

Investec Funds Series i Annual Report and Accounts

For the year ended 30 September 2018



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.

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, other funds and derivatives (financial contracts whose value is linked to the price of an underlying asset).

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

Performance record

12 Months (%)

Investec Cautious Managed Fund 'I' accumulation shares	-1.75*
Performance comparison index	2.65**
Peer group sector average	2.64**

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 2018	1.39 pence
12 months to 30 September 2017	1.02 pence

The amount of income payable may rise or fall.

Performance review

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

Factors hindering performance

The 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.

Precious metals and related equities also produced negative returns over the period. With the exception of palladium, most precious metals sold-off over the 12-month period, with gold down nearly 6% on the back of the stronger US dollar. Platinum continued to feel the pain from lower demand for diesel engines. We continue to use precious metals – both bullion and shares – to protect the portfolio against the risks of a return to quantitative easing or higher-than-expected inflation.

In terms of companies held, builders' merchant Travis Perkins was the largest detractor. Management recently reported first-half numbers that were broadly in line with expectations, but lowered expectations for the rest of the year. We believe that there is little wrong with the underlying operations that a closer eye on costs wouldn't fix and the valuation takes no account of any upside here or from the longer-term prospect of a healthier housing market. We continue to hold the stock.

Factors helping performance

The Fund's exposure to US equities proved the most profitable over the period as the S&P 500 continued to reach new highs throughout the year. Global software giant Microsoft continues to go from strength to strength. It continued to see strong user growth in its Microsoft Office suite and migration towards its online Cloud storage offering, Azure, is really starting to pick up pace.

Our position in Conduent was also among the top contributors. Conduent is the old business process outsourcing segment of Xerox. It was spun-off at the end of 2018 and was saddled with a number of loss-making or low-margin contracts, which originated from the fact that Xerox had been run for revenues, not profitability. Since being spun-off, Conduent has effectively been in turnaround mode, shedding low-margin business and investing in higher-value offerings. This means that its revenue line is declining, but profitability has been rising, with operating margins expanding from 2% in 2016 to 8.5% today.

Our position in Worley Parsons, a provider of engineering, consulting and construction services to the oil & gas industry, performed well. The company's prospects continue to be positively reassessed by the market on the back of a recovery in capital expenditure in the energy sector on the back of rising oil prices.

Portfolio activity

Significant purchases

Capita; United Kingdom Treasury Inflation Linked 0.125% 22/11/2019; TAV Havalimanlari; Cielo; United Kingdom Gilt 2% 22/07/2020; Conduent; Travis Perkins; Barclays; Impala Platinum; SKF.

Significant sales

United Kingdom Treasury Inflation Linked 1.25% 22/11/2017, Metcash; United Kingdom Treasury 1.25% 22/07/2018; Tesco; Microsoft; Standard Chartered; Wm Morrison Supermarkets; Investec UK Total Return Fund; ETFs Physical Silver; Washington Federal.

Outlook

We believe investors should be focusing more on a potential pick-up in inflation. In the US, with recent tax cuts coming at a time when the labour market is very tight, this scenario should not be under-estimated. In this situation we would expect some reluctance from central banks to raise short-term interest rates too quickly (for fear of causing a recession), and, consequently, markets could conclude that policymakers were behind the curve and willing to see higher-than-expected inflation. While in this scenario short-term rates would be kept low, long-term interest rates could rise, potentially dragging equities lower but lifting precious metals.

Alternatively, the huge mountain of global debt that has been created (or to be more accurate, added to) since the global financial crisis could hold back any sustained economic recovery and make the global economy far more vulnerable to even small rises in interest rates, consequently bringing on a recession. This could probably drive bond yields back to their lows and quite possibly re-ignite central bank enthusiasm for quantitative easing.

Markets desperately want to believe the 'muddle-through' outcome: everything turns out alright, with growth fine, inflation under control and interest rates returned to normal levels without causing asset markets any great problems. This outcome continues to be investors' core scenario. If it happens perhaps it justifies the historically low level of bond yields and high US equity valuations. However, even this is not assured as bond yields are surely too low for this to play out. And a reversal for bond yields could prove difficult for other asset classes.

With investors, we believe, under-estimating the probability of the tail risks of boom and bust, we believe it is right to remain defensively positioned.

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

**Index (UK CPI (composite index 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 September 2018.

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.

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. bankruptcy), the owners of their equity rank last in terms of any financial payment from that company.

Government securities exposure: The portfolio may invest more than 35% of its assets in government securities issued or guaranteed by a permitted single state.

Interest rate: The value of fixed income investments (e.g. bonds) tends to decrease when interest rates and/or inflation rises.

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

Performance record

12 Months (%)

Investec Diversified Income Fund 'I' accumulation shares	2.36*
Performance comparison index	0.34**
Peer group sector average	1.26**

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

Total deemed income distribution per 'I' accumulation share

12 months to 30 September 2018	5.79 pence
12 months to 30 September 2017	5.37 pence

The amount of income payable may rise or fall.

Performance review

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

Factors helping performance

The Fund's exposure to equities was the most significant contributor to performance over the review period. Stock markets generally moved higher over the year as the global economic outlook continued to improve. Equities have also been bolstered by better company earnings over the period although there has been a divergence in success with the US significantly outperforming most other developed and emerging regions. Our stock selection helped boost returns given our focus on generally more resilient companies which aim to generate higher and more sustainable returns.

Our developed market government bond exposure also supported the strong returns, where notably bonds held in Australia and New Zealand benefited from declining expectations of higher interest rates (bond yields have fallen and thus bond prices positive) given weak growth and low inflation.

Factors hindering performance

The most notable detractor to performance came from FX exposure. Given the base currency of the fund is sterling, hedging non-sterling assets back to sterling detracts from returns during a period of a sterling weakness. The political uncertainty around Brexit and the ultimate unknown outcome has contributed to weigh on sentiment. This uncertainty is coupled with a stronger period for the US dollar, which gained attraction as the 'safe haven' asset of choice and was supported by strong economic data and healthy upside inflationary pressure.

Our exposure to the Japanese Yen, which typically provides defensive protection in difficult market environments, detracted from returns. This reflected weakening short-term domestic fundamentals – with activity and inflation data surprising to the downside – and a widening interest rate differential between the US and Japan leading to its weakness. We retain conviction in our Japanese Yen exposure, which looks cheap relative to other currencies and offers defensive protection in times of market stress.

Portfolio activity

Significant purchases

United States Treasury Bond 3% 15/05/2047; Province of Ontario Canada 7.6% 02/06/2027; United States Treasury Note 2.875% 15/05/2028; Queensland Treasury 4.75% 21/07/2025; Brazil Notas do Tesouro Nacional Serie F 10% 01/01/2021; New Zealand Local Government Funding Agency Bond 6% 15/05/2021; United States Treasury Note 2.875% 30/04/2025; Mexican Bonos 6.5% 10/06/2021; Brazil Notas do Tesouro Nacional Serie F 10% 01/01/2023; New Zealand Local Government Funding Agency Bond 3.5% 14/04/2033; South Africa Government Bond 7.25% 15/01/2020; Indonesia Treasury Bond 7% 15/05/2022; South Africa Government Bond 8% 21/12/2018.

Significant sales

New Zealand Local Government Funding Agency Bond 6% 15/05/2021; International Bank for Reconstruction & Development 2.8% 13/01/2021; SalMar; International Bank for Reconstruction and Development 3.75% 10/02/2020; International Bank for Reconstruction and Development 4.625% 06/10/2021; Indonesia Treasury Bond 7.875% 15/04/2019; Mexican Bonos 8% 11/06/2020; New Zealand Local Government Funding Agency Bond 3% 15/04/2020; Brazil Notas do Tesouro Nacional Serie F 10% 01/01/2019; Dr Pepper Snapple.

Outlook

Global growth remains firm with models suggesting limited risk of a global recession before late 2019 at the earliest. Activity in the US is especially strong with slower growth elsewhere. This divergence is putting pressure on weaker economies and currencies, with the US Federal Reserve raising interest rates and the US dollar tending to appreciate as a result. The end of quantitative easing is also tightening global liquidity conditions which have supported asset price increases for much of the last decade. Valuations aren't compelling for most asset classes, with only some areas within emerging markets now looking cheap.

Trade conflict, Brexit, Italy's budget battles with the EU and higher oil prices all add to a sense that risks are building and the investment environment is becoming less attractive for growth-sensitive assets, like equities. We are most cautious about corporate credit which looks to price in ongoing benign conditions, preferring equity exposure for potential growth, and see equity call options (financial derivatives) as offering an attractive way to capture this. We see selective opportunities in emerging market bonds and some currencies, but a broader recovery probably needs less divergent economic conditions and an end to dollar strength. Developed government bonds are repricing to reflect less supportive monetary policy but are beginning to offer value in the US.

*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 2018.

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.

Derivative counterparty: A counterparty to a derivative transaction may fail to meet its obligations thereby leading to financial loss.

Derivatives: The use of derivatives may increase overall risk by magnifying the effect of both gains and losses. This may lead to large changes in value and potentially large financial loss.

Developing 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. bankruptcy), the owners of their equity rank last in terms of any financial payment from that company.

Government securities exposure: The portfolio may invest more than 35% of its assets in government securities issued or guaranteed by a permitted single state.

Interest rate: The value of fixed income investments (e.g. bonds) tends to decrease when interest rates and/or inflation rises.

*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 VI 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 income with the opportunity for 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 Investment Manager is free to choose how the Fund is invested and does not manage it with reference to an index.

Performance record

12 Months (%)

Enhanced Natural Resources Fund 'I' accumulation shares	7.70*
Performance comparison index	14.92**
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, but underperformed its performance comparison index.

Factors hindering performance

The most significant detractor over the period was the Fund's exposure to exploration & production (E&P) companies within the energy sector. At a stock level, short positions (that benefits the fund from a fall in share price) in Denbury Resources and Whiting Petroleum detracted the most from performance. We focused on identifying businesses with lower quality assets and weak balance sheets, that would underperform in a stable or lower oil price environment. Brent crude rallied well over the period, which caused short positions to move against us. With Denbury and Whiting being relatively low quality operators, with high debt levels, these equities can be highly levered to short-term moves in the underlying oil price. The shares in both companies above have since fallen post the reporting period, recovering some of these losses for the fund.

Moving to miners, our overweight positions in Trevali Mining and KAZ Minerals hurt relative performance. Shares in the former, a zinc miner, fell due to the market's bearish view of zinc prices. KAZ fell sharply after it said it was expanding into Russia with a deal to buy a copper project with significant capital expenditure requirements. In the case of Trevali, we believe the market has overly punished the stock due to the weaker outlook for zinc prices. We believe the company has a strong balance sheet and good future growth prospects, and expect the shares could recover once zinc prices stabilise. In the case of KAZ, the market has focused on the short-term implications of higher costs associated with the deal, whereas we see the longer-term value in the deal and continue to maintain the position.

Factors helping performance

Despite certain stocks from the sector being listed among our largest detractors, the Fund's exposure overall to the base metal & bulks sector generated outperformance. This was achieved primarily by holding underweight positions in Freeport-McMoRan, Altura Mining and Glencore, all of which were affected by weaker commodity prices over the period, especially towards the end of the period under review. We maintain our underweight positions.

Our position in Israel Chemicals was the leading contributor to relative returns following its most recent quarterly update. Management reported an increase in profit and revenue over the quarter, boosted by higher prices for potash and phosphate fertilisers and rising sales of bromine products.

Within protein, our exposure to salmon producers Austevoll Seafood and Grieg Seafood also contributed positively to performance. We have since sold our positions in both stocks as we grew less certain on the outlook for salmon prices.

In energy, our position in US refiner Andeavor also helped. The shares performed well following a merger bid from larger rival Marathon Petroleum.

Portfolio activity

Significant purchases

BHP Billiton; Anglo American; Rio Tinto; ArcelorMittal; Nutrien; BP; Israel Chemicals; Vale ADR; Nucor; Deere.

Significant sales

Rio Tinto; Vale ADR; Glencore; Monsanto; Tyson Foods; Chevron; Suncor Energy; CF Industries; Teck Resources; Royal Dutch Shell.

Outlook

Natural resource equities remain volatile, but posted a positive return following a rally into quarter end. Within oil markets, the reinstated US sanctions on Iran have had a larger impact on exports from the country than previously expected. The full extent of the cuts will not be known until after the sanctions directed at Iranian oil take effect in November. With robust demand growth, pipeline constraints in the Permian Basin and a muted-supply response from OPEC provide a strong rationale for higher oil prices in the coming months. However, headwinds including US dollar strength, trade wars and weakness in emerging market economies may somewhat temper this rationale. Beyond the oil price, we believe energy equities are well positioned to benefit from this cyclical recovery, with reduced debt levels and a focus on creating value for shareholders. Elsewhere, despite a weak quarter for metals prices, we still believe long-term price forecasts are too low for many base metals and bulk commodities. With price volatility likely to continue, we remain selective and concentrate the portfolio in those companies that have long life assets and seemingly the ability to grow as we expect these could prove very profitable in the medium term.

The key question for gold over rest of the year is the path of the US dollar. Forecasters are split on whether US growth will remain strong compared to other economies, thus supporting the currency as rates rise, or if a slowdown in the US will see the dollar fall. In the latter case, gold is expected to perform strongly into year-end, but the risk is this may be further delayed, with another three rate rises expected in 2019 followed by one more in 2020. The outlook for gold miners appears positive with a focus on lower costs balanced with higher production. Further merger and acquisition activity could follow the Barrick-Randgold merger announcement, creating additional upside.

We believe agriculture and basic foodstuffs markets will see a period of synchronised positive performance following a challenged price environment through 2013 to 2017. We favour potash and nitrogen exposure in the fertiliser sector and hold select names in the protein sector. Lumber has started showing potential after the recent correction, as we see continued strong demand from US housing starts.

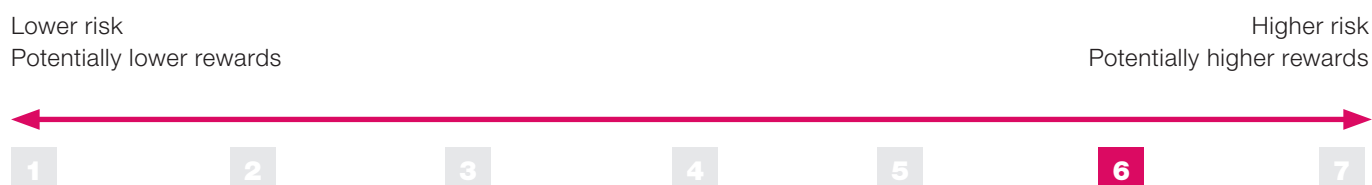
*Source: Morningstar, total return, income reinvested, no initial charge, accumulation (acc) share class, net of fees in GBP.

** 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 September 2018.

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.

Derivative counterparty: A counterparty to a derivative transaction may fail to meet its obligations thereby leading to financial loss.

Derivatives: The use of derivatives may increase overall risk by magnifying the effect of both gains and losses. This may lead to large changes in value and potentially large 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. bankruptcy), 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 VI 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 and derivatives (financial contracts whose value is linked to the price of an underlying asset).

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

Performance record

12 Months (%)

Investec Global Multi-Asset Total Return Fund 'I' accumulation shares	-2.99*
Performance comparison index	7.00**
Peer group sector average	5.51**

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

Performance review

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

Factors hindering performance

The main factor hurting performance was our exposure to more defensive assets, which typically react positively to declining expectations of growth, and may provide a 'safe haven' in market crises. Our long-term structural view was that interest rates in the US were likely to rise slower than the overall market assumption. We held this view given the prospect of lower structural growth driven by demographics issues (lower working age populations) and the build-up of debt providing a burden. Ultimately the Fund's exposure to US and Canadian longer-dated government bonds detracted from performance over the period as US fiscal stimulus (driven by President Trumps corporate tax reforms) pushed yields higher (prices lower) due to expectations for stronger US growth which fed through to a higher trajectory for Federal Reserve rate hikes. Ultimately, we believe our long-term structural view still holds but we were early in our defensive positioning, which has ultimately hurt performance over the shorter term.

Emerging Market Equity exposure detracted from performance as a stronger US dollar and weaker than expected Chinese growth weighed heavily during the second half of the period.

A position in the Swedish krona versus the euro detracted from performance during the first half of the period as the krona sold off due to a combination of weaker than expected inflation, rising protectionism and softer than expected Swedish housing market statistics.

Factors helping performance

The Fund's position in its Total Return Equity Basket added to performance over the period. Rather than investing in a broad-based index we often prefer to implement our views using a combination of single securities (baskets). This approach allows us to express our views in a purer and more precise way. The basket focuses on higher quality companies that aim to compound returns through time and deliver persistently high return on equity. The tailwind of strong US equity markets, driven by fiscal stimulus, aided strong performance of the equity basket over the period.

The Fund's position in Japanese equities also contributed positively over the period as the market advanced on the back of on-going strength in corporate earnings and improvements in balance sheet quality and corporate governance.

An allocation to large cap mining companies contributed positively to performance as the restructuring of balance sheets and improved focus on shareholder returns, which has taken place in recent years, continued. The resulting higher dividend payouts and share buybacks aided share price appreciation over the period.

Portfolio activity

Significant purchases

United States Treasury Bond 2.25% 15/08/2046; United States Treasury Bond 2.875% 15/11/2046; Canadian Government Bond 1.5% 01/06/2026; United States Treasury Bond 2.5% 15/05/2046; Canadian Government Bond 1% 01/06/2026; Anglo American; KB Home; TRI Pointe; NVR; Pulte.

Significant sales

United States Treasury Bond 2.875% 15/11/2046; Canadian Government Bond 1% 01/06/2027; United States Treasury Bond 2.25% 15/08/2046; Canadian Government Bond 1.5% 01/06/2026; United States Treasury Bond 2.5% 15/05/2046; United States Treasury Bond 3% 15/05/2047; United States Treasury Bond 3% 15/05/2045; United States Treasury Bond 3% 15/02/2047; Investec GSF Global High Yield Bond Fund; Glencore.

Outlook

As we look forward the outlook has become more mixed. The bright spot remains the US economy, which remains well supported by fiscal stimulus. However, we remain cognisant that valuations in US equities and credit remain elevated. The clouds on the horizon include the major financial market tailwinds of this cycle (money printing and low interest rates) transitioning into headwinds, along with slowing of growth in other regions (ex US) around the world. The combination of these factors is beginning to place pressure on more vulnerable areas of the global economy, with nations such as Argentina and Turkey coming under considerable pressure. These may be canaries in the coalmine for broader market conditions on a forward-looking basis.

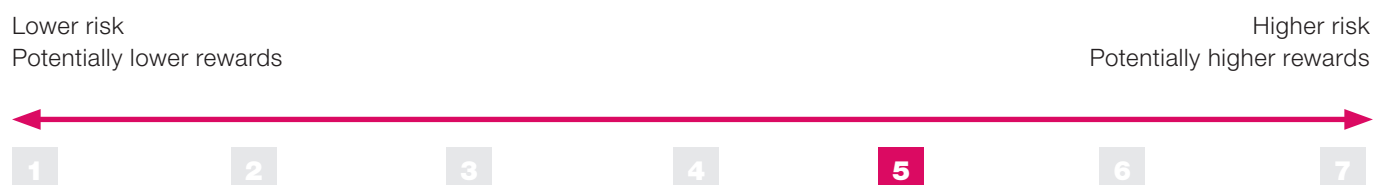
The fund continues to be cautiously positioned, with a significant proportion of defensive assets. This results in an overall level of expected risk towards the lower end of our typical range. This is why we have positions in the portfolio either explicitly or implicitly designed to provide an offset against the risks outlined in the paragraph above. We continue to balance between growth assets (those that react positively to increasing real economic growth, corporate earnings and risk appetite) and defensive assets, while maintaining a large cash balance to deploy into opportunities as and when they emerge.

*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 September 2018.

Risk and Reward profile*



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

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

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

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

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

Derivatives: The use of derivatives is not intended to increase the overall level of risk. However, the use of derivatives may still lead to large changes in value and includes the potential for large financial loss.

Developing market: Some countries may have less developed legal, political, economic and/or other systems. These markets carry a higher risk of financial loss than those in countries generally regarded as being more developed.

Multi-asset investment: The portfolio is subject to possible financial losses in multiple markets and may underperform more focused portfolios.

Third party operational: The Fund's operations depend on third parties. Investors in the Fund may suffer disruption or financial loss in the event of third-party operational failure.

*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 VI 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, other funds and derivatives (financial contracts whose value is linked to the price of an underlying asset).

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

Performance record

12 Months (%)

UK Alpha Fund 'I' income shares	5.85*
Performance comparison index	5.87**
Peer group sector average	5.64**

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, in line with its performance comparison index and ahead of the peer group sector average.

Factors helping performance

The Fund's performance was boosted by favourable stock selection in the financials sector, with global payments company Visa contributing the most overall at stock level. Visa continued to exceed earnings expectations on rising transaction volumes and average payment value. Other strong financial holdings included Integrafin and the London Stock Exchange. Our decision to participate in the IntegraFin IPO in February added value as the shares have been on an upward trend ever since. IntegraFin is a provider of platform services for the fragmented independent UK advisor channel that should continue to benefit from best-in-class technology, high service levels and increasing scale. Also helping performance was our lack of exposure to utilities which retreated significantly during the year.

Tesco also added significantly to relative returns as the food retailer successfully completed the acquisition of food wholesaler Booker in March and its first set of results as a combined entity were ahead of market expectations. Tesco continues to show signs of growth in its domestic market, although more recently it reported slower growth in some of its non-core operations in Europe.

Elsewhere, domain registration company Verisign gained over the past 12 months, after enjoying strong quarterly results for much of the year on rising domain name registrations and revenues. Meanwhile, our underweight position in British American Tobacco also benefited performance. Although the negative sentiment towards the tobacco sector is generally improving, the earnings update from Philip Morris International (PMI) in April unsettled the market. As well as steeper-than-expected short-term volume declines in traditional cigarettes, PMI reported slower-than-expected uptake in RRP (or reduced risk products) over the quarter, and the market started to question the growth outlook for these products.

Factors hindering performance

Our underweight position in the oil & gas sector was the largest detractor from relative returns, mainly due to an underweight to large index constituent Royal Dutch Shell, as oil prices steepened over the year. Oil-related stocks have performed well as Brent crude prices recently surpassed US\$80 per barrel for the first time in nearly four years, due to a combination of supply disruptions and geopolitical risks, with US sanctions on Iran looming.

The Fund's overweight position in plastic and fibre components supplier Essentra hurt performance. The company has been restructuring to return it to profit after falling into loss in 2016. Although management appears to be delivering a turnaround strategy, concerns over the combustible cigarette market (for which it makes filters) has weighed heavily on investor sentiment. We remain invested in the stock and are happy with the turnaround being delivered by management.

Theme park operator Merlin Entertainments was among the leading detractors to relative returns. The shares sold off in the fourth quarter of 2017 due to currency headwinds and higher labour costs for a drop in first half-year profits. We closed our position earlier in the year.

Meanwhile, lack of exposure to Sky also hindered returns as the UK-based satellite broadcaster's shares jumped following US cable company Comcast outbidding Fox in September's auction with its £30 billion bid for 30 per cent of Sky. Subsequently, Fox agreed to sell its 39 per cent stake in Sky to Comcast, thereby completing Comcast's takeover.

Portfolio activity

Significant purchases

Booking; BP; Schroders; Charles Schwab; Spirax-Sarco Engineering; HSBC; British American Tobacco; Booker; Royal Dutch Shell; GKN.

Significant sales

Rotork; Ryanair; 3i; Merlin Entertainment; Bunzl; ITV; Vodafone; Headlam; EasyJet; InterContinental Hotels.

Outlook

Recent events have shown that for those companies which are considered 'expensive' that carry high expectations of future growth expectations, the market can be unforgiving in the face of tightening monetary conditions and higher yields (yields tend to increase as interest rates go up). With threats also remaining from tariffs and trade wars, geopolitics and populism, as well as volatility in commodity prices and currencies, careful portfolio positioning and risk management is critical.

In the UK, it remains nearly impossible to predict the Brexit outcome. Our base case is that there will be a transition agreement, although with uncertainty persisting around the exact terms of withdrawal and the UK's longer-term trading relationship with the EU. It is, however, still very plausible that the UK is unable to secure a deal, meaning it will either have to default to WTO rules, or there will be a panicked attempt to extend Article 50. The government will wish to avoid the hard Brexit scenario given the UK is not sufficiently prepared for this outcome.

In all scenarios we expect continued political infighting, as well as continued market volatility (particularly in sterling) and weak business investment resulting from the ongoing uncertainty. The probability remains high of a political crisis with either a challenge to Theresa May or parliament failing to agree on a Brexit deal.

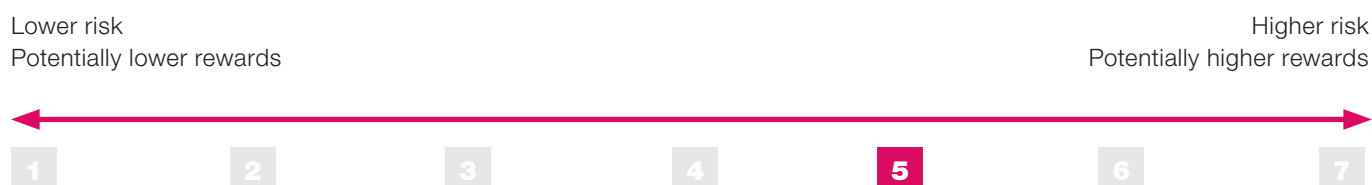
Within the portfolio, we remain cognisant of the above risks and uncertainties. To mitigate the risks of sterling weakness, in a market where over two thirds of revenues are generated overseas, we have reduced our exposure to more domestically-focused mid and small cap companies over the last couple of years, and increased our exposure to larger cap companies with global operations, as well as some non-UK listed companies. We also remain committed to a diversified portfolio with a bias towards high-quality cash-generative businesses with global operations and strong balance sheets. We believe this approach is well suited to these uncertain times.

*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 September 2018.

Risk and Reward profile*



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

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

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

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

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. bankruptcy), 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 VI 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, other funds and derivatives (financial contracts whose value is linked to the price of an underlying asset).

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

Performance record

12 Months (%)

UK Equity Income Fund 'I' accumulation shares	4.91*
Performance comparison index	5.87**
Peer group sector average	3.47**

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

Total deemed income distribution per 'I' accumulation share

12 months to 30 September 2018	3.18 pence
12 months to 30 September 2017	3.26 pence

The amount of income payable may rise or fall.

Performance review

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

Factors hindering performance

Our significant overweight to consumer goods detracted from relative returns, mainly due to our holdings in tobacco companies British American Tobacco, Philip Morris and Imperial Brands. Although the negative sentiment towards the tobacco sector is generally improving, the earnings update from Philip Morris International (PMI) in April unsettled the market. As well as steeper-than-expected short-term volume declines in traditional cigarettes, PMI reported slower-than-expected uptake in RRP (or reduced risk products) over the quarter, and the market started to question the growth outlook for these products. However, we believe the market has been particularly sensitive to developments in the short term, and we still see longer-term value in holding tobacco companies.

The lack of exposure to oil & gas stocks, particularly to large index constituents Royal Dutch Shell and BP, negatively impacted performance. Oil-related stocks have performed well as Brent crude prices recently surpassed US\$80 per barrel for the first time in nearly four years due to a combination of supply disruptions and geopolitical risks, with US sanctions on Iran looming. We don't hold the stocks as we tend to avoid the more capital-intensive areas of the market, such as the oil & gas sector. Furthermore, given our income focus, we don't have sufficient comfort on the sustainability of the dividend compared to other companies, which can more easily cover their dividends with free cashflow (the cash remaining after paying operating expenses).

Our stock picking within industrials was also costly to performance, particularly with the Fund's overweight position in plastic and fibre components supplier Essentra. The company has been restructuring to return it to profit after it fell into loss in 2016. Although management appears to be delivering a turnaround strategy, concerns over the combustible cigarette market (for which it makes filters) has weighed heavily on investor sentiment. We remain invested in the stock and are happy with the turnaround being delivered by management.

Elsewhere, accounting software provider Sage Group also held back returns as sales execution problems led to profit warnings in January and April, culminating in August's departure of its chief executive Stephen Kelly. During his tenure, he had restructured the business and moved customers to cloud-based products. We retain our position in Sage as the investment

case has not changed. We view the market reaction to the resignation as short-term noise. Meanwhile, our position in global brewer Anheuser-Busch InBev also came under pressure due to the recent weakness in emerging market currencies and suggestions the dividend payout may be reduced. We still like ABI on a longer-term view. We believe lowering the dividend will benefit them in long run, enabling them to pay down debt and grow.

Factors helping performance

At a sector level, stock selection within technology was a significant contributor to relative returns, helped by our overweight in financial systems provider Fidessa which gained on takeover talks. In April, Fidessa agreed to a £1.5 billion acquisition by financial software firm Ion Capita (backed by US private equity group Carlyle) over a bid by Swiss banking software company Temenos. Software giant Microsoft also was among our top performers on the back of strong quarterly updates. We closed the position after the strong recent run.

Our stock selection within financials also added considerable value with Integrafin and Hargreaves Lansdown among our better performers. Our decision to participate in the IntegraFin IPO in February contributed to returns as the shares have been on an upward trend ever since. IntegraFin is a provider of platform services for the fragmented independent UK advisor channel that should continue to benefit from best-in-class technology, high service levels and increasing scale. Hargreaves has benefited from increasing customer inflows and positive equity markets more generally.

Portfolio activity

Significant purchases

Tesco; British American Tobacco; Diageo; RELX; Unilever; Reckitt Benckiser; Sage; St James's Place; Moneysupermarket.com; Domino's Pizza.

Significant sales

Fidessa; Booker; DS Smith; Domino's Pizza; Procter & Gamble; BAE Systems; GlaxoSmithKline; Headlam; Next; Microsoft.

Outlook

Recent events have shown that for those companies which are considered 'expensive' that carry high expectations of future growth, the market can be unforgiving in the face of higher interest rates and higher bond yields (yields tend to increase as interest rates go up). Elsewhere globally, threats also remain from tariffs and trade wars, geopolitics and populism, as well as volatility in commodity prices and currencies. Meanwhile, in the UK, the consumer environment continues to be weak and, while it remains nearly impossible to predict the Brexit outcome, most scenarios still point to further market volatility (particularly sterling) and weak business investment resulting from the ongoing uncertainty.

This uncertain macroeconomic and political backdrop, and particularly the end of quantitative easing, means that investors can no longer rely on central banks' 'free money' to prop up equity markets and to drive returns. The recent performance challenges of certain industrial and consumer stocks have also shown that investors should be careful when selecting stocks that pay an attractive dividend, particularly if those companies' earnings are not sustainable.

Market sentiment has continued to shift back in favour of defensive quality stocks, again rewarding those companies with sustainable business models, reliable cash flows and dividend growth, globally diversified revenue streams, and lower sensitivity to the economic and market cycle. Overall, we believe the longer-term prospects for quality income stocks with these attributes remain attractive. Our consistent approach to equity income – where we invest in capital-light, cash-generative businesses that have an ability to reinvest back in the business and grow returns over the long term, while returning a proportion of these growing cashflows back to investors in the form of growing dividends – remains well placed for the challenges that lie ahead.

*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 September 2018.

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:

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. bankruptcy), 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 VI 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 may invest in other assets such as cash, other funds and derivatives (financial contracts whose value is linked to the price of an underlying asset).

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

Performance record

12 Months (%)

UK Smaller Companies Fund 'I' income shares	12.70*
Performance comparison index	1.89**
Peer group sector average	10.49**

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, ahead of its performance comparison index and the peer group sector average.

Factors helping performance

The Fund's outperformance over the year was due to favourable stock selection across a wide range of sectors. From a sector perspective, technology was the biggest contributor, lifted too by our significant overweight as the sector was the best-performing over the review period. Within the sector, gaming company Sumo Group was a major contributor to returns. Its shares hit their highest level since last December's IPO following the release of results in June. Management reiterated that it expects FY2018 results to be in line with the market, while adding it has a healthy cash balance and is exploring suitable acquisition opportunities.

Stock selection within consumer services and consumer goods was also particularly strong. Within the latter, Fevertree Drinks was a notable outperformer as the stock continued its heady ascent from the previous year. Management announced a 64% jump in full-year core earnings for 2017, with the tonic water maker cashing in on the UK gin craze. We trimmed our position after its strong performance.

At a stock level, mobile payments firm Boku was the best performer overall after it forecast significant revenue growth for the first half of 2018. The company announced at the end of the period that it had won a carrier billing services contract with Japanese online retailer Rakuten. Elsewhere, our decision to participate in the IntegraFin IPO in February this year added value as the shares have been on an upward trend since it floated. IntegraFin provides platform services for the fragmented independent UK advisor channel and we expect it to continue to benefit from best-in-class technology, high service levels and increasing scale.

Factors hindering performance

Our significant overweight to LED lighting company Luceco detracted most from returns over the period under review. The company has been on a downward path since its profit warning back in December, which management blamed on its currency hedging strategy. It swung to a pre-tax loss in the first-half of 2018 as its revenues were held back by a sharp downturn in orders from UK consumer-facing retail customers, commodity inflation and exchange rate effects. We have closed this position.

Our holding in debt collector Arrow Global Group also hindered returns. The stock has struggled in 2018, as analysts raised concerns over falling returns, intensifying competition for acquiring books of business, and low cash generation. We continue to have confidence in Arrow, however: in the year's first-half results, it reported over double pre-tax profit to GBP10.7 million from GBP4.9 million year-on-year on strong income growth and business expansion; it also raised its dividend by 25%.

XL Media, a provider of digital media marketing, saw its share price decline after warning its full-year revenues would come in lower than expected and less than in 2017. The company has been impacted by regulatory changes, namely the closure of the Australian market for gambling advertising, and uncertainty over the regulatory status of certain European markets. Also, earnings have been affected by its attempts to diversify revenue sources through both organic and acquisitive means from gambling, which accounted for almost two-thirds of revenue last year, and from certain lower-margin media-buying activities. It has subsequently moved into the personal finance market via two North American acquisitions, including website InvestorJunkie. We continue to hold the stock.

Portfolio activity

Significant purchases

Coats; Dechra Pharmaceutical; Hollywood Bowl; Paypoint; Kier; Diversified Oil & Gas; Ascential; Clinigen Healthcare; Elementis; Ricardo.

Significant sales

Sophos; On the Beach; Fevertree Drinks; Paysafe; Hastings; Indivior; Plus500; Headlam; Aldermore; Ascential.

Outlook

Recent events have shown that for those companies which are considered 'expensive' that carry high expectations of future growth expectations, the market can be unforgiving in the face of tightening monetary conditions and higher yields (yields tend to increase as interest rates go up). With threats also remaining from tariffs and trade wars, geopolitics and populism, as well as volatility in commodity prices and currencies, careful portfolio positioning and risk management is critical.

In the UK, it remains nearly impossible to predict the Brexit outcome. Our base case is that there will be a transition agreement, although with uncertainty persisting around the exact terms of withdrawal and the UK's longer-term trading relationship with the EU. It is, however, still very plausible that the UK is unable to secure a deal, meaning it will either have to default to WTO rules, or there will be a panicked attempt to extend Article 50. The government will wish to avoid the hard Brexit scenario given the UK is not sufficiently prepared for this outcome.

In all scenarios we expect continued political infighting, as well as continued market volatility (particularly in sterling) and weak business investment resulting from the ongoing uncertainty. The probability remains high of a political crisis with either a challenge to Theresa May or parliament failing to agree on a Brexit deal.

Within the portfolio, we remain cognisant of the above risks and uncertainties. To mitigate the risks of sterling weakness, in a market where over two thirds of revenues are generated overseas, we have reduced our exposure to more domestically-focused mid and small cap companies over the last couple of years, and increased our exposure to larger cap companies with global operations, as well as some non-UK listed companies. We also remain committed to a diversified portfolio with a bias towards high-quality cash-generative businesses with global operations and strong balance sheets. We believe this approach is well suited to these uncertain times.

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

** Index (Numis Small Cap (ex IT) +AIM) and peer group sector average (Investment Association UK Smaller Companies) shown for performance comparison purposes only.

The opinions expressed herein are as at September 2018.

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:

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. bankruptcy), 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 Accumulation shares.
The full list of the Fund's risks are contained in Appendix VI 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, other funds and derivatives (financial contracts whose value is linked to the price of an underlying asset).

The Investment Manager is free to choose how the Fund is invested. However, the FTSE All-Share Index is currently taken into account when the Fund's investments are selected.

Performance record

12 Months (%)

UK Special Situations Fund 'I' accumulation shares	1.54*
Performance comparison index	5.87**
Peer group sector average	5.64**

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

Performance review

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

Factors hindering performance

In sector terms, the biggest drag on returns over the 12-month period was industrials, with overweight positions in SIG, Travis Perkins and Grafton Group among the largest detractors. SIG has performed poorly since reporting profitability at its UK insulation business had been deliberately overstated for much of the past two-and-a-half years. The news that financial controls were lacking is disappointing. However, the group is now under new management who are working hard to resolve these issues. Meanwhile, builders merchant Travis Perkins' shares suffered from falling profits amid challenging market conditions. Poor consumer confidence and a weak house sales market have discouraged spending on maintenance and repair. We continue to hold all stocks as we feel that current valuations take no account of any potential improvement in the housing market, a view which we believe to be short-sighted.

Our lack of holdings within the basic resources sector was another significant performance detractor. BHP Billiton and Rio Tinto both rallied well after reporting sharply higher results than the previous year, fuelled by strong commodity prices, and increased shareholder returns through dividends and buybacks.

At stock level, Countrywide was among the largest detractors to performance after the estate agency group announced a further profits warning in June on the back of an increasingly volatile housing market. This announcement was accompanied by news of an impending rights issue to finance the business turnaround plan. Although the company remains highly indebted, there is still the potential for significant upside if housing transactions recover and if Countrywide can increase the financial services income of its branches as competitors have successfully done. New management believes much of the operational decline in recent years has been self-inflicted (rather than caused by industry changes such as the availability of online alternatives). We continue to hold the stock on the basis the shares could recover with any meaningful uptick in the housing market.

Factors helping performance

In contrast, our positioning within consumer goods gave the biggest boost to relative performance. Our lack of exposure to British American Tobacco benefited the portfolio the most at stock level. Over the past year, traditional tobacco companies have been negatively affected by reports pertaining to weaker-than-expected uptake of their 'heat not burn' alternative product offerings, while at the same time battling with competition from e-cigarette companies like JUUL, which continue to grow in popularity. This poor performance has caused investors to doubt the potential growth for the 'heat not burn' segment.

Another strong performer was outsourcing and professional services company Capita. The group's much-delayed final results for 2017 and the accompanying five-year transformation strategy contained no further unpleasant surprises and so was met with considerable relief by those fearing the worst. The group has now completed its 3-for-2 rights issue, raising £700 million, so the new management team can set about simplifying and fixing the business, unencumbered by balance sheet concerns. The first disposals announced also lifted confidence in the stock's outlook.

Tesco also added significantly to relative returns as the food retailer successfully completed the acquisition of food wholesaler Booker in March and its first set of results as a combined entity were ahead of market expectations, with early positive signs of cost and revenue synergies coming through.

Portfolio activity

Significant purchases

Capita; Travis Perkins; Countrywide; McCarthy & Stone; SIG; BT; Serco; Helical; Headlam; Impala Platinum.

Significant sales

HSBC; United Kingdom Treasury 1.25% 22/07/2018; Royal Dutch Shell; Helical; Signet Jewelers; Barclays; Computacenter; Grafton; Standard Chartered; Capita.

Outlook

We believe investors should be focusing more on a potential pick-up in inflation. In the US, with recent tax cuts coming at a time when the labour market is very tight, this scenario should not be under-estimated. In this situation we would expect some reluctance from central banks to raise short-term interest rates too quickly (for fear of causing a recession), and, consequently, markets could conclude that policymakers were behind the curve and willing to see higher-than-expected inflation. While in this scenario short-term rates would be kept low, long-term interest rates could rise, potentially dragging equities lower but lifting precious metals.

Alternatively, the huge mountain of global debt that has been created (or to be more accurate, added to) since the global financial crisis could hold back any sustained economic recovery and make the global economy far more vulnerable to even small rises in interest rates, consequently bringing on a recession. This could probably drive bond yields back to their lows and quite possibly re-ignite central bank enthusiasm for quantitative easing.

Markets desperately want to believe the 'muddle-through' outcome: everything turns out alright, with growth fine, inflation under control and interest rates returned to normal levels without causing asset markets any great problems. This outcome continues to be investors' core scenario. If it happens perhaps it justifies the historically low level of bond yields and high US equity valuations. However, even this is not assured as bond yields are surely too low for this to play out. And a reversal for bond yields could prove difficult for other asset classes. With investors, we believe, under-estimating the probability of the tail risks of boom and bust, we believe it is right to remain defensively positioned.

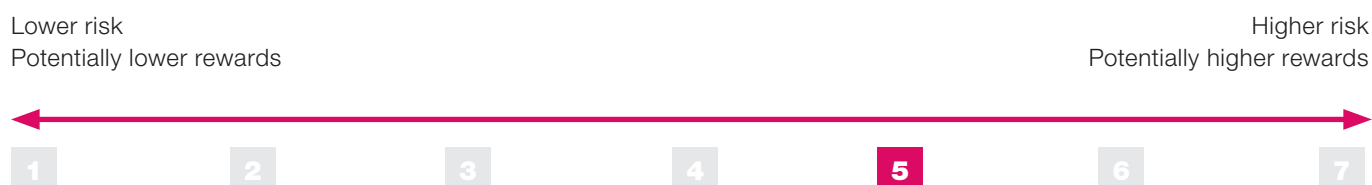
Against this background, we are seeing a larger UK opportunity set than we have for some time on our stock screen. For example, given the lack of clarity over Brexit, investors are reluctant to invest in UK-listed stocks that are particularly exposed to the domestic economy. Any pronounced reaction is inclined to result in pricing anomalies, which can provide attractive opportunities. We feel that there is embedded value within a lot of the UK orientated stocks that we hold, as the market is often factoring in little-to-no recovery or even stability into the performance of certain sectors even over the medium term, with homebuilders and builders' merchants being examples of this.

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

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Risk and Reward profile*



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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.

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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. bankruptcy), 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.

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Cautious Managed Fund

Portfolio Statement

As at 30 September 2018

ASSET	HOLDING	MARKET VALUE (£'000)	PERCENTAGE OF NET ASSETS (%)
COLLECTIVE INVESTMENT SCHEMES 8.90% (30.09.17: 8.59%)			
Investec UK Total Return Fund †	11,367,662	130,953	6.78
Investec Global Special Situations Fund †	7,429,234	25,398	1.32
Investec GSF Global Value Equity Fund †	438,225	15,367	0.80
		171,718	8.90
BONDS 24.14% (30.09.17: 21.89%)			
CORPORATE BONDS 0.01% (30.09.17: 0.01%)			
Broadgate Financing (FRN) 2,39675% 05/10/2025	GBP 106,050	105	0.01
GOVERNMENT BONDS 24.10% (30.09.17: 21.85%)			
United Kingdom Treasury Inflation Linked 0.125% 22/11/2019	GBP 216,030,730	251,742	13.04
Norway Government Bond 4.5% 22/05/2019	NOK 1,495,877,000	143,471	7.43
United States Treasury Inflation Indexed Bonds 0.125% 15/01/2023	USD 56,717,300	45,991	2.38
United Kingdom Gilt 2% 22/07/2020	GBP 23,724,000	24,227	1.25
		465,431	24.10
PERPETUAL BONDS 0.03% (30.09.17: 0.03%)			
Santander UK 10.375% Perpetual 10.375% Perpetual	GBP 330,000	525	0.03
EQUITIES 53.48% (30.09.17: 51.35%)			
BASIC MATERIALS 4.42% (30.09.17: 4.93%)			
CHEMICALS			
Yara International	307,247	11,413	0.59
Toagosei	47,300	419	0.02
Chugoku Marine Paints	50,000	384	0.02
Mitsubishi Gas Chemical	21,800	356	0.02
Shin-Etsu Polymer	52,700	332	0.02
Tosoh	27,000	319	0.02
Dai Nippon Toryo	30,600	272	0.01
		13,495	0.70
INDUSTRIAL METALS & MINING			
Tenaris	1,018,723	13,127	0.68
Yamato Kogyo	14,700	349	0.02
Hitachi Metals	33,900	322	0.02
Tokyo Steel Manufacturing	52,800	297	0.02
Nippon Denko	118,700	237	0.01
		14,332	0.75
MINING			
Impala Platinum	13,109,346	18,899	0.98
Pan American Silver	754,335	8,301	0.43
SSR Mining	1,253,103	8,235	0.43
Coeur Mining	1,507,860	6,024	0.31
Hochschild Mining	3,729,018	5,894	0.31
Kinross Gold	2,167,693	4,546	0.23
Barrick Gold	331,373	2,835	0.15
Gold Fields ADR	1,225,876	2,284	0.12
Asahi	20,600	289	0.01
		57,307	2.97
CONSUMER GOODS 3.24% (30.09.17: 4.67%)			
AUTOMOBILES & PARTS			
Adient	345,611	10,537	0.54
Keihin	115,500	1,834	0.09
Toyoda Gosei	96,300	1,826	0.09
Exedy	58,700	1,490	0.08
Toyota Boshoku	100,800	1,445	0.07

Portfolio Statement continued

As at 30 September 2018

ASSET	HOLDING	MARKET VALUE (£'000)	PERCENTAGE OF NET ASSETS (%)
CONSUMER GOODS 3.24% (30.09.17: 4.67%) (continued)			
AUTOMOBILES & PARTS (continued)			
Mitsubishi Motors	77,900	422	0.02
Piolax	21,400	365	0.02
TS Tech	12,700	337	0.02
Nissin Kogyo	25,900	334	0.02
NHK Spring	37,400	298	0.02
Unipres	18,900	282	0.01
Daikyonishikawa	31,800	282	0.01
Subaru	11,600	273	0.01
Kasai Kogyo	31,700	255	0.01
Tachi-S	15,100	173	0.01
Nissan Shatai	19,300	134	0.01
		20,287	1.03
FOOD PRODUCERS			
Kato Sangyo	16,900	437	0.02
Mitsubishi Shokuhin	14,500	297	0.02
		734	0.04
HOUSEHOLD GOODS & HOME CONSTRUCTION			
Welbilt	1,411,906	22,833	1.18
Takara Standard	30,400	409	0.02
Fujitsu General	22,300	287	0.01
Token	4,570	230	0.01
		23,759	1.22
LEISURE GOODS			
Casio Computer	156,600	1,966	0.10
Tomy	54,200	428	0.02
Nikon	28,200	407	0.02
Tamron	19,300	316	0.02
GungHo Online Entertainment	122,800	193	0.01
		3,310	0.17
PERSONAL GOODS			
Tapestry	210,852	8,107	0.42
Avon Products	2,397,298	4,044	0.21
Asics	255,400	2,920	0.15
		15,071	0.78
CONSUMER SERVICES 6.32% (30.09.17: 8.86%)			
FOOD & DRUG RETAILERS			
Tesco	2,928,374	7,028	0.36
Carrefour	40,596	592	0.03
J Sainsbury	176,566	568	0.03
		8,188	0.42
GENERAL RETAILERS			
Cars.com	991,671	20,988	1.09
Signet Jewelers	380,084	19,148	0.99
Advance Auto Parts	137,281	17,870	0.93
Marks & Spencer	5,793,957	16,669	0.86
Next	222,097	11,998	0.62
Chow Sang Sang Holdings International	5,319,000	7,922	0.41
Seven & i	22,535	771	0.04
Itochu Enex	49,300	383	0.02
CONEXIO	26,900	380	0.02
Shimamura	5,200	378	0.02
PAL	17,500	338	0.02
Arcland Sakamoto	31,400	328	0.02
COOKPAD	102,500	315	0.02
Alpen	21,400	292	0.02
Geo	24,300	282	0.01
Nishimatsuya Chain	36,100	278	0.01
DeNA	18,200	247	0.01

ASSET	HOLDING	MARKET VALUE (£'000)	PERCENTAGE OF NET ASSETS (%)
GENERAL RETAILERS (continued)			
Gree	60,400	219	0.01
Carpetright	30,338	7	—
		98,813	5.12
MEDIA			
Wowow	15,700	386	0.02
F@N Communications	79,000	371	0.02
Gurunavi	39,600	247	0.01
Avex	16,600	182	0.01
		1,186	0.06
TRAVEL & LEISURE			
Japan Airlines	474,000	13,081	0.68
Marvelous	49,100	309	0.02
Sankyo	7,400	222	0.01
Go-Ahead	8,451	133	0.01
		13,745	0.72
FINANCIALS 18.05% (30.09.17: 18.30%)			
BANKS			
Citigroup	960,444	53,719	2.78
Barclays	21,524,856	37,096	1.92
Royal Bank of Scotland	13,873,590	34,351	1.78
Bank of America	1,489,303	34,192	1.77
Resona	4,735,800	20,436	1.06
Virgin Money Holdings UK	3,896,855	14,995	0.78
Lloyds Banking	20,602,504	12,242	0.63
Mizuho Financial	1,080,800	1,447	0.07
Chiba Bank	111,400	584	0.03
Concordia Financial	142,400	536	0.03
Gunma Bank	133,700	529	0.03
Mebuki Financial	171,000	453	0.02
Hachijuni Bank	122,400	430	0.02
		211,010	10.92
EQUITY INVESTMENT INSTRUMENTS			
Uranium Participation	10,175,950	28,117	1.45
Ruffer Investment	5,150,000	11,794	0.61
Hipgnosis Songs Fund	4,751,262	5,084	0.26
		44,995	2.32
FINANCIAL SERVICES			
Cielo	11,254,212	27,076	1.40
American Express	283,484	23,442	1.21
Northern Trust	274,934	21,700	1.12
International Personal Finance	119,567	273	0.01
		72,491	3.74
LIFE INSURANCE			
T&D	171,800	2,177	0.11
REAL ESTATE INVESTMENT & SERVICES			
Aldar Properties	42,332,361	15,907	0.82
Leopalace21	76,800	329	0.02
TOC	58,200	317	0.02
Daikyo	8,720	136	0.01
		16,689	0.87
REAL ESTATE INVESTMENT TRUSTS			
Green REIT	688,933	918	0.05
Nomura Real Estate Master Fund	699	732	0.04
		1,650	0.09
HEALTH CARE 0.57% (30.09.17: 0.57%)			
HEALTH CARE EQUIPMENT & SERVICES			
BML	18,400	430	0.02

Portfolio Statement continued

As at 30 September 2018

ASSET	HOLDING	MARKET VALUE (£'000)	PERCENTAGE OF NET ASSETS (%)
PHARMACEUTICALS & BIOTECHNOLOGY			
GlaxoSmithKline	675,862	10,427	0.54
Miraca	8,900	178	0.01
		10,605	0.55
INDUSTRIALS 14.60% (30.09.17: 9.00%)			
AEROSPACE & DEFENSE			
Rolls-Royce	1,177,561	11,710	0.61
CONSTRUCTION & MATERIALS			
Kinden	157,300	1,933	0.10
CRH	39,447	996	0.05
Takuma	43,800	446	0.02
Sumitomo Mitsui Construction	84,800	438	0.02
Haseko	43,100	429	0.02
Nitto Boseki	21,000	377	0.02
Yurtec	58,100	373	0.02
Meisei Industrial	60,200	368	0.02
Hazama Ando	62,400	365	0.02
Daiho	16,400	356	0.02
Kumagai Gumi	16,700	355	0.02
Sumitomo Densetsu	28,000	353	0.02
Sinko Industries	27,600	351	0.02
Shinnihon	41,700	349	0.02
Maeda Road Construction	22,100	345	0.02
Nippo	24,500	345	0.02
Sanki Engineering	38,100	314	0.02
Sekisui Jushi	21,000	306	0.02
Noritz	24,800	302	0.02
Toyo Engineering	45,020	275	0.01
		9,376	0.50
ELECTRONIC & ELECTRICAL EQUIPMENT			
Ushio	79,700	838	0.04
Enplas	19,700	434	0.02
Inaba Denki Sangyo	11,200	380	0.02
Nichicon	49,100	372	0.02
Toshiba TEC	14,600	327	0.02
Nitto Kogyo	21,800	309	0.02
Foster Electric	19,600	190	0.01
		2,850	0.15
INDUSTRIAL ENGINEERING			
Deere	251,943	29,213	1.51
SKF	853,235	12,962	0.67
Japan Steel Works	662,022	12,371	0.64
THK	51,700	1,010	0.05
Mitsuboshi Belting	22,000	446	0.02
Wakita	45,800	435	0.02
Takeuchi Manufacturing	20,700	428	0.02
Yuasa Trading	15,300	422	0.02
Sintokogio	51,200	397	0.02
Kyokuto Kaihatsu Kogyo	31,200	379	0.02
METAWATER	17,000	375	0.02
Daiwa Industries	45,600	373	0.02
Sumitomo Heavy Industries	13,600	373	0.02
Ulvac	11,800	340	0.02
OKUMA	7,900	337	0.02
Tadano	36,400	325	0.02
Nitto Kohki	18,200	324	0.02
Toshiba Plant Systems & Services	19,000	312	0.02
Yamazen	32,600	298	0.02
Komori	29,000	277	0.01
Asahi Diamond Industrial	42,500	230	0.01
		61,627	3.19
INDUSTRIAL TRANSPORTATION			
TAV Havalimanlari	8,705,824	33,904	1.76

ASSET	HOLDING	MARKET VALUE (£'000)	PERCENTAGE OF NET ASSETS (%)
SUPPORT SERVICES			
Capita	27,356,846	38,614	2.00
Travis Perkins	3,286,988	35,401	1.83
Grafton	4,430,879	33,409	1.73
Conduent	1,822,915	31,465	1.63
Aggreko	2,588,523	22,261	1.15
SIG	600,150	757	0.04
Toppan Forms	31,400	231	0.01
		162,138	8.39
OIL & GAS 1.48% (30.09.17: 1.46%)			
OIL & GAS PRODUCERS			
Inpex	134,800	1,291	0.07
Japan Petroleum Exploration	23,900	421	0.02
		1,712	0.09
OIL EQUIPMENT, SERVICES & DISTRIBUTION			
WorleyParsons	1,196,283	13,513	0.70
Helmerich & Payne	253,310	13,418	0.69
		26,931	1.39
TECHNOLOGY 2.05% (30.09.17: 2.18%)			
SOFTWARE & COMPUTER SERVICES			
Microsoft	245,389	21,532	1.11
MicroStrategy	114,966	12,384	0.64
		33,916	1.75
TECHNOLOGY HARDWARE & EQUIPMENT			
Konica Minolta	327,800	2,675	0.14
Melco	18,200	503	0.03
T-Gaia	22,200	445	0.02
FUJIFILM	11,800	408	0.02
Kaga Electronics	23,900	381	0.02
Canon Electronics	22,000	355	0.02
NEC Networks & System Integration	19,100	340	0.02
Shindengen Electric Manufacturing	8,300	304	0.02
Mimasu Semiconductor Industry	12,100	149	0.01
		5,560	0.30
TELECOMMUNICATIONS 0.16% (30.09.17: 0.12%)			
FIXED LINE TELECOMMUNICATIONS			
BT	29,759	68	—
MOBILE TELECOMMUNICATIONS			
NTT DOCOMO	149,400	3,084	0.16
UTILITIES 2.59% (30.09.17: 1.26%)			
ELECTRICITY			
Vistra Energy	766,429	14,211	0.74
GAS, WATER & MULTIUTILITIES			
Centrica	11,689,755	18,096	0.94
Cia de Saneamento de Minas Gerais	825,012	6,202	0.32
Cia de Saneamento Basico do Estado de Sao Paulo	1,194,086	5,540	0.29
Cia de Saneamento do Parana	689,885	5,491	0.28
Shizuoka Gas	63,500	432	0.02
		35,761	1.85
NON-EQUITY INVESTMENT INSTRUMENTS 7.85% (30.09.17: 9.16%)			
ETFS Physical Silver	7,564,567	78,453	4.06
ETFS Physical Gold	218,501	18,951	0.98
iShares Physical Silver ETC	1,748,130	18,600	0.96
iShares Physical Gold ETC	1,031,201	18,357	0.95
Invesco Physical Gold ETC	197,874	17,472	0.90
		151,833	7.85

Portfolio Statement continued

As at 30 September 2018

ASSET	HOLDING	MARKET VALUE (£'000)	PERCENTAGE OF NET ASSETS (%)
DERIVATIVES – FUTURES (0.10%) (30.09.17: (0.35%))			
S&P 500 eMini Futures December 2018	(4,944)	(2,027)	(0.10)
FORWARD FOREIGN EXCHANGE CONTRACTS 0.18% (30.09.2017: 0.78%)			
FORWARD CURRENCY CONTRACTS			
US Dollar			
Sell USD (545,782,800) for GBP 420,370,674		3,429	0.18
Portfolio of investments [^]		1,824,136	94.45
Net other assets		107,135	5.55*
Net assets		1,931,271	100.00

[^] Including derivative liabilities.

[†] A related party to the Fund.

* The net other assets figure consists predominantly of cash and bank balances.

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 2018

ASSET	30.09.18		30.09.17	
	MARKET VALUE (£'000)	PERCENTAGE OF NET ASSETS (%)	MARKET VALUE (£'000)	PERCENTAGE OF NET ASSETS (%)
Bonds	466,061	24.14	470,713	21.89
Collective Investment Schemes	171,718	8.90	184,627	8.59
Derivatives	(2,027)	(0.10)	(7,613)	(0.35)
Equities	1,033,122	53.48	1,104,478	51.35
Forward Foreign Exchange Contracts	3,429	0.18	16,852	0.78
Non-Equity Investment Instruments	151,833	7.85	196,805	9.16
Net other assets	107,135	5.55	184,494	8.58
Net assets	1,931,271	100.00	2,150,356	100.00

Credit Breakdown*

ASSET	30.09.18		30.09.17	
	MARKET VALUE (£'000)	PERCENTAGE OF NET ASSETS (%)	MARKET VALUE (£'000)	PERCENTAGE OF NET ASSETS (%)
AAA	189,462	9.81	149,364	6.95
AA	275,969	14.29	320,513	14.90
BBB	105	0.01	125	0.01
BB	525	0.03	711	0.03
Total Bonds	466,061	24.14	470,713	21.89

*Bond ratings are Investec approximations.

Diversified Income Fund

Portfolio Statement

As at 30 September 2018

ASSET	HOLDING	MARKET VALUE (£'000)	PERCENTAGE OF NET ASSETS (%)
COLLECTIVE INVESTMENT SCHEME 3.52% (30.09.17: 3.42%)			
Investec GSF Global Total Return Credit Fund†	674,250	10,206	1.72
Investec GSF Global High Yield Bond Fund†	424,580	6,948	1.17
Investec Monthly High Income Fund†	1,467,065	3,762	0.63
		20,916	3.52
BONDS 60.09% (30.09.17: 59.88%)			
CORPORATE BONDS 13.82% (30.09.17: 27.87%)			
Western Australian Treasury 5% 23/07/2025	AUD 21,863,900	13,679	2.31
Inter-American Development Bank 4.375% 24/01/2044	USD 4,330,000	3,867	0.65
International Bank for Reconstruction & Development 2.5% 25/11/2024	USD 2,770,000	2,052	0.35
Bank of America (FRN) 3.5075% 20/01/2023	USD 2,420,000	1,886	0.32
Landwirtschaftliche Rentenbank 2% 13/01/2025	USD 2,400,000	1,719	0.29
AT&T 3.95% 15/01/2025	USD 1,862,000	1,405	0.24
Apple 3.7% 28/08/2022	AUD 2,380,000	1,360	0.23
Intel 4% 01/12/2022	AUD 2,320,000	1,329	0.22
Lloyds Banking 4.5% 04/11/2024	USD 1,695,000	1,278	0.22
Tencent 3.8% 11/02/2025	USD 1,643,000	1,236	0.21
DBS Bank (FRN) 2.61% 20/03/2020	AUD 2,200,000	1,219	0.21
Industrial & Commercial Bank of China (FRN) 2.9321% 15/05/2020	AUD 2,100,000	1,163	0.20
Dell International 6.02% 15/06/2026	USD 1,340,000	1,096	0.18
Petroleos Mexicanos 6.5% 13/03/2027	USD 1,340,000	1,054	0.18
Wells Fargo (FRN) 3.57238% 31/10/2023	USD 1,347,000	1,053	0.17
Baidu 3.5% 28/11/2022	USD 1,205,000	905	0.15
ABN AMRO Bank 4.4% 27/03/2028	USD 1,200,000	903	0.15
Telefonica Europe 8.25% 15/09/2030	USD 903,000	885	0.15
BPCE 4.5% 15/03/2025	USD 1,150,000	864	0.15
Export-Import Bank of Korea 2.875% 21/01/2025	USD 1,200,000	864	0.15
Apple 4.65% 23/02/2046	USD 1,020,000	846	0.14
Citigroup 2.7% 30/03/2021	USD 1,110,000	836	0.14
BAT Capital 3.557% 15/08/2027	USD 1,167,000	834	0.14
Credit Suisse Group Funding Guernsey 3.8% 15/09/2022	USD 1,090,000	832	0.14
Microsoft 4.25% 06/02/2047	USD 1,030,000	828	0.14
American Express (FRN) 2.96138% 27/02/2023	USD 1,028,000	786	0.13
JPMorgan Chase (FRN) 3.57156% 24/10/2023	USD 1,000,000	782	0.13
Citigroup (FRN) 3.39706% 08/12/2021	USD 1,000,000	778	0.13
United Overseas Bank (FRN) 2.7395% 06/04/2021	AUD 1,400,000	777	0.13
Ausgrid Finance (FRN) 3.182% 30/10/2024	AUD 1,360,000	746	0.13
Omnicom 3.6% 15/04/2026	USD 1,000,000	728	0.12
OCP 5.625% 25/04/2024	USD 900,000	708	0.12
Time Warner Entertainment 8.375% 15/03/2023	USD 789,000	702	0.12
AXA 5.125% 17/01/2047	USD 930,000	697	0.12
AerCap Ireland Capital 4.625% 01/07/2022	USD 883,000	689	0.12
Broadridge Financial Solutions 3.4% 27/06/2026	USD 950,000	688	0.12
Abu Dhabi National Energy 4.375% 22/06/2026	USD 900,000	682	0.12
Amazon.com 4.95% 05/12/2044	USD 780,000	673	0.11
EMD Finance 3.25% 19/03/2025	USD 905,000	662	0.11
Coca-Cola 3.25% 11/06/2024	AUD 1,170,000	653	0.11
JPMorgan Chase 3.9% 15/07/2025	USD 850,000	651	0.11
Credit Agricole 3.875% 15/04/2024	USD 849,000	648	0.11
Johnson & Johnson 3.625% 03/03/2037	USD 870,000	643	0.11
GE Capital Australia Funding 5.25% 04/09/2020	AUD 1,110,000	642	0.11
Goldman Sachs 4.25% 21/10/2025	USD 835,000	634	0.11
VEREIT Operating Partnership 4.875% 01/06/2026	USD 815,000	631	0.11
Southern Copper 6.75% 16/04/2040	USD 658,000	597	0.10
America Movil 6.375% 01/03/2035	USD 662,000	594	0.10
Ecopetrol 5.375% 26/06/2026	USD 750,000	593	0.10
Swedbank 2.2% 04/03/2020	USD 738,000	557	0.09

ASSET	HOLDING	MARKET VALUE (£'000)	PERCENTAGE OF NET ASSETS (%)
CORPORATE BONDS 13.82% (30.09.17: 27.87%) (continued)			
Lloyds Banking (FRN) 3.22% 20/03/2023	AUD 1,000,000	551	0.09
Skandinaviska Enskilda Banken 1.875% 13/09/2021	USD 750,000	549	0.09
Aeropuerto Internacional de Tocumen 5.75% 09/10/2023	USD 692,158	547	0.09
Bank of America 3.95% 21/04/2025	USD 724,000	543	0.09
UBS 2.45% 01/12/2020	USD 700,000	525	0.09
Verizon Communications 3.376% 15/02/2025	USD 705,000	525	0.09
Autodesk 4.375% 15/06/2025	USD 678,000	521	0.09
Wells Fargo 3% 22/04/2026	USD 722,000	514	0.09
Sprint Spectrum I/II/III 3.36% 20/09/2021	USD 664,500	508	0.09
CCO 5.125% 01/05/2023	USD 660,000	507	0.09
Peabody Energy 6% 31/03/2022	USD 650,000	505	0.09
China Life Insurance 4% 03/07/2075	USD 659,000	495	0.08
Baker Hughes a GE 5.125% 15/09/2040	USD 600,000	483	0.08
KLX 5.875% 01/12/2022	USD 590,000	467	0.08
Morgan Stanley (FRN) 3.5275% 20/01/2022	USD 600,000	467	0.08
AECOM 5.125% 15/03/2027	USD 590,000	440	0.07
KazTransGas 4.375% 26/09/2027	USD 600,000	438	0.07
Tenet Healthcare 4.5% 01/04/2021	USD 570,000	436	0.07
Nielsen Finance 5% 15/04/2022	USD 550,000	411	0.07
Virgin Media Secured Finance 5.125% 15/01/2025	GBP 400,000	409	0.07
Cheniere Energy Partners 5.25% 01/10/2025	USD 529,000	406	0.07
Extraction Oil & Gas 7.375% 15/05/2024	USD 540,000	406	0.07
Open Text 5.875% 01/06/2026	USD 510,000	403	0.07
Lennar 5.875% 15/11/2024	USD 490,000	391	0.07
President & Fellows of Harvard College 3.15% 15/07/2046	USD 580,000	388	0.07
MEDNAX 5.25% 01/12/2023	USD 497,000	382	0.06
Bank of Nova Scotia (FRN) 2.8518% 08/09/2022	AUD 670,000	371	0.06
Iron Mountain US 5.375% 01/06/2026	USD 500,000	361	0.06
Verisure Midholding 5.75% 01/12/2023	EUR 400,000	360	0.06
FTS International 6.25% 01/05/2022	USD 480,000	356	0.06
Aker BP 5.875% 31/03/2025	USD 447,000	354	0.06
Cott 5.5% 01/07/2024	EUR 350,000	330	0.06
Paprec 4% 31/03/2025	EUR 360,000	322	0.05
Altice Financing 7.5% 15/05/2026	USD 420,000	312	0.05
Vodafone (FRN) 3.42644% 16/01/2024	USD 400,000	308	0.05
Danske Bank (FRN) 3.39425% 12/09/2023	USD 400,000	303	0.05
Darling Global Finance 3.625% 15/05/2026	EUR 326,000	297	0.05
Antero Midstream Finance 5.375% 15/09/2024	USD 380,000	293	0.05
Macquarie Bank 4.875% 10/06/2025	USD 380,000	289	0.05
ING Bank 5% 09/06/2021	USD 350,000	278	0.05
INEOS 5.625% 01/08/2024	USD 360,000	271	0.05
Altice Financing 6.625% 15/02/2023	USD 340,000	263	0.04
International Game Technology 4.75% 15/02/2023	EUR 250,000	239	0.04
HCA 5% 15/03/2024	USD 300,000	235	0.04
United States Steel 6.875% 15/08/2025	USD 300,000	235	0.04
Constellium 6.625% 01/03/2025	USD 300,000	233	0.04
INEOS 5.375% 01/08/2024	EUR 250,000	233	0.04
CPUK Finance 4.875% 28/08/2025	GBP 230,000	229	0.04
QEP Resources Inc 5.375% 01/10/2022	USD 275,000	212	0.04
Nederlandse Waterschapsbank 4.75% 11/04/2023	AUD 340,000	204	0.03
Scientific Games International 10% 01/12/2022	USD 250,000	203	0.03
Royal Bank of Scotland 3.875% 12/09/2023	USD 250,000	186	0.03
AMC Entertainment 6.375% 15/11/2024	GBP 160,000	163	0.03
RAC Bond 5% 06/11/2022	GBP 170,000	160	0.03
Goldman Sachs 3.5% 23/01/2025	USD 200,000	149	0.03
Nederlandse Waterschapsbank 3.15% 02/09/2026	AUD 270,000	149	0.03
Arqiva Broadcast Finance 6.75% 30/09/2023	GBP 128,000	131	0.02
Arrow Global Finance 5.125% 15/09/2024	GBP 140,000	130	0.02
Vantiv 3.875% 15/11/2025	GBP 130,000	127	0.02
QEP Resources Inc 5.25% 01/05/2023	USD 140,000	105	0.02
ARD Finance 6.625% 15/09/2023	EUR 100,000	92	0.02
United States Steel 6.25% 15/03/2026	USD 50,000	38	0.01
		81,672	13.82
GOVERNMENT BONDS 44.79% (30.09.17: 30.56%)			
United States Treasury Bond 3% 15/05/2047	USD 24,005,800	17,841	3.01
United States Treasury Note 2.875% 15/05/2028	USD 19,771,500	14,962	2.53
Province of Ontario Canada 7.6% 02/06/2027	CAD 18,465,000	14,645	2.47

Portfolio Statement continued

As at 30 September 2018

ASSET	HOLDING	MARKET VALUE (£'000)	PERCENTAGE OF NET ASSETS (%)
GOVERNMENT BONDS 44.79% (30.09.17: 30.56%) (continued)			
Province of Quebec Canada 8.5% 01/04/2026	CAD 17,398,000	14,012	2.37
Queensland Treasury 4.75% 21/07/2025	AUD 21,066,000	13,039	2.20
South Africa Government Bond 8% 21/12/2018	ZAR 205,070,000	11,082	1.87
United States Treasury Note 2.875% 30/04/2025	USD 13,324,000	10,150	1.71
New Zealand Local Government Funding Agency Bond 3.5% 14/04/2033	NZD 19,729,000	9,560	1.61
Brazil Notas do Tesouro Nacional Serie F 10% 01/01/2023	BRL 49,175,000	9,153	1.54
Brazil Notas do Tesouro Nacional Serie F 10% 01/01/2021	BRL 4,679,300	9,048	1.53
Australia Government Bond 3% 21/03/2047	AUD 16,343,000	8,796	1.48
Mexican Bonos 8.5% 13/12/2018	MXN 214,029,900	8,710	1.47
South Africa Government Bond 7.75% 28/02/2023	ZAR 164,300,000	8,652	1.46
New Zealand Local Government Funding Agency Bond 2.75% 15/04/2025	NZD 16,894,000	8,431	1.42
South Africa Government Bond 7.25% 15/01/2020	ZAR 154,915,260	8,308	1.40
New Zealand Local Government Funding Agency Bond 4.5% 15/04/2027	NZD 15,026,000	8,293	1.40
Colombian TES 10% 24/07/2024	COP 27,196,700,000	8,222	1.39
Mexican Bonos 5% 11/12/2019	MXN 204,520,000	8,053	1.36
Province of British Columbia Canada 4.7% 18/06/2037	CAD 10,605,000	7,652	1.29
Mexican Bonos 8% 11/06/2020	MXN 169,061,900	6,905	1.17
New Zealand Local Government Funding Agency Bond 5.5% 15/04/2023	NZD 11,400,000	6,487	1.09
Indonesia Treasury Bond 7% 15/05/2022	IDR 103,101,000,000	5,136	0.87
Indonesia Treasury Bond 11.5% 15/09/2019	IDR 87,060,000,000	4,647	0.78
Mexican Bonos 6.5% 10/06/2021	MXN 105,214,500	4,153	0.70
Tennessee Valley Authority 5.88% 01/04/2036	USD 4,012,000	3,957	0.67
Federal Home Loan Banks 5.5% 15/07/2036	USD 3,845,000	3,752	0.63
Peruvian Government International Bond 6.95% 12/08/2031	PEN 13,300,000	3,384	0.57
South Africa Government Bond 6.75% 31/03/2021	ZAR 54,900,000	2,881	0.49
Indonesia Government International Bond 8.5% 12/10/2035	USD 2,381,000	2,507	0.42
Colombia Government International Bond 7.375% 18/09/2037	USD 2,482,000	2,411	0.41
Asian Development Bank 2.75% 19/01/2028	USD 2,807,000	2,078	0.35
Kreditanstalt fuer Wiederaufbau 2.5% 20/11/2024	USD 2,770,000	2,049	0.35
Federal National Mortgage Association 1.875% 24/09/2026	USD 2,437,000	1,693	0.29
Tennessee Valley Authority 6.75% 01/11/2025	USD 1,800,000	1,679	0.28
Indonesia Treasury Bond 7.875% 15/04/2019	IDR 31,138,000,000	1,608	0.27
CPPIB Capital 2.75% 02/11/2027	USD 2,000,000	1,455	0.25
Turkey Government Bond 10.4% 27/03/2019	TRY 10,000,000	1,190	0.20
Kommunalbanken 2.125% 23/04/2025 (Luxembourg listing)	USD 1,600,000	1,147	0.19
Argentina POM Politica Monetaria (FRN) 70.382571% 21/06/2020	ARS 43,997,668	987	0.17
Brazil Notas do Tesouro Nacional Serie F 10% 01/01/2019	BRL 4,762,000	917	0.15
Province of Alberta Canada 3.3% 15/03/2028	USD 1,100,000	829	0.14
Mexico Government International Bond 6.75% 27/09/2034	USD 900,000	828	0.14
Ghana Government Bond 19.75% 25/03/2024	GHS 5,500,000	824	0.14
Oman Government International Bond 5.625% 17/01/2028	USD 1,057,000	794	0.13
Costa Rica Government International Bond 7% 04/04/2044	USD 1,130,000	776	0.13
Dominican Republic International Bond 5.5% 27/01/2025	USD 830,000	637	0.11
Panama Government International Bond 9.375% 01/04/2029	USD 284,000	309	0.05
Kommunalbanken 2.125% 23/04/2025 (Frankfurt listing)	USD 400,000	287	0.05
Peruvian Government International Bond 8.75% 21/11/2033	USD 195,000	221	0.04
Paraguay Government International Bond 6.1% 11/08/2044	USD 200,000	162	0.03
Hungary Government International Bond 7.625% 29/03/2041	USD 116,000	124	0.02
Hungary Government International Bond 5.75% 22/11/2023	USD 2,000	2	—
		265,425	44.79
PERPETUAL BONDS 1.48% (30.09.17: 1.45%)			
JPMorgan Chase 6.15% Perpetual	USD 94,070	1,862	0.31
Citigroup 7.125% Perpetual	USD 82,671	1,776	0.30
Goldman Sachs 6.375% Perpetual	USD 83,799	1,714	0.29
State Street 5.35% Perpetual	USD 81,496	1,610	0.27
Morgan Stanley 6.875% Perpetual	USD 68,177	1,431	0.24
Cooperatieve Rabobank 11% Perpetual	USD 525,000	425	0.07
		8,818	1.48
EQUITIES 33.72% (30.09.17: 33.40%)			
BASIC MATERIALS 1.23% (30.09.17: 2.02%)			
MINING			
Rio Tinto	70,574	2,727	0.46
BHP Billiton	154,463	2,560	0.43
South32	917,897	1,990	0.34
		7,277	1.23

ASSET	HOLDING	MARKET VALUE (£'000)	PERCENTAGE OF NET ASSETS (%)
CONSUMER GOODS 5.31% (30.09.17: 5.66%)			
AUTOMOBILES & PARTS			
Bridgestone	72,100	2,092	0.35
BEVERAGES			
PepsiCo	49,480	4,214	0.71
FOOD PRODUCERS			
Nestle	55,894	3,573	0.60
HOUSEHOLD GOODS & HOME CONSTRUCTION			
Procter & Gamble	70,118	4,455	0.75
Bovis Homes	353,866	3,801	0.64
		8,256	1.39
PERSONAL GOODS			
Unilever	101,632	4,284	0.72
TOBACCO			
Philip Morris International	75,605	4,726	0.80
Imperial Tobacco	162,720	4,390	0.74
		9,116	1.54
CONSUMER SERVICES 2.62% (30.09.17: 3.18%)			
FOOD & DRUG RETAILERS			
Axfood	272,316	3,906	0.66
GENERAL RETAILERS			
Next	52,868	2,856	0.48
MEDIA			
RELX	166,352	2,659	0.45
TRAVEL & LEISURE			
Carnival	91,680	4,357	0.74
Japan Airlines	63,300	1,747	0.29
		6,104	1.03
FINANCIALS 11.44% (30.09.17: 12.38%)			
BANKS			
Wells Fargo	106,276	4,305	0.73
BOC Hong Kong	1,169,000	4,250	0.72
Sumitomo Mitsui Financial	126,600	3,924	0.66
HSBC	346,914	2,326	0.39
Danske Bank	42,320	848	0.14
		15,653	2.64
EQUITY INVESTMENT INSTRUMENTS			
HiCL Infrastructure	1,463,846	2,231	0.38
BBGI SICAV	1,453,074	2,121	0.36
		4,352	0.74
FINANCIAL SERVICES			
CME	35,310	4,655	0.79
3i	402,160	3,804	0.64
		8,459	1.43
NONLIFE INSURANCE			
ASR Nederland	129,083	4,723	0.80
Tokio Marine	117,100	4,463	0.75
		9,186	1.55
REAL ESTATE INVESTMENT & SERVICES			
Daito Trust Construction	20,300	2,005	0.34
REAL ESTATE INVESTMENT TRUSTS			
Park Hotels & Resorts	158,753	3,953	0.67
Simon Property	26,500	3,567	0.60
UNITE	370,012	3,258	0.55
Keppel DC REIT	3,965,700	3,044	0.51
Secure Income REIT	727,191	2,880	0.49

Portfolio Statement continued

As at 30 September 2018

ASSET	HOLDING	MARKET VALUE (£'000)	PERCENTAGE OF NET ASSETS (%)
REAL ESTATE INVESTMENT TRUSTS (continued)			
Tritax Big Box REIT	1,787,553	2,630	0.44
Unibail-Rodamco-Westfield	13,586	2,111	0.36
Merlin Properties Socimi	193,398	1,999	0.34
Gaming and Leisure Properties	62,132	1,649	0.28
Primary Health Properties	1,360,000	1,542	0.26
Prologis	27,500	1,401	0.24
		28,034	4.74
HEALTH CARE 5.07% (30.09.17: 3.75%)			
PHARMACEUTICALS & BIOTECHNOLOGY			
Pfizer	150,142	5,054	0.85
GlaxoSmithKline	293,838	4,533	0.76
Johnson & Johnson	41,961	4,449	0.75
Merck	79,892	4,334	0.73
Novartis	62,760	4,171	0.70
Roche	21,765	4,065	0.69
Novo Nordisk	96,626	3,525	0.59
		30,131	5.07
INDUSTRIALS 2.93% (30.09.17: 2.20%)			
CONSTRUCTION & MATERIALS			
Vinci	50,062	3,631	0.61
ELECTRONIC & ELECTRICAL EQUIPMENT			
Schneider Electric	71,422	4,418	0.75
INDUSTRIAL ENGINEERING			
Kone	82,075	3,341	0.56
INDUSTRIAL TRANSPORTATION			
Aena	31,125	4,077	0.69
Cia de Distribucion Integral Logista	96,113	1,881	0.32
		5,958	1.01
OIL & GAS 2.20% (30.09.17: 1.60%)			
OIL & GAS PRODUCERS			
Repsol	330,076	5,029	0.85
Royal Dutch Shell	161,420	4,301	0.73
TOTAL	74,122	3,674	0.62
		13,004	2.20
TECHNOLOGY 1.39% (30.09.17: 0.74%)			
TECHNOLOGY HARDWARE & EQUIPMENT			
Taiwan Semiconductor Manufacturing	659,000	4,336	0.73
Tokyo Electron	37,200	3,925	0.66
		8,261	1.39
TELECOMMUNICATIONS 0.69% (30.09.17: 0.65%)			
FIXED LINE TELECOMMUNICATIONS			
Nippon Telegraph & Telephone	117,400	4,072	0.69
UTILITIES 0.84% (30.09.17: 1.22%)			
GAS, WATER & MULTIUTILITIES			
Guangdong Investment	3,642,000	4,953	0.84
GOVERNMENT TREASURY BILLS 0.65% (30.09.17: 0.00%)			
Egypt Treasury Bill 09/10/2018	EGP 57,800,000	2,457	0.41
Nigeria Treasury Bill 08/11/2018	NGN 698,976,000	1,449	0.24
		3,906	0.65
DERIVATIVES – FUTURES (0.40%) (30.09.17: (0.04%))			
S&P 500 E Mini Index Futures 21/12/2018	(311)	(48)	(0.01)
EURO STOXX 50 Futures 21/12/2018	(1,196)	(589)	(0.10)
Japan TOPIX Index Futures 13/12/2018	(67)	(696)	(0.12)
FTSE 100 Index Futures 21/12/2018	(491)	(1,031)	(0.17)
		(2,364)	(0.40)

ASSET	HOLDING	MARKET VALUE (£'000)	PERCENTAGE OF NET ASSETS (%)		
DERIVATIVES – OPTIONS 0.32% (30.09.17: 0.13%)					
S&P 500 Index 3100 Call Option 15/03/2019	572	820	0.14		
S&P 500 Index 3000 Call Option 21/12/2018	361	559	0.09		
EURO STOXX 50 PR 3750 Call Option 21/06/2019	3,537	424	0.07		
FTSE 100 Index 7900 Call Option 21/12/2018	370	87	0.01		
FTSE 100 Index 8300 Call Option 15/03/2019	258	30	0.01		
GS 105 USD Put JPY Call FX Option 04/10/2018	16,885,000	–	–		
		1,920	0.32		
DERIVATIVES – INTEREST RATE SWAPS 0.26% (30.09.17: 0.16%)					
Goldman Sachs Interest Rate Swap receive 2.9805% 14/02/2033	19,200,000	299	0.05		
Goldman Sachs Interest Rate Swap receive 2.9887% 23/07/2033	18,900,000	284	0.04		
Goldman Sachs Interest Rate Swap receive 2.784% 24/01/2033	8,100,000	266	0.04		
Goldman Sachs Interest Rate Swap receive 2.545% 28/11/2047	2,800,000	228	0.04		
Goldman Sachs Interest Rate Swap receive 2.95% 08/01/2033	12,700,000	226	0.04		
Goldman Sachs Interest Rate Swap receive 2.9362% 24/08/2033	6,400,000	129	0.02		
Goldman Sachs Interest Rate Swap receive 2.9601% 03/07/2033	6,150,000	106	0.01		
Goldman Sachs Interest Rate Swap receive 2.98275% 16/02/2033	5,500,000	85	0.02		
Goldman Sachs Interest Rate Swap receive 2.987% 23/04/2033	9,000,000	83	0.02		
Goldman Sachs Interest Rate Swap receive 2.8535% 27/10/2027	7,100,000	72	0.01		
Goldman Sachs Interest Rate Swap receive 2.6415% 29/01/2028	9,590,000	70	0.02		
Goldman Sachs Interest Rate Swap receive 2.9525% 02/07/2033	3,100,000	56	0.01		
Goldman Sachs Interest Rate Swap receive 3.1135% 21/09/2028	23,480,000	22	–		
Goldman Sachs Interest Rate Swap receive 3.0875% 11/05/2033~	8,800,000	–	–		
Goldman Sachs Interest Rate Swap pay 2.9925% 02/05/2028	8,300,000	(17)	–		
Goldman Sachs Interest Rate Swap pay 3.1505% 23/05/2033	4,200,000	(24)	–		
Goldman Sachs Interest Rate Swap pay 0.7328% 17/10/2037	1,729,000,000	(34)	–		
Goldman Sachs Interest Rate Swap pay 3.167% 21/05/2033	5,900,000	(42)	–		
Goldman Sachs Interest Rate Swap pay 2.9475% 17/05/2033	7,500,000	(43)	(0.01)		
Goldman Sachs Interest Rate Swap pay 0.919% 15/01/2028	20,200,000	(74)	(0.01)		
Goldman Sachs Interest Rate Swap pay 3.0175% 30/01/2028	9,860,000	(80)	(0.01)		
Goldman Sachs Interest Rate Swap pay 2.74175% 09/02/2023	20,700,000	(194)	(0.03)		
		1,418	0.26		
DERIVATIVES – TOTAL RETURN SWAPS 0.01% (30.09.17: 0.02%)					
Standard Chartered 7.875% 15/04/2019	1,279,000,000	66	0.01		
FORWARD FOREIGN EXCHANGE CONTRACTS (0.68%) (30.09.2017: 2.74%)					
FORWARD CURRENCY CONTRACTS					
Australian Dollar					
Sell AUD	(77,451,514)	for GBP	42,239,597	(541)	(0.09)
Canadian Dollar					
Sell CAD	(62,760,000)	for GBP	36,644,794	(306)	(0.05)
Danish Krone					
Sell DKK	(41,294,424)	for GBP	4,942,676	19	–
Euro					
Buy EUR	6,578,000	for GBP	(5,915,273)	(68)	(0.01)
Sell EUR	(56,148,327)	for GBP	50,114,348	201	0.03
Hong Kong Dollar					
Sell HKD	(86,641,331)	for GBP	8,480,276	(3)	–
Japanese Yen					
Buy JPY	1,378,468,630	for GBP	(9,519,712)	(193)	(0.03)
Mexican Peso					
Sell MXN	(689,649,814)	for GBP	27,236,845	(660)	(0.11)
New Zealand Dollar					
Buy NZD	2,930,000	for GBP	(1,481,383)	1	–
Sell NZD	(63,463,000)	for GBP	31,707,019	(410)	(0.07)
Norwegian Krone					
Buy NOK	102,317,254	for GBP	(9,409,718)	180	0.03
Polish Zloty					
Buy PLN	1,780,000	for GBP	(367,596)	2	–
Singapore Dollar					
Sell SGD	(10,418,759)	for GBP	5,814,167	(21)	–
South African Rand					
Buy ZAR	4,018,921	for GBP	(208,177)	7	–
Sell ZAR	(549,360,000)	for GBP	27,665,005	(1,769)	(0.30)
Swedish Krona					
Buy SEK	25,076,855	for GBP	(2,132,502)	31	0.01

Portfolio Statement continued

As at 30 September 2018

ASSET			HOLDING	MARKET VALUE (£'000)	PERCENTAGE OF NET ASSETS (%)
FORWARD CURRENCY CONTRACTS (continued)					
Swiss Franc					
Sell CHF	(19,873,986)	for GBP	15,729,412	103	0.02
Thailand Baht					
Buy THB	56,481,585	for GBP	(1,322,382)	16	–
Turkish Lira					
Buy TRY	1,010,000	for GBP	(116,255)	10	–
Sell TRY	(4,420,000)	for GBP	549,707	(10)	–
US Dollar					
Buy USD	8,603,779	for GBP	(6,561,630)	12	–
Sell USD	(342,495,268)	for GBP	262,672,746	386	0.07
				(3,013)	(0.50)
FORWARD CROSS CURRENCY CONTRACTS					
Buy BRL	9,640,000	for USD	(2,360,836)	22	–
Buy EUR	3,282,358	for USD	(3,868,644)	(45)	(0.01)
Buy IDR	19,306,924,000	for USD	(1,269,775)	17	–
Buy INR	101,326,478	for USD	(1,378,967)	10	–
Buy PHP	35,010,880	for USD	(642,519)	3	–
Buy RUB	202,742,397	for USD	(2,899,054)	132	0.02
Buy USD	485,098	for ARS	(19,467,000)	12	–
Buy USD	29,846,297	for BRL	(122,442,530)	(391)	(0.07)
Buy USD	329,425	for CLP	(227,600,000)	(12)	–
Buy USD	8,493,157	for COP	(26,052,335,000)	(178)	(0.03)
Buy USD	7,731,357	for EUR	(6,641,500)	17	–
Buy USD	14,227,555	for IDR	(216,329,981,155)	(185)	(0.03)
Buy USD	7,577,000	for JPY	(846,193,299)	77	0.01
Buy USD	6,278,251	for KRW	(7,078,037,450)	(76)	(0.01)
Buy USD	1,884,491	for NZD	(2,880,000)	(14)	–
Buy USD	2,217,205	for PEN	(7,402,139)	(18)	–
Buy USD	987,694	for PHP	(53,819,420)	(4)	–
Buy USD	2,837,261	for RUB	(198,507,579)	(130)	(0.02)
Buy USD	12,144,331	for TWD	(373,413,880)	(99)	(0.02)
Buy USD	1,911,500	for ZAR	(29,532,331)	(118)	(0.02)
				(980)	(0.18)
Portfolio of investments [^]				577,579	97.49
Net other assets				14,874	2.51
NET ASSETS				592,453	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.

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, total return swaps and the forward foreign exchange contracts are not listed.

Stocks shown as FRNs represent Floating Rate Notes.

Portfolio Analysis

As at 30 September 2018

Portfolio Analysis#

ASSET	30.09.18		30.09.17	
	MARKET VALUE (£'000)	PERCENTAGE OF NET ASSETS (%)	MARKET VALUE (£'000)	PERCENTAGE OF NET ASSETS (%)
Bonds	355,915	60.09	249,467	59.88
Collective Investment Schemes	20,916	3.52	14,224	3.42
Derivatives	1,040	0.19	1,186	0.27
Equities	199,795	33.72	138,962	33.40
Forward Foreign Exchange Contracts	(3,993)	(0.68)	11,369	2.74
Government Treasury Bills	3,906	0.65	–	–
Net other assets	14,874	2.51	1,211	0.29
Net assets	592,453	100.00	416,419	100.00

#Cash collateral is no longer included in investment portfolio but now appears in cash and bank balances, prior year figures have therefore been restated.

Credit Breakdown*

ASSET	30.09.18		30.09.17	
	MARKET VALUE (£'000)	PERCENTAGE OF NET ASSETS (%)	MARKET VALUE (£'000)	PERCENTAGE OF NET ASSETS (%)
AAA	87,348	14.75	17,327	4.17
AA	95,672	16.14	63,103	15.15
A	48,196	8.14	38,504	9.26
BBB	53,714	9.06	50,984	12.22
BB	63,832	10.78	60,617	14.51
B	6,498	1.11	17,609	4.25
CCC	655	0.11	962	0.23
NR	–	–	361	0.09
Total Bonds	355,915	60.09	249,467	59.88

*Bond ratings are Investec approximations.

Enhanced Natural Resources Fund

Portfolio Statement

As at 30 September 2018

ASSET	HOLDING	MARKET VALUE (£'000)	PERCENTAGE OF NET ASSETS (%)
AUSTRALIA 7.98% (30.09.17: 6.13%)			
Whitehaven Coal	415,057	1,248	1.51
Alumina	654,270	1,002	1.22
Northern Star Resources	203,354	932	1.13
South32 (London Listing)	409,587	875	1.06
Nufarm	204,905	757	0.92
Fortescue Metals	338,811	732	0.89
South32 (Australia Listing)	252,259	547	0.66
Syrah Resources	387,265	490	0.59
		6,583	7.98
BERMUDA 0.56% (30.09.17: 0.99%)			
Bunge	8,853	465	0.56
BRAZIL 0.00% (30.09.17: 3.46%)			
CANADA 19.70% (30.09.17: 17.79%)			
Teck Resources	153,290	2,823	3.43
Nutrien	55,681	2,450	2.97
First Quantum Minerals	119,666	1,089	1.32
Interfor	92,009	1,057	1.28
Parex Resources	80,638	1,024	1.24
Ag Growth International	27,641	1,014	1.23
Trevali Mining	2,086,101	873	1.06
Stelco	59,469	757	0.92
Western Forest Products	588,640	746	0.91
Canadian Natural Resources	26,694	677	0.82
Barrick Gold	78,876	673	0.82
Canfor	44,796	664	0.81
CES Energy Solutions	252,066	639	0.78
Goldcorp	81,601	635	0.77
B2Gold	341,756	568	0.69
Agnico Eagle Mines	20,537	536	0.65
		16,225	19.70
CAYMAN ISLANDS 0.86% (30.09.17: 1.35%)			
Endeavour Mining	62,277	712	0.86
CHINA 1.71% (30.09.17: 0.00%)			
CNOOC	571,000	867	1.05
Wuxi Lead Intelligent Equipment	36,074	106	0.13
Shenzhen Inovance Technology	29,244	90	0.11
Xinyi Solar	292,000	69	0.08
Huaneng Renewables	278,000	63	0.08
BYD	11,000	61	0.07
LONGi Green Energy Technology	34,805	55	0.07
Xinjiang Goldwind Science & Technology	56,000	46	0.06
Tianneng Power International	68,000	46	0.06
		1,403	1.71
DENMARK 0.46% (30.09.17: 0.00%)			
Orsted	2,659	137	0.17
Novozymes	3,212	134	0.16
Vestas Wind Systems	2,030	105	0.13
		376	0.46

ASSET	HOLDING	MARKET VALUE (£'000)	PERCENTAGE OF NET ASSETS (%)
FRANCE 6.90% (30.09.17: 3.30%)			
TOTAL	89,223	4,422	5.37
Gaztransport & Technigaz	20,163	1,165	1.41
Schneider Electric	1,655	102	0.12
		5,689	6.90
GERMANY 0.90% (30.09.17: 1.50%)			
thyssenkrupp	34,536	669	0.81
Infineon Technologies	4,102	72	0.09
		741	0.90
HONG KONG 0.10% (30.09.17: 0.00%)			
China Everbright International	128,814	85	0.10
INDIA 0.65% (30.09.17: 0.00%)			
UPL	76,714	539	0.65
IRELAND 0.11% (30.09.17: 0.00%)			
Kingspan	2,477	89	0.11
ISRAEL 1.78% (30.09.17: 0.00%)			
Israel Chemicals	312,933	1,463	1.78
ITALY 1.47% (30.09.17: 0.00%)			
Eni	83,854	1,210	1.47
JERSEY 0.73% (30.09.17: 5.20%)			
Randgold Resources	9,374	501	0.61
Aptiv	1,583	102	0.12
		603	0.73
LUXEMBOURG 6.38% (30.09.17: 6.88%)			
ArcelorMittal	160,683	3,834	4.65
Tenaris	59,505	767	0.93
Ternium ADR	28,558	657	0.80
		5,258	6.38
NETHERLANDS 1.87% (30.09.17: 2.24%)			
OCI	63,527	1,542	1.87
NORWAY 0.00% (30.09.17: 0.53%)			
PORTUGAL 1.44% (30.09.17: 1.14%)			
Galp Energia	79,515	1,190	1.44
SOUTH AFRICA 1.43% (30.09.17: 2.70%)			
Zeder Investments	2,505,352	611	0.74
Impala Platinum	393,976	568	0.69
		1,179	1.43
SPAIN 0.07% (30.09.17: 0.00%)			
Siemens Gamesa Renewable Energy	5,911	57	0.07
SWEDEN 0.75% (30.09.17: 0.00%)			
SSAB	196,913	615	0.75
SWITZERLAND 0.09% (30.09.17: 0.00%)			
TE Connectivity	1,086	73	0.09
UNITED KINGDOM 24.24% (30.09.17: 17.72%)			
BHP Billiton	320,596	5,312	6.45
BP	685,687	4,055	4.92
Royal Dutch Shell	130,456	3,476	4.22
Anglo American	145,108	2,492	3.02
Kazakhmys	197,697	1,064	1.29
Genus	39,951	952	1.16
Cranswick	24,616	833	1.01
Tullow Oil	265,955	687	0.83
Yellow Cake	242,145	559	0.68
Benchmark	924,336	545	0.66
		19,975	24.24

Portfolio Statement continued

As at 30 September 2018

ASSET	HOLDING	MARKET VALUE (£'000)	PERCENTAGE OF NET ASSETS (%)
UNITED STATES 17.79% (30.09.17: 26.49%)			
Chevron	18,402	1,728	2.10
Andeavor	14,510	1,722	2.09
GrafTech International	95,925	1,419	1.72
Valero Energy	15,582	1,377	1.67
Phillips 66	13,026	1,128	1.37
Noble Energy	45,135	1,085	1.32
Mosaic	34,069	843	1.02
RPC	70,393	839	1.02
Nucor	16,623	804	0.98
Louisiana-Pacific	33,915	707	0.86
Select Energy Services	72,820	675	0.82
Tyson Foods	12,283	563	0.68
Cimarex Energy	7,405	534	0.65
Devon Energy	16,731	505	0.61
Hannon Armstrong Sustainable Infrastructure Capital*	8,440	138	0.17
Itron	2,330	115	0.14
AO Smith	2,569	107	0.13
Acuity Brands	819	100	0.12
First Solar	1,846	69	0.08
SolarEdge Technologies	1,919	56	0.07
TPI Composites	2,402	53	0.06
Advanced Energy Industries	1,186	47	0.06
Ormat Technologies	1,081	44	0.05
		14,658	17.79
DERIVATIVES – CONTRACTS FOR DIFFERENCE (0.29%) (30.09.17: 0.04%)			
AUSTRALIA 0.00% (30.09.17: 0.03%)			
CANADA 0.00% (30.09.17: (0.01%))			
GERMANY 0.00% (30.09.17: 0.01%)			
NORWAY (0.01%) (30.09.17: 0.00%)			
Salmar - Short	(15,695)	(2)	–
Grieg Seafood - Short	(71,030)	(10)	(0.01)
		(12)	(0.01)
UNITED KINGDOM 0.00% (30.09.17: 0.05%)			
UNITED STATES (0.28%) (30.09.17: (0.04%))			
Oceaneering International -Short	(30,574)	16	0.02
Whiting Petroleum - Short	(15,354)	(24)	(0.03)
Superior Energy Services - Short	(96,782)	(54)	(0.07)
Denbury Resources - Short	(164,737)	(79)	(0.10)
Apache - Short	(27,428)	(80)	(0.10)
		(221)	(0.28)
DERIVATIVES – OPTIONS 0.04% (30.09.17: 0.23%)			
STOXX Europe Basic Resources Index 410 Put Option 21/12/2018	150	37	0.04
Portfolio of investments^		80,534	97.72
Net other assets		1,882	2.28
Net assets		82,416	100.00

* Real Estate Investment Trust (REIT).

^ 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 2018

ASSET	HOLDING	MARKET VALUE (£'000)	PERCENTAGE OF NET ASSETS (%)
COLLECTIVE INVESTMENT SCHEMES 0.00% (30.09.17: 0.82%)			
Prosperity Voskhod Fund Preferred Stock†	2,606	–	–
GOVERNMENT BONDS 22.06% (30.09.17: 31.28%)			
United States Treasury Bond 2.25% 15/08/2046	USD 8,650,700	5,512	5.26
Canadian Government Bond 1.5% 01/06/2026	CAD 7,554,000	4,176	3.99
United States Treasury Bond 3% 15/02/2047	USD 4,559,100	3,390	3.24
United States Treasury Bond 3% 15/05/2045	USD 4,538,600	3,378	3.22
United States Treasury Bond 2.5% 15/05/2046	USD 5,019,300	3,377	3.22
United States Treasury Bond 3% 15/05/2047	USD 4,410,900	3,278	3.13
		23,111	22.06
EQUITIES 27.06% (30.09.17: 25.21%)			
BASIC MATERIALS 1.64% (30.09.17: 2.72%)			
CHEMICALS			
Hexpol	26,365	225	0.21
DowDuPont	3,898	195	0.19
Mitsubishi Chemical	22,800	168	0.16
		588	0.56
MINING			
Glencore	73,216	241	0.23
Anglo American	12,298	211	0.20
South32 (Australia Listing)	91,873	199	0.19
Rio Tinto	5,136	198	0.19
Boliden	7,827	163	0.16
BHP Billiton	7,133	118	0.11
		1,130	1.08
CONSUMER GOODS 6.92% (30.09.17: 4.12%)			
AUTOMOBILES & PARTS			
Lear	1,782	200	0.19
Honda Motor	8,500	198	0.19
Bridgestone	6,000	174	0.17
Adient	5,660	173	0.17
Delphi Technologies	6,341	155	0.15
Aptiv	1,533	99	0.10
		999	0.97
BEVERAGES			
Kirin	10,300	203	0.19
Britvic	20,268	160	0.15
Dr Pepper Snapple	3,440	61	0.06
		424	0.40
HOUSEHOLD GOODS & HOME CONSTRUCTIONS			
D.R. Horton	17,308	555	0.53
Lennar	14,533	524	0.50
Taylor Morrison	36,033	506	0.48
NVR	249	485	0.46
KB Home	26,364	482	0.46
Pulte Group	24,475	469	0.45
TRI Pointe Group	41,757	404	0.39
Sekisui Chemical	14,100	200	0.19
		3,625	3.46

Portfolio Statement continued

As at 30 September 2018

ASSET	HOLDING	MARKET VALUE (£'000)	PERCENTAGE OF NET ASSETS (%)
LEISURE GOODS			
Sony	6,100	287	0.27
Bandai Namco	8,200	244	0.23
Nintendo	800	224	0.21
Thor Industries	2,118	139	0.13
Hasbro	1,375	112	0.11
		1,006	0.95
PERSONAL GOODS			
Unilever	8,430	355	0.34
Kao	3,500	217	0.21
Estee Lauder	1,824	202	0.19
Moncler Spa	4,552	153	0.15
		927	0.89
TOBACCO			
Philip Morris International	4,141	259	0.25
CONSUMER SERVICES 2.77% (30.09.17: 2.34%)			
FOOD & DRUG RETAILERS			
Axfood	13,882	199	0.19
GENERAL RETAILERS			
Home Depot	2,425	385	0.37
TJX	4,050	347	0.33
AutoZone	561	335	0.32
Dollar General	3,668	307	0.29
WH Smith	13,089	269	0.26
Cars.com	10,753	228	0.22
		1,871	1.79
MEDIA			
FactSet Research Systems	2,261	389	0.37
RELX	15,510	248	0.24
		637	0.61
TRAVEL & LEISURE			
Aristocrat Leisure	12,125	191	0.18
FINANCIALS 6.38% (30.09.17: 4.93%)			
BANKS			
Lloyds Banking	309,019	184	0.18
Sumitomo Mitsui Financial	5,700	177	0.17
Mitsubishi UFJ Financial	23,200	111	0.11
Barclays	57,421	99	0.09
Royal Bank of Scotland	34,264	85	0.08
		656	0.63
FINANCIAL SERVICES			
MGIC Investment	35,142	351	0.34
S&P Global	2,201	344	0.33
Essent	10,206	339	0.32
Partners	453	275	0.26
SBI	10,500	250	0.24
ORIX	13,700	171	0.16
Hargreaves Lansdown	4,896	108	0.10
Jafo	3,300	98	0.09
		1,936	1.84
LIFE INSURANCE			
Brighthouse Financial	3,815	129	0.12
NONLIFE INSURANCE			
American Financial	4,075	344	0.33
Travelers	3,332	330	0.32
Reinsurance Group of America	2,859	314	0.30
Chubb	3,002	307	0.29
Arch Capital	13,390	304	0.29

ASSET	HOLDING	MARKET VALUE (£'000)	PERCENTAGE OF NET ASSETS (%)
INSURANCE (continued)			
Hiscox	18,105	297	0.28
Beazley	49,332	283	0.27
Intact Financial	4,023	251	0.24
Marsh & McLennan	3,887	248	0.24
Qualicorp	65,400	205	0.20
Tokio Marine	4,500	171	0.16
		3,054	2.92
REAL ESTATE INVESTMENT & SERVICES			
Leopalace21	53,200	228	0.22
Daito Trust Construction	1,300	128	0.12
		356	0.34
REAL ESTATE INVESTMENT TRUSTS			
Park Hotels & Resorts	7,948	198	0.19
Land Securities	20,211	179	0.17
British Land	28,851	178	0.17
		555	0.53
HEALTH CARE 1.33% (30.09.17: 0.79%)			
HEALTH CARE EQUIPMENT & SERVICES			
Varex Imaging	10,371	232	0.22
PHARMACEUTICALS & BIOTECHNOLOGY			
Johnson & Johnson	2,639	280	0.27
Shionogi	5,300	266	0.25
Zoetis	3,095	216	0.21
Novo Nordisk	5,714	208	0.20
Astellas Pharma	14,200	190	0.18
		1,160	1.11
INDUSTRIALS 4.64% (30.09.17: 7.97%)			
AEROSPACE & DEFENSE			
Lockheed Martin	833	221	0.21
Northrop Grumman	907	220	0.21
		441	0.42
CONSTRUCTION & MATERIALS			
AO Smith	5,435	225	0.21
Taisei	5,300	185	0.18
		410	0.39
ELECTRONIC & ELECTRICAL EQUIPMENT			
nVent Electric	10,276	213	0.20
Hoya	4,400	201	0.19
Hitachi	6,400	167	0.16
Amano	9,600	154	0.15
Azbil	5,600	94	0.09
		829	0.79
GENERAL INDUSTRIALS			
Honeywell International	4,129	524	0.50
3M	1,019	164	0.16
		688	0.66
INDUSTRIAL ENGINEERING			
Illinois Tool Works	1,457	159	0.15
Pentair	4,399	147	0.14
Daifuku	2,500	98	0.09
		404	0.38
SUPPORT SERVICES			
Jack Henry & Associates	3,518	429	0.41
Amadeus IT	4,024	288	0.28
Accenture	1,964	256	0.24
Mitsui	16,400	224	0.21
Sumitomo	16,600	213	0.20

Portfolio Statement continued

As at 30 September 2018

ASSET	HOLDING	MARKET VALUE (£'000)	PERCENTAGE OF NET ASSETS (%)
SUPPORT SERVICES (continued)			
Conduent	11,935	206	0.20
Meitec	5,200	192	0.18
Howden Joinery	38,083	180	0.17
DIP Corporation	6,000	111	0.11
		2,099	2.00
OIL & GAS 1.34% (30.09.17: 0.00%)			
OIL & GAS PRODUCERS			
Cimarex Energy	749	54	0.05
Marathon Oil	3,108	54	0.05
Apache	1,468	53	0.05
Concho Resources	456	53	0.05
Diamondback Energy	513	53	0.05
Energen	803	53	0.05
ConocoPhillips	883	52	0.05
EOG Resources	537	52	0.05
Andeavor	426	51	0.05
Exxon Mobil	770	51	0.05
Marathon Petroleum	799	51	0.05
Noble Energy	2,142	51	0.05
Chevron	523	49	0.05
Occidental Petroleum	785	49	0.05
Parsley	2,173	49	0.05
Valero Energy	555	49	0.05
Holly Frontier	898	48	0.05
Pioneer Natural Resources	356	47	0.05
Cabot Oil&Gas	2,612	46	0.04
Devon Energy	1,518	46	0.04
Phillips 66	534	46	0.04
EQT	1,244	43	0.04
		1,100	1.06
OIL EQUIPMENT, SERVICES & DISTRIBUTION			
Now	22,764	291	0.28
TECHNOLOGY 1.88% (30.09.17: 2.16%)			
SOFTWARE & COMPUTER SERVICES			
Microsoft	3,362	295	0.28
Amdocs	4,868	246	0.23
Check Point Software Technologies	2,581	234	0.22
DXC Technology	3,013	217	0.21
Perspecta	9,783	192	0.18
Micro Focus International	7,257	102	0.10
TravelSky Technology	46,000	91	0.09
		1,377	1.31
TECHNOLOGY HARDWARE & EQUIPMENT			
F5 Networks	1,874	283	0.27
Taiwan Semiconductor Manufacturing ADR	5,536	190	0.18
Tokyo Electron	1,200	127	0.12
		600	0.57
TELECOMMUNICATIONS 0.16% (30.09.17: 0.18%)			
FIXED LINE TELECOMMUNICATIONS			
Nippon Telegraph & Telephone	4,900	170	0.16
CERTIFICATES OF DEPOSIT 14.30% (30.09.17: 0.00%)			
ING 0.8% 13/11/2018	2,000,000	2,000	1.91
The Sumimoto Trust Banking 0.81% 09/11/2018	2,000,000	2,000	1.91
Citibank 0.79% 05/11/2018	2,000,000	2,000	1.91
MUFG Bank 0.01% 31/10/2018	2,000,000	1,998	1.91
The Korea Development Bank 0.86% 10/12/2018	2,000,000	1,997	1.91
China Construction Bank 0.8% 03/10/2018	1,000,000	1,000	0.95
Mizuho Corporate Bank 0.01% 19/10/2018	1,000,000	1,000	0.95
Svenska Handelsbanken 0.865% 01/03/2019	1,000,000	1,000	0.95
The Toronto Dominion Bank 0.73% 03/12/2008	1,000,000	999	0.95

ASSET	HOLDING	MARKET VALUE (£'000)	PERCENTAGE OF NET ASSETS (%)
CERTIFICATES OF DEPOSIT 14.30% (30.09.17: 0.00%) (continued)			
Standard Chartered 0.9% 17/10/2018	1,000,000	995	0.95
		14,989	14.30
COMMERCIAL PAPERS 15.26% (30.09.17: 0.00%)			
European Bank for Reconstruction and Development 01/10/2018	2,000,000	2,000	1.91
Municipality Finance 08/10/2018	2,000,000	2,000	1.91
Honda Finance Europe 19/10/2018	2,000,000	1,999	1.91
Transport for London 22/10/2018	2,000,000	1,999	1.91
Allianz 19/10/2018	2,000,000	1,999	1.91
Swedbank 09/11/2018	2,000,000	1,998	1.91
OP Corporate Bank 30/10/2018	2,000,000	1,989	1.90
Erste Abwicklungsanstalt 15/01/2019	1,000,000	998	0.95
Paccar Financial Europe 30/10/2018	1,000,000	994	0.95
		15,976	15.26
DERIVATIVES – FUTURES 0.24% (30.09.17: (0.29%))			
Euro Oat Futures 06/12/2018	(197)	198	0.19
Euro Bobl Futures 06/12/2018	(173)	120	0.11
US MSCI Emerging Market Index Futures 21/12/2018	102	90	0.09
Hang Seng Index Futures Futures 30/10/2018	51	55	0.05
S&P 500 eMini Futures 21/12/2018	14	2	–
Euro Bund Futures 06/12/2018	173	(213)	(0.20)
		252	0.24
DERIVATIVES - OPTIONS 0.00% (30.09.17: 0.00%)			
GS USD 105 Put Option 04/10/2018	40,000,000	–	–
GS USD 105 Put Option 04/10/2018	35,000,000	–	–
FORWARD FOREIGN EXCHANGE CONTRACTS (0.5%) (30.09.17: 1.74%)			
FORWARD CURRENCY CONTRACTS			
Australian Dollar			
Sell AUD	(574,634)	for GBP	320,000
			3
Canadian Dollar			
Sell CAD	(7,619,114)	for GBP	4,457,842
			(21)
Euro			
Sell EUR	(2,885,578)	for GBP	2,580,572
			11
Hungarian Forint			
Buy HKD	5,720,000	for GBP	(559,698)
			(1)
Japanese Yen			
Buy JPY	3,959,215,900	for GBP	(27,434,751)
			(602)
Sell JPY	(27,400,000)	for GBP	192,109
			6
Swedish Krona			
Buy SEK	8,828,029	for GBP	(752,051)
			11
Swiss Franc			
Sell CHF	(3,759,000)	for GBP	2,983,053
			20
US Dollar			
Buy USD	6,040,000	for GBP	(4,604,525)
			10
Sell USD	(94,240,602)	for GBP	72,153,234
			160
		(403.00)	(0.38)
FORWARD CROSS CURRENCY CONTRACTS			
Buy BRL	1,469,000	for USD	(357,996)
			5
Buy USD	1,351,505	for BRL	(5,545,766)
			(18)
Buy USD	6,902,000	for EUR	(5,883,065)
			33
Buy USD	6,850,015	for KRW	(7,711,267,500)
			(82)
Buy USD	6,854,783	for TWD	(210,160,800)
			(61)
		(123.00)	(0.12)
Portfolio of investments^		82,145	78.42
Net other assets		22,606	21.58*
Net assets		104,751	100.00

^ Including derivative liabilities.

‡ Delisted

* 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 are not listed.

Stocks shown as ADRs represent American Depositary Receipts.

Portfolio Analysis

As at 30 September 2018

Portfolio Analysis#

ASSET	30.09.18		30.09.17	
	MARKET VALUE (£'000)	PERCENTAGE OF NET ASSETS (%)	MARKET VALUE (£'000)	PERCENTAGE OF NET ASSETS (%)
Bonds	23,111	22.06	45,248	31.28
Certificates of Deposit	14,989	14.30	–	–
Commercial Papers	15,976	15.26	–	–
Collective Investment Schemes	–	–	1,180	0.82
Derivatives	252	0.24	(417)	(0.29)
Equities	28,343	27.06	36,499	25.21
Forward Foreign Exchange Contracts	(526)	(0.50)	2,528	1.74
Net other assets	22,606	21.58	59,665	41.24
Net assets	104,751	100.00	144,703	100.00

Cash collateral is no longer included in investment portfolio but now appears in cash and bank balances prior year figures have therefore been restated.

Credit Breakdown*

ASSET	30.09.18		30.09.17	
	MARKET VALUE (£'000)	PERCENTAGE OF NET ASSETS (%)	MARKET VALUE (£'000)	PERCENTAGE OF NET ASSETS (%)
AAA	23,111	22.06	32,503	22.47
AA	–	–	12,745	8.81
Total Bonds	23,111	22.06	45,248	31.28

*Bond ratings are Investec approximations.

UK Alpha Fund

Portfolio Statement

As at 30 September 2018

ASSET	HOLDING	MARKET VALUE (£'000)	PERCENTAGE OF NET ASSETS (%)
BASIC MATERIALS 8.86% (30.09.17: 7.13%)			
CHEMICALS			
Johnson Matthey	1,251,389	44,174	2.09
Croda International	761,787	39,308	1.86
Synthomer	6,112,370	33,129	1.57
		116,611	5.52
INDUSTRIAL METALS & MINING			
First Quantum Minerals	2,925,426	26,611	1.26
MINING			
Rio Tinto	1,141,463	44,106	2.08
CONSUMER GOODS 9.92% (30.09.17: 11.58%)			
BEVERAGES			
Diageo	1,373,383	37,459	1.77
HOUSEHOLD GOODS & HOME CONSTRUCTION			
Reckitt Benckiser	733,626	51,170	2.42
PERSONAL GOODS			
Unilever	1,005,211	42,375	2.00
TOBACCO			
British American Tobacco	1,535,911	55,577	2.63
Imperial Brands	863,244	23,290	1.10
		78,867	3.73
CONSUMER SERVICES 12.70% (30.09.17: 15.33%)			
FOOD & DRUG RETAILERS			
Tesco	42,104,428	101,051	4.78
GENERAL RETAILERS			
Next	355,063	19,181	0.91
MEDIA			
RELX	2,220,953	35,524	1.68
Daily Mail & General Trust	5,028,729	35,251	1.67
		70,775	3.35
TRAVEL & LEISURE			
Compass	2,314,758	39,455	1.87
Booking	25,121	37,954	1.79
		77,409	3.66
FINANCIALS 22.69% (30.09.17: 19.09%)			
BANKS			
HSBC	11,951,094	80,132	3.79
Lloyds Banking	78,405,395	46,588	2.20
Barclays	18,794,341	32,390	1.53
		159,110	7.52
FINANCIAL SERVICES			
Visa	521,548	60,005	2.84
London Stock Exchange	971,433	44,521	2.10
Schroders	1,695,394	43,656	2.06
Charles Schwab	802,741	31,098	1.47
IntegraFin	4,223,180	14,950	0.71
		194,230	9.18

Portfolio Statement continued

As at 30 September 2018

ASSET	HOLDING	MARKET VALUE (£'000)	PERCENTAGE OF NET ASSETS (%)
LIFE INSURANCE			
Prudential	1,972,016	34,767	1.64
St James's Place	2,699,298	30,651	1.45
		65,418	3.09
NON-LIFE INSURANCE			
Sabre Insurance	8,911,272	23,526	1.11
REAL ESTATE INVESTMENT & SERVICES			
Grainger	9,646,565	28,863	1.36
REAL ESTATE INVESTMENT TRUSTS			
NewRiver REIT	3,529,947	9,143	0.43
HEALTH CARE 4.71% (30.09.17: 4.60%)			
HEALTH CARE EQUIPMENT & SERVICES			
Smith & Nephew	2,199,896	30,843	1.46
PHARMACEUTICALS & BIOTECHNOLOGY			
AstraZeneca	669,537	39,965	1.89
GlaxoSmithKline	1,869,076	28,836	1.36
		68,801	3.25
INDUSTRIALS 20.38% (30.09.17: 21.58%)			
AEROSPACE & DEFENSE			
Rolls-Royce	4,751,002	47,244	2.23
CONSTRUCTION & MATERIALS			
Melrose Industries	31,574,519	63,781	3.02
Breedon	55,800,482	40,734	1.93
Balfour Beatty	11,098,023	30,542	1.44
		135,057	6.39
GENERAL INDUSTRIALS			
DS Smith	8,646,680	40,890	1.93
INDUSTRIAL ENGINEERING			
Spirax-Sarco Engineering	532,707	38,968	1.84
SUPPORT SERVICES			
DCC	650,570	45,085	2.13
Experian	2,252,558	44,477	2.10
Rentokil Initial	12,954,115	41,155	1.95
Essentra	9,481,749	38,344	1.81
		169,061	7.99
OIL & GAS 9.17% (30.09.17: 6.25%)			
OIL & GAS PRODUCERS			
BP	17,124,838	101,276	4.79
Royal Dutch Shell	3,480,366	92,733	4.38
		194,009	9.17
TECHNOLOGY 6.05% (30.09.17: 6.61%)			
SOFTWARE & COMPUTER SERVICES			
VeriSign	333,882	40,744	1.93
FDM	3,589,263	35,211	1.66
Sage	4,963,400	29,125	1.38
Check Point Software Technologies	252,094	22,831	1.08
		127,911	6.05
TELECOMMUNICATIONS 3.81% (30.09.17: 5.03%)			
FIXED LINE TELECOMMUNICATIONS			
BT	20,000,310	45,381	2.14
MOBILE TELECOMMUNICATIONS			
Inmarsat	7,051,422	35,384	1.67
Portfolio of investments		2,079,454	98.29
Net other assets		36,271	1.71
Net assets		2,115,725	100.00

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 2018

ASSET	HOLDING	MARKET VALUE (£'000)	PERCENTAGE OF NET ASSETS (%)
BASIC MATERIALS 1.67% (30.09.17: 2.31%)			
CHEMICALS			
Victrex	51,950	1,726	1.67
CONSUMER GOODS 30.41% (30.09.17: 34.14%)			
BEVERAGES			
Diageo	226,548	6,179	5.98
Anheuser-Busch InBev	18,524	1,246	1.21
		7,425	7.19
FOOD PRODUCERS			
Tate & Lyle	292,695	2,016	1.95
HOUSEHOLD GOODS & HOME CONSTRUCTION			
Reckitt Benckiser	72,306	5,043	4.88
PERSONAL GOODS			
Unilever	125,022	5,270	5.10
Burberry	54,193	1,090	1.05
		6,360	6.15
TOBACCO			
British American Tobacco	153,280	5,546	5.37
Imperial Tobacco	116,505	3,143	3.04
Philip Morris International	30,261	1,892	1.83
		10,581	10.24
CONSUMER SERVICES 20.87% (30.09.17: 14.58%)			
FOOD & DRUG RETAILERS			
Tesco	1,696,995	4,073	3.94
GENERAL RETAILERS			
Next	24,021	1,298	1.26
MEDIA			
RELX	256,456	4,102	3.97
Informa	385,993	2,923	2.83
Daily Mail & General Trust	368,136	2,581	2.50
Moneysupermarket.com	720,493	2,014	1.95
ITV	668,941	1,047	1.01
		12,667	12.26
TRAVEL & LEISURE			
Compass	206,530	3,520	3.41
FINANCIALS 14.08% (30.09.17: 10.21%)			
BANKS			
Close Brothers	93,459	1,480	1.43
FINANCIAL SERVICES			
Hargreaves Lansdown	112,120	2,485	2.40
3i	211,432	2,000	1.93
Schroders	75,491	1,944	1.88
IntegraFin	537,934	1,904	1.84
Jupiter Fund Management	284,155	1,145	1.11
		9,478	9.16

Portfolio Statement continued

As at 30 September 2018

ASSET	HOLDING	MARKET VALUE (£'000)	PERCENTAGE OF NET ASSETS (%)
LIFE INSURANCE			
St James's Place	270,542	3,072	2.97
NON-LIFE INSURANCE			
Beazley	94,323	541	0.52
HEALTH CARE 9.27% (30.09.17: 11.04%)			
PHARMACEUTICALS & BIOTECHNOLOGY			
GlaxoSmithKline	276,793	4,270	4.13
AstraZeneca	53,891	3,217	3.11
Johnson & Johnson	19,832	2,103	2.03
		9,590	9.27
INDUSTRIALS 10.06% (30.09.17: 13.64%)			
AEROSPACE & DEFENSE			
Rolls-Royce	185,356	1,843	1.78
CONSTRUCTION & MATERIALS			
Melrose Industries	945,590	1,910	1.85
INDUSTRIAL ENGINEERING			
Kone	70,009	2,850	2.76
Rotork	449,266	1,486	1.44
		4,336	4.20
SUPPORT SERVICES			
Filtrona	569,524	2,303	2.23
TECHNOLOGY 7.78% (30.09.17: 8.79%)			
SOFTWARE & COMPUTER SERVICES			
Sage	624,498	3,665	3.55
Microsoft	27,364	2,401	2.32
FDM	201,014	1,972	1.91
		8,038	7.78
TELECOMMUNICATIONS 1.98% (30.09.17: 1.68%)			
FIXED LINE TELECOMMUNICATIONS			
BT	901,325	2,045	1.98
Portfolio of investments		99,345	96.12
Net other assets		4,014	3.88
Net assets		103,359	100.00

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 2018

ASSET	HOLDING	MARKET VALUE (£'000)	PERCENTAGE OF NET ASSETS (%)
BASIC MATERIALS 4.12% (30.09.17: 3.56%)			
CHEMICALS			
Elementis	1,688,813	4,513	1.50
Treatt	839,672	4,173	1.38
Zotefoams	149,271	779	0.26
		9,465	3.14
MINING			
Central Asia Metals	1,248,815	2,941	0.98
CONSUMER GOODS 16.89% (30.09.17: 16.46%)			
BEVERAGES			
Fevertree Drinks	101,079	3,708	1.23
FOOD PRODUCERS			
Cranswick	214,428	7,256	2.40
Hotel Chocolat	1,241,440	4,072	1.35
		11,328	3.75
HOUSEHOLD GOODS & HOME CONSTRUCTION			
Countryside Properties	2,390,994	8,225	2.73
Victoria	502,702	3,519	1.17
		11,744	3.90
LEISURE GOODS			
Sumo	3,277,565	5,375	1.78
Photo-Me International	2,630,137	3,267	1.08
Focusrite	732,057	3,148	1.04
Codemasters	1,565,000	2,895	0.96
Team17	700,000	1,925	0.64
		16,610	5.50
PERSONAL GOODS			
Ted Baker	203,433	4,703	1.56
Warpaint London	1,101,868	2,865	0.95
		7,568	2.51
CONSUMER SERVICES 16.42% (30.09.17: 21.87%)			
GENERAL RETAILERS			
CVS	348,160	3,290	1.09
MEDIA			
Entertainment One	1,725,756	7,124	2.36
Next Fifteen Communications	1,087,046	5,761	1.91
GlobalData	814,844	4,971	1.65
Tarsus	1,634,257	4,609	1.53
XLMedia	4,636,003	4,265	1.41
Taptica international	741,637	2,707	0.90
Mirriad Advertising	2,884,355	836	0.28
		30,273	10.04
TRAVEL & LEISURE			
Hollywood Bowl	4,121,698	9,274	3.08
The Gym Group	1,570,888	4,893	1.62
easyHotel	1,818,182	1,782	0.59
		15,949	5.29

Portfolio Statement continued

As at 30 September 2018

ASSET	HOLDING	MARKET VALUE (£'000)	PERCENTAGE OF NET ASSETS (%)
FINANCIALS 11.72% (30.09.17: 17.22%)			
FINANCIAL SERVICES			
IntegraFin	1,660,647	5,879	1.95
JTC	1,250,000	4,888	1.62
Liontrust Asset Management	689,091	4,383	1.45
Arrow Global	1,686,107	3,920	1.30
IP	2,306,663	2,925	0.97
Xafinity	1,379,344	2,283	0.76
		24,278	8.05
NON-EQUITY INVESTMENT INSTRUMENTS			
Stirling Industries	750,000	675	0.22
NON-LIFE INSURANCE			
Sabre Insurance	1,582,000	4,176	1.38
REAL ESTATE INVESTMENT TRUSTS			
UNITE	372,215	3,277	1.09
Capital & Regional	6,919,062	2,954	0.98
		6,231	2.07
HEALTH CARE 5.00% (30.09.17: 3.20%)			
PHARMACEUTICALS & BIOTECHNOLOGY			
Clinigen Healthcare	1,056,463	8,974	2.98
Dechra Pharmaceuticals	160,316	3,495	1.16
Vectura	3,229,157	2,585	0.86
		15,054	5.00
INDUSTRIALS 24.09% (30.09.17: 20.24%)			
CONSTRUCTION & MATERIALS			
Costain	1,705,803	7,113	2.35
Tyman	1,770,776	6,295	2.09
Kier	553,055	5,094	1.69
		18,502	6.13
ELECTRONIC & ELECTRICAL EQUIPMENT			
Oxford Instruments	548,403	5,457	1.81
Elektron Technology	3,188,156	1,384	0.46
		6,841	2.27
GENERAL INDUSTRIALS			
Coats	10,454,996	8,625	2.86
INDUSTRIAL ENGINEERING			
Trifast	1,605,498	3,612	1.20
INDUSTRIAL TRANSPORTATION			
Clarkson	94,149	2,518	0.84
China Chaintek United Warrants 14/08/2017‡	32,898	–	–
		2,518	0.84
SUPPORT SERVICES			
PayPoint	744,930	6,913	2.29
Smart Metering Systems	1,063,440	6,540	2.17
Boku	3,785,272	6,359	2.11
Vp	546,940	5,962	1.98
Ricardo	575,928	4,861	1.61
Rosenblatt	2,100,000	1,911	0.63
		32,546	10.79
OIL & GAS 3.18% (30.09.17: 0.78%)			
ALTERNATIVE ENERGY			
Ceres Power	1,201,920	2,163	0.72
OIL & GAS PRODUCERS			
Diversified Gas & Oil	6,132,000	7,420	2.46

ASSET	HOLDING	MARKET VALUE (£'000)	PERCENTAGE OF NET ASSETS (%)
TECHNOLOGY 15.61% (30.09.17: 9.72%)			
SOFTWARE & COMPUTER SERVICES			
iomart	917,162	3,976	1.32
FDM	868,627	8,521	2.82
Kainos	1,145,234	4,810	1.60
Tracsis	1,113,846	7,886	2.62
dotdigital	3,292,445	3,161	1.05
Learning Technologies	2,876,545	4,746	1.57
AVEVA	127,501	3,733	1.24
Blue Prism	235,138	5,526	1.83
LoopUp	900,000	3,600	1.19
		45,959	15.24
TECHNOLOGY HARDWARE & EQUIPMENT			
Nanoco Group	3,208,001	1,104	0.37
TELECOMMUNICATIONS 1.64% (30.09.17: 2.00%)			
MOBILE TELECOMMUNICATIONS			
EVR	11,953,125	592	0.20
Gamma Communications	513,496	4,334	1.44
		4,926	1.64
UTILITIES 0.00% (30.09.17: 1.10%)			
Portfolio of investments		297,506	98.67
Net other assets		4,023	1.33
Net assets		301,529	100.00

‡ 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 2018

ASSET	HOLDING	MARKET VALUE (£'000)	PERCENTAGE OF NET ASSETS (%)
BONDS 0.11% (30.09.17: 4.38%)			
CORPORATE BONDS			
Aviva 5.9021% Perpetual	GBP 884,000	911	0.11
BASIC MATERIALS 2.95% (30.09.17: 3.18%)			
MINING			
Impala Platinum	6,276,813	9,049	1.08
SSR Mining	712,485	4,682	0.56
Pan American Silver	413,644	4,552	0.54
Hochschild Mining	2,126,717	3,361	0.40
Coeur Mining	775,408	3,098	0.37
		24,742	2.95
CONSUMER GOODS 4.48% (30.09.17: 2.44%)			
HOUSEHOLD GOODS & HOME CONSTRUCTION			
McCarthy & Stone	11,908,262	16,374	1.95
Headlam	1,589,768	7,527	0.90
		23,901	2.85
LEISURE GOODS			
Games Workshop	210,401	7,901	0.94
Hornby	529,608	180	0.02
		8,081	0.96
PERSONAL GOODS			
Avon Products	3,312,188	5,588	0.67
CONSUMER SERVICES 16.58% (30.09.17: 17.50%)			
FOOD & DRUG RETAILERS			
Tesco	17,101,904	41,045	4.89
Wm Morrison Supermarkets	7,009,563	18,137	2.16
		59,182	7.05
GENERAL RETAILERS			
Marks & Spencer	8,734,643	25,130	2.99
Next	290,311	15,683	1.87
Kingfisher	5,113,264	13,438	1.60
Topps Tiles	5,399,831	3,413	0.41
Carpetright	3,640,597	786	0.09
		58,450	6.96
MEDIA			
Bloomsbury Publishing	1,399,396	3,079	0.37
TRAVEL & LEISURE			
easyJet	838,222	10,859	1.29
Go-Ahead	481,899	7,614	0.91
		18,473	2.20
FINANCIALS 23.26% (30.09.17: 29.25%)			
BANKS			
Barclays	22,803,567	39,300	4.68
Royal Bank of Scotland	14,907,543	36,911	4.40
Citigroup	557,219	31,166	3.71
HSBC	3,827,321	25,662	3.06
Lloyds Banking	31,542,164	18,742	2.23
Virgin Money Holdings UK	3,280,743	12,624	1.50
		164,405	19.58

ASSET	HOLDING	MARKET VALUE (£'000)	PERCENTAGE OF NET ASSETS (%)
EQUITY INVESTMENT INSTRUMENTS			
Hipgnosis Songs Fund	5,365,922	5,741	0.68
REAL ESTATE INVESTMENT & SERVICES			
Countrywide	101,256,417	11,928	1.42
REAL ESTATE INVESTMENT TRUSTS			
Land Securities	1,495,084	13,228	1.58
HEALTH CARE 7.59% (30.09.17: 6.89%)			
PHARMACEUTICALS & BIOTECHNOLOGY			
GlaxoSmithKline	4,131,893	63,747	7.59
INDUSTRIALS 26.69% (30.09.17: 16.99%)			
AEROSPACE & DEFENSE			
Chemring	2,832,880	6,147	0.73
QinetiQ	1,909,239	5,479	0.65
		11,626	1.38
CONSTRUCTION & MATERIALS			
CRH	644,710	16,285	1.94
Forterra	4,688,071	12,189	1.45
		28,474	3.39
INDUSTRIAL ENGINEERING			
600	1,082,465	195	0.02
SUPPORT SERVICES			
Capita	40,587,028	57,289	6.82
Travis Perkins	3,289,872	35,432	4.22
Grafton	4,586,028	34,579	4.12
SIG	24,458,867	30,843	3.68
Aggreko	2,557,022	21,990	2.62
Serco	3,390,015	3,424	0.41
St Ives	221,803	228	0.03
		183,785	21.90
OIL & GAS 10.40% (30.09.17: 11.40%)			
OIL & GAS PRODUCERS			
Royal Dutch Shell 'B' Shares	1,764,523	47,016	5.60
BP	6,818,944	40,327	4.80
		87,343	10.40
TECHNOLOGY 0.00% (30.09.17: 1.45%)			
TELECOMMUNICATIONS 1.84% (30.09.17: 1.01%)			
FIXED LINE TELECOMMUNICATIONS			
BT	6,820,233	15,475	1.84
UTILITIES 4.15% (30.09.17: 3.37%)			
ELECTRICITY			
Drax	3,765,789	14,566	1.75
GAS, WATER & MULTI-UTILITIES			
Centrica	13,019,929	20,155	2.40
DERIVATIVES (0.01%) (30.09.17: (0.10%))			
DERIVATIVES - FUTURES			
S&P 500 E Mini Futures 21/12/2018	(277)	(114)	(0.01)
Portfolio of investments^		822,961	98.04
Net other assets		16,488	1.96
Net assets		839,449	100.00

^ Including derivative liabilities.

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

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. Shareholders are not liable for the debts of the Company.

Accounting period covered by these accounts

The accounting period covered in these accounts is from 1 October 2017 to 30 September 2018.

Changes during the accounting period

Changes made following required notice:

There were no fundamental changes to the Funds that required shareholder approval nor were there any significant changes to the operation of the Funds requiring pre-notification.

Share class launches and closures:

The following share class was launched on 16 October 2017:

UK Alpha Fund, K, Accumulation, GBP

The following share classes were launched on 6 April 2018:

UK Equity Income Fund, K, Accumulation, GBP

UK Equity Income Fund, K, Income-2, GBP

Other changes made:

The prospectus was updated (on 16 October 2017 and 14 December 2017) to include changes required in respect of Markets in Financial Instruments Directive (MiFID) II.

The Prospectus was updated (on 6 April 2018) to include changes required in respect of the Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds (Benchmarks Regulation).

The Prospectus was updated on (31 May 2018) to:

- (a) include disclosure of the fact that the ACD acts as an authorised fund manager in relation to the IFML Vitality Funds;
- (b) include changes required in respect of the Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data (GDPR);
- (c) reflect the increase of the Diversified Income Fund's global expected level of leverage figure from 225% to 268%;
- (d) reflect the decrease of the Global Multi-Asset Total Return Fund's global expected level of leverage figure from 300% to 235%; and
- (e) reflect the increase of the Enhanced Natural Resources Fund's global expected level of leverage figure from 37% to 53%.

A. Fletcher
Director of the ACD

19 December 2018

D. Aird
Director of the ACD

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 ('the Company') for the year ended 30 September 2018.

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

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

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

The Depositary must ensure that:

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

19 December 2018

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 2018 which comprise the *Statements of Total Return, the Statements of Changes in Net Assets Attributable to Shareholders, the Balance Sheets, the Related Notes and Distribution Tables* for each of the Company's sub-funds listed on page 1 and the accounting policies set out on page 91.

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 2018 and of the net revenue/deficit of revenue 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.

Going concern

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

Other information

The Authorised Corporate Director is responsible for the other information presented in the Annual Report and Accounts 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 65 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 McKecknie
for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants
15 Canada Square
London, E14 5GL

19 December 2018

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.

Cautious Managed Fund

Comparative Tables

As at 30 September 2018

Financial year	'A' Class (Accumulation shares)			'A' Class (Income shares)		
	30.09.18 (p)	30.09.17 (p)	30.09.16 (p)	30.09.18 (p)	30.09.17 (p)	30.09.16 (p)
Change in net assets per share						
Opening net asset value per share	426.75	391.95	348.38	281.56	258.60	230.69
Return before operating charges*	(3.85)	41.43	49.37	(2.55)	27.34	32.62
Operating charges	(6.74)	(6.63)	(5.80)	(4.45)	(4.38)	(3.83)
Return after operating charges*	(10.59)	34.80	43.57	(7.00)	22.96	28.79
Distributions	(0.04)	–	(1.32)	(0.03)	–	(0.88)
Retained distributions on accumulation shares	0.04	–	1.32	–	–	–
Closing net asset value per share	416.16	426.75	391.95	274.53	281.56	258.60
* after direct transaction costs of :	0.20	0.22	0.34	0.13	0.14	0.23
Performance						
Return after charges	(2.48%)	8.88%	12.51%	(2.49%)	8.88%	12.48%
Other information						
Closing net asset value (£'000)	763,436	883,200	890,086	178,126	207,495	217,646
Closing number of shares	183,449,620	206,958,305	227,089,098	64,883,705	73,695,956	84,164,005
Operating charges	1.58%	1.60%	1.59%	1.58%	1.60%	1.59%
Direct transaction costs [‡]	0.05%	0.05%	0.09%	0.05%	0.05%	0.09%
Prices						
Highest share price	430.07	429.68	396.18	283.74	283.48	261.38
Lowest share price	410.47	395.76	342.97	270.81	261.10	227.10

Financial year	'A' Class (Income-2 shares)			'I' Class (Accumulation shares)		
	30.09.18 (p)	30.09.17 (p)	30.09.16 (p)	30.09.18 (p)	30.09.17 (p)	30.09.16 (p)
Change in net assets per share						
Opening net asset value per share	112.23	104.43	94.54	189.91	173.12	152.72
Return before operating charges*	(0.63)	11.03	13.27	(1.73)	18.34	21.75
Operating charges	(1.76)	(1.76)	(1.56)	(1.60)	(1.55)	(1.35)
Return after operating charges*	(2.39)	9.27	11.71	(3.33)	16.79	20.40
Distributions	(1.67)	(1.47)	(1.82)	(1.39)	(1.02)	(1.82)
Retained distributions on accumulation shares	–	–	–	1.39	1.02	1.82
Closing net asset value per share	108.17	112.23	104.43	186.58	189.91	173.12
* after direct transaction costs of :	0.05	0.06	0.10	0.09	0.10	0.15
Performance						
Return after charges	(2.13%)	8.88%	12.39%	(1.75%)	9.70%	13.36%
Other information						
Closing net asset value (£'000)	130	101	51	693,006	727,349	606,995
Closing number of shares	120,179	90,120	48,836	371,422,557	383,005,892	350,622,296
Operating charges	1.58%	1.60%	1.59%	0.83%	0.85%	0.84%
Direct transaction costs [‡]	0.05%	0.05%	0.09%	0.05%	0.05%	0.09%
Prices						
Highest share price	113.07	114.23	105.97	191.77	191.10	174.96
Lowest share price	107.21	105.47	92.75	183.36	174.81	150.70

Comparative Tables

As at 30 September 2018

Financial year	'I' Class (Income shares)			'I' Class (Income-2 shares)		
	30.09.18 (p)	30.09.17 (p)	30.09.16 (p)	30.09.18 (p)	30.09.17 (p)	30.09.16 (p)
Change in net assets per share						
Opening net asset value per share	129.66	118.84	106.01	114.80	106.04	95.27
Return before operating charges*	(1.18)	12.58	15.02	(1.03)	11.21	13.45
Operating charges	(1.09)	(1.06)	(0.93)	(0.96)	(0.95)	(0.84)
Return after operating charges*	(2.27)	11.52	14.09	(1.99)	10.26	12.61
Distributions	(0.94)	(0.70)	(1.26)	(1.72)	(1.50)	(1.84)
Retained distributions on accumulation shares	–	–	–	–	–	–
Closing net asset value per share	126.45	129.66	118.84	111.09	114.80	106.04
* after direct transaction costs of :	0.06	0.07	0.10	0.05	0.06	0.09
Performance						
Return after charges	(1.75%)	9.69%	13.29%	(1.73%)	9.68%	13.24%
Other information						
Closing net asset value (£'000)	127,148	144,969	137,712	778	743	461
Closing number of shares	100,554,973	111,810,789	115,883,604	700,555	647,318	434,394
Operating charges	0.83%	0.85%	0.84%	0.83%	0.85%	0.84%
Direct transaction costs [‡]	0.05%	0.05%	0.09%	0.05%	0.05%	0.09%
Prices						
Highest share price	130.89	130.63	120.32	115.69	116.30	107.56
Lowest share price	124.96	119.99	104.44	110.21	107.07	93.68

Financial year	'J' Class (Accumulation shares)			'J' Class (Income-2 shares)		
	30.09.18 (p)	30.09.17 (p)	30.09.16 (p)	30.09.18 (p)	30.09.17 (p)	30.09.16 (p)
Change in net assets per share						
Opening net asset value per share	121.93	111.04	97.86	115.14	106.25	95.35
Return before operating charges*	(1.11)	11.77	13.95	(1.04)	11.21	13.47
Operating charges	(0.91)	(0.88)	(0.77)	(0.85)	(0.82)	(0.73)
Return after operating charges*	(2.02)	10.89	13.18	(1.89)	10.39	12.74
Distributions	(1.01)	(0.77)	(1.27)	(1.72)	(1.50)	(1.84)
Retained distributions on accumulation shares	1.01	0.77	1.27	–	–	–
Closing net asset value per share	119.91	121.93	111.04	111.53	115.14	106.25
* after direct transaction costs of :	0.06	0.06	0.10	0.05	0.06	0.09
Performance						
Return after charges	(1.66%)	9.81%	13.47%	(1.64%)	9.78%	13.36%
Other information						
Closing net asset value (£'000)	133,852	148,304	131,145	5,971	4,699	297
Closing number of shares	111,622,729	121,631,703	118,105,580	5,353,996	4,080,706	279,467
Operating charges	0.73%	0.75%	0.74%	0.73%	0.75%	0.74%
Direct transaction costs [‡]	0.05%	0.05%	0.09%	0.05%	0.05%	0.09%
Prices						
Highest share price	123.16	122.69	112.22	116.04	116.57	107.77
Lowest share price	117.78	112.12	96.59	110.59	107.28	93.80

Financial year	'R' Class (Accumulation shares)			'S' Class (Accumulation shares)		
	30.09.18 (p)	30.09.17 (p)	30.09.16 (p)	30.09.18 (p)	30.09.17 (p)	30.09.16 (p)
Change in net assets per share						
Opening net asset value per share	128.51	117.45	103.87	187.86	170.05	149.06
Return before operating charges*	(1.16)	12.43	14.77	(1.79)	17.97	21.13
Operating charges	(1.40)	(1.37)	(1.19)	(0.18)	(0.16)	(0.14)
Return after operating charges*	(2.56)	11.06	13.58	(1.97)	17.81	20.99
Distributions	(0.61)	(0.38)	(0.96)	(2.71)	(2.30)	(2.78)
Retained distributions on accumulation shares	0.61	0.38	0.96	2.71	2.30	2.78
Closing net asset value per share	125.95	128.51	117.45	185.89	187.86	170.05
* after direct transaction costs of :	0.06	0.07	0.10	0.09	0.09	0.15
Performance						
Return after charges	(1.99%)	9.42%	13.07%	(1.05%)	10.47%	14.08%
Other information						
Closing net asset value (£'000)	1,463	1,836	1,509	27,360	31,660	33,606
Closing number of shares	1,161,724	1,428,812	1,284,771	14,718,469	16,852,812	19,762,797
Operating charges	1.08%	1.10%	1.09%	0.08%	0.10%	0.09%
Direct transaction costs†	0.05%	0.05%	0.09%	0.05%	0.05%	0.09%
Prices						
Highest share price	129.69	129.35	118.70	190.43	188.95	171.83
Lowest share price	123.92	118.59	102.41	182.04	171.71	147.37

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 2018

Financial year	'A' Class (Accumulation shares)			'A' Class (Income-2 shares)		
	30.09.18 (p)	30.09.17 (p)	30.09.16 (p)	30.09.18 (p)	30.09.17 (p)	30.09.16 (p)
Change in net assets per share						
Opening net asset value per share	302.05	294.10	271.11	79.79	81.00	77.98
Return before operating charges*	9.50	12.02	26.90	2.48	3.18	7.45
Operating charges	(4.18)	(4.07)	(3.91)	(1.09)	(1.11)	(1.11)
Return after operating charges*	5.32	7.95	22.99	1.39	2.07	6.34
Distributions	(8.93)	(8.39)	(8.64)	(3.38)	(3.28)	(3.32)
Retained distributions on accumulation shares	8.93	8.39	8.64	–	–	–
Closing net asset value per share	307.37	302.05	294.10	77.80	79.79	81.00
* after direct transaction costs of:	0.24	0.39	0.35	0.06	0.11	0.10
Performance						
Return after charges	1.76%	2.70%	8.48%	1.74%	2.56%	8.13%
Other information						
Closing net asset value (£'000)	20,510	19,656	5,083	15,986	18,037	19,543
Closing number of shares	6,672,780	6,507,364	1,728,429	20,547,475	22,607,475	24,126,102
Operating charges	1.35%	1.38%	1.38%	1.35%	1.38%	1.38%
Direct transaction costs [‡]	0.08%	0.13%	0.11%	0.08%	0.13%	0.11%
Prices						
Highest share price	309.91	304.10	298.01	81.02	81.58	83.03
Lowest share price	302.86	288.19	272.36	77.89	78.91	77.36

Financial year	'B' Class (Accumulation shares) ⁽¹⁾			'B' Class (Income-2 shares) ⁽¹⁾		
	30.09.18 (p)	30.09.17 (p)	30.09.16 (p)	30.09.18 (p)	30.09.17 (p)	30.09.16 (p)
Change in net assets per share						
Opening net asset value per share	102.76	100.00	–	98.58	100.00	–
Return before operating charges*	3.23	3.90	–	3.08	3.75	–
Operating charges	(1.16)	(1.14)	–	(1.10)	(1.12)	–
Return after operating charges*	2.07	2.76	–	1.98	2.63	–
Distributions	(3.30)	(3.08)	–	(4.19)	(4.05)	–
Retained distributions on accumulation shares	3.30	3.08	–	–	–	–
Closing net asset value per share	104.83	102.76	–	96.37	98.58	–
* after direct transaction costs of:	0.08	0.13	–	0.08	0.13	–
Performance						
Return after charges	2.01%	2.76%	–	2.01%	2.63%	–
Other information						
Closing net asset value (£'000)	22,200	24,060	–	13,364	15,033	–
Closing number of shares	21,176,782	23,413,691	–	13,866,972	15,248,618	–
Operating charges	1.10%	1.13%	–	1.10%	1.13%	–
Direct transaction costs [‡]	0.08%	0.13%	–	0.08%	0.13%	–
Prices						
Highest share price	105.67	103.38	–	100.19	100.68	–
Lowest share price	103.04	97.85	–	96.49	97.30	–

Comparative Tables

As at 30 September 2018

Financial year	'I' Class (Accumulation shares)			'I' Class (Income-2 shares)		
	30.09.18 (p)	30.09.17 (p)	30.09.16 (p)	30.09.18 (p)	30.09.17 (p)	30.09.16 (p)
Change in net assets per share						
Opening net asset value per share	161.96	156.85	143.84	104.50	105.46	100.91
Return before operating charges*	5.10	6.34	14.20	3.25	4.14	9.68
Operating charges	(1.26)	(1.23)	(1.19)	(0.79)	(0.81)	(0.82)
Return after operating charges*	3.84	5.11	13.01	2.46	3.33	8.86
Distributions	(5.79)	(5.37)	(5.33)	(4.45)	(4.29)	(4.31)
Retained distributions on accumulation shares	5.79	5.37	5.33	–	–	–
Closing net asset value per share	165.80	161.96	156.85	102.51	104.50	105.46
* after direct transaction costs of:	0.13	0.21	0.19	0.08	0.14	0.13
Performance						
Return after charges	2.37%	3.26%	9.04%	2.35%	3.16%	8.78%
Other information						
Closing net asset value (£'000)	70,216	58,760	48,151	211,946	99,007	64,020
Closing number of shares	42,349,659	36,281,631	30,698,444	206,760,942	94,745,834	60,708,132
Operating charges	0.75%	0.78%	0.78%	0.75%	0.78%	0.78%
Direct transaction costs [‡]	0.08%	0.13%	0.11%	0.08%	0.13%	0.11%
Prices						
Highest share price	167.06	162.81	158.83	106.32	106.62	108.01
Lowest share price	162.39	153.79	144.81	102.63	102.84	100.32

Financial year	'J' Class (Accumulation shares)			'J' Class (Income-2 shares)		
	30.09.18 (p)	30.09.17 (p)	30.09.16 (p)	30.09.18 (p)	30.09.17 (p)	30.09.16 (p)
Change in net assets per share						
Opening net asset value per share	120.67	116.75	106.96	102.50	103.33	98.77
Return before operating charges*	3.79	4.71	10.56	3.20	4.06	9.48
Operating charges	(0.81)	(0.79)	(0.77)	(0.68)	(0.68)	(0.70)
Return after operating charges*	2.98	3.92	9.79	2.52	3.38	8.78
Distributions	(4.44)	(4.11)	(4.06)	(4.37)	(4.21)	(4.22)
Retained distributions on accumulation shares	4.44	4.11	4.06	–	–	–
Closing net asset value per share	123.65	120.67	116.75	100.65	102.50	103.33
* after direct transaction costs of:	0.09	0.15	0.14	0.08	0.13	0.13
Performance						
Return after charges	2.47%	3.36%	9.15%	2.46%	3.27%	8.89%
Other information						
Closing net asset value (£'000)	60,137	51,782	5,894	162,600	112,479	5,039
Closing number of shares	48,633,024	42,913,223	5,048,108	161,553,432	109,735,139	4,876,832
Operating charges	0.65%	0.68%	0.68%	0.65%	0.68%	0.68%
Direct transaction costs [‡]	0.08%	0.13%	0.11%	0.08%	0.13%	0.11%
Prices						
Highest share price	124.58	121.28	118.22	104.33	104.55	105.82
Lowest share price	120.98	114.49	107.71	100.77	100.79	98.27

Comparative Tables

As at 30 September 2018

Financial year	'K' Class (Accumulation shares) ⁽¹⁾			'K' Class (Income-2 shares) ⁽¹⁾		
	30.09.18 (p)	30.09.17 (p)	30.09.16 (p)	30.09.18 (p)	30.09.17 (p)	30.09.16 (p)
Change in net assets per share						
Opening net asset value per share	103.24	100.00	–	99.08	100.00	–
Return before operating charges*	3.26	3.87	–	3.09	3.77	–
Operating charges	(0.65)	(0.63)	–	(0.61)	(0.62)	–
Return after operating charges*	2.61	3.24	–	2.48	3.15	–
Distributions	(3.85)	(3.57)	–	(4.22)	(4.07)	–
Retained distributions on accumulation shares	3.85	3.57	–	–	–	–
Closing net asset value per share	105.85	103.24	–	97.34	99.08	–
* after direct transaction costs of:	0.08	0.13	–	0.08	0.13	–
Performance						
Return after charges	2.53%	3.24%	–	2.50%	3.15%	–
Other information						
Closing net asset value (£'000)	6,481	7,670	–	8,602	9,623	–
Closing number of shares	6,122,736	7,428,893	–	8,837,213	9,712,508	–
Operating charges	0.60%	0.63%	–	0.60%	0.63%	–
Direct transaction costs [‡]	0.08%	0.13%	–	0.08%	0.13%	–
Prices						
Highest share price	106.64	103.76	–	100.86	101.05	–
Lowest share price	103.52	97.92	–	97.46	97.39	–

Financial year	'R' Class (Accumulation shares)			'R' Class (Income-2 shares)		
	30.09.18 (p)	30.09.17 (p)	30.09.16 (p)	30.09.18 (p)	30.09.17 (p)	30.09.16 (p)
Change in net assets per share						
Opening net asset value per share	123.12	119.33	109.57	101.19	102.20	97.90
Return before operating charges*	3.87	4.85	10.77	3.16	4.02	9.33
Operating charges	(1.08)	(1.06)	(1.01)	(0.87)	(0.89)	(0.89)
Return after operating charges*	2.79	3.79	9.76	2.29	3.13	8.44
Distributions	(4.28)	(3.97)	(3.93)	(4.32)	(4.14)	(4.14)
Retained distributions on accumulation shares	4.28	3.97	3.93	–	–	–
Closing net asset value per share	125.91	123.12	119.33	99.16	101.19	102.20
* after direct transaction costs of:	0.10	0.16	0.14	0.08	0.13	0.12
Performance						
Return after charges	2.27%	3.18%	8.91%	2.26%	3.06%	8.62%
Other information						
Closing net asset value (£'000)	42	26	18	368	287	183
Closing number of shares	33,510	21,276	14,812	371,078	283,770	178,489
Operating charges	0.85%	0.88%	0.88%	0.85%	0.88%	0.88%
Direct transaction costs [‡]	0.08%	0.13%	0.11%	0.08%	0.13%	0.11%
Prices						
Highest share price	126.89	123.78	120.86	102.93	103.27	104.66
Lowest share price	123.45	117.00	110.25	99.28	99.66	97.29

(1) Launched 30 September 2016.

Portfolio transaction costs

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

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

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

Enhanced Natural Resources Fund

Comparative Tables

As at 30 September 2018

Financial year	'A' Class (Accumulation shares)			'I' Class (Accumulation shares)		
	30.09.18 (p)	30.09.17 (p)	30.09.16 (p)	30.09.18 (p)	30.09.17 (p)	30.09.16 (p)
Change in net assets per share						
Opening net asset value per share	114.88	113.37	77.61	123.12	120.58	81.93
Return before operating charges*	9.97	3.49	37.28	10.70	3.69	39.54
Operating charges	(2.01)	(1.98)	(1.52)	(1.18)	(1.15)	(0.89)
Return after operating charges*	7.96	1.51	35.76	9.52	2.54	38.65
Distributions	(1.51)	(0.71)	(0.67)	(2.60)	(1.73)	(1.45)
Retained distributions on accumulation shares	1.51	0.71	0.67	2.60	1.73	1.45
Closing net asset value per share	122.84	114.88	113.37	132.64	123.12	120.58
* after direct transaction costs of:	0.51	0.59	0.39	0.54	0.63	0.42
Performance						
Return after charges	6.93%	1.33%	46.08%	7.73%	2.11%	47.17%
Other information						
Closing net asset value (£'000)	9,225	10,295	12,475	59,535	56,717	60,560
Closing number of shares	7,509,704	8,961,172	11,003,858	44,883,555	46,066,161	50,222,655
Operating charges	1.65%	1.63%	1.67%	0.90%	0.88%	0.92%
Direct transaction costs [‡]	0.42%	0.50%	0.43%	0.42%	0.50%	0.43%
Prices						
Highest share price	128.04	133.89	113.77	137.88	142.73	120.91
Lowest share price	111.40	108.47	72.86	119.85	116.05	77.10

Financial year	'J' Class (Accumulation shares)			'R' Class (Accumulation shares)		
	30.09.18 (p)	30.09.17 (p)	30.09.16 (p)	30.09.18 (p)	30.09.17 (p)	30.09.16 (p)
Change in net assets per share						
Opening net asset value per share	112.76	110.32	74.88	104.86	102.96	70.12
Return before operating charges*	9.81	3.38	36.18	9.11	3.15	33.90
Operating charges	(0.97)	(0.94)	(0.74)	(1.28)	(1.25)	(1.06)
Return after operating charges*	8.84	2.44	35.44	7.83	1.90	32.84
Distributions	(2.50)	(1.70)	(1.43)	(1.93)	(1.21)	(1.04)
Retained distributions on accumulation shares	2.50	1.70	1.43	1.93	1.21	1.04
Closing net asset value per share	121.60	112.76	110.32	112.69	104.86	102.96
* after direct transaction costs of:	0.50	0.58	0.38	0.46	0.54	0.38
Performance						
Return after charges	7.84%	2.21%	47.33%	7.47%	1.85%	46.83%
Other information						
Closing net asset value (£'000)	13,584	16,153	15,186	72	84	79
Closing number of shares	11,170,843	14,325,378	13,765,447	64,333	80,342	77,209
Operating charges	0.80%	0.78%	0.82%	1.15%	1.13%	1.17%
Direct transaction costs [‡]	0.42%	0.50%	0.43%	0.42%	0.50%	0.43%
Prices						
Highest share price	126.36	130.62	110.60	117.24	121.78	103.26
Lowest share price	109.82	106.25	70.49	101.94	98.89	65.94

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 2018

Financial year	'A' Class (Accumulation shares)			'I' Class (Accumulation shares)		
	30.09.18 (p)	30.09.17 (p)	30.09.16 (p)	30.09.18 (p)	30.09.17 (p)	30.09.16 (p)
Change in net assets per share						
Opening net asset value per share	230.75	203.91	170.57	205.57	180.33	149.72
Return before operating charges*	(4.15)	30.37	36.75	(4.35)	26.90	32.41
Operating charges	(3.72)	(3.53)	(3.41)	(1.76)	(1.66)	(1.80)
Return after operating charges*	(7.87)	26.84	33.34	(6.11)	25.24	30.61
Distributions	(0.72)	(0.16)	(0.65)	(1.58)	(1.59)	(1.80)
Retained distributions on accumulation shares	0.72	0.16	0.65	1.58	1.59	1.80
Closing net asset value per share	222.88	230.75	203.91	199.46	205.57	180.33
* after direct transaction costs of :	0.08	0.12	0.16	0.08	0.11	0.14
Performance						
Return after charges	(3.41%)	13.16%	19.55%	(2.97%)	14.00%	20.44%
Other information						
Closing net asset value (£'000)	23,727	27,475	25,787	80,564	72,771	65,839
Closing number of shares	10,645,873	11,906,813	12,645,977	40,390,470	35,399,536	36,509,967
Operating charges	1.60%	1.60%	1.69%	0.85%	0.85%	0.94%
Direct transaction costs [‡]	0.04%	0.06%	0.08%	0.04%	0.06%	0.08%
Prices**						
Highest share price	241.32	232.56	205.00	215.32	207.10	181.27
Lowest share price	222.91	203.76	163.34	199.49	180.33	143.77

Financial year	'R' Class (Accumulation shares)			'S' Class (Accumulation shares) ⁽¹⁾		
	30.09.18 (p)	30.09.17 (p)	30.09.16 (p)	30.09.18 (p)	30.09.17 (p)	30.09.16 (p)
Change in net assets per share						
Opening net asset value per share	174.54	153.49	127.76	–	197.36	162.62
Return before operating charges*	(3.62)	22.88	27.61	–	30.14	35.37
Operating charges	(1.94)	(1.83)	(1.88)	–	(0.19)	(0.63)
Return after operating charges*	(5.56)	21.05	25.73	–	29.95	34.74
Return to shareholder as a result of class closure	–	–	–	–	(227.31)	–
Distributions	(0.94)	(0.94)	(1.17)	–	–	(3.28)
Retained distributions on accumulation shares	0.94	0.94	1.17	–	–	3.28
Closing net asset value per share	168.98	174.54	153.49	–	–	197.36
* after direct transaction costs of :	0.06	0.09	0.12	–	0.11	0.15
Performance						
Return after charges	(3.19%)	13.71%	20.14%	–	15.18%	21.36%
Other information						
Closing net asset value (£'000)	459	476	337	–	–	23,559
Closing number of shares	271,529	272,924	219,695	–	–	11,937,047
Operating charges	1.10%	1.10%	1.19%	–	0.09%	0.19%
Direct transaction costs [‡]	0.04%	0.06%	0.08%	–	0.06%	0.08%
Prices**						
Highest share price	182.69	175.87	154.29	–	227.31	198.36
Lowest share price	169.00	153.45	122.57	–	197.50	156.61

Comparative Tables

As at 30 September 2018

Financial year	'S' Class (EUR Hedged Accumulation shares) ⁽²⁾		
	30.09.18 (p)	30.09.17 (p)	30.09.16 (p)
Change in net assets per share			
Opening net asset value per share	99.65	100.00	–
Return before operating charges*	(3.24)	(0.34)	–
Operating charges	(0.12)	(0.01)	–
Return after operating charges*	(3.36)	(0.35)	–
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	0.05	–
Performance			
Return after charges	(3.37%)	(0.35%)	–
Other information			
Closing net asset value (£'000)	1	49,827	–
Closing number of shares	1,000	50,001,000	–
Operating charges	0.14%	0.14%	–
Direct transaction costs [‡]	0.04%	0.06%	–
Prices**			
Highest share price	104.24	100.43	–
Lowest share price	96.30	99.36	–

(1) Closed 31 August 2017.

(2) Launched 31 August 2017.

**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.

UK Alpha Fund

Comparative Tables

As at 30 September 2018

Financial year	'A' Class (Accumulation shares)			'I' Class (Accumulation shares)		
	30.09.18 (p)	30.09.17 (p)	30.09.16 (p)	30.09.18 (p)	30.09.17 (p)	30.09.16 (p)
Change in net assets per share						
Opening net asset value per share	2,443.28	2,179.35	1,961.54	207.52	183.73	164.12
Return before operating charges*	163.81	300.87	250.47	13.98	25.44	21.07
Operating charges	(39.69)	(36.94)	(32.66)	(1.77)	(1.65)	(1.46)
Return after operating charges*	124.12	263.93	217.81	12.21	23.79	19.61
Distributions	(32.98)	(38.77)	(25.79)	(4.42)	(4.76)	(3.47)
Retained distributions on accumulation shares	32.98	38.77	25.79	4.42	4.76	3.47
Closing net asset value per share	2,567.40	2,443.28	2,179.35	219.73	207.52	183.73
* after direct transaction costs of:	4.41	4.83	9.95	0.38	0.41	0.84
Performance						
Return after charges	5.08%	12.11%	11.10%	5.88%	12.95%	11.95%
Other information						
Closing net asset value (£'000)	74,892	80,233	72,007	533,134	415,581	328,973
Closing number of shares	2,917,033	3,283,837	3,304,050	242,633,688	200,256,126	179,050,054
Operating charges	1.58%	1.59%	1.60%	0.83%	0.84%	0.85%
Direct transaction costs†	0.18%	0.21%	0.48%	0.18%	0.21%	0.48%
Prices						
Highest share price	2,661.40	2,482.58	2,218.63	227.52	210.34	186.96
Lowest share price	2,315.98	2,116.46	1,838.18	197.48	178.65	154.23

Financial year	'I' Class (Income shares)			'J' Class (Accumulation shares)		
	30.09.18 (p)	30.09.17 (p)	30.09.16 (p)	30.09.18 (p)	30.09.17 (p)	30.09.16 (p)
Change in net assets per share						
Opening net asset value per share	342.93	310.61	282.75	129.39	114.44	102.12
Return before operating charges*	23.05	43.17	36.34	8.71	15.86	13.12
Operating charges	(2.92)	(2.79)	(2.50)	(0.97)	(0.91)	(0.80)
Return after operating charges*	20.13	40.38	33.84	7.74	14.95	12.32
Distributions	(7.30)	(8.06)	(5.98)	(2.89)	(3.09)	(2.27)
Retained distributions on accumulation shares	–	–	–	2.89	3.09	2.27
Closing net asset value per share	355.76	342.93	310.61	137.13	129.39	114.44
* after direct transaction costs of:	0.62	0.69	1.44	0.24	0.26	0.52
Performance						
Return after charges	5.87%	13.00%	11.97%	5.98%	13.06%	12.06%
Other information						
Closing net asset value (£'000)	142,914	141,243	104,055	379,607	303,319	202,000
Closing number of shares	40,171,774	41,186,682	33,500,467	276,814,736	234,427,500	176,513,528
Operating charges	0.83%	0.84%	0.85%	0.73%	0.74%	0.75%
Direct transaction costs†	0.18%	0.21%	0.48%	0.18%	0.21%	0.48%
Prices						
Highest share price	375.94	355.75	322.15	141.98	131.10	116.44
Lowest share price	326.30	302.30	265.76	123.19	111.29	96.00

Comparative Tables

As at 30 September 2018

Financial year	'J' Class (Income shares)			K' Class (Accumulation shares) ⁽²⁾		
	30.09.18 (p)	30.09.17 (p)	30.09.16 (p)	30.09.18 (p)	30.09.17 (p)	30.09.16 (p)
Change in net assets per share						
Opening net asset value per share	122.87	111.27	101.28	100.00	–	–
Return before operating charges*	8.25	15.49	13.04	4.42	–	–
Operating charges	(0.92)	(0.88)	(0.79)	(0.46)	–	–
Return after operating charges*	7.33	14.61	12.25	3.96	–	–
Distributions	(2.74)	(3.01)	(2.26)	(2.33)	–	–
Retained distributions on accumulation shares	–	–	–	2.33	–	–
Closing net asset value per share	127.46	122.87	111.27	103.96	–	–
* after direct transaction costs of:	0.22	0.25	0.52	0.18	–	–
Performance						
Return after charges	5.97%	13.13%	12.10%	3.96%	–	–
Other information						
Closing net asset value (£'000)	597,938	458,480	308,163	22,283	–	–
Closing number of shares	469,106,240	373,155,090	276,938,610	21,434,508	–	–
Operating charges	0.73%	0.74%	0.75%	0.48%	–	–
Direct transaction costs [‡]	0.18%	0.21%	0.48%	0.18%	–	–
Prices						
Highest share price	134.81	127.54	115.52	107.59	–	–
Lowest share price	116.97	108.32	95.24	93.27	–	–

Financial year	'K' Class (Income shares) ⁽¹⁾			'R' Class (Accumulation shares)		
	30.09.18 (p)	30.09.17 (p)	30.09.16 (p)	30.09.18 (p)	30.09.17 (p)	30.09.16 (p)
Change in net assets per share						
Opening net asset value per share	113.51	102.79	100.00	182.17	161.69	144.78
Return before operating charges*	7.65	14.32	5.39	12.29	22.36	18.57
Operating charges	(0.56)	(0.54)	(0.24)	(2.02)	(1.88)	(1.66)
Return after operating charges*	7.09	13.78	5.15	10.27	20.48	16.91
Distributions	(2.83)	(3.06)	(2.36)	(3.41)	(3.75)	(2.69)
Retained distributions on accumulation shares	–	–	–	3.41	3.75	2.69
Closing net asset value per share	117.77	113.51	102.79	192.44	182.17	161.69
* after direct transaction costs of:	0.21	0.23	0.24	0.33	0.36	0.74
Performance						
Return after charges	6.25%	13.41%	5.15%	5.64%	12.67%	11.68%
Other information						
Closing net asset value (£'000)	357,092	328,377	133,649	446	216	253
Closing number of shares	303,222,716	289,286,294	130,019,327	231,982	118,536	156,583
Operating charges	0.48%	0.49%	0.50%	1.08%	1.09%	1.10%
Direct transaction costs [‡]	0.18%	0.21%	0.16%	0.18%	0.21%	0.48%
Prices						
Highest share price	124.81	118.02	106.97	199.29	184.79	164.55
Lowest share price	108.20	100.11	93.83	173.13	157.15	135.94

Comparative Tables

As at 30 September 2018

Financial year	'S' Class (Accumulation shares)		
	30.09.18 (p)	30.09.17 (p)	30.09.16 (p)
Change in net assets per share			
Opening net asset value per share	2,565.85	2,255.07	1,999.13
Return before operating charges*	173.69	312.83	257.80
Operating charges	(2.03)	(2.05)	(1.86)
Return after operating charges*	171.66	310.78	255.94
Distributions	(74.75)	(76.80)	(58.27)
Retained distributions on accumulation shares	74.75	76.80	58.27
Closing net asset value per share	2,737.51	2,565.85	2,255.07
* after direct transaction costs of:	4.67	5.02	10.21
Performance			
Return after charges	6.69%	13.78%	12.80%
Other information			
Closing net asset value (£'000)	7,419	9,593	13,118
Closing number of shares	271,012	373,858	581,694
Operating charges	0.08%	0.09%	0.10%
Direct transaction costs†	0.18%	0.21%	0.48%
Prices			
Highest share price	2,831.55	2,594.52	2,293.65
Lowest share price	2,451.33	2,195.44	1,884.07

(1) Launched 31 May 2016.

(2) 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 2018

Financial year	'A' Class (Accumulation shares)			'A' Class (Income-2 shares)		
	30.09.18 (p)	30.09.17 (p)	30.09.16 (p)	30.09.18 (p)	30.09.17 (p)	30.09.16 (p)
Change in net assets per share						
Opening net asset value per share	117.24	109.13	92.45	106.44	102.64	90.85
Return before operating charges*	6.76	9.93	18.38	4.14	9.38	17.56
Operating charges	(1.90)	(1.82)	(1.70)	(1.70)	(1.70)	(1.81)
Return after operating charges*	4.86	8.11	16.68	2.44	7.68	15.75
Distributions	(1.15)	(2.36)	(1.68)	(1.88)	(3.88)	(3.96)
Retained distributions on accumulation shares	1.15	2.36	1.68	–	–	–
Closing net asset value per share	122.10	117.24	109.13	107.00	106.44	102.64
* after direct transaction costs of:	0.36	0.32	0.84	0.32	0.29	0.76
Performance						
Return after charges	4.15%	7.43%	18.04%	2.29%	7.48%	17.34%
Other information						
Closing net asset value (£'000)	472	412	336	38	22	2
Closing number of shares	386,279	351,742	308,016	35,638	21,098	1,734
Operating charges	1.60%	1.61%	1.61%	1.60%	1.61%	1.61%
Direct transaction costs [‡]	0.30%	0.28%	0.78%	0.30%	0.28%	0.78%
Prices						
Highest share price	127.72	121.73	110.79	113.89	112.75	106.47
Lowest share price	111.33	101.69	89.67	100.28	95.72	87.97

Financial year	'I' Class (Accumulation shares)			'I' Class (Income-2 shares)		
	30.09.18 (p)	30.09.17 (p)	30.09.16 (p)	30.09.18 (p)	30.09.17 (p)	30.09.16 (p)
Change in net assets per share						
Opening net asset value per share	119.44	110.36	92.91	109.41	104.74	91.74
Return before operating charges*	6.92	10.06	18.39	4.28	9.56	17.92
Operating charges	(1.02)	(0.98)	(0.94)	(0.93)	(0.92)	(0.91)
Return after operating charges*	5.90	9.08	17.45	3.35	8.64	17.01
Distributions	(1.65)	(3.26)	(3.27)	(1.94)	(3.97)	(4.01)
Retained distributions on accumulation shares	1.65	3.26	3.27	–	–	–
Closing net asset value per share	125.34	119.44	110.36	110.82	109.41	104.74
* after direct transaction costs of:	0.37	0.32	0.83	0.34	0.30	0.76
Performance						
Return after charges	4.94%	8.23%	18.78%	3.06%	8.25%	18.54%
Other information						
Closing net asset value (£'000)	13,436	17,587	8,703	4,300	1,102	451
Closing number of shares	10,719,433	14,724,780	7,886,014	3,880,506	1,006,968	430,630
Operating charges	0.85%	0.87%	0.86%	0.85%	0.86%	0.86%
Direct transaction costs [‡]	0.30%	0.28%	0.78%	0.30%	0.28%	0.78%
Prices						
Highest share price	130.96	123.76	112.02	117.82	115.64	108.63
Lowest share price	113.83	102.96	90.35	103.48	97.80	89.23

Comparative Tables

As at 30 September 2018

Financial year	'J' Class (Accumulation shares)			'J' Class (Income-2 shares)		
	30.09.18 (p)	30.09.17 (p)	30.09.16 (p)	30.09.18 (p)	30.09.17 (p)	30.09.16 (p)
Change in net assets per share						
Opening net asset value per share	122.52	113.08	95.00	110.35	105.38	92.09
Return before operating charges*	7.05	10.31	18.91	4.30	10.13	17.98
Operating charges	(0.91)	(0.87)	(0.83)	(0.74)	(0.73)	(0.67)
Return after operating charges*	6.14	9.44	18.08	3.56	9.40	17.31
Distributions	(1.74)	(3.46)	(3.54)	(1.96)	(4.43)	(4.02)
Retained distributions on accumulation shares	1.74	3.46	3.54	–	–	–
Closing net asset value per share	128.66	122.52	113.08	111.95	110.35	105.38
* after direct transaction costs of:	0.37	0.32	0.84	0.34	0.30	0.77
Performance						
Return after charges	5.01%	8.35%	19.03%	3.23%	8.92%	18.80%
Other information						
Closing net asset value (£'000)	25	45	8	1	1	1
Closing number of shares	19,111	36,740	7,176	734	707	681
Operating charges	0.75%	0.75%	0.76%	0.75%	0.76%	0.76%
Direct transaction costs [‡]	0.30%	0.28%	0.78%	0.30%	0.28%	0.78%
Prices						
Highest share price	134.42	126.90	114.78	118.98	116.51	109.30
Lowest share price	116.82	105.52	92.45	104.45	98.43	89.63

Financial year	'K' Class (Accumulation shares) ⁽²⁾			'K' Class (Income-2 shares) ⁽²⁾		
	30.09.18 (p)	30.09.17 (p)	30.09.16 (p)	30.09.18 (p)	30.09.17 (p)	30.09.16 (p)
Change in net assets per share						
Opening net asset value per share	100.00	–	–	100.00	–	–
Return before operating charges*	7.22	–	–	7.23	–	–
Operating charges	(0.21)	–	–	(0.33)	–	–
Return after operating charges*	7.01	–	–	6.90	–	–
Distributions	(1.50)	–	–	(1.70)	–	–
Retained distributions on accumulation shares	1.50	–	–	–	–	–
Closing net asset value per share	107.01	–	–	105.20	–	–
* after direct transaction costs of:	0.32	–	–	0.32	–	–
Performance						
Return after charges	7.01%	–	–	6.90%	–	–
Other information						
Closing net asset value (£'000)	1	–	–	1	–	–
Closing number of shares	1,000	–	–	1,000	–	–
Operating charges	0.50%	–	–	0.50%	–	–
Direct transaction costs [‡]	0.30%	–	–	0.30%	–	–
Prices						
Highest share price	111.74	–	–	111.68	–	–
Lowest share price	99.58	–	–	99.57	–	–

Comparative Tables

As at 30 September 2018

Financial year	'L' Class (Accumulation shares) ⁽¹⁾			'L' Class (Income-2 shares) ⁽¹⁾		
	30.09.18 (p)	30.09.17 (p)	30.09.16 (p)	30.09.18 (p)	30.09.17 (p)	30.09.16 (p)
Change in net assets per share						
Opening net asset value per share	125.97	115.88	100.00	116.87	111.37	100.00
Return before operating charges*	7.31	10.58	16.33	4.60	10.20	16.08
Operating charges	(0.50)	(0.49)	(0.45)	(0.46)	(0.47)	(0.50)
Return after operating charges*	6.81	10.09	15.88	4.14	9.73	15.58
Distributions	(2.04)	(3.97)	(3.87)	(2.08)	(4.23)	(4.21)
Retained distributions on accumulation shares	2.04	3.97	3.87	–	–	–
Closing net asset value per share	132.78	125.97	115.88	118.93	116.87	111.37
* after direct transaction costs of:	0.39	0.34	0.88	0.36	0.32	0.83
Performance						
Return after charges	5.41%	8.71%	15.88%	3.54%	8.74%	15.58%
Other information						
Closing net asset value (£'000)	33,814	18,896	9,449	37,802	17,747	4,317
Closing number of shares	25,466,698	15,000,018	8,154,119	31,786,339	15,184,642	3,875,976
Operating charges	0.40%	0.41%	0.42%	0.40%	0.41%	0.42%
Direct transaction costs [‡]	0.30%	0.28%	0.77%	0.30%	0.28%	0.77%
Prices						
Highest share price	138.65	130.36	117.61	126.36	123.37	115.48
Lowest share price	120.31	108.19	94.51	110.79	104.06	94.51

Financial year	'S' Class (Income-2 shares)		
	30.09.18 (p)	30.09.17 (p)	30.09.16 (p)
Change in net assets per share			
Opening net asset value per share	111.54	105.97	92.13
Return before operating charges*	4.38	9.72	18.04
Operating charges	(0.10)	(0.12)	(0.16)
Return after operating charges*	4.28	9.60	17.88
Distributions	(1.99)	(4.03)	(4.04)
Retained distributions on accumulation shares	–	–	–
Closing net asset value per share	113.83	111.54	105.97
* after direct transaction costs of:	0.34	0.31	0.77
Performance			
Return after charges	3.84%	9.06%	19.41%
Other information			
Closing net asset value (£'000)	13,469	13,089	11,969
Closing number of shares	11,831,978	11,735,040	11,293,899
Operating charges	0.10%	0.11%	0.10%
Direct transaction costs [‡]	0.30%	0.28%	0.78%
Prices			
Highest share price	120.89	117.65	109.88
Lowest share price	105.90	99.08	89.84

(1) Launched 5 October 2015.

(2) Launched 7 April 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 Smaller Companies Fund

Comparative Tables

As at 30 September 2018

Financial year	'A' Class (Accumulation shares)			'A' Class (Income shares)		
	30.09.18 (p)	30.09.17 (p)	30.09.16 (p)	30.09.18 (p)	30.09.17 (p)	30.09.16 (p)
Change in net assets per share						
Opening net asset value per share	4,413.43	3,646.59	3,609.43	4,001.17	3,337.53	3,343.31
Return before operating charges*	595.62	829.93	94.56	540.25	760.87	87.67
Operating charges	(75.17)	(63.09)	(57.40)	(68.14)	(57.86)	(53.19)
Return after operating charges*	520.45	766.84	37.16	472.11	703.01	34.48
Distributions	(16.23)	(42.96)	(43.40)	(14.69)	(39.37)	(40.26)
Retained distributions on accumulation shares	16.23	42.96	43.40	–	–	–
Closing net asset value per share	4,933.88	4,413.43	3,646.59	4,458.59	4,001.17	3,337.53
* after direct transaction costs of:	10.82	2.77	3.37	9.80	2.54	3.12
Performance						
Return after charges	11.79%	21.03%	1.03%	11.80%	21.06%	1.03%
Other information						
Closing net asset value (£'000)	64,860	66,802	79,312	7,828	9,013	10,043
Closing number of shares	1,314,579	1,513,619	2,174,957	175,571	225,254	300,897
Operating charges	1.58%	1.58%	1.59%	1.58%	1.58%	1.59%
Direct transaction costs [†]	0.23%	0.07%	0.09%	0.23%	0.07%	0.09%
Prices						
Highest share price	5,011.76	4,514.78	3,734.29	4,543.71	4,133.43	3,459.01
Lowest share price	4,456.77	3,537.38	3,096.50	4,040.59	3,238.54	2,868.23

Financial year	'I' Class (Accumulation shares)			'I' Class (Income shares)		
	30.09.18 (p)	30.09.17 (p)	30.09.16 (p)	30.09.18 (p)	30.09.17 (p)	30.09.16 (p)
Change in net assets per share						
Opening net asset value per share	210.67	172.78	169.73	5,793.90	4,829.07	4,836.92
Return before operating charges*	28.53	39.47	4.47	785.10	1106.03	127.92
Operating charges	(1.89)	(1.58)	(1.42)	(52.08)	(44.14)	(40.54)
Return after operating charges*	26.64	37.89	3.05	733.02	1061.89	87.38
Distributions	(2.49)	(3.47)	(3.34)	(68.61)	(97.06)	(95.23)
Retained distributions on accumulation shares	2.49	3.47	3.34	–	–	–
Closing net asset value per share	237.31	210.67	172.78	6,458.31	5,793.90	4,829.07
* after direct transaction costs of:	0.52	0.13	0.16	14.26	3.68	4.51
Performance						
Return after charges	12.65%	21.93%	1.80%	12.65%	21.99%	1.81%
Other information						
Closing net asset value (£'000)	194,318	206,794	239,649	31,223	31,354	39,002
Closing number of shares	81,882,130	98,158,134	138,705,183	483,461	541,164	807,669
Operating charges	0.83%	0.83%	0.84%	0.83%	0.83%	0.84%
Direct transaction costs [†]	0.23%	0.07%	0.09%	0.23%	0.07%	0.09%
Prices						
Highest share price	241.03	215.34	176.84	6,628.99	6,021.75	5,040.01
Lowest share price	212.76	167.73	146.46	5,851.71	4,690.34	4,174.10

Comparative Tables

As at 30 September 2018

Financial year	'R' Class (Accumulation shares)			'S' Class (Accumulation shares)		
	30.09.18 (p)	30.09.17 (p)	30.09.16 (p)	30.09.18 (p)	30.09.17 (p)	30.09.16 (p)
Change in net assets per share						
Opening net asset value per share	190.25	156.37	153.99	4,903.25	3,991.38	3,891.00
Return before operating charges*	26.13	35.74	4.06	666.32	915.71	103.83
Operating charges	(2.22)	(1.86)	(1.68)	(4.39)	(3.84)	(3.45)
Return after operating charges*	23.91	33.88	2.38	661.93	911.87	100.38
Distributions	(1.74)	(2.71)	(2.63)	(98.28)	(113.68)	(105.60)
Retained distributions on accumulation shares	1.74	2.71	2.63	98.28	113.68	105.60
Closing net asset value per share	214.16	190.25	156.37	5,565.18	4,903.25	3,991.38
* after direct transaction costs of:	0.47	0.12	0.14	12.13	3.00	3.65
Performance						
Return after charges	12.57%	21.67%	1.55%	13.50%	22.85%	2.58%
Other information						
Closing net asset value (£'000)	1,480	924	944	1,820	2,831	8,648
Closing number of shares	691,378	485,592	603,477	32,700	57,735	216,656
Operating charges	1.08%	1.08%	1.09%	0.08%	0.08%	0.09%
Direct transaction costs [‡]	0.23%	0.07%	0.09%	0.23%	0.07%	0.09%
Prices						
Highest share price	217.12	194.52	160.06	5,651.63	5,008.00	4,083.38
Lowest share price	192.13	151.76	132.62	4,952.38	3,877.85	3,377.34

Financial year	'S' Class (Income shares) ⁽¹⁾		
	30.09.18 (p)	30.09.17 (p)	30.09.16 (p)
Change in net assets per share			
Opening net asset value per share	–	3,369.83	3,374.74
Return before operating charges*	–	98.15	90.28
Operating charges	–	(2.75)	(3.00)
Return after operating charges*	–	95.40	87.28
Return to shareholder as a result of class closure	–	(3465.23)	–
Distributions	–	–	(92.19)
Retained distributions on accumulation shares	–	–	–
Closing net asset value per share	–	–	3,369.83
* after direct transaction costs of:	–	2.39	3.19
Performance			
Return after charges	–	2.83%	2.59%
Other information			
Closing net asset value (£'000)	–	–	19
Closing number of shares	–	–	572
Operating charges	–	0.08%	0.09%
Direct transaction costs [‡]	–	0.07%	0.09%
Prices			
Highest share price	–	3,490	3,542
Lowest share price	–	3,276	2,929

(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 2018

Financial year	'A' Class (Accumulation shares)			'A' Class (Income shares)		
	30.09.18 (p)	30.09.17 (p)	30.09.16 (p)	30.09.18 (p)	30.09.17 (p)	30.09.16 (p)
Change in net assets per share						
Opening net asset value per share	1,220.64	1,061.04	967.03	468.94	413.51	383.96
Return before operating charges*	28.29	178.13	109.93	10.80	69.65	43.66
Operating charges	(19.17)	(18.53)	(15.92)	(7.37)	(7.23)	(6.33)
Return after operating charges*	9.12	159.60	94.01	3.43	62.42	37.33
Distributions	(19.93)	(17.90)	(19.54)	(7.66)	(6.99)	(7.78)
Retained distributions on accumulation shares	19.93	17.90	19.54	–	–	–
Closing net asset value per share	1,229.76	1,220.64	1,061.04	464.71	468.94	413.51
* after direct transaction costs of :	1.40	1.42	1.68	0.54	0.55	0.67
Performance						
Return after charges	0.75%	15.04%	9.72%	0.73%	15.10%	9.72%
Other information						
Closing net asset value (£'000)	57,882	91,027	93,481	79,784	119,402	113,000
Closing number of shares	4,706,789	7,457,324	8,810,378	17,168,714	25,461,949	27,326,946
Operating charges	1.58%	1.59%	1.60%	1.58%	1.59%	1.60%
Direct transaction costs [†]	0.12%	0.12%	0.17%	0.12%	0.12%	0.17%
Prices						
Highest share price	1,279.23	1,221.70	1,080.47	491.42	476.34	429.01
Lowest share price	1,126.30	1,075.27	897.13	432.67	419.24	356.21

Financial year	'A' Class (Income-2 shares)			'B' Class (Accumulation shares)		
	30.09.18 (p)	30.09.17 (p)	30.09.16 (p)	30.09.18 (p)	30.09.17 (p)	30.09.16 (p)
Change in net assets per share						
Opening net asset value per share	106.81	95.61	90.11	1,303.16	1,127.17	1,022.15
Return before operating charges*	2.46	16.15	10.27	30.41	189.50	116.55
Operating charges	(1.67)	(1.66)	(1.47)	(14.02)	(13.51)	(11.53)
Return after operating charges*	0.79	14.49	8.80	16.39	175.99	105.02
Distributions	(3.40)	(3.29)	(3.30)	(27.87)	(25.31)	(26.07)
Retained distributions on accumulation shares	–	–	–	27.87	25.31	26.07
Closing net asset value per share	104.20	106.81	95.61	1,319.55	1,303.16	1,127.17
* after direct transaction costs of :	0.12	0.13	0.16	1.50	1.51	1.78
Performance						
Return after charges	0.74%	15.16%	9.77%	1.26%	15.61%	10.27%
Other information						
Closing net asset value (£'000)	4	5	5	6,530	7,185	6,690
Closing number of shares	3,989	5,047	5,025	494,869	551,371	593,494
Operating charges	1.58%	1.59%	1.60%	1.08%	1.09%	1.10%
Direct transaction costs [†]	0.12%	0.12%	0.17%	0.12%	0.12%	0.17%
Prices						
Highest share price	111.93	110.19	100.72	1,370.58	1,303.70	1,147.42
Lowest share price	98.55	96.94	83.63	1,205.57	1,142.27	950.05

Comparative Tables

As at 30 September 2018

Financial year	'B' Class (Income shares)			'I' Class (Accumulation shares)		
	30.09.18 (p)	30.09.17 (p)	30.09.16 (p)	30.09.18 (p)	30.09.17 (p)	30.09.16 (p)
Change in net assets per share						
Opening net asset value per share	482.76	425.59	395.06	197.83	170.69	154.39
Return before operating charges*	11.21	71.84	45.08	4.63	28.72	17.65
Operating charges	(5.20)	(5.11)	(4.46)	(1.64)	(1.58)	(1.35)
Return after operating charges*	6.01	66.73	40.62	2.99	27.14	16.30
Distributions	(10.31)	(9.56)	(10.09)	(4.73)	(4.31)	(4.35)
Retained distributions on accumulation shares	–	–	–	4.73	4.31	4.35
Closing net asset value per share	478.46	482.76	425.59	200.82	197.83	170.69
* after direct transaction costs of :	0.55	0.57	0.69	0.23	0.23	0.27
Performance						
Return after charges	1.24%	15.68%	10.28%	1.51%	15.90%	10.56%
Other information						
Closing net asset value (£'000)	2,048	3,820	3,788	353,763	536,014	464,622
Closing number of shares	428,050	791,163	890,069	176,159,635	270,951,766	272,202,542
Operating charges	1.08%	1.09%	1.10%	0.83%	0.84%	0.85%
Direct transaction costs†	0.12%	0.12%	0.17%	0.12%	0.12%	0.17%
Prices						
Highest share price	507.68	492.53	443.50	208.43	197.91	173.72
Lowest share price	446.56	431.54	367.21	183.25	172.98	143.64

Financial year	'I' Class (Income shares)			'I' Class (Income-2 shares)		
	30.09.18 (p)	30.09.17 (p)	30.09.16 (p)	30.09.18 (p)	30.09.17 (p)	30.09.16 (p)
Change in net assets per share						
Opening net asset value per share	145.53	128.28	119.06	109.11	96.95	90.65
Return before operating charges*	3.39	21.67	13.62	2.54	16.39	10.38
Operating charges	(1.20)	(1.18)	(1.04)	(0.90)	(0.90)	(0.79)
Return after operating charges*	2.19	20.49	12.58	1.64	15.49	9.59
Distributions	(3.48)	(3.24)	(3.36)	(3.49)	(3.33)	(3.29)
Retained distributions on accumulation shares	–	–	–	–	–	–
Closing net asset value per share	144.24	145.53	128.28	107.26	109.11	96.95
* after direct transaction costs of :	0.17	0.17	0.21	0.13	0.13	0.16
Performance						
Return after charges	1.50%	15.97%	10.57%	1.50%	15.98%	10.58%
Other information						
Closing net asset value (£'000)	84,644	114,340	169,024	97	142	130
Closing number of shares	58,683,175	78,569,759	131,764,318	90,710	129,900	134,595
Operating charges	0.83%	0.84%	0.85%	0.83%	0.84%	0.85%
Direct transaction costs†	0.12%	0.12%	0.17%	0.12%	0.12%	0.17%
Prices						
Highest share price	153.31	148.82	133.97	114.95	112.49	102.03
Lowest share price	134.79	130.08	110.77	101.06	98.26	84.36

Comparative Tables

As at 30 September 2018

Financial year	'J' Class (Accumulation shares)			'J' Class (Income shares)		
	30.09.18 (p)	30.09.17 (p)	30.09.16 (p)	30.09.18 (p)	30.09.17 (p)	30.09.16 (p)
Change in net assets per share						
Opening net asset value per share	129.00	111.20	100.48	112.01	98.73	91.63
Return before operating charges*	3.03	18.70	11.49	2.62	16.69	10.48
Operating charges	(0.94)	(0.90)	(0.77)	(0.82)	(0.80)	(0.70)
Return after operating charges*	2.09	17.80	10.72	1.80	15.89	9.78
Distributions	(3.22)	(2.93)	(2.94)	(2.79)	(2.61)	(2.68)
Retained distributions on accumulation shares	3.22	2.93	2.94	–	–	–
Closing net asset value per share	131.09	129.00	111.20	111.02	112.01	98.73
* after direct transaction costs of :	0.15	0.15	0.18	0.13	0.13	0.16
Performance						
Return after charges	1.62%	16.01%	10.67%	1.61%	16.09%	10.67%
Other information						
Closing net asset value (£'000)	105,338	114,205	100,523	148,737	103,517	55,600
Closing number of shares	80,357,340	88,529,884	90,401,675	133,978,139	92,415,909	56,313,259
Operating charges	0.73%	0.74%	0.75%	0.73%	0.74%	0.75%
Direct transaction costs [†]	0.12%	0.12%	0.17%	0.12%	0.12%	0.17%
Prices						
Highest share price	136.01	129.05	113.17	118.09	114.67	103.21
Lowest share price	119.56	112.69	93.51	103.80	100.12	85.29

Financial year	'J' Class (Income-2 shares)			'R' Class (Accumulation shares)		
	30.09.18 (p)	30.09.17 (p)	30.09.16 (p)	30.09.18 (p)	30.09.17 (p)	30.09.16 (p)
Change in net assets per share						
Opening net asset value per share	109.64	97.22	90.68	150.23	129.94	117.83
Return before operating charges*	2.52	16.46	10.63	3.51	21.85	13.44
Operating charges	(0.72)	(0.71)	(0.62)	(1.62)	(1.56)	(1.33)
Return after operating charges*	1.80	15.75	10.01	1.89	20.29	12.11
Distributions	(3.50)	(3.33)	(3.47)	(3.21)	(2.92)	(3.00)
Retained distributions on accumulation shares	–	–	–	3.21	2.92	3.00
Closing net asset value per share	107.94	109.64	97.22	152.12	150.23	129.94
* after direct transaction costs of :	0.13	0.13	0.16	0.17	0.17	0.21
Performance						
Return after charges	1.64%	16.20%	11.04%	1.26%	15.61%	10.28%
Other information						
Closing net asset value (£'000)	1	1	1	533	560	472
Closing number of shares	689	668	646	350,664	372,999	363,777
Operating charges	0.73%	0.74%	0.75%	1.08%	1.09%	1.10%
Direct transaction costs [†]	0.12%	0.12%	0.17%	0.12%	0.12%	0.17%
Prices						
Highest share price	115.63	113.02	102.48	158.00	150.29	132.27
Lowest share price	101.62	98.55	84.57	138.98	131.68	109.52

Comparative Tables

As at 30 September 2018

Financial year	'S' Class (Accumulation shares)		
	30.09.18 (p)	30.09.17 (p)	30.09.16 (p)
Change in net assets per share			
Opening net asset value per share	1,329.34	1,138.21	1,026.00
Return before operating charges*	31.39	192.21	113.14
Operating charges	(1.04)	(1.08)	(0.93)
Return after operating charges*	30.35	191.13	112.21
Distributions	(41.91)	(38.36)	(32.24)
Retained distributions on accumulation shares	41.91	38.36	32.24
Closing net asset value per share	1,359.69	1,329.34	1,138.21
* after direct transaction costs of :	1.54	1.54	1.77
Performance			
Return after charges	2.28%	16.79%	10.94%
Other information			
Closing net asset value (£'000)	88	102	126
Closing number of shares	6,433	7,642	11,104
Operating charges	0.08%	0.09%	0.10%
Direct transaction costs†	0.12%	0.12%	0.17%
Prices			
Highest share price	1,408.05	1,329.85	1,162.77
Lowest share price	1,236.17	1,156.82	957.24

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 2018

1. Accounting policies

a) Basis of accounting

The financial statements on pages 91 to 179 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 2018.

b) Valuation of investments

The investments of the Funds have been valued at market value at noon (UK time) on 28 September 2018 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 28 September 2018. 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 distributes revenue on a quarterly basis.

UK Equity Income Fund will distribute on a semi-annual 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 2018.

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.

Notes to the Financial Statements of the Company

continued

For the year ended 30 September 2018

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.

3. Risk management policies (continued)

Inflation & deflation

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

Deflation risk is the risk that prices throughout an economy may decline over time. Deflation may have an adverse effect on the 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 & 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. In addition, the regulatory or tax environment for derivative and related instruments is evolving and may be subject to modification by government or regulatory authorities which may adversely affect the value of the investments held by a Fund. The effect of any future regulatory or tax change on the Funds is impossible to predict. The regulatory environment within which the Funds operate may be different to the regulatory requirements of the investors' home countries.

Risks associated with share classes

Base currency hedged share classes

For the base currency Hedged Share Classes, the ACD will implement a currency hedging strategy to limit exposure to the currency position of the relevant Fund's Base Currency relative to the currency denomination of the relevant base currency hedged Share Class ("BCHSC Currency").

However, there can be no assurance that the strategy implemented by the ACD will be successful.

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

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

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

Charges to capital

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

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

Currency denomination

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

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

Distribution from capital

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

Initial charges

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

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.

Notes to the Financial Statements of the Company

continued

For the year ended 30 September 2018

3. Risk management policies (continued)

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 (see paragraph "Dilution"). In the case of purchases this will reduce the number of Shares acquired, in the case of sales this will reduce the proceeds. Where a dilution adjustment or dilution levy is not made, existing investors in the Fund in question may suffer dilution which will constrain capital growth.

Liquidity risk – fund investments

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

Risk of deferred redemptions

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

Risk of market closure

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

Risk of remittance restrictions

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

Risk of suspension

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

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.

3. Risk management policies (continued)

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 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.

Liabilities of each company and the Funds

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

Liquidity risk – shareholder activity

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

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

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

Securities lending

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

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

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

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

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

Tax

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

Third-party operational (including counterparty – service providers)

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

Notes to the Financial Statements of the Company

continued

For the year ended 30 September 2018

3. Risk management policies (continued)

Specific risks

Risks associated with debt investments

Contingent convertibles or CoCos

A Fund may invest in contingent convertibles (CoCos). CoCos are Tier 1 and Tier 2 subordinated debt securities issued by financial institutions. CoCos generally contain loss absorption mechanisms, or 'bail-in' clauses, to avoid public sector intervention to keep the issuer of such securities from insolvency or bankruptcy. Investors in CoCos may suffer losses prior to investors in the same financial institution holding equities or bonds ranking alongside or junior to the CoCo bond holders. CoCos tend to have higher price volatility and greater liquidity risk than other securities which do not expose investors to the aforementioned risks. Additionally, Shareholders should be aware that the structure of CoCos is yet to be tested and there is some uncertainty as to how they may perform in a stressed environment. Depending on how the market views certain triggering events, there is the potential for price contagion and volatility across the asset class. Furthermore, this risk may be increased depending on the level of underlying instrument arbitrage and in an illiquid market, price formation may be increasingly difficult.

Credit

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

Distressed debt

A Fund may invest in distressed debt securities. Investment in such distressed debt securities (which qualify as transferable securities) involves purchases of obligations of companies that are experiencing significant financial or business distress, including companies involved in bankruptcy or other reorganisation and liquidation proceedings. Acquired investments may include senior or subordinated debt securities, bank loans, promissory notes and other evidences of indebtedness, as well as payables to trade creditors. Although such purchases may result in significant investor returns, they involve a substantial degree of risk and may not show any return for a considerable period of time. In fact, many of these investments ordinarily remain unpaid unless and until the company reorganises and/or emerges from bankruptcy proceedings, and as a result may have to be held for an extended period of time. The level of analytical sophistication, both financial and legal, necessary for successful investment in companies experiencing significant business and financial distress is unusually high. There is no assurance that the Investment Manager will correctly evaluate the nature and magnitude of the various factors that could affect the prospects for a successful reorganisation or similar action. In any reorganisation or liquidation proceeding relating to a company in which a Fund invests, an investor may lose its entire investment or may be required to accept cash or securities with a value less than the original investment. Under such circumstances, the returns generated from the investment may not compensate a Fund adequately for the risks assumed.

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

High yield debt securities

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

High yield debt securities rated BB+ or Ba1 or lower are described by the ratings agencies as "predominantly speculative with respect to capacity to pay interest and repay principal in accordance with the terms of the obligation. While such debt will likely have some quality and protective characteristics, these are outweighed by large uncertainties or major risk exposures to adverse conditions".

Interest rate

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

Investment grade

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

Money market instrument

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

Mortgage backed and other asset backed securities

Mortgage backed

A mortgage-backed security is a generic term for a debt security backed or collateralised by the income stream from an underlying pool of commercial and/or residential mortgages. This type of security is commonly used to redirect the interest and principal payments from the pool of mortgages to investors. A mortgage-backed security is normally issued in a number of different classes with varying characteristics depending on the riskiness of the underlying mortgages assessed by reference to their credit quality and term and can be issued at a fixed or a floating rate of securities. The higher the risk contained in the class, the more the mortgage-backed security pays by way of income.

Asset backed

Traditional debt securities typically pay a fixed rate of interest until maturity, when the entire principal amount is due. By contrast, payments on asset-backed securities (ABS) typically include both interest and partial payment of principal. Principal may also be prepaid voluntarily, or as a result of refinancing or forced repayment. A Fund may have to invest the proceeds from prepaid investments under less attractive terms and yields. Compared to other debt, ABS are less likely to increase in value during periods of declining interest rates and have a higher risk of decline in value during periods of rising interest rates and they can increase the volatility of a Fund. Some ABS receive only portions of payments of either interest or principal of the underlying debt. The yields and values of these investments are extremely sensitive to changes in interest rates and in the rate of principal payments on the underlying mortgages. The market for these investments may be volatile and illiquid, which may make it difficult to buy or sell them, and the secondary market may be smaller than that for more traditional debt securities.

3. Risk management policies (continued)

CDOs/CLOs

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

Risks associated with derivative instruments

Cash flow

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

Credit default swaps and other synthetic securities

A portion of a Fund's investments may consist of credit default swaps and other synthetic securities the reference obligations of which may be leveraged loans, high-yield debt securities or similar securities.

Investments in such types of assets through the purchase of credit default swaps and other synthetic securities present risks in addition to those resulting from direct purchases of such investments. With respect to each synthetic security, a Fund will usually have a contractual relationship only with the counterparty of such synthetic security, and not the reference obligor on the reference obligation. A Fund generally will have no right directly to enforce compliance by the reference obligor with the terms of the reference obligation nor any rights of set-off against the reference obligor, may be subject to set-off rights exercised by the reference obligor against the counterparty or another person or entity, and generally will not have any voting or other contractual rights of ownership with respect to the reference obligation. In addition, a Fund will not directly benefit from any collateral supporting the reference obligation and will not have the benefit of the remedies that would normally be available to a holder of such reference obligation. In addition, 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 reference obligation. Consequently, a Fund will be subject to the credit risk of the counterparty as well as that of the reference obligor. As a result, concentrations of synthetic securities entered into with any one counterparty will subject a Fund to an additional degree of risk with respect to defaults by such counterparty as well as by the reference obligor.

Additionally, while the Investment Manager expects that the returns on a synthetic security will generally reflect those of the related reference obligation, 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 reference obligation, 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 under the synthetic security by delivering to the relevant Fund securities other than the reference obligation or an amount different than the then current market value of the reference obligation.

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.

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.

Notes to the Financial Statements of the Company

continued

For the year ended 30 September 2018

3. Risk management policies (continued)

EU Regulation 648/2012 on OTC derivatives, central counterparties and trade repositories (also known as the European Market Infrastructure Regulation or 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 set of Report and Accounts.

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

Short exposure

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

Risks associated with emerging market investments

China Interbank Bond Market

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

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

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

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

Settlement risk

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

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

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

CIBM Direct Access rules and regulations

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

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

Restrictions to remittances and repatriations risk

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

Securities and cash accounts

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

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

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

Bond settlement agent risk

There is a risk that the Funds may suffer losses, whether direct or consequential, from the acts or omissions in the settlement of any transaction or in the transfer of funds or securities, default, bankruptcy or disqualification of the Bond Settlement Agent. Such acts, omissions, default or disqualification may also adversely affect the Funds in implementing their investment strategies or disrupt the operations of the Funds, including causing delays in the settlement of any transaction.

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

3. Risk management policies (continued)

China tax

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

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

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

China Interbank Bond Market

The Chinese tax authorities have granted VAT exemption on the capital gains derived by qualified non PRC tax residents from the investments through the China Interbank Bond Market with effective from 1 May 2016. Except for the above, there is no specific regulation stipulating the relevant PRC tax treatment including the VAT treatment as well as the withholding tax treatment on the bond interest income and gains derived from the China Interbank Bond Market.

Emerging markets

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

Investment in China

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

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

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

Other applicable risks:

Investors should also note the following risk factors, which may be applicable to the Funds, each of which is described in more detail within the 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 a broker who is affiliated to the Hong Kong sub-custodian appointed by the Depository.

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.

Notes to the Financial Statements of the Company

continued

For the year ended 30 September 2018

3. Risk management policies (continued)

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 within the risk management policies which applies to investment in China.

Risks associated with equity investments

Discount / premium

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

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

Concentration

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

Income priority

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

Multi-asset investment

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

Risk of higher Ongoing Charges when investing in funds

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

Sector and / or geographical

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

Furthermore, investments which offer exposure to commodities may include additional risks e.g. political risk, natural events or terrorism. This may influence the production and trading of commodities and the value of financial instruments offering exposure to such commodities.

3. Risk management policies (continued)**Cautious Managed Fund**

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

Diversified Income Fund

Investment in China
 China Interbank Bond Market
 China tax
 CIBM Direct Access
 Contingent convertibles or CoCos
 Credit
 Credit default swaps and other synthetic securities
 Derivatives
 Discount / premium
 Emerging markets
 Exchange derivatives
 High yield debt securities
 Income priority
 Interest rate
 Investment grade
 Leverage
 Multi-asset investment
 OTC derivative instruments
 Risk of higher Ongoing Charges when investing in funds
 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
 Smaller companies

Global Multi-Asset Total Return Fund

Investment in China
 China Interbank Bond Market
 China tax
 CIBM Direct Access
 Credit
 Credit default swaps and other synthetic securities
 Derivatives
 Discount / premium
 High yield debt securities
 Interest rate
 Investment grade
 Leverage
 Multi-asset investment
 OTC derivative instruments
 Risk of higher Ongoing Charges when investing in funds
 Stock Connect

UK Alpha Fund

Derivatives
 Equity investment
 Sector and / or geographical

Notes to the Financial Statements of the Company

continued

For the year ended 30 September 2018

3. Risk management policies continued

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

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.

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.

2017 ^{††}	FTSE All-Share Index	MSCI World Index	Citigroup World Government Bond Index	FTSE British Government 5-10 Years Index
Cautious Managed Fund	0.33	0.28	0.21	0.01
Diversified Income Fund	0.22	0.16	0.10	0.04
Enhanced Natural Resources Fund	0.94	0.67	n/a	n/a
Global Multi-Asset Total Return Fund	0.45	0.35	0.11	(0.13)
UK Alpha Fund	0.90	0.63	n/a	n/a
UK Equity Income Fund	0.86	0.60	n/a	n/a
UK Smaller Companies Fund	0.41	0.25	n/a	n/a
UK Special Situations Fund	0.78	0.60	n/a	n/a

^{††} Source: Morningstar 25.09.16 – 30.09.17 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.

A. Fletcher

Director of the ACD

19 December 2018

D. Aird

Director of the ACD

Cautious Managed Fund

Statement of Total Return

For the year ended 30 September 2018

	Note	30.09.18 £'000	£'000	30.09.17 £'000	£'000
Income					
Net capital (losses)/gains	4		(51,436)		181,239
Revenue	6	33,432		30,567	
Expenses	7	(24,404)		(25,714)	
Interest payable and similar charges	8	(136)		(22)	
Net revenue before taxation		8,892		4,831	
Taxation	9	(1,212)		(1,241)	
Net revenue after taxation			7,680		3,590
Total return before distributions			(43,756)		184,829
Distributions	10		(8,137)		(5,943)
Change in net assets attributable to shareholders from investment activities			(51,893)		178,886

Statement of Change in Net Assets Attributable to Shareholders

For the year ended 30 September 2018

	30.09.18 £'000	£'000	30.09.17 £'000	£'000
Opening net assets attributable to shareholders		2,150,356		2,019,508
Amounts receivable on creation of shares	49,894		123,596	
Amounts payable on cancellation of shares	(224,053)		(176,785)	
		(174,159)		(53,189)
Dilution adjustment		–		–
Change in net assets attributable to shareholders from investment activities		(51,893)		178,886
Retained distributions on accumulation shares		6,967		5,150
Unclaimed distributions		–		1
Closing net assets attributable to shareholders		1,931,271		2,150,356

Notes to the financial statements are on pages 105 to 110.

Balance Sheet

As at 30 September 2018

	Note	30.09.18 £'000	£'000	30.09.17 £'000	£'000
ASSETS					
Investments assets			1,826,163		1,973,824
Current assets					
Debtors	11	5,909		14,515	
Cash and bank balances	12	139,427		179,799	
Total other assets			145,336		194,314
Total assets			1,971,499		2,168,138
LIABILITIES					
Investment liabilities			2,027		7,962
Creditors					
Bank overdrafts		26,884		–	
Distribution payable		213		196	
Other creditors	13	11,104		9,624	
Total other liabilities			38,201		9,820
Total liabilities			40,228		17,782
Net assets attributable to shareholders			1,931,271		2,150,356

Notes to the financial statements are on pages 105 to 110.

Cautious Managed Fund

Notes to the Financial Statements

For the year ended 30 September 2018

1. Accounting policies

The Accounting policies for the Fund are disclosed in the notes to the financial statements on page 91.

2. Distribution policies

The Distribution policies for the Fund are disclosed in the notes to the financial statements on pages 91 to 92.

3. Risk management policies

The Risk management policies for the Fund are disclosed in the notes to the financial statements on pages 92 to 102.

4. Net capital (losses)/gains

The net capital (losses)/gains during the year comprise:

	30.09.18 £'000	30.09.17 £'000
Losses on foreign exchange	(908)	(11,467)
Derivatives contracts	(81,158)	(84,094)
Forward currency contracts	(15,234)	49,352
Unrealised forward currency contract gains	–	–
Non-derivative securities	45,905	227,468
Transaction charges	(41)	(20)
Net capital (losses)/gains	(51,436)	181,239

5. Purchases, sales and transaction costs

Analysis of total trade costs

	Purchases		Sales	
	30.09.18 £'000	30.09.17 £'000	30.09.18 £'000	30.09.17 £'000
Equities	348,997	265,250	486,998	431,796
Bonds	81,203	100,615	80,666	100,519
Collective Investment Schemes	–	87,442	45,500	87,625
Futures*	–	–	–	–
Trades excluding transaction costs	430,200	453,307	613,164	619,940
Commissions				
Equities	202	241	(247)	(292)
Bonds	–	–	–	–
Collective Investment Schemes	–	34	–	(34)
Futures*	–	23	–	–
Total commissions	202	298	(247)	(326)
Taxes				
Equities	532	469	(16)	(5)
Bonds	–	–	–	–
Collective Investment Schemes	–	–	–	–
Futures*	–	–	–	–
Total taxes	532	469	(16)	(5)
Total costs	734	767	(263)	(331)
Net trades in the year after transaction costs	430,934	454,074	612,901	619,609

Total transaction cost expressed as a percentage of asset type cost

	Purchases		Sales	
	30.09.18 %	30.09.17 %	30.09.18 %	30.09.17 %
Commissions				
Equities	0.06	0.09	0.05	0.07
Bonds	–	–	–	–
Collective Investment Schemes	–	0.04	–	0.04
Futures*	–	–	–	–
Taxes				
Equities	0.15	0.18	–	–
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.

Cautious Managed Fund

Notes to the Financial Statements continued

For the year ended 30 September 2018

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

	30.09.18 %	30.09.17 %
Commissions	0.02	0.03
Taxes	0.03	0.02
Total costs	0.05	0.05

Average portfolio dealing spread

The average portfolio dealing spread at the balance sheet date was 0.11% (30.09.17: 0.09%).

6. Revenue

	30.09.18 £'000	30.09.17 £'000
Bank interest	49	15
Franked investment income from collective investment schemes	3,763	3,363
Interest on debt securities	5,238	5,866
Margin interest	195	94
Overseas dividends	14,107	11,212
UK dividends	9,633	9,245
Offshore distribution non-taxable from collective investment schemes	246	157
Property revenue from UK REITs – PID	–	21
Property revenue from overseas REITs	201	594
Total revenue	33,432	30,567

7. Expenses

	30.09.18 £'000	30.09.17 £'000
Payable to the ACD or associates of the ACD, and agents of either of them:		
ACD fee	22,697	23,846
General administration charge (GAC)	1,450	1,662
	24,147	25,508
Payable to the Depositary or associates of the Depositary, and agents of either of them:		
Safe custody fee	257	205
	257	205
Other expenses:		
VAT refund	(13)	–
Out of pocket expenses	–	1
Collateral interest fee	13	–
	–	1
Total expenses	24,404	25,714

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

The audit fee for the year is £9,400 (30.09.17: £9,200).

8. Interest payable and similar charges

	30.09.18 £'000	30.09.17 £'000
Interest	43	22
Margin Interest	93	–
Total interest payable and similar charges	136	22

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

	30.09.18 £'000	30.09.17 £'000
Interest on capital	93	–
Overseas tax	1,119	1,241
Current tax charge	1,212	1,241
Deferred tax charge (note 9(c))	–	–
Total tax charge (note 9(b))	1,212	1,241

(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%) (30.09.17: 20%). The differences are explained below:

	30.09.18 £'000	30.09.17 £'000
Net revenue before taxation	8,892	4,831
Corporation tax of 20%	1,778	966
Effects of:		
Movement in excess management expenses	3,703	3,943
Overseas tax	1,212	1,241
Revenue not subject to taxation	(5,462)	(4,908)
Overseas tax expensed	(19)	(1)
Total tax charge (note 9(a))	1,212	1,241

(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 £21,388,000 (2017: £17,685,000) 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:

	30.09.18 £'000	30.09.17 £'000
First quarter	436	174
Second quarter	1,606	1,070
Third quarter	4,457	3,311
Final	1,569	1,409
	8,068	5,964
Add: Equalisation deducted on cancellation of shares	90	39
Less: Equalisation received on creation of shares	(21)	(60)
Net distribution for the year	8,137	5,943

The net distribution for the year is represented by:

	30.09.18 £'000	30.09.17 £'000
Net revenue after taxation	7,680	3,590
Equalisation on conversion of shares	–	3
ACD fee	44	11
General administration charge (GAC)	5	1
Safe custody fee	1	–
Shortfall of income transferred from capital	410	2,340
Net movement in revenue account	1	(1)
Tax relief from capital*	(4)	(1)
Net distribution for the year	8,137	5,943

* Tax relief from capital expenses

11. Debtors

	30.09.18 £'000	30.09.17 £'000
Accrued bond interest	2,472	2,663
Accrued dividends and bank interest	2,415	3,395
Amounts receivable for creation of shares	3	2,817
Overseas tax recoverable	114	61
Sales awaiting settlement	905	5,579
	5,909	14,515

Cautious Managed Fund

Notes to the Financial Statements continued

For the year ended 30 September 2018

12. Cash and bank balances

	30.09.18 £'000	30.09.17 £'000
Cash and bank balances	83,844	152,813
Amount held at futures clearing houses and brokers	55,583	26,986
	139,427	179,799

13. Other creditors

	30.09.18 £'000	30.09.17 £'000
Amounts payable for cancellation of shares	1,942	1,167
Purchases awaiting settlement	7,225	6,333
Accrued ACD fees	1,749	1,960
Accrued general administration charge (GAC)	107	128
Accrued safe custody fee	70	32
Accrued transaction charges	11	4
	11,104	9,624

14. Capital commitments and contingent liabilities

The Fund had no contingent liabilities or capital commitments at the year end date (30.09.17: 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 (30.09.17: £1,407,331) and £32,762,620 (30.09.17: £3,957,005) respectively where Investec Wealth & Investment Limited acted as broker, commission of £7,662 (30.09.17: £3,215) 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 Nil% of the Fund's shares (by net asset value) were held by other Funds managed by the ACD (30.09.17: 0.57%).

16. ACD Fee and charges

The different level of ACD fees payable per annum as at 30 September 2018 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:

	30.09.17 Opening shares in issue	Creations	Cancellations	Shares converted	30.09.18 Closing shares in issue
'A' Class (Accumulation shares)	206,958,305	625,970	(20,653,394)	(3,481,261)	183,449,620
'A' Class (Income shares)	73,695,956	407,508	(9,137,444)	(82,315)	64,883,705
'A' Class (Income-2 shares)	90,120	51,753	(21,694)	–	120,179
'I' Class (Accumulation shares)	383,005,892	13,271,653	(32,527,908)	7,672,920	371,422,557
'I' Class (Income shares)	111,810,789	2,267,405	(13,692,419)	169,198	100,554,973
'I' Class (Income-2 shares)	647,318	129,252	(76,015)	–	700,555
'J' Class (Accumulation shares)	121,631,703	11,073,460	(21,290,855)	208,421	111,622,729
'J' Class (Income-2 shares)	4,080,706	1,429,838	(156,548)	–	5,353,996
'R' Class (Accumulation shares)	1,428,812	126,925	(394,013)	–	1,161,724
'S' Class (Accumulation shares)	16,852,812	1,508,159	(3,642,502)	–	14,718,469

17. 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 Fund's currency exposure as at 30 September 2018 was:

Currency	Currency exposure	
	Total 30.09.18 £'000	Total 30.09.17 £'000
Australian Dollar	13,970	45,841
Brazilian Real	39,198	–
Canadian Dollar	35,508	35,807
Euro	15,669	17,062
Hong Kong dollar	8,161	18,585
Japanese yen	116,152	5,742
Norwegian krone	157,249	162,843
South African rand	18,899	10,124
Sterling	1,324,631	1,548,591
Swedish krona	12,962	–
Turkish lira	33,906	–
UAE dirham	15,924	21,894
US dollar	139,042	283,867
Total	1,931,271	2,150,356

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

Currency	Floating rate financial assets 30.09.18 £'000	Fixed rate financial assets 30.09.18 £'000	Financial assets not carrying interest 30.09.18 £'000	Total 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

Interest rate risk profile of financial assets and liabilities as at 30 September 2017 was as follows:

Currency	Floating rate financial assets 30.09.17 £'000	Fixed rate financial assets 30.09.17 £'000	Financial assets not carrying interest 30.09.17 £'000	Total 30.09.17 £'000
Australian Dollar	501	–	45,340	45,841
Canadian Dollar	5	–	35,802	35,807
Euro	–	–	17,062	17,062
Hong Kong Dollar	73	–	18,512	18,585
Japanese Yen	6,619	–	(877)	5,742
Norwegian Krone	29	149,364	13,450	162,843
South African Rand	–	–	10,124	10,124
Sterling	140,769	276,267	1,131,555	1,548,591
UAE Dirham	16	–	21,878	21,894
US Dollar	31,900	44,957	207,010	283,867
Total	179,912	470,588	1,499,856	2,150,356

Cautious Managed Fund

Notes to the Financial Statements continued

For the year ended 30 September 2018

18. Efficient portfolio management techniques risk exposure

The exposure obtained through efficient portfolio management techniques and identity of counterparties as at 30 September 2018 was as follows:

(a) Forwards

Counterparty	Market Value	
	30.09.18 £'000	30.09.17 £'000
Citibank	–	8,256
Goldman Sachs	–	8,596
JP Morgan	3,429	–
Total	3,429	16,852

(b) Futures

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)

Counterparty	Market Value 30.09.17 £'000	Value of exposure 30.09.17 £'000
Goldman Sachs	(7,613)	538,331
Total	(7,613)	538,331

19. Fair value

Valuation technique	30.09.18		30.09.17	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
Level 1	1,427,415	(2,027)	1,622,230	(7,613)
Level 2	398,748	–	351,432	(349)
Level 3	–	–	162	–
Total fair value	1,826,163	(2,027)	1,973,824	(7,962)

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 2018

Interim distribution paid 28 February 2018

Group 1 – Shares purchased before 1 October 2017

Group 2 – Shares purchased between 1 October and 31 December 2017

	Net Income pence	Equalisation pence	Distribution paid 28.02.18 pence	Distribution paid 28.02.17 pence
'A' Class (Accumulation shares)				
Group 1	–	–	–	–
Group 2	–	–	–	–
'A' Class (Income shares)				
Group 1	–	–	–	–
Group 2	–	–	–	–
'A' Class (Income-2 shares)				
Group 1	0.2556	–	0.2556	0.2183
Group 2	0.0902	0.1654	0.2556	0.2183
'I' Class (Accumulation shares)				
Group 1	0.0594	–	0.0594	0.0153
Group 2	0.0390	0.0204	0.0594	0.0153
'I' Class (Income shares)				
Group 1	0.0408	–	0.0408	0.0105
Group 2	0.0270	0.0138	0.0408	0.0105
'I' Class (Income-2 shares)				
Group 1	0.2606	–	0.2606	0.2255
Group 2	0.1805	0.0801	0.2606	0.2255
'J' Class (Accumulation shares)				
Group 1	0.0687	–	0.0687	0.0388
Group 2	0.0379	0.0308	0.0687	0.0388
'J' Class (Income-2 shares)				
Group 1	0.2632	–	0.2632	0.2242
Group 2	0.1730	0.0902	0.2632	0.2242
'R' Class (Accumulation shares)				
Group 1	–	–	–	–
Group 2	–	–	–	–
'S' Class (Accumulation shares)				
Group 1	0.3885	–	0.3885	0.3311
Group 2	0.2427	0.1458	0.3885	0.3311

Cautious Managed Fund continued

Distribution Tables

For the year ended 30 September 2018

Interim distribution paid 31 May 2018

Group 1 – Shares purchased before 1 January 2018

Group 2 – Shares purchased between 1 January and 31 March 2018

	Net Income pence	Equalisation pence	Distribution paid 30.06.18 pence	Distribution paid 30.06.17 pence
'A' Class (Accumulation shares)				
Group 1	–	–	–	–
Group 2	–	–	–	–
'A' Class (Income shares)				
Group 1	–	–	–	–
Group 2	–	–	–	–
'A' Class (Income-2 shares)				
Group 1	0.3695	–	0.3695	0.3270
Group 2	0.3402	0.0293	0.3695	0.3270
'I' Class (Accumulation shares)				
Group 1	0.2674	–	0.2674	0.1834
Group 2	0.2450	0.0224	0.2674	0.1834
'I' Class (Income shares)				
Group 1	0.1813	–	0.1813	0.1245
Group 2	0.1669	0.0144	0.1813	0.1245
'I' Class (Income-2 shares)				
Group 1	0.3798	–	0.3798	0.3316
Group 2	0.3239	0.0559	0.3798	0.3316
'J' Class (Accumulation shares)				
Group 1	0.2004	–	0.2004	0.1460
Group 2	0.1674	0.0330	0.2004	0.1460
'J' Class (Income-2 shares)				
Group 1	0.3795	–	0.3795	0.3345
Group 2	0.2753	0.1042	0.3795	0.3345
'R' Class (Accumulation shares)				
Group 1	0.0508	–	0.0508	–
Group 2	0.0508	–	0.0508	–
'S' Class (Accumulation shares)				
Group 1	0.5999	–	0.5999	0.5004
Group 2	0.3772	0.2227	0.5999	0.5004

Distribution Tables

For the year ended 30 September 2018

Interim distribution paid 31 August 2018

Group 1 – Shares purchased before 1 April 2018

Group 2 – Shares purchased between 1 April and 30 June 2018

	Net Income pence	Equalisation pence	Distribution paid 30.09.18 pence	Distribution paid 30.09.17 pence
'A' Class (Accumulation shares)				
Group 1	0.0407	–	0.0407	–
Group 2	0.0000	0.0407	0.0407	–
'A' Class (Income shares)				
Group 1	0.0328	–	0.0328	–
Group 2	0.0076	0.0252	0.0328	–
'A' Class (Income-2 shares)				
Group 1	0.6705	–	0.6705	0.5683
Group 2	0.2689	0.4016	0.6705	0.5683
'I' Class (Accumulation shares)				
Group 1	0.7829	–	0.7829	0.5865
Group 2	0.4274	0.3555	0.7829	0.5865
'I' Class (Income shares)				
Group 1	0.5334	–	0.5334	0.4024
Group 2	0.2670	0.2664	0.5334	0.4024
'I' Class (Income-2 shares)				
Group 1	0.6893	–	0.6893	0.5802
Group 2	0.0564	0.6329	0.6893	0.5802
'J' Class (Accumulation shares)				
Group 1	0.5333	–	0.5333	0.4065
Group 2	0.2712	0.2621	0.5333	0.4065
'J' Class (Income-2 shares)				
Group 1	0.6917	–	0.6917	0.5796
Group 2	0.4247	0.2670	0.6917	0.5796
'R' Class (Accumulation shares)				
Group 1	0.4498	–	0.4498	0.2977
Group 2	0.2540	0.1958	0.4498	0.2977
'S' Class (Accumulation shares)				
Group 1	1.1096	–	1.1096	0.9070
Group 2	0.6068	0.5028	1.1096	0.9070

Cautious Managed Fund continued

Distribution Tables

For the year ended 30 September 2018

Final distribution payable 31 November 2018

Group 1 – Shares purchased before 1 July 2018

Group 2 – Shares purchased between 1 July and 30 September 2018

	Net Income pence	Equalisation pence	Distribution payable 30.11.18 pence	Distribution paid 30.11.17 pence
'A' Class (Accumulation shares)				
Group 1	–	–	–	–
Group 2	–	–	–	–
'A' Class (Income shares)				
Group 1	–	–	–	–
Group 2	–	–	–	–
'A' Class (Income-2 shares)				
Group 1	0.3748	–	0.3748	0.3568
Group 2	0.1782	0.1966	0.3748	0.3568
'I' Class (Accumulation shares)				
Group 1	0.2776	–	0.2776	0.2340
Group 2	0.2250	0.0526	0.2776	0.2340
'I' Class (Income shares)				
Group 1	0.1884	–	0.1884	0.1598
Group 2	0.1442	0.0442	0.1884	0.1598
'I' Class (Income-2 shares)				
Group 1	0.3858	–	0.3858	0.3644
Group 2	0.3121	0.0737	0.3858	0.3644
'J' Class (Accumulation shares)				
Group 1	0.2091	–	0.2091	0.1810
Group 2	0.1676	0.0415	0.2091	0.1810
'J' Class (Income-2 shares)				
Group 1	0.3873	–	0.3873	0.3655
Group 2	0.2114	0.1759	0.3873	0.3655
'R' Class (Accumulation shares)				
Group 1	0.1077	–	0.1077	0.0785
Group 2	0.1057	0.0020	0.1077	0.0785
'S' Class (Accumulation shares)				
Group 1	0.6121	–	0.6121	0.5636
Group 2	0.3153	0.2968	0.6121	0.5636

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 Fund

Statement of Total Return

For the year ended 30 September 2018

	Note	30.09.18 £'000	£'000	30.09.17 £'000	£'000
Income					
Net capital losses	4		(7,194)		(1,547)
Revenue	6	22,446		13,777	
Expenses	7	(3,900)		(2,629)	
Interest payable and similar charges	8	(114)		(47)	
Net revenue before taxation		18,432		11,101	
Taxation	9	(790)		(456)	
Net revenue after taxation			17,642		10,645
Total return before distributions			10,448		9,098
Distributions	10		(20,141)		(12,111)
Change in net assets attributable to shareholders from investment activities			(9,693)		(3,013)

Statement of Change in Net Assets Attributable to Shareholders

For the year ended 30 September 2018

	30.09.18 £'000	£'000	30.09.17 £'000	£'000
Opening net assets attributable to shareholders		416,419		147,931
Amounts receivable on creation of shares	215,440		295,296	
Amounts payable on cancellation of shares	(35,771)		(28,244)	
		179,669		267,052
Change in net assets attributable to shareholders from investment activities		(9,693)		(3,013)
Retained distributions on accumulation shares		6,055		4,445
Unclaimed distributions		2		4
Closing net assets attributable to shareholders		592,452		416,419

Notes to the financial statements are on pages 116 to 124.

Balance Sheet

As at 30 September 2018

	Note	30.09.18 £'000	£'000	30.09.17 £'000	£'000
ASSETS					
Investments assets#			585,702		417,837
Current assets					
Debtors	11	9,361		8,744	
Cash and bank balances#	12	17,916		6,408	
Total other assets			27,277		15,152
Total assets			612,979		432,989
LIABILITIES					
Investment liabilities			8,123		2,629
Creditors					
Bank overdrafts		6,529		7,494	
Distribution payable		3,947		2,795	
Other creditors	13	1,928		3,652	
Total other liabilities			12,404		13,941
Total liabilities			20,527		16,570
Net assets attributable to shareholders			592,452		416,419

Cash collateral is no longer included in investment portfolio but now appears in cash and bank balances, prior year figures have therefore been restated.

Notes to the financial statements are on pages 116 to 124.

Diversified Income Fund

Notes to the Financial Statements

For the year ended 30 September 2018

1. Accounting policies

The Accounting policies for the Fund are disclosed in the notes to the financial statements on page 91.

2. Distribution policies

The Distribution policies for the Fund are disclosed in the notes to the financial statements on pages 91 to 92.

3. Risk management policies

The Risk management policies for the Fund are disclosed in the notes to the financial statements on pages 92 to 102.

4. Net capital losses

The net capital losses during the year comprise:

	30.09.18 £'000	30.09.17 £'000
Losses on foreign exchange	(875)	(1,125)
Derivatives contracts	1,353	(2,020)
Forward currency contracts	(2,501)	2,377
Non-derivative securities	(5,141)	(737)
Transaction charges	(30)	(40)
Collateral interest fee	–	(2)
Net capital losses	(7,194)	(1,547)

5. Purchases, sales and transaction costs

Analysis of total trade costs#

	Purchases		Sales	
	30.09.18 £'000	30.09.17 £'000	30.09.18 £'000	30.09.17 £'000
Equities	182,831	166,315	132,426	100,309
Bonds	327,823	329,712	203,114	176,084
Collective Investment Schemes	8,389	15,837	1,912	7,691
Options	10,749	2,379	11,561	1,298
Swaps	565,613	204,385	570,242	203,735
Treasury Bills	8,926	–	5,598	–
Futures*	–	–	–	–
Trades excluding transaction costs	1,104,331	718,628	924,853	489,117
Commissions				
Equities	77	95	(63)	(57)
Bonds	–	–	–	–
Collective Investment Schemes	–	–	–	–
Options	–	–	–	–
Swaps	–	–	–	–
Treasury Bills	–	–	–	–
Futures*	–	5	–	(8)
Total commissions	77	100	(63)	(65)
Taxes				
Equities	244	216	(1)	(1)
Bonds	–	–	(4)	(20)
Collective Investment Schemes	–	–	–	–
Options	–	–	–	–
Swaps	–	–	–	–
Treasury Bills	–	–	–	–
Futures*	–	–	–	–
Total taxes	244	216	(5)	(21)
Total costs	321	316	(68)	(86)
Net trades in the year after transaction costs	1,104,652	718,944	924,785	489,031

Cash collateral is no longer included in investment portfolio but now appears in cash and bank balances, prior year figures have therefore been restated.

Total transaction cost expressed as a percentage of asset type cost

	Purchases		Sales	
	30.09.18	30.09.17	30.09.18	30.09.17
	%	%	%	%
Commissions				
Equities	0.04	0.06	0.05	0.06
Bonds	–	–	–	–
Collective Investment Schemes	–	–	–	–
Options	–	–	–	–
Swaps	–	–	–	–
Treasury Bills	–	–	–	–
Futures*	–	–	–	–
Taxes				
Equities	0.13	0.13	–	–
Bonds	–	–	–	0.01
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

	30.09.18	30.09.17
	%	%
Commissions	0.03	0.05
Taxes	0.05	0.08
Total costs	0.08	0.13

Average portfolio dealing spread

The average portfolio dealing spread at the balance sheet date was 0.21% (30.09.17: 0.23%).

6. Revenue

	30.09.18	30.09.17
	£'000	£'000
Bank interest	28	11
Interest on debt securities	14,316	9,073
Interest distributions from collective investment schemes	41	–
Overseas dividends	4,734	2,621
Interest on total return swaps	5	6
UK dividends	1,855	1,237
Offshore distribution taxable from collective investment schemes	661	212
Offshore distribution non-taxable from collective investment schemes	–	36
Property revenue from UK REITs – PID	152	49
Property revenue from UK REITs – Non PID	18	24
Property revenue from overseas REITs	634	494
Margin interest	2	–
Options contracts	–	14
Total revenue	22,446	13,777

Diversified Income Fund

Notes to the Financial Statements continued

For the year ended 30 September 2018

7. Expenses

	30.09.18 £'000	30.09.17 £'000
Payable to the ACD or associates of the ACD, and agents of either of them:		
ACD fee	3,397	2,297
General administration charge (GAC)	353	241
	3,750	2,538
Payable to the Depositary or associates of the Depositary, and agents of either of them:		
Safe custody fee	131	88
	131	88
Other expenses:		
VAT refund	(8)	—
ADR fees	1	1
Collateral interest fee	26	2
	19	3
Total expenses	3,900	2,629

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

The audit fee for the year is £9,400 (30.09.17: £9,200).

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

8. Interest payable and similar charges

	30.09.18 £'000	30.09.17 £'000
Interest	50	10
Margin Interest	64	37
Total interest payable and similar charges	114	47

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

	30.09.18 £'000	30.09.17 £'000
Corporation tax	26	10
Overseas tax	703	432
Capital gains tax	55	13
Current tax charge	784	455
Deferred tax charge (note 9(c))	6	1
Total tax charge (note 9(b))	790	456

(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%) (30.09.17: 20%). The differences are explained below:

	30.09.18 £'000	30.09.17 £'000
Net revenue before taxation	18,432	11,101
Corporation tax of 20%	3,686	2,220
Effects of:		
Overseas tax	703	432
Revenue not subject to taxation	(1,341)	(782)
Tax deductible interest distributions	(2,311)	(1,422)
Capital gains tax	55	13
Double taxation relief	(2)	(5)
Total tax charge (note 9(a))	790	456

(c) Provision for deferred taxation:

	30.09.18 £'000	30.09.17 £'000
Opening provision	1	–
Deferred tax charge	6	1
Closing provision	7	1
Provision consist of:		
Revenue taxable in different periods	15	1
Double taxation relief on accrued dividends	(8)	–
Closing provision	7	1

10. Distributions

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

	30.09.18 £'000	30.09.17 £'000
October	1,013	598
November	1,243	422
December	1,534	644
January	1,414	670
February	1,362	794
March	1,583	938
April	1,625	1,020
May	1,754	1,275
June	1,825	1,354
July	1,858	1,388
August	1,928	1,429
Final	3,498	1,488
Income tax withheld at source	–	580
	20,637	12,600
Add: Equalisation deducted on cancellation of shares	85	62
Less: Equalisation received on creation of shares	(581)	(551)
Net distribution for the year	20,141	12,111

The net distribution for the year is represented by:

	30.09.18 £'000	30.09.17 £'000
Net revenue after taxation	17,642	10,645
Equalisation on conversion of shares	–	1
Amounts charged to capital:		
ACD fee	2,129	1,265
General administration charge (GAC)	230	137
Safe custody fee	85	50
Tax provided on gains of taxable securities	55	13
Net distribution for the year	20,141	12,111

11. Debtors

	30.09.18 £'000	30.09.17 £'000
Accrued bond interest	5,106	3,486
Accrued dividends and bank interest	1,019	359
Amounts receivable for creation of shares	1,167	1,756
Overseas tax recoverable	192	111
Sales awaiting settlement	1,874	3,029
Accrued swap interest	3	3
	9,361	8,744

12. Cash and bank balances

	30.09.18 £'000	30.09.17 £'000
Cash and bank balances#	3,262	543
Amount held at futures clearing houses and brokers	14,654	5,865
	17,916	6,408

Cash collateral is no longer included in investment portfolio but now appears in cash and bank balances, prior year figures have therefore been restated.

Diversified Income Fund

Notes to the Financial Statements continued

For the year ended 30 September 2018

13. Other creditors

	30.09.18 £'000	30.09.17 £'000
Amounts payable for cancellation of shares	102	152
Corporation tax payable	26	10
Deferred tax payable	7	2
Purchases awaiting settlement	1,391	3,182
Accrued ACD fees	324	240
Accrued general administration charge (GAC)	33	25
Accrued safe custody fee	37	17
Accrued transaction charges	8	6
Accrued capital gains tax	–	18
	1,928	3,652

14. Capital commitments and contingent liabilities

The Fund had no contingent liabilities or capital commitments at the year end date (30.09.17: 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 £7,694,762 (30.09.17: £18,012,647) and £1,911,508 (30.09.17: £7,691,080) 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 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.

At the year end date 0.90% of the Fund's shares (by net asset value) were held by other Funds managed by the ACD (30.09.17: 15.18%).

16. Dilution adjustment

Please refer to note 4 of the notes to the financial statements of the company 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 2018 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:

	30.09.17 Opening shares in issue	Creations	Cancellations	Shares converted	30.09.18 Closing shares in issue
'A' Class (Accumulation shares)	6,507,364	1,334,100	(1,138,991)	(29,693)	6,672,780
'A' Class (Income-2 shares)	22,607,475	473,327	(2,487,355)	(45,972)	20,547,475
'B' Class (Accumulation shares)	23,413,691	55,589	(2,255,667)	(36,831)	21,176,782
'B' Class (Income-2 shares)	15,248,618	129,924	(1,485,871)	(25,699)	13,866,972
'I' Class (Accumulation shares)	36,281,631	12,702,741	(6,690,934)	56,221	42,349,659
'I' Class (Income-2 shares)	94,745,834	117,314,603	(3,517,830)	(1,781,665)	206,760,942
'J' Class (Accumulation shares)	42,913,223	10,441,871	(4,744,730)	22,660	48,633,024
'J' Class (Income-2 shares)	109,735,139	52,991,293	(3,047,371)	1,874,371	161,553,432
'K' Class (Accumulation shares)	7,428,893	6,849	(1,313,006)	–	6,122,736
'K' Class (Income-2 shares)	9,712,508	494,242	(1,380,090)	10,553	8,837,213
'R' Class (Accumulation shares)	21,276	12,314	(80)	–	33,510
'R' Class (Income-2 shares)	283,770	143,256	(55,948)	–	371,078

18. 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 Fund's currency exposure as at 30 September 2018 was:

Currency	Currency exposure	
	Total 30.09.18 £'000	Total 30.09.17 £'000
Argentine Peso	729	2,016
Australian Dollar	4,287	307
Brazilian Real	(140)	463
Canadian Dollar	200	4,588
Chilean Peso	(150)	17
Chinese Yuan (Offshore)	–	(12)
Colombian Peso	1,540	181
Czech Koruna	2	3,859
Danish Krone	(512)	105
Egyptian Pound	2,467	–
Euro	(11,009)	(13,311)
Ghanaian Cedi	907	–
Hong Kong Dollar	904	180
Hungarian Forint	9	16
Indian Rupee	1,066	4,213
Indonesian Rupiah	1,589	2,592
Israeli Shekel	2	2
Japanese Yen	25,722	10,797
Mexican Peso	509	1,014
New Zealand Dollar	1,066	(86)
Nigerian Naira	1,449	–
Norwegian Krone	9,628	7,466
Peruvian Nuevo Sol	1,732	1,822
Philippine Peso	(266)	(276)
Polish Zloty	372	(8,014)
Romanian Leu	1	1
Russian Ruble	49	(1,047)
Singapore Dollar	(2,687)	(4,066)
South African Rand	656	233
South Korean Won	(4,785)	(6,828)
Sterling	549,357	381,434
Swedish Krona	6,070	2,397
Swiss Franc	(3,744)	(5,209)
Taiwan Dollar	(5,063)	(3,490)
Thai Baht	1,339	152
Turkish Lira	199	1,035
US Dollar	8,957	33,868
Total	592,452	416,419

Diversified Income Fund

Notes to the Financial Statements continued

For the year ended 30 September 2018

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

Currency	Floating rate financial assets 30.09.18 £'000	Fixed rate financial assets 30.09.18 £'000	Financial assets not carrying interest 30.09.18 £'000	Total 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

Interest rate risk profile of financial assets and liabilities as at 30 September 2017 was as follows:

Currency	Floating rate financial assets 30.09.17 £'000	Fixed rate financial assets 30.09.17 £'000	Financial assets not carrying interest 30.09.17 £'000	Total 30.09.17 £'000
Argentine Peso	2,004	–	12	2,016
Australian Dollar	4,318	30,080	(34,091)	307
Brazilian Real	–	11,798	(11,335)	463
Canadian Dollar	18	8,954	(4,384)	4,588
Chilean Peso	–	4,772	(4,755)	17
Chinese Yuan (Offshore)	–	–	(12)	(12)
Colombian Peso	–	–	181	181
Czech Koruna	2	–	3,857	3,859
Danish Krone	–	–	105	105
Euro	(1,368)	5,142	(17,085)	(13,311)
Hong Kong Dollar	–	–	180	180
Hungarian Forint	16	–	–	16
Indian Rupee	–	–	4,213	4,213
Indonesian Rupiah	–	11,743	(9,151)	2,592
Israeli Shekel	2	–	–	2
Japanese Yen	91	–	10,706	10,797
Mexican Peso	–	15,377	(14,363)	1,014
New Zealand Dollar	13	41,763	(41,862)	(86)
Norwegian Krone	11	–	7,455	7,466
Peruvian Nuevo Sol	–	4,200	(2,378)	1,822
Philippine Peso	–	–	(276)	(276)
Polish Zloty	4	–	(8,018)	(8,014)
Romanian Leu	1	–	–	1
Russian Ruble	–	10,377	(11,424)	(1,047)
Singapore Dollar	98	–	(4,164)	(4,066)
South African Rand	1	10,656	(10,424)	233
South Korean Won	94	–	(6,922)	(6,828)
Sterling	1,378	4,546	375,510	381,434
Swedish Krona	–	–	2,397	2,397
Swiss Franc	3	–	(5,212)	(5,209)
Taiwan Dollar	–	–	(3,490)	(3,490)
Thai Baht	152	–	–	152
Turkish Lira	1	4,227	(3,193)	1,035
US Dollar	2,291	75,486	(43,909)	33,868
Total	9,130	239,121	168,168	416,419

19. Efficient portfolio management techniques risk exposure

The exposure obtained through efficient portfolio management techniques and identity of counterparties as at 30 September 2018 was as follows:

(a) Swaps

Counterparty	Value of collateral	
	30.09.18 £'000	30.09.17 £'000
Barclays	–	635
Goldman Sachs	1,418	115
Standard Chartered	66	73
Total	1,484	823

(b) Forwards

Counterparty	Market Value	
	30.09.18 £'000	30.09.17 £'000
Citibank	(129)	198
Goldman Sachs	(199)	704
HSBC	(1,086)	778
JP Morgan	(2,607)	7,996
Standard Chartered	28	1,693
Total	(3,993)	11,369

Diversified Income Fund

Notes to the Financial Statements continued

For the year ended 30 September 2018

(c) Futures

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

	Market Value 30.09.17 £'000	Value of exposure 30.09.17 £'000
Counterparty		
Goldman Sachs	(189)	93,226
Total	(189)	93,226

(d) Options

	Market Value 30.09.18 £'000	Value of exposure 30.09.18 £'000
Counterparty		
Goldman Sachs	1,920	1,970
Total	1,920	1,970

	Market Value 30.09.17 £'000	Value of exposure 30.09.17 £'000
Counterparty		
Citigroup Global Markets	271	271
Goldman Sachs	281	352
Total	552	623

20. Fair value

Valuation technique	30.09.18		30.09.17	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
Level 1	351,747	(2,364)	250,372	(440)
Level 2	233,955	(5,759)	167,465	(2,189)
Level 3	–	–	–	–
Total fair value	585,702	(8,123)	417,837	(2,629)

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 2018

Interim distribution paid 31 December 2017

Group 1 - Shares purchased before 1 October 2017

Group 2 - Shares purchased between 1 October and 31 October 2017

	Gross Income pence	Equalisation pence	Distribution paid 31.12.17 pence	Distribution paid 31.12.16 pence
'A' Class (Accumulation shares)				
Group 1	0.4533	–	0.4533	0.5396
Group 2	0.0683	0.3850	0.4533	0.5396
'A' Class (Income-2 shares)				
Group 1	0.2121	–	0.2121	0.2420
Group 2	0.0369	0.1752	0.2121	0.2420
'B' Class (Accumulation shares)				
Group 1	0.1758	–	0.1758	0.2040
Group 2	0.1019	0.0739	0.1758	0.2040
'B' Class (Income-2 shares)				
Group 1	0.2621	–	0.2621	0.2983
Group 2	0.1189	0.1432	0.2621	0.2983
'I' Class (Accumulation shares)				
Group 1	0.3247	–	0.3247	0.3665
Group 2	0.1039	0.2208	0.3247	0.3665
'I' Class (Income-2 shares)				
Group 1	0.2779	–	0.2779	0.3151
Group 2	0.1639	0.1140	0.2779	0.3151
'J' Class (Accumulation shares)				
Group 1	0.2521	–	0.2521	0.2826
Group 2	0.1039	0.1482	0.2521	0.2826
'J' Class (Income-2 shares)				
Group 1	0.2726	–	0.2726	0.3088
Group 2	0.1213	0.1513	0.2726	0.3088
'K' Class (Accumulation shares)				
Group 1	0.2200	–	0.2200	0.2458
Group 2	0.1089	0.1111	0.2200	0.2458
'K' Class (Income-2 shares)				
Group 1	0.2635	–	0.2635	0.2984
Group 2	0.0116	0.2519	0.2635	0.2984
'R' Class (Accumulation shares)				
Group 1	0.2365	–	0.2365	0.2689
Group 2	0.2365	–	0.2365	0.2689
'R' Class (Income-2 shares)				
Group 1	0.2691	–	0.2691	0.3054
Group 2	0.0002	0.2689	0.2691	0.3054

Diversified Income Fund continued

Distribution Tables

For the year ended 30 September 2018

Interim distribution paid 31 January 18

Group 1 - Shares purchased before 1 November 2017

Group 2 - Shares purchased between 1 November and 30 November 2017

	Net Income pence	Equalisation pence	Distribution paid 31.01.18 pence	Distribution paid 31.01.17 pence
'A' Class (Accumulation shares)				
Group 1	0.5863	–	0.5863	0.3078
Group 2	0.1931	0.3932	0.5863	0.3078
'A' Class (Income-2 shares)				
Group 1	0.2469	–	0.2469	0.1760
Group 2	0.1421	0.1048	0.2469	0.1760
'B' Class (Accumulation shares)				
Group 1	0.2211	–	0.2211	0.1250
Group 2	0.1563	0.0648	0.2211	0.1250
'B' Class (Income-2 shares)				
Group 1	0.3052	–	0.3052	0.2170
Group 2	0.1808	0.1244	0.3052	0.2170
'I' Class (Accumulation shares)				
Group 1	0.3965	–	0.3965	0.2416
Group 2	0.1809	0.2156	0.3965	0.2416
'I' Class (Income-2 shares)				
Group 1	0.3237	–	0.3237	0.2293
Group 2	0.1218	0.2019	0.3237	0.2293
'J' Class (Accumulation shares)				
Group 1	0.3056	–	0.3056	0.1894
Group 2	0.0996	0.2060	0.3056	0.1894
'J' Class (Income-2 shares)				
Group 1	0.3175	–	0.3175	0.2247
Group 2	0.1329	0.1846	0.3175	0.2247
'K' Class (Accumulation shares)				
Group 1	0.2659	–	0.2659	0.1661
Group 2	0.1023	0.1636	0.2659	0.1661
'K' Class (Income-2 shares)				
Group 1	0.3069	–	0.3069	0.2172
Group 2	0.0089	0.2980	0.3069	0.2172
'R' Class (Accumulation shares)				
Group 1	0.2910	–	0.2910	0.1740
Group 2	0.2910	–	0.2910	0.1740
'R' Class (Income-2 shares)				
Group 1	0.3134	–	0.3134	0.2222
Group 2	0.0845	0.2289	0.3134	0.2222

Distribution Tables

For the year ended 30 September 2018

Interim distribution paid 28 February 2018

Group 1 - Shares purchased before 1 December 2017

Group 2 - Shares purchased between 1 December and 31 December 2017

	Net Income pence	Equalisation pence	Distribution paid 28.02.18 pence	Distribution paid 28.02.17 pence
'A' Class (Accumulation shares)				
Group 1	0.7507	–	0.7507	0.5749
Group 2	0.1769	0.5738	0.7507	0.5749
'A' Class (Income-2 shares)				
Group 1	0.2898	–	0.2898	0.2500
Group 2	0.0360	0.2538	0.2898	0.2500
'B' Class (Accumulation shares)				
Group 1	0.2773	–	0.2773	0.2160
Group 2	0.1903	0.0870	0.2773	0.2160
'B' Class (Income-2 shares)				
Group 1	0.3583	–	0.3583	0.3083
Group 2	0.2446	0.1137	0.3583	0.3083
'I' Class (Accumulation shares)				
Group 1	0.4854	–	0.4854	0.3854
Group 2	0.2539	0.2315	0.4854	0.3854
'I' Class (Income-2 shares)				
Group 1	0.3801	–	0.3801	0.3259
Group 2	0.2017	0.1784	0.3801	0.3259
'J' Class (Accumulation shares)				
Group 1	0.3720	–	0.3720	0.2966
Group 2	0.1292	0.2428	0.3720	0.2966
'J' Class (Income-2 shares)				
Group 1	0.3729	–	0.3729	0.3194
Group 2	0.1844	0.1885	0.3729	0.3194
'K' Class (Accumulation shares)				
Group 1	0.3227	–	0.3227	0.2579
Group 2	0.1670	0.1557	0.3227	0.2579
'K' Class (Income-2 shares)				
Group 1	0.3605	–	0.3605	0.3087
Group 2	0.1001	0.2604	0.3605	0.3087
'R' Class (Accumulation shares)				
Group 1	0.3585	–	0.3585	0.2832
Group 2	0.3585	0.0000	0.3585	0.2832
'R' Class (Income-2 shares)				
Group 1	0.3680	–	0.3680	0.3158
Group 2	0.0003	0.3677	0.3680	0.3158

Diversified Income Fund continued

Distribution Tables

For the year ended 30 September 2018

Interim distribution paid 29 March 2018

Group 1 - Shares purchased before 1 January 2018

Group 2 - Shares purchased between 1 January and 31 January 2018

	Gross Income pence	Equalisation pence	Distribution paid 31.03.18 pence	Distribution paid 31.03.17 pence
'A' Class (Accumulation shares)				
Group 1	0.6672	–	0.6672	0.7996
Group 2	0.1571	0.5101	0.6672	0.7996
'A' Class (Income-2 shares)				
Group 1	0.2656	–	0.2656	0.2278
Group 2	0.1052	0.1604	0.2656	0.2278
'B' Class (Accumulation shares)				
Group 1	0.2491	–	0.2491	0.2722
Group 2	0.1386	0.1105	0.2491	0.2722
'B' Class (Income-2 shares)				
Group 1	0.3284	–	0.3284	0.2866
Group 2	0.1304	0.1980	0.3284	0.2866
'I' Class (Accumulation shares)				
Group 1	0.4415	–	0.4415	0.4282
Group 2	0.0904	0.3511	0.4415	0.4282
'I' Class (Income-2 shares)				
Group 1	0.3485	–	0.3485	0.3001
Group 2	0.1508	0.1977	0.3485	0.3001
'J' Class (Accumulation shares)				
Group 1	0.3393	–	0.3393	0.3215
Group 2	0.0795	0.2598	0.3393	0.3215
'J' Class (Income-2 shares)				
Group 1	0.3420	–	0.3420	0.2912
Group 2	0.1327	0.2093	0.3420	0.2912
'K' Class (Accumulation shares)				
Group 1	0.2948	–	0.2948	0.2807
Group 2	0.1111	0.1837	0.2948	0.2807
'K' Class (Income-2 shares)				
Group 1	0.3306	–	0.3306	0.2871
Group 2	0.0356	0.2950	0.3306	0.2871
'R' Class (Accumulation shares)				
Group 1	0.3250	–	0.3250	0.3245
Group 2	0.3250	–	0.3250	0.3245
'R' Class (Income-2 shares)				
Group 1	0.3374	–	0.3374	0.2912
Group 2	–	0.3374	0.3374	0.2912

Distribution Tables

For the year ended 30 September 2018

Interim distribution paid 30 April 2018

Group 1 - Shares purchased before 1 February 2018

Group 2 - Shares purchased between 1 February and 28 February 2018

	Gross Income pence	Equalisation pence	Distribution paid 30.04.18 pence	Distribution paid 30.04.17 pence
'A' Class (Accumulation shares)				
Group 1	0.6013	–	0.6013	0.6455
Group 2	0.4632	0.1381	0.6013	0.6455
'A' Class (Income-2 shares)				
Group 1	0.2470	–	0.2470	0.2690
Group 2	0.1425	0.1045	0.2470	0.2690
'B' Class (Accumulation shares)				
Group 1	0.2265	–	0.2265	0.2404
Group 2	0.1724	0.0541	0.2265	0.2404
'B' Class (Income-2 shares)				
Group 1	0.3055	–	0.3055	0.3318
Group 2	0.1428	0.1627	0.3055	0.3318
'I' Class (Accumulation shares)				
Group 1	0.4058	–	0.4058	0.4246
Group 2	0.1170	0.2888	0.4058	0.4246
'I' Class (Income-2 shares)				
Group 1	0.3243	–	0.3243	0.3510
Group 2	0.2796	0.0447	0.3243	0.3510
'J' Class (Accumulation shares)				
Group 1	0.3127	–	0.3127	0.3260
Group 2	0.2064	0.1063	0.3127	0.3260
'J' Class (Income-2 shares)				
Group 1	0.3182	–	0.3182	0.3441
Group 2	0.1791	0.1391	0.3182	0.3441
'K' Class (Accumulation shares)				
Group 1	0.2720	–	0.2720	0.2831
Group 2	0.1491	0.1229	0.2720	0.2831
'K' Class (Income-2 shares)				
Group 1	0.3076	–	0.3076	0.3325
Group 2	0.0081	0.2995	0.3076	0.3325
'R' Class (Accumulation shares)				
Group 1	0.2979	–	0.2979	0.3128
Group 2	0.2979	0.0000	0.2979	0.3128
'R' Class (Income-2 shares)				
Group 1	0.3139	–	0.3139	0.3401
Group 2	0.0000	0.3139	0.3139	0.3401

Diversified Income Fund continued

Distribution Tables

For the year ended 30 September 2018

Interim distribution paid 31 May 2018

Group 1 - Shares purchased before 1 March 2018

Group 2 - Shares purchased between 1 March and 31 March 2018

	Gross Income pence	Equalisation pence	Distribution paid 31.05.18 pence	Distribution paid 31.05.17 pence
'A' Class (Accumulation shares)				
Group 1	0.7141	–	0.7141	0.7714
Group 2	0.0950	0.6191	0.7141	0.7714
'A' Class (Income-2 shares)				
Group 1	0.2750	–	0.2750	0.3025
Group 2	0.0000	0.2750	0.2750	0.3025
'B' Class (Accumulation shares)				
Group 1	0.2649	–	0.2649	0.2833
Group 2	0.1109	0.1540	0.2649	0.2833
'B' Class (Income-2 shares)				
Group 1	0.3402	–	0.3402	0.3733
Group 2	0.1778	0.1624	0.3402	0.3733
'I' Class (Accumulation shares)				
Group 1	0.4661	–	0.4661	0.4923
Group 2	0.0358	0.4303	0.4661	0.4923
'I' Class (Income-2 shares)				
Group 1	0.3612	–	0.3612	0.3950
Group 2	0.1267	0.2345	0.3612	0.3950
'J' Class (Accumulation shares)				
Group 1	0.3576	–	0.3576	0.3765
Group 2	0.0050	0.3526	0.3576	0.3765
'J' Class (Income-2 shares)				
Group 1	0.3545	–	0.3545	0.3872
Group 2	0.0949	0.2596	0.3545	0.3872
'K' Class (Accumulation shares)				
Group 1	0.3104	–	0.3104	0.3263
Group 2	0.0938	0.2166	0.3104	0.3263
'K' Class (Income-2 shares)				
Group 1	0.3427	–	0.3427	0.3742
Group 2	0.0000	0.3427	0.3427	0.3742
'R' Class (Accumulation shares)				
Group 1	0.3438	–	0.3438	0.3643
Group 2	0.3438	–	0.3438	0.3643
'R' Class (Income-2 shares)				
Group 1	0.3497	–	0.3497	0.3826
Group 2	–	0.3497	0.3497	0.3826

Distribution Tables

For the year ended 30 September 2018

Interim distribution paid 29 June 2018

Group 1 - Shares purchased before 1 April 2018

Group 2 - Shares purchased between 1 April and 30 April 2018

	Gross Income pence	Equalisation pence	Distribution paid 30.06.18 pence	Distribution paid 30.06.17 pence
'A' Class (Accumulation shares)				
Group 1	0.7161	–	0.7161	0.7748
Group 2	–	0.7161	0.7161	0.7748
'A' Class (Income-2 shares)				
Group 1	0.2750	–	0.2750	0.3025
Group 2	–	0.2750	0.2750	0.3025
'B' Class (Accumulation shares)				
Group 1	0.2657	–	0.2657	0.2845
Group 2	0.0292	0.2365	0.2657	0.2845
'B' Class (Income-2 shares)				
Group 1	0.3402	–	0.3402	0.3733
Group 2	0.0077	0.3325	0.3402	0.3733
'I' Class (Accumulation shares)				
Group 1	0.4678	–	0.4678	0.4946
Group 2	0.0100	0.4578	0.4678	0.4946
'I' Class (Income-2 shares)				
Group 1	0.3614	–	0.3614	0.3951
Group 2	0.0946	0.2668	0.3614	0.3951
'J' Class (Accumulation shares)				
Group 1	0.3590	–	0.3590	0.3783
Group 2	–	0.3590	0.3590	0.3783
'J' Class (Income-2 shares)				
Group 1	0.3547	–	0.3547	0.3874
Group 2	0.0340	0.3207	0.3547	0.3874
'K' Class (Accumulation shares)				
Group 1	0.3116	–	0.3116	0.3278
Group 2	0.0348	0.2768	0.3116	0.3278
'K' Class (Income-2 shares)				
Group 1	0.3429	–	0.3429	0.3744
Group 2	0.0000	0.3429	0.3429	0.3744
'R' Class (Accumulation shares)				
Group 1	0.3450	–	0.3450	0.3659
Group 2	0.0766	0.2684	0.3450	0.3659
'R' Class (Income-2 shares)				
Group 1	0.3498	–	0.3498	0.3828
Group 2	0.0634	0.2864	0.3498	0.3828

Diversified Income Fund continued

Distribution Tables

For the year ended 30 September 2018

Interim distribution paid 31 July 2018

Group 1 - Shares purchased before 1 May 2018

Group 2 - Shares purchased between 1 May and 31 May 2018

	Gross Income pence	Equalisation pence	Distribution paid 31.07.18 pence	Distribution paid 31.07.17 pence
'A' Class (Accumulation shares)				
Group 1	0.7196	–	0.7196	0.7759
Group 2	0.1137	0.6059	0.7196	0.7759
'A' Class (Income-2 shares)				
Group 1	0.2750	–	0.2750	0.3025
Group 2	0.0000	0.2750	0.2750	0.3025
'B' Class (Accumulation shares)				
Group 1	0.2670	–	0.2670	0.2851
Group 2	0.0271	0.2399	0.2670	0.2851
'B' Class (Income-2 shares)				
Group 1	0.3403	–	0.3403	0.3734
Group 2	0.0000	0.3403	0.3403	0.3734
'I' Class (Accumulation shares)				
Group 1	0.4700	–	0.4700	0.4961
Group 2	0.0000	0.4700	0.4700	0.4961
'I' Class (Income-2 shares)				
Group 1	0.3616	–	0.3616	0.3954
Group 2	–	0.3616	0.3616	0.3954
'J' Class (Accumulation shares)				
Group 1	0.3607	–	0.3607	0.3795
Group 2	0.0622	0.2985	0.3607	0.3795
'J' Class (Income-2 shares)				
Group 1	0.3549	–	0.3549	0.3877
Group 2	–	0.3549	0.3549	0.3877
'K' Class (Accumulation shares)				
Group 1	0.3131	–	0.3131	0.3290
Group 2	0.0458	0.2673	0.3131	0.3290
'K' Class (Income-2 shares)				
Group 1	0.3432	–	0.3432	0.3747
Group 2	–	0.3432	0.3432	0.3747
'R' Class (Accumulation shares)				
Group 1	0.3466	–	0.3466	0.3670
Group 2	0.1306	0.2160	0.3466	0.3670
'R' Class (Income-2 shares)				
Group 1	0.3499	–	0.3499	0.3830
Group 2	0.0059	0.3440	0.3499	0.3830

Distribution Tables

For the year ended 30 September 2018

Interim distribution paid 31 August 2018

Group 1 - Shares purchased before 1 June 2018

Group 2 - Shares purchased between 1 June and 30 June 2018

	Gross Income pence	Equalisation pence	Distribution paid 31.08.18 pence	Distribution paid 31.08.17 pence
'A' Class (Accumulation shares)				
Group 1	0.7242	–	0.7242	0.7812
Group 2	–	0.7242	0.7242	0.7812
'A' Class (Income-2 shares)				
Group 1	0.2750	–	0.2750	0.3025
Group 2	–	0.2750	0.2750	0.3025
'B' Class (Accumulation shares)				
Group 1	0.2686	–	0.2686	0.2869
Group 2	–	0.2686	0.2686	0.2869
'B' Class (Income-2 shares)				
Group 1	0.3404	–	0.3404	0.3735
Group 2	–	0.3404	0.3404	0.3735
'I' Class (Accumulation shares)				
Group 1	0.4725	–	0.4725	0.4990
Group 2	–	0.4725	0.4725	0.4990
'I' Class (Income-2 shares)				
Group 1	0.3618	–	0.3618	0.3956
Group 2	–	0.3618	0.3618	0.3956
'J' Class (Accumulation shares)				
Group 1	0.3625	–	0.3625	0.3817
Group 2	–	0.3625	0.3625	0.3817
'J' Class (Income-2 shares)				
Group 1	0.3551	–	0.3551	0.3879
Group 2	0.0185	0.3366	0.3551	0.3879
'K' Class (Accumulation shares)				
Group 1	0.3147	–	0.3147	0.3308
Group 2	–	0.3147	0.3147	0.3308
'K' Class (Income-2 shares)				
Group 1	0.3434	–	0.3434	0.3749
Group 2	0.1291	0.2143	0.3434	0.3749
'R' Class (Accumulation shares)				
Group 1	0.3485	–	0.3485	0.3691
Group 2	0.1631	0.1854	0.3485	0.3691
'R' Class (Income-2 shares)				
Group 1	0.3501	–	0.3501	0.3831
Group 2	–	0.3501	0.3501	0.3831

Diversified Income Fund continued

Distribution Tables

For the year ended 30 September 2018

Interim distribution paid 28 September 2018

Group 1 - Shares purchased before 1 July 2018

Group 2 - Shares purchased between 1 July and 31 July 2018

	Gross Income pence	Equalisation pence	Distribution paid 30.09.18 pence	Distribution paid 30.09.17 pence
'A' Class (Accumulation shares)				
Group 1	0.7248	–	0.7248	0.7845
Group 2	–	0.7248	0.7248	0.7845
'A' Class (Income-2 shares)				
Group 1	0.2750	–	0.2750	0.3025
Group 2	–	0.2750	0.2750	0.3025
'B' Class (Accumulation shares)				
Group 1	0.2690	–	0.2690	0.2882
Group 2	–	0.2690	0.2690	0.2882
'B' Class (Income-2 shares)				
Group 1	0.3405	–	0.3405	0.3736
Group 2	–	0.3405	0.3405	0.3736
'I' Class (Accumulation shares)				
Group 1	0.4738	–	0.4738	0.5012
Group 2	–	0.4738	0.4738	0.5012
'I' Class (Income-2 shares)				
Group 1	0.3619	–	0.3619	0.3957
Group 2	–	0.3619	0.3619	0.3957
'J' Class (Accumulation shares)				
Group 1	0.3636	–	0.3636	0.3834
Group 2	–	0.3636	0.3636	0.3834
'J' Class (Income-2 shares)				
Group 1	0.3553	–	0.3553	0.3881
Group 2	–	0.3553	0.3553	0.3881
'K' Class (Accumulation shares)				
Group 1	0.3157	–	0.3157	0.3323
Group 2	0.0680	0.2477	0.3157	0.3323
'K' Class (Income-2 shares)				
Group 1	0.3436	–	0.3436	0.3751
Group 2	–	0.3436	0.3436	0.3751
'R' Class (Accumulation shares)				
Group 1	0.3493	–	0.3493	0.3708
Group 2	0.0996	0.2497	0.3493	0.3708
'R' Class (Income-2 shares)				
Group 1	0.3502	–	0.3502	0.3833
Group 2	–	0.3502	0.3502	0.3833

Distribution Tables

For the year ended 30 September 2018

Interim distribution payable 31 October 2018

Group 1 - Shares purchased before 1 August 2018

Group 2 - Shares purchased between 1 August and 31 August 2018

	Gross Income pence	Equalisation pence	Distribution payable 31.10.18 pence	Distribution paid 31.10.17 pence
'A' Class (Accumulation shares)				
Group 1	0.7281	–	0.7281	0.7884
Group 2	–	0.7281	0.7281	0.7884
'A' Class (Income-2 shares)				
Group 1	0.2750	–	0.2750	0.3025
Group 2	–	0.2750	0.2750	0.3025
'B' Class (Accumulation shares)				
Group 1	0.2702	–	0.2702	0.2896
Group 2	–	0.2702	0.2702	0.2896
'B' Class (Income-2 shares)				
Group 1	0.3405	–	0.3405	0.3737
Group 2	0.0801	0.2604	0.3405	0.3737
'I' Class (Accumulation shares)				
Group 1	0.4759	–	0.4759	0.5036
Group 2	–	0.4759	0.4759	0.5036
'I' Class (Income-2 shares)				
Group 1	0.3621	–	0.3621	0.3960
Group 2	0.0209	0.3412	0.3621	0.3960
'J' Class (Accumulation shares)				
Group 1	0.3652	–	0.3652	0.3853
Group 2	–	0.3652	0.3652	0.3853
'J' Class (Income-2 shares)				
Group 1	0.3555	–	0.3555	0.3884
Group 2	–	0.3555	0.3555	0.3884
'K' Class (Accumulation shares)				
Group 1	0.3171	–	0.3171	0.3339
Group 2	0.0084	0.3087	0.3171	0.3339
'K' Class (Income-2 shares)				
Group 1	0.3438	–	0.3438	0.3754
Group 2	–	0.3438	0.3438	0.3754
'R' Class (Accumulation shares)				
Group 1	0.3509	–	0.3509	0.3726
Group 2	0.0800	0.2709	0.3509	0.3726
'R' Class (Income-2 shares)				
Group 1	0.3504	–	0.3504	0.3835
Group 2	–	0.3504	0.3504	0.3835

Diversified Income Fund continued

Distribution Tables

For the year ended 30 September 2018

Final distribution payable 30 November 2018

Group 1 - Shares purchased before 1 September 2018

Group 2 - Shares purchased between 1 September and 30 September 2018

	Gross Income pence	Equalisation pence	Distribution payable 30.11.18 pence	Distribution paid 30.11.17 pence
'A' Class (Accumulation shares)				
Group 1	1.5419	–	1.5419	0.8481
Group 2	0.4808	1.0611	1.5419	0.8481
'A' Class (Income-2 shares)				
Group 1	0.4717	–	0.4717	0.3024
Group 2	0.1170	0.3547	0.4717	0.3024
'B' Class (Accumulation shares)				
Group 1	0.5472	–	0.5472	0.3080
Group 2	0.2202	0.3270	0.5472	0.3080
'B' Class (Income-2 shares)				
Group 1	0.5891	–	0.5891	0.3708
Group 2	0.2828	0.3063	0.5891	0.3708
'I' Class (Accumulation shares)				
Group 1	0.9115	–	0.9115	0.5323
Group 2	0.3450	0.5665	0.9115	0.5323
'I' Class (Income-2 shares)				
Group 1	0.6264	–	0.6264	0.3936
Group 2	0.3145	0.3119	0.6264	0.3936
'J' Class (Accumulation shares)				
Group 1	0.6890	–	0.6890	0.4119
Group 2	0.2526	0.4364	0.6890	0.4119
'J' Class (Income-2 shares)				
Group 1	0.6149	–	0.6149	0.3915
Group 2	0.2544	0.3605	0.6149	0.3915
'K' Class (Accumulation shares)				
Group 1	0.5924	–	0.5924	0.3514
Group 2	0.2889	0.3035	0.5924	0.3514
'K' Class (Income-2 shares)				
Group 1	0.5896	–	0.5896	0.3737
Group 2	0.1868	0.4028	0.5896	0.3737
'R' Class (Accumulation shares)				
Group 1	0.6833	–	0.6833	0.4017
Group 2	0.4070	0.2763	0.6833	0.4017
'R' Class (Income-2 shares)				
Group 1	0.6156	–	0.6156	0.3673
Group 2	0.0180	0.5976	0.6156	0.3673

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 2018

	Note	30.09.18 £'000	£'000	30.09.17 £'000	£'000
Income					
Net capital gains	4		3,876		1,604
Revenue	6	2,568		2,106	
Expenses	7	(789)		(1,185)	
Interest payable and similar charges	8	(10)		(7)	
Net revenue before taxation		1,769		914	
Taxation	9	(173)		(122)	
Net revenue after taxation			1,596		792
Total return before distribution			5,472		2,396
Distribution	10		(1,609)		(1,134)
Change in net assets attributable to shareholders from investment activities			3,863		1,262

Statement of Change in Net Assets Attributable to Shareholders

For the year ended 30 September 2018

	30.09.18 £'000	£'000	30.09.17 £'000	£'000
Opening net assets attributable to shareholders		83,249		88,300
Amounts receivable on creation of shares	14,555		16,953	
Amounts payable on cancellation of shares	(20,812)		(24,373)	
		(6,257)		(7,420)
Change in net assets attributable to shareholders from investment activities		3,863		1,262
Retained distributions on accumulation shares		1,561		1,107
Closing net assets attributable to shareholders		82,416		83,249

Notes to the financial statements are on pages 138 to 142.

Balance Sheet

As at 30 September 2018

	Note	30.09.18 £'000	£'000	30.09.17 £'000	£'000
ASSETS					
Investments assets#			80,783		81,403
Current assets					
Debtors	11	1,683		29,253	
Cash and bank balances#	12	4,056		2,223	
Total other assets			5,739		31,476
Total assets			86,522		112,879
LIABILITIES					
Investment liabilities			249		75
Creditors					
Bank overdrafts		609		115	
Other creditors	13	3,248		29,440	
Total other liabilities			3,857		29,555
Total liabilities			4,106		29,630
Net assets attributable to shareholders			82,416		83,249

Notes to the financial statements are on pages 138 to 142.

Cash collateral is no longer included in investment portfolio but now appears in cash and bank balances, prior year figures have therefore been restated.

Enhanced Natural Resources Fund

Notes to the Financial Statements

For the year ended 30 September 2018

1. Accounting policies

The Accounting policies for the Fund are disclosed in the notes to the financial statements on page 91.

2. Distribution policies

The Distribution policies for the Fund are disclosed in the notes to the financial statements on pages 91 to 92.

3. Risk management policies

The Risk management policies for the Fund are disclosed in the notes to the financial statements on pages 92 to 102.

4. Net capital gains

The net capital gains during the year comprise:

	30.09.18 £'000	30.09.17 £'000
Losses on foreign exchange	(36)	(24)
Derivatives contracts	(4,714)	(3,860)
Non-derivative securities	8,678	5,537
Transaction charges	(52)	(49)
Net capital gains	3,876	1,604

5. Purchases, sales and transaction costs

Analysis of total trade costs

	Purchases		Sales	
	30.09.18 £'000	30.09.17 £'000	30.09.18 £'000	30.09.17 £'000
Equities	161,764	174,688	169,333	187,135
Collective Investment Schemes	1,326	824	3,192	72
Options	1,184	2,708	684	1,061
Contracts for difference	177,327	279,934	173,537	277,712
Trades excluding transaction costs	341,601	458,154	346,746	465,980
Commissions				
Equities	89	120	(90)	(127)
Collective Investment Schemes	–	–	–	–
Options	–	1	–	–
Contracts for difference	–	–	–	–
Total commissions	89	121	(90)	(127)
Taxes				
Equities	171	194	(3)	(7)
Collective Investment Schemes	–	–	–	–
Options	–	–	–	–
Contracts for difference	–	–	–	–
Total taxes	171	194	(3)	(7)
Total costs	260	315	(93)	(134)
Net trades in the year after transaction costs	341,861	458,469	346,653	465,846

Cash collateral is no longer included in investment portfolio but now appears in cash and bank balances, prior year figures have therefore been restated.

Total transaction cost expressed as a percentage of asset type cost

	Purchases		Sales	
	30.09.18	30.09.17	30.09.18	30.09.17
	%	%	%	%
Commissions				
Equities	0.06	0.07	0.05	0.07
Collective Investment Schemes	–	–	–	–
Options	–	0.04	–	–
Contracts for difference	–	–	–	–
Taxes				
Equities	0.11	0.11	–	–
Collective Investment Schemes	–	–	–	–
Options	–	–	–	–
Contracts for difference	–	–	–	–

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

	30.09.18	30.09.17
	%	%
Commissions	0.21	0.27
Taxes	0.21	0.22
Total costs	0.42	0.49

Average portfolio dealing spread

The average portfolio dealing spread at the balance sheet date was 0.22% (30.09.17: 0.11%).

6. Revenue

	30.09.18	30.09.17
	£'000	£'000
Bank interest	5	2
Interest on debt securities	2	–
Overseas dividends	1,600	1,456
Scrip dividends	–	38
UK dividends	937	607
Offshore distribution taxable from collective investment schemes	18	2
Property revenue from overseas REITs	6	–
Margin interest	–	1
Total revenue	2,568	2,106

7. Expenses

	30.09.18	30.09.17
	£'000	£'000
Payable to the ACD or associates of the ACD, and agents of either of them:		
ACD fee	691	753
General administration charge (GAC)	59	71
	750	824
Payable to the Depositary or associates of the Depositary, and agents of either of them:		
Safe custody fee	14	15
	14	15
Other expenses:		
VAT refund	(4)	–
Out of pocket expenses	–	1
ADR fees	5	1
SEBI Registration fees	–	2
Collateral interest fee	11	1
Contracts for difference financing charges	13	341
	25	346
Total expenses	789	1,185

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

The audit fee for the year is £8,300 (30.09.17: £8,100).

Enhanced Natural Resources Fund

Notes to the Financial Statements continued

For the year ended 30 September 2018

8. Interest payable and similar charges

	30.09.18 £'000	30.09.17 £'000
Interest	3	1
Margin Interest	7	6
Total interest payable and similar charges	10	7

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

	30.09.18 £'000	30.09.17 £'000
Overseas tax	173	122
Current tax charge	173	122
Deferred tax charge (note 9(c))	–	–
Total tax charge (note 9(b))	173	122

(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%) (30.09.17: 20%). The differences are explained below:

	30.09.18 £'000	30.09.17 £'000
Net revenue before taxation	1,769	914
Corporation tax of 20%	354	183
Effects of:		
Expenses not deductible for tax purposes	2	68
Movement in excess management expenses	117	155
Overseas tax	173	122
Revenue not subject to taxation	(467)	(404)
Overseas tax expensed	(6)	(2)
Total tax charge (note 9(a))	173	122

(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 £3,776,000 (2017: £3,659,000) 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 take account of equalisation received on the creation of shares and deducted on the cancellation of shares, and comprises:

	30.09.18 £'000	30.09.17 £'000
Final	1,561	1,107
Add: Equalisation deducted on cancellation of shares	140	80
Less: Equalisation received on creation of shares	(92)	(53)
Net distribution for the year	1,609	1,134

The net distribution for the year is represented by:

	30.09.18 £'000	30.09.17 £'000
Net revenue after taxation	1,596	792
Equalisation on conversion of shares	–	1
Expenses charged to capital:		
Contracts for difference financing charges	13	341
Net distribution for the year	1,609	1,134

11. Debtors

	30.09.18 £'000	30.09.17 £'000
Accrued bond interest	2	–
Accrued dividends and bank interest	151	63
Amounts receivable for creation of shares	76	198
Overseas tax recoverable	33	38
Sales awaiting settlement	1,420	28,954
Accrued contracts for difference financing charges	1	–
	1,683	29,253

12. Cash and bank balances

	30.09.18 £'000	30.09.17 £'000
Cash and bank balances#	2,830	2,088
Amount held at futures clearing houses and brokers	1,226	135
	4,056	2,223

Cash collateral is no longer included in investment portfolio but now appears in cash and bank balances, prior year figures have therefore been restated.

13. Other creditors

	30.09.18 £'000	30.09.17 £'000
Amounts payable for cancellation of shares	200	71
Purchases awaiting settlement	2,972	29,281
Accrued ACD fees	54	58
Accrued general administration charge (GAC)	4	5
Accrued safe custody fee	3	2
Accrued transaction charges	15	10
Accrued contracts for difference financing charges	–	13
	3,248	29,440

14. Capital commitments and contingent liabilities

The Fund had no contingent liabilities or capital commitments at the year end date (30.09.17: 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 (30.09.17: £823,789) and £1,995,052 (30.09.17: £72,327) 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 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 Nil% of the Fund's shares (by net asset value) were held by other Funds managed by the ACD (30.09.17: 0.02%).

16. ACD Fee and charges

The different level of ACD fees payable per annum as at 30 September 2018 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:

	30.09.17 Opening shares in issue	Creations	Cancellations	Shares converted	30.09.18 Closing shares in issue
'A' Class (Accumulation shares)	8,961,172	1,483,033	(2,907,254)	(27,247)	7,509,704
'I' Class (Accumulation shares)	46,066,161	8,698,846	(9,932,761)	51,309	44,883,555
'J' Class (Accumulation shares)	14,325,378	1,090,464	(4,216,667)	(28,332)	11,170,843
'R' Class (Accumulation shares)	80,342	–	(16,009)	–	64,333

Enhanced Natural Resources Fund

Notes to the Financial Statements continued

For the year ended 30 September 2018

17. 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 Fund's currency exposure as at 30 September 2018 was:

Currency	Currency exposure	
	Total 30.09.18 £'000	Total 30.09.17 £'000
Australian Dollar	5,739	5,254
Canadian Dollar	15,636	14,736
Chinese Yuan (Offshore)	252	–
Danish Krone	377	–
Euro	14,480	9,292
Hong Kong Dollar	408	1
Indian Rupee	539	886
Israeli Shekel	1,463	–
New Zealand Dollar	4	4
Norwegian Krone	20	27
Singapore Dollar	4	4
South African Rand	1,180	1,831
Sterling	25,309	20,304
Swedish Krona	864	–
Swiss Franc	–	12
US Dollar	16,141	30,898
Total	82,416	83,249

The majority of the Fund's financial assets are equity shares and other investments which neither pay interest nor have a maturity date. Therefore, the fund's exposure to interest rate risk is not considered to be significant.

18. Efficient portfolio management techniques risk exposure

The exposure obtained through efficient portfolio management techniques and identity of counterparties as at 30 September 2018 as follows:

(a) Options

Counterparty	Market Value 30.09.18 £'000	Value of exposure 30.09.18 £'000
Goldman Sachs	37	39
Total	37	39

Counterparty	Market Value 30.09.17 £'000	Value of exposure 30.09.17 £'000
Goldman Sachs	198	227
Total	198	227

19. Fair value

Valuation technique	30.09.18		30.09.17	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
Level 1	80,767	–	81,300	–
Level 2	16	(249)	103	(75)
Level 3	–	–	–	–
Total fair value	80,783	(249)	81,403	(75)

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 Table

For the year ended 30 September 2018

Final distribution payable 30 November 2018

Group 1 - Shares purchased before 1 October 2017

Group 2 - Shares purchased between 1 October 2017 and 30 September 2018

	Net Income pence	Equalisation pence	Distribution payable 30.11.18 pence	Distribution paid 30.11.17 pence
'A' Class (Accumulation shares)				
Group 1	1.5056	–	1.5056	0.7149
Group 2	1.1927	0.3129	1.5056	0.7149
'I' Class (Accumulation shares)				
Group 1	2.6006	–	2.6006	1.7323
Group 2	1.6753	0.9253	2.6006	1.7323
'J' Class (Accumulation shares)				
Group 1	2.5015	–	2.5015	1.7036
Group 2	1.7047	0.7968	2.5015	1.7036
'R' Class (Accumulation shares)				
Group 1	1.9346	–	1.9346	1.2057
Group 2	1.9346	–	1.9346	1.2057

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 2018

	Note	30.09.18 £'000	£'000	30.09.17 £'000	£'000
Income					
Net capital (losses)/gains	4		(6,199)		13,108
Revenue	6	2,615		2,106	
Expenses	7	(1,148)		(1,056)	
Interest payable and similar charges	8	(32)		(7)	
Net revenue before taxation		1,435		1,043	
Taxation	9	(64)		(20)	
Net revenue after taxation			1,371		1,023
Total return before distribution			(4,828)		14,131
Distribution	10		(1,376)		(1,020)
Change in net assets attributable to shareholders from investment activities			(6,204)		13,111

Statement of Change in Net Assets Attributable to Shareholders

For the year ended 30 September 2018

	30.09.18 £'000	£'000	30.09.17 £'000	£'000
Opening net assets attributable to shareholders		144,703		115,522
Amounts receivable on creation of shares	41,244		55,229	
Amounts payable on cancellation of shares	(75,731)		(40,437)	
		(34,487)		14,792
Dilution adjustment		21		–
Change in net assets attributable to shareholders from investment activities		(6,204)		13,111
Retained distributions on accumulation shares		718		1,278
Closing net assets attributable to shareholders		104,751		144,703

Notes to the financial statements are on pages 145 to 151.

Balance Sheet

As at 30 September 2018

	Note	30.09.18 £'000	£'000	30.09.17 £'000	£'000
ASSETS					
Investments assets#			83,143		86,587
Current assets					
Debtors	11	461		873	
Cash and bank balances#	12	24,318		61,159	
Total other assets			24,779		62,032
Total assets			107,922		148,619
LIABILITIES					
Investment liabilities			998		1,549
Creditors					
Bank overdrafts		748		1,703	
Other creditors	13	1,425		664	
Total other liabilities			2,173		2,367
Total liabilities			3,171		3,916
Net assets attributable to shareholders			104,751		144,703

Notes to the financial statements are on pages 145 to 151.

Cash collateral is no longer included in investment portfolio but now appears in cash and bank balances, prior year figures have therefore been restated.

Global Multi-Asset Total Return Fund

Notes to the Financial Statements

For the year ended 30 September 2018

1. Accounting policies

The Accounting policies for the Fund are disclosed in the notes to the financial statements on page 91.

2. Distribution policies

The Distribution policies for the Fund are disclosed in the notes to the financial statements on pages 91 to 92.

3. Risk management policies

The Risk management policies for the Fund are disclosed in the notes to the financial statements on pages 92 to 102.

4. Net capital (losses)/gains

The net capital (losses)/gains during the year comprise:

	30.09.18 £'000	30.09.17 £'000
(Losses)/gains on foreign exchange	(313)	86
Derivatives contracts	(1,713)	127
Forward currency contracts	(6,374)	3,606
Non-derivative securities	2,219	9,302
Transaction charges	(18)	(13)
Net capital (losses)/gains	(6,199)	13,108

5. Purchases, sales and transaction costs

Analysis of total trade costs#

	Purchases		Sales	
	30.09.18 £'000	30.09.17 £'000	30.09.18 £'000	30.09.17 £'000
Equities	39,920	40,079	50,933	10,235
Bonds	23,029	62,760	44,849	16,762
Collective Investment Schemes	12	112,814	1,181	219,501
Options	1,250	517	899	100
Swaps	26,733	–	26,356	–
Treasury Bills	16,726	–	16,735	–
Commercial Papers	84,405	–	68,500	–
Certificates of Deposit	72,497	–	57,500	–
Futures*	–	–	–	–
Trades excluding transaction costs	264,572	216,170	266,953	246,598
Commissions				
Equities	16	16	(16)	(5)
Bonds	–	–	–	–
Collective Investment Schemes	–	15	–	(41)
Options	–	–	–	–
Swaps	–	–	–	–
Treasury Bills	–	–	–	–
Commercial Papers	–	–	–	–
Certificates of Deposit	–	–	–	–
Futures*	–	2	–	(1)
Total commissions	16	33	(16)	(47)
Taxes				
Equities	25	14	(1)	–
Bonds	–	–	–	–
Collective Investment Schemes	–	–	–	–
Options	–	–	–	–
Swaps	–	–	–	–
Treasury Bills	–	–	–	–
Commercial Papers	–	–	–	–
Certificates of Deposit	–	–	–	–
Futures*	–	–	–	–
Total taxes	25	14	(1)	–
Total costs	41	47	(17)	(47)
Net trades in the year after transaction costs	264,613	216,217	266,936	246,551

Cash collateral is no longer included in investment portfolio but now appears in cash and bank balances, prior year figures have therefore been restated.

Global Multi-Asset Total Return Fund

Notes to the Financial Statements continued

For the year ended 30 September 2018

Total transaction cost expressed as a percentage of asset type cost

	Purchases		Sales	
	30.09.18 £'000	30.09.17 £'000	30.09.18 £'000	30.09.17 £'000
Commissions				
Equities	0.04	0.04	0.03	0.05
Bonds	–	–	–	–
Collective Investment Schemes	–	0.01	–	0.02
Options	–	–	–	–
Swaps	–	–	–	–
Treasury Bills	–	–	–	–
Commercial Papers	–	–	–	–
Certificates of Deposit	–	–	–	–
Futures*	–	–	–	–
Taxes				
Equities	0.06	0.03	–	–
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

	30.09.18 %	30.09.17 %
Commissions	0.02	0.05
Taxes	0.02	0.01
Total costs	0.04	0.06

Average portfolio dealing spread

The average portfolio dealing spread at the balance sheet date was 0.03% (30.09.17: 0.03%).

6. Revenue

	30.09.18 £'000	30.09.17 £'000
Bank interest	178	31
Franked investment income from collective investment schemes	–	266
Interest on debt securities	1,420	554
Overseas dividends	736	237
UK dividends	174	108
Offshore distribution taxable from collective investment schemes	43	39
Offshore distribution non-taxable from collective investment schemes	30	819
Property revenue from UK REITs – PID	4	34
Property revenue from UK REITs – Non PID	2	18
Property revenue from overseas REITs	10	–
Margin interest	18	–
Total revenue	2,615	2,106

7. Expenses

	30.09.18 £'000	30.09.17 £'000
Payable to the ACD or associates of the ACD, and agents of either of them:		
ACD fee	989	947
General administration charge (GAC)	112	99
	1,101	1,046
Payable to the Depositary or associates of the Depositary, and agents of either of them:		
Safe custody fee	13	9
	13	9
Other expenses:		
VAT refund	(4)	–
Out of pocket expenses	–	1
Collateral interest fee	18	–
Currency hedge	20	–
	34	1
Total expenses	1,148	1,056

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

The audit fee for the year is £8,300 (30.09.17: £8,100).

8. Interest payable and similar charges

	30.09.18 £'000	30.09.17 £'000
Interest	10	3
Margin Interest	22	4
Total interest payable and similar charges	32	7

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

	30.09.18 £'000	30.09.17 £'000
Overseas tax	64	20
Current tax charge	64	20
Deferred tax charge (note 9(c))	–	–
Total tax charge (note 9(b))	64	20

(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%) (30.09.17: 20%). The differences are explained below:

	30.09.18 £'000	30.09.17 £'000
Net revenue before taxation	1,435	1,043
Corporation tax of 20%	287	209
Effects of:		
Movement in excess management expenses	(98)	81
Overseas tax	64	20
Revenue not subject to taxation	(189)	(290)
Total tax charge (note 9(a))	64	20

(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 £1,445,000 (2017: £1,543,000) 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.

Global Multi-Asset Total Return Fund

Notes to the Financial Statements continued

For the year ended 30 September 2018

10. Distribution

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

	30.09.18 £'000	30.09.17 £'000
Final	718	1,278
Add: Equalisation deducted on cancellation of shares	792	417
Less: Equalisation received on creation of shares	(134)	(675)
Net distribution for the year	1,376	1,020

The net distribution for the year is represented by:

	30.09.18 £'000	30.09.17 £'000
Net revenue after taxation	1,371	1,023
Equalisation on conversion of shares	3	(2)
Net movement in revenue account	2	(1)
Net distribution for the year	1,376	1,020

11. Debtors

	30.09.18 £'000	30.09.17 £'000
Accrued bond interest	169	319
Accrued dividends and bank interest	89	121
Amounts receivable for creation of shares	–	206
Dilution adjustment receivable	21	–
Income tax recoverable	–	15
Overseas tax recoverable	5	1
Sales awaiting settlement	174	330
Unrealised currency hedge	3	(119)
	461	873

12. Cash and bank balances

	30.09.18 £'000	30.09.17 £'000
Cash and bank balances#	21,018	59,031
Amount held at futures clearing houses and brokers	3,300	2,128
	24,318	61,159

Cash collateral is no longer included in investment portfolio but now appears in cash and bank balances, prior year figures have therefore been restated.

13. Other creditors

	30.09.18 £'000	30.09.17 £'000
Amounts payable for cancellation of shares	154	146
Purchases awaiting settlement	1,173	427
Accrued ACD fees	80	80
Accrued general administration charge (GAC)	6	8
Accrued safe custody fee	3	1
Accrued transaction charges	5	2
Payable for hedge fee expense	4	–
	1,425	664

14. Capital commitments and contingent liabilities

The Fund had no contingent liabilities or capital commitments at the year end date (30.09.17: 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 (30.09.17: £19,270,771) and £1,181,127 (30.09.17: £54,224,094) respectively where Investec Asset Management acted as broker, no commission was received by them in relation to this.

Included in note 5 are sales to the value of Nil (30.09.2017: £1,370,264) where Investec Wealth & Investment Limited acted as broker, commission of Nil (30.09.2017: £833) 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 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 Nil% of the Fund's shares (by net asset value) were held by other Funds managed by the ACD (30.09.17: 30.71%).

16. Dilution adjustment

Please refer to note 4 of the notes to the financial statements of the company 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 2018 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.

Reconciliation of the shares movement in the year:

	30.09.17 Opening shares in issue	Creations	Cancellations	Shares converted	30.09.18 Closing shares in issue
'A' Class (Accumulation shares)	11,906,813	236,419	(982,243)	(515,116)	10,645,873
'I' Class (Accumulation shares)	35,399,536	8,513,209	(4,098,893)	576,618	40,390,470
'R' Class (Accumulation shares)	272,924	6,166	(7,561)	–	271,529
'S' Class (EUR Hedged Accumulation shares)	50,001,000	25,252,362	(75,252,362)	–	1,000

18. 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 Fund's currency exposure as at 30 September 2018 was:

Currency	Currency exposure	
	Total 30.09.18 £'000	Total 30.09.17 £'000
Australian dollar	15	866
Brazilian real	(568)	(1,289)
Canadian dollar	(27)	439
Swiss franc	(2,578)	(4,227)
Danish krone	210	178
Euro currency	(7,200)	10,589
Hong Kong dollar	(32)	319
Japanese yen	32,461	10,577
Mexican peso	54	200
New Taiwan dollar	(5,298)	–
New Zealand dollar	3	(9,940)
Polish zloty	–	(10,102)
Sterling	105,488	145,800
South Korean won	(5,315)	–
Swedish krona	1,350	1180
Turkish lira	1	2
US dollar	(13,813)	111
Total	104,751	144,703

Global Multi-Asset Total Return Fund

Notes to the Financial Statements continued

For the year ended 30 September 2018

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

Currency	Floating rate financial assets 30.09.18 £'000	Fixed rate financial assets 30.09.18 £'000	Financial assets not carrying interest 30.09.18 £'000	Total 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

Interest rate risk profile of financial assets and liabilities as at 30 September 2017 was as follows:

Currency	Floating rate financial assets 30.09.17 £'000	Fixed rate financial assets 30.09.17 £'000	Financial assets not carrying interest 30.09.17 £'000	Total 30.09.17 £'000
Australian dollar	66	–	800	866
Brazilian real	–	–	(1,289)	(1,289)
Canadian dollar	63	12,745	(12,369)	439
Swiss franc	–	–	(4,227)	(4,227)
Danish krone	–	–	178	178
Euro currency	64	–	10,525	10,589
Hong Kong dollar	–	–	319	319
Japanese yen	–	–	10,577	10,577
Mexican peso	4	–	196	200
New Zealand dollar	–	–	(9,940)	(9,940)
Polish zloty	–	–	(10,102)	(10,102)
Sterling	56,997	–	88,803	145,800
Swedish krona	–	–	1,180	1,180
Turkish lira	2	–	–	2
US dollar	379	32,503	(32,771)	111
Total	57,575	45,248	41,880	144,703

19. Efficient portfolio management techniques risk exposure

The exposure obtained through efficient portfolio management techniques and identity of counterparties as at 30 September 2018 was as follows:

(a) Forwards

Counterparty	Market Value	
	30.09.18 £'000	30.09.17 £'000
Citibank	(592)	570
Goldman Sachs	(48)	2,441
HSBC	29	(372)
JP Morgan	146	–
Standard Chartered	(61)	(111)
Total	(526)	2,528

(b) Futures

	Market Value 30.09.18 £'000	Value of exposure 30.09.18 £'000
Counterparty		
Goldman Sachs	252	79,585
Total	252	79,585

Futures

	Market Value 30.09.17 £'000	Value of exposure 30.09.17 £'000
Counterparty		
Goldman Sachs	(417)	93,045
Total	(417)	93,045

20. Fair value

	30.09.18		30.09.17	
Valuation technique	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
Level 1	51,919	(213)	70,518	(753)
Level 2	31,224	(785)	15,759	(486)
Level 3	–	–	–	–
Total fair value	83,143	(998)	86,277	(1,239)

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 Table

For the year ended 30 September 2018

Final distribution payable 30 November 2018

Group 1 – Shares purchased before 1 October 2017

Group 2 – Shares purchased between 1 October 2017 and 30 September 2018

	Net Income pence	Equalisation pence	Distribution payable 30.11.18 pence	Distribution paid 30.11.17 pence
'A' Class (Accumulation shares)				
Group 1	0.7198	–	0.7198	0.1643
Group 2	0.5043	0.2155	0.7198	0.1643
'I' Class (Accumulation shares)				
Group 1	1.5819	–	1.5819	1.5897
Group 2	0.8041	0.7778	1.5819	1.5897
'R' Class (Accumulation shares)				
Group 1	0.9429	–	0.9429	0.9380
Group 2	0.5488	0.3941	0.9429	0.9380
'S' Class (EUR Hedged Accumulation shares)				
Group 1	0.6800	–	0.6800	1.5716
Group 2	0.3672	0.3128	0.6800	1.5716

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 2018

	Note	30.09.18 £'000	£'000	30.09.17 £'000	£'000
Income					
Net capital gains	4		75,685		134,859
Revenue	6	58,127		48,425	
Expenses	7	(14,807)		(11,232)	
Interest payable and similar charges		(18)		(5)	
Net revenue before taxation		43,302		37,188	
Taxation	8	(70)		(115)	
Net revenue after taxation			43,232		37,073
Total return before distribution			118,917		171,932
Distribution	9		(43,246)		(37,133)
Change in net assets attributable to shareholders from investment activities			75,671		134,799

Statement of Change in Net Assets Attributable to Shareholders

For the year ended 30 September 2018

	30.09.18 £'000	£'000	30.09.17 £'000	£'000
Opening net assets attributable to shareholders		1,737,042		1,162,218
Amounts receivable on creation of shares	484,310		544,191	
Amounts payable on cancellation of shares	(201,692)		(123,308)	
		282,618		420,883
Dilution adjustment		–		791
Change in net assets attributable to shareholders from investment activities		75,671		134,799
Retained distributions on accumulation shares		20,394		18,351
Closing net assets attributable to shareholders		2,115,725		1,737,042

Notes to the financial statements are on pages 154 to 157.

Balance Sheet

As at 30 September 2018

	Note	30.09.18 £'000	£'000	30.09.17 £'000	£'000
ASSETS					
Investments assets			2,079,454		1,688,444
Current assets					
Debtors	10	38,147		6,590	
Cash and bank balances		27,557		67,319	
Total other assets			65,704		73,909
Total assets			2,145,158		1,762,353
LIABILITIES					
Creditors					
Distribution payable		24,389		23,392	
Other creditors	11	5,044		1,919	
Total liabilities			29,433		25,311
Net assets attributable to shareholders			2,115,725		1,737,042

Notes to the financial statements are on pages 154 to 157.

UK Alpha Fund

Notes to the Financial Statements

For the year ended 30 September 2018

1. Accounting policies

The Accounting policies for the Fund are disclosed in the notes to the financial statements on page 91.

2. Distribution policies

The Distribution policies for the Fund are disclosed in the notes to the financial statements on pages 91 to 92.

3. Risk management policies

The Risk management policies for the Fund are disclosed in the notes to the financial statements on pages 92 to 102.

4. Net capital gains

The net capital gains during the year comprise:

	30.09.18 £'000	30.09.17 £'000
Gains on foreign exchange	291	47
Non-derivative securities	75,406	134,817
Transaction charges	(12)	(5)
Net capital gains	75,685	134,859

5. Purchases, sales and transaction costs

Analysis of total trade costs

	Purchases		Sales	
	30.09.18 £'000	30.09.17 £'000	30.09.18 £'000	30.09.17 £'000
Equities	693,746	545,949	380,429	137,180
Commissions				
Equities	307	356	(174)	(77)
Taxes				
Equities	3,022	2,593	(1)	–
Total costs	3,329	2,949	(175)	(77)
Net trades in the year after transaction costs	697,075	548,898	380,254	137,103

Total transaction cost expressed as a percentage of asset type cost

	Purchases		Sales	
	30.09.18 %	30.09.17 %	30.09.18 %	30.09.17 %
Commissions				
Equities	0.04	0.07	0.05	0.06
Taxes				
Equities	0.44	0.47	–	–

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

	30.09.18 %	30.09.17 %
Commissions	0.02	0.03
Taxes	0.15	0.18
Total costs	0.18	0.21

Average portfolio dealing spread

The average portfolio dealing spread at the balance sheet date was 0.10% (30.09.17: 0.10%).

6. Revenue

	30.09.18 £'000	30.09.17 £'000
Bank interest	129	38
Overseas dividends	1,130	1,021
UK dividends	55,680	46,503
Property revenue from UK REITs – PID	1,188	858
Trial commission	–	5
Total revenue	58,127	48,425

7. Expenses

	30.09.18 £'000	30.09.17 £'000
Payable to the ACD or associates of the ACD, and agents of either of them:		
ACD fee	13,301	10,001
General administration charge (GAC)	1,398	1,149
	14,699	11,150
Payable to the Depositary or associates of the Depositary, and agents of either of them:		
Safe custody fee	112	82
	112	82
Other expenses:		
VAT refund	(4)	–
	(4)	–
Total expenses	14,807	11,232

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

The audit fee for the year is £8,300 (30.09.17: £8,100).

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

	30.09.18 £'000	30.09.17 £'000
Overseas tax	70	115
Current tax charge	70	115
Deferred tax charge (note 8(c))	–	–
Total tax charge (note 8(b))	70	115

(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%) (30.09.17: 20%). The differences are explained below:

	30.09.18 £'000	30.09.17 £'000
Net revenue before taxation	43,302	37,188
Corporation tax of 20%	8,660	7,438
Effects of:		
Movement in excess management expenses	2,701	2,067
Overseas tax	71	115
Revenue not subject to taxation	(11,362)	(9,505)
Total tax charge (note 8(a))	70	115

(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 £7,681,000 (2017: £4,980,000) 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 Alpha Fund

Notes to the Financial Statements continued

For the year ended 30 September 2018

9. Distribution

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

	30.09.18 £'000	30.09.17 £'000
Final	44,783	41,743
Add: Equalisation deducted on cancellation of shares	2,176	798
Less: Equalisation received on creation of shares	(3,713)	(5,408)
Net distribution for the year	43,246	37,133

The net distribution for the year is represented by:

	30.09.18 £'000	30.09.17 £'000
Net revenue after taxation	43,232	37,073
Equalisation on conversion of shares	14	60
Net distribution for the year	43,246	37,133

10. Debtors

	30.09.18 £'000	30.09.17 £'000
Accrued dividends and bank interest	2,716	2,348
Amounts receivable for creation of shares	35,431	4,241
Overseas tax recoverable	–	1
	38,147	6,590

11. Other creditors

	30.09.18 £'000	30.09.17 £'000
Amounts payable for cancellation of shares	198	850
Purchases awaiting settlement	3,549	–
Accrued ACD fees	1,148	951
Accrued general administration charge (GAC)	116	103
Accrued safe custody fee	30	14
Accrued transaction charges	3	1
	5,044	1,919

12. Capital commitments and contingent liabilities

The Fund had no contingent liabilities or capital commitments at the year end date (30.09.17: 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 £16,317,774 (30.09.17: £8,572,094) and £18,777,933 (30.09.17: £16,783,552) respectively where Investec Wealth & Investment Limited acted as broker, commission of £18,721 (30.09.17: £14,764) 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 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.

At the year end date 0.15% of the Fund's shares (by net asset value) were held by other Funds managed by the ACD (30.09.17: 13.74%).

14. Dilution adjustment

Please refer to note 4 of the notes to the financial statements of the company 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 2018 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.

Reconciliation of the shares movement in the year:

	30.09.17 Opening shares in issue	Creations	Cancellations	Shares converted	30.09.18 Closing shares in issue
'A' Class (Accumulation shares)	3,283,837	49,012	(380,037)	(35,779)	2,917,033
'I' Class (Accumulation shares)	200,256,126	53,194,240	(11,172,253)	355,575	242,633,688
'I' Class (Income shares)	41,186,682	21,594,693	(21,280,509)	(1,329,092)	40,171,774
'J' Class (Accumulation shares)	234,427,500	59,721,465	(20,439,987)	3,105,758	276,814,736
'J' Class (Income shares)	373,155,090	135,312,115	(23,376,520)	(15,984,445)	469,106,240
'K' Class (Accumulation shares)	–	24,017,908	(2,583,400)	–	21,434,508
'K' Class (Income shares)	289,286,294	23,869,895	(27,635,341)	17,701,868	303,222,716
'R' Class (Accumulation shares)	118,536	162	(56)	113,340	231,982
'S' Class (Accumulation shares)	373,858	23,440	(126,286)	–	271,012

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	30.09.18		30.09.17	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
Level 1	2,079,454	–	1,688,444	–
Level 2	–	–	–	–
Level 3	–	–	–	–
Total fair value	2,079,454	–	1,688,444	–

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 2018

Final distribution payable 30 November 2018

Group 1 - Shares purchased before 1 October 2017

Group 2 - Shares purchased between 1 October 2017 and 30 September 2018

	Net Income pence	Equalisation pence	Distribution payable 30.11.18 pence	Distribution paid 30.11.17 pence
'A' Class (Accumulation shares)				
Group 1	32.9756	–	32.9756	38.7705
Group 2	21.8662	11.1094	32.9756	38.7705
'I' Class (Accumulation shares)				
Group 1	4.4194	–	4.4194	4.7628
Group 2	2.7580	1.6614	4.4194	4.7628
'I' Class (Income shares)				
Group 1	7.3003	–	7.3003	8.0550
Group 2	5.6527	1.6476	7.3003	8.0550
'J' Class (Accumulation shares)				
Group 1	2.8900	–	2.8900	3.0918
Group 2	1.6042	1.2858	2.8900	3.0918
'J' Class (Income shares)				
Group 1	2.7439	–	2.7439	3.0056
Group 2	1.4805	1.2634	2.7439	3.0056
'K' Class (Accumulation shares)⁽¹⁾				
Group 1	2.3255	–	2.3255	–
Group 2	2.2104	0.1151	2.3255	–
'K' Class (Income shares)				
Group 1	2.8311	–	2.8311	3.0624
Group 2	1.5790	1.2521	2.8311	3.0624
'R' Class (Accumulation shares)				
Group 1	3.4099	–	3.4099	3.7494
Group 2	2.0115	1.3984	3.4099	3.7494
'S' Class (Accumulation shares)				
Group 1	74.7491	–	74.7491	76.8046
Group 2	25.7595	48.9896	74.7491	76.8046

(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 2018

	Note	30.09.18 £'000	£'000	30.09.17 £'000	£'000
Income					
Net capital gains	4		2,337		2,912
Revenue	6	2,990		2,018	
Expenses	7	(375)		(241)	
Interest payable and similar charges		–		–	
Net revenue before taxation		2,615		1,777	
Taxation	8	(24)		(17)	
Net revenue after taxation			2,591		1,760
Total return before distributions			4,928		4,672
Distributions	9		(2,722)		(1,809)
Change in net assets attributable to shareholders from investment activities			2,206		2,863

Statement of Change in Net Assets Attributable to Shareholders

For the year ended 30 September 2018

	30.09.18 £'000	£'000	30.09.17 £'000	£'000
Opening net assets attributable to shareholders		68,901		35,235
Amounts receivable on creation of shares	54,266		36,089	
Amounts payable on cancellation of shares	(23,405)		(6,424)	
		30,861		29,665
Dilution adjustment		80		73
Change in net assets attributable to shareholders from investment activities		2,206		2,863
Retained distributions on accumulation shares		1,311		1,065
Closing net assets attributable to shareholders		103,359		68,901

Notes to the financial statements are on pages 160 to 163.

Balance Sheet

As at 30 September 2018

	Note	30.09.18 £'000	£'000	30.09.17 £'000	£'000
ASSETS					
Investments assets			99,345		66,413
Current assets					
Debtors	10	473		540	
Cash and bank balances		4,571		2,669	
Total other assets			5,044		3,209
Total assets			104,389		69,622
LIABILITIES					
Creditors					
Distribution payable		973		641	
Other creditors	11	57		80	
Total liabilities			1,030		721
Net assets attributable to shareholders			103,359		68,901

Notes to the financial statements are on pages 160 to 163.

UK Equity Income Fund

Notes to the Financial Statements

For the year ended 30 September 2018

1. Accounting policies

The Accounting policies for the Fund are disclosed in the notes to the financial statements on page 91.

2. Distribution policies

The Distribution policies for the Fund are disclosed in the notes to the financial statements on pages 91 to 92.

3. Risk management policies

The Risk management policies for the Fund are disclosed in the notes to the financial statements on pages 92 to 102.

4. Net capital gains

The net capital gains during the year comprise:

	30.09.18 £'000	30.09.17 £'000
Losses on foreign exchange	(5)	(14)
Non-derivative securities	2,351	2,935
Transaction charges	(9)	(9)
Net capital gains	2,337	2,912

5. Purchases, sales and transaction costs

Analysis of total trade costs

	Purchases		Sales	
	30.09.18	30.09.17	30.09.18	30.09.17
Equities	54,345	31,512	23,629	3,199
Trades excluding transaction costs	54,345	31,512	23,629	3,199
Commissions				
Equities	23	16	(7)	(2)
Taxes				
Equities	231	130	–	–
Total costs	254	146	(7)	(2)
Net trades in the year after transaction costs	54,599	31,658	23,622	3,197

Total transaction cost expressed as a percentage of asset type cost

	Purchases		Sales	
	30.09.18 %	30.09.17 %	30.09.18 %	30.09.17 %
Commissions				
Equities	0.04	0.05	0.03	0.07
Taxes				
Equities	0.43	0.41	–	–

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

	30.09.18 %	30.09.17 %
Commissions	0.03	0.03
Taxes	0.27	0.24
Total costs	0.30	0.27

Average portfolio dealing spread

The average portfolio dealing spread at the balance sheet date was 0.07% (30.09.17: 0.07%).

6. Revenue

	30.09.18 £'000	30.09.17 £'000
Overseas dividends	386	242
UK dividends	2,604	1,776
Total revenue	2,990	2,018

7. Expenses

	30.09.18 £'000	30.09.17 £'000
Payable to the ACD or associates of the ACD, and agents of either of them:		
ACD fee	309	195
General administration charge (GAC)	61	42
	370	237
Payable to the Depositary or associates of the Depositary, and agents of either of them:		
Safe custody fee	6	4
	6	4
Other expenses:		
VAT refund	(1)	–
	(1)	–
Total expenses	375	241

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

The audit fee for the year is £9,400 (30.09.17: £9,200).

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

	30.09.18 £'000	30.09.17 £'000
Overseas tax	24	17
Current tax charge	24	17
Deferred tax charge (note 8(c))	–	–
Total tax charge (note 8(b))	24	17

(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%) (30.09.17: 20%). The differences are explained below:

	30.09.18 £'000	30.09.17 £'000
Net revenue before taxation	2,615	1,777
Corporation tax of 20%	523	355
Effects of:		
Movement in excess management expenses	75	48
Overseas tax	24	17
Revenue not subject to taxation	(598)	(403)
Total tax charge (note 8(a))	24	17

(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 £134,000 (2017: £59,000) 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 Equity Income Fund

Notes to the Financial Statements continued

For the year ended 30 September 2018

9. Distributions

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

	30.09.18 £'000	30.09.17 £'000
Interim	1,292	779
Final	1,674	1,255
	2,966	2,034
Add: Equalisation deducted on cancellation of shares	107	40
Less: Equalisation received on creation of shares	(351)	(265)
Net distribution for the year	2,722	1,809

The net distribution for the year is represented by:

	30.09.18 £'000	30.09.17 £'000
Net revenue after taxation	2,591	1,760
Expenses charged to capital:		
ACD fee	98	30
General administration charge (GAC)	30	17
Safe custody fee	3	2
Net distribution for the year	2,722	1,809

10. Debtors

	30.09.18 £'000	30.09.17 £'000
Accrued dividends and bank interest	225	150
Amounts receivable for creation of shares	237	390
Overseas tax recoverable	11	–
	473	540

11. Other creditors

	30.09.18 £'000	30.09.17 £'000
Amounts payable for cancellation of shares	18	53
Accrued ACD fees	28	21
Accrued general administration charge (GAC)	6	4
Accrued safe custody fee	2	1
Accrued transaction charges	3	1
	57	80

12. Capital commitments and contingent liabilities

The Fund had no contingent liabilities or capital commitments at the year end date (30.09.17: 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 £917,308 (30.09.2017: £130,421) and £291,822 (30.09.2017: nil) respectively where Investec Wealth & Investment Limited acted as broker, commission of £547 (30.09.2017: £77) and £175 (30.09.2017: nil) 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.

At the year end date Nil% of the Fund's shares (by net asset value) were held by other Funds managed by the ACD (30.09.17: 19.17%).

14. Dilution adjustment

Please refer to note 4 of the notes to the financial statements of the company 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 2018 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.

Reconciliation of the shares movement in the year:

	30.09.17 Opening shares in issue	Creations	Cancellations	Shares converted	30.09.18 Closing shares in issue
'A' Class (Accumulation shares)	351,742	89,369	(54,832)	–	386,279
'A' Class (Income-2 shares)	21,098	15,591	(1,051)	–	35,638
'I' Class (Accumulation shares)	14,724,780	10,882,587	(14,887,934)	–	10,719,433
'I' Class (Income-2 shares)	1,006,968	3,438,434	(531,857)	(33,039)	3,880,506
'J' Class (Accumulation shares)	36,740	84,148	(101,777)	–	19,111
'J' Class (Income-2 shares)	707	27	–	–	734
'K' Class (Accumulation shares)	–	1,000	–	–	1,000
'K' Class (Income-2 shares)	–	1,000	–	–	1,000
'L' Class (Accumulation shares)	15,000,018	12,897,552	(2,430,872)	–	25,466,698
'L' Class (Income-2 shares)	15,184,642	17,369,339	(798,511)	30,869	31,786,339
'S' Class (Income-2 shares)	11,735,040	350,328	(253,390)	–	11,831,978

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	30.09.18		30.09.17	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
Level 1	99,345	–	66,413	–
Level 2	–	–	–	–
Level 3	–	–	–	–
Total fair value	99,345	–	66,413	–

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 2018

Interim distribution paid 31 May 2018

Group 1 – Shares purchased before 1 October 2017

Group 2 – Shares purchased between 1 October 2017 and 31 March 2018

	Net Income pence	Equalisation pence	Distribution paid 31.05.18 pence	Distribution paid 31.05.17 pence
'A' Class (Accumulation shares)				
Group 1	1.0699	–	1.0699	0.9771
Group 2	0.5040	0.5659	1.0699	0.9771
'A' Class (Income-2 shares)				
Group 1	1.8100	–	1.8100	1.7319
Group 2	1.2883	0.5217	1.8100	1.7319
'I' Class (Accumulation shares)				
Group 1	1.5385	–	1.5385	1.4038
Group 2	1.2047	0.3338	1.5385	1.4038
'I' Class (Income-2 shares)				
Group 1	1.8653	–	1.8653	1.7686
Group 2	0.9480	0.9173	1.8653	1.7686
'J' Class (Accumulation shares)				
Group 1	1.6398	–	1.6398	1.4945
Group 2	0.9260	0.7138	1.6398	1.4945
'J' Class (Income-2 shares)				
Group 1	1.8929	–	1.8929	1.7827
Group 2	1.3475	0.5454	1.8929	1.7827
'K' Class (Accumulation shares)⁽¹⁾				
Group 1	n/a	–	n/a	n/a
Group 2	n/a	n/a	n/a	n/a
'K' Class (Income-2 shares)⁽¹⁾				
Group 1	n/a	–	n/a	n/a
Group 2	n/a	n/a	n/a	n/a
'L' Class (Accumulation shares)				
Group 1	1.9096	–	1.9096	1.7355
Group 2	1.0666	0.8430	1.9096	1.7355
'L' Class (Income-2 shares)				
Group 1	1.9953	–	1.9953	1.8827
Group 2	1.2297	0.7656	1.9953	1.8827
'S' Class (Income-2 shares)				
Group 1	1.9059	–	1.9059	1.7934
Group 2	1.3582	0.5477	1.9059	1.7934

Distribution Tables

For the year ended 30 September 2018

Final distribution 30 November 2018

Group 1 – Shares purchased before 1 April 2018

Group 2 – Shares purchased between 1 April 2018 and 30 September 2018

	Net Income pence	Equalisation pence	Distribution payable 30.11.18 pence	Distribution paid 30.11.17 pence
'A' Class (Accumulation shares)				
Group 1	1.1487	–	1.1487	1.3793
Group 2	0.6369	0.5118	1.1487	1.3793
'A' Class (Income-2 shares)				
Group 1	1.8798	–	1.8798	2.1443
Group 2	0.1215	1.7583	1.8798	2.1443
'I' Class (Accumulation shares)				
Group 1	1.6452	–	1.6452	1.8518
Group 2	0.7908	0.8544	1.6452	1.8518
'I' Class (Income-2 shares)				
Group 1	1.9427	–	1.9427	2.1977
Group 2	0.5643	1.3784	1.9427	2.1977
'J' Class (Accumulation shares)				
Group 1	1.7405	–	1.7405	1.9614
Group 2	0.8839	0.8566	1.7405	1.9614
'J' Class (Income-2 shares)				
Group 1	1.9612	–	1.9612	2.2137
Group 2	1.1941	0.7671	1.9612	2.2137
'K' Class (Accumulation shares)⁽¹⁾				
Group 1	1.4960	–	1.4960	n/a
Group 2	1.3597	0.1363	1.4960	n/a
'K' Class (Income-2 shares)⁽¹⁾				
Group 1	1.7010	–	1.7010	n/a
Group 2	1.5579	0.1431	1.7010	n/a
'L' Class (Accumulation shares)				
Group 1	2.0388	–	2.0388	2.2353
Group 2	1.0741	0.9647	2.0388	2.2353
'L' Class (Income-2 shares)				
Group 1	2.0824	–	2.0824	2.3452
Group 2	1.2110	0.8714	2.0824	2.3452
'S' Class (Income-2 shares)				
Group 1	1.9918	–	1.9918	2.2363
Group 2	1.2166	0.7752	1.9918	2.2363

(1) Launched 7 April 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 2018

	Note	30.09.18 £'000	£'000	30.09.17 £'000	£'000
Income					
Net capital gains	4		34,285		61,574
Revenue	6	6,050		9,281	
Expenses	7	(3,138)		(3,427)	
Interest payable and similar charges		(1)		–	
Net revenue before taxation		2,911		5,854	
Taxation	8	(58)		(273)	
Net revenue after taxation			2,853		5,581
Total return before distribution			37,138		67,155
Distribution	9		(2,859)		(5,590)
Change in net assets attributable to shareholders from investment activities			34,279		61,565

Statement of Change in Net Assets Attributable to Shareholders

For the year ended 30 September 2018

	30.09.18 £'000	£'000	30.09.17 £'000	£'000
Opening net assets attributable to shareholders		317,718		377,617
Amounts receivable on creation of shares	6,089		2,052	
Amounts payable on cancellation of shares	(58,857)		(127,689)	
		(52,768)		(125,637)
Dilution adjustment		–		35
Change in net assets attributable to shareholders from investment activities		34,279		61,565
Retained distributions on accumulation shares		2,300		4,138
Closing net assets attributable to shareholders		301,529		317,718

Notes to the financial statements are on pages 167 to 170.

Balance Sheet

As at 30 September 2018

	Note	30.09.18 £'000	£'000	30.09.17 £'000	£'000
ASSETS					
Investments assets			297,506		305,478
Current assets					
Debtors	10	751		1,665	
Cash and bank balances		4,284		14,042	
Total other assets			5,035		15,707
Total assets			302,541		321,185
LIABILITIES					
Creditors					
Distribution payable		358		614	
Other creditors	11	654		2,853	
Total liabilities			1,012		3,467
Net assets attributable to shareholders			301,529		317,718

Notes to the financial statements are on pages 167 to 170.

UK Smaller Companies Fund

Notes to the Financial Statements

For the year ended 30 September 2018

1. Accounting policies

The Accounting policies for the Fund are disclosed in the notes to the financial statements on page 91.

2. Distribution policies

The Distribution policies for the Fund are disclosed in the notes to the financial statements on pages 91 to 92.

3. Risk management policies

The Risk management policies for the Fund are disclosed in the notes to the financial statements on pages 92 to 102.

4. Net capital gains

The net capital gains during the year comprise:

	30.09.18 £'000	30.09.17 £'000
Losses on foreign exchange	(22)	(41)
Non-derivative securities	34,325	61,628
Transaction charges	(18)	(13)
Net capital gains	34,285	61,574

5. Purchases, sales and transaction costs

Analysis of total trade costs

	Purchases		Sales	
	30.09.18 £'000	30.09.17 £'000	30.09.18 £'000	30.09.17 £'000
Equities	187,879	48,685	228,884	179,876
Commissions				
Equities	81	30	(127)	(118)
Taxes				
Equities	499	90	(6)	(1)
Total costs	580	120	(133)	(119)
Net trades in the year after transaction costs	188,459	48,805	228,751	179,757

Total transaction cost expressed as a percentage of asset type cost

	Purchases		Sales	
	30.09.18 %	30.09.17 %	30.09.18 %	30.09.17 %
Commissions				
Equities	0.04	0.06	0.06	0.07
Taxes				
Equities	0.27	0.19	–	–

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

	30.09.18 %	30.09.17 %
Commissions	0.07	0.04
Taxes	0.16	0.03
Total costs	0.23	0.07

Average portfolio dealing spread

The average portfolio dealing spread at the balance sheet date was 1.30% (30.09.17: 1.20%).

6. Revenue

	30.09.18 £'000	30.09.17 £'000
Bank interest	22	8
Overseas dividends	531	3,205
UK dividends	5,056	5,879
Property revenue from UK REITs – PID	403	41
Property revenue from UK REITs – Non PID	38	148
Total revenue	6,050	9,281

UK Smaller Companies Fund

Notes to the Financial Statements continued

For the year ended 30 September 2018

7. Expenses

	30.09.18 £'000	30.09.17 £'000
Payable to the ACD or associates of the ACD, and agents of either of them:		
ACD fee	2,902	3,137
General administration charge (GAC)	221	270
	3,123	3,407
Payable to the Depositary or associates of the Depositary, and agents of either of them:		
Safe custody fee	16	20
	16	20
Other expenses:		
VAT refund	(1)	–
	(1)	–
Total expenses	3,138	3,427

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

The audit fee for the year is £8,300 (30.09.17: £8,100).

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

	30.09.18 £'000	30.09.17 £'000
Overseas tax	58	273
Current tax charge	58	273
Deferred tax charge (note 8(c))	–	–
Total tax charge (note 8(b))	58	273

(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%) (30.09.17: 20%). The differences are explained below:

	30.09.18 £'000	30.09.17 £'000
Net revenue before taxation	2,911	5,854
Corporation tax of 20%	582	1,171
Effects of:		
Movement in excess management expenses	564	522
Overseas tax	58	273
Revenue not subject to taxation	(1,117)	(1,663)
Movement in excess management expenses: adjustment in respect of prior years	(23)	–
Overseas tax expensed	(6)	(30)
Total tax charge (note 8(a))	58	273

(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 £8,569,000 (2017: £8,004,000) 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 take account of equalisation received on the creation of shares and deducted on the cancellation of shares, and comprises:

	30.09.18 £'000	30.09.17 £'000
Final	2,658	4,752
Add: Equalisation deducted on cancellation of shares	222	855
Less: Equalisation received on creation of shares	(21)	(17)
Net distribution for the year	2,859	5,590

The net distribution for the year is represented by:

	30.09.18 £'000	30.09.17 £'000
Net revenue after taxation	2,853	5,581
Equalisation on conversion of shares	6	9
Net distribution for the year	2,859	5,590

10. Debtors

	30.09.18 £'000	30.09.17 £'000
Accrued dividends and bank interest	679	1,153
Amounts receivable for creation of shares	26	11
Overseas tax recoverable	46	32
Sales awaiting settlement	–	469
	751	1,665

11. Other creditors

	30.09.18 £'000	30.09.17 £'000
Amounts payable for cancellation of shares	397	1,679
Purchases awaiting settlement	–	905
Accrued ACD fees	233	245
Accrued general administration charge (GAC)	17	19
Accrued safe custody fee	4	3
Accrued transaction charges	3	2
	654	2,853

12. Capital commitments and contingent liabilities

The Fund had no contingent liabilities or capital commitments at the year end date (30.09.17: 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 £26,509,130 (30.09.17: £1,146,953) and £29,508,053 (30.09.17: £28,991,080) respectively where Investec Bank acted as broker, commission of £28,479 (30.09.17: £17,613) 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 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.

At the year end date 0.30% of the Fund's shares (by net asset value) were held by other Funds managed by the ACD (30.09.17: 1.19%).

14. Dilution adjustment

Please refer to note 4 of the notes to the financial statements of the company 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 2018 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.

UK Smaller Companies Fund

Notes to the Financial Statements continued

For the year ended 30 September 2018

Reconciliation of the shares movement in the year:

	30.09.17 Opening shares in issue	Creations	Cancellations	Shares converted	30.09.18 Closing shares in issue
'A' Class (Accumulation shares)	1,513,619	42,759	(219,372)	(22,427)	1,314,579
'A' Class (Income shares)	225,254	3,213	(48,579)	(4,317)	175,571
'I' Class (Accumulation shares)	98,158,134	688,736	(17,283,151)	318,411	81,882,130
'I' Class (Income shares)	541,164	26,410	(86,181)	2,068	483,461
'R' Class (Accumulation shares)	485,592	49,843	(36,580)	192,523	691,378
'S' Class (Accumulation shares)	57,735	11,150	(36,185)	–	32,700
'S' Class (Income shares)	–	–	–	–	–

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	30.09.18		30.09.17	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
Level 1	297,506	–	305,478	–
Level 2	–	–	–	–
Level 3	–	–	–	–
Total fair value	297,506	–	305,478	–

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 2018

Final distribution payable 30 November 2018

Group 1 - Shares purchased before 1 October 2017

Group 2 - Shares purchased between 1 October 2017 and 30 September 2018

	Net Income pence	Equalisation pence	Distribution payable 30.11.18 pence	Distribution paid 30.11.17 pence
'A' Class (Accumulation shares)				
Group 1	16.2268	–	16.2268	42.9573
Group 2	10.2541	5.9727	16.2268	42.9573
'A' Class (Income shares)				
Group 1	14.6912	–	14.6912	39.3720
Group 2	8.6380	6.0532	14.6912	39.3720
'I' Class (Accumulation shares)				
Group 1	2.4944	–	2.4944	3.4727
Group 2	1.5356	0.9588	2.4944	3.4727
'I' Class (Income shares)				
Group 1	68.6084	–	68.6084	97.0608
Group 2	44.9389	23.6695	68.6084	97.0608
'R' Class (Accumulation shares)				
Group 1	1.7401	–	1.7401	2.7092
Group 2	1.0905	0.6496	1.7401	2.7092
'S' Class (Accumulation shares)				
Group 1	98.2819	–	98.2819	113.6834
Group 2	68.3562	29.9257	98.2819	113.6834

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 2018

	Note	30.09.18 £'000	£'000	30.09.17 £'000	£'000
Income					
Net capital (losses)/gains	4		(9,709)		133,247
Revenue	6	31,475		33,608	
Expenses	7	(9,185)		(10,463)	
Interest payable and similar charges	8	(4)		–	
Net revenue before taxation		22,286		23,145	
Taxation	9	(107)		(110)	
Net revenue after taxation			22,179		23,035
Total return before distribution			12,470		156,282
Distribution	10		(22,255)		(23,077)
Change in net assets attributable to shareholders from investment activities			(9,785)		133,205

Statement of Change in Net Assets Attributable to Shareholders

For the year ended 30 September 2018

	30.09.18 £'000	£'000	30.09.17 £'000	£'000
Opening net assets attributable to shareholders		1,090,320		1,007,464
Amounts receivable on creation of shares	76,057		81,285	
Amounts payable on cancellation of shares	(329,152)		(147,401)	
		(253,095)		(66,116)
Change in net assets attributable to shareholders from investment activities		(9,785)		133,205
Retained distributions on accumulation shares		12,002		15,759
Unclaimed distributions		7		8
Closing net assets attributable to shareholders		839,449		1,090,320

Notes to the financial statements are on pages 173 to 177.

Balance Sheet

As at 30 September 2018

	Note	30.09.18 £'000	£'000	30.09.17 £'000	£'000
ASSETS					
Investments assets			823,075		1,066,946
Current assets					
Debtors	11	7,444		6,843	
Cash and bank balances	12	20,302		33,500	
Total other assets			27,746		40,343
Total assets			850,821		1,107,289
LIABILITIES					
Investment liabilities			114		1,061
Creditors					
Bank overdrafts		1,259		–	
Distribution payable		7,145		6,814	
Other creditors	13	2,854		9,094	
Total other liabilities			11,258		15,908
Total liabilities			11,372		16,969
Net assets attributable to shareholders			839,449		1,090,320

Notes to the financial statements are on pages 173 to 177.

UK Special Situations Fund

Notes to the Financial Statements

For the year ended 30 September 2018

1. Accounting policies

The Accounting policies for the Fund are disclosed in the notes to the financial statements on page 91

2. Distribution policies

The Distribution policies for the Fund are disclosed in the notes to the financial statements on pages 91 to 92.

3. Risk management policies

The Risk management policies for the Fund are disclosed in the notes to the financial statements on pages 92 to 102.

4. Net capital (losses)/gains

The net capital (losses)/gains during the year comprise:

	30.09.18 £'000	30.09.17 £'000
(Losses)/gains on foreign exchange	(394)	70
Derivatives contracts	(9,386)	(13,961)
Non-derivative securities	91	147,146
Transaction charges	(20)	(8)
Net capital (losses)/gains	(9,709)	133,247

5. Purchases, sales and transaction costs

Analysis of total trade costs

	Purchases		Sales	
	30.09.18	30.09.17	30.09.18	30.09.17
Equities	225,344	211,910	423,602	280,381
Bonds	–	46,914	46,607	46,980
Futures*	–	–	–	–
Trades excluding transaction costs	225,344	258,824	470,209	327,361
Commissions				
Equities	91	171	(188)	(236)
Bonds	–	–	–	–
Futures*	–	–	–	(4)
Total commissions	91	171	(188)	(240)
Taxes				
Equities	851	895	(2)	(1)
Bonds	–	–	–	–
Futures*	–	–	–	–
Total taxes	851	895	(2)	(1)
Total costs	942	1,066	(190)	(241)
Net trades in the year after transaction costs	226,286	259,890	470,019	327,120

Total transaction cost expressed as a percentage of asset type cost

	Purchases		Sales	
	30.09.18 %	30.09.17 %	30.09.18 %	30.09.17 %
Commissions				
Equities	0.04	0.08	0.04	0.08
Bonds	–	–	–	–
Futures*	–	–	–	–
Taxes				
Equities	0.38	0.42	–	–
Bonds	–	–	–	–
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

	30.09.18 %	30.09.17 %
Commissions	0.03	0.04
Taxes	0.09	0.08
Total costs	0.12	0.12

Average portfolio dealing spread

The average portfolio dealing spread at the balance sheet date was 0.13% (30.09.17: 0.08%).

UK Special Situations Fund

Notes to the Financial Statements continued

For the year ended 30 September 2018

6. Revenue

	30.09.18 £'000	30.09.17 £'000
Bank interest	5	5
Interest on debt securities	77	111
Overseas dividends	2,360	2,925
UK dividends	28,093	29,792
Property revenue from UK REITs – PID	566	688
Property revenue from UK REITs – Non PID	348	71
Margin interest	26	16
Total revenue	31,475	33,608

7. Expenses

	30.09.18 £'000	30.09.17 £'000
Payable to the ACD or associates of the ACD, and agents of either of them:		
ACD fee	8,439	9,552
General administration charge (GAC)	694	849
	9,133	10,401
Payable to the Depositary or associates of the Depositary, and agents of either of them:		
Safe custody fee	53	62
	53	62
Other expenses:		
VAT refund	(1)	–
	(1)	–
Total expenses	9,185	10,463

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

The audit fee for the year is £9,400 (30.09.17: £9,200).

8. Interest payable and similar charges

	30.09.18 £'000	30.09.17 £'000
Interest	1	–
Margin Interest	3	–
Total interest payable and similar charges	4	–

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

	30.09.18 £'000	30.09.17 £'000
Overseas tax	107	110
Current tax charge	107	110
Deferred tax charge (note 9(c))	–	–
Total tax charge (note 9(b))	107	110

(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%) (30.09.17: 20%). The differences are explained below:

	30.09.18 £'000	30.09.17 £'000
Net revenue before taxation	22,286	23,145
Corporation tax of 20%	4,457	4,629
Effects of:		
Movement in excess management expenses	1,703	1,929
Overseas tax	107	110
Revenue not subject to taxation	(6,160)	(6,558)
Total tax charge (note 9(a))	107	110

(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 £16,309,000 (2017: £14,606,000) 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 take account of equalisation received on the creation of shares and deducted on the cancellation of shares, and comprises:

	30.09.18 £'000	30.09.17 £'000
Final	19,147	22,573
Add: Equalisation deducted on cancellation of shares	3,853	1,338
Less: Equalisation received on creation of shares	(745)	(834)
Net distribution for the year	22,255	23,077

The net distribution for the year is represented by:

	30.09.18 £'000	30.09.17 £'000
Net revenue after taxation	22,179	23,035
Equalisation on conversion of shares	74	42
Expenses charged to capital:		
ACD fee	1	1
General administration charge (GAC)	1	–
Net movement in revenue account	–	(1)
Net distribution for the year	22,255	23,077

11. Debtors

	30.09.18 £'000	30.09.17 £'000
Accrued bond interest	9	120
Accrued dividends and bank interest	2,214	3,128
Amounts receivable for creation of shares	1,358	793
Overseas tax recoverable	2	3
Sales awaiting settlement	3,861	2,799
	7,444	6,843

12. Cash and bank balances

	30.09.18 £'000	30.09.17 £'000
Cash and bank balances	17,423	29,718
Amount held at futures clearing houses and brokers	2,879	3,782
	20,302	33,500

13. Other creditors

	30.09.18 £'000	30.09.17 £'000
Amounts payable for cancellation of shares	706	5,423
Purchases awaiting settlement	1,491	2,814
Accrued ACD fees	592	781
Accrued general administration charge (GAC)	47	64
Accrued safe custody fee	12	10
Accrued transaction charges	6	2
	2,854	9,094

14. Capital commitments and contingent liabilities

The Fund had no contingent liabilities or capital commitments at the year end date (30.09.17: Nil).

UK Special Situations Fund

Notes to the Financial Statements continued

For the year ended 30 September 2018

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 £19,126 (30.09.17: £6,439,088) and £13,576,681 (30.09.17: £8,372,692) respectively where Investec Bank acted as broker, commission of £8,162 (30.09.17: £8,869) 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 Nil% of the Fund's shares (by net asset value) were held by other Funds managed by the ACD (30.09.17: 2.54%).

16. ACD Fee and charges

The different level of ACD fees payable per annum as at 30 September 2018 for each share class is detailed below:

'A' Shares	1.50%
'B' Shares	1.00%
'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:

	30.09.17 Opening shares in issue	Creations	Cancellations	Shares converted	30.09.18 Closing shares in issue
'A' Class (Accumulation shares)	7,457,324	150,515	(2,210,918)	(690,132)	4,706,789
'A' Class (Income shares)	25,461,949	988,909	(5,249,784)	(4,032,360)	17,168,714
'A' Class (Income-2 shares)	5,047	21	(1,079)	–	3,989
'B' Class (Accumulation shares)	551,371	275	(44,514)	(12,263)	494,869
'B' Class (Income shares)	791,163	92,714	(71,223)	(384,604)	428,050
'I' Class (Accumulation shares)	270,951,766	5,552,757	(102,356,292)	2,011,404	176,159,635
'I' Class (Income shares)	78,569,759	2,618,602	(29,552,071)	7,046,885	58,683,175
'I' Class (Income-2 shares)	129,900	21,202	(60,392)	–	90,710
'J' Class (Accumulation shares)	88,529,884	9,459,297	(21,432,311)	3,800,470	80,357,340
'J' Class (Income shares)	92,415,909	38,927,384	(6,414,945)	9,049,791	133,978,139
'J' Class (Income-2 shares)	668	21	–	–	689
'R' Class (Accumulation shares)	372,999	4,852	(27,187)	–	350,664
'S' Class (Accumulation shares)	7,642	1,406	(2,615)	–	6,433

17. 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.

18. Efficient portfolio management techniques risk exposure

The exposure obtained through efficient portfolio management techniques and identity of counterparties as at 30 September 2018 was as follows:

(a) Futures

Counterparty	Market Value 30.09.18 £'000	Value of exposure 30.09.18 £ '000
Goldman Sachs	(114)	30,952
Total	(114)	30,952

Counterparty	Market Value 30.09.17 £'000	Value of exposure 30.09.17 £ '000
Goldman Sachs	(1,061)	75,406
Total	(1,061)	75,406

19. Fair value

Valuation technique	30.09.18		30.09.17	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
Level 1	822,164	(114)	1,065,987	(1,061)
Level 2	911	–	959	–
Level 3	–	–	–	–
Total fair value	823,075	(114)	1,066,946	(1,061)

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 Table

For the year ended 30 September 2018

Final distribution payable 30 November 2018

Group 1 - Shares purchased before 1 October 2017

Group 2 - Shares purchased between 1 October 2017 and 30 September 2018

	Net Income pence	Equalisation pence	Distribution payable 30.11.18 pence	Distribution paid 30.11.17 pence
'A' Class (Accumulation shares)				
Group 1	19.9307	–	19.9307	17.9009
Group 2	12.9433	6.9874	19.9307	17.9009
'A' Class (Income shares)				
Group 1	7.6568	–	7.6568	6.9886
Group 2	5.1625	2.4943	7.6568	6.9886
'A' Class (Income-2 shares)				
Group 1	3.4048	–	3.4048	3.2927
Group 2	2.7514	0.6534	3.4048	3.2927
'B' Class (Accumulation shares)				
Group 1	27.8674	–	27.8674	25.3095
Group 2	16.9325	10.9349	27.8674	25.3095
'B' Class (Income shares)				
Group 1	10.3138	–	10.3138	9.5615
Group 2	8.2120	2.1018	10.3138	9.5615
'I' Class (Accumulation shares)				
Group 1	4.7278	–	4.7278	4.3094
Group 2	3.0374	1.6904	4.7278	4.3094
'I' Class (Income shares)				
Group 1	3.4781	–	3.4781	3.2367
Group 2	2.2543	1.2238	3.4781	3.2367
'I' Class (Income-2 shares)				
Group 1	3.4909	–	3.4909	3.3296
Group 2	1.8129	1.6780	3.4909	3.3296
'J' Class (Accumulation shares)				
Group 1	3.2155	–	3.2155	2.9306
Group 2	1.6988	1.5167	3.2155	2.9306
'J' Class (Income shares)				
Group 1	2.7928	–	2.7928	2.6097
Group 2	1.6419	1.1509	2.7928	2.6097
'J' Class (Income-2 shares)				
Group 1	3.5024	–	3.5024	3.3341
Group 2	2.8322	0.6702	3.5024	3.3341
'R' Class (Accumulation shares)				
Group 1	3.2128	–	3.2128	2.9189
Group 2	1.7514	1.4614	3.2128	2.9189
'S' Class (Accumulation shares)				
Group 1	41.9117	–	41.9117	38.3580
Group 2	13.9238	27.9879	41.9117	38.3580

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 2018

GLOBAL DATA

Assets engaged in SFTs and total return swaps	Fund assets under management (AUM) £'000	
Diversified Income Fund	592,452	
Absolute value of assets engaged in total return swaps:	Underlying exposure value £'000	% of net assets
Diversified Income Fund	66	0.01%

CONCENTRATION DATA

Counterparty	Counterparty's country of establishment	Underlying exposure value £'000	Settlement and clearing
Diversified Income Fund			
Standard Chartered	UK	66	Bi-lateral

AGGREGATE TRANSACTION DATA

Type, Quality and Currency of Collateral

Type	Quality	Currencies
------	---------	------------

Total return swaps

Diversified Income 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
Diversified Income Fund								
Total return swaps	–	–	–	–	66	–	–	66

RETURN AND COST

	Collective Investment Undertaking £'000	Manager of Collective Investment Undertaking £'000	Third Parties (e.g. lending agent) £'000	Total £'000
Diversified Income Fund				
Total return swaps				
Gross return	5	–	–	5
% of total gross return	100.00%	–	–	–
Cost	–	–	–	–

Other information

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 2018 and will be distributed to shareholders, where applicable, on 30 November 2018. For accumulations shares income distribution payments are deemed to be paid on 30 November 2018.

Telephone calls

There were no cross holdings between sub-funds in Investec Funds Series i as at 30 September 2018.

Cross holding table

There were no cross holdings between sub-funds in Investec Funds Series i as at 30 September 2018.

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 2017-18 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 2017-18 to senior management and members of staff whose actions have a material impact on the risk profile of IFML.

Aggregate Remuneration	£163,276
Senior Management	£159,940
Other individuals with material impact	£3,336
No of staff	9

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.

Glossary (Unaudited) continued

Maturity

With regards to bonds, maturity refers to the time at which the principal of the bond is repayable and it ceases to exist. In terms of a pension fund, it conveys the average age of the membership and the time until benefits are payable.

Outperformance

The return of a fund in excess of the comparative performance index.

Overweight

When a fund has greater exposure to an asset than the comparative performance index.

Peer group

A group of funds that can be compared with one another for performance purposes. A peer group will usually be based on the funds' investment scope, for example UK equities.

Performance

The results of an investment over a given period.

Portfolio

A grouping of financial assets, such as equities, bonds and cash equivalents. Portfolios are held directly by investors and/or managed by financial professionals.

Rally

A swift rise.

Real estate

An asset class comprising buildings and land.

Risk premium

The extra return expected by an investor in compensation for holding a risky asset.

Security

A general term for a tradable financial instrument.

Short-term investment

Investments that are held for or mature in 12 months or less.

Standard deviation

A measure of risk, deriving from the historic volatility of a particular asset.

Top-down investing

Contrasting with bottom-up analysis, a top-down approach to investment analysis begins with an assessment of macroeconomic factors, then business cycles before moving on to look at individual sectors and companies.

Treasuries

Debt securities issued by the US government. Treasuries fall under three categories: treasury bills (T-bills), treasury notes (T-notes) and treasury bonds (T-bonds).

Underweight

When a fund has less exposure to an asset than the benchmark.

Volatility

Price movements. Standard deviation is a measure of an asset's historic volatility.

Year-to-date (YTD)

Refers to the period extending from the beginning of the current calendar year to the present date.

Yield

A measure of the income return earned on an investment. In the case of a share the yield expresses the annual dividend payment as the percentage of the market price of the share. In the case of a property, it is the rental income as a percentage of the capital value. In the case of a bond the running yield (or flat or current yield) is the annual interest payable as a percentage of the current market price. The redemption yield (or yield to maturity) allows for any gain or loss of capital which will be realised at the maturity date.

Yield curve

A graphical representation of all the yields of bonds of the same quality with maturities ranging from the shortest to the longest available.

Yield spread

The difference in yield between different bonds.

Yield to maturity

The annualised return (internal rate of return) that would be earned on a bond if held to maturity.

Directory (Unaudited)

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