option 11/01/2021 ~	10,000	–	–
FORWARD FOREIGN EXCHANGE CONTRACTS 0.21% (30.09.18: 0.18%)			
FORWARD CURRENCY CONTRACTS			
US Dollar			
Sell USD (504,747,285) for GBP	412,318,303	3,237	0.21
Portfolio of investments		1,512,491	96.37
Net other assets*		56,910	3.63
Net assets		1,569,401	100.00

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

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

† A related party to the Fund.

Non-Equity Investment Instruments are now included in Collective Investment Scheme, therefore prior year figures have been restated.

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

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

Stocks shown as ADRs represent American Depositary Receipts.

Portfolio Analysis

As at 30 September 2019

Portfolio Analysis#

		30.09.19		30.09.18
ASSET	MARKET VALUE (£'000)	PERCENTAGE OF NET ASSETS (%)	MARKET VALUE (£'000)	PERCENTAGE OF NET ASSETS (%)
Bonds	415,265	26.46	466,061	24.14
Collective Investment Schemes	277,933	17.70	323,551	16.75
Derivatives	1,587	0.10	(2,027)	(0.10)
Equities	814,469	51.90	1,033,122	53.48
Forward Foreign Exchange Contracts	3,237	0.21	3,429	0.18
Net other assets	56,910	3.63	107,135	5.55
Net assets	1,569,401	100.00	1,931,271	100.00

Non-Equity Investment Instruments are now included in Collective Investment Scheme, therefore prior year figures have been restated.

Credit Breakdown*

		30.09.19		30.09.18
ASSET	MARKET VALUE (£'000)	PERCENTAGE OF NET ASSETS (%)	MARKET VALUE (£'000)	PERCENTAGE OF NET ASSETS (%)
AAA	184,950	11.79	189,462	9.81
AA	229,787	14.64	275,969	14.29
BBB	–	–	105	0.01
BB	528	0.03	525	0.03
Total Bonds	415,265	26.46	466,061	24.14

*Bond ratings are Investec approximations.

Diversified Income Fund

Portfolio Statement

As at 30 September 2019

ASSET	HOLDING	MARKET VALUE (£'000)	PERCENTAGE OF NET ASSETS (%)
COLLECTIVE INVESTMENT SCHEMES 3.24% (30.09.18: 3.52%)			
Investec Monthly High Income Fund†	6,386,564	17,226	1.38
Investec GSF Global Total Return Credit Fund†	975,610	16,084	1.29
Investec GSF Global High Yield Bond Fund†	398,265	7,081	0.57
		40,391	3.24
BONDS 60.31% (30.09.18: 60.09%)			
CORPORATE BONDS 20.24% (30.09.18: 13.82%)			
Inter-American Development Bank 4.375% 24/01/2044	USD 7,260,000	8,143	0.65
Temasek Financial I 2.375% 23/01/2023	USD 6,724,000	5,540	0.44
Export-Import Bank of Korea 2.875% 21/01/2025	USD 6,081,000	5,098	0.41
Province of Ontario Canada 2.3% 15/06/2026	USD 6,053,000	5,039	0.40
Temasek Financial I 3.625% 01/08/2028	USD 5,217,000	4,696	0.38
Federal Home Loan Banks 3.25% 16/11/2028	USD 5,005,000	4,531	0.36
President & Fellows of Harvard College 3.15% 15/07/2046	USD 3,719,000	3,216	0.26
Microsoft 4.25% 06/02/2047	USD 3,131,000	3,143	0.25
Walmart 3.7% 26/06/2028	USD 3,323,000	2,988	0.24
Ontario Teachers' Finance Trust 2.75% 16/04/2021	USD 3,576,000	2,945	0.24
Johnson & Johnson 2.45% 01/03/2026	USD 3,489,000	2,881	0.23
Bank of America (FRN) 3.4376% 20/01/2023	USD 3,140,000	2,577	0.21
Apple 4.65% 23/02/2046	USD 2,417,000	2,451	0.20
Amazon.com 4.95% 05/12/2044	USD 2,225,000	2,377	0.19
Roche 3.35% 30/09/2024	USD 2,676,000	2,302	0.18
Westpac Banking 2.85% 13/05/2026	USD 2,743,000	2,297	0.18
Exxon Mobil 2.275% 16/08/2026	USD 2,810,000	2,292	0.18
International Business Machines 3.3% 15/05/2026	USD 2,676,000	2,289	0.18
Alphabet 1.998% 15/08/2026	USD 2,798,000	2,270	0.18
Berkshire Hathaway 3.125% 15/03/2026	USD 2,648,000	2,264	0.18
Shell International Finance 3.875% 13/11/2028	USD 2,452,000	2,231	0.18
Skandinaviska Enskilda Banken 1.875% 13/09/2021	USD 2,759,000	2,227	0.18
Johnson & Johnson 3.625% 03/03/2037	USD 2,463,000	2,216	0.18
Pfizer 3% 15/12/2026	USD 2,513,000	2,144	0.17
Merck 3.4% 07/03/2029	USD 2,433,000	2,141	0.17
Swedbank 2.2% 04/03/2020	USD 2,624,000	2,132	0.17
HSBC 4.041% 13/03/2028	USD 2,421,000	2,083	0.17
Novartis Capital 3% 20/11/2025	USD 2,438,000	2,079	0.17
Visa 4.15% 14/12/2035	USD 2,122,000	2,060	0.16
Credit Agricole 3.875% 15/04/2024	USD 2,370,000	2,049	0.16
Oracle 3.25% 15/11/2027	USD 2,378,000	2,042	0.16
Alibaba 3.6% 28/11/2024	USD 2,387,000	2,034	0.16
ING Bank 5% 09/06/2021	USD 2,386,000	2,026	0.16
Tencent 3.8% 11/02/2025	USD 2,358,000	2,019	0.16
American Express (FRN) 2.7823% 27/02/2023	USD 2,473,000	2,012	0.16
Wells Fargo 3% 22/04/2026	USD 2,418,000	2,009	0.16
Comcast 3.95% 15/10/2025	USD 2,211,000	1,953	0.16
Wells Fargo (FRN) 3.4855% 31/10/2023	USD 2,367,000	1,949	0.16
Siemens Financieringsmaatschappij 2.35% 15/10/2026	USD 2,409,000	1,947	0.16
GlaxoSmithKline Capital 3.875% 15/05/2028	USD 2,160,000	1,935	0.15
Cisco Systems 2.5% 20/09/2026	USD 2,314,000	1,927	0.15
America Movil 6.375% 01/03/2035	USD 1,735,000	1,906	0.15
JPMorgan Chase (FRN) 3.5128% 24/10/2023	USD 2,303,000	1,899	0.15
Anheuser-Busch InBev 3.65% 01/02/2026	USD 2,174,000	1,886	0.15
Baidu 3.5% 28/11/2022	USD 2,262,000	1,882	0.15
EMD Finance 3.25% 19/03/2025	USD 2,257,000	1,875	0.15
Burlington Northern Santa Fe 4.9% 01/04/2044	USD 1,820,000	1,842	0.15
BPCE 4.5% 15/03/2025	USD 2,130,000	1,834	0.15
Morgan Stanley (FRN) 3.4576% 20/01/2022	USD 2,193,000	1,796	0.14
Morgan Stanley (FRN) 3.6828% 24/10/2023	USD 2,156,000	1,784	0.14

Portfolio Statement continued

As at 30 September 2019

ASSET	HOLDING	MARKET VALUE (£'000)	PERCENTAGE OF NET ASSETS (%)
CORPORATE BONDS 20.24% (30.09.18: 13.82%) (continued)			
Lloyds Banking (FRN) 2.22% 20/03/2023	AUD 3,280,000	1,781	0.14
CRH America 3.875% 18/05/2025	USD 2,055,000	1,765	0.14
Bank of America 3.95% 21/04/2025	USD 2,014,000	1,730	0.14
Goldman Sachs 3.5% 23/01/2025	USD 2,041,000	1,729	0.14
Fox 4.709% 25/01/2029	USD 1,865,000	1,721	0.14
Omnicom 3.6% 15/04/2026	USD 2,007,000	1,713	0.14
McDonald's 4.7% 09/12/2035	USD 1,781,000	1,710	0.14
salesforce.com 3.7% 11/04/2028	USD 1,916,000	1,706	0.14
Philip Morris International 4.25% 10/11/2044	USD 1,918,000	1,696	0.14
JPMorgan Chase 3.9% 15/07/2025	USD 1,932,000	1,690	0.14
Marsh & McLennan 4.375% 15/03/2029	USD 1,851,000	1,683	0.13
Dell International 6.02% 15/06/2026	USD 1,839,000	1,680	0.13
Equinor 3.95% 15/05/2043	USD 1,827,000	1,673	0.13
Altria 4% 31/01/2024	USD 1,936,000	1,655	0.13
Kinder Morgan 4.3% 01/03/2028	USD 1,878,000	1,654	0.13
Citigroup (FRN) 3.1721% 08/12/2021	USD 2,004,000	1,646	0.13
AT&T 3.95% 15/01/2025	USD 1,862,000	1,614	0.13
UBS 2.45% 01/12/2020	USD 1,969,000	1,604	0.13
Dollar General 3.875% 15/04/2027	USD 1,810,000	1,573	0.13
United Technologies 3.75% 01/11/2046	USD 1,780,000	1,573	0.13
CVS Health 3% 15/08/2026	USD 1,920,000	1,566	0.13
Vodafone 4.125% 30/05/2025	USD 1,780,000	1,559	0.12
Laboratory Corp of America 3.6% 01/02/2025	USD 1,820,000	1,547	0.12
Broadridge Financial Solutions 3.4% 27/06/2026	USD 1,833,000	1,539	0.12
Huarong Finance 2017 4.25% 07/11/2027	USD 1,799,000	1,516	0.12
Telefonica Europe 8.25% 15/09/2030	USD 1,293,000	1,515	0.12
Deutsche Telekom International Finance 2.485% 19/09/2023	USD 1,849,000	1,509	0.12
Sprint Spectrum 3.36% 20/03/2023	USD 1,829,000	1,497	0.12
Baker Hughes a GE 5.125% 15/09/2040	USD 1,605,000	1,485	0.12
AerCap Ireland Capital 4.625% 01/07/2022	USD 1,730,000	1,483	0.12
Autodesk 3.5% 15/06/2027	USD 1,743,000	1,459	0.12
Credit Suisse Group Funding Guernsey 3.8% 15/09/2022	USD 1,726,000	1,456	0.12
China Life Insurance 4% 03/07/2135	USD 1,778,000	1,445	0.12
Lloyds Banking 4.5% 04/11/2024	USD 1,695,000	1,442	0.12
Citigroup 2.7% 30/03/2021	USD 1,735,000	1,422	0.11
Marathon Petroleum 6.5% 01/03/2041	USD 1,385,000	1,395	0.11
Embraer Netherlands Finance 5.4% 01/02/2027	USD 1,503,000	1,381	0.11
ABN AMRO Bank 4.4% 27/03/2028	USD 1,600,000	1,337	0.11
Vanke Real Estate Hong Kong 3.975% 09/11/2027	USD 1,578,000	1,329	0.11
Southern Copper 6.75% 16/04/2040	USD 1,258,000	1,325	0.11
Empresa Nacional de Telecomunicaciones 4.75% 01/08/2026	USD 1,513,000	1,294	0.10
Gohl Capital 4.25% 24/01/2027	USD 1,519,000	1,289	0.10
DuPont de Nemours 3.766% 15/11/2020	USD 1,535,000	1,269	0.10
Alfa 6.875% 25/03/2044	USD 1,261,000	1,198	0.10
Abu Dhabi National Energy 4.375% 22/06/2026	USD 1,370,000	1,197	0.10
Charter Communications Operating 5.375% 01/05/2047	USD 1,350,000	1,188	0.10
OCP 5.625% 25/04/2024	USD 1,333,000	1,183	0.09
AXA 5.125% 17/01/2047	USD 1,330,000	1,176	0.09
Verizon Communications 4.016% 03/12/2029	USD 1,294,000	1,170	0.09
Nationwide Building Society 4.125% 18/10/2032	USD 1,451,000	1,169	0.09
CCB Life Insurance 4.5% 21/04/2077	USD 1,429,000	1,143	0.09
Longfor 4.5% 16/01/2028	USD 1,354,000	1,128	0.09
Royal Bank of Scotland 3.875% 12/09/2023	USD 1,329,000	1,114	0.09
Macquarie Bank 4.875% 10/06/2025	USD 1,240,000	1,084	0.09
Newfield Exploration 5.375% 01/01/2026	USD 1,224,000	1,081	0.09
Braskem Netherlands Finance 4.5% 10/01/2028	USD 1,303,000	1,059	0.08
Ecopetrol 5.375% 26/06/2026	USD 1,160,000	1,057	0.08
Banco Bilbao Vizcaya Argentaria Colombia 4.875% 21/04/2025	USD 1,187,000	1,033	0.08
Goldman Sachs 4.25% 21/10/2025	USD 1,169,000	1,016	0.08
Sabine Pass Liquefaction 5% 15/03/2027	USD 1,132,000	1,011	0.08
Verizon Communications (FRN) 3.2581% 15/05/2025	USD 1,129,000	931	0.07
MPT Operating Partnership 5% 15/10/2027	USD 1,083,000	920	0.07
Newell Brands 4.2% 01/04/2026	USD 1,074,000	910	0.07
Alcoa Nederland 6.125% 15/05/2028	USD 1,001,000	865	0.07
Petrobras Global Finance 5.75% 01/02/2029	USD 967,000	865	0.07
Bombardier 6.125% 15/01/2023	USD 1,059,000	863	0.07
Prime Security Services Borrower 5.75% 15/04/2026	USD 1,019,000	859	0.07
CC Holdings GS V 3.849% 15/04/2023	USD 1,010,000	856	0.07

ASSET	HOLDING	MARKET VALUE (£'000)	PERCENTAGE OF NET ASSETS (%)
CORPORATE BONDS 20.24% (30.09.18: 13.82%) (continued)			
Kraton Polymers 5.25% 15/05/2026	EUR 891,000	831	0.07
Petronas Capital 3.5% 18/03/2025	USD 953,000	815	0.07
Bunge 3.5% 24/11/2020	USD 978,000	804	0.06
Huntsman International 4.5% 01/05/2029	USD 929,000	793	0.06
Vodafone 7% 04/04/2079	USD 844,000	789	0.06
Time Warner Entertainment 8.375% 15/03/2023	USD 789,000	755	0.06
Ausgrid Finance (FRN) 2.2316% 30/10/2024	AUD 1,360,000	748	0.06
Petrobras Global Finance 7.375% 17/01/2027	USD 763,000	747	0.06
GLP Capital 5.375% 15/04/2026	USD 810,000	721	0.06
Algeco Global Finance 6.5% 15/02/2023	EUR 809,000	720	0.06
AT&T (FRN) 3.3116% 12/06/2024	USD 855,000	708	0.06
CSC 5.75% 15/01/2030	USD 800,000	679	0.05
CCO 5.75% 15/02/2026	USD 780,000	670	0.05
Sirius XM Radio 5.5% 01/07/2029	USD 772,000	669	0.05
Virgin Media Secured Finance 5% 15/04/2027	GBP 620,000	652	0.05
TransDigm 6.25% 15/03/2026	USD 733,000	639	0.05
HCA 5% 15/03/2024	USD 720,000	635	0.05
Level 3 Financing 4.625% 15/09/2027	USD 760,000	623	0.05
CenturyLink 7.5% 01/04/2024	USD 670,000	608	0.05
Tenet Healthcare 4.875% 01/01/2026	USD 720,000	599	0.05
Controladora Mabe 5.6% 23/10/2028	USD 680,000	594	0.05
Petroleos Mexicanos 6.5% 13/03/2027	USD 700,000	589	0.05
Bausch Health 5.75% 15/08/2027	USD 630,000	553	0.04
Berry Global 4.875% 15/07/2026	USD 649,000	546	0.04
Sprint 7.625% 01/03/2026	USD 609,000	546	0.04
Solvay Finance America 4.45% 03/12/2025	USD 615,000	536	0.04
Lennar 4.75% 29/11/2027	USD 611,000	533	0.04
KazTransGas 4.375% 26/09/2027	USD 600,000	511	0.04
IQVIA 5% 15/05/2027	USD 588,000	502	0.04
Smurfit Kappa Treasury ULC 1.5% 15/09/2027	EUR 553,000	492	0.04
Intel 4% 01/12/2022	AUD 830,000	490	0.04
Continental Resources 5% 15/09/2022	USD 594,000	486	0.04
LABL Escrow Issuer 6.75% 15/07/2026	USD 573,000	486	0.04
INEOS 5.625% 01/08/2024	USD 560,000	469	0.04
CeramTec BondCo 5.25% 15/12/2025	EUR 485,000	448	0.04
Cott 5.5% 01/07/2024	EUR 464,000	428	0.03
Spectrum Brands 5.75% 15/07/2025	USD 499,000	422	0.03
Starfruit Finco BV 6.5% 01/10/2026	EUR 461,000	417	0.03
Connect Finco SARL 6.75% 01/10/2026	USD 501,000	412	0.03
Altice France 7.375% 01/05/2026	USD 440,000	383	0.03
Diamond Sports 5.375% 15/08/2026	USD 449,000	379	0.03
Royal Bank of Scotland 4.519% 25/06/2024	USD 430,000	367	0.03
Verisure Midholding 5.75% 01/12/2023	EUR 400,000	366	0.03
Altice Financing 7.5% 15/05/2026	USD 420,000	363	0.03
Hilcorp Energy I 5% 01/12/2024	USD 462,000	357	0.03
DBS Bank (FRN) 1.61% 20/03/2020	AUD 600,000	330	0.03
United States Steel 6.875% 15/08/2025	USD 450,000	330	0.03
Jaguar Land Rover Automotive 4.25% 15/11/2019	USD 399,000	323	0.03
Delphi Technologies 5% 01/10/2025	USD 445,000	321	0.03
Danske Bank (FRN) 3.1916% 12/09/2023	USD 400,000	316	0.03
CommScope 6% 01/03/2026	USD 366,000	309	0.03
Antero Resources 5% 01/03/2025	USD 446,000	299	0.02
CommScope Technologies 6% 15/06/2025	USD 410,000	298	0.02
Brookfield Residential Properties 6.25% 15/09/2027	USD 364,000	297	0.02
Royal Bank of Scotland (FRN) 3.6281% 15/05/2023	USD 365,000	297	0.02
Altice Financing 6.625% 15/02/2023	USD 340,000	284	0.02
Industrial & Commercial Bank of China (FRN) 1.925% 15/05/2020	AUD 510,000	281	0.02
Verizon Communications 3.376% 15/02/2025	USD 318,000	272	0.02
United Overseas Bank (FRN) 1.6484% 06/04/2021	AUD 450,000	248	0.02
ARD Finance 6.625% 15/09/2023	EUR 270,000	248	0.02
INEOS 5.375% 01/08/2024	EUR 250,000	227	0.02
Minejesa Capital 5.625% 10/08/2037	USD 235,000	206	0.02
Techem Verwaltungsgesellschaft 674 6% 30/07/2026	EUR 180,000	173	0.01
NRG Energy 4.45% 15/06/2029	USD 200,000	170	0.01
Coca-Cola 3.25% 11/06/2024	AUD 270,000	161	0.01
Koppers 6% 15/02/2025	USD 167,000	136	0.01
Moss Creek Resources 7.5% 15/01/2026	USD 196,000	117	0.01
		253,512	20.24

Portfolio Statement continued

As at 30 September 2019

ASSET	HOLDING	MARKET VALUE (£'000)	PERCENTAGE OF NET ASSETS (%)
GOVERNMENT BONDS 38.83% (30.09.18: 44.79%)			
United States Treasury Bond 3% 15/05/2047	USD 60,371,700	57,836	4.63
New Zealand Local Government Funding Agency Bond 3.5% 14/04/2033	NZD 43,635,000	25,877	2.07
Province of British Columbia Canada 4.7% 18/06/2037	CAD 26,146,000	21,655	1.73
United States Treasury Bond 4.5% 15/08/2039	USD 16,212,600	18,684	1.49
Mexican Bonos 6.5% 10/06/2021	MXN 358,556,300	14,754	1.18
Mexican Bonos 7.25% 09/12/2021	MXN 349,920,000	14,601	1.17
Mexican Bonos 8% 11/06/2020	MXN 350,016,400	14,560	1.16
Indonesia Treasury Bond 8.25% 15/07/2021	IDR 243,907,000,000	14,415	1.15
Brazil Notas do Tesouro Nacional Serie F 10% 01/01/2023	BRL 65,356,000	14,222	1.14
Brazil Notas do Tesouro Nacional Serie F 10% 01/01/2021	BRL 6,834,700	14,144	1.13
Indonesia Treasury Bond 7% 15/05/2022	IDR 243,998,000,000	14,128	1.13
Republic of South Africa Government Bond 6.75% 31/03/2021	ZAR 258,142,425	13,819	1.11
Republic of South Africa Government Bond 7.25% 15/01/2020	ZAR 252,959,422	13,528	1.08
Republic of South Africa Government Bond 7.75% 28/02/2023	ZAR 249,920,828	13,500	1.08
Indonesia Treasury Bond 8.125% 15/05/2024	IDR 209,107,000,000	12,639	1.01
United States Treasury Bond 4.75% 15/02/2041	USD 9,863,800	11,810	0.94
Colombian TES 10% 24/07/2024	COP 41,536,500,000	11,768	0.94
Brazil Notas do Tesouro Nacional Serie F 10% 01/01/2025	BRL 50,458,000	11,312	0.91
United States Treasury Bond 4.25% 15/05/2039	USD 10,079,100	11,248	0.90
United States Treasury Bond 4.375% 15/05/2041	USD 9,640,000	11,035	0.88
United States Treasury Bond 4.375% 15/05/2040	USD 9,680,000	11,029	0.88
Peruvian Government International Bond 6.95% 12/08/2031	PEN 37,571,000	10,958	0.88
United States Treasury Bond 4.625% 15/02/2040	USD 9,330,000	10,942	0.88
Mexican Bonos 5% 11/12/2019	MXN 258,540,000	10,612	0.85
Federal Home Loan Banks 5.5% 15/07/2036	USD 7,290,000	8,575	0.69
Tennessee Valley Authority 5.88% 01/04/2036	USD 6,822,000	8,016	0.64
Federal Home Loan Mortgage 6.25% 15/07/2032	USD 5,456,000	6,536	0.52
Russian Federal Bond – OFZ 7.5% 18/08/2021	RUB 491,844,000	6,263	0.50
Province of Alberta Canada 3.3% 15/03/2028	USD 6,958,000	6,227	0.50
Federal National Mortgage Association 7.25% 15/05/2030	USD 5,087,000	6,210	0.50
Tennessee Valley Authority 5.25% 15/09/2039	USD 5,420,000	6,191	0.50
Province of Quebec Canada 2.5% 20/04/2026	USD 7,048,000	5,942	0.48
Federal National Mortgage Association 5.625% 15/07/2037	USD 5,000,000	5,897	0.47
CPPIB Capital 2.75% 02/11/2027	USD 6,246,000	5,371	0.43
Turkey Government Bond 13% 13/11/2019	TRY 34,853,863	4,996	0.40
Federal National Mortgage Association 6.625% 15/11/2030	USD 3,882,000	4,568	0.37
Indonesia Government International Bond 8.5% 12/10/2035	USD 3,403,000	4,345	0.35
Colombian TES 7.25% 18/10/2034	COP 16,169,400,000	4,139	0.33
Republic of South Africa Government Bond 10.5% 21/12/2026	ZAR 53,173,148	3,178	0.25
Mexican Bonos 6.5% 09/06/2022	MXN 56,804,500	2,333	0.19
Province of Ontario Canada 2.55% 12/02/2021	USD 2,540,000	2,083	0.17
Mexico Government International Bond 6.75% 27/09/2034	USD 1,910,000	2,080	0.17
Turkey Government International Bond 4.875% 09/10/2026	USD 2,516,000	1,889	0.15
Republic of Ghana Government Bonds 19.75% 25/03/2024	GHS 10,056,000	1,515	0.12
Dominican Republic International Bond 5.5% 27/01/2025	USD 1,470,000	1,261	0.10
Argentina POM Politica Monetaria (FRN) 74.9147% 21/06/2020	ARS 167,371,081	1,126	0.09
Ecuador Government International Bond 7.875% 23/01/2028	USD 1,456,000	1,121	0.09
Senegal Government International Bond 6.25% 23/05/2033	USD 1,329,000	1,085	0.09
Colombia Government International Bond 7.375% 18/09/2037	USD 834,000	964	0.08
Costa Rica Government International Bond 7% 04/04/2044	USD 1,130,000	911	0.07
Egypt Government Bond 18.35% 09/10/2023	EGP 9,059,000	512	0.04
Kenya Government International Bond 7.25% 28/02/2028	USD 590,000	497	0.04
Oman Government International Bond 5.625% 17/01/2028	USD 553,000	442	0.04
Republic of Ghana Government Bonds 19.75% 15/04/2024	GHS 2,859,000	428	0.03
Panama Government International Bond 9.375% 01/04/2029	USD 284,000	355	0.03
Kommunalbanken (Luxembourg listing) 2.125% 23/04/2025	USD 400,000	332	0.03
Republic of Ghana Government Bonds 21% 27/01/2025	GHS 2,000,000	306	0.02
Paraguay Government International Bond 6.1% 11/08/2044	USD 200,000	197	0.02
Hungary Government International Bond 7.625% 29/03/2041	USD 116,000	156	0.01
Hungary Government International Bond 5.75% 22/11/2023	USD 2,000	2	–
		485,125	38.83
PERPETUAL BONDS 1.24% (30.09.18: 1.48%)			
JPMorgan Chase 6.15% Perpetual	USD 114,753	2,422	0.19
Citigroup 7.125% Perpetual	USD 102,991	2,386	0.19
Goldman Sachs 6.375% Perpetual	USD 104,690	2,370	0.19
Morgan Stanley 6.875% Perpetual	USD 102,312	2,330	0.19
State Street 5.35% Perpetual	USD 81,496	1,776	0.14

ASSET	HOLDING	MARKET VALUE (£'000)	PERCENTAGE OF NET ASSETS (%)
PERPETUAL BONDS 1.24% (30.09.18: 1.48%) (continued)			
Volkswagen International Finance 3.875% Perpetual	EUR 1,300,000	1,225	0.10
Goldman Sachs 5.5% Perpetual	USD 28,125	612	0.05
Morgan Stanley 6.375% Perpetual	USD 26,750	609	0.05
State Street 5.9% Perpetual	USD 26,998	606	0.05
JPMorgan Chase 6% Perpetual	USD 26,152	589	0.05
ATF Netherlands 3.75% Perpetual	EUR 500,000	469	0.04
		15,394	1.24
EQUITIES 33.42% (30.09.18: 33.72%)			
BASIC MATERIALS 1.78% (30.09.18: 1.23%)			
INDUSTRIAL METALS & MINING			
Grupo Mexico	2,661,574	5,091	0.41
MINING			
Rio Tinto	189,484	7,993	0.64
BHP	355,939	6,177	0.49
South32	2,094,833	3,012	0.24
		17,182	1.37
CONSUMER GOODS 4.73% (30.09.18: 5.31%)			
BEVERAGES			
PepsiCo	88,496	9,752	0.78
FOOD PRODUCERS			
Tate & Lyle	1,167,005	8,547	0.68
HOUSEHOLD GOODS & HOME CONSTRUCTION			
Berkeley	202,655	8,483	0.68
PERSONAL GOODS			
Unilever	161,802	7,885	0.63
TOBACCO			
Imperial Brands	399,110	7,201	0.58
British American Tobacco	222,300	6,615	0.53
Philip Morris International	88,384	5,398	0.43
KT&G	73,170	5,221	0.42
		24,435	1.96
CONSUMER SERVICES 2.38% (30.09.18: 2.62%)			
FOOD & DRUG RETAILERS			
Axfood	120,149	2,088	0.17
GENERAL RETAILERS			
Wal-Mart de Mexico	3,390,980	8,187	0.66
Next	41,972	2,606	0.21
		10,793	0.87
MEDIA			
Informa	918,886	7,776	0.62
TRAVEL & LEISURE			
GVC	1,212,642	9,017	0.72
FINANCIALS 11.54% (30.09.18: 11.44%)			
BANKS			
Lloyds Banking	18,001,253	9,857	0.79
DBS	663,900	9,753	0.78
BOC Hong Kong	2,623,069	7,222	0.58
HSBC	690,986	4,319	0.35
		31,151	2.50
EQUITY INVESTMENT INSTRUMENTS			
BBGI SICAV	1,453,074	2,289	0.18
HICL Infrastructure	1,368,291	2,266	0.18
		4,555	0.36
FINANCIAL SERVICES			
Fidelity National Financial	270,136	9,755	0.78
3i	801,438	9,429	0.75

Portfolio Statement continued

As at 30 September 2019

ASSET	HOLDING	MARKET VALUE (£'000)	PERCENTAGE OF NET ASSETS (%)
FINANCIAL SERVICES (continued)			
Schroders	291,538	8,918	0.71
Partners	12,472	7,822	0.63
		35,924	2.87
NONLIFE INSURANCE			
AXA	417,492	8,609	0.69
ASR Nederland	286,154	8,522	0.68
Tokio Marine	149,400	6,496	0.52
		23,627	1.89
REAL ESTATE INVESTMENT & SERVICES			
Vonovia	125,081	5,154	0.41
CK Asset	811,500	4,468	0.36
		9,622	0.77
REAL ESTATE INVESTMENT TRUSTS			
Simon Property	49,300	6,330	0.51
Tritax Big Box REIT	3,776,128	5,626	0.45
Gaming and Leisure Properties	178,772	5,537	0.44
Hammerson	1,939,550	5,473	0.44
Digital Realty Trust	40,700	4,263	0.34
Merlin Properties Socimi	368,911	4,189	0.34
Keppel DC REIT	3,583,600	4,003	0.32
UNITE	231,401	2,508	0.20
Secure Income REIT	295,545	1,321	0.11
Keppel DC REIT Rights 07/10/2019	483,399	–	–
		39,250	3.15
HEALTH CARE 3.34% (30.09.18: 5.07%)			
PHARMACEUTICALS & BIOTECHNOLOGY			
Roche	46,237	10,929	0.87
GlaxoSmithKline	595,409	10,378	0.83
Sanofi	137,208	10,276	0.82
Novartis	145,980	10,248	0.82
		41,831	3.34
INDUSTRIALS 4.70% (30.09.18: 2.93%)			
CONSTRUCTION & MATERIALS			
Vinci	109,673	9,555	0.76
ELECTRONIC & ELECTRICAL EQUIPMENT			
Schneider Electric	150,050	10,589	0.85
INDUSTRIAL ENGINEERING			
Weichai Power	6,632,000	7,771	0.62
Kone	124,478	5,780	0.46
		13,551	1.08
INDUSTRIAL TRANSPORTATION			
Cia de Distribucion Integral Logista	648,145	10,284	0.82
Transurban	700,573	5,649	0.45
		15,933	1.27
SUPPORT SERVICES			
Adecco	207,427	9,309	0.74
OIL & GAS 1.99% (30.09.18: 2.20%)			
OIL & GAS PRODUCERS			
Royal Dutch Shell	382,721	9,120	0.73
Repsol	643,504	8,176	0.65
Chevron	79,077	7,624	0.61
		24,920	1.99
TECHNOLOGY 0.78% (30.09.18: 1.39%)			
TECHNOLOGY HARDWARE & EQUIPMENT			
Samsung Electronics GDR	11,804	9,797	0.78

ASSET	HOLDING	MARKET VALUE (£'000)	PERCENTAGE OF NET ASSETS (%)
TELECOMMUNICATIONS 0.55% (30.09.18: 0.69%)			
FIXED LINE TELECOMMUNICATIONS			
China Telecom	18,580,000	6,878	0.55
UTILITIES 1.63% (30.09.18: 0.84%)			
ELECTRICITY			
Iberdrola	1,004,984	8,452	0.68
Engie Brasil Energia	705,498	6,039	0.48
Enel	973,905	5,886	0.47
		20,377	1.63
GOVERNMENT TREASURY BILLS 0.49% (30.09.18: 0.65%)			
Egypt Treasury Bill 19/11/2019	EGP 73,150,000	3,578	0.29
Nigeria Treasury Bill 17/10/2019	NGN 987,139,000	2,205	0.18
Nigeria Treasury Bill 12/12/2019	NGN 127,698,000	280	0.02
		6,063	0.49
DERIVATIVES – FUTURES (0.09%) (30.09.18: (0.40%))			
Japan TOPIX Index Futures 12/12/2019	87	440	0.04
S&P 500 E Mini Index Futures 20/12/2019	(293)	125	0.01
US 2 Years Note (CBT) 31/12/2019	29	3	–
EURO STOXX 50 Futures 20/12/2019	(3,791)	(728)	(0.06)
FTSE 100 Index Futures 20/12/2019	(1,554)	(979)	(0.08)
		(1,139)	(0.09)
DERIVATIVES – OPTIONS 0.27% (30.09.18: 0.32%)			
S&P 500 Index 3250 Call Option 20/03/2020	1,015	1,328	0.11
EURO STOXX 50 PR 3825 Call Option 20/03/2020	5,100	1,137	0.09
EURO STOXX 50 PR 3250 Call Option 20/12/2019	2,690	337	0.03
S&P 500 Index 3350 Call Option 19/06/2020	140	186	0.01
S&P 500 Index 3175 Call Option 20/12/2019	212	134	0.01
EURO STOXX 50 PR 3900 Call Option 19/06/2020	750	125	0.01
S&P 500 Index 3200 Call Option 19/06/2020	30	124	0.01
CITI 95 USD Put JPY Call 17/01/2020	135,000,000	32	–
CITI 105 USD Put JPY Call FX Option 02/10/2019~	39,200,000	–	–
CITI 95 USD Put JPY Call FX Option 02/10/2019~	(39,200,000)	–	–
		3,403	0.27
DERIVATIVES – INTEREST RATE SWAPS (0.52%) (30.09.18: 0.26%)			
Goldman Sachs Interest Rate Swap receive 1.594% 03/09/2049	24,850,000	633	0.05
Goldman Sachs Interest Rate Swap receive 2.382% 04/04/2026	7,981,000	387	0.03
Goldman Sachs Interest Rate Swap receive 2.673% 04/02/2029	3,322,000	260	0.02
HSBC Bank Interest Rate Swap receive 1.488% 11/09/2029	24,700,000	173	0.01
Goldman Sachs Interest Rate Swap receive 1.571% 14/08/2029	60,690,000	67	–
Goldman Sachs Interest Rate Swap receive 1.598% 27/09/2034	6,000,000	39	–
JP Morgan Interest Rate Swap receive 1.545% 15/08/2029	10,540,000	32	–
HSBC Bank Interest Rate Swap receive 1.555% 15/08/2029	11,070,000	25	–
HSBC Bank Interest Rate Swap receive 1.548% 09/08/2049	6,720,000	20	–
Goldman Sachs Interest Rate Swap receive 1.585% 13/08/2029	111,490,000	8	–
Goldman Sachs Interest Rate Swap receive 1.652% 25/09/2034	6,110,000	4	–
Goldman Sachs Interest Rate Swap pay 1.592% 13/08/2029	7,646,000	(4)	–
Goldman Sachs Interest Rate Swap pay 1.82% 20/06/2029	20,600,000	(106)	(0.01)
Goldman Sachs Interest Rate Swap pay 2.242% 12/07/2049	2,600,000	(253)	(0.02)
Goldman Sachs Interest Rate Swap pay 1.43% 08/01/2029	3,910,000	(281)	(0.02)
JP Morgan Interest Rate Swap pay 1.802% 09/08/2049	20,400,000	(281)	(0.03)
Goldman Sachs Interest Rate Swap pay 2.267% 05/06/2049	3,381,000	(362)	(0.03)
JP Morgan Interest Rate Swap pay 1.959% 10/06/2026	14,660,000	(389)	(0.03)
Goldman Sachs Interest Rate Swap pay 1.821% 12/08/2049	22,958,000	(400)	(0.03)
Goldman Sachs Interest Rate Swap pay 2.503% 28/05/2049	2,800,000	(426)	(0.03)
Goldman Sachs Interest Rate Swap pay 2.545% 28/11/2047	2,800,000	(431)	(0.03)
Goldman Sachs Interest Rate Swap pay 2.326% 04/06/2049	4,270,000	(505)	(0.04)
Goldman Sachs Interest Rate Swap rec 2.386% 31/05/2049	4,230,000	(549)	(0.05)
HSBC Bank Interest Rate Swap pay 1.73% 24/06/2026	23,600,000	(657)	(0.05)
Goldman Sachs Interest Rate Swap pay 2.155% 24/06/2039	10,000,000	(658)	(0.05)
Goldman Sachs Interest Rate Swap pay 2.902% 05/03/2039	5,679,250	(922)	(0.07)
HSBC Bank Interest Rate Swap pay 2.298% 05/06/2049	15,866,234	(1,791)	(0.14)
		(6,367)	(0.52)

Portfolio Statement continued

As at 30 September 2019

ASSET			HOLDING	MARKET VALUE (£'000)	PERCENTAGE OF NET ASSETS (%)
DERIVATIVES – TOTAL RETURN SWAPS 0.00% (30.09.18: 0.01%)					
FORWARD FOREIGN EXCHANGE CONTRACTS (0.18%) (30.09.18: (0.68%))					
FORWARD CURRENCY CONTRACTS					
Australian Dollar					
Sell AUD	(20,807,173.00)	for GBP	11,630,834	212	0.02
Canadian Dollar					
Sell CAD	(30,511,316.00)	for GBP	18,905,244	196	0.02
Euro					
Buy EUR	4,093,000.00	for GBP	(3,709,121)	(71)	(0.01)
Sell EUR	(122,489,585.00)	for GBP	111,575,898	2,712	0.22
Hong Kong Dollar					
Sell HKD	(257,902,991.00)	for GBP	27,273,527	546	0.04
Japanese Yen					
Buy JPY	1,471,680,176.00	for GBP	(11,529,423)	(435)	(0.03)
Sell JPY	(315,957,013.00)	for GBP	2,403,000	21	–
Mexican Peso					
Buy MXN	44,310,000.00	for GBP	(1,814,996)	2	–
Sell MXN	(1,698,216,814.00)	for GBP	69,576,017	(76)	(0.01)
New Zealand Dollar					
Sell NZD	(47,413,000.00)	for GBP	24,770,513	639	0.05
Norwegian Krone					
Buy NOK	90,434,535.00	for GBP	(8,195,918)	(101)	(0.01)
Singapore Dollar					
Buy SGD	3,310,000.00	for GBP	(1,931,793)	13	–
Sell SGD	(24,132,477.00)	for GBP	14,377,134	202	0.02
South African Rand					
Buy ZAR	34,580,000.00	for GBP	(1,867,344)	(28)	–
Sell ZAR	(831,206,380.00)	for GBP	45,250,472	1,027	0.08
Swedish Krona					
Sell CHF	(38,425,930.00)	for GBP	32,355,408	927	0.07
Thailand Baht					
Buy THB	56,488,000.00	for GBP	(1,527,929)	(27)	–
Turkish Lira					
Sell TRY	(38,132,893.00)	for GBP	5,380,360	(49)	–
US Dollar					
Buy USD	51,556,532.00	for GBP	(41,712,234)	159	0.01
Sell USD	(853,994,857.00)	for GBP	686,375,301	(7,122)	(0.57)
				(1,253)	(0.10)
FORWARD CROSS CURRENCY CONTRACTS					
Buy AUD	5,569,000.00	for USD	(3,831,138)	(55)	–
Buy BRL	6,144,000.00	for USD	(1,491,805)	(15)	–
Buy CAD	3,020,000.00	for USD	(2,288,735)	(7)	–
Buy CLP	3,369,624,000.00	for USD	(4,634,995)	7	–
Buy EUR	2,652,000.00	for JPY	(312,955,360)	(2)	–
Buy EUR	12,034,400.00	for USD	(13,333,710)	(132)	(0.01)
Buy IDR	72,456,316,000.00	for USD	(5,047,110)	42	–
Buy INR	177,236,000.00	for USD	(2,429,588)	56	–
Buy JPY	362,067,183.00	for EUR	(3,064,250)	6	–
Buy JPY	240,773,000.00	for HKD	(17,641,221)	(13)	–
Buy JPY	1,109,249,440.00	for USD	(10,315,500)	(15)	–
Buy KRW	1,757,637,000.00	for USD	(1,457,398)	8	–
Buy USD	3,091,045.00	for AUD	(4,546,000)	15	–
Buy USD	51,768,915.00	for BRL	(216,469,439)	(101)	(0.01)
Buy USD	3,819,283.00	for CHF	(3,771,000)	17	–
Buy USD	2,203,467.00	for CLP	(1,601,912,070)	(3)	–
Buy USD	17,325,455.00	for COP	(59,595,233,798)	98	0.01
Buy USD	5,392,529.00	for EUR	(4,873,000)	48	–
Buy USD	52,775,252.00	for IDR	(756,166,447,155)	(352)	(0.03)
Buy USD	16,629,951.00	for KRW	(20,174,877,000)	(174)	(0.01)
Buy USD	2,236,402.00	for MXN	(44,887,109)	(25)	–
Buy USD	9,735,852.00	for PEN	(33,240,145)	(67)	(0.01)
Buy USD	1,026,109.00	for PHP	(53,819,420)	(10)	–
Buy USD	5,215,264.00	for RUB	(349,654,582)	(126)	(0.01)
Buy USD	10,977,434.00	for TWD	(342,715,500)	(71)	(0.01)
Buy USD	751,110.00	for ZAR	(11,099,000)	19	–
				(852)	(0.08)

ASSET	MARKET VALUE (£'000)	PERCENTAGE OF NET ASSETS (%)
Portfolio of investments [^]	1,212,195	96.94
Net other assets [*]	38,219	3.06
Net assets	1,250,414	100.00

[^] Including derivative liabilities.

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

[†] A related party to the Fund.

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

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

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

Stocks shown as FRNs represent Floating Rate Notes.

The value of collateral held in relation to swap contracts is £6,510,000.

Portfolio Analysis

As at 30 September 2019

Portfolio Analysis

ASSET	30.09.19		30.09.18	
	MARKET VALUE (£'000)	PERCENTAGE OF NET ASSETS (%)	MARKET VALUE (£'000)	PERCENTAGE OF NET ASSETS (%)
Bonds	754,031	60.31	355,915	60.09
Collective Investment Schemes	40,391	3.24	20,916	3.52
Derivatives	(4,103)	(0.34)	1,040	0.19
Equities	417,918	33.42	199,795	33.72
Forward Foreign Exchange Contracts	(2,105)	(0.18)	(3,993)	(0.68)
Government Treasury Bills	6,063	0.49	3,906	0.65
Net other assets	38,219	3.06	14,874	2.51
Net assets	1,250,414	100.00	592,453	100.00

Credit Breakdown*

ASSET	30.09.19		30.09.18	
	MARKET VALUE (£'000)	PERCENTAGE OF NET ASSETS (%)	MARKET VALUE (£'000)	PERCENTAGE OF NET ASSETS (%)
AAA	235,770	18.87	87,348	14.75
AA	91,216	7.30	95,672	16.14
A	133,641	10.69	48,196	8.14
BBB	161,046	12.88	53,714	9.06
BB	111,373	8.91	63,832	10.78
B	18,624	1.47	6,498	1.11
CCC	2,361	0.19	655	0.11
Total Bonds	754,031	60.31	355,915	60.09

*Bond ratings are Investec approximations.

Enhanced Natural Resources Fund

Portfolio Statement

As at 30 September 2019

ASSET	HOLDING	MARKET VALUE (£'000)	PERCENTAGE OF NET ASSETS (%)
COLLECTIVE INVESTMENT SCHEMES 6.39% (30.09.18: 0.00%)			
Investec GSF Global Environment Fund	231,370	4,055	6.39
AUSTRALIA 5.18% (30.09.18: 7.98%)			
Newcrest Mining	66,455	1,267	2.00
Nickel Mines	2,016,422	753	1.19
Nufarm	205,252	634	1.00
Northern Star Resources	103,709	628	0.99
		3,282	5.18
BERMUDA 0.00% (30.09.18: 0.56%)			
CANADA 17.78% (30.09.18: 19.70%)			
Agnico Eagle Mines	50,146	2,255	3.56
Interfor	239,595	1,997	3.15
Franco-Nevada	21,762	1,638	2.58
Wheaton Precious Metals	45,739	994	1.57
West Fraser Timber	29,184	942	1.49
Teck Resources	65,541	871	1.37
Lundin Mining	214,044	808	1.27
Pan American Silver	61,358	805	1.27
Parex Resources	40,290	510	0.80
Western Forest Products	591,425	454	0.72
		11,274	17.78
CAYMAN ISLANDS 0.93% (30.09.18: 0.86%)			
Endeavour Mining	36,063	588	0.93
CHINA 1.43% (30.09.18: 1.71%)			
CNOOC	730,000	905	1.43
DENMARK 0.00% (30.09.18: 0.46%)			
FAROE ISLANDS 1.91% (30.09.18: 0.00%)			
Bakkafrost	25,923	1,214	1.91
FRANCE 6.31% (30.09.18: 6.90%)			
TOTAL	77,294	3,258	5.14
Gaztransport & Technigaz	9,330	744	1.17
		4,002	6.31
GERMANY 0.00% (30.09.18: 0.90%)			
HONG KONG 0.00% (30.09.18: 0.10%)			
INDIA 0.00% (30.09.18: 0.65%)			
IRELAND 0.00% (30.09.18: 0.11%)			
ISRAEL 0.00% (30.09.18: 1.78%)			
ITALY 1.52% (30.09.18: 1.47%)			
Eni	77,573	962	1.52
JERSEY 0.00% (30.09.18: 0.73%)			
LUXEMBOURG 2.07% (30.09.18: 6.38%)			
ArcelorMittal	72,162	831	1.31
Tenaris	55,954	481	0.76
		1,312	2.07
NETHERLANDS 1.05% (30.09.18: 1.87%)			
OCI	34,861	664	1.05

Portfolio Statement continued

As at 30 September 2019

ASSET	HOLDING	MARKET VALUE (£'000)	PERCENTAGE OF NET ASSETS (%)
NORWAY 3.01% (30.09.18: 0.00%)			
Salmar	30,708	1,089	1.72
Yara International	23,511	820	1.29
		1,909	3.01
PORTUGAL 0.00% (30.09.18: 1.44%)			
RUSSIA 1.23% (30.09.18: 0.00%)			
MMC Norilsk Nickel ADR	37,570	777	1.23
SOUTH AFRICA 0.00% (30.09.18: 1.43%)			
SPAIN 0.00% (30.09.18: 0.07%)			
SWEDEN 0.92% (30.09.18: 0.75%)			
Lundin Petroleum	23,938	582	0.92
SWITZERLAND 0.00% (30.09.18: 0.09%)			
UNITED KINGDOM 27.36% (30.09.18: 24.24%)			
BHP	293,146	5,087	8.02
BP	543,282	2,796	4.41
Royal Dutch Shell	107,573	2,564	4.04
Rio Tinto	52,597	2,219	3.50
Anglo American	107,114	2,011	3.17
Genus	30,093	851	1.34
Cranswick	20,688	608	0.96
Tullow Oil	237,245	504	0.80
Hurricane Energy	1,025,115	432	0.68
SolGold	1,304,561	280	0.44
		17,352	27.36
UNITED STATES 18.24% (30.09.18: 17.79%)			
Deere	15,281	2,066	3.26
ConocoPhillips	30,662	1,443	2.28
Exxon Mobil	21,359	1,242	1.96
Tyson Foods	14,277	989	1.56
Alcoa	56,159	940	1.48
Marathon Petroleum	16,117	818	1.29
Phillips 66	8,726	735	1.16
Valero Energy	9,899	679	1.07
Noble Energy	35,142	642	1.01
Hess	12,639	618	0.97
CF Industries	12,921	511	0.81
Cabot Oil & Gas	35,695	508	0.80
GrafTech International	36,186	376	0.59
		11,567	18.24
NON-EQUITY INVESTMENT INSTRUMENTS 1.03% (30.09.18: 0.00%)			
WisdomTree Physical Platinum	9,281	652	1.03
DERIVATIVES – CONTRACTS FOR DIFFERENCE 0.04% (30.09.18: (0.29%))			
GERMANY 0.12% (30.09.18: 0.00%)			
K+S - Short	(62,527)	91	0.14
Aurubis - Short	(18,118)	(10)	(0.02)
		81	0.12
NORWAY 0.00% (30.09.18: 0.01%)			
UNITED STATES (0.08%) (30.09.18: (0.28%))			
Superior Energy Services - Short	(211,751)	35	0.06
Apache - Short	(26,973)	(88)	(0.14)
		(53)	(0.08)
DERIVATIVES – OPTIONS 0.71% (30.09.18: 0.04%)			
STOXX Europe Basic Resources Index 370 Put Option 19/06/2020	300	249	0.39
SPDR S&P United States Oil & Gas Exploration Index 21 Put Option 20/03/2020	1,250	165	0.26
STOXX Europe Oil & Gas Index 280 Put Option 19/06/2020	350	124	0.20
STOXX Europe Oil & Gas Index 325 Call Option 18/10/2019	(350)	(18)	(0.03)
STOXX Europe Basic Resources Index 425 Call Option 18/10/2019	(300)	(67)	(0.11)
		453	0.71

ASSET	MARKET VALUE (£'000)	PERCENTAGE OF NET ASSETS (%)
Portfolio of investments^	61,578	97.11
Net other assets*	1,835	2.89
Net assets	63,413	100.00

* The net other assets figure consists predominantly of cash and bank balances plus short term cash deposits.

^ Including derivative liabilities.

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

Stocks shown as ADRs represent American Depositary Receipts.

The contracts for difference are not listed.

Global Multi-Asset Total Return Fund

Portfolio Statement

As at 30 September 2019

ASSET	HOLDING	MARKET VALUE (£'000)	PERCENTAGE OF NET ASSETS (%)
COLLECTIVE INVESTMENT SCHEMES 7.12% (30.09.18: 0.00%)			
iShares Physical Gold ETC	143,289	3,393	3.69
Investec GSF All China Equity Fund†	151,147	3,153	3.43
		6,546	7.12
GOVERNMENT BONDS 20.88% (30.09.18: 22.06%)			
Canadian Government Bond 1% 01/09/2022	CAD 8,100,000	4,896	5.33
Canadian Government Bond 1.75% 01/05/2021	CAD 7,900,000	4,857	5.28
Republic of South Africa Government Bond 8% 31/01/2030	ZAR 42,600,000	2,129	2.32
Russian Federal Bond - OFZ 8.15% 03/02/2027	RUB 139,700,000	1,883	2.05
Turkey Government International Bond 7% 05/06/2020	USD 1,995,000	1,659	1.80
Indonesia Treasury Bond 8.125% 15/05/2024	IDR 17,577,000,000	1,062	1.16
Indonesia Treasury Bond 8.25% 15/05/2029	IDR 16,949,000,000	1,034	1.12
Turkey Government International Bond 7.625% 26/04/2029	USD 1,030,000	889	0.97
Turkey Government International Bond 6.25% 26/09/2022	USD 941,000	785	0.85
		19,194	20.88
EQUITIES 29.33% (30.09.18: 27.06%)			
BASIC MATERIALS 2.40% (30.09.18: 1.64%)			
CHEMICALS			
Hexpol	38,333	238	0.26
MINING			
Franco-Nevada	7,934	597	0.65
Wheaton Precious Metals	25,902	563	0.61
Royal Gold	3,288	336	0.36
Rio Tinto	2,391	101	0.11
Anglo American	5,357	101	0.11
Glencore	34,293	84	0.09
Boliden	3,736	71	0.08
BHP	3,501	61	0.07
South32	40,850	59	0.06
		1,973	2.14
CONSUMER GOODS 7.07% (30.09.18: 6.92%)			
AUTOMOBILES & PARTS			
Lear	2,501	240	0.26
BEVERAGES			
Wuliangye Yibin	15,261	226	0.25
FOOD PRODUCERS			
China Mengniu Dairy	76,000	231	0.25
HOUSEHOLD GOODS & HOME CONSTRUCTIONS			
Midea	75,992	442	0.48
D.R. Horton	7,097	301	0.33
PulteGroup	10,178	297	0.32
Taylor Morrison Home	14,187	292	0.32
NVR	94	277	0.30
TRI Pointe	22,346	270	0.29
KB Home	9,658	255	0.28
Lennar	5,555	247	0.27
Zhejiang Supor Cookware	28,321	231	0.25
		2,612	2.84
LEISURE GOODS			
Hasbro	2,818	272	0.30
Thor Industries	2,118	84	0.09
		356	0.39

ASSET	HOLDING	MARKET VALUE (£'000)	PERCENTAGE OF NET ASSETS (%)
PERSONAL GOODS			
Moncler	8,166	237	0.26
Unilever	3,800	185	0.20
Estee Lauder	977	156	0.17
		578	0.63
TOBACCO			
Philip Morris International	12,115	740	0.81
Imperial Tobacco	34,399	621	0.67
British American Tobacco	16,096	479	0.52
Altria	12,749	416	0.45
		2,256	2.45
CONSUMER SERVICES 3.78% (30.09.18: 2.77%)			
FOOD & DRUG RETAILERS			
Axfood	13,882	241	0.26
GENERAL RETAILERS			
Alibaba	3,263	440	0.48
Home Depot	1,741	325	0.35
Dollar General	1,973	257	0.28
YDUQS	34,138	237	0.26
TJX	4,416	197	0.21
WH Smith	9,784	194	0.21
AutoZone	216	191	0.21
Cars.com	5,947	43	0.05
		1,884	2.05
MEDIA			
RELX	11,203	215	0.23
Walt Disney	1,682	178	0.19
FactSet Research Systems	603	119	0.13
		512	0.55
TRAVEL & LEISURE			
GVC	42,681	317	0.34
Aristocrat Leisure	18,196	306	0.33
Booking	147	232	0.25
		855	0.92
FINANCIALS 8.71% (30.09.18: 6.38%)			
BANKS			
BOC Hong Kong	335,000	922	1.00
Lloyds Banking	562,538	308	0.34
		1,230	1.34
FINANCIAL SERVICES			
Essent	11,741	462	0.50
Partners	724	454	0.49
Visa	2,809	397	0.43
S&P Global	1,290	258	0.28
MGIC Investment	22,746	235	0.26
American Express	2,376	229	0.25
		2,035	2.21
LIFE INSURANCE			
Ping An Insurance Group Company of China	49,000	457	0.50
AIA	34,000	261	0.28
		718	0.78
NONLIFE INSURANCE			
Arch Capital	8,938	306	0.33
Travelers	2,208	266	0.29
Chubb	1,922	251	0.27
Reinsurance Group of America	1,875	245	0.27
Intact Financial	2,757	226	0.25
Marsh & McLennan	2,766	224	0.24
Beazley	33,262	204	0.22

Portfolio Statement continued

As at 30 September 2019

ASSET	HOLDING	MARKET VALUE (£'000)	PERCENTAGE OF NET ASSETS (%)
NONLIFE INSURANCE (continued)			
Hiscox	11,639	192	0.21
		1,914	2.08
REAL ESTATE INVESTMENT & SERVICES			
CK Asset	87,000	479	0.52
REAL ESTATE INVESTMENT TRUSTS			
Hammerson	220,152	621	0.68
Unibail-Rodamco-Westfield	4,156	488	0.53
British Land	45,493	266	0.29
Land Securities	29,957	256	0.28
		1,631	1.78
HEALTH CARE 2.03% (30.09.18: 1.33%)			
HEALTH CARE EQUIPMENT & SERVICES			
UnitedHealth	3,963	694	0.76
PHARMACEUTICALS & BIOTECHNOLOGY			
Sinopharm	252,400	643	0.70
Novo Nordisk	7,719	325	0.35
Johnson & Johnson	1,898	198	0.22
		1,166	1.27
INDUSTRIALS 2.90% (30.09.18: 4.64%)			
AEROSPACE & DEFENSE			
Northrop Grumman	1,021	308	0.34
Lockheed Martin	709	224	0.24
		532	0.58
CONSTRUCTION & MATERIALS			
AO Smith	7,565	293	0.32
Kweichow Moutai	1,791	234	0.25
		527	0.57
INDUSTRIAL ENGINEERING			
Ingersoll-Rand	4,008	402	0.44
Snap-On	1,089	138	0.15
		540	0.59
INDUSTRIAL TRANSPORTATION			
Landstar System	2,367	216	0.24
CH Robinson Worldwide	3,054	208	0.23
		424	0.47
SUPPORT SERVICES			
Jack Henry & Associates	1,906	223	0.24
Howden Joinery	38,083	213	0.23
Accenture	1,288	200	0.22
		636	0.69
OIL & GAS 0.38% (30.09.18: 1.34%)			
OIL & GAS PRODUCERS			
Texas Pacific Land Trust	673	346	0.38
TECHNOLOGY 2.06% (30.09.18: 1.88%)			
SOFTWARE & COMPUTER SERVICES			
Check Point Software Technologies	3,221	283	0.31
Amadeus IT	4,538	263	0.29
Autohome	3,521	247	0.27
NetEase	1,077	228	0.25
Amdocs	3,384	181	0.20
Microsoft	1,349	151	0.16
TravelSky Technology	46,000	78	0.08
		1,431	1.56

ASSET	HOLDING	MARKET VALUE (£'000)	PERCENTAGE OF NET ASSETS (%)
TECHNOLOGY HARDWARE & EQUIPMENT			
F5 Networks	2,065	235	0.26
China Tower	1,222,000	224	0.24
		459	0.50
TELECOMMUNICATIONS 0.00% (30.09.18: 0.16%)			
GOVERNMENT TREASURY BILLS 20.94% (30.09.18: 0.00%)			
United Kingdom Treasury Bill 14/10/2019	GBP 2,000,000	1,998	2.17
United Kingdom Treasury Bill 21/10/2019	GBP 2,000,000	1,998	2.17
United Kingdom Treasury Bill 04/11/2019	GBP 2,000,000	1,997	2.17
United Kingdom Treasury Bill 02/12/2019	GBP 2,000,000	1,994	2.17
United Kingdom Treasury Bill 16/12/2019	GBP 1,000,000	998	1.09
United Kingdom Treasury Bill 18/11/2019	GBP 1,000,000	998	1.09
United Kingdom Treasury Bill 07/10/2019	GBP 1,000,000	998	1.09
United Kingdom Treasury Bill 28/10/2019	GBP 1,000,000	998	1.09
United Kingdom Treasury Bill 20/01/2020	GBP 1,000,000	998	1.09
United Kingdom Treasury Bill 16/03/2020	GBP 1,000,000	996	1.08
United Kingdom Treasury Bill 17/02/2020	GBP 1,000,000	996	1.08
United Kingdom Treasury Bill 06/01/2020	GBP 1,000,000	996	1.08
United Kingdom Treasury Bill 27/01/2020	GBP 1,000,000	996	1.08
United Kingdom Treasury Bill 09/12/2019	GBP 1,000,000	996	1.08
United Kingdom Treasury Bill 13/01/2020	GBP 1,000,000	996	1.08
United Kingdom Treasury Bill 03/02/2020	GBP 305,636	305	0.33
		19,258	20.94
CERTIFICATES OF DEPOSIT 7.63% (30.09.18: 14.30%)			
Mufg Bank 0.76% 25/11/2019	1,000,000	1,000	1.09
Nordea Bank 0.75% 31/10/2019	1,000,000	1,000	1.09
Sumitomo Trust Banking 0.01% 14/10/2019	1,000,000	1,000	1.09
Norinchukin Bank 0.01% 16/10/2019	1,000,000	1,000	1.09
Mizuho Bank 0.01% 22/11/2019	1,000,000	999	1.09
Sumitomo Mitsui Banking 0.01% 25/11/2019	1,000,000	999	1.09
Korea Development Bank 0% 18/12/2019	1,000,000	998	1.09
		6,996	7.63
COMMERCIAL PAPERS 5.44% (30.09.18: 15.26%)			
Transport for London 13/11/2019	1,000,000	999	1.09
DZ Bank AG Deutsche Zentral-Genossenschaftsbank 31/10/2019	1,000,000	998	1.09
Allianz 23/10/2019	1,000,000	998	1.09
Toyota Motor Finance Netherlands 04/11/2019	1,000,000	998	1.09
OP Corporate Bank 16/12/2019	1,000,000	996	1.08
		4,989	5.44
DERIVATIVES - FUTURES 0.03% (30.09.18: 0.24%)			
Japan TOPIX Index Futures 12/12/2019	47	236	0.26
S&P 500 E Mini Index Futures 20/12/2019	(41)	73	0.08
Hang Seng Index Futures 30/10/2019	19	1	-
HSCEI Futures 30/10/2019	34	(1)	-
US MSCI Emerging Market Index Futures 20/12/2019	104	(138)	(0.15)
Australian 10 Years Note Futures 16/12/2019	(139)	(147)	(0.16)
		24	0.03
DERIVATIVES - OPTIONS 0.03% (30.09.18: 0.00%)			
CITI 95 USD Put JPY Call FX Option 17/01/2020	120,000,000	28	0.03
DERIVATIVES - INTEREST RATE SWAPS (1.48%) (30.09.18: 0.00%)			
Goldman Sachs Interest Rate Swap receive 2.368% 27/03/2021	75,140,000	577	0.63
Goldman Sachs Interest Rate Swap receive 2.037% 04/06/2021	34,450,000	297	0.32
JP Morgan Interest Rate Swap receive 1.9% 05/06/2021	27,600,000	179	0.20
HSBC Interest Rate Swap receive 1.9084% 14/06/2021	21,200,000	145	0.16
Goldman Sachs Interest Rate Swap receive 1.965% 18/04/2021	99,800,000	55	0.06
JP Morgan Interest Rate Swap receive 1.859% 22/07/2021	24,500,000	46	0.05
Goldman Sachs Interest Rate Swap pay 1.81% 31/05/2021	46,700,000	(50)	(0.06)
Goldman Sachs Interest Rate Swap pay 1.9625% 31/05/2029	4,550,000	(60)	(0.07)
JP Morgan Interest Rate Swap pay 1.731% 03/06/2021	37,500,000	(75)	(0.08)
JP Morgan Interest Rate Swap pay 1.9149% 03/06/2029	7,250,000	(76)	(0.08)
HSBC Interest Rate Swap pay 2.0037% 22/07/2029	3,400,000	(105)	(0.12)
HSBC Interest Rate Swap pay 2.0713% 14/06/2029	4,140,000	(168)	(0.18)

Portfolio Statement continued

As at 30 September 2019

ASSET			HOLDING	MARKET VALUE (£'000)	PERCENTAGE OF NET ASSETS (%)
DERIVATIVES – INTEREST RATE SWAPS (1.48%) (30.09.18: 0.00%) (continued)					
JP Morgan Interest Rate Swap pay 2.0462% 05/06/2029			5,400,000	(208)	(0.23)
Goldman Sachs Interest Rate Swap pay 2.121% 04/06/2029			6,800,000	(301)	(0.32)
Goldman Sachs Interest Rate Swap pay 2.2152% 18/04/2029			19,700,000	(537)	(0.58)
Goldman Sachs Interest Rate Swap pay 2.624% 08/01/2029			14,600,000	(1,087)	(1.18)
				(1,368)	(1.48)
DERIVATIVES - TOTAL RETURN SWAPS (0.15%) (30.09.18: 0.00%)					
Goldman Sachs Total Return Swap pay 2.0995% 13/11/2019			1,204,030	(138)	(0.15)
FORWARD FOREIGN EXCHANGE CONTRACTS 0.41% (30.09.18: (0.50%))					
FORWARD CURRENCY CONTRACTS					
Australian Dollar					
Buy AUD	5,829,226	for GBP	(3,245,666)	(48)	(0.05)
Canadian Dollar					
Buy CAD~	250,000	for GBP	(153,589)	–	–
Sell CAD	(16,869,114)	for GBP	10,471,945	140	0.15
Danish Krone					
Sell DKK	(660,000)	for GBP	80,892	2	–
Euro					
Sell EUR	(12,624,450)	for GBP	11,535,146	294	0.32
Hungarian Forint					
Sell HKD	(65,532,589)	for GBP	6,840,787	60	0.07
Japanese Yen					
Buy JPY	3,127,240,488	for GBP	(24,507,156)	(892)	(0.97)
Mexican Peso					
Buy MXN	12,184,000	for GBP	(492,244)	3	–
New Zealand Dollar					
Sell NZD	(6,768,127)	for GBP	3,536,719	95	0.10
South African Rand					
Sell ZAR	(630,000)	for GBP	33,831	1	–
Swedish Krona					
Sell SEK	(6,374,971)	for GBP	540,183	11	0.01
Swiss Franc					
Sell CHF	(588,234)	for GBP	494,820	13	0.01
Thai Baht					
Sell THB	(149,239,796)	for GBP	4,023,778	63	0.07
Turkish Lira					
Buy TRY	13,076,000	for GBP	(1,789,233)	40	0.04
US Dollar					
Buy USD	3,710,000	for GBP	(2,996,517)	10	0.01
Sell USD	(50,396,934)	for GBP	41,607,269	769	0.84
				561	0.60
FORWARD CROSS CURRENCY CONTRACTS					
Buy ARS	65,786,000	for USD	(923,312)	(20)	(0.02)
Buy AUD	10,057,000	for CAD	(9,026,158)	(12)	(0.01)
Buy KRW	6,979,138,550	for USD	(5,842,728)	(6)	(0.01)
Buy USD	253,113	for BRL	(1,061,000)	(1)	–
Buy USD	558,301	for CNH	(3,986,000)	1	–
Buy USD	554,627	for EUR	(502,000)	3	–
Buy USD	691,983	for IDR	(9,992,241,000)	(5)	(0.01)
Buy USD	3,419,005	for JPY	(363,224,000)	28	0.03
Buy USD	5,761,455	for KRW	(6,979,138,550)	(60)	(0.07)
Buy USD	12,930,781	for TWD	(402,496,412)	(95)	(0.10)
				(167)	(0.19)
Portfolio of investments^				82,887	90.18
Net other assets*				9,026	9.82
Net assets				91,913	100.00

^ Including derivative liabilities.

† A related party to the Fund.

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

* The net other assets figure consists predominantly of cash and bank balances plus short term cash deposits.

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

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

The value of collateral held in relation to swap contracts is £670,000 (30.09.18: (£310,000)).

Portfolio Analysis

As at 30 September 2019

Portfolio Analysis

ASSET	MARKET VALUE (£'000)	30.09.19 PERCENTAGE OF NET ASSETS (%)	MARKET VALUE (£'000)	30.09.18 PERCENTAGE OF NET ASSETS (%)
Bonds	19,194	20.88	23,111	22.06
Certificates of Deposit	6,996	7.63	14,989	14.30
Commercial Papers	4,989	5.44	15,976	15.26
Collective Investment Schemes	6,546	7.12	–	–
Derivatives	(1,454)	(1.57)	252	0.24
Equities	26,964	29.33	28,343	27.06
Forward Foreign Exchange Contracts	394	0.41	(526)	(0.50)
Government Treasury Bills	19,258	20.94	–	–
Net other assets	9,026	9.82	22,606	21.58
Net assets	91,913	100.00	104,751	100.00

Credit Breakdown*

ASSET	MARKET VALUE (£'000)	30.09.19 PERCENTAGE OF NET ASSETS (%)	MARKET VALUE (£'000)	30.09.18 PERCENTAGE OF NET ASSETS (%)
AAA	9,753	10.61	23,111	22.06
BBB	3,979	4.33	–	–
BB	2,129	2.32	–	–
B	3,333	3.62	–	–
Total Bonds	19,194	20.88	23,111	22.06

*Bond ratings are Investec approximations.

UK Alpha Fund

Portfolio Statement

As at 30 September 2019

ASSET	HOLDING	MARKET VALUE (£'000)	PERCENTAGE OF NET ASSETS (%)
BASIC MATERIALS 4.97% (30.09.18: 8.86%)			
CHEMICALS			
Johnson Matthey	1,002,578	30,589	1.41
Croda International	621,495	30,254	1.39
		60,843	2.80
MINING			
Rio Tinto	1,117,522	47,143	2.17
CONSUMER GOODS 17.29% (30.09.18: 9.92%)			
BEVERAGES			
Diageo	2,685,015	89,156	4.11
Fevertree Drinks	1,398,561	33,607	1.55
		122,763	5.66
FOOD PRODUCERS			
Cranswick	756,294	22,220	1.02
HOUSEHOLD GOODS & HOME CONSTRUCTION			
Reckitt Benckiser	1,077,680	68,874	3.17
PERSONAL GOODS			
Unilever	1,391,097	67,788	3.12
TOBACCO			
British American Tobacco	2,638,948	78,522	3.62
Imperial Brands	845,139	15,248	0.70
		93,770	4.32
CONSUMER SERVICES 12.54% (30.09.18: 12.70%)			
FOOD & DRUG RETAILERS			
Tesco	41,221,359	100,374	4.63
MEDIA			
RELX	3,752,055	72,133	3.32
TRAVEL & LEISURE			
Booking	24,594	38,829	1.79
Ryanair	3,569,976	33,378	1.54
Compass	1,304,101	27,269	1.26
		99,476	4.59
FINANCIALS 22.12% (30.09.18: 22.69%)			
BANKS			
HSBC	8,128,234	50,801	2.34
Lloyds Banking	63,463,262	34,752	1.60
		85,553	3.94
FINANCIAL SERVICES			
London Stock Exchange	1,737,493	128,296	5.91
Visa	362,729	51,306	2.36
Charles Schwab	1,232,829	41,502	1.91
Schroders	1,659,836	39,919	1.84
IntegraFin	9,529,844	37,691	1.74
		298,714	13.76
LIFE INSURANCE			
Prudential	2,762,929	40,795	1.88
St James's Place	2,936,979	28,829	1.33
		69,624	3.21

ASSET	HOLDING	MARKET VALUE (£'000)	PERCENTAGE OF NET ASSETS (%)
NON-LIFE INSURANCE			
Sabre Insurance	9,042,644	26,359	1.21
HEALTH CARE 7.72% (30.09.18: 4.71%)			
HEALTH CARE EQUIPMENT & SERVICES			
Smith & Nephew	3,257,348	63,779	2.94
Becton Dickinson	246,306	49,654	2.29
		113,433	5.23
PHARMACEUTICALS & BIOTECHNOLOGY			
GlaxoSmithKline	3,102,417	54,075	2.49
INDUSTRIALS 14.93% (30.09.18: 20.38%)			
AEROSPACE & DEFENSE			
Rolls-Royce	3,557,524	28,282	1.30
CONSTRUCTION & MATERIALS			
Melrose Industries	30,912,297	62,628	2.89
Breedon	55,651,504	36,173	1.67
		98,801	4.56
INDUSTRIAL ENGINEERING			
Spirax-Sarco Engineering	346,639	27,298	1.26
SUPPORT SERVICES			
Experian	2,941,143	76,323	3.52
DCC	758,408	53,877	2.48
Essentra	9,282,885	39,304	1.81
		169,504	7.81
OIL & GAS 9.69% (30.09.18: 9.17%)			
OIL & GAS PRODUCERS			
BP	21,018,390	108,182	4.99
Royal Dutch Shell	3,407,371	81,198	3.74
Diversified Gas & Oil	19,122,862	20,844	0.96
		210,224	9.69
TECHNOLOGY 4.70% (30.09.18: 6.05%)			
SOFTWARE & COMPUTER SERVICES			
GB	5,982,733	32,666	1.51
VeriSign	185,455	28,231	1.30
Sage	3,554,151	24,268	1.12
FDM	2,235,578	16,655	0.77
		101,820	4.70
TELECOMMUNICATIONS 2.29% (30.09.18: 3.81%)			
FIXED LINE TELECOMMUNICATIONS			
BT	27,879,303	49,731	2.29
Portfolio of investments		2,088,802	96.25
Net other assets*		81,473	3.75
Net assets		2,170,275	100.00

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

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

UK Equity Income Fund

Portfolio Statement

As at 30 September 2019

ASSET	HOLDING	MARKET VALUE (£'000)	PERCENTAGE OF NET ASSETS (%)
BASIC MATERIALS 3.05% (30.09.18: 1.67%)			
CHEMICALS			
Croda International	41,766	2,033	1.61
Victrix	84,871	1,825	1.44
		3,858	3.05
CONSUMER GOODS 31.10% (30.09.18: 30.41%)			
BEVERAGES			
Diageo	224,481	7,454	5.89
Anheuser-Busch InBev	17,727	1,363	1.08
		8,817	6.97
FOOD PRODUCERS			
Tate & Lyle	316,765	2,320	1.83
Hilton Food	228,721	2,271	1.79
		4,591	3.62
HOUSEHOLD GOODS & HOME CONSTRUCTION			
Reckitt Benckiser	85,246	5,448	4.30
PERSONAL GOODS			
Unilever	187,749	9,149	7.23
Burberry	58,650	1,264	1.00
		10,413	8.23
TOBACCO			
British American Tobacco	159,679	4,751	3.75
Philip Morris International	50,439	3,081	2.43
Imperial Brands	126,087	2,275	1.80
		10,107	7.98
CONSUMER SERVICES 19.73% (30.09.18: 20.87%)			
FOOD & DRUG RETAILERS			
Tesco	1,340,758	3,265	2.58
MEDIA			
RELX	382,162	7,347	5.80
Informa	417,735	3,535	2.79
Moneysupermarket.com	923,642	3,482	2.75
Daily Mail & General Trust	205,523	1,734	1.37
Euromoney Institutional Investor	71,627	1,059	0.84
ITV	554,968	700	0.55
		17,857	14.10
TRAVEL & LEISURE			
Compass	184,775	3,864	3.05
FINANCIALS 13.68% (30.09.18: 14.08%)			
BANKS			
Close Brothers	246,024	3,457	2.73
FINANCIAL SERVICES			
AJ Bell	1,206,888	5,033	3.98
Hargreaves Lansdown	95,026	1,979	1.56
3i	126,857	1,492	1.18
Schroders	58,764	1,413	1.12
IntegraFin	299,396	1,184	0.94
		11,101	8.78

ASSET	HOLDING	MARKET VALUE (£'000)	PERCENTAGE OF NET ASSETS (%)
LIFE INSURANCE			
St James's Place	280,048	2,749	2.17
HEALTH CARE 9.86% (30.09.18: 9.27%)			
HEALTH CARE EQUIPMENT & SERVICES			
Coloplast	18,519	1,823	1.44
PHARMACEUTICALS & BIOTECHNOLOGY			
GlaxoSmithKline	346,131	6,033	4.77
AstraZeneca	35,028	2,545	2.01
Johnson & Johnson	19,799	2,070	1.64
		10,648	8.42
INDUSTRIALS 10.48% (30.09.18: 10.06%)			
AEROSPACE & DEFENSE			
Rolls-Royce	193,096	1,535	1.21
GENERAL INDUSTRIALS			
Smiths	195,214	3,062	2.42
INDUSTRIAL ENGINEERING			
Rotork	995,232	3,100	2.45
Kone	40,029	1,859	1.47
		4,959	3.92
INDUSTRIAL TRANSPORTATION			
Clarkson	45,820	1,102	0.87
SUPPORT SERVICES			
Essentra	616,360	2,610	2.06
TECHNOLOGY 9.48% (30.09.18: 7.78%)			
SOFTWARE & COMPUTER SERVICES			
Sage	777,873	5,311	4.20
Microsoft	29,614	3,316	2.62
Amadeus IT	40,969	2,373	1.88
FDM	133,183	992	0.78
		11,992	9.48
TELECOMMUNICATIONS 0.49% (30.09.18: 1.98%)			
FIXED LINE TELECOMMUNICATIONS			
BT	349,286	623	0.49
Portfolio of investments		123,881	97.87
Net other assets*		2,691	2.13
Net assets		126,572	100.00

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

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

UK Smaller Companies Fund

Portfolio Statement

As at 30 September 2019

ASSET	HOLDING	MARKET VALUE (£'000)	PERCENTAGE OF NET ASSETS (%)
BASIC MATERIALS 2.34% (30.09.18: 4.12%)			
CHEMICALS			
Treant	839,672	3,401	1.42
MINING			
Central Asia Metals	1,070,139	2,199	0.92
CONSUMER GOODS 16.57% (30.09.18: 16.89%)			
BEVERAGES			
Fevertree Drinks	161,948	3,892	1.63
FOOD PRODUCERS			
Hotel Chocolat	1,241,440	4,593	1.92
Cranswick	149,727	4,399	1.84
		8,992	3.76
HOUSEHOLD GOODS & HOME CONSTRUCTION			
Countryside Properties	1,777,069	5,932	2.48
LEISURE GOODS			
Team17	1,457,000	4,735	1.98
Sumo	2,855,899	4,498	1.88
Codemasters	1,564,707	3,442	1.44
Focusrite	415,142	2,291	0.96
		14,966	6.26
PERSONAL GOODS			
Watches of Switzerland	1,321,322	3,667	1.53
Ted Baker	226,813	2,163	0.91
		5,830	2.44
CONSUMER SERVICES 15.89% (30.09.18: 16.42%)			
MEDIA			
Entertainment One	1,505,883	8,531	3.57
Next Fifteen Communications	798,894	4,154	1.74
Time Out	3,280,000	4,133	1.73
Hyve	3,410,166	2,899	1.21
XLMedia	4,140,178	2,484	1.04
Mirriad Advertising	11,167,943	1,564	0.65
		23,765	9.94
TRAVEL & LEISURE			
Hollywood Bowl	3,359,693	7,828	3.27
The Gym Group	1,316,057	3,316	1.39
Loungers	1,562,500	3,078	1.29
		14,222	5.95
FINANCIALS 14.66% (30.09.18: 11.72%)			
FINANCIAL SERVICES			
AJ Bell	1,553,385	6,478	2.71
IntegraFin	1,298,789	5,137	2.15
JTC	1,202,829	4,222	1.77
Liontrust Asset Management	517,119	3,961	1.66
PureTech Health	1,344,228	3,253	1.36
XPS Pension	2,217,803	2,550	1.07
Arrow Global	1,109,051	2,400	1.00
IP	3,258,417	2,111	0.88
		30,112	12.60

ASSET	HOLDING	MARKET VALUE (£'000)	PERCENTAGE OF NET ASSETS (%)
NON-EQUITY INVESTMENT INSTRUMENTS			
Stirling Industries	750,000	300	0.13
NONLIFE INSURANCE			
Sabre Insurance	1,582,000	4,612	1.93
HEALTH CARE 7.06% (30.09.18: 5.00%)			
PHARMACEUTICALS & BIOTECHNOLOGY			
Clinigen Healthcare	979,932	8,457	3.54
Dechra Pharmaceuticals	128,923	3,571	1.49
Vectura	4,100,137	3,483	1.46
Genus	48,218	1,364	0.57
		16,875	7.06
INDUSTRIALS 22.69% (30.09.18: 24.09%)			
CONSTRUCTION & MATERIALS			
Costain	1,538,211	2,353	0.98
ELECTRONIC & ELECTRICAL EQUIPMENT			
Oxford Instruments	435,850	5,588	2.34
TT Electronics	1,711,402	4,210	1.76
Checkit	3,188,156	1,722	0.72
		11,520	4.82
GENERAL INDUSTRIALS			
Coats	9,074,919	6,833	2.86
INDUSTRIAL TRANSPORTATION			
Clarkson	116,242	2,796	1.17
China Chaintek United Warrants 14/08/2017†	32,898	–	–
		2,796	1.17
SUPPORT SERVICES			
PayPoint	921,615	8,359	3.50
Smart Metering Systems	1,491,431	6,040	2.53
Boku	5,911,950	5,853	2.45
Ricardo	575,928	3,744	1.57
Vp	325,615	2,579	1.08
RBG	2,100,000	2,142	0.90
Mears	752,779	1,995	0.83
		30,712	12.86
OIL & GAS 4.99% (30.09.18: 3.18%)			
ALTERNATIVE ENERGY			
Ceres Power	1,570,460	3,361	1.41
OIL & GAS PRODUCERS			
Diversified Gas & Oil	7,841,334	8,547	3.58
TECHNOLOGY 11.62% (30.09.18: 15.61%)			
SOFTWARE & COMPUTER SERVICES			
GB	921,697	5,032	2.11
Tracsis	751,470	4,471	1.87
FDM	598,639	4,460	1.87
Kainos	849,738	3,764	1.57
IMImobile	915,878	2,986	1.25
iomart	845,712	2,918	1.22
Learning Technologies	2,327,485	2,681	1.12
Blue Prism	113,966	1,100	0.46
		27,412	11.47
TECHNOLOGY HARDWARE & EQUIPMENT			
Nanoco	3,208,001	359	0.15
TELECOMMUNICATIONS 1.13% (30.09.18: 1.64%)			
MOBILE TELECOMMUNICATIONS			
Gamma Communications	247,987	2,703	1.13

Portfolio Statement continued

As at 30 September 2019

ASSET	MARKET VALUE (£'000)	PERCENTAGE OF NET ASSETS (%)
Portfolio of investments	231,694	96.95
Net other assets*	7,299	3.05
Net assets	238,993	100.00

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

‡ Delisted

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

UK Special Situations Fund

Portfolio Statement

As at 30 September 2019

ASSET	HOLDING	MARKET VALUE (£'000)	PERCENTAGE OF NET ASSETS (%)
BONDS 1.04% (30.09.18: 0.11%)			
GOVERNMENT BONDS			
United Kingdom Gilt 2% 22/07/2020	GBP 9,117,669	9,223	0.95
PERPETUAL BONDS			
Aviva 5.9021% Perpetual	GBP 884,000	906	0.09
BASIC MATERIALS 4.97% (30.09.18: 2.95%)			
MINING			
Impala Platinum	4,516,131	22,983	2.37
SSR Mining	823,899	10,047	1.04
Pan American Silver	478,981	6,285	0.65
Hochschild Mining	2,434,357	5,010	0.52
Coeur Mining	901,603	3,811	0.39
		48,136	4.97
CONSUMER GOODS 5.13% (30.09.18: 4.48%)			
AUTOMOBILES & PARTS			
Delphi Technologies	620,651	6,635	0.69
HOUSEHOLD GOODS & HOME CONSTRUCTION			
McCarthy & Stone	15,389,679	22,438	2.32
Headlam	2,115,881	9,521	0.98
		31,959	3.30
LEISURE GOODS			
Hornby	529,608	143	0.01
PERSONAL GOODS			
Superdry	2,660,899	10,942	1.13
CONSUMER SERVICES 16.98% (30.09.18: 16.58%)			
FOOD & DRUG RETAILERS			
Tesco	18,625,125	45,352	4.69
Sainsbury	4,585,166	10,170	1.05
Wm Morrison Supermarkets	4,940,060	9,974	1.03
		65,496	6.77
GENERAL RETAILERS			
Kingfisher	12,308,146	25,564	2.64
Marks & Spencer	11,472,709	21,247	2.20
Next	307,899	19,114	1.98
Dixons Carphone	3,984,183	4,835	0.50
Topps Tiles	5,399,831	3,650	0.38
Carpetright	3,640,597	335	0.03
		74,745	7.73
MEDIA			
Bloomsbury Publishing	1,533,346	3,665	0.38
TRAVEL & LEISURE			
easyJet	1,758,837	20,350	2.10
FINANCIALS 21.07% (30.09.18: 23.26%)			
BANKS			
Barclays	24,985,202	37,613	3.89
Citigroup	603,931	34,102	3.52
Royal Bank of Scotland	16,259,821	34,016	3.51
Standard Chartered	4,001,600	27,475	2.84
Lloyds Banking	33,453,102	18,319	1.89
CYBG	4,218,896	4,875	0.50
		156,400	16.15

Portfolio Statement continued

As at 30 September 2019

ASSET	HOLDING	MARKET VALUE (£'000)	PERCENTAGE OF NET ASSETS (%)
EQUITY INVESTMENT INSTRUMENTS			
Hipgnosis Songs Fund	10,192,412	10,906	1.13
FINANCIAL SERVICES			
TP ICAP	5,398,155	18,332	1.89
REAL ESTATE INVESTMENT & SERVICES			
Countrywide	123,397,424	4,819	0.50
REAL ESTATE INVESTMENT TRUSTS			
Land Securities	1,585,661	13,532	1.40
HEALTH CARE 7.32% (30.09.18: 7.59%)			
PHARMACEUTICALS & BIOTECHNOLOGY			
GlaxoSmithKline	4,063,579	70,828	7.32
INDUSTRIALS 28.98% (30.09.18: 26.69%)			
AEROSPACE & DEFENSE			
Chemring	3,004,507	5,877	0.61
CONSTRUCTION & MATERIALS			
Forterra	6,760,833	19,201	1.98
CRH	683,769	19,036	1.97
		38,237	3.95
INDUSTRIAL ENGINEERING			
GEA	484,639	10,633	1.10
600	1,082,465	184	0.02
		10,817	1.12
SUPPORT SERVICES			
Capita	53,816,258	77,980	8.06
Travis Perkins	4,028,842	52,415	5.42
Grafton	5,374,783	41,251	4.26
SIG	24,680,602	31,048	3.21
Aggreko	2,711,936	22,542	2.33
Kin & Carta	243,034	199	0.02
		225,435	23.30
OIL & GAS 8.77% (30.09.18: 10.40%)			
OIL & GAS PRODUCERS			
Royal Dutch Shell	1,944,393	46,335	4.79
BP	7,480,769	38,503	3.98
		84,838	8.77
TELECOMMUNICATIONS 3.25% (30.09.18: 1.84%)			
FIXED LINE TELECOMMUNICATIONS			
BT	7,233,428	12,903	1.33
MOBILE TELECOMMUNICATIONS			
Vodafone	11,430,518	18,556	1.92
UTILITIES 0.00% (30.09.18: 4.15%)			
DERIVATIVES 0.01% (30.09.18: (0.01%))			
DERIVATIVES – FUTURES			
S&P 500 E Mini Index Futures 20/12/2019	(276)	115	0.01
Portfolio of investments		943,795	97.52
Net other assets*		24,040	2.48
Net assets		967,835	100.00

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

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

Authorised Corporate Director's report

Authorised Corporate Director's report

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

Authorised status

The Company is an investment company with variable capital incorporated in England and Wales under registered number IC124 and authorised by the Financial Conduct Authority (the "FCA") (formerly the Financial Services Authority) with effect from 7 September 2001.

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

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

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

Each Fund has a specific portfolio to which that Fund's assets and liabilities are attributable.

So far as shareholders are concerned, each Fund is treated as a separate entity.

Under English law, the Funds are segregated portfolios of assets and the assets of a Fund belong exclusively to that Fund. The assets of a Fund shall not be used or made available to discharge (directly or indirectly) the liabilities of, or claims against, any other person or body, including the Company and any other Fund and shall not be available for any such purpose.

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

Accounting period covered by these accounts

The accounting period covered in these accounts is from 1 October 2018 to 30 September 2019.

Changes during the accounting period

Changes made following required notice:

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

The Prospectus was updated on 5 October 2018 to reflect:

- (a) the change in the UK Equity Income Fund's income distribution frequency from bi-annually to quarterly; and
- (b) the ability of the ACD to compulsorily convert all as well as some shareholders in a share class to another share class where it is in their interests and the rights attaching to said share class are the same.

The Prospectus was updated on 7 August 2019 as part of the FCA's Asset Management Market Study's remedies and, in particular, Policy Statement 19/4 dated April 2019, to:

- (a) include benchmark(s) information in respect of each of the Funds and an explanation of why such benchmark(s) was chosen; and
- (b) reflect the addition of Cautious Managed Fund's target benchmark to the investment objective, which is a return of the UK Consumer Prices Index (CPI) + 4% each year (gross of fees), over 5 year rolling periods.

The Prospectus was updated on 27 September 2019 to reflect the lowering of the 'R' share class minimum initial subscription and minimum holding from £100,000 to £1,000 and the lowering of the minimum subsequent subscription and minimum redemption from £25,000 to £500.

Other changes made:

Share class launches and closures:

The following share class was launched on 30 April 2019

UK Special Situations, K, Inc, GBP.

The following share classes were launched on 7 August 2019

Cautious Managed, R, Inc, GBP.

UK Special Situations, R, Inc, GBP.

The following share class was closed on 5 October 2018

Global Multi-Asset Total Return, S, Acc, EUR, base currency hedged.

The following share classes were closed on 4 March 2019

UK Special Situations, S, Acc, GBP.

UK Special Situations, J, Inc-2, GBP.

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

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

The Prospectus was updated on 30 April 2019 to reflect the following:

- (c) an increase of the Diversified Income Fund's global expected level of leverage created through derivative usage from 268% to 300%;
- (d) a decrease of the Enhanced Natural Resources Fund's global expected level of leverage created through derivative usage from 53% to 25%; and
- (e) a decrease of the Global Multi-Asset Total Return Credit Fund's global expected level of leverage created through derivative usage from 235% to 200%.

The Prospectus was updated on 7 August 2019 to include the addition of Michael Ryder Richardson as a director of the ACD.

K. McFarland
Director of the ACD

A. Fletcher
Director of the ACD

13 December 2019

Statement of Authorised Corporate Director's Responsibilities

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

In preparing the financial statements the ACD is responsible for:

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

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

Statement of Depositary's Responsibilities and Report to Shareholders

Statement of the Depositary's Responsibilities in Respect of the Scheme and Report of the Depositary to the Shareholders of the Investec Funds Series i ICVC ('the Company') for the year ended 30 September 2019.

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

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

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

The Depositary must ensure that:

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

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

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

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

State Street Trustees Limited

13 December 2019

Independent Auditor's Report

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

Opinion

We have audited the financial statements of the Company for the year ended 30 September 2019 which comprise the *Statements of Total Return, the Statements of Changes in Net Assets Attributable to Shareholders, the Balance Sheets, the Related Notes and Distribution Tables* for each of the Company's sub-funds listed on page 1 and the accounting policies set out on page 100.

In our opinion the financial statements:

- give a true and fair view, in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*, of the financial position of each of the sub-funds as at 30 September 2019 and of the net revenue/net expense and the net capital gains/net capital losses on the property of each of the sub-funds for the year then ended; and
- have been properly prepared in accordance with the Instrument of Incorporation, the Statement of Recommended Practice relating to Authorised Funds, and the COLL Rules.

Basis for opinion

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

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

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

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

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

Other information

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

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

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

Matters on which we are required to report by exception

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

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

Authorised Corporate Director's responsibilities

As explained more fully in their statement set out on page 69 the Authorised Corporate Director is responsible for: the preparation

of financial statements which give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Company and its sub-funds' ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Company or its sub-funds or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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

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

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

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

Paul McKechnie

for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

15 Canada Square

London, E14 5GL

13 December 2019

Cautious Managed Fund

Comparative Tables

As at 30 September 2019

Financial year	'A' Class (Accumulation shares)			'A' Class (Income shares)		
	30.09.19 (p)	30.09.18 (p)	30.09.17 (p)	30.09.19 (p)	30.09.18 (p)	30.09.17 (p)
Change in net assets per share						
Opening net asset value per share	416.16	426.75	391.95	274.53	281.56	258.60
Return before operating charges*	1.02	(3.85)	41.43	0.65	(2.55)	27.34
Operating charges	(6.56)	(6.74)	(6.63)	(4.32)	(4.45)	(4.38)
Return after operating charges*	(5.54)	(10.59)	34.80	(3.67)	(7.00)	22.96
Distributions	(1.62)	(0.04)	–	(0.77)	(0.03)	–
Retained distributions on accumulation shares	1.62	0.04	–	–	–	–
Closing net asset value per share	410.62	416.16	426.75	270.09	274.53	281.56
* after direct transaction costs of:	0.13	0.20	0.22	0.09	0.13	0.14
Performance						
Return after charges	(1.33%)	(2.48%)	8.88%	(1.34%)	(2.49%)	8.88%
Other information						
Closing net asset value (£'000)	602,988	763,436	883,200	69,815	178,126	207,495
Closing number of shares	146,846,369	183,449,620	206,958,305	25,848,367	64,883,705	73,695,956
Operating charges	1.61%	1.58%	1.60%	1.62%	1.58%	1.60%
Direct transaction costs†	0.03%	0.05%	0.05%	0.03%	0.05%	0.05%
Prices						
Highest share price	416.20	430.07	429.68	274.56	283.74	283.48
Lowest share price	391.08	410.47	395.76	257.99	270.81	261.10

Financial year	'A' Class (Income-2 shares)			'I' Class (Accumulation shares)		
	30.09.19 (p)	30.09.18 (p)	30.09.17 (p)	30.09.19 (p)	30.09.18 (p)	30.09.17 (p)
Change in net assets per share						
Opening net asset value per share	108.17	112.23	104.43	186.58	189.91	173.12
Return before operating charges*	(0.16)	(0.63)	11.03	0.49	(1.73)	18.34
Operating charges	(1.69)	(1.76)	(1.76)	(1.58)	(1.60)	(1.55)
Return after operating charges*	(1.85)	(2.39)	9.27	(1.09)	(3.33)	16.79
Distributions	(1.99)	(1.67)	(1.47)	(2.11)	(1.39)	(1.02)
Retained distributions on accumulation shares	–	–	–	2.11	1.39	1.02
Closing net asset value per share	104.33	108.17	112.23	185.49	186.58	189.91
* after direct transaction costs of:	0.03	0.05	0.06	0.06	0.09	0.10
Performance						
Return after charges	(1.71%)	(2.13%)	8.88%	(0.58%)	(1.75%)	9.70%
Other information						
Closing net asset value (£'000)	66	130	101	641,314	693,006	727,349
Closing number of shares	63,710	120,179	90,120	345,744,066	371,422,557	383,005,892
Operating charges	1.61%	1.58%	1.60%	0.86%	0.83%	0.85%
Direct transaction costs†	0.03%	0.05%	0.05%	0.03%	0.05%	0.05%
Prices						
Highest share price	107.81	113.07	114.23	187.75	191.77	191.10
Lowest share price	101.30	107.21	105.47	175.65	183.36	174.81

Comparative Tables

As at 30 September 2019

Financial year	'I' Class (Income shares)			'I' Class (Income-2 shares)		
	30.09.19 (p)	30.09.18 (p)	30.09.17 (p)	30.09.19 (p)	30.09.18 (p)	30.09.17 (p)
Change in net assets per share						
Opening net asset value per share	126.45	129.66	118.84	111.09	114.80	106.04
Return before operating charges*	0.31	(1.18)	12.58	0.24	(1.03)	11.21
Operating charges	(1.07)	(1.09)	(1.06)	(0.93)	(0.96)	(0.95)
Return after operating charges*	(0.76)	(2.27)	11.52	(0.69)	(1.99)	10.26
Distributions	(1.43)	(0.94)	(0.70)	(2.09)	(1.72)	(1.50)
Retained distributions on accumulation shares	–	–	–	–	–	–
Closing net asset value per share	124.26	126.45	129.66	108.31	111.09	114.80
* after direct transaction costs of:	0.04	0.06	0.07	0.03	0.05	0.06
Performance						
Return after charges	(0.60%)	(1.75%)	9.69%	(0.62%)	(1.73%)	9.68%
Other information						
Closing net asset value (£'000)	104,906	127,148	144,969	848	778	743
Closing number of shares	84,425,599	100,554,973	111,810,789	783,303	700,555	647,318
Operating charges	0.86%	0.83%	0.85%	0.86%	0.83%	0.85%
Direct transaction costs [‡]	0.03%	0.05%	0.05%	0.03%	0.05%	0.05%
Prices						
Highest share price	126.47	130.89	130.63	111.10	115.69	116.30
Lowest share price	119.04	124.96	119.99	104.58	110.21	107.07

Financial year	'J' Class (Accumulation shares)			'J' Class (Income-2 shares)		
	30.09.19 (p)	30.09.18 (p)	30.09.17 (p)	30.09.19 (p)	30.09.18 (p)	30.09.17 (p)
Change in net assets per share						
Opening net asset value per share	119.91	121.93	111.04	111.53	115.14	106.25
Return before operating charges*	0.32	(1.11)	11.77	0.25	(1.04)	11.21
Operating charges	(0.90)	(0.91)	(0.88)	(0.83)	(0.85)	(0.82)
Return after operating charges*	(0.58)	(2.02)	10.89	(0.58)	(1.89)	10.39
Distributions	(1.48)	(1.01)	(0.77)	(2.10)	(1.72)	(1.50)
Retained distributions on accumulation shares	1.48	1.01	0.77	–	–	–
Closing net asset value per share	119.33	119.91	121.93	108.85	111.53	115.14
* after direct transaction costs of:	0.04	0.06	0.06	0.03	0.05	0.06
Performance						
Return after charges	(0.48%)	(1.66%)	9.81%	(0.52%)	(1.64%)	9.78%
Other information						
Closing net asset value (£'000)	109,068	133,852	148,304	6,541	5,971	4,699
Closing number of shares	91,399,190	111,622,729	121,631,703	6,008,761	5,353,996	4,080,706
Operating charges	0.76%	0.73%	0.75%	0.76%	0.73%	0.75%
Direct transaction costs [‡]	0.03%	0.05%	0.05%	0.03%	0.05%	0.05%
Prices						
Highest share price	120.78	123.16	122.69	111.55	116.04	116.57
Lowest share price	112.91	117.78	112.12	105.02	110.59	107.28

Comparative Tables

As at 30 September 2019

Financial year	'R' Class (Accumulation shares)			'R' Class (Income shares) ⁽¹⁾		
	30.09.19 (p)	30.09.18 (p)	30.09.17 (p)	30.09.19 (p)	30.09.18 (p)	30.09.17 (p)
Change in net assets per share						
Opening net asset value per share	125.95	128.51	117.45	100.00	–	–
Return before operating charges*	0.37	(1.16)	12.43	0.09	–	–
Operating charges	(1.39)	(1.40)	(1.37)	(0.35)	–	–
Return after operating charges*	(1.02)	(2.56)	11.06	(0.26)	–	–
Distributions	(1.15)	(0.61)	(0.38)	(0.19)	–	–
Retained distributions on accumulation shares	1.15	0.61	0.38	–	–	–
Closing net asset value per share	124.93	125.95	128.51	99.55	–	–
* after direct transaction costs of:	0.04	0.06	0.07	0.07	–	–
Performance						
Return after charges	(0.81%)	(1.99%)	9.42%	(0.26%)	–	–
Other information						
Closing net asset value (£'000)	4,898	1,463	1,836	6,254	–	–
Closing number of shares	3,920,683	1,161,724	1,428,812	6,281,675	–	–
Operating charges	1.11%	1.08%	1.10%	1.11%	–	–
Direct transaction costs [‡]	0.03%	0.05%	0.05%	0.03%	–	–
Prices						
Highest share price	126.43	129.69	129.35	100.95	–	–
Lowest share price	118.50	123.92	118.59	97.31	–	–

Financial year	'S' Class (Accumulation shares)		
	30.09.19 (p)	30.09.18 (p)	30.09.17 (p)
Change in net assets per share			
Opening net asset value per share	185.89	187.86	170.05
Return before operating charges*	0.44	(1.79)	17.97
Operating charges	(0.21)	(0.18)	(0.16)
Return after operating charges*	0.23	(1.97)	17.81
Distributions	(3.42)	(2.71)	(2.30)
Retained distributions on accumulation shares	3.42	2.71	2.30
Closing net asset value per share	186.12	185.89	187.86
* after direct transaction costs of:	0.06	0.09	0.09
Performance			
Return after charges	0.12%	(1.05%)	10.47%
Other information			
Closing net asset value (£'000)	22,703	27,360	31,660
Closing number of shares	12,197,743	14,718,469	16,852,812
Operating charges	0.11%	0.08%	0.10%
Direct transaction costs [‡]	0.03%	0.05%	0.05%
Prices			
Highest share price	188.32	190.43	188.95
Lowest share price	175.28	182.04	171.71

(1) Launched 6 August 2019.

Portfolio transaction costs

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

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

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

Diversified Income Fund

Comparative Tables

As at 30 September 2019

Financial year	'A' Class (Accumulation shares)			'A' Class (Income-2 shares)		
	30.09.19 (p)	30.09.18 (p)	30.09.17 (p)	30.09.19 (p)	30.09.18 (p)	30.09.17 (p)
Change in net assets per share						
Opening net asset value per share	307.37	302.05	294.10	77.80	79.79	81.00
Return before operating charges*	11.85	9.50	12.02	2.96	2.48	3.18
Operating charges	(4.23)	(4.18)	(4.07)	(1.05)	(1.09)	(1.11)
Return after operating charges*	7.62	5.32	7.95	1.91	1.39	2.07
Distributions	(9.57)	(8.93)	(8.39)	(3.42)	(3.38)	(3.28)
Retained distributions on accumulation shares	9.57	8.93	8.39	–	–	–
Closing net asset value per share	314.99	307.37	302.05	76.29	77.80	79.79
* after direct transaction costs of:	0.38	0.24	0.39	0.09	0.06	0.11
Performance						
Return after charges	2.48%	1.76%	2.70%	2.46%	1.74%	2.56%
Other information						
Closing net asset value (£'000)	22,529	20,510	19,656	10,125	15,986	18,037
Closing number of shares	7,152,423	6,672,780	6,507,364	13,271,291	20,547,475	22,607,475
Operating charges	1.35%	1.35%	1.38%	1.35%	1.35%	1.38%
Direct transaction costs [†]	0.12%	0.08%	0.13%	0.12%	0.08%	0.13%
Prices**						
Highest share price	318.22	309.91	304.10	78.53	81.02	81.58
Lowest share price	305.42	302.86	288.19	76.32	77.89	78.91

Financial year	'B' Class (Accumulation shares)			'B' Class (Income-2 shares)		
	30.09.19 (p)	30.09.18 (p)	30.09.17 (p)	30.09.19 (p)	30.09.18 (p)	30.09.17 (p)
Change in net assets per share						
Opening net asset value per share	104.83	102.76	100.00	96.37	98.58	100.00
Return before operating charges*	4.05	3.23	3.90	3.68	3.08	3.75
Operating charges	(1.18)	(1.16)	(1.14)	(1.06)	(1.10)	(1.12)
Return after operating charges*	2.87	2.07	2.76	2.62	1.98	2.63
Distributions	(3.55)	(3.30)	(3.08)	(4.25)	(4.19)	(4.05)
Retained distributions on accumulation shares	3.55	3.30	3.08	–	–	–
Closing net asset value per share	107.70	104.83	102.76	94.74	96.37	98.58
* after direct transaction costs of:	0.13	0.08	0.13	0.12	0.08	0.13
Performance						
Return after charges	2.74%	2.01%	2.76%	2.72%	2.01%	2.63%
Other information						
Closing net asset value (£'000)	6,965	22,200	24,060	5,096	13,364	15,033
Closing number of shares	6,466,213	21,176,782	23,413,691	5,379,481	13,866,972	15,248,618
Operating charges	1.10%	1.10%	1.13%	1.10%	1.10%	1.13%
Direct transaction costs [†]	0.12%	0.08%	0.13%	0.12%	0.08%	0.13%
Prices**						
Highest share price	108.73	105.67	103.38	97.40	100.19	100.68
Lowest share price	104.17	103.04	97.85	94.76	96.49	97.30

Comparative Tables

As at 30 September 2019

Financial year	'I' Class (Accumulation shares)			'I' Class (Income-2 shares)		
	30.09.19 (p)	30.09.18 (p)	30.09.17 (p)	30.09.19 (p)	30.09.18 (p)	30.09.17 (p)
Change in net assets per share						
Opening net asset value per share	165.80	161.96	156.85	102.51	104.50	105.46
Return before operating charges*	6.41	5.10	6.34	3.90	3.25	4.14
Operating charges	(1.28)	(1.26)	(1.23)	(0.77)	(0.79)	(0.81)
Return after operating charges*	5.13	3.84	5.11	3.13	2.46	3.33
Distributions	(6.18)	(5.79)	(5.37)	(4.51)	(4.45)	(4.29)
Retained distributions on accumulation shares	6.18	5.79	5.37	–	–	–
Closing net asset value per share	170.93	165.80	161.96	101.13	102.51	104.50
* after direct transaction costs of:	0.20	0.13	0.21	0.12	0.08	0.14
Performance						
Return after charges	3.09%	2.37%	3.26%	3.05%	2.35%	3.16%
Other information						
Closing net asset value (£'000)	208,708	70,216	58,760	434,984	211,946	99,007
Closing number of shares	122,100,251	42,349,659	36,281,631	430,109,090	206,760,942	94,745,834
Operating charges	0.75%	0.75%	0.78%	0.75%	0.75%	0.78%
Direct transaction costs†	0.12%	0.08%	0.13%	0.12%	0.08%	0.13%
Prices**						
Highest share price	172.43	167.06	162.81	103.78	106.32	106.62
Lowest share price	164.78	162.39	153.79	101.12	102.63	102.84

Financial year	'J' Class (Accumulation shares)			'J' Class (Income-2 shares)		
	30.09.19 (p)	30.09.18 (p)	30.09.17 (p)	30.09.19 (p)	30.09.18 (p)	30.09.17 (p)
Change in net assets per share						
Opening net asset value per share	123.65	120.67	116.75	100.65	102.50	103.33
Return before operating charges*	4.79	3.79	4.71	3.84	3.20	4.06
Operating charges	(0.83)	(0.81)	(0.79)	(0.66)	(0.68)	(0.68)
Return after operating charges*	3.96	2.98	3.92	3.18	2.52	3.38
Distributions	(4.73)	(4.44)	(4.11)	(4.43)	(4.37)	(4.21)
Retained distributions on accumulation shares	4.73	4.44	4.11	–	–	–
Closing net asset value per share	127.61	123.65	120.67	99.40	100.65	102.50
* after direct transaction costs of:	0.15	0.09	0.15	0.12	0.08	0.13
Performance						
Return after charges	3.20%	2.47%	3.36%	3.16%	2.46%	3.27%
Other information						
Closing net asset value (£'000)	190,122	60,137	51,782	332,431	162,600	112,479
Closing number of shares	148,991,294	48,633,024	42,913,223	334,450,052	161,553,432	109,735,139
Operating charges	0.65%	0.65%	0.68%	0.65%	0.65%	0.68%
Direct transaction costs†	0.12%	0.08%	0.13%	0.12%	0.08%	0.13%
Prices**						
Highest share price	128.70	124.58	121.28	101.93	104.33	104.55
Lowest share price	122.90	120.98	114.49	99.37	100.77	100.79

Comparative Tables

As at 30 September 2019

Financial year	'K' Class (Accumulation shares)			'K' Class (Income-2 shares)		
	30.09.19 currency	30.09.18 currency	30.09.17 currency	30.09.19 currency	30.09.18 currency	30.09.17 currency
Change in net assets per share						
Opening net asset value per share	105.85	103.24	100.00	97.34	99.08	100.00
Return before operating charges*	4.09	3.26	3.87	3.72	3.09	3.77
Operating charges	(0.65)	(0.65)	(0.63)	(0.59)	(0.61)	(0.62)
Return after operating charges*	3.44	2.61	3.24	3.13	2.48	3.15
Distributions	(4.12)	(3.85)	(3.57)	(4.29)	(4.22)	(4.07)
Retained distributions on accumulation shares	4.12	3.85	3.57	–	–	–
Closing net asset value per share	109.29	105.85	103.24	96.18	97.34	99.08
* after direct transaction costs of:	0.13	0.08	0.13	0.12	0.08	0.13
Performance						
Return after charges	3.25%	2.53%	3.24%	3.22%	2.50%	3.15%
Other information						
Closing net asset value (USD'000)	5,870	6,481	7,670	8,626	8,602	9,623
Closing number of shares	5,371,153	6,122,736	7,428,893	8,968,499	8,837,213	9,712,508
Operating charges	0.61%	0.60%	0.63%	0.61%	0.60%	0.63%
Direct transaction costs [†]	0.12%	0.08%	0.13%	0.12%	0.08%	0.13%
Prices**						
Highest share price	110.21	106.64	103.76	98.61	100.86	101.05
Lowest share price	105.20	103.52	97.92	96.16	97.46	97.39

Financial year	'R' Class (Accumulation shares)			'R' Class (Income-2 shares)		
	30.09.19 (p)	30.09.18 (p)	30.09.17 (p)	30.09.19 (p)	30.09.18 (p)	30.09.17 (p)
Change in net assets per share						
Opening net asset value per share	125.91	123.12	119.33	99.16	101.19	102.20
Return before operating charges*	5.42	3.87	4.85	3.84	3.16	4.02
Operating charges	(1.65)	(1.08)	(1.06)	(0.91)	(0.87)	(0.89)
Return after operating charges*	3.77	2.79	3.79	2.93	2.29	3.13
Distributions	(4.57)	(4.28)	(3.97)	(4.35)	(4.32)	(4.14)
Retained distributions on accumulation shares	4.57	4.28	3.97	–	–	–
Closing net asset value per share	129.68	125.91	123.12	97.74	99.16	101.19
* after direct transaction costs of:	0.23	0.10	0.16	0.13	0.08	0.13
Performance						
Return after charges	2.99%	2.27%	3.18%	2.95%	2.26%	3.06%
Other information						
Closing net asset value (£'000)	14,732	42	26	10,226	368	287
Closing number of shares	11,360,932	33,510	21,276	10,463,083	371,078	283,770
Operating charges	0.85%	0.85%	0.88%	0.85%	0.85%	0.88%
Direct transaction costs [†]	0.12%	0.08%	0.13%	0.12%	0.08%	0.13%
Prices**						
Highest share price	130.85	126.89	123.78	100.34	102.93	103.27
Lowest share price	125.13	123.45	117.00	97.73	99.28	99.66

**The highest and lowest share prices are based on published price. The opening and closing net asset values per share include accounting adjustments, therefore they may appear higher or lower as a result.

Portfolio transaction costs

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

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

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

Enhanced Natural Resources Fund

Comparative Tables

As at 30 September 2019

Financial year	'A' Class (Accumulation shares)			'I' Class (Accumulation shares)		
	30.09.19 (p)	30.09.18 (p)	30.09.17 (p)	30.09.19 (p)	30.09.18 (p)	30.09.17 (p)
Change in net assets per share						
Opening net asset value per share	122.84	114.88	113.37	132.64	123.12	120.58
Return before operating charges*	4.34	9.97	3.49	4.76	10.70	3.69
Operating charges	(1.95)	(2.01)	(1.98)	(1.16)	(1.18)	(1.15)
Return after operating charges*	2.39	7.96	1.51	3.60	9.52	2.54
Distributions	(2.03)	(1.51)	(0.71)	(3.17)	(2.60)	(1.73)
Retained distributions on accumulation shares	2.03	1.51	0.71	3.17	2.60	1.73
Closing net asset value per share	125.23	122.84	114.88	136.24	132.64	123.12
* after direct transaction costs of:	0.23	0.51	0.59	0.25	0.54	0.63
Performance						
Return after charges	1.95%	6.93%	1.33%	2.71%	7.73%	2.11%
Other information						
Closing net asset value (£'000)	7,025	9,225	10,295	45,409	59,535	56,717
Closing number of shares	5,609,787	7,509,704	8,961,172	33,330,092	44,883,555	46,066,161
Operating charges	1.66%	1.65%	1.63%	0.91%	0.90%	0.88%
Direct transaction costs [‡]	0.20%	0.42%	0.50%	0.20%	0.42%	0.50%
Prices						
Highest share price	128.36	128.04	133.89	139.47	137.88	142.73
Lowest share price	106.78	111.40	108.47	115.50	119.85	116.05

Financial year	'J' Class (Accumulation shares)			'R' Class (Accumulation shares)		
	30.09.19 (p)	30.09.18 (p)	30.09.17 (p)	30.09.19 (p)	30.09.18 (p)	30.09.17 (p)
Change in net assets per share						
Opening net asset value per share	121.60	112.76	110.32	112.69	104.86	102.96
Return before operating charges*	4.36	9.81	3.38	4.04	9.11	3.15
Operating charges	(0.94)	(0.97)	(0.94)	(1.27)	(1.28)	(1.25)
Return after operating charges*	3.42	8.84	2.44	2.77	7.83	1.90
Distributions	(3.02)	(2.50)	(1.70)	(2.44)	(1.93)	(1.21)
Retained distributions on accumulation shares	3.02	2.50	1.70	2.44	1.93	1.21
Closing net asset value per share	125.02	121.60	112.76	115.46	112.69	104.86
* after direct transaction costs of:	0.23	0.50	0.58	0.22	0.46	0.54
Performance						
Return after charges	2.81%	7.84%	2.21%	2.46%	7.47%	1.85%
Other information						
Closing net asset value (£'000)	10,696	13,584	16,153	283	72	84
Closing number of shares	8,555,235	11,170,843	14,325,378	244,660	64,333	80,342
Operating charges	0.81%	0.80%	0.78%	1.16%	1.15%	1.13%
Direct transaction costs [‡]	0.20%	0.42%	0.50%	0.20%	0.42%	0.50%
Prices						
Highest share price	127.97	126.36	130.62	118.24	117.24	121.78
Lowest share price	105.91	109.82	106.25	98.07	101.94	98.89

Portfolio transaction costs

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

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

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

Global Multi-Asset Total Return Fund

Comparative Tables

As at 30 September 2019

Financial year	'A' Class (Accumulation shares)			'I' Class (Accumulation shares)		
	30.09.19 (p)	30.09.18 (p)	30.09.17 (p)	30.09.19 (p)	30.09.18 (p)	30.09.17 (p)
Change in net assets per share						
Opening net asset value per share	222.88	230.75	203.91	199.46	205.57	180.33
Return before operating charges*	13.77	(4.15)	30.37	12.38	(4.35)	26.90
Operating charges	(3.64)	(3.72)	(3.53)	(1.74)	(1.76)	(1.66)
Return after operating charges*	10.13	(7.87)	26.84	10.64	(6.11)	25.24
Distributions	–	(0.72)	(0.16)	(1.23)	(1.58)	(1.59)
Retained distributions on accumulation shares	–	0.72	0.16	1.23	1.58	1.59
Closing net asset value per share	233.01	222.88	230.75	210.10	199.46	205.57
* after direct transaction costs of:	0.07	0.08	0.12	0.06	0.08	0.11
Performance						
Return after charges	4.55%	(3.41%)	13.16%	5.33%	(2.97%)	14.00%
Other information						
Closing net asset value (£'000)	19,426	23,727	27,475	69,394	80,564	72,771
Closing number of shares	8,337,275	10,645,873	11,906,813	33,028,652	40,390,470	35,399,536
Operating charges	1.60%	1.60%	1.60%	0.85%	0.85%	0.85%
Direct transaction costs [‡]	0.03%	0.04%	0.06%	0.03%	0.04%	0.06%
Prices						
Highest share price	238.09	241.32	232.56	214.29	215.32	207.10
Lowest share price	214.95	222.91	203.76	192.48	199.49	180.33

Financial year	'R' Class (Accumulation shares)			'S' Class (Accumulation shares) ⁽¹⁾		
	30.09.19 (p)	30.09.18 (p)	30.09.17 (p)	30.09.19 (p)	30.09.18 (p)	30.09.17 (p)
Change in net assets per share						
Opening net asset value per share	168.98	174.54	153.49	–	–	197.36
Return before operating charges*	10.52	(3.62)	22.88	–	–	30.14
Operating charges	(1.95)	(1.94)	(1.83)	–	–	(0.19)
Return after operating charges*	8.57	(5.56)	21.05	–	–	29.95
Return to shareholder as a result of class closure	–	–	–	–	–	(227.31)
Distributions	(0.61)	(0.94)	(0.94)	–	–	–
Retained distributions on accumulation shares	0.61	0.94	0.94	–	–	–
Closing net asset value per share	177.55	168.98	174.54	–	–	–
* after direct transaction costs of:	0.05	0.06	0.09	–	–	0.11
Performance						
Return after charges	5.07%	(3.19%)	13.71%	–	–	15.18%
Other information						
Closing net asset value (£'000)	3,093	459	476	–	–	–
Closing number of shares	1,741,940	271,529	272,924	–	–	–
Operating charges	1.10%	1.10%	1.10%	–	–	0.09%
Direct transaction costs [‡]	0.03%	0.04%	0.06%	–	–	0.06%
Prices						
Highest share price	181.20	182.69	175.87	–	–	227.31
Lowest share price	163.03	169.00	153.45	–	–	197.50

Comparative Tables

As at 30 September 2019

Financial year	S' Class (EUR Hedged Accumulation shares) ⁽²⁾⁽³⁾		
	30.09.19 (c)	30.09.18 (c)	30.09.17 (c)
Change in net assets per share			
Opening net asset value per share	96.29	99.65	100.00
Return before operating charges*	(1.43)	(3.24)	(0.34)
Operating charges	–	(0.12)	(0.01)
Return after operating charges*	(1.43)	(3.36)	(0.35)
Return to shareholder as a result of class closure	(94.86)	–	–
Distributions	–	(0.68)	(1.57)
Retained distributions on accumulation shares	–	0.68	1.57
Closing net asset value per share	–	96.29	99.65
* after direct transaction costs of:	0.03	0.03	0.05
Performance			
Return after charges	(1.49%)	(3.37%)	(0.35%)
Other information			
Closing net asset value (EUR'000)	–	1	49,827
Closing number of shares	–	1,000	50,001,000
Operating charges	0.01%	0.14%	0.14%
Direct transaction costs [‡]	0.03%	0.04%	0.06%
Prices			
Highest share price	96.04	104.24	100.43
Lowest share price	94.86	96.30	99.36

(1) Closed 31 August 2017.

(2) Launched 31 August 2017.

(3) Closed 7 October 2018.

Portfolio transaction costs

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

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

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

UK Alpha Fund

Comparative Tables

As at 30 September 2019

Financial year	'A' Class (Accumulation shares)			'I' Class (Accumulation shares)		
	30.09.19 (p)	30.09.18 (p)	30.09.17 (p)	30.09.19 (p)	30.09.18 (p)	30.09.17 (p)
Change in net assets per share						
Opening net asset value per share	2,567.40	2,443.28	2,179.35	219.73	207.52	183.73
Return before operating charges*	98.90	163.81	300.87	8.58	13.98	25.44
Operating charges	(38.85)	(39.69)	(36.94)	(1.75)	(1.77)	(1.65)
Return after operating charges*	60.05	124.12	263.93	6.83	12.21	23.79
Distributions	(45.19)	(32.98)	(38.77)	(5.48)	(4.42)	(4.76)
Retained distributions on accumulation shares	45.19	32.98	38.77	5.48	4.42	4.76
Closing net asset value per share	2,627.45	2,567.40	2,443.28	226.56	219.73	207.52
* after direct transaction costs of:	3.25	4.41	4.83	0.28	0.38	0.41
Performance						
Return after charges	2.34%	5.08%	12.11%	3.11%	5.88%	12.95%
Other information						
Closing net asset value (£'000)	55,093	74,892	80,233	589,352	533,134	415,581
Closing number of shares	2,096,835	2,917,033	3,283,837	260,128,462	242,633,688	200,256,126
Operating charges	1.57%	1.58%	1.59%	0.82%	0.83%	0.84%
Direct transaction costs [‡]	0.13%	0.18%	0.21%	0.13%	0.18%	0.21%
Prices						
Highest share price	2,669.04	2,661.40	2,482.58	229.85	227.52	210.34
Lowest share price	2,213.30	2,315.98	2,116.46	189.77	197.48	178.65

Financial year	'I' Class (Income shares)			'J' Class (Accumulation shares)		
	30.09.19 (p)	30.09.18 (p)	30.09.17 (p)	30.09.19 (p)	30.09.18 (p)	30.09.17 (p)
Change in net assets per share						
Opening net asset value per share	355.76	342.93	310.61	137.13	129.39	114.44
Return before operating charges*	13.90	23.05	43.17	5.37	8.71	15.86
Operating charges	(2.82)	(2.92)	(2.79)	(0.96)	(0.97)	(0.91)
Return after operating charges*	11.08	20.13	40.38	4.41	7.74	14.95
Distributions	(8.87)	(7.30)	(8.06)	(3.55)	(2.89)	(3.09)
Retained distributions on accumulation shares	–	–	–	3.55	2.89	3.09
Closing net asset value per share	357.97	355.76	342.93	141.54	137.13	129.39
* after direct transaction costs of:	0.45	0.62	0.69	0.17	0.24	0.26
Performance						
Return after charges	3.11%	5.87%	13.00%	3.22%	5.98%	13.06%
Other information						
Closing net asset value (£'000)	116,313	142,914	141,243	373,731	379,607	303,319
Closing number of shares	32,492,304	40,171,774	41,186,682	264,046,434	276,814,736	234,427,500
Operating charges	0.82%	0.83%	0.84%	0.72%	0.73%	0.74%
Direct transaction costs [‡]	0.13%	0.18%	0.21%	0.13%	0.18%	0.21%
Prices						
Highest share price	372.17	375.94	355.75	143.57	141.98	131.10
Lowest share price	307.26	326.30	302.30	118.46	123.19	111.29

Comparative Tables

As at 30 September 2019

Financial year	'J' Class (Income shares)			'K' Class (Accumulation shares) ¹		
	30.09.19 (p)	30.09.18 (p)	30.09.17 (p)	30.09.19 (p)	30.09.18 (p)	30.09.17 (p)
Change in net assets per share						
Opening net asset value per share	127.46	122.87	111.27	103.96	100.00	–
Return before operating charges*	4.98	8.25	15.49	4.09	4.42	–
Operating charges	(0.89)	(0.92)	(0.88)	(0.48)	(0.46)	–
Return after operating charges*	4.09	7.33	14.61	3.61	3.96	–
Distributions	(3.30)	(2.74)	(3.01)	(2.95)	(2.33)	–
Retained distributions on accumulation shares	–	–	–	2.95	2.33	–
Closing net asset value per share	128.25	127.46	122.87	107.57	103.96	–
* after direct transaction costs of:	0.16	0.22	0.25	0.13	0.18	–
Performance						
Return after charges	3.21%	5.97%	13.13%	3.47%	3.96%	–
Other information						
Closing net asset value (£'000)	637,847	597,938	458,480	21,400	22,283	–
Closing number of shares	497,339,996	469,106,240	373,155,090	19,894,109	21,434,508	–
Operating charges	0.72%	0.73%	0.74%	0.47%	0.48%	–
Direct transaction costs ²	0.13%	0.18%	0.21%	0.13%	0.18%	–
Prices						
Highest share price	133.45	134.81	127.54	109.07	107.59	–
Lowest share price	110.23	116.97	108.32	89.86	93.27	–

Financial year	'K' Class (Income shares)			'R' Class (Accumulation shares)		
	30.09.19 (p)	30.09.18 (p)	30.09.17 (p)	30.09.19 (p)	30.09.18 (p)	30.09.17 (p)
Change in net assets per share						
Opening net asset value per share	117.77	113.51	102.79	192.44	182.17	161.69
Return before operating charges*	4.63	7.65	14.32	7.69	12.29	22.36
Operating charges	(0.54)	(0.56)	(0.54)	(2.25)	(2.02)	(1.88)
Return after operating charges*	4.09	7.09	13.78	5.44	10.27	20.48
Distributions	(3.34)	(2.83)	(3.06)	(4.33)	(3.41)	(3.75)
Retained distributions on accumulation shares	–	–	–	4.33	3.41	3.75
Closing net asset value per share	118.52	117.77	113.51	197.88	192.44	182.17
* after direct transaction costs of:	0.15	0.21	0.23	0.28	0.33	0.36
Performance						
Return after charges	3.47%	6.25%	13.41%	2.83%	5.64%	12.67%
Other information						
Closing net asset value (£'000)	360,653	357,092	328,377	14,223	446	216
Closing number of shares	304,300,034	303,222,716	289,286,294	7,187,603	231,982	118,536
Operating charges	0.47%	0.48%	0.49%	1.07%	1.08%	1.09%
Direct transaction costs ²	0.13%	0.18%	0.21%	0.13%	0.18%	0.21%
Prices						
Highest share price	123.56	124.81	118.02	200.84	199.29	184.79
Lowest share price	101.80	108.20	100.11	166.06	173.13	157.15

Comparative Tables

As at 30 September 2019

Financial year	'S' Class (Accumulation shares)		
	30.09.19 (p)	30.09.18 (p)	30.09.17 (p)
Change in net assets per share			
Opening net asset value per share	2,737.51	2,565.85	2,255.07
Return before operating charges*	108.30	173.69	312.83
Operating charges	(1.92)	(2.03)	(2.05)
Return after operating charges*	106.38	171.66	310.78
Distributions	(88.48)	(74.75)	(76.80)
Retained distributions on accumulation shares	88.48	74.75	76.80
Closing net asset value per share	2,843.89	2,737.51	2,565.85
* after direct transaction costs of:	3.47	4.67	5.02
Performance			
Return after charges	3.89%	6.69%	13.78%
Other information			
Closing net asset value (£'000)	1,663	7,419	9,593
Closing number of shares	58,485	271,012	373,858
Operating charges	0.07%	0.08%	0.09%
Direct transaction costs [‡]	0.13%	0.18%	0.21%
Prices			
Highest share price	2,881.53	2,831.55	2,594.52
Lowest share price	2,368.51	2,451.33	2,195.44

(1) Launched 16 October 2017.

Portfolio transaction costs

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

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

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

UK Equity Income Fund

Comparative Tables

As at 30 September 2019

Financial year	'A' Class (Accumulation shares)			'A' Class (Income-2 shares)		
	30.09.19 (p)	30.09.18 [#] (p)	30.09.17 (p)	30.09.19 (p)	30.09.18 [#] (p)	30.09.17 (p)
Change in net assets per share						
Opening net asset value per share	122.10	117.24	109.13	107.00	106.44	102.64
Return before operating charges*	11.45	6.76	9.93	9.81	5.95	9.38
Operating charges	(1.95)	(1.90)	(1.82)	(1.68)	(1.70)	(1.70)
Return after operating charges*	9.50	4.86	8.11	8.13	4.25	7.68
Distributions	(2.27)	(2.22)	(2.36)	(3.63)	(3.69)	(3.88)
Retained distributions on accumulation shares	2.27	2.22	2.36	–	–	–
Closing net asset value per share	131.60	122.10	117.24	111.50	107.00	106.44
* after direct transaction costs of:	0.28	0.36	0.32	0.24	0.32	0.29
Performance						
Return after charges	7.78%	4.15%	7.43%	7.60%	3.99%	7.48%
Other information						
Closing net asset value (£'000)	491	472	412	74	38	22
Closing number of shares	373,179	386,279	351,742	65,980	35,638	21,098
Operating charges	1.58%	1.60%	1.61%	1.58%	1.60%	1.61%
Direct transaction costs [‡]	0.22%	0.30%	0.28%	0.22%	0.30%	0.28%
Prices						
Highest share price	135.05	127.72	121.73	115.16	113.89	112.75
Lowest share price	108.61	111.33	101.69	95.18	100.28	95.72

Financial year	'I' Class (Accumulation shares)			'I' Class (Income-2 shares)		
	30.09.19 (p)	30.09.18 [#] (p)	30.09.17 (p)	30.09.19 (p)	30.09.18 [#] (p)	30.09.17 (p)
Change in net assets per share						
Opening net asset value per share	125.34	119.44	110.36	110.82	109.41	104.74
Return before operating charges*	11.81	6.92	10.06	10.22	6.15	9.56
Operating charges	(1.05)	(1.02)	(0.98)	(0.92)	(0.93)	(0.92)
Return after operating charges*	10.76	5.90	9.08	9.30	5.22	8.64
Distributions	(3.28)	(3.18)	(3.26)	(3.77)	(3.81)	(3.97)
Retained distributions on accumulation shares	3.28	3.18	3.26	–	–	–
Closing net asset value per share	136.10	125.34	119.44	116.35	110.82	109.41
* after direct transaction costs of:	0.28	0.37	0.32	0.25	0.34	0.30
Performance						
Return after charges	8.58%	4.94%	8.23%	8.39%	4.77%	8.25%
Other information						
Closing net asset value (£'000)	16,899	13,436	17,587	5,545	4,300	1,102
Closing number of shares	12,416,716	10,719,433	14,724,780	4,766,037	3,880,506	1,006,968
Operating charges	0.83%	0.85%	0.87%	0.83%	0.85%	0.86%
Direct transaction costs [‡]	0.22%	0.30%	0.28%	0.22%	0.30%	0.28%
Prices						
Highest share price	139.49	130.96	123.76	120.01	117.82	115.64
Lowest share price	111.69	113.83	102.96	98.77	103.48	97.80

Comparative Tables

As at 30 September 2019

Financial year	'J' Class (Accumulation shares)			'J' Class (Income-2 shares)		
	30.09.19 (p)	30.09.18 [#] (p)	30.09.17 (p)	30.09.19 (p)	30.09.18 [#] (p)	30.09.17 (p)
Change in net assets per share						
Opening net asset value per share	128.66	122.52	113.08	111.95	110.35	105.38
Return before operating charges*	12.17	7.05	10.31	10.32	6.19	10.13
Operating charges	(0.98)	(0.91)	(0.87)	(0.76)	(0.74)	(0.73)
Return after operating charges*	11.19	6.14	9.44	9.56	5.45	9.40
Distributions	(3.51)	(3.38)	(3.46)	(3.81)	(3.85)	(4.43)
Retained distributions on accumulation shares	3.51	3.38	3.46	–	–	–
Closing net asset value per share	139.85	128.66	122.52	117.70	111.95	110.35
* after direct transaction costs of:	0.30	0.37	0.32	0.25	0.34	0.30
Performance						
Return after charges	8.70%	5.01%	8.35%	8.54%	4.94%	8.92%
Other information						
Closing net asset value (£'000)	140	25	45	1	1	1
Closing number of shares	100,015	19,111	36,740	767	734	707
Operating charges	0.73%	0.75%	0.75%	0.68%	0.75%	0.76%
Direct transaction costs [‡]	0.22%	0.30%	0.28%	0.22%	0.30%	0.28%
Prices						
Highest share price	143.31	134.42	126.90	121.40	118.98	116.51
Lowest share price	114.68	116.82	105.52	99.85	104.45	98.43

Financial year	'K' Class (Accumulation shares) ⁽¹⁾			'K' Class (Income-2 shares) ⁽¹⁾		
	30.09.19 (p)	30.09.18 [#] (p)	30.09.17 (p)	30.09.19 (p)	30.09.18 [#] (p)	30.09.17 (p)
Change in net assets per share						
Opening net asset value per share	107.01	100.00	–	105.20	100.00	–
Return before operating charges*	10.19	7.22	–	9.71	7.23	–
Operating charges	(0.53)	(0.21)	–	(0.53)	(0.33)	–
Return after operating charges*	9.66	7.01	–	9.18	6.90	–
Distributions	(3.25)	(1.50)	–	(3.58)	(1.70)	–
Retained distributions on accumulation shares	3.25	1.50	–	–	–	–
Closing net asset value per share	116.67	107.01	–	110.80	105.20	–
* after direct transaction costs of:	0.26	0.32	–	0.24	0.32	–
Performance						
Return after charges	9.03%	7.01%	–	8.73%	6.90%	–
Other information						
Closing net asset value (£'000)	2,221	1	–	5,565	1	–
Closing number of shares	1,903,622	1,000	–	5,022,926	1,000	–
Operating charges	0.45%	0.50%	–	0.48%	0.50%	–
Direct transaction costs [‡]	0.22%	0.30%	–	0.22%	0.30%	–
Prices						
Highest share price	119.48	111.74	–	114.21	111.68	–
Lowest share price	95.43	99.58	–	93.80	99.57	–

Comparative Tables

As at 30 September 2019

Financial year	'L' Class (Accumulation shares)			'L' Class (Income-2 shares)		
	30.09.19 (p)	30.09.18 [#] (p)	30.09.17 (p)	30.09.19 (p)	30.09.18 [#] (p)	30.09.17 (p)
Change in net assets per share						
Opening net asset value per share	132.78	125.97	115.88	118.93	116.87	111.37
Return before operating charges*	12.56	7.31	10.58	11.00	6.60	10.20
Operating charges	(0.51)	(0.50)	(0.49)	(0.45)	(0.46)	(0.47)
Return after operating charges*	12.05	6.81	10.09	10.55	6.14	9.73
Distributions	(4.09)	(3.95)	(3.97)	(4.06)	(4.08)	(4.23)
Retained distributions on accumulation shares	4.09	3.95	3.97	–	–	–
Closing net asset value per share	144.83	132.78	125.97	125.42	118.93	116.87
* after direct transaction costs of:	0.30	0.39	0.34	0.27	0.36	0.32
Performance						
Return after charges	9.08%	5.41%	8.71%	8.87%	5.25%	8.74%
Other information						
Closing net asset value (£'000)	40,947	33,814	18,896	39,504	37,802	17,747
Closing number of shares	28,272,493	25,466,698	15,000,018	31,496,025	31,786,339	15,184,642
Operating charges	0.38%	0.40%	0.41%	0.38%	0.40%	0.41%
Direct transaction costs [‡]	0.22%	0.30%	0.28%	0.22%	0.30%	0.28%
Prices						
Highest share price	148.32	138.65	130.36	129.27	126.36	123.37
Lowest share price	118.45	120.31	108.19	106.12	110.79	104.06

Financial year	'S' Class (Income-2 shares)		
	30.09.19 (p)	30.09.18 [#] (p)	30.09.17 (p)
Change in net assets per share			
Opening net asset value per share	113.83	111.54	105.97
Return before operating charges*	10.56	6.29	9.72
Operating charges	(0.09)	(0.10)	(0.12)
Return after operating charges*	10.47	6.19	9.60
Distributions	(3.89)	(3.90)	(4.03)
Retained distributions on accumulation shares	–	–	–
Closing net asset value per share	120.41	113.83	111.54
* after direct transaction costs of :	0.25	0.34	0.31
Performance			
Return after charges	9.20%	5.55%	9.06%
Other information			
Closing net asset value (£'000)	15,185	13,469	13,089
Closing number of shares	12,610,929	11,831,978	11,735,040
Operating charges	0.08%	0.10%	0.11%
Direct transaction costs [‡]	0.22%	0.30%	0.28%
Prices			
Highest share price	124.04	120.89	117.65
Lowest share price	101.65	105.90	99.08

(1) Launched 7 April 2018.

Prior year figures have been reinstated to correctly show the distribution during the financial year.

Portfolio transaction costs

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

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

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

UK Smaller Companies Fund

Comparative Tables

As at 30 September 2019

Financial year	'A' Class (Accumulation shares)			'A' Class (Income shares)		
	30.09.19 (p)	30.09.18 (p)	30.09.17 (p)	30.09.19 (p)	30.09.18 (p)	30.09.17 (p)
Change in net assets per share						
Opening net asset value per share	4,933.88	4,413.43	3,646.59	4,458.59	4,001.17	3,337.53
Return before operating charges*	(199.82)	595.62	829.93	(180.85)	540.25	760.87
Operating charges	(71.59)	(75.17)	(63.09)	(64.60)	(68.14)	(57.86)
Return after operating charges*	(271.41)	520.45	766.84	(245.45)	472.11	703.01
Distributions	(34.77)	(16.23)	(42.96)	(31.31)	(14.69)	(39.37)
Retained distributions on accumulation shares	34.77	16.23	42.96	–	–	–
Closing net asset value per share	4,662.47	4,933.88	4,413.43	4,181.83	4,458.59	4,001.17
* after direct transaction costs of:	2.81	10.82	2.77	2.54	9.80	2.54
Performance						
Return after charges	(5.50%)	11.79%	21.03%	(5.51%)	11.80%	21.06%
Other information						
Closing net asset value (£'000)	41,765	64,860	66,802	3,740	7,828	9,013
Closing number of shares	895,770	1,314,579	1,513,619	89,434	175,571	225,254
Operating charges	1.58%	1.58%	1.58%	1.57%	1.58%	1.58%
Direct transaction costs [‡]	0.06%	0.23%	0.07%	0.06%	0.23%	0.07%
Prices						
Highest share price	4,967.16	5,011.76	4,514.78	4,488.59	4,543.71	4,133.43
Lowest share price	4,058.27	4,456.77	3,537.38	3,667.17	4,040.59	3,238.54

Financial year	'I' Class (Accumulation shares)			'I' Class (Income shares)		
	30.09.19 (p)	30.09.18 (p)	30.09.17 (p)	30.09.19 (p)	30.09.18 (p)	30.09.17 (p)
Change in net assets per share						
Opening net asset value per share	237.31	210.67	172.78	6,458.31	5,793.90	4,829.07
Return before operating charges*	(9.56)	28.53	39.47	(259.71)	785.10	1106.03
Operating charges	(1.81)	(1.89)	(1.58)	(49.36)	(52.08)	(44.14)
Return after operating charges*	(11.37)	26.64	37.89	(309.07)	733.02	1061.89
Distributions	(3.33)	(2.49)	(3.47)	(90.63)	(68.61)	(97.06)
Retained distributions on accumulation shares	3.33	2.49	3.47	–	–	–
Closing net asset value per share	225.94	237.31	210.67	6,058.61	6,458.31	5,793.90
* after direct transaction costs of:	0.14	0.52	0.13	3.70	14.26	3.68
Performance						
Return after charges	(4.79%)	12.65%	21.93%	(4.79%)	12.65%	21.99%
Other information						
Closing net asset value (£'000)	158,085	194,318	206,794	26,401	31,223	31,354
Closing number of shares	69,967,705	81,882,130	98,158,134	435,758	483,461	541,164
Operating charges	0.83%	0.83%	0.83%	0.83%	0.83%	0.83%
Direct transaction costs [‡]	0.06%	0.23%	0.07%	0.06%	0.23%	0.07%
Prices						
Highest share price	238.91	241.03	215.34	6,502.20	6,628.99	6,021.75
Lowest share price	195.55	212.76	167.73	5,322.09	5,851.71	4,690.34

Comparative Tables

As at 30 September 2019

Financial year	'R' Class (Accumulation shares)			'S' Class (Accumulation shares)		
	30.09.19 (p)	30.09.18 (p)	30.09.17 (p)	30.09.19 (p)	30.09.18 (p)	30.09.17 (p)
Change in net assets per share						
Opening net asset value per share	214.16	190.25	156.37	5,565.18	4,903.25	3,991.38
Return before operating charges*	(8.97)	26.13	35.74	(222.92)	666.32	915.71
Operating charges	(2.17)	(2.22)	(1.86)	(3.88)	(4.39)	(3.84)
Return after operating charges*	(11.14)	23.91	33.88	(226.80)	661.93	911.87
Distributions	(2.48)	(1.74)	(2.71)	(117.27)	(98.28)	(113.68)
Retained distributions on accumulation shares	2.48	1.74	2.71	117.27	98.28	113.68
Closing net asset value per share	203.02	214.16	190.25	5,338.38	5,565.18	4,903.25
* after direct transaction costs of:	0.13	0.47	0.12	3.20	12.13	3.00
Performance						
Return after charges	(5.20%)	12.57%	21.67%	(4.08%)	13.50%	22.85%
Other information						
Closing net asset value (£'000)	8,580	1,480	924	422	1,820	2,831
Closing number of shares	4,226,032	691,378	485,592	7,903	32,700	57,735
Operating charges	1.07%	1.08%	1.08%	0.08%	0.08%	0.08%
Direct transaction costs [‡]	0.06%	0.23%	0.07%	0.06%	0.23%	0.07%
Prices						
Highest share price	215.21	217.12	194.52	5,602.73	5,651.63	5,008.00
Lowest share price	176.04	192.13	151.76	4,594.19	4,952.38	3,877.85

Financial year	'S' Class (Income shares) ⁽¹⁾		
	30.09.19 (p)	30.09.18 (p)	30.09.17 (p)
Change in net assets per share			
Opening net asset value per share	–	–	3,369.83
Return before operating charges*	–	–	98.15
Operating charges	–	–	(2.75)
Return after operating charges*	–	–	95.40
Return to shareholder as a result of class closure			(3,465.23)
Distributions	–	–	–
Retained distributions on accumulation shares	–	–	–
Closing net asset value per share	–	–	–
* after direct transaction costs of:	–	–	2.39
Performance			
Return after charges	–	–	2.83%
Other information			
Closing net asset value (£'000)	–	–	–
Closing number of shares	–	–	–
Operating charges	–	–	0.08%
Direct transaction costs [‡]	–	–	0.07%
Prices			
Highest share price	–	–	3,490.17
Lowest share price	–	–	3,276.25

(1) Closed 31 January 2017

Portfolio transaction costs

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

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

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

UK Special Situations Fund

Comparative Tables

As at 30 September 2019

Financial year	'A' Class (Accumulation shares)			'A' Class (Income shares)		
	30.09.19 (p)	30.09.18 (p)	30.09.17 (p)	30.09.19 (p)	30.09.18 (p)	30.09.17 (p)
Change in net assets per share						
Opening net asset value per share	1,229.76	1,220.64	1,061.04	464.71	468.94	413.51
Return before operating charges*	52.52	28.29	178.13	20.22	10.80	69.65
Operating charges	(18.89)	(19.17)	(18.53)	(7.13)	(7.37)	(7.23)
Return after operating charges*	33.63	9.12	159.60	13.09	3.43	62.42
Distributions	(25.89)	(19.93)	(17.90)	(10.05)	(7.66)	(6.99)
Retained distributions on accumulation shares	25.89	19.93	17.90	–	–	–
Closing net asset value per share	1,263.39	1,229.76	1,220.64	467.75	464.71	468.94
* after direct transaction costs of:	1.70	1.40	1.42	0.64	0.54	0.55
Performance						
Return after charges	2.73%	0.75%	15.04%	2.82%	0.73%	15.10%
Other information						
Closing net asset value (£'000)	54,085	57,882	91,027	53,262	79,784	119,402
Closing number of shares	4,280,902	4,706,789	7,457,324	11,386,884	17,168,714	25,461,949
Operating charges	1.57%	1.58%	1.59%	1.58%	1.58%	1.59%
Direct transaction costs [‡]	0.14%	0.12%	0.12%	0.14%	0.12%	0.12%
Prices						
Highest share price	1,285.60	1,279.23	1,221.70	486.20	491.42	476.34
Lowest share price	1,069.17	1,126.30	1,075.27	404.35	432.67	419.24

Financial year	'A' Class (Income-2 shares)			'B' Class (Accumulation shares)		
	30.09.19 (p)	30.09.18 (p)	30.09.17 (p)	30.09.19 (p)	30.09.18 (p)	30.09.17 (p)
Change in net assets per share						
Opening net asset value per share	104.20	106.81	95.61	1,319.55	1,303.16	1,127.17
Return before operating charges*	4.45	2.46	16.15	56.74	30.41	189.50
Operating charges	(1.60)	(1.67)	(1.66)	(13.85)	(14.02)	(13.51)
Return after operating charges*	2.85	0.79	14.49	42.89	16.39	175.99
Distributions	(3.77)	(3.40)	(3.29)	(34.32)	(27.87)	(25.31)
Retained distributions on accumulation shares	–	–	–	34.32	27.87	25.31
Closing net asset value per share	103.28	104.20	106.81	1,362.44	1,319.55	1,303.16
* after direct transaction costs of:	0.14	0.12	0.13	1.83	1.50	1.51
Performance						
Return after charges	2.74%	0.74%	15.16%	3.25%	1.26%	15.61%
Other information						
Closing net asset value (£'000)	4	4	5	5,998	6,530	7,185
Closing number of shares	4,013	3,989	5,047	440,243	494,869	551,371
Operating charges	1.57%	1.58%	1.59%	1.07%	1.08%	1.09%
Direct transaction costs [‡]	0.14%	0.12%	0.12%	0.14%	0.12%	0.12%
Prices						
Highest share price	108.93	111.93	110.19	1,383.36	1,370.58	1,303.70
Lowest share price	90.60	98.55	96.94	1,148.63	1,205.57	1,142.27

Comparative Tables

As at 30 September 2019

Financial year	'B' Class (Income shares)			'I' Class (Accumulation shares)		
	30.09.19 (p)	30.09.18 (p)	30.09.17 (p)	30.09.19 (p)	30.09.18 (p)	30.09.17 (p)
Change in net assets per share						
Opening net asset value per share	478.46	482.76	425.59	200.82	197.83	170.69
Return before operating charges*	20.60	11.21	71.84	8.67	4.63	28.72
Operating charges	(5.02)	(5.20)	(5.11)	(1.62)	(1.64)	(1.58)
Return after operating charges*	15.58	6.01	66.73	7.05	2.99	27.14
Distributions	(12.45)	(10.31)	(9.56)	(5.72)	(4.73)	(4.31)
Retained distributions on accumulation shares	–	–	–	5.72	4.73	4.31
Closing net asset value per share	481.59	478.46	482.76	207.87	200.82	197.83
* after direct transaction costs of:	0.66	0.55	0.57	0.28	0.23	0.23
Performance						
Return after charges	3.26%	1.24%	15.68%	3.51%	1.51%	15.90%
Other information						
Closing net asset value (£'000)	1,838	2,048	3,820	334,593	353,763	536,014
Closing number of shares	381,650	428,050	791,163	160,965,549	176,159,635	270,951,766
Operating charges	1.07%	1.08%	1.09%	0.82%	0.83%	0.84%
Direct transaction costs [‡]	0.14%	0.12%	0.12%	0.14%	0.12%	0.12%
Prices						
Highest share price	501.62	507.68	492.53	210.83	208.43	197.91
Lowest share price	416.50	446.56	431.54	174.91	183.25	172.98

Financial year	'I' Class (Income shares)			'I' Class (Income-2 shares)		
	30.09.19 (p)	30.09.18 (p)	30.09.17 (p)	30.09.19 (p)	30.09.18 (p)	30.09.17 (p)
Change in net assets per share						
Opening net asset value per share	144.24	145.53	128.28	107.26	109.11	96.95
Return before operating charges*	6.19	3.39	21.67	4.64	2.54	16.39
Operating charges	(1.17)	(1.20)	(1.18)	(0.87)	(0.90)	(0.90)
Return after operating charges*	5.02	2.19	20.49	3.77	1.64	15.49
Distributions	(4.10)	(3.48)	(3.24)	(3.91)	(3.49)	(3.33)
Retained distributions on accumulation shares	–	–	–	–	–	–
Closing net asset value per share	145.16	144.24	145.53	107.12	107.26	109.11
* after direct transaction costs of:	0.20	0.17	0.17	0.15	0.13	0.13
Performance						
Return after charges	3.48%	1.50%	15.97%	3.51%	1.50%	15.98%
Other information						
Closing net asset value (£'000)	256,479	84,644	114,340	971	97	142
Closing number of shares	176,692,939	58,683,175	78,569,759	906,165	90,710	129,900
Operating charges	0.82%	0.83%	0.84%	0.82%	0.83%	0.84%
Direct transaction costs [‡]	0.14%	0.12%	0.12%	0.14%	0.12%	0.12%
Prices						
Highest share price	151.38	153.31	148.82	112.62	114.95	112.49
Lowest share price	125.59	134.79	130.08	93.43	101.06	98.26

Comparative Tables

As at 30 September 2019

Financial year	'J' Class (Accumulation shares)			'J' Class (Income shares)		
	30.09.19 (p)	30.09.18 (p)	30.09.17 (p)	30.09.19 (p)	30.09.18 (p)	30.09.17 (p)
Change in net assets per share						
Opening net asset value per share	131.09	129.00	111.20	111.02	112.01	98.73
Return before operating charges*	5.66	3.03	18.70	4.81	2.62	16.69
Operating charges	(0.93)	(0.94)	(0.90)	(0.79)	(0.82)	(0.80)
Return after operating charges*	4.73	2.09	17.80	4.02	1.80	15.89
Distributions	(3.87)	(3.22)	(2.93)	(3.28)	(2.79)	(2.61)
Retained distributions on accumulation shares	3.87	3.22	2.93	–	–	–
Closing net asset value per share	135.82	131.09	129.00	111.76	111.02	112.01
* after direct transaction costs of:	0.18	0.15	0.15	0.15	0.13	0.13
Performance						
Return after charges	3.61%	1.62%	16.01%	3.62%	1.61%	16.09%
Other information						
Closing net asset value (£'000)	113,716	105,338	114,205	136,121	148,737	103,517
Closing number of shares	83,723,609	80,357,340	88,529,884	121,799,701	133,978,139	92,415,909
Operating charges	0.72%	0.73%	0.74%	0.72%	0.73%	0.74%
Direct transaction costs [‡]	0.14%	0.12%	0.12%	0.14%	0.12%	0.12%
Prices						
Highest share price	137.70	136.01	129.05	116.62	118.09	114.67
Lowest share price	114.20	119.56	112.69	96.72	103.80	100.12

Financial year	'J' Class (Income-2 shares) ⁽¹⁾			'K' Class (Income shares) ⁽²⁾		
	30.09.19 (p)	30.09.18 (p)	30.09.17 (p)	30.09.19 (p)	30.09.18 (p)	30.09.17 (p)
Change in net assets per share						
Opening net asset value per share	107.94	109.64	97.22	100.00	–	–
Return before operating charges*	1.80	2.52	16.46	(0.45)	–	–
Operating charges	(0.24)	(0.72)	(0.71)	(0.18)	–	–
Return after operating charges*	1.56	1.80	15.75	(0.63)	–	–
Return to shareholder as a result of class closure	(109.50)	–	–	–	–	–
Distributions	–	(3.50)	(3.33)	(3.07)	–	–
Retained distributions on accumulation shares	–	–	–	–	–	–
Closing net asset value per share	–	107.94	109.64	96.30	–	–
* after direct transaction costs of:	0.14	0.13	0.13	0.14	–	–
Performance						
Return after charges	1.45%	1.64%	16.20%	(0.63%)	–	–
Other information						
Closing net asset value (£'000)	–	1	1	1	–	–
Closing number of shares	–	689	668	1,000	–	–
Operating charges	0.55%	0.73%	0.74%	0.44%	–	–
Direct transaction costs [‡]	0.14%	0.12%	0.12%	0.14%	–	–
Prices						
Highest share price	109.50	115.63	113.02	100.00	–	–
Lowest share price	94.08	101.62	98.55	90.39	–	–

Comparative Tables

As at 30 September 2019

Financial year	'R' Class (Accumulation shares)			'R' Class (Income shares) ⁽³⁾		
	30.09.19 (p)	30.09.18 (p)	30.09.17 (p)	30.09.19 (p)	30.09.18 (p)	30.09.17 (p)
Change in net assets per share						
Opening net asset value per share	152.12	150.23	129.94	100.00	–	–
Return before operating charges*	6.57	3.51	21.85	5.51	–	–
Operating charges	(1.63)	(1.62)	(1.56)	(0.37)	–	–
Return after operating charges*	4.94	1.89	20.29	5.14	–	–
Distributions	(3.96)	(3.21)	(2.92)	(2.63)	–	–
Retained distributions on accumulation shares	3.96	3.21	2.92	–	–	–
Closing net asset value per share	157.06	152.12	150.23	102.51	–	–
* after direct transaction costs of:	0.22	0.17	0.17	0.32	–	–
Performance						
Return after charges	3.25%	1.26%	15.61%	5.14%	–	–
Other information						
Closing net asset value (£'000)	3,369	533	560	7,398	–	–
Closing number of shares	2,145,275	350,664	372,999	7,216,978	–	–
Operating charges	1.07%	1.08%	1.09%	1.08%	–	–
Direct transaction costs [‡]	0.14%	0.12%	0.12%	0.14%	–	–
Prices						
Highest share price	159.47	158.00	150.29	105.24	–	–
Lowest share price	132.41	138.98	131.68	95.72	–	–

Financial year	'S' Class (Accumulation shares) ⁽¹⁾		
	30.09.19 (p)	30.09.18 (p)	30.09.17 (p)
Change in net assets per share			
Opening net asset value per share	1,359.69	1,329.34	1,138.21
Return before operating charges*	22.49	31.39	192.21
Operating charges	(0.41)	(1.04)	(1.08)
Return after operating charges*	22.08	30.35	191.13
Return to shareholder as a result of class closure	(1,381.77)	–	–
Distributions	–	(41.91)	(38.36)
Retained distributions on accumulation shares	–	41.91	38.36
Closing net asset value per share	–	1,359.69	1,329.34
* after direct transaction costs of:	1.80	1.54	1.54
Performance			
Return after charges	1.62%	2.28%	16.79%
Other information			
Closing net asset value (£'000)	–	88	102
Closing number of shares	–	6,433	7,642
Operating charges	0.08%	0.08%	0.09%
Direct transaction costs [‡]	0.14%	0.12%	0.12%
Prices			
Highest share price	1,381.77	1,408.05	1,329.85
Lowest share price	1,186.43	1,236.17	1,156.82

(1) Closed 4 March 2019.

(2) Launched 30 April 2019.

(3) Launched 7 August 2019.

Portfolio transaction costs

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

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

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

Notes to the Financial Statements of the Company

For the year ended 30 September 2019

1. Accounting policies

a) Basis of accounting

The financial statements on pages 100 to 189 have been prepared under the historical cost basis, as modified by the revaluation of investments, in compliance with the Financial Conduct Authority's Collective Investments Schemes Sourcebook. They have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 (The Financial Reporting Standard Applicable in the UK and Republic of Ireland 'FRS 102'), and in accordance with the Statement of Recommended Practice (SORP) for Financial Statements of Authorised Funds issued by the Investment Management Association in May 2014 ('the 2014 SORP'). The financial statements are prepared on the going concern basis.

Changes in accounting policies

There have been no changes to the accounting policies as detailed in the audited financial statements for the year ended 30 September 2019.

b) Valuation of investments

The investments of the Funds have been valued at market value at noon (UK time) on 30 September 2019 net of any accrued interest. Suspended securities are valued at the last traded price or at the Fund Manager's best estimate of fair value based on market information and particular circumstances that led to the suspension subject to agreement from the ACD's valuation committee.

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

Delisted securities have been valued at nil market value.

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

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

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

Option Contracts are shown in the Portfolio Statement and are valued at market value where listed on a recognised exchange, any unlisted contracts held are at fair value. The net gains/(losses) are reflected in 'Derivative contracts' in Net capital gains/(losses).

c) Exchange rates

Assets and liabilities held in overseas currencies have been translated into sterling at the exchange rates ruling at noon on 30 September 2019. Transactions during the year are translated at the rate ruling on the transaction date.

d) Recognition of revenue

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

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

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

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

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

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

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

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

e) Expenses

Expenses are accounted for on an accruals basis.

f) Taxation

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

g) Deferred taxation

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

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

2. Distribution policies

a) Basis of distribution

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

Cautious Managed Fund and UK Equity Income Fund distributes revenue on a quarterly basis.

Diversified Income Fund will distribute on a monthly basis.

Enhanced Natural Resources Fund, Global Multi-Asset Total Return Fund, UK Alpha Fund, UK Smaller Companies Fund and UK Special Situations Fund will distribute annually by reference to net revenue arising during the year ended 30 September 2019.

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

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

2. Distribution policies (continued)

b) Apportionment to multiple share classes

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

c) Stock dividends

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

d) Interest from debt securities

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

e) Expenses

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

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

f) Equalisation

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

g) Aggregate distribution

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

3. Risk management policies

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

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

Risk management process

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

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

General risks

Risks associated with investments

Accounting

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

Active management

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

Efficient portfolio management

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

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

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

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

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

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

Exchange rate fluctuation

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

Income yield

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

Inflation & deflation

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

Notes to the Financial Statements of the Company

continued

For the year ended 30 September 2019

3. Risk management policies (continued)

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

Initial public offerings (IPO) & placement

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

Political, legal & regulatory

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

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

Brexit risk

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

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

Risks associated with derivatives

EMIR clearing: client segregation model

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

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

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

Risks associated with share classes

Base currency hedged share classes

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

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

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

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

Charges to capital

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

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

Currency denomination

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

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

Distribution from capital

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

3. Risk management policies (continued)

Initial charges

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

Transactional risks arising from the hedged share classes

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

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

Portfolio currency hedged share class

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

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

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

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

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

Risks associated with shareholder dealing and portfolio transactions

Cancellation

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

Conflicts of interest

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

Counterparty – trading

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

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

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

Dilution

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

Liquidity risk - fund investments

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

Risk of deferred redemptions

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

Risk of market closure

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

Risk of remittance restrictions

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

Notes to the Financial Statements of the Company

continued

For the year ended 30 September 2019

3. Risk management policies (continued)

Risk of suspension

In certain circumstances, Shareholders' right to redeem, switch or convert Shares (including a sale by way of conversion) may be suspended (see Section 3.10 of the Prospectus). This will mean that on a temporary basis Shareholders will not have access to their money.

Risks associated with fund operations

Central securities depositories

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

Custody

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

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

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

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

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

Economically viable

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

Fair value pricing

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

Fraud

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

Fund legal action

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

Higher ongoing charges when investing in funds

Where a Fund invests in other UCITS and/or other funds which are eligible for investment, there may be additional costs of investing in these UCITS/UCIs which may increase the Total Expense Ratio (TER) and/or Ongoing Charges.

Liabilities of each company and the funds

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

Liquidity risk – shareholder activity

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

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

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

Tax

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

3. Risk management policies (continued)

Third-Party operational (including counterparty service providers)

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

Specific risks

Risks associated with debt investments

Contingent convertibles or CoCos

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

Credit

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

High yield debt securities

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

Interest rate

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

Investment grade

Investment grade debt securities, like other types of debt securities, involve credit risk. As such, they are subject to loss of income and/or principal due to default by the issuer, or if their financial circumstances deteriorate. Investment grade debt securities also face the risk that their ratings can be downgraded by the ratings agencies when these securities are invested by a particular Fund.

Risks associated with derivative instruments

Cash flow

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

Credit default swaps and other synthetic securities

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

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

Derivative basis

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

Derivatives

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

Exchange derivatives

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

Leverage

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

OTC derivative instruments

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

Notes to the Financial Statements of the Company

continued

For the year ended 30 September 2019

3. Risk management policies (continued)

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

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

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

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

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

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

Short exposure

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

Risks associated with emerging market investments

China Interbank Bond Market

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

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

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

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

Settlement risk

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

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

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

CIBM Direct Access rules and regulations

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

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

Restrictions to remittances and repatriations risk

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

Securities and cash accounts

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

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

3. Risk management policies (continued)

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

Bond settlement agent risk

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

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

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

China tax

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

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

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

China Interbank Bond Market

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

Bond connect

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

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

Emerging markets

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

Investment in China

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

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

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

Notes to the Financial Statements of the Company

continued

For the year ended 30 September 2019

3. Risk management policies (continued)

Other applicable risks:

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

Stock Connect

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

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

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

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

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

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

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

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

Investors should also consider the Investment in China detailed in this Risk Management Policies which applies to investment in China.

Risks associated with equity investments

Equity investment

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

Smaller companies

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

Risks associated with investment strategy

Commodities

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

Concentration

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

Income priority

Where a Fund gives priority to income over capital growth this may constrain the rate of future capital and income growth.

Sector and / or geographical

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

Cautious Managed Fund

China Interbank Bond Market
China tax
CIBM Direct Access
Credit
Derivatives
Exchange derivatives
Income priority
Interest rate
Investment grade

3. Risk management policies (continued)**Diversified Income Fund**

China Interbank Bond Market
 China tax
 CIBM Direct Access
 Contingent convertibles or CoCos
 Credit
 Credit default swaps and other synthetic securities
 Derivatives
 Emerging markets
 Exchange derivatives
 High yield debt securities
 Income priority
 Interest rate
 Investment grade
 Investment in China
 Leverage
 OTC derivative instruments
 Stock Connect

Enhanced Natural Resources Fund

Credit default swaps and other synthetic securities
 Derivative basis
 Derivatives
 Emerging markets
 Equity investment
 Exchange derivatives
 Leverage
 OTC derivative securities
 Sector and / or geographical
 Short exposure

Global Multi-Asset Total Return Fund

China Interbank Bond Market
 China tax
 CIBM Direct Access
 Commodities
 Credit
 Credit default swaps and other synthetic securities
 Derivatives
 High yield debt securities
 Interest rate
 Investment grade
 Investment in China
 Leverage
 OTC derivative instruments
 Stock Connect

UK Alpha Fund

Derivatives
 Equity investment
 Sector and / or geographical

UK Equity Income Fund

Concentration
 Derivatives
 Equity investment
 Income priority
 Sector and / or geographical

UK Smaller Companies Fund

Derivatives
 Equity investment
 Sector and / or geographical
 Smaller companies

UK Special Situations Fund

Derivatives
 Equity investment
 Sector and / or geographical
 Smaller companies

Sensitivity analysis

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

Notes to the Financial Statements of the Company

continued

For the year ended 30 September 2019

3. Risk management policies (continued)

2019 [‡]	FTSE All-Share Index	MSCI World Index	Citigroup World Government Bond Index	FTSE British Government 5-10 Years Index
Cautious Managed Fund	0.36	0.19	(0.19)	(0.41)
Diversified Income Fund	0.11	0.07	0.01	0.04
Enhanced Natural Resources Fund	1.00	0.67	n/a	n/a
Global Multi-Asset Total Return Fund	0.32	0.18	(0.13)	(0.23)
UK Alpha Fund	0.95	0.61	n/a	n/a
UK Equity Income Fund	0.74	0.52	n/a	n/a
UK Smaller Companies Fund	0.90	0.53	n/a	n/a
UK Special Situations Fund	0.92	0.47	n/a	n/a

[‡] Source: Morningstar 01.10.18 – 30.09.19 using weekly sub-periods for the nearest measurable period for class 'I' income shares for UK Alpha Fund and UK Smaller Companies Fund and class 'I' accumulation shares classes for all other Funds.

2018 ^{††}	FTSE All-Share Index	MSCI World Index	Citigroup World Government Bond Index	FTSE British Government 5-10 Years Index
Cautious Managed Fund	0.29	0.23	0.10	0.19
Diversified Income Fund	0.13	0.14	0.01	0.14
Enhanced Natural Resources Fund	1.06	0.82	n/a	n/a
Global Multi-Asset Total Return Fund	0.34	0.30	(0.12)	0.50
UK Alpha Fund	0.87	0.72	n/a	n/a
UK Equity Income Fund	0.71	0.60	n/a	n/a
UK Smaller Companies Fund	0.66	0.52	n/a	n/a
UK Special Situations Fund	0.72	0.55	n/a	n/a

^{††} Source: Morningstar 01.10.17 – 29.09.18 using weekly sub-periods for the nearest measurable period for class 'I' income shares for UK Alpha Fund and UK Smaller Companies Fund and class 'I' accumulation shares classes for all other Funds.

Past performance is not a guide to future performance.

4. Dilution adjustment

A dilution adjustment may be applied at the ACD's discretion to all purchases, sales and switches of shares where the impact of the net deals is believed to have a material effect. A dilution adjustment or levy is a method to ensure fair treatment between investors joining or remaining in a Fund. We reserve the right to levy a dilution adjustment on any deals. The price of the shares of a Fund may be adjusted to protect its value from being reduced in the case of larger scale movements into or out of the Fund.

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

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

K. McFarland

Director of the ACD

13 December 2019

A. Fletcher

Director of the ACD

Cautious Managed Fund

Statement of Total Return

For the year ended 30 September 2019

	Note	30.09.19 £'000	£'000	30.09.18 £'000	£'000
Income					
Net capital losses	4		(35,662)		(51,436)
Revenue	6	36,605		33,432	
Expenses	7	(19,967)		(24,404)	
Interest payable and similar charges	8	(615)		(136)	
Net revenue before taxation		16,023		8,892	
Taxation	9	(1,696)		(1,212)	
Net revenue after taxation			14,327		7,680
Total return before distributions			(21,335)		(43,756)
Distributions	10		(14,444)		(8,137)
Change in net assets attributable to shareholders from investment activities			(35,779)		(51,893)

Statement of Change in Net Assets Attributable to Shareholders

For the year ended 30 September 2019

	30.09.19 £'000	£'000	30.09.18 £'000	£'000
Opening net assets attributable to shareholders		1,931,271		2,150,356
Amounts receivable on creation of shares	25,772		49,894	
Amounts payable on cancellation of shares	(364,294)		(224,053)	
		(338,522)		(174,159)
Change in net assets attributable to shareholders from investment activities		(35,779)		(51,893)
Retained distributions on accumulation shares		12,429		6,967
Unclaimed distributions		2		–
Closing net assets attributable to shareholders		1,569,401		1,931,271

Notes to the financial statements are on pages 112 to 117.

Balance Sheet

As at 30 September 2019

	Note	30.09.19 £'000	£'000	30.09.18 £'000	£'000
ASSETS					
Investments assets			1,512,491		1,826,163
Current assets					
Debtors	11	4,486		5,909	
Cash and bank balances	12	96,534		139,427	
Total other assets			101,020		145,336
Total assets			1,613,511		1,971,499
LIABILITIES					
Investment liabilities			–		2,027
Creditors					
Bank overdrafts		37,945		26,884	
Distribution payable		237		213	
Other creditors	13	5,928		11,104	
Total other liabilities			44,110		38,201
Total liabilities			44,110		40,228
Net assets attributable to shareholders			1,569,401		1,931,271

Notes to the financial statements are on pages 112 to 117.

Cautious Managed Fund

Notes to the Financial Statements

For the year ended 30 September 2019

1. Accounting policies

The Accounting policies for the Fund are disclosed in the notes to the financial statements on page 100.

2. Distribution policies

The Distribution policies for the Fund are disclosed in the notes to the financial statements on pages 100 to 101.

3. Risk management policies

The Risk management policies for the Fund are disclosed in the notes to the financial statements on pages 101 to 110.

4. Net capital losses

The net capital losses during the year comprise:

	30.09.19 £'000	30.09.18 £'000
Losses on foreign exchange	(1,887)	(908)
Derivative contracts	(4,881)	(81,158)
Forward currency contracts	(30,464)	(15,234)
Non-derivative securities	1,596	45,905
Transaction charges	(26)	(41)
Net capital losses	(35,662)	(51,436)

5. Purchases, sales and transaction costs

Analysis of total trade costs

	Purchases		Sales	
	30.09.19 £'000	30.09.18 £'000	30.09.19 £'000	30.09.18 £'000
Equities	297,233	348,997	486,959	486,998
Bonds	132,984	81,203	178,158	80,666
Collective Investment Schemes	10,600	–	95,381	45,500
Futures*	–	–	–	–
Trades excluding transaction costs	440,817	430,200	760,498	613,164
Commissions				
Equities	165	202	(210)	(247)
Bonds	–	–	–	–
Collective Investment Schemes	3	–	(4)	–
Futures*	–	–	–	–
Total commissions	168	202	(214)	(247)
Taxes				
Equities	135	532	(39)	(16)
Bonds	–	–	–	–
Collective Investment Schemes	–	–	–	–
Futures*	–	–	–	–
Total taxes	135	532	(39)	(16)
Total costs	303	734	(253)	(263)
Net trades in the year after transaction costs	441,120	430,934	760,245	612,901

Total transaction cost expressed as a percentage of asset type cost

	Purchases		Sales	
	30.09.19 %	30.09.18 %	30.09.19 %	30.09.18 %
Commissions				
Equities	0.06	0.06	0.04	0.05
Bonds	–	–	–	–
Collective Investment Schemes	0.03	–	–	–
Futures*	–	–	–	–
Taxes				
Equities	0.05	0.15	0.01	–
Bonds	–	–	–	–
Collective Investment Schemes	–	–	–	–
Futures*	–	–	–	–

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

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

	30.09.19 %	30.09.18 %
Commissions	0.02	0.02
Taxes	0.01	0.03
Total costs	0.03	0.05

Average portfolio dealing spread

The average portfolio dealing spread at the balance sheet date was 0.13% (30.09.18: 0.11%).

6. Revenue

	30.09.19 £'000	30.09.18 £'000
Bank interest	89	49
Franked investment income from collective investment schemes	3,675	3,763
Interest on debt securities	4,857	5,238
Overseas dividends	17,330	14,107
UK dividends	10,152	9,633
Offshore distribution non-taxable from collective investment schemes	291	246
Property revenue from overseas REITs	31	201
Margin interest	180	195
Total revenue	36,605	33,432

7. Expenses

	30.09.19 £'000	30.09.18 £'000
Payable to the ACD or associates of the ACD, and agents of either of them:		
ACD fee	18,560	22,697
General administration charge (GAC)	1,172	1,450
	19,732	24,147
Payable to the Depositary or associates of the Depositary, and agents of either of them:		
Safe custody fee	247	257
	247	257
Other expenses:		
VAT refund	(23)	(13)
Collateral interest fee	11	13
	(12)	–
Total expenses	19,967	24,404

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

The audit fee for the year is £9,600 (30.09.18: £9,400).

8. Interest payable and similar charges

	30.09.19 £'000	30.09.18 £'000
Interest	97	43
Margin Interest	518	93
Total interest payable and similar charges	615	136

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

	30.09.19 £'000	30.09.18 £'000
Interest on capital	189	93
Overseas tax	1,507	1,119
Current tax charge	1,696	1,212
Deferred tax charge (note 9(c))	–	–
Total tax charge (note 9(b))	1,696	1,212

Cautious Managed Fund

Notes to the Financial Statements continued

For the year ended 30 September 2019

9. Taxation (continued)**(b) Factors affecting current tax charge for the year:**

The tax assessed for the year is lower than the standard rate of corporation tax in the UK for an authorised OEIC (20%) (30.09.18: 20%). The differences are explained below:

	30.09.19 £'000	30.09.18 £'000
Net revenue before taxation	16,023	8,892
Corporation tax of 20%	3,205	1,778
Effects of:		
Movement in excess management expenses	2,890	3,703
Overseas tax	1,696	1,212
Revenue not subject to taxation	(6,057)	(5,462)
Overseas tax expensed	(38)	(19)
Total tax charge (note 9(a))	1,696	1,212

(c) Provision for deferred taxation:

There is no provision required for deferred taxation at the Balance Sheet date in the current or prior year.

(d) Factors affecting future tax charge:

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £24,278,000 (2018: £21,388,000) in relation to surplus management expenses. It is unlikely that the Fund will generate sufficient taxable profits in the future to utilise this amount and therefore no deferred tax asset has been recognised in the year.

10. Distributions

The Distributions take account of equalisation received on the creation of shares and deducted on the cancellation of shares, and comprise:

	30.09.19 £'000	30.09.18 £'000
First quarter	1,044	436
Second quarter	5,583	1,606
Third quarter	5,737	4,457
Final	1,760	1,569
	14,124	8,068
Add: Equalisation deducted on cancellation of shares	341	90
Less: Equalisation received on creation of shares	(21)	(21)
Net distribution for the year	14,444	8,137

The net distribution for the year is represented by:

	30.09.19 £'000	30.09.18 £'000
Net revenue after taxation	14,327	7,680
Equalisation on conversion of shares	43	–
Expenses charged to capital:		
ACD fee	48	44
General administration charge (GAC)	5	5
Safe custody fee	1	1
Shortfall of income transferred from capital	23	410
Net movement in revenue account	1	1
Tax relief from capital*	(4)	(4)
Net distribution for the year	14,444	8,137

* Tax relief from capital expenses

11. Debtors

	30.09.19 £'000	30.09.18 £'000
Accrued bond interest	1,816	2,472
Accrued dividends and bank interest	1,870	2,415
Amounts receivable for creation of shares	90	3
Overseas tax recoverable	298	114
Sales awaiting settlement	412	905
	4,486	5,909

12. Cash and bank balances

	30.09.19 £'000	30.09.18 £'000
Cash and bank balances	33,275	83,844
Amount held at futures clearing houses and brokers	63,259	55,583
	96,534	139,427

13. Other creditors

	30.09.19 £'000	30.09.18 £'000
Amounts payable for cancellation of shares	4,378	1,942
Purchases awaiting settlement	–	7,225
Accrued ACD fees	1,381	1,749
Accrued general administration charge (GAC)	88	107
Accrued safe custody fee	72	70
Accrued transaction charges	9	11
	5,928	11,104

14. Capital commitments and contingent liabilities

The Fund had no contingent liabilities or capital commitments at the year end date (30.09.18: Nil).

15. Related party transactions

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

Included in note 5 are purchases and sales to the value of £nil (30.09.18: Nil) and £31,878,691 (30.09.18: £32,762,620) respectively where Investec Wealth & Investment Limited acted as broker, commission of £967 (30.09.18: £7,662) was received by them in relation to this.

In accordance with the prospectus the ACD collects from the Fund, a general administration charge (GAC), ACD fees and safe custody fees. Please refer to notes 7, 13 and 16 for further details.

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

16. ACD Fee and charges

The different level of ACD fees payable per annum as at 30 September 2019 for each share class is detailed below:

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

The GAC is charged at up to 0.08% of the Net Asset Value of each share class.

All shares within the sub-fund have the same rights on winding up.

Reconciliation of the shares movement in the year:

	30.09.18 Opening shares in issue	Creations	Cancellations	Shares converted	30.09.19 Closing shares in issue
'A' Class (Accumulation shares)	183,449,620	2,129,311	(36,347,118)	(2,385,444)	146,846,369
'A' Class (Income shares)	64,883,705	597,013	(7,563,053)	(32,069,298)	25,848,367
'A' Class (Income-2 shares)	120,179	5,463	(61,932)	–	63,710
'I' Class (Accumulation shares)	371,422,557	5,107,150	(77,567,457)	46,781,816	345,744,066
'I' Class (Income shares)	100,554,973	798,566	(17,062,942)	135,002	84,425,599
'I' Class (Income-2 shares)	700,555	205,712	(122,964)	–	783,303
'J' Class (Accumulation shares)	111,622,729	1,820,904	(22,188,043)	143,600	91,399,190
'J' Class (Income-2 shares)	5,353,996	895,889	(241,124)	–	6,008,761
'R' Class (Accumulation shares)	1,161,724	80,316	(372,693)	3,051,336	3,920,683
'R' Class (Income shares)	–	10,000	(1,503)	6,273,178	6,281,675
'S' Class (Accumulation shares)	14,718,469	917,395	(3,438,121)	–	12,197,743

Cautious Managed Fund

Notes to the Financial Statements continued

For the year ended 30 September 2019

17. Risk consideration

Please refer to note 3 of the financial statements for a detailed description of the risk considerations. There are no further specific risks for this Fund.

The Fund's currency exposure as at 30 September 2019 was:

Currency	Currency exposure	
	Total 30.09.19 £'000	Total 30.09.18 £'000
Australian Dollar	9	13,970
Brazilian Real	27,312	39,198
Canadian Dollar	37,882	35,508
Euro	42,320	15,669
Hong Kong Dollar	299	8,161
Japanese Yen	99,205	116,152
Norwegian Krone	136,772	157,249
South African Rand	16,179	18,899
South Korean Won	15,374	–
Sterling	1,109,243	1,324,631
Swedish Krona	15,784	12,962
Swiss Franc	16,364	–
Turkish Lira	19,232	33,906
UAE Dirham	13,711	15,924
US Dollar	19,715	139,042
Total	1,569,401	1,931,271

Interest rate risk profile of financial assets and liabilities as at 30 September 2019 was as follows:

Currency	Financial assets		Financial assets not carrying interest 30.09.19 £'000	Total 30.09.19 £'000
	Floating rate financial assets 30.09.19 £'000	Fixed rate financial assets 30.09.19 £'000		
Australian Dollar	9	–	–	9
Brazilian Real	–	–	27,312	27,312
Canadian Dollar	7	–	37,875	37,882
Euro	(7)	–	42,327	42,320
Hong Kong Dollar	37	–	262	299
Japanese Yen	2,055	–	97,150	99,205
Norwegian Krone	289	134,134	2,349	136,772
South African Rand	1	–	16,178	16,179
South Korean Won	–	–	15,374	15,374
Sterling	90,219	230,315	788,709	1,109,243
Swedish Krona	–	–	15,784	15,784
Swiss Franc	–	–	16,364	16,364
Turkish Lira	2	–	19,230	19,232
UAE Dirham	13	–	13,698	13,711
US Dollar	(34,036)	50,816	2,935	19,715
Total	58,589	415,265	1,095,547	1,569,401

Interest rate risk profile of financial assets and liabilities as at 30 September 2018 was as follows:

Currency	Financial assets		Financial assets not carrying interest 30.09.18 £'000	Total 30.09.18 £'000
	Floating rate financial assets 30.09.18 £'000	Fixed rate financial assets 30.09.18 £'000		
Australian Dollar	457	–	13,513	13,970
Brazilian Real	890	–	38,308	39,198
Canadian Dollar	9	–	35,499	35,508
Euro	–	–	15,669	15,669
Hong Kong Dollar	239	–	7,922	8,161
Japanese Yen	4,433	–	111,719	116,152
Norwegian Krone	2	143,471	13,776	157,249
South African Rand	–	–	18,899	18,899
Sterling	129,151	276,494	918,986	1,324,631
Swedish Krona	–	–	12,962	12,962
Turkish Lira	2	–	33,904	33,906
UAE Dirham	16	–	15,908	15,924
US Dollar	(22,547)	45,991	115,598	139,042
Total	112,652	465,956	1,352,663	1,931,271

18. Efficient portfolio management techniques risk exposure

The exposure obtained through efficient portfolio management techniques and identity of counterparties as at 30 September 2019 was as follows:

(a) Forwards

Counterparty	Market Value	
	30.09.19 £'000	30.09.18 £ '000
Goldman Sachs	3,237	–
JP Morgan	–	3,429
Total	3,237	3,429

(b) Futures

Counterparty	Market Value 30.09.19 £'000	Value of exposure 30.09.19 £ '000
Goldman Sachs	1,587	459,943
Total	1,587	459,943

Counterparty	Market Value 30.09.18 £'000	Value of exposure 30.09.18 £ '000
Goldman Sachs	(2,027)	552,442
Total	(2,027)	552,442

(c) Options

Counterparty	Market Value 30.09.19 £'000	Value of exposure 30.09.19 £ '000
Goldman Sachs	–	1
Total	–	1

Counterparty	Market Value 30.09.18 £'000	Value of exposure 30.09.18 £ '000
Goldman Sachs	–	–
Total	–	–

19. Fair value

Valuation technique	30.09.19		30.09.18	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
Level 1	1,509,254	–	1,427,415	(2,027)
Level 2	3,237	–	398,748	–
Level 3	–	–	–	–
Total fair value	1,512,491	–	1,826,163	(2,027)

The three levels of the fair value hierarchy under FRS 102 are as follows:

Level 1 Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 Inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly (that is, as prices) or indirectly (that is, derived from prices);

Level 3 Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

Cautious Managed Fund

Distribution Tables

For the year ended 30 September 2019

Interim distribution paid 28 February 2019

Group 1 – Shares purchased before 1 October 2018

Group 2 – Shares purchased between 1 October and 31 December 2018

	Net Income pence	Equalisation pence	Distribution paid 28.02.19 pence	Distribution paid 28.02.18 pence
'A' Class (Accumulation shares)				
Group 1	–	–	–	–
Group 2	–	–	–	–
'A' Class (Income shares)				
Group 1	–	–	–	–
Group 2	–	–	–	–
'A' Class (Income-2 shares)				
Group 1	0.3071	–	0.3071	0.2556
Group 2	0.1297	0.1774	0.3071	0.2556
'I' Class (Accumulation shares)				
Group 1	0.1730	–	0.1730	0.0594
Group 2	0.1173	0.0557	0.1730	0.0594
'I' Class (Income shares)				
Group 1	0.1166	–	0.1166	0.0408
Group 2	0.0782	0.0384	0.1166	0.0408
'I' Class (Income-2 shares)				
Group 1	0.3161	–	0.3161	0.2606
Group 2	0.1282	0.1879	0.3161	0.2606
'J' Class (Accumulation shares)				
Group 1	0.1396	–	0.1396	0.0687
Group 2	0.0869	0.0527	0.1396	0.0687
'J' Class (Income-2 shares)				
Group 1	0.3192	–	0.3192	0.2632
Group 2	0.1494	0.1698	0.3192	0.2632
'R' Class (Accumulation shares)				
Group 1	0.0392	–	0.0392	–
Group 2	0.0361	0.0031	0.0392	–
'R' Class (Income shares)⁽¹⁾				
Group 1	n/a	–	n/a	n/a
Group 2	n/a	n/a	n/a	n/a
'S' Class (Accumulation shares)				
Group 1	0.4932	–	0.4932	0.3885
Group 2	0.2594	0.2338	0.4932	0.3885

Distribution Tables

For the year ended 30 September 2019

Interim distribution paid 31 May 2019

Group 1 – Shares purchased before 1 January 2019

Group 2 – Shares purchased between 1 January and 31 March 2019

	Net Income pence	Equalisation pence	Distribution paid 31.05.19 pence	Distribution paid 31.05.18 pence
'A' Class (Accumulation shares)				
Group 1	0.6522	–	0.6522	–
Group 2	0.6460	0.0062	0.6522	–
'A' Class (Income shares)				
Group 1	0.1307	–	0.1307	–
Group 2	0.1307	–	0.1307	–
'A' Class (Income-2 shares)				
Group 1	0.6657	–	0.6657	0.3695
Group 2	0.4832	0.1825	0.6657	0.3695
'I' Class (Accumulation shares)				
Group 1	0.8167	–	0.8167	0.2674
Group 2	0.7439	0.0728	0.8167	0.2674
'I' Class (Income shares)				
Group 1	0.5525	–	0.5525	0.1813
Group 2	0.4779	0.0746	0.5525	0.1813
'I' Class (Income-2 shares)				
Group 1	0.6892	–	0.6892	0.3798
Group 2	0.5842	0.1050	0.6892	0.3798
'J' Class (Accumulation shares)				
Group 1	0.5539	–	0.5539	0.2004
Group 2	0.4503	0.1036	0.5539	0.2004
'J' Class (Income-2 shares)				
Group 1	0.6908	–	0.6908	0.3795
Group 2	0.4269	0.2639	0.6908	0.3795
'R' Class (Accumulation shares)				
Group 1	0.4750	–	0.4750	0.0508
Group 2	0.4023	0.0727	0.4750	0.0508
'R' Class (Income shares)⁽¹⁾				
Group 1	n/a	–	n/a	n/a
Group 2	n/a	n/a	n/a	n/a
'S' Class (Accumulation shares)				
Group 1	1.1364	–	1.1364	0.5999
Group 2	0.5045	0.6319	1.1364	0.5999

Cautious Managed Fund continued

Distribution Tables

For the year ended 30 September 2019

Interim distribution paid 31 August 2019

Group 1 – Shares purchased before 1 April 2019

Group 2 – Shares purchased between 1 April and 30 June 2019

	Net Income pence	Equalisation pence	Distribution paid 31.08.19 pence	Distribution paid 31.08.18 pence
'A' Class (Accumulation shares)				
Group 1	0.9677	–	0.9677	0.0407
Group 2	0.2650	0.7027	0.9677	0.0407
'A' Class (Income shares)				
Group 1	0.6390	–	0.6390	0.0328
Group 2	0.3276	0.3114	0.6390	0.0328
'A' Class (Income-2 shares)				
Group 1	0.6439	–	0.6439	0.6705
Group 2	0.0290	0.6149	0.6439	0.6705
'I' Class (Accumulation shares)				
Group 1	0.7771	–	0.7771	0.7829
Group 2	0.3981	0.3790	0.7771	0.7829
'I' Class (Income shares)				
Group 1	0.5238	–	0.5238	0.5334
Group 2	0.2423	0.2815	0.5238	0.5334
'I' Class (Income-2 shares)				
Group 1	0.6666	–	0.6666	0.6893
Group 2	0.2884	0.3782	0.6666	0.6893
'J' Class (Accumulation shares)				
Group 1	0.5289	–	0.5289	0.5333
Group 2	0.1797	0.3492	0.5289	0.5333
'J' Class (Income-2 shares)				
Group 1	0.6698	–	0.6698	0.6917
Group 2	0.3698	0.3000	0.6698	0.6917
'R' Class (Accumulation shares)				
Group 1	0.4475	–	0.4475	0.4498
Group 2	0.2793	0.1682	0.4475	0.4498
'R' Class (Income shares)⁽¹⁾				
Group 1	n/a	–	n/a	n/a
Group 2	n/a	n/a	n/a	n/a
'S' Class (Accumulation shares)				
Group 1	1.1003	–	1.1003	1.1096
Group 2	0.5674	0.5329	1.1003	1.1096

Distribution Tables

For the year ended 30 September 2019

Final distribution payable 30 November 2019

Group 1 – Shares purchased before 1 July 2019

Group 2 – Shares purchased between 1 July and 30 September 2019

	Net Income pence	Equalisation pence	Distribution payable 30.11.19 pence	Distribution paid 30.11.18 pence
'A' Class (Accumulation shares)				
Group 1	–	–	–	–
Group 2	–	–	–	–
'A' Class (Income shares)				
Group 1	–	–	–	–
Group 2	–	–	–	–
'A' Class (Income-2 shares)				
Group 1	0.3714	–	0.3714	0.3748
Group 2	0.0956	0.2758	0.3714	0.3748
'I' Class (Accumulation shares)				
Group 1	0.3468	–	0.3468	0.2776
Group 2	0.2182	0.1286	0.3468	0.2776
'I' Class (Income shares)				
Group 1	0.2326	–	0.2326	0.1884
Group 2	0.1261	0.1065	0.2326	0.1884
'I' Class (Income-2 shares)				
Group 1	0.4203	–	0.4203	0.3858
Group 2	0.3755	0.0448	0.4203	0.3858
'J' Class (Accumulation shares)				
Group 1	0.2540	–	0.2540	0.2091
Group 2	0.1086	0.1454	0.2540	0.2091
'J' Class (Income-2 shares)				
Group 1	0.4231	–	0.4231	0.3873
Group 2	0.1879	0.2352	0.4231	0.3873
'R' Class (Accumulation shares)				
Group 1	0.1849	–	0.1849	0.1077
Group 2	0.0684	0.1165	0.1849	0.1077
'R' Class (Income shares)⁽¹⁾				
Group 1	0.1890	–	0.1890	n/a
Group 2	0.0642	0.1248	0.1890	n/a
'S' Class (Accumulation shares)				
Group 1	0.6868	–	0.6868	0.6121
Group 2	0.2050	0.4818	0.6868	0.6121

(1) Launched 6 August 2019.

Equalisation

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

Diversified Income

Statement of Total Return

For the year ended 30 September 2019

	Note	30.09.19 £'000	£'000	30.09.18 £'000	£'000
Income					
Net capital losses	4		(8,953)		(7,194)
Revenue	6	39,249		22,446	
Expenses	7	(6,316)		(3,900)	
Interest payable and similar charges	8	(218)		(114)	
Net revenue before taxation		32,715		18,432	
Taxation	9	(1,292)		(790)	
Net revenue after taxation			31,423		17,642
Total return before distributions			22,470		10,448
Distributions	10		(35,590)		(20,141)
Change in net assets attributable to shareholders from investment activities			(13,120)		(9,693)

Statement of Change in Net Assets Attributable to Shareholders

For the year ended 30 September 2019

	30.09.19 £'000	£'000	30.09.18 £'000	£'000
Opening net assets attributable to shareholders		592,452		416,419
Amounts receivable on creation of shares	726,021		215,440	
Amounts payable on cancellation of shares	(67,151)		(35,771)	
		658,870		179,669
Change in net assets attributable to shareholders from investment activities		(13,120)		(9,693)
Retained distributions on accumulation shares		12,202		6,055
Unclaimed distributions		10		2
Closing net assets attributable to shareholders		1,250,414		592,452

Notes to the financial statements are on pages 123 to 132.

Balance Sheet

As at 30 September 2019

	Note	30.09.19 £'000	£'000	30.09.18 £'000	£'000
ASSETS					
Investments assets			1,230,994		585,702
Current assets					
Debtors	11	18,227		9,361	
Cash and bank balances	12	35,518		17,916	
Total other assets			53,745		27,277
Total assets			1,284,739		612,979
LIABILITIES					
Investment liabilities			18,799		8,123
Creditors					
Bank overdrafts		3,377		6,529	
Distribution payable		6,911		3,947	
Other creditors	13	5,238		1,928	
Total other liabilities			15,526		12,404
Total liabilities			34,325		20,527
Net assets attributable to shareholders			1,250,414		592,452

Notes to the financial statements are on pages 123 to 132.

Diversified Income Fund

Notes to the Financial Statements

For the year ended 30 September 2019

1. Accounting policies

The Accounting policies for the Fund are disclosed in the notes to the financial statements on page 100.

2. Distribution policies

The Distribution policies for the Fund are disclosed in the notes to the financial statements on pages 100 to 101.

3. Risk management policies

The Risk management policies for the Fund are disclosed in the notes to the financial statements on pages 101 to 110.

4. Net capital losses

The net capital losses during the year comprise:

	30.09.19 £'000	30.09.18 £'000
Losses on foreign exchange	(2,406)	(875)
Derivative contracts	(62,815)	1,353
Forward currency contracts	(42,665)	(2,501)
Non-derivative securities	98,995	(5,141)
Transaction charges	(62)	(30)
Net capital losses	(8,953)	(7,194)

5. Purchases, sales and transaction costs

Analysis of total trade costs

	Purchases		Sales	
	30.09.19 £'000	30.09.18 £'000	30.09.19 £'000	30.09.18 £'000
Equities	408,824	182,831	213,050	132,426
Bonds	973,116	327,823	647,236	203,114
Collective Investment Schemes	18,327	8,389	1,162	1,912
Options	14,829	10,749	12,966	11,561
Swaps	2,295,647	565,613	2,251,874	570,242
Treasury Bills	10,854	8,926	9,960	5,598
Futures*	–	–	–	–
Trades excluding transaction costs	3,721,597	1,104,331	3,136,248	924,853
Commissions				
Equities	187	77	(102)	(63)
Bonds	–	–	–	–
Collective Investment Schemes	–	–	–	–
Options	–	–	–	–
Swaps	–	–	–	–
Treasury Bills	–	–	–	–
Futures*	–	–	–	–
Total commissions	187	77	(102)	(63)
Taxes				
Equities	705	244	(36)	(1)
Bonds	–	–	–	(4)
Collective Investment Schemes	–	–	–	–
Options	–	–	–	–
Swaps	–	–	–	–
Treasury Bills	–	–	–	–
Futures*	–	–	–	–
Total taxes	705	244	(36)	(5)
Total costs	892	321	(138)	(68)
Net trades in the year after transaction costs	3,722,489	1,104,652	3,136,110	924,785

Diversified Income Fund

Notes to the Financial Statements continued

For the year ended 30 September 2019

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

	Purchases		Sales	
	30.09.19	30.09.18	30.09.19	30.09.18
	%	%	%	%
Commissions				
Equities	0.05	0.04	0.05	0.05
Bonds	–	–	–	–
Collective Investment Schemes	–	–	–	–
Options	–	–	–	–
Swaps	–	–	–	–
Treasury Bills	–	–	–	–
Futures*	–	–	–	–
Taxes				
Equities	0.17	0.13	0.02	–
Bonds	–	–	–	–
Collective Investment Schemes	–	–	–	–
Options	–	–	–	–
Swaps	–	–	–	–
Treasury Bills	–	–	–	–
Futures*	–	–	–	–

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

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

	30.09.19	30.09.18
	%	%
Commissions	0.03	0.03
Taxes	0.09	0.05
Total costs	0.12	0.08

Average portfolio dealing spread

The average portfolio dealing spread at the balance sheet date was 0.24% (30.09.18: 0.21%).

6. Revenue

	30.09.19	30.09.18
	£'000	£'000
Bank interest	108	28
Interest on debt securities	24,401	14,316
Interest distributions from collective investment schemes	366	41
Overseas dividends	8,085	4,734
Interest on total return swaps	–	5
UK dividends	3,748	1,855
Offshore distribution taxable from collective investment schemes	684	661
Property revenue from UK REITs – PID	551	152
Property revenue from UK REITs – Non PID	62	18
Property revenue from overseas REITs	1,220	634
Margin interest	24	2
Total revenue	39,249	22,446

7. Expenses

	30.09.19 £'000	30.09.18 £'000
Payable to the ACD or associates of the ACD, and agents of either of them:		
ACD fee	5,545	3,397
General administration charge (GAC)	576	353
	6,121	3,750
Payable to the Depositary or associates of the Depositary, and agents of either of them:		
Safe custody fee	193	131
	193	131
Other expenses:		
VAT refund	(15)	(8)
ADR fees	–	1
Collateral interest fee	19	26
Refund of overdraft charge	(2)	–
	2	19
Total expenses	6,316	3,900

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

The audit fee for the year is £9,600 (30.09.18: £9,400).

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

8. Interest payable and similar charges

	30.09.19 £'000	30.09.18 £'000
Interest	130	50
Margin Interest	88	64
Total interest payable and similar charges	218	114

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

	30.09.19 £'000	30.09.18 £'000
Corporation tax	67	26
Interest on capital	2	–
Overseas tax	943	703
Capital gains tax	233	55
Current tax charge	1,245	784
Deferred tax charge (note 9(c))	47	6
Total tax charge (note 9(b))	1,292	790

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

The tax assessed for the year is lower than the standard rate of corporation tax in the UK for an authorised OEIC (20%) (30.09.18: 20%). The differences are explained below:

	30.09.19 £'000	30.09.18 £'000
Net revenue before taxation	32,715	18,432
Corporation tax of 20%	6,543	3,686
Effects of:		
Overseas tax	945	703
Revenue not subject to taxation	(2,320)	(1,341)
Tax deductible interest distributions	(4,113)	(2,311)
Capital gains tax	233	55
Double taxation relief	4	(2)
Total tax charge (note 9(a))	1,292	790

Diversified Income Fund

Notes to the Financial Statements continued

For the year ended 30 September 2019

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

	01.10.18 to 30.09.19 £'000	01.10.17 to 30.09.18 £'000
Opening provision	7	1
Deferred tax charge	47	6
Closing provision	54	7
Provision consist of:		
Revenue taxable in different periods	57	15
Double taxation relief on accrued dividends	(3)	(8)
Closing provision	54	7

10. Distributions

The Distributions take account of equalisation received on the creation of shares and deducted on the cancellation of shares, and comprise:

	30.09.19 £'000	30.09.18 £'000
October	1,400	1,013
November	1,491	1,243
December	2,479	1,534
January	2,558	1,414
February	2,419	1,362
March	2,639	1,583
April	3,146	1,625
May	3,400	1,754
June	3,611	1,825
July	4,045	1,858
August	4,420	1,928
Final	5,895	3,498
	37,503	20,637
Add: Equalisation deducted on cancellation of shares	199	85
Less: Equalisation received on creation of shares	(2,112)	(581)
Net distribution for the year	35,590	20,141

The net distribution for the year is represented by:

	30.09.19 £'000	30.09.18 £'000
Net revenue after taxation	31,423	17,642
Amounts charged to capital:		
ACD fee	3,445	2,129
General administration charge (GAC)	366	230
Safe custody fee	123	85
Tax provided on gains of taxable securities	233	55
Net distribution for the year	35,590	20,141

11. Debtors

	30.09.19 £'000	30.09.18 £'000
Accrued bond interest	9,011	5,106
Accrued dividends and bank interest	949	1,019
Amounts receivable for creation of shares	6,773	1,167
Overseas tax recoverable	497	192
Sales awaiting settlement	997	1,874
Accrued swap interest	–	3
	18,227	9,361

12. Cash and bank balance

	30.09.19 £'000	30.09.18 £'000
Cash and bank balances	15,504	3,262
Amount held at futures clearing houses and brokers	20,014	14,654
	35,518	17,916

13. Other creditors

	30.09.19 £'000	30.09.18 £'000
Amounts payable for cancellation of shares	45	102
Corporation tax payable	39	26
Deferred tax payable	54	7
Purchases awaiting settlement	4,189	1,391
Payable for capital gains tax	108	–
Accrued ACD fees	638	324
Accrued general administration charge (GAC)	68	33
Accrued safe custody fee	70	37
Accrued transaction charges	27	8
	5,238	1,928

14. Capital commitments and contingent liabilities

The Fund had no contingent liabilities or capital commitments at the year end date (30.09.18: Nil).

15. Related party transactions

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

Included in note 5 are purchases and sales to the value of £17,605,775 (30.09.18: £7,694,762) and £1,161,755 (30.09.18: £1,911,508) respectively where Investec Asset Management and Investec Bank acted as broker, no commission was received by them in relation to this.

In accordance with the prospectus the ACD collects from the Fund, a general administration charge (GAC), ACD fees and safe custody fees. Please refer to notes 7, 13 and 16 for further details.

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

At the year end date 0.26% of the Fund's shares (by net asset value) were held by other Funds managed by the ACD (30.09.18: 0.90%).

16. ACD Fee and charges

The different level of ACD fees payable per annum as at 30 September 2019 for each share class is detailed below:

'A' Shares	1.25%
'B' Shares	1.00%
'I' Shares	0.65%
'J' Shares	0.55%
'K' Shares	0.50%
'R' Shares	0.75%

The GAC is charged at up to 0.08% of the Net Asset Value of each share class.

All shares within the sub-fund have the same rights on winding up.

Reconciliation of the shares movement in the year:

	30.09.18 Opening shares in issue	Creations	Cancellations	Shares converted	30.09.19 Closing shares in issue
'A' Class (Accumulation shares)	6,672,780	4,400,473	(3,755,981)	(164,849)	7,152,423
'A' Class (Income-2 shares)	20,547,475	1,302,571	(5,022,025)	(3,556,730)	13,271,291
'B' Class (Accumulation shares)	21,176,782	290,058	(1,861,426)	(13,139,201)	6,466,213
'B' Class (Income-2 shares)	13,866,972	119,375	(1,319,767)	(7,287,099)	5,379,481
'I' Class (Accumulation shares)	42,349,659	99,584,478	(19,785,239)	(48,647)	122,100,251
'I' Class (Income-2 shares)	206,760,942	228,042,858	(3,799,845)	(894,865)	430,109,090
'J' Class (Accumulation shares)	48,633,024	104,011,887	(3,731,525)	77,908	148,991,294
'J' Class (Income-2 shares)	161,553,432	175,824,433	(3,887,494)	959,681	334,450,052
'K' Class (Accumulation shares)	6,122,736	311,450	(1,095,033)	32,000	5,371,153
'K' Class (Income-2 shares)	8,837,213	1,209,085	(1,096,294)	18,495	8,968,499
'R' Class (Accumulation shares)	33,510	81,190	(27,196)	11,273,428	11,360,932
'R' Class (Income-2 shares)	371,078	332,743	(14,500)	9,773,762	10,463,083

Diversified Income Fund

Notes to the Financial Statements continued

For the year ended 30 September 2019

17. Risk consideration

Please refer to note 3 of the financial statements for a detailed description of the risk considerations. There are no further specific risks for this Fund.

The Fund's currency exposure as at 30 September 2019 was:

Currency	Currency exposure	
	Total 30.09.19 £'000	Total 30.09.18 £'000
Argentine Peso	1,177	729
Australian Dollar	1,923	4,287
Brazilian Real	5,426	(140)
Canadian Dollar	4,918	200
Chilean Peso	2,421	(150)
Colombian Peso	1,936	1,540
Czech Koruna	2	2
Danish Krone	39	(512)
Egyptian Pound	4,130	2,467
Euro	699	(11,009)
Ghanaian Cedi	2,447	907
Hong Kong Dollar	(1,920)	904
Hungarian Forint	9	9
Indian Rupee	2,029	1,066
Indonesian Rupiah	3,098	1,589
Israeli Shekel	2	2
Japanese Yen	26,794	25,722
Mexican Peso	1,632	509
New Zealand Dollar	1,500	1,066
Nigerian Naira	2,485	1,449
Norwegian Krone	8,131	9,628
Peruvian Nuevo Sol	3,087	1,732
Philippine Peso	(843)	(266)
Polish Zloty	119	372
Romanian Leu	1	1
Russian Ruble	1,954	49
Singapore Dollar	2,063	(2,687)
South African Rand	1,435	656
South Korean Won	(7,212)	(4,785)
Sterling	1,170,626	549,357
Swedish Krona	3,075	6,070
Swiss Franc	4,013	(3,744)
Taiwan Dollar	(8,985)	(5,063)
Thai Baht	1,500	1,339
Turkish Lira	(41)	199
US Dollar	10,744	8,957
Total	1,250,414	592,452

17. Risk consideration (continued)

Interest rate risk profile of financial assets and liabilities as at 30 September 2019 was as follows:

Currency	Floating rate	Fixed rate	Financial assets	Total
	financial assets	financial assets	not carrying	
	30.09.19 £'000	30.09.19 £'000	30.09.19 £'000	
Argentine Peso	1,135	–	42	1,177
Australian Dollar	3,409	651	(2,137)	1,923
Brazilian Real	–	39,678	(34,252)	5,426
Canadian Dollar	10	21,655	(16,747)	4,918
Chilean Peso	–	–	2,421	2,421
Colombian Peso	1	15,907	(13,972)	1,936
Czech Koruna	2	–	–	2
Danish Krone	1	–	38	39
Egyptian Pound	–	4,090	40	4,130
Euro	(2,754)	6,044	(2,591)	699
Ghanaian Cedi	149	2,249	49	2,447
Hong Kong Dollar	45	–	(1,965)	(1,920)
Hungarian Forint	9	–	–	9
Indian Rupee	–	–	2,029	2,029
Indonesian Rupiah	–	41,182	(38,084)	3,098
Israeli Shekel	2	–	–	2
Japanese Yen	502	–	26,292	26,794
Mexican Peso	1	56,860	(55,229)	1,632
New Zealand Dollar	49	25,877	(24,426)	1,500
Nigerian Naira	–	2,485	–	2,485
Norwegian Krone	11	–	8,120	8,131
Peruvian Nuevo Sol	–	10,958	(7,871)	3,087
Philippine Peso	–	–	(843)	(843)
Polish Zloty	120	–	(1)	119
Romanian Leu	1	–	–	1
Russian Ruble	–	6,263	(4,309)	1,954
Singapore Dollar	10	–	2,053	2,063
South African Rand	1	44,025	(42,591)	1,435
South Korean Won	54	–	(7,266)	(7,212)
Sterling	20,343	652	1,149,631	1,170,626
Swedish Krona	474	–	2,601	3,075
Swiss Franc	–	–	4,013	4,013
Taiwan Dollar	–	–	(8,985)	(8,985)
Thai Baht	–	–	1,500	1,500
Turkish Lira	146	4,996	(5,183)	(41)
US Dollar	15,913	442,393	(447,562)	10,744
Total	39,634	725,965	484,815	1,250,414

Diversified Income Fund

Notes to the Financial Statements continued

For the year ended 30 September 2019

17. Risk consideration (continued)

Interest rate risk profile of financial assets and liabilities as at 30 September 2018 was as follows:

Currency	Floating rate	Fixed rate	Financial assets	Total
	financial assets	financial assets	not carrying	
	30.09.18 £'000	30.09.18 £'000	interest 30.09.18 £'000	
Argentine Peso	1,078	–	(349)	729
Australian Dollar	5,027	39,851	(40,591)	4,287
Brazilian Real	–	19,118	(19,258)	(140)
Canadian Dollar	20	36,309	(36,129)	200
Chilean Peso	–	–	(150)	(150)
Colombian Peso	–	8,222	(6,682)	1,540
Czech Koruna	2	–	–	2
Danish Krone	1	–	(513)	(512)
Egyptian Pound	10	2,457	–	2,467
Euro	(3,190)	1,873	(9,692)	(11,009)
Ghanaian Cedi	–	824	83	907
Hong Kong Dollar	122	–	782	904
Hungarian Forint	9	–	–	9
Indian Rupee	–	–	1,066	1,066
Indonesian Rupiah	–	11,457	(9,868)	1,589
Israeli Shekel	2	–	–	2
Japanese Yen	286	–	25,436	25,722
Mexican Peso	1	27,821	(27,313)	509
New Zealand Dollar	4	32,771	(31,709)	1,066
Nigerian Naira	–	1,449	–	1,449
Norwegian Krone	12	–	9,616	9,628
Peruvian Nuevo Sol	–	3,384	(1,652)	1,732
Philippine Peso	–	–	(266)	(266)
Polish Zloty	2	–	370	372
Romanian Leu	1	–	–	1
Russian Ruble	–	–	49	49
Singapore Dollar	103	–	(2,790)	(2,687)
South African Rand	1	30,923	(30,268)	656
South Korean Won	100	–	(4,885)	(4,785)
Sterling	15,640	1,349	532,368	549,357
Swedish Krona	–	–	6,070	6,070
Swiss Franc	8	–	(3,752)	(3,744)
Taiwan Dollar	–	–	(5,063)	(5,063)
Thai Baht	–	–	1,339	1,339
Turkish Lira	33	1,190	(1,024)	199
US Dollar	3,179	120,319	(114,541)	8,957
Total	22,451	339,317	230,684	592,452

18. Efficient portfolio management techniques risk exposure

The exposure obtained through efficient portfolio management techniques and identity of counterparties as at 30 September 2019 was as follows:

(a) Swaps

Counterparty	Value of collateral	
	30.09.19 £'000	30.09.18 £ '000
Barclays	300	–
Goldman Sachs	3,600	–
HSBC	2,610	–
Total	6,510	–

(b) Forwards

Counterparty	Market Value	
	30.09.19 £'000	30.09.18 £ '000
Barclays	(7,041)	–
Citibank	2,632	(129)
Goldman Sachs	(53)	(199)
HSBC	(151)	(1,086)
JP Morgan	830	(2,607)
Merrill Lynch	952	–
Standard Chartered	726	28
Total	(2,105)	(3,993)

(c) Futures

Counterparty	Market Value 30.09.19 £'000	Value of exposure 30.09.19 £ '000
Goldman Sachs	(1,139)	284,393
Total	(1,139)	284,393

Counterparty	Market Value 30.09.18 £'000	Value of exposure 30.09.18 £ '000
Goldman Sachs	(2,364)	115,727
Total	(2,364)	115,727

(d) Options

Counterparty	Market Value 30.09.19 £'000	Value of exposure 30.09.19 £ '000
Citibank	32	32
Goldman Sachs	3,371	3,425
Total	3,403	3,457

Counterparty	Market Value 30.09.19 £'000	Value of exposure 30.09.19 £ '000
Goldman Sachs	1,920	1,970
Total	1,920	1,970

Diversified Income Fund

Notes to the Financial Statements continued

For the year ended 30 September 2019

19. Fair value

Valuation technique	30.09.19		30.09.18	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
Level 1	689,232	(1,707)	351,747	(2,364)
Level 2	541,762	(17,092)	233,955	(5,759)
Level 3	–	–	–	–
Total fair value	1,230,994	(18,799)	585,702	(8,123)

The three levels of the fair value hierarchy under FRS 102 are as follows:

Level 1 Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 Inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly (that is, as prices) or indirectly (that is, derived from prices);

Level 3 Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

Diversified Income Fund

Distribution Tables

For the year ended 30 September 2019

Interim distribution paid 31 December 2018

Group 1 – Shares purchased before 1 October 2018

Group 2 – Shares purchased between 1 October and 31 October 2018

	Gross Income pence	Equalisation pence	Distribution paid 31.12.18 pence	Distribution paid 31.12.17 pence
'A' Class (Accumulation shares)				
Group 1	0.4240	–	0.4240	0.4533
Group 2	0.1984	0.2256	0.4240	0.4533
'A' Class (Income-2 shares)				
Group 1	0.1950	–	0.1950	0.2121
Group 2	0.0743	0.1207	0.1950	0.2121
'B' Class (Accumulation shares)				
Group 1	0.1665	–	0.1665	0.1758
Group 2	–	0.1665	0.1665	0.1758
'B' Class (Income-2 shares)				
Group 1	0.2416	–	0.2416	0.2621
Group 2	0.1666	0.0750	0.2416	0.2621
'I' Class (Accumulation shares)				
Group 1	0.3119	–	0.3119	0.3247
Group 2	0.0955	0.2164	0.3119	0.3247
'I' Class (Income-2 shares)				
Group 1	0.2570	–	0.2570	0.2779
Group 2	0.1680	0.0890	0.2570	0.2779
'J' Class (Accumulation shares)				
Group 1	0.2429	–	0.2429	0.2521
Group 2	0.0297	0.2132	0.2429	0.2521
'J' Class (Income-2 shares)				
Group 1	0.2524	–	0.2524	0.2726
Group 2	0.1245	0.1279	0.2524	0.2726
'K' Class (Accumulation shares)				
Group 1	0.2124	–	0.2124	0.2200
Group 2	0.1231	0.0893	0.2124	0.2200
'K' Class (Income-2 shares)				
Group 1	0.2441	–	0.2441	0.2635
Group 2	0.1384	0.1057	0.2441	0.2635
'R' Class (Accumulation shares)				
Group 1	0.2263	–	0.2263	0.2365
Group 2	0.2156	0.0107	0.2263	0.2365
'R' Class (Income-2 shares)				
Group 1	0.2486	–	0.2486	0.2691
Group 2	–	0.2486	0.2486	0.2691

Diversified Income Fund continued

Distribution Tables

For the year ended 30 September 2019

Interim distribution paid 31 January 2019

Group 1 – Shares purchased before 1 November 2018

Group 2 – Shares purchased between 1 November and 30 November 2018

	Gross Income pence	Equalisation pence	Distribution paid 31.01.19 pence	Distribution paid 31.01.18 pence
'A' Class (Accumulation shares)				
Group 1	0.4262	–	0.4262	0.5863
Group 2	0.0038	0.4224	0.4262	0.5863
'A' Class (Income-2 shares)				
Group 1	0.1950	–	0.1950	0.2469
Group 2	–	0.1950	0.1950	0.2469
'B' Class (Accumulation shares)				
Group 1	0.1673	–	0.1673	0.2211
Group 2	0.0110	0.1563	0.1673	0.2211
'B' Class (Income-2 shares)				
Group 1	0.2416	–	0.2416	0.3052
Group 2	–	0.2416	0.2416	0.3052
'I' Class (Accumulation shares)				
Group 1	0.3132	–	0.3132	0.3965
Group 2	0.0324	0.2808	0.3132	0.3965
'I' Class (Income-2 shares)				
Group 1	0.2571	–	0.2571	0.3237
Group 2	–	0.2571	0.2571	0.3237
'J' Class (Accumulation shares)				
Group 1	0.2439	–	0.2439	0.3056
Group 2	–	0.2439	0.2439	0.3056
'J' Class (Income-2 shares)				
Group 1	0.2525	–	0.2525	0.3175
Group 2	0.1293	0.1232	0.2525	0.3175
'K' Class (Accumulation shares)				
Group 1	0.2132	–	0.2132	0.2659
Group 2	0.0689	0.1443	0.2132	0.2659
'K' Class (Income-2 shares)				
Group 1	0.2442	–	0.2442	0.3069
Group 2	0.1119	0.1323	0.2442	0.3069
'R' Class (Accumulation shares)				
Group 1	0.2273	–	0.2273	0.2910
Group 2	0.2157	0.0116	0.2273	0.2910
'R' Class (Income-2 shares)				
Group 1	0.2487	–	0.2487	0.3134
Group 2	–	0.2487	0.2487	0.3134

Distribution Tables

For the year ended 30 September 2019

Interim distribution paid 28 February 2019

Group 1 – Shares purchased before 1 December 2018

Group 2 – Shares purchased between 1 December and 31 December 2018

	Gross Income pence	Equalisation pence	Distribution paid 28.02.19 pence	Distribution paid 28.02.18 pence
'A' Class (Accumulation shares)				
Group 1	0.8497	–	0.8497	0.7507
Group 2	0.2148	0.6349	0.8497	0.7507
'A' Class (Income-2 shares)				
Group 1	0.3007	–	0.3007	0.2898
Group 2	0.0731	0.2276	0.3007	0.2898
'B' Class (Accumulation shares)				
Group 1	0.3117	–	0.3117	0.2773
Group 2	0.1211	0.1906	0.3117	0.2773
'B' Class (Income-2 shares)				
Group 1	0.3727	–	0.3727	0.3583
Group 2	0.2489	0.1238	0.3727	0.3583
'I' Class (Accumulation shares)				
Group 1	0.5417	–	0.5417	0.4854
Group 2	0.1597	0.3820	0.5417	0.4854
'I' Class (Income-2 shares)				
Group 1	0.3968	–	0.3968	0.3801
Group 2	0.1460	0.2508	0.3968	0.3801
'J' Class (Accumulation shares)				
Group 1	0.4144	–	0.4144	0.3720
Group 2	0.2109	0.2035	0.4144	0.3720
'J' Class (Income-2 shares)				
Group 1	0.3897	–	0.3897	0.3729
Group 2	0.1601	0.2296	0.3897	0.3729
'K' Class (Accumulation shares)				
Group 1	0.3591	–	0.3591	0.3227
Group 2	0.2105	0.1486	0.3591	0.3227
'K' Class (Income-2 shares)				
Group 1	0.3769	–	0.3769	0.3605
Group 2	0.1726	0.2043	0.3769	0.3605
'R' Class (Accumulation shares)				
Group 1	0.4008	–	0.4008	0.3585
Group 2	0.2613	0.1395	0.4008	0.3585
'R' Class (Income-2 shares)				
Group 1	0.3837	–	0.3837	0.3680
Group 2	–	0.3837	0.3837	0.3680

Diversified Income Fund continued

Distribution Tables

For the year ended 30 September 2019

Interim distribution paid 31 March 2019

Group 1 – Shares purchased before 1 January 2019

Group 2 – Shares purchased between 1 January and 31 January 2019

	Gross Income pence	Equalisation pence	Distribution paid 31.03.19 pence	Distribution paid 31.03.18 pence
'A' Class (Accumulation shares)				
Group 1	0.8458	–	0.8458	0.6672
Group 2	0.1861	0.6597	0.8458	0.6672
'A' Class (Income-2 shares)				
Group 1	0.3007	–	0.3007	0.2656
Group 2	0.1105	0.1902	0.3007	0.2656
'B' Class (Accumulation shares)				
Group 1	0.3108	–	0.3108	0.2491
Group 2	–	0.3108	0.3108	0.2491
'B' Class (Income-2 shares)				
Group 1	0.3728	–	0.3728	0.3284
Group 2	0.0009	0.3719	0.3728	0.3284
'I' Class (Accumulation shares)				
Group 1	0.5413	–	0.5413	0.4415
Group 2	0.1771	0.3642	0.5413	0.4415
'I' Class (Income-2 shares)				
Group 1	0.3970	–	0.3970	0.3485
Group 2	0.1022	0.2948	0.3970	0.3485
'J' Class (Accumulation shares)				
Group 1	0.4143	–	0.4143	0.3393
Group 2	0.0940	0.3203	0.4143	0.3393
'J' Class (Income-2 shares)				
Group 1	0.3898	–	0.3898	0.3420
Group 2	0.0942	0.2956	0.3898	0.3420
'K' Class (Accumulation shares)				
Group 1	0.3591	–	0.3591	0.2948
Group 2	0.0867	0.2724	0.3591	0.2948
'K' Class (Income-2 shares)				
Group 1	0.3771	–	0.3771	0.3306
Group 2	0.1013	0.2758	0.3771	0.3306
'R' Class (Accumulation shares)				
Group 1	0.4013	–	0.4013	0.3250
Group 2	0.3656	0.0357	0.4013	0.3250
'R' Class (Income-2 shares)				
Group 1	0.3839	–	0.3839	0.3374
Group 2	–	0.3839	0.3839	0.3374

Distribution Tables

For the year ended 30 September 2019

Interim distribution paid 30 April 2019

Group 1 – Shares purchased before 1 February 2019

Group 2 – Shares purchased between 1 February and 28 February 2019

	Gross Income pence	Equalisation pence	Distribution paid 30.04.19 pence	Distribution paid 30.04.18 pence
'A' Class (Accumulation shares)				
Group 1	0.7263	–	0.7263	0.6013
Group 2	0.2685	0.4578	0.7263	0.6013
'A' Class (Income-2 shares)				
Group 1	0.2700	–	0.2700	0.2470
Group 2	0.1253	0.1447	0.2700	0.2470
'B' Class (Accumulation shares)				
Group 1	0.2702	–	0.2702	0.2265
Group 2	0.0204	0.2498	0.2702	0.2265
'B' Class (Income-2 shares)				
Group 1	0.3348	–	0.3348	0.3055
Group 2	0.0985	0.2363	0.3348	0.3055
'I' Class (Accumulation shares)				
Group 1	0.4772	–	0.4772	0.4058
Group 2	0.2097	0.2675	0.4772	0.4058
'I' Class (Income-2 shares)				
Group 1	0.3566	–	0.3566	0.3243
Group 2	0.1460	0.2106	0.3566	0.3243
'J' Class (Accumulation shares)				
Group 1	0.3666	–	0.3666	0.3127
Group 2	0.1447	0.2219	0.3666	0.3127
'J' Class (Income-2 shares)				
Group 1	0.3503	–	0.3503	0.3182
Group 2	0.1203	0.2300	0.3503	0.3182
'K' Class (Accumulation shares)				
Group 1	0.3183	–	0.3183	0.2720
Group 2	0.0586	0.2597	0.3183	0.2720
'K' Class (Income-2 shares)				
Group 1	0.3388	–	0.3388	0.3076
Group 2	0.1472	0.1916	0.3388	0.3076
'R' Class (Accumulation shares)				
Group 1	0.3526	–	0.3526	0.2979
Group 2	0.3062	0.0464	0.3526	0.2979
'R' Class (Income-2 shares)				
Group 1	0.3448	–	0.3448	0.3139
Group 2	–	0.3448	0.3448	0.3139

Diversified Income Fund continued

Distribution Tables

For the year ended 30 September 2019

Interim distribution paid 31 May 2019

Group 1 – Shares purchased before 1 March 2019

Group 2 – Shares purchased between 1 March and 31 March 2019

	Gross Income pence	Equalisation pence	Distribution paid 31.05.19 pence	Distribution paid 31.05.18 pence
'A' Class (Accumulation shares)				
Group 1	0.7280	–	0.7280	0.7141
Group 2	0.1569	0.5711	0.7280	0.7141
'A' Class (Income-2 shares)				
Group 1	0.2700	–	0.2700	0.2750
Group 2	0.0845	0.1855	0.2700	0.2750
'B' Class (Accumulation shares)				
Group 1	0.2709	–	0.2709	0.2649
Group 2	–	0.2709	0.2709	0.2649
'B' Class (Income-2 shares)				
Group 1	0.3348	–	0.3348	0.3402
Group 2	0.0278	0.3070	0.3348	0.3402
'I' Class (Accumulation shares)				
Group 1	0.4788	–	0.4788	0.4661
Group 2	0.0319	0.4469	0.4788	0.4661
'I' Class (Income-2 shares)				
Group 1	0.3568	–	0.3568	0.3612
Group 2	0.0046	0.3522	0.3568	0.3612
'J' Class (Accumulation shares)				
Group 1	0.3678	–	0.3678	0.3576
Group 2	0.1019	0.2659	0.3678	0.3576
'J' Class (Income-2 shares)				
Group 1	0.3504	–	0.3504	0.3545
Group 2	0.0961	0.2543	0.3504	0.3545
'K' Class (Accumulation shares)				
Group 1	0.3195	–	0.3195	0.3104
Group 2	0.0710	0.2485	0.3195	0.3104
'K' Class (Income-2 shares)				
Group 1	0.3390	–	0.3390	0.3427
Group 2	0.0427	0.2963	0.3390	0.3427
'R' Class (Accumulation shares)				
Group 1	0.3538	–	0.3538	0.3438
Group 2	–	0.3538	0.3538	0.3438
'R' Class (Income-2 shares)				
Group 1	0.3449	–	0.3449	0.3497
Group 2	–	0.3449	0.3449	0.3497

Distribution Tables

For the year ended 30 September 2019

Interim distribution paid 30 June 2019

Group 1 – Shares purchased before 1 April 2019

Group 2 – Shares purchased between 1 April and 30 April 2019

	Gross Income pence	Equalisation pence	Distribution paid 30.06.19 pence	Distribution paid 30.06.18 pence
'A' Class (Accumulation shares)				
Group 1	0.8541	–	0.8541	0.7161
Group 2	0.1812	0.6729	0.8541	0.7161
'A' Class (Income-2 shares)				
Group 1	0.3007	–	0.3007	0.2750
Group 2	0.0601	0.2406	0.3007	0.2750
'B' Class (Accumulation shares)				
Group 1	0.3141	–	0.3141	0.2657
Group 2	–	0.3141	0.3141	0.2657
'B' Class (Income-2 shares)				
Group 1	0.3730	–	0.3730	0.3402
Group 2	0.0939	0.2791	0.3730	0.3402
'I' Class (Accumulation shares)				
Group 1	0.5477	–	0.5477	0.4678
Group 2	0.1648	0.3829	0.5477	0.4678
'I' Class (Income-2 shares)				
Group 1	0.3976	–	0.3976	0.3614
Group 2	0.1771	0.2205	0.3976	0.3614
'J' Class (Accumulation shares)				
Group 1	0.4193	–	0.4193	0.3590
Group 2	0.1184	0.3009	0.4193	0.3590
'J' Class (Income-2 shares)				
Group 1	0.3906	–	0.3906	0.3547
Group 2	0.1113	0.2793	0.3906	0.3547
'K' Class (Accumulation shares)				
Group 1	0.3636	–	0.3636	0.3116
Group 2	0.1512	0.2124	0.3636	0.3116
'K' Class (Income-2 shares)				
Group 1	0.3778	–	0.3778	0.3429
Group 2	0.1015	0.2763	0.3778	0.3429
'R' Class (Accumulation shares)				
Group 1	0.4060	–	0.4060	0.3450
Group 2	0.4060	–	0.4060	0.3450
'R' Class (Income-2 shares)				
Group 1	0.3844	–	0.3844	0.3498
Group 2	–	0.3844	0.3844	0.3498

Diversified Income Fund continued

Distribution Tables

For the year ended 30 September 2019

Interim distribution paid 31 July 2019

Group 1 – Shares purchased before 1 May 2019

Group 2 – Shares purchased between 1 May and 31 May 2019

	Gross Income pence	Equalisation pence	Distribution paid 31.07.19 pence	Distribution paid 31.07.18 pence
'A' Class (Accumulation shares)				
Group 1	0.8591	–	0.8591	0.7196
Group 2	–	0.8591	0.8591	0.7196
'A' Class (Income-2 shares)				
Group 1	0.3007	–	0.3007	0.2750
Group 2	0.0189	0.2818	0.3007	0.2750
'B' Class (Accumulation shares)				
Group 1	0.3159	–	0.3159	0.2670
Group 2	0.1088	0.2071	0.3159	0.2670
'B' Class (Income-2 shares)				
Group 1	0.3730	–	0.3730	0.3403
Group 2	–	0.3730	0.3730	0.3403
'I' Class (Accumulation shares)				
Group 1	0.5506	–	0.5506	0.4700
Group 2	–	0.5506	0.5506	0.4700
'I' Class (Income-2 shares)				
Group 1	0.3977	–	0.3977	0.3616
Group 2	0.0335	0.3642	0.3977	0.3616
'J' Class (Accumulation shares)				
Group 1	0.4215	–	0.4215	0.3607
Group 2	–	0.4215	0.4215	0.3607
'J' Class (Income-2 shares)				
Group 1	0.3908	–	0.3908	0.3549
Group 2	–	0.3908	0.3908	0.3549
'K' Class (Accumulation shares)				
Group 1	0.3654	–	0.3654	0.3131
Group 2	0.0910	0.2744	0.3654	0.3131
'K' Class (Income-2 shares)				
Group 1	0.3781	–	0.3781	0.3432
Group 2	0.0446	0.3335	0.3781	0.3432
'R' Class (Accumulation shares)				
Group 1	0.4081	–	0.4081	0.3466
Group 2	0.4081	–	0.4081	0.3466
'R' Class (Income-2 shares)				
Group 1	0.3845	–	0.3845	0.3499
Group 2	0.1122	0.2723	0.3845	0.3499

Distribution Tables

For the year ended 30 September 2019

Interim distribution paid 31 August 2019

Group 1 – Shares purchased before 1 June 2019

Group 2 – Shares purchased between 1 June and 30 June 2019

	Gross Income pence	Equalisation pence	Distribution paid 31.08.19 pence	Distribution paid 31.08.18 pence
'A' Class (Accumulation shares)				
Group 1	0.8629	–	0.8629	0.7242
Group 2	0.0633	0.7996	0.8629	0.7242
'A' Class (Income-2 shares)				
Group 1	0.3007	–	0.3007	0.2750
Group 2	0.0560	0.2447	0.3007	0.2750
'B' Class (Accumulation shares)				
Group 1	0.3173	–	0.3173	0.2686
Group 2	0.0714	0.2459	0.3173	0.2686
'B' Class (Income-2 shares)				
Group 1	0.3731	–	0.3731	0.3404
Group 2	0.0946	0.2785	0.3731	0.3404
'I' Class (Accumulation shares)				
Group 1	0.5531	–	0.5531	0.4725
Group 2	0.1001	0.4530	0.5531	0.4725
'I' Class (Income-2 shares)				
Group 1	0.3979	–	0.3979	0.3618
Group 2	0.0479	0.3500	0.3979	0.3618
'J' Class (Accumulation shares)				
Group 1	0.4234	–	0.4234	0.3625
Group 2	0.0825	0.3409	0.4234	0.3625
'J' Class (Income-2 shares)				
Group 1	0.3910	–	0.3910	0.3551
Group 2	0.0904	0.3006	0.3910	0.3551
'K' Class (Accumulation shares)				
Group 1	0.3672	–	0.3672	0.3147
Group 2	0.0856	0.2816	0.3672	0.3147
'K' Class (Income-2 shares)				
Group 1	0.3783	–	0.3783	0.3434
Group 2	0.1060	0.2723	0.3783	0.3434
'R' Class (Accumulation shares)				
Group 1	0.4100	–	0.4100	0.3485
Group 2	0.4100	–	0.4100	0.3485
'R' Class (Income-2 shares)				
Group 1	0.3846	–	0.3846	0.3501
Group 2	0.1421	0.2425	0.3846	0.3501

Diversified Income Fund continued

Distribution Tables

For the year ended 30 September 2019

Interim distribution paid 30 September 2019

Group 1 – Shares purchased before 1 July 2019

Group 2 – Shares purchased between 1 July and 31 July 2019

	Gross Income pence	Equalisation pence	Distribution paid 30.09.19 pence	Distribution paid 30.09.18 pence
'A' Class (Accumulation shares)				
Group 1	0.8668	–	0.8668	0.7248
Group 2	–	0.8668	0.8668	0.7248
'A' Class (Income-2 shares)				
Group 1	0.3007	–	0.3007	0.2750
Group 2	0.0182	0.2825	0.3007	0.2750
'B' Class (Accumulation shares)				
Group 1	0.3188	–	0.3188	0.2690
Group 2	–	0.3188	0.3188	0.2690
'B' Class (Income-2 shares)				
Group 1	0.3732	–	0.3732	0.3405
Group 2	0.0373	0.3359	0.3732	0.3405
'I' Class (Accumulation shares)				
Group 1	0.5558	–	0.5558	0.4738
Group 2	0.0270	0.5288	0.5558	0.4738
'I' Class (Income-2 shares)				
Group 1	0.3982	–	0.3982	0.3619
Group 2	0.0511	0.3471	0.3982	0.3619
'J' Class (Accumulation shares)				
Group 1	0.4255	–	0.4255	0.3636
Group 2	–	0.4255	0.4255	0.3636
'J' Class (Income-2 shares)				
Group 1	0.3913	–	0.3913	0.3553
Group 2	0.0690	0.3223	0.3913	0.3553
'K' Class (Accumulation shares)				
Group 1	0.3689	–	0.3689	0.3157
Group 2	–	0.3689	0.3689	0.3157
'K' Class (Income-2 shares)				
Group 1	0.3786	–	0.3786	0.3436
Group 2	–	0.3786	0.3786	0.3436
'R' Class (Accumulation shares)				
Group 1	0.4119	–	0.4119	0.3493
Group 2	0.0202	0.3917	0.4119	0.3493
'R' Class (Income-2 shares)				
Group 1	0.3849	–	0.3849	0.3502
Group 2	0.1005	0.2844	0.3849	0.3502

Distribution Tables

For the year ended 30 September 2019

Interim distribution payable 31 October 2019

Group 1 – Shares purchased before 1 August 2019

Group 2 – Shares purchased between 1 August and 31 August 2019

	Gross Income pence	Equalisation pence	Distribution payable 31.10.19 pence	Distribution paid 31.10.18 pence
'A' Class (Accumulation shares)				
Group 1	0.8744	–	0.8744	0.7281
Group 2	–	0.8744	0.8744	0.7281
'A' Class (Income-2 shares)				
Group 1	0.3007	–	0.3007	0.2750
Group 2	0.0035	0.2972	0.3007	0.2750
'B' Class (Accumulation shares)				
Group 1	0.3212	–	0.3212	0.2702
Group 2	–	0.3212	0.3212	0.2702
'B' Class (Income-2 shares)				
Group 1	0.3733	–	0.3733	0.3405
Group 2	–	0.3733	0.3733	0.3405
'I' Class (Accumulation shares)				
Group 1	0.5595	–	0.5595	0.4759
Group 2	0.0213	0.5382	0.5595	0.4759
'I' Class (Income-2 shares)				
Group 1	0.3983	–	0.3983	0.3621
Group 2	0.0391	0.3592	0.3983	0.3621
'J' Class (Accumulation shares)				
Group 1	0.4282	–	0.4282	0.3652
Group 2	–	0.4282	0.4282	0.3652
'J' Class (Income-2 shares)				
Group 1	0.3915	–	0.3915	0.3555
Group 2	0.0483	0.3432	0.3915	0.3555
'K' Class (Accumulation shares)				
Group 1	0.3712	–	0.3712	0.3171
Group 2	0.0065	0.3647	0.3712	0.3171
'K' Class (Income-2 shares)				
Group 1	0.3788	–	0.3788	0.3438
Group 2	0.1099	0.2689	0.3788	0.3438
'R' Class (Accumulation shares)				
Group 1	0.4148	–	0.4148	0.3509
Group 2	0.4148	–	0.4148	0.3509
'R' Class (Income-2 shares)				
Group 1	0.3850	–	0.3850	0.3504
Group 2	0.0839	0.3011	0.3850	0.3504

Diversified Income Fund continued

Distribution Tables

For the year ended 30 September 2019

Final distribution payable 30 November 2019

Group 1 – Shares purchased before 1 September 2019

Group 2 – Shares purchased between 1 September and 30 September 2019

	Gross Income pence	Equalisation pence	Distribution payable 30.11.19 pence	Distribution paid 30.11.18 pence
'A' Class (Accumulation shares)				
Group 1	1.2542	–	1.2542	1.5419
Group 2	0.3273	0.9269	1.2542	1.5419
'A' Class (Income-2 shares)				
Group 1	0.3831	–	0.3831	0.4717
Group 2	0.1752	0.2079	0.3831	0.4717
'B' Class (Accumulation shares)				
Group 1	0.4631	–	0.4631	0.5472
Group 2	0.1387	0.3244	0.4631	0.5472
'B' Class (Income-2 shares)				
Group 1	0.4813	–	0.4813	0.5891
Group 2	0.1972	0.2841	0.4813	0.5891
'I' Class (Accumulation shares)				
Group 1	0.7462	–	0.7462	0.9115
Group 2	0.2522	0.4940	0.7462	0.9115
'I' Class (Income-2 shares)				
Group 1	0.4967	–	0.4967	0.6264
Group 2	0.1705	0.3262	0.4967	0.6264
'J' Class (Accumulation shares)				
Group 1	0.5667	–	0.5667	0.6890
Group 2	0.1317	0.4350	0.5667	0.6890
'J' Class (Income-2 shares)				
Group 1	0.4857	–	0.4857	0.6149
Group 2	0.1757	0.3100	0.4857	0.6149
'K' Class (Accumulation shares)				
Group 1	0.5012	–	0.5012	0.5924
Group 2	0.1621	0.3391	0.5012	0.5924
'K' Class (Income-2 shares)				
Group 1	0.4766	–	0.4766	0.5896
Group 2	0.1949	0.2817	0.4766	0.5896
'R' Class (Accumulation shares)				
Group 1	0.5543	–	0.5543	0.6833
Group 2	0.0227	0.5316	0.5543	0.6833
'R' Class (Income-2 shares)				
Group 1	0.4746	–	0.4746	0.6156
Group 2	0.0163	0.4583	0.4746	0.6156

Equalisation

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

Enhanced Natural Resources Fund

Statement of Total Return

For the year ended 30 September 2019

	Note	30.09.19 £'000	£'000	30.09.18 £'000	£'000
Income					
Net capital (losses)/gains	4		(708)		3,876
Revenue	6	2,325		2,568	
Expenses	7	(650)		(789)	
Interest payable and similar charges	8	(12)		(10)	
Net revenue before taxation		1,663		1,769	
Taxation	9	(41)		(173)	
Net revenue after taxation			1,622		1,596
Total return before distribution			914		5,472
Distribution	10		(1,624)		(1,609)
Change in net assets attributable to shareholders from investment activities			(710)		3,863

Statement of Change in Net Assets Attributable to Shareholders

For the year ended 30 September 2019

	30.09.19 £'000	£'000	30.09.18 £'000	£'000
Opening net assets attributable to shareholders		82,416		83,249
Amounts receivable on creation of shares	10,245		14,555	
Amounts payable on cancellation of shares	(29,981)		(20,812)	
		(19,736)		(6,257)
Dilution adjustment		9		–
Change in net assets attributable to shareholders from investment activities		(710)		3,863
Retained distributions on accumulation shares		1,434		1,561
Closing net assets attributable to shareholders		63,413		82,416

Notes to the financial statements are on pages 146 to 150.

Balance Sheet

As at 30 September 2019

	Note	30.09.19 £'000	£'000	30.09.18 £'000	£'000
ASSETS					
Investments assets			61,761		80,783
Current assets					
Debtors	11	2,770		1,683	
Cash and bank balances	12	2,574		4,056	
Total other assets			5,344		5,739
Total assets			67,105		86,522
LIABILITIES					
Investment liabilities			183		249
Creditors					
Bank overdrafts		373		609	
Other creditors	13	3,136		3,248	
Total other liabilities			3,509		3,857
Total liabilities			3,692		4,106
Net assets attributable to shareholders			63,413		82,416

Notes to the financial statements are on pages 146 to 150.

Enhanced Natural Resources Fund

Notes to the Financial Statements

For the year ended 30 September 2019

1. Accounting policies

The Accounting policies for the Fund are disclosed in the notes to the financial statements on page 100.

2. Distribution policies

The Distribution policies for the Fund are disclosed in the notes to the financial statements on pages 100 to 101.

3. Risk management policies

The Risk management policies for the Fund are disclosed in the notes to the financial statements on pages 101 to 110.

4. Net capital (losses)/gains

The net capital (losses)/during the year comprise:

	30.09.19 £'000	30.09.18 £'000
Losses on foreign exchange	(87)	(36)
Derivative contracts	2,420	(4,714)
Forward currency contracts	(2)	–
Non-derivative securities	(3,001)	8,678
Transaction charges	(38)	(52)
Net capital (losses)/gains	(708)	3,876

5. Purchases, sales and transaction costs

Analysis of total trade costs

	Purchases		Sales	
	30.09.19 £'000	30.09.18 £'000	30.09.19 £'000	30.09.18 £'000
Equities	67,551	161,764	87,957	169,333
Collective Investment Schemes	4,881	1,326	591	3,192
Options	3,741	1,184	3,618	684
Contracts for difference	–	177,327	–	173,537
Trades excluding transaction costs	76,173	341,601	92,166	346,746
Commissions				
Equities	35	89	(42)	(90)
Collective Investment Schemes	–	–	–	–
Options	–	–	–	–
Contracts for difference	–	–	–	–
Total commissions	35	89	(42)	(90)
Taxes				
Equities	59	171	(3)	(3)
Collective Investment Schemes	–	–	–	–
Options	–	–	–	–
Contracts for difference	–	–	–	–
Total taxes	59	171	(3)	(3)
Total costs	94	260	(45)	(93)
Net trades in the year after transaction costs	76,267	341,861	92,121	346,653

Total transaction cost expressed as a percentage of asset type cost

	Purchases		Sales	
	30.09.19 %	30.09.18 %	30.09.19 %	30.09.18 %
Commissions				
Equities	0.05	0.06	0.05	0.05
Collective Investment Schemes	–	–	0.01	–
Options	–	–	–	–
Contracts for difference	–	–	–	–
Taxes				
Equities	0.09	0.11	–	–
Collective Investment Schemes	–	–	–	–
Options	–	–	–	–
Contracts for difference	–	–	–	–

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

	30.09.19 %	30.09.18 %
Commissions	0.11	0.21
Taxes	0.09	0.21
Total costs	0.20	0.42

Average portfolio dealing spread

The average portfolio dealing spread at the balance sheet date was 0.16% (30.09.18: 0.22%).

6. Revenue

	30.09.19 £'000	30.09.18 £'000
Bank interest	3	5
Interest on debt securities	32	2
Overseas dividends	1,261	1,600
UK dividends	1,023	937
Offshore distribution taxable from collective investment schemes	–	18
Property revenue from overseas REITs	4	6
Margin interest	2	–
Total revenue	2,325	2,568

7. Expenses

	30.09.19 £'000	30.09.18 £'000
Payable to the ACD or associates of the ACD, and agents of either of them:		
ACD fee	571	691
General administration charge (GAC)	47	59
	618	750
Payable to the Depositary or associates of the Depositary, and agents of either of them:		
Safe custody fee	10	14
	10	14
Other expenses:		
VAT refund	(5)	(4)
ADR fees	1	5
Collateral interest fee	5	11
Contracts for difference financing charges	21	13
	22	25
Total expenses	650	789

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

The audit fee for the year is £8,400 (30.09.18: £8,300).

8. Interest payable and similar charges

	30.09.19 £'000	30.09.18 £'000
Interest	4	3
Margin Interest	8	7
Total interest payable and similar charges	12	10

Enhanced Natural Resources Fund

Notes to the Financial Statements continued

For the year ended 30 September 2019

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

	30.09.19 £'000	30.09.18 £'000
Overseas tax	41	173
Current tax charge	41	173
Deferred tax charge (note 9(c))	–	–
Total tax charge (note 9(b))	41	173

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

The tax assessed for the year is lower than the standard rate of corporation tax in the UK for an authorised OEIC (20%) (30.09.18: 20%). The differences are explained below:

	30.09.19 £'000	30.09.18 £'000
Net revenue before taxation	1,663	1,769
Corporation tax of 20%	333	354
Effects of:		
Expenses not deductible for tax purposes	–	2
Movement in excess management expenses	108	117
Overseas tax	41	173
Revenue not subject to taxation	(439)	(467)
Overseas tax expensed	(2)	(6)
Total tax charge (note 9(a))	41	173

(c) Provision for deferred taxation:

There is no provision required for deferred taxation at the Balance Sheet date in the current or prior year.

(d) Factors affecting future tax charge:

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £3,884,000 (2018: £3,776,000) in relation to surplus management expenses. It is unlikely that the Fund will generate sufficient taxable profits in the future to utilise this amount and therefore no deferred tax asset has been recognised in the year.

10. Distribution

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

	30.09.19 £'000	30.09.18 £'000
Final	1,434	1,561
Add: Equalisation deducted on cancellation of shares	325	140
Less: Equalisation received on creation of shares	(135)	(92)
Net distribution for the year	1,624	1,609

The net distribution for the year is represented by:

	30.09.19 £'000	30.09.18 £'000
Net revenue after taxation	1,622	1,596
Equalisation on conversion of shares	2	–
Expenses charged to capital:		
Contracts for difference financing charges	–	13
Net distribution for the year	1,624	1,609

11. Debtors

	30.09.19 £'000	30.09.18 £'000
Accrued bond interest	–	2
Accrued dividends and bank interest	81	151
Amounts receivable for creation of shares	6	76
Overseas tax recoverable	37	33
Sales awaiting settlement	2,645	1,420
Accrued contracts for difference financing charges	1	1
	2,770	1,683

12. Cash and bank balance

	30.09.19 £'000	30.09.18 £'000
Cash and bank balances	1,317	2,830
Amount held at futures clearing houses and brokers	1,257	1,226
	2,574	4,056

13. Other creditors

	30.09.19 £'000	30.09.18 £'000
Amounts payable for cancellation of shares	95	200
Purchases awaiting settlement	2,977	2,972
Accrued ACD fees	43	54
Accrued general administration charge (GAC)	4	4
Accrued safe custody fee	3	3
Accrued transaction charges	14	15
	3,136	3,248

14. Capital commitments and contingent liabilities

The Fund had no contingent liabilities or capital commitments at the year end date (30.09.18: Nil).

15. Related party transactions

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

Included in note 5 are purchases and sales to the value of £3,799,832 (30.09.18: nil) and nil (30.09.18: £1,995,052) respectively where Investec Asset Management acted as broker, no commission was received by them in relation to this.

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

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

16. Dilution adjustment

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

17. ACD Fee and charges

The different level of ACD fees payable per annum as at 30 September 2019 for each share class is detailed below:

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

The GAC is charged at up to 0.08% of the Net Asset Value of each share class.

All shares within the sub-fund have the same rights on winding up.

Reconciliation of the shares movement in the year:

	30.09.18 Opening shares in issue	Creations	Cancellations	Shares converted	30.09.19 Closing shares in issue
'A' Class (Accumulation shares)	7,509,704	1,151,972	(2,631,036)	(420,853)	5,609,787
'I' Class (Accumulation shares)	44,883,555	6,074,673	(17,971,045)	342,909	33,330,092
'J' Class (Accumulation shares)	11,170,843	906,027	(3,404,016)	(117,619)	8,555,235
'R' Class (Accumulation shares)	64,333	1,678	(1,586)	180,235	244,660

Enhanced Natural Resources Fund

Notes to the Financial Statements continued

For the year ended 30 September 2019

18. Risk consideration

Please refer to note 3 of the financial statements for a detailed description of the risk considerations. There are no further specific risks for this Fund.

The Fund's currency exposure as at 30 September 2019 was:

Currency	Currency exposure	
	Total 30.09.19 £'000	Total 30.09.18 £'000
Australian Dollar	3,583	5,739
Canadian Dollar	7,929	15,636
Chinese Yuan (Offshore)	1	252
Danish Krone	7	377
Euro	8,611	14,480
Hong Kong Dollar	926	408
Indian Rupee	–	539
Israeli Shekel	–	1,463
New Zealand Dollar	–	4
Norwegian Krone	3,154	20
Singapore Dollar	–	4
South African Rand	–	1,180
Sterling	18,339	25,309
Swedish Krona	582	864
US Dollar	20,281	16,141
Total	63,413	82,416

The majority of the Fund's financial assets are equity shares and other investments which neither pay interest nor have a maturity date. Therefore, the fund's exposure to interest rate risk is not considered to be significant.

19. Efficient portfolio management techniques risk exposure

The exposure obtained through efficient portfolio management techniques and identity of counterparties as at 30 September 2019 was as follows:

(a) Options

Counterparty	Market Value 30.09.19 £'000	Value of exposure 30.09.19 £ '000
Goldman Sachs	453	665
Total	453	665

Counterparty	Market Value 30.09.18 £'000	Value of exposure 30.09.18 £ '000
Goldman Sachs	37	39
Total	37	39

20. Fair value

Valuation technique	30.09.19		30.09.18	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
Level 1	61,346	–	80,767	–
Level 2	415	(183)	16	(249)
Level 3	–	–	–	–
Total fair value	61,761	(183)	80,783	(249)

The three levels of the fair value hierarchy under FRS 102 are as follows:

Level 1 Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 Inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly (that is, as prices) or indirectly (that is, derived from prices);

Level 3 Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

Enhanced Natural Resources Fund

Distribution Tables

For the year ended 30 September 2019

Interim distribution paid 30 November 2019

Group 1 – Shares purchased before 1 October 2018

Group 2 – Shares purchased between 1 October 2018 and 30 September 2019

	Net Income pence	Equalisation pence	Distribution payable 30.11.19 pence	Distribution paid 30.11.18 pence
'A' Class (Accumulation shares)				
Group 1	2.0316	–	2.0316	1.5056
Group 2	1.4523	0.5793	2.0316	1.5056
'I' Class (Accumulation shares)				
Group 1	3.1665	–	3.1665	2.6006
Group 2	1.6184	1.5481	3.1665	2.6006
'J' Class (Accumulation shares)				
Group 1	3.0229	–	3.0229	2.5015
Group 2	2.1067	0.9162	3.0229	2.5015
'R' Class (Accumulation shares)				
Group 1	2.4367	–	2.4367	1.9346
Group 2	0.9926	1.4441	2.4367	1.9346

Equalisation

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

Global Multi-Asset Total Return Fund

Statement of Total Return

For the year ended 30 September 2019

	Note	30.09.19 £'000	£'000	30.09.18 £'000	£'000
Income					
Net capital gains/(losses)	4		4,313		(6,199)
Revenue	6	1,439		2,615	
Expenses	7	(972)		(1,148)	
Interest payable and similar charges	8	(35)		(32)	
Net revenue before taxation		432		1,435	
Taxation	9	(36)		(64)	
Net revenue after taxation			396		1,371
Total return before distribution			4,709		(4,828)
Distribution	10		(442)		(1,376)
Change in net assets attributable to shareholders from investment activities			4,267		(6,204)

Statement of Change in Net Assets Attributable to Shareholders

For the year ended 30 September 2019

	30.09.19 £'000	£'000	30.09.18 £'000	£'000
Opening net assets attributable to shareholders		104,751		144,703
Amounts receivable on creation of shares	1,527		41,244	
Amounts payable on cancellation of shares	(19,049)		(75,731)	
		(17,522)		(34,487)
Dilution adjustment		–		21
Change in net assets attributable to shareholders from investment activities		4,267		(6,204)
Retained distributions on accumulation shares		417		718
Closing net assets attributable to shareholders		91,913		104,751

Notes to the financial statements are on pages 153 to 160.

Balance Sheet

As at 30 September 2019

	Note	30.09.19 £'000	£'000	30.09.18 £'000	£'000
ASSETS					
Investments assets			87,117		83,143
Current assets					
Debtors	11	339		461	
Cash and bank balances	12	10,253		24,318	
Total other assets			10,592		24,779
Total assets			97,709		107,922
LIABILITIES					
Investment liabilities			4,230		998
Creditors					
Bank overdrafts		964		748	
Other creditors	13	602		1,425	
Total other liabilities			1,566		2,173
Total liabilities			5,796		3,171
Net assets attributable to shareholders			91,913		104,751

Notes to the financial statements are on pages 153 to 160.

Global Multi-Asset Total Return Fund

Notes to the Financial Statements

For the year ended 30 September 2019

1. Accounting policies

The Accounting policies for the Fund are disclosed in the notes to the financial statements on page 100.

2. Distribution policies

The Distribution policies for the Fund are disclosed in the notes to the financial statements on pages 100 to 101.

3. Risk management policies

The Risk management policies for the Fund are disclosed in the notes to the financial statements on pages 101 to 110.

4. Net capital gains/(losses)

The net capital gains/(losses) during the year comprise:

	30.09.19 £'000	30.09.18 £'000
Gains/(losses) on foreign exchange	59	(313)
Derivative contracts	(763)	(1,713)
Forward currency contracts	(1,475)	(6,374)
Non-derivative securities	6,501	2,219
Transaction charges	(9)	(18)
Net capital gains/(losses)	4,313	(6,199)

5. Purchases, sales and transaction costs

Analysis of total trade costs

	Purchases		Sales	
	30.09.19 £'000	30.09.18 £'000	30.09.19 £'000	30.09.18 £'000
Equities	16,436	39,920	18,233	50,933
Bonds	18,751	23,029	27,344	44,849
Collective Investment Schemes	9,213	12	4,023	1,181
Options	555	1,250	781	899
Swaps	431,892	26,733	432,362	26,356
Treasury Bills	75,802	16,726	56,617	16,735
Commercial Papers	52,920	84,405	64,000	68,500
Certificates of Deposit	33,962	72,497	42,000	57,500
Futures*	–	–	–	–
Trades excluding transaction costs	639,531	264,572	645,360	266,953
Commissions				
Equities	7	16	(6)	(16)
Bonds	–	–	–	–
Collective Investment Schemes	–	–	–	–
Options	–	–	–	–
Swaps	–	–	–	–
Treasury Bills	–	–	–	–
Commercial Papers	–	–	–	–
Certificates of Deposit	–	–	–	–
Futures*	–	–	–	–
Total commissions	7	16	(6)	(16)
Taxes				
Equities	16	25	–	(1)
Bonds	–	–	–	–
Collective Investment Schemes	–	–	–	–
Options	–	–	–	–
Swaps	–	–	–	–
Treasury Bills	–	–	–	–
Commercial Papers	–	–	–	–
Certificates of Deposit	–	–	–	–
Futures*	–	–	–	–
Total taxes	16	25	–	(1)
Total costs	23	41	(6)	(17)
Net trades in the year after transaction costs	639,554	264,613	645,354	266,936

Global Multi-Asset Total Return Fund

Notes to the Financial Statements continued

For the year ended 30 September 2019

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

	Purchases		Sales	
	30.09.19	30.09.18	30.09.19	30.09.18
	%	%	%	%
Commissions				
Equities	0.04	0.04	0.04	0.03
Bonds	–	–	–	–
Collective Investment Schemes	–	–	–	–
Options	–	–	–	–
Swaps	–	–	–	–
Treasury Bills	–	–	–	–
Commercial Papers	–	–	–	–
Certificates of Deposit	–	–	–	–
Futures*	–	–	–	–
Taxes				
Equities	0.09	0.06	–	–
Bonds	–	–	–	–
Collective Investment Schemes	–	–	–	–
Options	–	–	–	–
Swaps	–	–	–	–
Treasury Bills	–	–	–	–
Commercial Papers	–	–	–	–
Certificates of Deposit	–	–	–	–
Futures*	–	–	–	–

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

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

	30.09.19	30.09.18
	%	%
Commissions	0.01	0.02
Taxes	0.02	0.02
Total costs	0.03	0.04

Average portfolio dealing spread

The average portfolio dealing spread at the balance sheet date was 0.06% (30.09.18: 0.03%).

6. Revenue

	30.09.19	30.09.18
	£'000	£'000
Bank interest	137	178
Interest on debt securities	753	1,420
Overseas dividends	291	736
UK dividends	74	174
Offshore distribution taxable from collective investment schemes	–	43
Offshore distribution non-taxable from collective investment schemes	89	30
Property revenue from UK REITs – PID	46	4
Property revenue from UK REITs – Non PID	(1)	2
Property revenue from overseas REITs	13	10
Margin interest	37	18
Total revenue	1,439	2,615

7. Expenses

	30.09.19 £'000	30.09.18 £'000
Payable to the ACD or associates of the ACD, and agents of either of them:		
ACD fee	895	989
General administration charge (GAC)	65	112
	960	1,101
Payable to the Depositary or associates of the Depositary, and agents of either of them:		
Safe custody fee	4	13
	4	13
Other expenses:		
VAT refund	(6)	(4)
Collateral interest fee	14	18
Currency hedge	–	20
	8	34
Total expenses	972	1,148

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

The audit fee for the year is £8,400 (30.09.18: £8,300).

8. Interest payable and similar charges

	30.09.19 £'000	30.09.18 £'000
Interest	16	10
Margin Interest	19	22
Total interest payable and similar charges	35	32

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

	30.09.19 £'000	30.09.18 £'000
Overseas tax	36	64
Current tax charge	36	64
Deferred tax charge (note 9(c))	–	–
Total tax charge (note 9(b))	36	64

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

The tax assessed for the year is lower than the standard rate of corporation tax in the UK for an authorised OEIC (20%) (30.09.18: 20%). The differences are explained below:

	30.09.19 £'000	30.09.18 £'000
Net revenue before taxation	432	1,435
Corporation tax of 20%	86	287
Effects of:		
Movement in excess management expenses	5	(98)
Overseas tax	36	64
Revenue not subject to taxation	(90)	(189)
Overseas tax expensed	(1)	–
Total tax charge (note 9(a))	36	64

Global Multi-Asset Total Return Fund

Notes to the Financial Statements continued

For the year ended 30 September 2019

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

There is no provision required for deferred taxation at the Balance Sheet date in the current or prior year.

(d) Factors affecting future tax charge:

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £1,450,000 (2018: £1,445,000) in relation to surplus management expenses. It is unlikely that the Fund will generate sufficient taxable profits in the future to utilise this amount and therefore no deferred tax asset has been recognised in the year.

10. Distributions

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

	30.09.19 £'000	30.09.18 £'000
Final	417	718
Add: Equalisation deducted on cancellation of shares	28	792
Less: Equalisation received on creation of shares	(3)	(134)
Net distribution for the year	442	1,376

The net distribution for the year is represented by:

	30.09.19 £'000	30.09.18 £'000
Net revenue after taxation	396	1,371
Equalisation on conversion of shares	10	3
Shortfall of income transferred from capital	36	–
Net movement in revenue account	–	2
Net distribution for the year	442	1,376

11. Debtors

	30.09.19 £'000	30.09.18 £'000
Accrued bond interest	233	169
Accrued dividends and bank interest	68	89
Amounts receivable for creation of shares	29	–
Dilution adjustment receivable	–	21
Overseas tax recoverable	9	5
Sales awaiting settlement	–	174
Unrealised currency hedge	–	3
	339	461

12. Cash and bank balance

	30.09.19 £'000	30.09.18 £'000
Cash and bank balances	7,504	21,018
Amount held at futures clearing houses and brokers	2,749	3,300
	10,253	24,318

13. Other creditors

	30.09.19 £'000	30.09.18 £'000
Amounts payable for cancellation of shares	133	154
Purchases awaiting settlement	390	1,173
Accrued ACD fees	71	80
Accrued general administration charge (GAC)	5	6
Accrued safe custody fee	2	3
Accrued transaction charges	1	5
Payable for hedge fee expense	–	4
	602	1,425

14. Capital commitments and contingent liabilities

The Fund had no contingent liabilities or capital commitments at the year end date (30.09.18: Nil).

15. Related party transactions

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

Included in note 5 are purchases and sales to the value of £6,312,840 (30.09.18: Nil) and £4,022,990 (30.09.18: £1,181,127) respectively where Investec Asset Management acted as broker, no commission was received by them in relation to this.

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

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

16. Dilution adjustment

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

17. ACD Fee and charges

The different level of ACD fees payable per annum as at 30 September 2019 for each share class is detailed below:

'A' Shares	1.50%
'I' Shares	0.75%
'R' Shares	1.00%

The GAC is charged at up to 0.08% of the Net Asset Value of each share class.

All shares within the sub-fund have the same rights on winding up.

Reconciliation of the shares movement in the year:

	30.09.18 Opening shares in issue	Creations	Cancellations	Shares converted	30.09.19 Closing shares in issue
'A' Class (Accumulation shares)	10,645,873	133,571	(967,444)	(1,474,725)	8,337,275
'I' Class (Accumulation shares)	40,390,470	594,850	(8,351,535)	394,867	33,028,652
'R' Class (Accumulation shares)	271,529	1,079	(790)	1,470,122	1,741,940
S' Class (EUR Hedged Accumulation shares)	1,000	–	(1,000)	–	–

Global Multi-Asset Total Return Fund

Notes to the Financial Statements continued

For the year ended 30 September 2019

18. Risk consideration

Please refer to note 3 of the financial statements for a detailed description of the risk considerations. There are no further specific risks for this Fund.

The Fund's currency exposure as at 30 September 2019 was:

Currency	Currency exposure	
	Total 30.09.19 £'000	Total 30.09.18 £'000
Argentine Peso	729	–
Australian Dollar	9,024	15
Brazilian Real	25	(568)
Canadian Dollar	(5,833)	(27)
Chinese Yuan Offshore	681	–
Danish Krone	255	210
Euro	(9,887)	(7,200)
Hong Kong Dollar	(4,399)	(32)
Indonesian Rupiah	1,592	–
Japanese Yen	21,227	32,461
Mexican Peso	550	54
New Taiwan Dollar	(10,575)	(5,298)
New Zealand Dollar	(3,438)	3
Russian Ruble	1,901	–
Sterling	86,363	105,488
South African Rand	2,127	–
South Korean Won	–	(5,315)
Swedish Krona	87	1,350
Swiss Franc	(8)	(2,578)
Thailand Baht	(3,961)	–
Turkish Lira	1,830	1
US Dollar	3,623	(13,813)
Total	91,913	104,751

Interest rate risk profile of financial assets and liabilities as at 30 September 2019 was as follows:

Currency	Financial assets		Financial assets not carrying interest 30.09.19 £'000	Total 30.09.19 £'000
	Floating rate financial assets 30.09.19 £'000	Fixed rate financial assets 30.09.19 £'000		
Argentine Peso	–	–	729	729
Australian Dollar	92	–	8,932	9,024
Brazilian Real	–	–	25	25
Canadian Dollar	1	9,753	(15,587)	(5,833)
Chinese Yuan Offshore	–	–	681	681
Danish Krone	7	–	249	256
Euro	810	–	(10,697)	(9,887)
Hong Kong Dollar	(932)	–	(3,467)	(4,399)
Indonesian Rupiah	–	2,097	(505)	1,592
Japanese Yen	118	–	21,108	21,226
Mexican Peso	54	–	495	549
New Taiwan Dollar	–	–	(10,575)	(10,575)
New Zealand Dollar	4	–	(3,442)	(3,438)
Russian Ruble	–	1,883	19	1,902
Sterling	4,874	19,260	62,230	86,364
South African Rand	–	2,129	(2)	2,127
South Korean Won	–	–	–	–
Swedish Krona	66	–	21	87
Swiss Franc	15	–	(24)	(9)
Thailand Baht	–	–	(3,960)	(3,960)
Turkish Lira	1	–	1,829	1,830
US Dollar	4,183	3,333	(3,894)	3,622
Total	9,293	38,455	44,165	91,913

Interest rate risk profile of financial assets and liabilities as at 30 September 2018 was as follows:

Currency	Floating rate	Fixed rate	Financial assets not carrying	Total
	financial assets	financial assets	interest	
	30.09.18 £'000	30.09.18 £'000	30.09.18 £'000	30.09.18 £'000
Australian dollar	(58)	–	73	15
Brazilian real	–	–	(568)	(568)
Canadian dollar	3	4,176	(4,206)	(27)
Swiss franc	108	–	(2,686)	(2,578)
Danish krone	–	–	210	210
Euro currency	167	–	(7,367)	(7,200)
Hong Kong dollar	(683)	–	651	(32)
Japanese yen	125	–	32,336	32,461
Mexican peso	54	–	–	54
New Taiwan dollar	–	–	(5,298)	(5,298)
New Zealand dollar	4	–	(1)	3
Polish zloty	–	–	–	–
Sterling	21,829	–	83,659	105,488
South Korean won	–	–	(5,315)	(5,315)
Swedish krona	–	–	1,350	1,350
Turkish lira	1	–	–	1
US dollar	1,201	18,935	(33,949)	(13,813)
Total	22,751	23,111	58,889	104,751

19. Efficient portfolio management techniques risk exposure

The exposure obtained through efficient portfolio management techniques and identity of counterparties as at 30 September 2019 was as follows:

(a) Swaps

Counterparty	Value of collateral	
	30.09.19	30.09.18
	£'000	£'000
Goldman Sachs	760	–
HSBC	(90)	(310)
Total	670	(310)

(b) Forwards

Counterparty	Market Value	
	30.09.19	30.09.18
	£'000	£'000
Barclays	184	–
Citibank	204	(592)
Goldman Sachs	57	(48)
HSBC	(92)	29
JP Morgan	8	146
Standard Chartered	33	(61)
Total	394	(526)

(c) Futures

Counterparty	Market Value	Value of exposure
	30.09.19	30.09.19
	£'000	£'000
Goldman Sachs	24	30,634
Total	24	30,634

Counterparty	Market Value	Value of exposure
	30.09.19	30.09.19
	£'000	£'000
Goldman Sachs	252	79,585
Total	252	79,585

Global Multi-Asset Total Return Fund

Notes to the Financial Statements continued

For the year ended 30 September 2019

(d) Options

	Market Value 30.09.19 £'000	Value of exposure 30.09.19 £'000
Counterparty		
Citibank	28	28
Total	28	28

	Market Value 30.09.19 £'000	Value of exposure 30.09.19 £'000
Counterparty		
Citibank	–	–
Total	–	–

20. Fair value

	30.09.19		30.09.18	
Valuation technique	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
Level 1	46,905	(286)	51,919	(213)
Level 2	40,212	(3,944)	31,224	(785)
Level 3	–	–	–	–
Total fair value	87,117	(4,230)	83,143	(998)

The three levels of the fair value hierarchy under FRS 102 are as follows:

Level 1 Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 Inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly (that is, as prices) or indirectly (that is, derived from prices);

Level 3 Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

Global Multi-Asset Total Return Fund

Distribution Tables

For the year ended 30 September 2019

Final distribution payable 30 November 2019

Group 1 – Shares purchased before 1 October 2018

Group 2 – Shares purchased between 1 October 2018 and 30 September 2019

	Net Income pence	Equalisation pence	Distribution payable 30.11.19 pence	Distribution paid 30.11.18 pence
'A' Class (Accumulation shares)				
Group 1	–	–	–	0.7198
Group 2	–	–	–	0.7198
'I' Class (Accumulation shares)				
Group 1	1.2303	–	1.2303	1.5819
Group 2	0.7920	0.4383	1.2303	1.5819
'R' Class (Accumulation shares)				
Group 1	0.6098	–	0.6098	0.9429
Group 2	0.0058	0.6040	0.6098	0.9429
'S' Class (EUR Hedged Accumulation shares)(1)				
Group 1	n/a	–	n/a	0.6800
Group 2	n/a	n/a	n/a	0.6800

(1) Closed 7 October 2018.

Equalisation

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

UK Alpha Fund

Statement of Total Return

For the year ended 30 September 2019

	Note	30.09.19 £'000	£'000	30.09.18 £'000	£'000
Income					
Net capital gains	4		9,215		75,685
Revenue	6	70,131		58,127	
Expenses	7	(15,210)		(14,807)	
Interest payable and similar charges		(12)		(18)	
Net revenue before taxation		54,909		43,302	
Taxation	8	(247)		(70)	
Net revenue after taxation			54,662		43,232
Total return before distribution			63,877		118,917
Distribution	9		(54,733)		(43,246)
Change in net assets attributable to shareholders from investment activities			9,144		75,671

Statement of Change in Net Assets Attributable to Shareholders

For the year ended 30 September 2019

	30.09.19 £'000	£'000	30.09.18 £'000	£'000
Opening net assets attributable to shareholders		2,115,725		1,737,042
Amounts receivable on creation of shares	397,973		484,310	
Amounts payable on cancellation of shares	(378,104)		(201,692)	
		19,869		282,618
Change in net assets attributable to shareholders from investment activities		9,144		75,671
Retained distributions on accumulation shares		25,537		20,394
Closing net assets attributable to shareholders		2,170,275		2,115,725

Notes to the financial statements are on pages 163 to 166.

Balance Sheet

As at 30 September 2019

	Note	30.09.19 £'000	£'000	30.09.18 £'000	£'000
ASSETS					
Investments assets			2,088,802		2,079,454
Current assets					
Debtors	10	6,057		38,147	
Cash and bank balances		106,713		27,557	
Total other assets			112,770		65,704
Total assets			2,201,572		2,145,158
LIABILITIES					
Creditors					
Distribution payable		29,490		24,389	
Other creditors	11	1,807		5,044	
Total liabilities			31,297		29,433
Net assets attributable to shareholders			2,170,275		2,115,725

Notes to the financial statements are on pages 163 to 166.

UK Alpha Fund

Notes to the Financial Statements

For the year ended 30 September 2019

1. Accounting policies

The Accounting policies for the Fund are disclosed in the notes to the financial statements on page 100.

2. Distribution policies

The Distribution policies for the Fund are disclosed in the notes to the financial statements on pages 100 to 101.

3. Risk management policies

The Risk management policies for the Fund are disclosed in the notes to the financial statements on pages 101 to 110.

4. Net capital gains

The net capital gains during the year comprise:

	30.09.19 £'000	30.09.18 £'000
(Losses)/gains on foreign exchange	(58)	291
Non-derivative securities	9,280	75,406
Transaction charges	(7)	(12)
Net capital gains	9,215	75,685

5. Purchases, sales and transaction costs

Analysis of total trade costs

	Purchases		Sales	
	30.09.19 £'000	30.09.18 £'000	30.09.19 £'000	30.09.18 £'000
Equities	569,062	693,746	569,613	380,429
Commissions				
Equities	254	307	(248)	(174)
Taxes				
Equities	2,211	3,022	(1)	(1)
Total costs	2,465	3,329	(249)	(175)
Net trades in the year after transaction costs	571,527	697,075	569,364	380,254

Total transaction cost expressed as a percentage of asset type cost

	Purchases		Sales	
	30.09.19 %	30.09.18 %	30.09.19 %	30.09.18 %
Commissions				
Equities	0.04	0.04	0.04	0.05
Taxes				
Equities	0.39	0.44	–	–

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

	30.09.19 %	30.09.18 %
Commissions	0.02	0.02
Taxes	0.11	0.15
Total costs	0.13	0.17

Average portfolio dealing spread

The average portfolio dealing spread at the balance sheet date was 0.09% (30.09.18: 0.10%).

6. Revenue

	30.09.19 £'000	30.09.18 £'000
Bank interest	404	129
Overseas dividends	2,645	1,130
UK dividends	66,701	55,680
Property revenue from UK REITs – PID	381	1,188
Total revenue	70,131	58,127

UK Alpha Fund

Notes to the Financial Statements continued

For the year ended 30 September 2019

7. Expenses

	30.09.19 £'000	30.09.18 £'000
Payable to the ACD or associates of the ACD, and agents of either of them:		
ACD fee	13,723	13,301
General administration charge (GAC)	1,391	1,398
	15,114	14,699
Payable to the Depositary or associates of the Depositary, and agents of either of them:		
Safe custody fee	101	112
	101	112
Other expenses:		
VAT refund	(5)	(4)
	(5)	(4)
Total expenses	15,210	14,807

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

The audit fee for the year is £8,400 (30.09.18: £8,300).

8. Taxation

(a) Analysis of the tax charge in the year:

	30.09.19 £'000	30.09.18 £'000
Overseas tax	247	70
Current tax charge	247	70
Deferred tax charge (note 8(c))	–	–
Total tax charge (note 8(b))	247	70

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

The tax assessed for the year is lower than the standard rate of corporation tax in the UK for an authorised OEIC (20%) (30.09.18: 20%). The differences are explained below:

	30.09.19 £'000	30.09.18 £'000
Net revenue before taxation	54,909	43,302
Corporation tax of 20%	10,982	8,660
Effects of:		
Movement in excess management expenses	2,886	2,701
Overseas tax	247	71
Revenue not subject to taxation	(13,868)	(11,362)
Total tax charge (note 8(a))	247	70

(c) Provision for deferred taxation:

There is no provision required for deferred taxation at the Balance Sheet date in the current or prior year.

(d) Factors affecting future tax charge:

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £10,567,000 (2018: £7,681,000) in relation to surplus management expenses. It is unlikely that the Fund will generate sufficient taxable profits in the future to utilise this amount and therefore no deferred tax asset has been recognised in the year.

9. Distribution

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

	30.09.19 £'000	30.09.18 £'000
Final	55,027	44,783
Add: Equalisation deducted on cancellation of shares	4,817	2,176
Less: Equalisation received on creation of shares	(5,111)	(3,713)
Net distribution for the year	54,733	43,246

The net distribution for the year is represented by:

	30.09.19 £'000	30.09.18 £'000
Net revenue after taxation	54,662	43,232
Equalisation on conversion of shares	71	14
Net distribution for the year	54,733	43,246

10. Debtors

	30.09.19 £'000	30.09.18 £'000
Accrued dividends and bank interest	3,086	2,716
Amounts receivable for creation of shares	2,723	35,431
Sales awaiting settlement	248	–
	6,057	38,147

11. Other creditors

	30.09.19 £'000	30.09.18 £'000
Amounts payable for cancellation of shares	473	198
Purchases awaiting settlement	–	3,549
Accrued ACD fees	1,178	1,148
Accrued general administration charge (GAC)	120	116
Accrued safe custody fee	33	30
Accrued transaction charges	3	3
	1,807	5,044

12. Capital commitments and contingent liabilities

The Fund had no contingent liabilities or capital commitments at the year end date (30.09.18: Nil).

13. Related party transactions

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

Included in note 5 are purchases and sales to the value of £33,895,585 (30.09.18: £16,317,774) and £12,995,582 (30.09.18: £18,777,933) respectively where Investec Wealth & Investment Limited acted as broker, commission of £28,091 (30.09.18: £18,721) was received by them in relation to this.

In accordance with the prospectus the ACD collects from the Fund, a general administration charge (GAC), ACD fees and safe custody fees. Please refer to notes 7, 11 and 14 for further details.

Any amounts due to/from Investec Fund Managers Limited at the end of the accounting year are disclosed in notes 10 and 11.

At the year end date Nil% of the Fund's shares (by net asset value) were held by other Funds managed by the ACD (30.09.18: 0.15%).

14. ACD Fee and charges

The different level of ACD fees payable per annum as at 30 September 2019 for each share class is detailed below:

'A' Shares	1.50%
'I' Shares	0.75%
'J' Shares	0.65%
'K' Shares	0.40%
'R' Shares	1.00%
'S' Shares	0.00%

The GAC is charged at up to 0.08% of the Net Asset Value of each share class.

All shares within the sub-fund have the same rights on winding up.

UK Alpha Fund

Notes to the Financial Statements continued

For the year ended 30 September 2019

14. ACD Fee and charges (continued)

Reconciliation of the shares movement in the year:

	30.09.18 Opening shares in issue	Creations	Cancellations	Shares converted	30.09.19 Closing shares in issue
'A' Class (Accumulation shares)	2,917,033	34,418	(253,571)	(601,045)	2,096,835
'I' Class (Accumulation shares)	242,633,688	57,342,306	(41,028,450)	1,180,918	260,128,462
'I' Class (Income shares)	40,171,774	3,685,306	(11,511,512)	146,736	32,492,304
'J' Class (Accumulation shares)	276,814,736	52,249,216	(64,568,739)	(448,779)	264,046,434
'J' Class (Income shares)	469,106,240	66,924,524	(38,531,151)	(159,617)	497,339,996
'K' Class (Accumulation shares)	21,434,508	9,604	(1,550,000)	(3)	19,894,109
'K' Class (Income shares)	303,222,716	97,235,676	(95,883,890)	(274,468)	304,300,034
'R' Class (Accumulation shares)	231,982	–	–	6,955,621	7,187,603
'S' Class (Accumulation shares)	271,012	11,097	(223,624)	–	58,485

15. Risk consideration

Please refer to note 3 of the financial statements for a detailed description of the risk considerations. There are no further specific risks for this Fund.

The majority of the Fund's financial assets are equity shares and other investments which neither pay interest nor have a maturity date. In addition, the Fund's financial instruments are almost exclusively held in the base currency, sterling. Therefore interest rate and currency risk is not deemed to be significant.

16. Fair value

Valuation technique	30.09.19		30.09.18	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
Level 1	2,088,802	–	2,079,454	–
Level 2	–	–	–	–
Level 3	–	–	–	–
Total fair value	2,088,802	–	2,079,454	–

The three levels of the fair value hierarchy under FRS 102 are as follows:

Level 1 Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 Inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly (that is, as prices) or indirectly (that is, derived from prices);

Level 3 Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

UK Alpha Fund

Distribution Table

For the year ended 30 September 2019

Final distribution payable 30 November 2019

Group 1 – Shares purchased before 1 October 2018

Group 2 – Shares purchased between 1 October 2018 and 30 September 2019

	Net Income pence	Equalisation pence	Distribution payable 30.11.19 pence	Distribution paid 30.11.18 pence
'A' Class (Accumulation shares)				
Group 1	45.1920	–	45.1920	32.9756
Group 2	25.7998	19.3922	45.1920	32.9756
'I' Class (Accumulation shares)				
Group 1	5.4798	–	5.4798	4.4194
Group 2	3.0104	2.4694	5.4798	4.4194
'I' Class (Income shares)				
Group 1	8.8721	–	8.8721	7.3003
Group 2	5.1758	3.6963	8.8721	7.3003
'J' Class (Accumulation shares)				
Group 1	3.5544	–	3.5544	2.8900
Group 2	2.1673	1.3871	3.5544	2.8900
'J' Class (Income shares)				
Group 1	3.3048	–	3.3048	2.7439
Group 2	1.7206	1.5842	3.3048	2.7439
'K' Class (Accumulation shares)(1)				
Group 1	2.9500	–	2.9500	2.3255
Group 2	1.6216	1.3284	2.9500	2.3255
'K' Class (Income shares)				
Group 1	3.3426	–	3.3426	2.8311
Group 2	1.4326	1.9100	3.3426	2.8311
'R' Class (Accumulation shares)				
Group 1	4.3290	–	4.3290	3.4099
Group 2	0.0000	4.3290	4.3290	3.4099
'S' Class (Accumulation shares)				
Group 1	88.4847	–	88.4847	74.7491
Group 2	16.8096	71.6751	88.4847	74.7491

(1) Launched 16 October 2017.

Equalisation

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

UK Equity Income Fund

Statement of Total Return

For the year ended 30 September 2019

	Note	30.09.19 £'000	£'000	30.09.18 £'000	£'000
Income					
Net capital gains	4		6,261		2,337
Revenue	6	3,811		2,990	
Expenses	7	(473)		(375)	
Interest payable and similar charges		(1)		–	
Net revenue before taxation		3,337		2,615	
Taxation	8	(23)		(24)	
Net revenue after taxation			3,314		2,591
Total return before distributions			9,575		4,928
Distributions	9		(3,508)		(2,722)
Change in net assets attributable to shareholders from investment activities			6,067		2,206

Statement of Change in Net Assets Attributable to Shareholders

For the year ended 30 September 2019

	30.09.19 £'000	£'000	30.09.18 £'000	£'000
Opening net assets attributable to shareholders		103,359		68,901
Amounts receivable on creation of shares	48,010		54,266	
Amounts payable on cancellation of shares	(32,494)		(23,405)	
		15,516		30,861
Dilution adjustment		50		80
Change in net assets attributable to shareholders from investment activities		6,067		2,206
Retained distributions on accumulation shares		1,580		1,311
Closing net assets attributable to shareholders		126,572		103,359

Notes to the financial statements are on pages 169 to 172.

Balance Sheet

As at 30 September 2019

	Note	30.09.19 £'000	£'000	30.09.18 £'000	£'000
ASSETS					
Investments assets			123,881		99,345
Current assets					
Debtors	10	919		473	
Cash and bank balances		2,276		4,571	
Total other assets			3,195		5,044
Total assets			127,076		104,389
LIABILITIES					
Creditors					
Distribution payable		422		973	
Other creditors	11	82		57	
Total liabilities			504		1,030
Net assets attributable to shareholders			126,572		103,359

Notes to the financial statements are on pages 169 to 172.

UK Equity Income Fund

Notes to the Financial Statements

For the year ended 30 September 2019

1. Accounting policies

The Accounting policies for the Fund are disclosed in the notes to the financial statements on page 100.

2. Distribution policies

The Distribution policies for the Fund are disclosed in the notes to the financial statements on pages 100 to 101.

3. Risk management policies

The Risk management policies for the Fund are disclosed in the notes to the financial statements on pages 101 to 110.

4. Net capital gains

The net capital gains during the year comprise:

	30.09.19 £'000	30.09.18 £'000
Losses on foreign exchange	(8)	(5)
Non-derivative securities	6,273	2,351
Transaction charges	(4)	(9)
Net capital gains	6,261	2,337

5. Purchases, sales and transaction costs

Analysis of total trade costs

	Purchases		Sales	
	30.09.19 £'000	30.09.18 £'000	30.09.19 £'000	30.09.18 £'000
Equities	53,109	54,345	35,055	23,629
Commissions				
Equities	21	23	(15)	(7)
Taxes				
Equities	212	231	–	–
Total costs	233	254	(15)	(7)
Net trades in the year after transaction costs	53,342	54,599	35,040	23,622

Total transaction cost expressed as a percentage of asset type cost

	Purchases		Sales	
	30.09.19 %	30.09.18 %	30.09.19 %	30.09.18 %
Commissions				
Equities	0.04	0.04	0.04	0.03
Taxes				
Equities	0.40	0.43	–	–

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

	30.09.19 %	30.09.18 %
Commissions	0.03	0.03
Taxes	0.19	0.27
Total costs	0.22	0.30

Average portfolio dealing spread

The average portfolio dealing spread at the balance sheet date was 0.10% (30.09.18: 0.07%).

6. Revenue

	30.09.19 £'000	30.09.18 £'000
Bank interest	3	–
Overseas dividends	409	386
UK dividends	3,399	2,604
Total revenue	3,811	2,990

UK Equity Income Fund

Notes to the Financial Statements continued

For the year ended 30 September 2019

7. Expenses

	30.09.19 £'000	30.09.18 £'000
Payable to the ACD or associates of the ACD, and agents of either of them:		
ACD fee	390	309
General administration charge (GAC)	75	61
	465	370
Payable to the Depositary or associates of the Depositary, and agents of either of them:		
Safe custody fee	8	6
	8	6
Other expenses:		
VAT refund	–	(1)
	–	(1)
Total expenses	473	375

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

The audit fee for the year is £9,600 (30.09.18: £9,400).

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

	30.09.19 £'000	30.09.18 £'000
Overseas tax	23	24
Current tax charge	23	24
Deferred tax charge (note 8(c))	–	–
Total tax charge (note 8(b))	23	24

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

The tax assessed for the year is lower than the standard rate of corporation tax in the UK for an authorised OEIC (20%) (30.09.18: 20%). The differences are explained below:

	30.09.19 £'000	30.09.18 £'000
Net revenue before taxation	3,337	2,615
Corporation tax of 20%	667	523
Effects of:		
Movement in excess management expenses	94	75
Overseas tax	23	24
Revenue not subject to taxation	(761)	(598)
Total tax charge (note 8(a))	23	24

(c) Provision for deferred taxation:

There is no provision required for deferred taxation at the Balance Sheet date in the current or prior year.

(d) Factors affecting future tax charge:

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £228,000 (2018: £134,000) in relation to surplus management expenses. It is unlikely that the Fund will generate sufficient taxable profits in the future to utilise this amount and therefore no deferred tax asset has been recognised in the year.

9. Distributions

The Distributions take account of equalisation received on the creation of shares and deducted on the cancellation of shares, and comprise:

	30.09.19 £'000	30.09.18 £'000
First quarter*	708	–
Second quarter	767	1,292
Third quarter*	1,331	–
Final	730	1,674
	3,536	2,966
Add: Equalisation deducted on cancellation of shares	99	107
Less: Equalisation received on creation of shares	(127)	(351)
Net distribution for the year	3,508	2,722

* Fund switched to being a quarterly distributor from 31 December 2018.

9. Distributions (continued)

The net distribution for the year is represented by:

	30.09.19 £'000	30.09.18 £'000
Net revenue after taxation	3,314	2,591
Expenses charged to capital:		
ACD fee	152	98
General administration charge (GAC)	38	30
Safe custody fee	4	3
Net distribution for the year	3,508	2,722

10. Debtors

	30.09.19 £'000	30.09.18 £'000
Accrued dividends and bank interest	336	225
Amounts receivable for creation of shares	451	237
Overseas tax recoverable	19	11
Sales awaiting settlement	113	–
	919	473

11. Other creditors

	30.09.19 £'000	30.09.18 £'000
Amounts payable for cancellation of shares	33	18
Accrued ACD fees	37	28
Accrued general administration charge (GAC)	7	6
Accrued safe custody fee	3	2
Accrued transaction charges	2	3
	82	57

12. Capital commitments and contingent liabilities

The Fund had no contingent liabilities or capital commitments at the year end date (30.09.18: Nil).

13. Related party transactions

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

Included in note 5 are purchases and sales to the value of £239,644 (30.09.2018: £917,308) and £406,478 (30.09.2018: £291,822) respectively where Investec Wealth & Investment Limited acted as broker, commission of £387 (30.09.2018: £722) were received by them in relation to this.

In accordance with the prospectus the ACD collects from the Fund, a general administration charge (GAC), ACD fees and safe custody fees. Please refer to notes 7, 11 and 15 for further details.

Any amounts due to/from Investec Fund Managers Limited at the end of the accounting year are disclosed in notes 10 and 11.

14. Dilution adjustment

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

15. ACD Fee and charges

The different level of ACD fees payable per annum as at 30 September 2019 for each share class is detailed below:

'A' Shares	1.50%
'I' Shares	0.75%
'J' Shares	0.65%
'L' Shares	0.30%
'K' Shares	0.40%
'S' Shares	0.00%

The GAC is charged at up to 0.08% of the Net Asset Value of each share class.

All shares within the sub-fund have the same rights on winding up.

UK Equity Income Fund

Notes to the Financial Statements continued

For the year ended 30 September 2019

15. ACD Fee and charges (continued)**Reconciliation of the shares movement in the year:**

	30.09.18 Opening shares in issue	Creations	Cancellations	Shares converted	30.09.19 Closing shares in issue
'A' Class (Accumulation shares)	386,279	365,537	(378,637)	–	373,179
'A' Class (Income-2 shares)	35,638	31,109	(767)	–	65,980
'I' Class (Accumulation shares)	10,719,433	5,924,461	(4,227,178)	–	12,416,716
'I' Class (Income-2 shares)	3,880,506	1,963,287	(1,135,541)	57,785	4,766,037
'J' Class (Accumulation shares)	19,111	83,961	(3,057)	–	100,015
'J' Class (Income-2 shares)	734	33	–	–	767
'K' Class (Accumulation shares)	1,000	1,902,622	–	–	1,903,622
'K' Class (Income-2 shares)	1,000	5,027,398	(5,472)	–	5,022,926
'L' Class (Accumulation shares)	25,466,698	10,583,336	(7,777,541)	–	28,272,493
'L' Class (Income-2 shares)	31,786,339	12,371,812	(12,608,402)	(53,724)	31,496,025
'S' Class (Income-2 shares)	11,831,978	807,015	(28,064)	–	12,610,929

16. Risk consideration

Please refer to note 3 of the notes to the financial statements of the company for a detailed description of the risk considerations. There are no further specific risks for this Fund. The majority of the Fund's financial assets are equity shares and other investments which neither pay interest nor have a maturity date. In addition, the Fund's financial instruments are almost exclusively held in the base currency, sterling. Therefore interest rate and currency risk is not deemed to be significant.

17. Fair value

Valuation technique	30.09.19		30.09.18	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
Level 1	123,881	–	99,345	–
Level 2	–	–	–	–
Level 3	–	–	–	–
Total fair value	123,881	–	99,345	–

The three levels of the fair value hierarchy under FRS 102 are as follows:

Level 1 Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 Inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly (that is, as prices) or indirectly (that is, derived from prices);

Level 3 Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

UK Equity Income Fund

Distribution Tables

For the year ended 30 September 2019

Interim distribution paid 28 February 2019*

Group 1 – Shares purchased before 1 October 2018

Group 2 – Shares purchased between 1 October and 31 December 2018

	Net Income pence	Equalisation pence	Distribution paid 28.02.19 pence	Distribution paid 28.02.18 pence
'A' Class (Accumulation shares)				
Group 1	0.3845	–	0.3845	n/a
Group 2	0.2296	0.1549	0.3845	n/a
'A' Class (Income-2 shares)				
Group 1	0.7448	–	0.7448	n/a
Group 2	–	0.7448	0.7448	n/a
'I' Class (Accumulation shares)				
Group 1	0.6201	–	0.6201	n/a
Group 2	0.3080	0.3121	0.6201	n/a
'I' Class (Income-2 shares)				
Group 1	0.7642	–	0.7642	n/a
Group 2	0.3776	0.3866	0.7642	n/a
'J' Class (Accumulation shares)				
Group 1	0.6692	–	0.6692	n/a
Group 2	0.2584	0.4108	0.6692	n/a
'J' Class (Income-2 shares)				
Group 1	0.7708	–	0.7708	n/a
Group 2	0.2774	0.4934	0.7708	n/a
'K' Class (Accumulation shares)⁽¹⁾				
Group 1	0.6060	–	0.6060	n/a
Group 2	0.6060	–	0.6060	n/a
'K' Class (Income-2 shares)⁽¹⁾				
Group 1	0.7187	–	0.7187	n/a
Group 2	0.2628	0.4559	0.7187	n/a
'L' Class (Accumulation shares)				
Group 1	0.7984	–	0.7984	n/a
Group 2	0.3460	0.4524	0.7984	n/a
'L' Class (Income-2 shares)				
Group 1	0.8201	–	0.8201	n/a
Group 2	0.4413	0.3788	0.8201	n/a
'S' Class (Income-2 shares)				
Group 1	0.7837	–	0.7837	n/a
Group 2	0.2801	0.5036	0.7837	n/a

UK Equity Income Fund continued

Distribution Tables

For the year ended 30 September 2019

Interim distribution paid 31 May 2019

Group 1 - Shares purchased before 1 January 2019

Group 2 - Shares purchased between 1 January and 31 March 2019

	Net Income pence	Equalisation pence	Distribution paid 31.05.19 pence	Distribution paid 31.05.18 pence
'A' Class (Accumulation shares)				
Group 1	0.5092	–	0.5092	1.0699
Group 2	0.5092	–	0.5092	1.0699
'A' Class (Income-2 shares)				
Group 1	0.8315	–	0.8315	1.8100
Group 2	0.2523	0.5792	0.8315	1.8100
'I' Class (Accumulation shares)				
Group 1	0.7404	–	0.7404	1.5385
Group 2	0.5053	0.2351	0.7404	1.5385
'I' Class (Income-2 shares)				
Group 1	0.8637	–	0.8637	1.8653
Group 2	0.4840	0.3797	0.8637	1.8653
'J' Class (Accumulation shares)				
Group 1	0.7906	–	0.7906	1.6398
Group 2	0.1762	0.6144	0.7906	1.6398
'J' Class (Income-2 shares)				
Group 1	0.8729	–	0.8729	1.8929
Group 2	0.2348	0.6381	0.8729	1.8929
'K' Class (Accumulation shares)⁽¹⁾				
Group 1	0.7410	–	0.7410	n/a
Group 2	0.7410	–	0.7410	n/a
'K' Class (Income-2 shares)⁽¹⁾				
Group 1	0.8249	–	0.8249	n/a
Group 2	0.2262	0.5987	0.8249	n/a
'L' Class (Accumulation shares)				
Group 1	0.9285	–	0.9285	1.9096
Group 2	0.5499	0.3786	0.9285	1.9096
'L' Class (Income-2 shares)				
Group 1	0.9334	–	0.9334	1.9953
Group 2	0.5995	0.3339	0.9334	1.9953
'S' Class (Income-2 shares)				
Group 1	0.8899	–	0.8899	1.9059
Group 2	0.2391	0.6508	0.8899	1.9059

Distribution Tables

For the year ended 30 September 2019

Interim distribution paid 31 August 2019*

Group 1 - Shares purchased before 1 April 2019

Group 2 - Shares purchased between 1 April and 30 June 2019

	Net Income pence	Equalisation pence	Distribution paid 31.08.19 pence	Distribution paid 31.08.18 pence
'A' Class (Accumulation shares)				
Group 1	1.0605	–	1.0605	n/a
Group 2	0.7685	0.2920	1.0605	n/a
'A' Class (Income-2 shares)				
Group 1	1.3426	–	1.3426	n/a
Group 2	0.4605	0.8821	1.3426	n/a
'I' Class (Accumulation shares)				
Group 1	1.3349	–	1.3349	n/a
Group 2	0.8669	0.4680	1.3349	n/a
'I' Class (Income-2 shares)				
Group 1	1.3967	–	1.3967	n/a
Group 2	0.4453	0.9514	1.3967	n/a
'J' Class (Accumulation shares)				
Group 1	1.4063	–	1.4063	n/a
Group 2	1.2035	0.2028	1.4063	n/a
'J' Class (Income-2 shares)				
Group 1	1.4122	–	1.4122	n/a
Group 2	0.2993	1.1129	1.4122	n/a
'K' Class (Accumulation shares)⁽¹⁾				
Group 1	1.2680	–	1.2680	n/a
Group 2	1.2680	–	1.2680	n/a
'K' Class (Income-2 shares)⁽¹⁾				
Group 1	1.3299	–	1.3299	n/a
Group 2	0.0927	1.2372	1.3299	n/a
'L' Class (Accumulation shares)				
Group 1	1.5750	–	1.5750	n/a
Group 2	1.0743	0.5007	1.5750	n/a
'L' Class (Income-2 shares)				
Group 1	1.5031	–	1.5031	n/a
Group 2	0.6766	0.8265	1.5031	n/a
'S' Class (Income-2 shares)				
Group 1	1.4415	–	1.4415	n/a
Group 2	0.3679	1.0736	1.4415	n/a

UK Equity Income Fund continued

Distribution Tables

For the year ended 30 September 2019

Final distribution payable 30 November 2019

Group 1 - Shares purchased before 1 July 2019

Group 2 - Shares purchased between 1 July and 30 September 2019

	Net Income pence	Equalisation pence	Distribution payable 30.11.19 pence	Distribution paid 30.11.18 pence
'A' Class (Accumulation shares)				
Group 1	0.3110	–	0.3110	1.1487
Group 2	0.1125	0.1985	0.3110	1.1487
'A' Class (Income-2 shares)				
Group 1	0.7151	–	0.7151	1.8798
Group 2	0.1212	0.5939	0.7151	1.8798
'I' Class (Accumulation shares)				
Group 1	0.5844	–	0.5844	1.6452
Group 2	0.3541	0.2303	0.5844	1.6452
'I' Class (Income-2 shares)				
Group 1	0.7452	–	0.7452	1.9427
Group 2	0.4796	0.2656	0.7452	1.9427
'J' Class (Accumulation shares)				
Group 1	0.6454	–	0.6454	1.7405
Group 2	0.4881	0.1573	0.6454	1.7405
'J' Class (Income-2 shares)				
Group 1	0.7532	–	0.7532	1.9612
Group 2	0.1152	0.6380	0.7532	1.9612
'K' Class (Accumulation shares)⁽¹⁾				
Group 1	0.6363	–	0.6363	1.4960
Group 2	0.0711	0.5652	0.6363	1.4960
'K' Class (Income-2 shares)⁽¹⁾				
Group 1	0.7091	–	0.7091	1.7010
Group 2	0.6068	0.1023	0.7091	1.7010
'L' Class (Accumulation shares)				
Group 1	0.7842	–	0.7842	2.0388
Group 2	0.5759	0.2083	0.7842	2.0388
'L' Class (Income-2 shares)				
Group 1	0.8027	–	0.8027	2.0824
Group 2	0.7548	0.0479	0.8027	2.0824
'S' Class (Income-2 shares)				
Group 1	0.7708	–	0.7708	1.9918
Group 2	0.1158	0.6550	0.7708	1.9918

(1) Launched 7 April 2018.

* Fund switched to being a quarterly distributor from 31 December 2018.

Equalisation

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

UK Smaller Companies Fund

Statement of Total Return

For the year ended 30 September 2019

	Note	30.09.19 £'000	£'000	30.09.18 £'000	£'000
Income					
Net capital (losses)/gains	4		(19,603)		34,285
Revenue	6	6,010		6,050	
Expenses	7	(2,540)		(3,138)	
Interest payable and similar charges		(1)		(1)	
Net revenue before taxation		3,469		2,911	
Taxation	8	(58)		(58)	
Net revenue after taxation			3,411		2,853
Total return before distribution			(16,192)		37,138
Distribution	9		(3,455)		(2,859)
Change in net assets attributable to shareholders from investment activities			(19,647)		34,279

Statement of Change in Net Assets Attributable to Shareholders

For the year ended 30 September 2019

	30.09.19 £'000	£'000	30.09.18 £'000	£'000
Opening net assets attributable to shareholders		301,529		317,718
Amounts receivable on creation of shares	4,169		6,089	
Amounts payable on cancellation of shares	(49,813)		(58,857)	
		(45,644)		(52,768)
Change in net assets attributable to shareholders from investment activities		(19,647)		34,279
Retained distributions on accumulation shares		2,755		2,300
Closing net assets attributable to shareholders		238,993		301,529

Notes to the financial statements are on pages 178 to 181.

Balance Sheet

As at 30 September 2019

	Note	30.09.19 £'000	£'000	30.09.18 £'000	£'000
ASSETS					
Investments assets			231,694		297,506
Current assets					
Debtors	10	364		751	
Cash and bank balances		8,310		4,284	
Total other assets			8,674		5,035
Total assets			240,368		302,541
LIABILITIES					
Creditors					
Distribution payable		423		358	
Other creditors	11	952		654	
Total other liabilities			1,375		1,012
Total liabilities			1,375		1,012
Net assets attributable to shareholders			238,993		301,529

Notes to the financial statements are on pages 178 to 181.

UK Smaller Companies Fund

Notes to the Financial Statements

For the year ended 30 September 2019

1. Accounting policies

The Accounting policies for the Fund are disclosed in the notes to the financial statements on page 100.

2. Distribution policies

The Distribution policies for the Fund are disclosed in the notes to the financial statements on pages 100 to 101.

3. Risk management policies

The Risk management policies for the Fund are disclosed in the notes to the financial statements on pages 101 to 110.

4. Net capital (losses)/gains

The net capital (losses)/gains during the year comprise:

	30.09.19 £'000	30.09.18 £'000
Gains/(losses) on foreign exchange	7	(22)
Non-derivative securities	(19,602)	34,325
Transaction charges	(8)	(18)
Net capital (losses)/gains	(19,603)	34,285

5. Purchases, sales and transaction costs

Analysis of total trade costs

	Purchases		Sales	
	30.09.19	30.09.18	30.09.19	30.09.18
Equities	59,625	187,879	105,992	228,884
Commissions				
Equities	21	81	(59)	(127)
Taxes				
Equities	78	499	–	(6)
Total costs	99	580	(59)	(133)
Net trades in the year after transaction costs	59,724	188,459	105,933	228,751

Total transaction cost expressed as a percentage of asset type cost

	Purchases		Sales	
	30.09.19	30.09.18	30.09.19	30.09.18
Commissions				
Equities	0.04	0.04	0.06	0.06
Taxes				
Equities	0.13	0.27	–	–

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

	30.09.19 %	30.09.18 %
Commissions	0.03	0.07
Taxes	0.03	0.16
Total costs	0.06	0.23

Average portfolio dealing spread

The average portfolio dealing spread at the balance sheet date was 1.27% (30.09.18: 1.30%).

6. Revenue

	30.09.19 £'000	30.09.18 £'000
Bank interest	37	22
Overseas dividends	672	531
UK dividends	5,175	5,056
Property revenue from UK REITs – PID	126	403
Property revenue from UK REITs – Non PID	–	38
Total revenue	6,010	6,050

7. Expenses

	30.09.19 £'000	30.09.18 £'000
Payable to the ACD or associates of the ACD, and agents of either of them:		
ACD fee	2,355	2,902
General administration charge (GAC)	173	221
	2,528	3,123
Payable to the Depositary or associates of the Depositary, and agents of either of them:		
Safe custody fee	12	16
	12	16
Other expenses:		
VAT refund	–	(1)
	–	(1)
Total expenses	2,540	3,138

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

The audit fee for the year is £8,400 (30.09.18: £8,300).

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

	30.09.19 £'000	30.09.18 £'000
Overseas tax	58	58
Current tax charge	58	58
Deferred tax charge (note 8(c))	–	–
Total tax charge (note 8(b))	58	58

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

The tax assessed for the year is lower than the standard rate of corporation tax in the UK for an authorised OEIC (20%) (30.09.18: 20%). The differences are explained below:

	30.09.19 £'000	30.09.18 £'000
Net revenue before taxation	3,469	2,911
Corporation tax of 20%	694	582
Effects of:		
Movement in excess management expenses	470	564
Overseas tax	58	58
Revenue not subject to taxation	(1,164)	(1,117)
Movement in excess management expenses: adjustment in respect of prior years	–	(23)
Overseas tax expensed	–	(6)
Total tax charge (note 8(a))	58	58

(c) Provision for deferred taxation:

There is no provision required for deferred taxation at the Balance Sheet date in the current or prior year.

(d) Factors affecting future tax charge:

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £9,039,000 (2018: £8,569,000) in relation to surplus management expenses. It is unlikely that the Fund will generate sufficient taxable profits in the future to utilise this amount and therefore no deferred tax asset has been recognised in the year.

UK Smaller Companies Fund

Notes to the Financial Statements continued

For the year ended 30 September 2019

9. Distribution

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

	30.09.19 £'000	30.09.18 £'000
Final	3,178	2,658
Add: Equalisation deducted on cancellation of shares	298	222
Less: Equalisation received on creation of shares	(21)	(21)
Net distribution for the year	3,455	2,859

The net distribution for the year is represented by:

	30.09.19 £'000	30.09.18 £'000
Net revenue after taxation	3,411	2,853
Equalisation on conversion of shares	44	6
Net distribution for the year	3,455	2,859

10. Debtors

	30.09.19 £'000	30.09.18 £'000
Accrued dividends and bank interest	305	679
Amounts receivable for creation of shares	10	26
Overseas tax recoverable	49	46
	364	751

11. Other creditors

	30.09.19 £'000	30.09.18 £'000
Amounts payable for cancellation of shares	633	397
Purchases awaiting settlement	117	–
Accrued ACD fees	182	233
Accrued general administration charge (GAC)	14	17
Accrued safe custody fee	4	4
Accrued transaction charges	2	3
	952	654

12. Capital commitments and contingent liabilities

The Fund had no contingent liabilities or capital commitments at the year end date (30.09.18: Nil).

13. Related party transactions

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

Included in note 5 are purchases and sales to the value of £4,911,410 (30.09.18: £26,509,130) and £10,409,114 (30.09.18: £29,508,053) respectively where Investec Bank acted as broker, commission of £7,661 (30.09.18: £28,479) was received by them in relation to this.

In accordance with the prospectus the ACD collects from the Fund, a general administration charge (GAC), ACD fees and safe custody fees. Please refer to notes 7, 11 and 14 for further details.

Any amounts due to/from Investec Fund Managers Limited at the end of the accounting year are disclosed in notes 10 and 11.

At the year end date Nil% of the Fund's shares (by net asset value) were held by other Funds managed by the ACD (30.09.18: 0.30%).

14. ACD Fee and charges

The different level of ACD fees payable per annum as at 30 September 2019 for each share class is detailed below:

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

The GAC is charged at up to 0.08% of the Net Asset Value of each share class.

All shares within the sub-fund have the same rights on winding up.

14. ACD Fee and charges (continued)**Reconciliation of the shares movement in the year:**

	30.09.18 Opening shares in issue	Creations	Cancellations	Shares converted	30.09.19 Closing shares in issue
'A' Class (Accumulation shares)	1,314,579	30,120	(258,269)	(190,660)	895,770
'A' Class (Income shares)	175,571	3,407	(31,297)	(58,247)	89,434
'I' Class (Accumulation shares)	81,882,130	518,240	(14,096,023)	1,663,358	69,967,705
'I' Class (Income shares)	483,461	21,306	(70,889)	1,880	435,758
'R' Class (Accumulation shares)	691,378	218	(154,976)	3,689,412	4,226,032
'S' Class (Accumulation shares)	32,700	5,355	(30,152)	–	7,903
'S' Class (Income shares)	–	–	–	–	–

15. Risk consideration

Please refer to note 3 of the notes to the financial statements of the company for a detailed description of the risk considerations. There are no further specific risks for this Fund. The majority of the Fund's financial assets are equity shares and other investments which neither pay interest nor have a maturity date. In addition, the Fund's financial instruments are almost exclusively held in the base currency, sterling. Therefore interest rate and currency risk is not deemed to be significant.

16. Fair value

Valuation technique	30.09.19		30.09.18	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
Level 1	231,694	–	297,506	–
Level 2	–	–	–	–
Level 3	–	–	–	–
Total fair value	231,694	–	297,506	–

The three levels of the fair value hierarchy under FRS 102 are as follows:

Level 1 Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 Inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly (that is, as prices) or indirectly (that is, derived from prices);

Level 3 Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

UK Smaller Companies Fund

Distribution Table

For the year ended 30 September 2019

Final distribution payable 30 November 2019

Group 1 – Shares purchased before 1 October 2018

Group 2 – Shares purchased between 1 October 2018 and 30 September 2019

	Net Income pence	Equalisation pence	Distribution payable 30.11.19 pence	Distribution paid 30.11.18 pence
'A' Class (Accumulation shares)				
Group 1	34.7694	–	34.7694	16.2268
Group 2	22.3268	12.4426	34.7694	16.2268
'A' Class (Income shares)				
Group 1	31.3125	–	31.3125	14.6912
Group 2	20.6479	10.6646	31.3125	14.6912
'I' Class (Accumulation shares)				
Group 1	3.3297	–	3.3297	2.4944
Group 2	1.9861	1.3436	3.3297	2.4944
'I' Class (Income shares)				
Group 1	90.6287	–	90.6287	68.6084
Group 2	54.4191	36.2096	90.6287	68.6084
'R' Class (Accumulation shares)				
Group 1	2.4786	–	2.4786	1.7401
Group 2	–	2.4786	2.4786	1.7401
'S' Class (Accumulation shares)				
Group 1	117.2659	–	117.2659	98.2819
Group 2	66.2842	50.9817	117.2659	98.2819

Equalisation

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

UK Special Situations Fund

Statement of Total Return

For the year ended 30 September 2019

	Note	30.09.19 £'000	£'000	30.09.18 £'000	£'000
Income					
Net capital gains/(losses)	4		6,810		(9,709)
Revenue	6	33,912		31,475	
Expenses	7	(7,914)		(9,185)	
Interest payable and similar charges	8	(40)		(4)	
Net revenue before taxation		25,958		22,286	
Taxation	9	(134)		(107)	
Net revenue after taxation			25,824		22,179
Total return before distribution			32,634		12,470
Distribution	10		(25,921)		(22,255)
Change in net assets attributable to shareholders from investment activities			6,713		(9,785)

Statement of Change in Net Assets Attributable to Shareholders

For the year ended 30 September 2019

	30.09.19 £'000	£'000	30.09.18 £'000	£'000
Opening net assets attributable to shareholders		839,449		1,090,320
Amounts receivable on creation of shares	302,519		76,057	
Amounts payable on cancellation of shares	(195,375)		(329,152)	
		107,144		(253,095)
Dilution adjustment		721		–
Change in net assets attributable to shareholders from investment activities		6,713		(9,785)
Retained distributions on accumulation shares		13,795		12,002
Unclaimed distributions		13		7
Closing net assets attributable to shareholders		967,835		839,449

Notes to the financial statements are on pages 184 to 188.

Balance Sheet

As at 30 September 2019

	Note	30.09.19 £'000	£'000	30.09.18 £'000	£'000
ASSETS					
Investments assets			943,795		823,075
Current assets					
Debtors	11	2,667		7,444	
Cash and bank balances	12	39,272		20,302	
Total other assets			41,939		27,746
Total assets			985,734		850,821
LIABILITIES					
Investment liabilities			–		114
Creditors					
Bank overdrafts		1,814		1,259	
Distribution payable		12,650		7,145	
Other creditors	13	3,435		2,854	
Total other liabilities			17,899		11,258
Total liabilities			17,899		11,372
Net assets attributable to shareholders			967,835		839,449

Notes to the financial statements are on pages 184 to 188.

UK Special Situations Fund

Notes to the Financial Statements

For the year ended 30 September 2019

1. Accounting policies

The Accounting policies for the Fund are disclosed in the notes to the financial statements on page 100.

2. Distribution policies

The Distribution policies for the Fund are disclosed in the notes to the financial statements on pages 100 to 101.

3. Risk management policies

The Risk management policies for the Fund are disclosed in the notes to the financial statements on pages 101 to 110.

4. Net capital gains/(losses)

The net capital gains/(losses) during the year comprise:

	30.09.19 £'000	30.09.18 £'000
Losses on foreign exchange	(57)	(394)
Derivative contracts	(189)	(9,386)
Non-derivative securities	7,065	91
Transaction charges	(9)	(20)
Net capital gains/(losses)	6,810	(9,709)

5. Purchases, sales and transaction costs

Analysis of total trade costs

	Purchases		Sales	
	30.09.19 £'000	30.09.18 £'000	30.09.19 £'000	30.09.18 £'000
Equities	240,037	225,344	136,959	423,602
Bonds	9,285	—	—	46,607
Futures*	—	—	—	—
Trades excluding transaction costs	249,322	225,344	136,959	470,209
Commissions				
Equities	102	91	(83)	(188)
Bonds	—	—	—	—
Futures*	—	—	—	—
Total commissions	102	91	(83)	(188)
Taxes				
Equities	1,070	851	(1)	(2)
Bonds	—	—	—	—
Futures*	—	—	—	—
Total taxes	1,070	851	(1)	(2)
Total costs	1,172	942	(84)	(190)
Net trades in the year after transaction costs	250,494	226,286	136,875	470,019

Total transaction cost expressed as a percentage of asset type cost

	Purchases		Sales	
	30.09.19 %	30.09.18 %	30.09.19 %	30.09.18 %
Commissions				
Equities	0.04	0.04	0.06	0.04
Bonds	—	—	—	—
Futures*	—	—	—	—
Taxes				
Equities	0.45	0.38	—	—
Bonds	—	—	—	—
Futures*	—	—	—	—

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

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

	30.09.19 %	30.09.18 %
Commissions	0.02	0.03
Taxes	0.12	0.09
Total costs	0.14	0.12

Average portfolio dealing spread

The average portfolio dealing spread at the balance sheet date was 0.16% (30.09.18: 0.13%).

6. Revenue

	30.09.19 £'000	30.09.18 £'000
Bank interest	49	5
Interest on debt securities	96	77
Overseas dividends	2,652	2,360
UK dividends	30,361	28,093
Underwriting commission	22	–
Property revenue from UK REITs – PID	890	566
Property revenue from UK REITs – Non PID	(170)	348
Margin interest	12	26
Total revenue	33,912	31,475

7. Expenses

	30.09.19 £'000	30.09.18 £'000
Payable to the ACD or associates of the ACD, and agents of either of them:		
ACD fee	7,280	8,439
General administration charge (GAC)	597	694
	7,877	9,133
Payable to the Depositary or associates of the Depositary, and agents of either of them:		
Safe custody fee	41	53
	41	53
Other expenses:		
VAT refund	(4)	(1)
	(4)	(1)
Total expenses	7,914	9,185

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

The audit fee for the year is £9,600 (30.09.18: £9,400).

8. Interest payable and similar charges

	30.09.19 £'000	30.09.18 £'000
Interest	18	1
Margin Interest	22	3
Total interest payable and similar charges	40	4

UK Special Situations Fund

Notes to the Financial Statements continued

For the year ended 30 September 2019

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

	30.09.19 £'000	30.09.18 £'000
Overseas tax	134	107
Current tax charge	134	107
Deferred tax charge (note 9(c))	–	–
Total tax charge (note 9(b))	134	107

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

The tax assessed for the year is lower than the standard rate of corporation tax in the UK for an authorised OEIC (20%) (30.09.18: 20%). The differences are explained below:

	30.09.19 £'000	30.09.18 £'000
Net revenue before taxation	25,958	22,286
Corporation tax of 20%	5,192	4,457
Effects of:		
Movement in excess management expenses	1,377	1,703
Overseas tax	134	107
Revenue not subject to taxation	(6,569)	(6,160)
Total tax charge (note 9(a))	134	107

(c) Provision for deferred taxation:

There is no provision required for deferred taxation at the Balance Sheet date in the current or prior year.

(d) Factors affecting future tax charge:

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £17,686,000 (2018: £16,309,000) in relation to surplus management expenses. It is unlikely that the Fund will generate sufficient taxable profits in the future to utilise this amount and therefore no deferred tax asset has been recognised in the year.

10. Distribution

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

	30.09.19 £'000	30.09.18 £'000
Final	26,445	19,147
Add: Equalisation deducted on cancellation of shares	2,718	3,853
Less: Equalisation received on creation of shares	(3,242)	(745)
Net distribution for the year	25,921	22,255

The net distribution for the year is represented by:

	30.09.19 £'000	30.09.18 £'000
Net revenue after taxation	25,824	22,179
Equalisation on conversion of shares	95	74
Expenses charged to capital:		
ACD fee	2	1
General administration charge (GAC)	–	1
Net distribution for the year	25,921	22,255

11. Debtors

	30.09.19 £'000	30.09.18 £'000
Accrued bond interest	44	9
Accrued dividends and bank interest	2,252	2,214
Amounts receivable for creation of shares	369	1,358
Overseas tax recoverable	2	2
Sales awaiting settlement	–	3,861
	2,667	7,444

12. Cash and bank balance

	30.09.19 £'000	30.09.18 £'000
Cash and bank balances	35,540	17,423
Amount held at futures clearing houses and brokers	3,732	2,879
	39,272	20,302

13. Other creditors

	30.09.19 £'000	30.09.18 £'000
Amounts payable for cancellation of shares	2,720	706
Purchases awaiting settlement	–	1,491
Accrued ACD fees	645	592
Accrued general administration charge (GAC)	53	47
Accrued safe custody fee	15	12
Accrued transaction charges	2	6
	3,435	2,854

14. Capital commitments and contingent liabilities

The Fund had no contingent liabilities or capital commitments at the year end date (30.09.18: Nil).

15. Related party transactions

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

Included in note 5 are purchases and sales to the value of £5,865,737 (30.09.18: £19,126) and £458,505 (30.09.18: £13,576,681) respectively where Investec Bank acted as broker, commission of £3,775 (30.09.18: £8,162) was received by them in relation to this.

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

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

16. Dilution adjustment

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

17. ACD Fee and charges

The different level of ACD fees payable per annum as at 30 September 2019 for each share class is detailed below:

'A' Shares	1.50%
'B' Shares	1.00%
'I' Shares	0.75%
'J' Shares	0.65%
'K' Shares	0.45%
'R' Shares	1.00%

The GAC is charged at up to 0.08% of the Net Asset Value of each share class.

All shares within the sub-fund have the same rights on winding up.

Reconciliation of the shares movement in the year:

	30.09.18 Opening shares in issue	Creations	Cancellations	Shares converted	30.09.19 Closing shares in issue
'A' Class (Accumulation shares)	4,706,789	603,475	(780,920)	(248,442)	4,280,902
'A' Class (Income shares)	17,168,714	2,171,396	(2,265,206)	(5,688,020)	11,386,884
'A' Class (Income-2 shares)	3,989	24	–	–	4,013
'B' Class (Accumulation shares)	494,869	490	(46,710)	(8,406)	440,243
'B' Class (Income shares)	428,050	5,644	(43,162)	(8,882)	381,650
'I' Class (Accumulation shares)	176,159,635	8,100,098	(32,747,322)	9,453,138	160,965,549
'I' Class (Income shares)	58,683,175	129,602,172	(11,344,068)	(248,340)	176,692,939
'I' Class (Income-2 shares)	90,710	879,986	(71,161)	6,630	906,165
'J' Class (Accumulation shares)	80,357,340	31,472,360	(28,360,713)	254,622	83,723,609
'J' Class (Income shares)	133,978,139	41,490,453	(54,208,437)	539,546	121,799,701
'J' Class (Income-2 shares)	689	24	(713)	–	–
'K' Class (Income shares)	–	1,000	–	–	1,000
'R' Class (Accumulation shares)	350,664	29,023	(1,686)	1,767,274	2,145,275
'R' Class (Income shares)	–	1,000	–	7,215,978	7,216,978
'S' Class (Accumulation shares)	6,433	75	(2,342)	(4,166)	–

UK Special Situations Fund

Notes to the Financial Statements continued

For the year ended 30 September 2019

18. Risk consideration

Please refer to note 3 of the financial statements for a detailed description of the risk considerations. There are no further specific risks for this Fund.

The Fund's currency exposure as at 30 September 2019 was:

Currency	Currency exposure	
	Total 30.09.19 £'000	Total 30.09.18 £'000
Canadian Dollar	5	5
Euro	10,633	–
Sterling	874,575	782,677
South Korean Won	22,983	9,049
US Dollar	59,639	47,718
Total	967,835	839,449

19. Efficient portfolio management techniques risk exposure

The exposure obtained through efficient portfolio management techniques and identity of counterparties as at 30 September 2019 was as follows:

(a) Futures

Counterparty	Market Value 30.09.19 £'000	Value of exposure 30.09.19 £ '000
Goldman Sachs	115	33,319
Total	115	33,319

Counterparty	Market Value 30.09.18 £'000	Value of exposure 30.09.18 £ '000
Goldman Sachs	(114)	30,952
Total	(114)	30,952

20. Fair value

Valuation technique	30.09.19		30.09.18	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
Level 1	942,889	–	822,164	(114)
Level 2	906	–	911	–
Level 3	–	–	–	–
Total fair value	943,795	–	823,075	(114)

The three levels of the fair value hierarchy under FRS 102 are as follows:

Level 1 Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 Inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly (that is, as prices) or indirectly (that is, derived from prices);

Level 3 Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

UK Special Situations Fund

Distribution Tables

For the year ended 30 September 2019

Interim distribution paid 30 November 2019

Group 1 – Shares purchased before 1 October 2018

Group 2 – Shares purchased between 1 October 2018 and 30 September 2019

	Net Income pence	Equalisation pence	Distribution payable 31.11.19 pence	Distribution paid 31.11.18 pence
'A' Class (Accumulation shares)				
Group 1	25.8948	–	25.8948	19.9307
Group 2	13.7693	12.1255	25.8948	19.9307
'A' Class (Income shares)				
Group 1	10.0477	–	10.0477	7.6568
Group 2	4.9907	5.0570	10.0477	7.6568
'A' Class (Income-2 shares)				
Group 1	3.7687	–	3.7687	3.4048
Group 2	3.1751	0.5936	3.7687	3.4048
'B' Class (Accumulation shares)				
Group 1	34.3221	–	34.3221	27.8674
Group 2	17.4085	16.9136	34.3221	27.8674
'B' Class (Income shares)				
Group 1	12.4459	–	12.4459	10.3138
Group 2	7.2539	5.1920	12.4459	10.3138
'I' Class (Accumulation shares)				
Group 1	5.7229	–	5.7229	4.7278
Group 2	3.4208	2.3021	5.7229	4.7278
'I' Class (Income shares)				
Group 1	4.0997	–	4.0997	3.4781
Group 2	2.8600	1.2397	4.0997	3.4781
'I' Class (Income-2 shares)				
Group 1	3.9115	–	3.9115	3.4909
Group 2	0.9922	2.9193	3.9115	3.4909
'J' Class (Accumulation shares)				
Group 1	3.8679	–	3.8679	3.2155
Group 2	1.5881	2.2798	3.8679	3.2155
'J' Class (Income shares)				
Group 1	3.2751	–	3.2751	2.7928
Group 2	1.7313	1.5438	3.2751	2.7928
'J' Class (Income-2 shares)¹				
Group 1	–	–	–	3.5024
Group 2	–	–	–	3.5024
'K' Class (Income shares)²				
Group 1	3.0730	–	3.0730	n/a
Group 2	1.5271	1.5459	3.0730	n/a
'R' Class (Accumulation shares)				
Group 1	3.9577	–	3.9577	3.2128
Group 2	0.6322	3.3255	3.9577	3.2128
'R' Class (Income shares)³				
Group 1	2.6338	–	2.6338	n/a
Group 2	0.0000	2.6338	2.6338	n/a
'S' Class (Accumulation shares)¹				
Group 1	–	–	–	41.9117
Group 2	–	–	–	41.9117

(1) Closed 4 March 2019.

(2) Launched 30 April 2019.

(3) Launched 7 August 2019.

Equalisation

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

Securities Financing Transactions ('SFTs') (Unaudited)

As at 30 September 2019

GLOBAL DATA

Assets engaged in SFTs and total return swaps		Fund assets under management (AUM) £'000
Global Multi-Asset Total Return Fund		91,913
Absolute value of assets engaged in total return swaps:		
	Underlying exposure value £'000	% of net assets
Global Multi-Asset Total Return Fund	(138)	(0.15)

CONCENTRATION DATA

Counterparty	Counterparty's country of establishment	Underlying exposure value £'000	Settlement and clearing
Global Multi-Asset Total Return Fund			
Goldman Sachs	United States of America	(138)	Bi-lateral

AGGREGATE TRANSACTION DATA

Type, Quality and Currency of Collateral

Type	Quality	Currencies
Total return swaps		
Global Multi-Asset Total Return Fund		

There was no collateral granted by the Fund at 30 September 2018 in relation to the Total Return Swap contracts held.

Maturity Tenor of SFTs and Total Return Swaps (remaining period to maturity)

	Less than one day £'000	One day to one week £'000	One week to one month £'000	One to three months £'000	Three months to one year £'000	Above one year £'000	Open transactions £'000	Total £'000
Global Multi-Asset Total Return Fund								
Total return swaps	–	–	–	(138)	–	–	–	(138)

RETURN AND COST

	Collective Investment Undertaking £'000	Manager of Collective Investment Undertaking £'000	Third Parties (e.g. lending agent) £'000	Total £'000
Global Multi-Asset Total Return Fund				
Total return swaps				
Gross return	–	–	–	–
% of total gross return	–	–	–	–
Cost	–	–	–	–

Other Information (Unaudited)

ISA status

During the period under review, the shares of the funds met the requirements for eligibility to be held in a stocks and shares ISA as determined by the regulations which govern ISAs.

Investec Fund Managers Limited offer the 'A' shares of the funds through its own ISA plan.

Distributions

Where a distribution is to be paid, it has been calculated as at 30 September 2019 and will be distributed to shareholders, where applicable, on 30 November 2019. For accumulations shares income distribution payments are deemed to be paid on 30 November 2019.

Telephone calls

Telephone calls may be recorded for training and quality assurance purposes.

Cross holding table

There were no cross holdings between sub-funds in Investec Funds Series i as at 30 September 2019.

Assessment of Value

Following the final report of the asset management market study ("AMMS"), the Financial Conduct Authority ("FCA") introduced (among other reforms) new rules on fund governance aiming to strengthen the pre-existing duty of care and acting in investors' best interest rules. These are outlined in the FCA policy statement PS18/8 and apply from 30 September 2019.

The new Handbook rules move the industry to a place where the governing body of an Authorised Fund Manager ("AFM") or a UCITS management company authorised in the UK by the FCA must perform a detailed assessment on whether its funds are providing value to investors and then publish an annual statement summarising the outcome of this process. AFMs must use a specific set of criteria for this assessment. For schemes that are within scope and have an accounting period that begins on 1 October 2018 or later, AFMs are required to carry out this assessment and publish the statement within four months of the accounting period end.

For AFMs with more than one accounting year-end during the assessment period, the option to release one composite Assessment of Value report has been endorsed by the FCA. The composite report must be released within 4 months of the assessment date. Investec Fund Managers Limited ("IFML") as the Authorised Corporate Director of the Investec Fund Series i-iv and IFML Vitality Funds ("the Companies"), each with differing financial year-ends, has adopted the option to produce one composite report. The assessment date will coincide with IFML's financial year-end, of March every year, with the first composite Assessment of Value report due for release in July 2020.

The intention is to publish the composite Assessment of Value report on the Investec Asset Management website alongside the reports and accounts for each of the Companies.

UCITS V Directive on remuneration

The latest remuneration policy relating to the Authorised Corporate Director (ACD) is available from www.investecassetmanagement.com/remuneration or free of charge on request from the Registered Office.

Remuneration paid for 2018-19 to all staff employed by the management company, split into fixed and variable remuneration paid.

N/A – IFML does not employ any employees.

Aggregate remuneration paid for 2018-19 to senior management and members of staff whose actions have a material impact on the risk profile of IFML.

Aggregate Remuneration	£1,244,205
Senior Management	£1,212,857
Other individuals with material impact	£31,348
No of staff	15

Glossary (Unaudited)

Active management

An active investment approach is one where a portfolio manager aims to beat the market through research, analysis and his/her judgement. (See also passive management).

Asset allocation

A fund's allotment to different asset classes.

Asset class

The main types of investment available. The traditional asset classes are equities, bonds and cash.

Bear market

A market where prices fall consistently over a long period of time. Investors are referred to as 'bearish' if they believe prices are going to fall.

Benchmark

A comparative performance index.

Bond

A form of loan issued by a government or company. Typically, an investor should receive a regular coupon and the return of the principal originally lent when the bond matures. Note: Not all bonds are interest bearing (see zero coupon bond), and not all bonds are fixed rate (e.g. index linked, floating rate and stepped rate bonds).

Bottom-up investing

An investment approach that concentrates on the analysis of individual companies and considers the company's history, management and potential as more important than macroeconomic trends.

Bull market

A market where prices rise consistently over a long period of time. Investors are referred to as 'bullish' if they believe prices are going to rise.

Cash

The most liquid form in which to store capital. While it is regarded as a safe asset class, over time the purchasing power of cash tends to be eroded by inflation.

Central bank base rate

The basic rate of interest set by a central bank that determines the cost of borrowing.

Commodities

An asset class which comprises physical assets such as oil, base and precious metals and agricultural produce.

Credit rating agency

An institution that assigns credit ratings to debt issuers, such as companies and governments. Standard & Poor's and Moody's are well-known examples.

Credit risk

The risk that a bond issuer or borrower will be unable to meet their contractual obligations.

Credit spread

The differences in yield between 'risk-free' bonds, such as gilts or US treasuries, and non-treasury (or gilt) bonds, which are identical in all respects except for the quality of their rating. Corporate bonds tend to offer additional yield to compensate investors for the potential risk of default.

Currency risk

The risk of incurring losses of foreign assets due to adverse movements in exchange rates between domestic and foreign currencies.

Deflation

As opposed to inflation, it describes conditions in which there is a widespread, consistent decline in prices. It conveys the rarer occurrence of the money in one's pocket actually increasing in buying power, rather than the more usual opposite.

Derivatives

An instrument whose value depends on the performance of an underlying security or rate which requires no initial exchange of principal. Options, futures and swaps are all examples of derivatives.

Developed markets

Refers to industrialised countries with relatively high levels of economic productivity, high standards of living and stable economies.

Disinflation

Refers to a slowing down in price growth, as opposed to deflation where prices are already falling.

Diversification

Holding a range of assets to reduce risk.

Dividend

The portion of company net profits paid out to shareholders.

Glossary (Unaudited) continued

Dividend yield

The annual dividend per share divided by the current share price.

Duration

A measure of a bond investment's sensitivity to changes in interest rates. The longer the duration, the more sensitive it is. Calculating 'duration' for a fixed income investment such as a bond is a complicated sum. It takes into account the current value of the bond, the coupon or interest payment, the book cost, and the number of years the bond has left to run. Put simply, the higher the duration number the higher the potential return (and the greater the risk).

Emerging markets

Countries in the process of industrialising which tend to have rapidly growing economies.

Emerging market debt

Debt issued by governments and corporates in emerging markets.

Equity

Refers to shares. A share in a company provides an investor with part ownership of that company.

Fixed Income

An investment that provides a return in the form of fixed periodic payments and the eventual return of principal at maturity.

Future

An obligation to buy or sell an asset on a specific date in the future at an agreed price.

Gilt

A bond that is issued by the British government which is generally considered low risk. Bonds issued by South African and Irish governments are also referred to as gilts.

Hedging

A technique seeking to offset or minimise the exposure to specific risk by entering an opposing position.

High yield bond

A below investment grade rated bond, providing the investor with greater returns due to its higher default risk. (See Junk bond).

Index-linked bonds

Bonds whose coupons and principal payment are linked to movements in inflation.

Inflation

Describes conditions in which there have been a consistent rise in prices.

Initial public offering (IPO)

The first public sale of a company's equity resulting in a quoted stock price on a stock exchange.

Interest

The return earned on funds which have been deposited, loaned, or invested.

Investment grade bonds

Bonds considered of the highest quality by credit rating agencies. The threshold credit rating for Standard & Poor's is BBB and Baa3 for Moody's.

Liabilities

Financial obligations that must be met.

Liquidity

The ease with which an asset can be sold at a reasonable price for cash.

Long dated bond

A bond with usually 15 years or more remaining before redemption, at which point the principal is paid to the holder.

Long-term investment

Holding an asset for an extended period of time. Depending on the security, a long-term asset can be held for as little as one year or for as long as 30 years.

Macroeconomic

Refers to the big trends in an economy as a whole, such as inflation and unemployment, while microeconomic forces refer to the factors affecting individual situations or companies.

Market capitalisation

The total value of a company's equity, calculated by the number of shares multiplied by their market price.

Maturity

With regards to bonds, maturity refers to the time at which the principal of the bond is repayable and it ceases to exist. In terms of a pension fund, it conveys the average age of the membership and the time until benefits are payable.

Outperformance

The return of a fund in excess of the comparative performance index.

Overweight

When a fund has greater exposure to an asset than the comparative performance index.

Peer group

A group of funds that can be compared with one another for performance purposes. A peer group will usually be based on the funds' investment scope, for example UK equities.

Performance

The results of an investment over a given period.

Portfolio

A grouping of financial assets, such as equities, bonds and cash equivalents. Portfolios are held directly by investors and/or managed by financial professionals.

Rally

A swift rise.

Real estate

An asset class comprising buildings and land.

Risk premium

The extra return expected by an investor in compensation for holding a risky asset.

Security

A general term for a tradable financial instrument.

Short-term investment

Investments that are held for or mature in 12 months or less.

Standard deviation

A measure of risk, deriving from the historic volatility of a particular asset.

Top-down investing

Contrasting with bottom-up analysis, a top-down approach to investment analysis begins with an assessment of macroeconomic factors, then business cycles before moving on to look at individual sectors and companies.

Treasuries

Debt securities issued by the US government. Treasuries fall under three categories: treasury bills (T-bills), treasury notes (T-notes) and treasury bonds (T-bonds).

Underweight

When a fund has less exposure to an asset than the benchmark.

Volatility

Price movements. Standard deviation is a measure of an asset's historic volatility.

Year-to-date (YTD)

Refers to the period extending from the beginning of the current calendar year to the present date.

Yield

A measure of the income return earned on an investment. In the case of a share the yield expresses the annual dividend payment as the percentage of the market price of the share. In the case of a property, it is the rental income as a percentage of the capital value. In the case of a bond the running yield (or flat or current yield) is the annual interest payable as a percentage of the current market price. The redemption yield (or yield to maturity) allows for any gain or loss of capital which will be realised at the maturity date.

Yield curve

A graphical representation of all the yields of bonds of the same quality with maturities ranging from the shortest to the longest available.

Yield spread

The difference in yield between different bonds.

Yield to maturity

The annualised return (internal rate of return) that would be earned on a bond if held to maturity.

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